

# AMES Australia ANNUAL REPORT

2019–2020

Full participation for all in a cohesive and diverse society

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# CONTENTS

<b>PART A: REPORT OF OPERATIONS</b>	1
Declaration in Report of Operations	1
Attestation for Financial Management Compliance	1
About AMES Australia	2
Joint Statement from the Board Chair and CEO	3
Corporate Governance	5
AMES Australia Board	6
Organisational Structure	8
Executive Officers	8
Workforce Data	9
Settlement Portfolio	10
Education and Training Portfolio	13
Employment Portfolio	18
Community Development and Social Participation	20
Prevention of Violence Against Women	22
Volunteering	22
Multicultural Hub and Drill Hall	23
Research and Policy	24
Graham Sherry OAM Scholarship	27
Corporate Support	27
Work Health and Safety	32
Office-based Environmental Impacts	34
Other Legislative Compliance	35
Social Procurement Strategy	38
Consultancies	39
ICT Expenditure	39
Government Advertising Expenditure	39
Local Jobs First	39
Key Performance Outcomes and Measures	40
Fiver Year Financial Summary	42
Disclosure Index	43
Acronyms	45
<b>PART B: FINANCIAL STATEMENTS</b>	46
AMES Australia Consolidated Annual Financial Report for the year ended 30 June 2020 (page 1–59)	

# 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 2020.



Stuart Crosby  
AMES Australia Board Chair  
22 September 2020

## Attestation for Financial Management Compliance with Ministerial Standing Direction 5.1.4

### 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 2018 under the *Financial Management Act 1994* and Instructions.



Stuart Crosby  
AMES Australia Board Chair  
31 August 2020

# About AMES Australia

AMES Australia is a Victorian statutory authority with 69 years' experience in supporting Culturally and Linguistically Diverse (CALD) communities. Our vision is 'full participation for all in a cohesive and diverse society'. AMES Australia achieves its vision through innovation, partnership, influence and sustainability.

AMES Australia provides public value through its seamless end-to-end settlement services and shares its expertise with other countries to develop policies and practices to establish effective resettlement programs.

In 2019–20 AMES Australia provided a comprehensive range of settlement support, English language and literacy tuition, vocational training and employment services in Victoria, South Australia, Tasmania and Western Sydney to the following cohorts:

- Refugees
- Asylum seekers
- Skilled and recently arrived migrants
- Job seekers
- Youth

AMES Australia focuses on the strengths and skills of individuals and encourages them to use and develop these assets to assist their successful settlement. This strengths-based approach underpins our services.

AMES Australia recognises the benefits of working in partnership with government, employers, community groups, settlement agencies, educational institutions and specialist organisations to provide effective services. AMES Australia undertakes research to generate new knowledge about its clients and their communities to provide credible evidence to inform service development, practice, government and key stakeholders on policies that impact on settlement outcomes.

## Strategic Priorities

AMES Australia's framework for social and economic participation seeks to achieve short and long-term outcomes for individuals, families and the broader community.

This framework drives our strategic priorities 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 employees and volunteers.

## Key Services delivered in 2019–20 through Commonwealth and Victorian government contracts

Humanitarian Settlement Program (AMES Australia and subcontractors)	11,576 clients
Status Resolution Support Services (AMES Australia and subcontractors)	1,774 clients
Adult Migrant English Program (AMES Australia and subcontractors)	608 clients
Skills First (AMES Australia)	1,753 clients
Skills for Education and Employment Program (Consortium)	1,088 clients
Pre-accredited Language Program (AMES Australia)	1,158 clients
jobactive (Consortium)	10,891 clients



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

Never in its 70 years has AMES Australia faced challenges and difficulties such as those it has confronted in the second half of the financial year 2019–20 as a result of the COVID-19 pandemic. It is a cliché to say that we are living in unprecedented times; but none of us could have imagined 12 months ago that we would be in the midst of a global pandemic that has resulted in a significant number of deaths as well as the decimation of economies across the globe, with people left fearful and too often destitute.

AMES Australia has had to be innovative in the way it has adapted to working in the face of the pandemic — with many working remotely. And AMES Australia had to be nimble in responding to the fluid and constantly changing business environment.

We are particularly proud of how everyone at AMES Australia — employees, volunteers, clients and partners have shown great compassion, commitment and agility in responding to the crisis.

Because of this, AMES Australia has been able to continue to support clients — some of whom are the most vulnerable in our community, particularly to the negative impacts of the pandemic.

It has also been an inspiration to see the resilience of our clients in the face of often dire circumstances, with many bravely facing the burdens of pandemic restrictions and others continuing to operate businesses or find employment. We have all had to learn to cope with uncertainty.

In times like these, it is important to reflect on the positive things achieved at AMES Australia. This Annual Report offers a valuable opportunity to record the work of AMES Australia over the 2019–20 financial year, a year that saw significant progress aligned with our strategic plan and our mission to deliver our vision of 'full participation for all in a cohesive and diverse society'.

AMES Australia's continuous enhancement of its digital capability and infrastructure facilitated the necessary transition to working remotely. Where possible, employees are working from home, collaborating and delivering services through a range of generic and AMES-developed digital platforms.

We have been successfully delivering most of our education, employment, youth and settlement programs using these platforms. Classes and assessments have been held remotely, delivered on desktop or mobile platforms and, similarly, the Skilled Professional Migrant Program (SPMP) was delivered entirely online. Employment services are also being delivered through telephone conferencing and online.

We have developed a suite of multilingual videos, factsheets and graphics to support our clients to stay informed and navigate life under COVID-19 restrictions — mostly delivered online or through social media.

In difficult times, AMES Australia has continued to deliver programs that support migrant and refugee settlement, social cohesion and economic and social participation while also continuing to research, develop and document best practice in these fields.

Through the Humanitarian Settlement Program (HSP) we have supported 11,576 clients in Victoria, South Australia and Tasmania as well as 1,774 Status Resolution Support Services (SRSS) clients.

The jobactive Consortium supported 10,891 clients in their search for meaningful and sustainable employment in both Victoria and NSW.

Our education and vocational training programs saw 4,607 clients supported to improve their English or complete vocational training.

AMES Australia's Youth Services program supported more than 800 young people from CALD and Indigenous backgrounds who have suffered disadvantage or disengagement to find pathways to education and employment.

Our Prevention of Violence against Women (PVAW) program entered its fourth year and continued to provide critical support and resources to empower CALD leaders to combat family violence within their own communities.

We continue to forge and foster partnerships with the community, government and corporate sectors to promote settlement, education and employment outcomes for our clients. As part of this work, we have continued to facilitate the resettlement of refugees and migrants in parts of regional Australia where employment or educational opportunities exist.

AMES Australia has been advising government and other groups on the effects of COVID-19 on diverse communities, including: providing CALD expertise to parliamentary inquiries; holding webinars for educators and frontline workers; delivering briefing papers to educational authorities on priority CALD cohorts, and; strengthening CALD community inclusion.

It is clear we will continue to face challenges as an organisation with the social and economic fallout from the pandemic adding an extra layer of uncertainty about the future. AMES Australia has commenced work to strategically position itself to be able to adapt to economic uncertainty and move forward sustainably.

We would like to again acknowledge the resilience, hard work and adaptability shown by employees across the organisation in delivering unwavering service to our clients and maintaining camaraderie with colleagues. Our employees and volunteers have displayed remarkable professionalism and commitment and we would like to thank them all.

We would also like to thank and acknowledge our colleagues on the Executive and the members of the Board of AMES Australia.

On the other side of this pandemic, migration will be a vital driver of recovery and economic prosperity, even more important than before. AMES Australia stands ready to support newcomers to this country to realise their potential to make positive contributions.

There will be many challenges for us in the future, some already apparent and other we cannot foresee. We believe AMES Australia has the innovative capacity, skills and corporate knowledge to be able to face and overcome these challenges, and to grow and enhance the support we offer to our clients and community as they strive to take their place in the Australian society.

### **Stuart Crosby**

Chair, AMES Australia

### **Cath Scarth**

CEO, AMES Australia

#### **Our Client Promise**

*AMES Australia is committed to working with new arrivals and long term residents to help them feel welcomed, confident, connected and independent. As a recognised leader in migrant and refugee settlement, AMES Australia offers useful, responsive and supportive services that empower our clients to build successful lives for themselves. Through this work, we believe Australia can be a more inclusive, productive and diverse multicultural society.*

# Corporate Governance

## Establishment

From humble beginnings teaching English to new arrivals in makeshift classrooms in 1951, AMES Australia has grown to be Australia's pre-eminent service provider delivering a broad range of programs and services.

AMES Australia was originally established under the *Education Act 1958* and reconstituted under the *Council of Adult Education Act 1981*. On 1 March 2001, the *Council of Adult Education Act 1981* was repealed, and the Institution continued as Adult Multicultural Education Services under the *Adult, Community and Further Education Act 1981*. Since 1 July 2007, AMES Australia has continued in existence 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 a statutory authority governed by a Board accountable to the relevant Victorian Minister for Training and Skills, and Minister for Higher Education.

## Objectives and Functions

### Objectives in accordance with the *Education and Training Reform Act 2006 (the Act)*

- To perform its functions for the public benefit by:
  - operating its businesses, delivering educational services and utilising assets that it manages on the State's behalf as efficiently as possible
  - ensuring that it is sustainable in the medium to long term
  - ensuring that its procedures, policies and practices are consistent with prudent commercial practice
  - endeavouring to maximise its contribution to the economy and well-being of the State.
- To provide the community served by the institution with efficient and effective adult, community and further education, vocational education and training, employment and other associated programs and services responsive to the needs of that community.
- To facilitate adult, community and further education, knowledge acquisition and skills for employment through excellent teaching, innovation and educational leadership that delivers quality outcomes.
- To monitor the structure, reach and accessibility of services to maximise their availability to new and emerging communities and client groups.

### Functions in accordance with the Act

- To undertake generally the development and provision of adult, community and further education, vocational education and training, employment and other associated programs and services considered necessary for the objectives of the adult education institution.
- To provide facilities or services for study, research or education.
- To undertake research, development, counselling or other services for commercial organisations.
- To aid or engage in the development or promotion of research by the institution or the application or use of the results of that research.
- To prepare, publish or distribute or license the use of literary or artistic work, audio or audio-visual material or computer software.
- To seek or encourage gifts to the institution or for institution purposes.
- To provide facilities for use by the community.
- Any other function conferred on the institution by or under the Act or an Order in Council.



In addition to the objectives and functions set out in the Act, the Constitution of AMES Australia states that the:

- objectives of AMES Australia include providing specialist settlement services which improve the social and economic opportunities for people from CALD backgrounds
- functions of AMES Australia include undertaking generally the development and provision of specialist settlement services considered necessary for the objectives of the Institution.

## AMES Australia Board

The Board governs and sets the overall strategic direction of AMES Australia. In accordance with the Constitution of AMES Australia, the Board consists of ministerial nominee and board nominee directors appointed by the Minister for Training and Skills and Minister for Higher Education. The Board Chair is appointed by the Governor in Council.

	Appointment term in the reporting period	Committee membership	Board meeting attendance
Stuart Crosby, Board Chair	2019–22	# &	6/6
Megan Boston (Term ended on 1 June 2020)	2017–19	#	5/5
Stuart Alford	2018–21	+ &	6/6
Vedran Drakulic OAM	2018–21	# &	5/6
Dr Michelle Foster	2019–22	+	6/6
Ikenna Nwokolo	2018–21	+	5/6
Johanna Pride	2018–21	&	5/6
Catherina Toh	2019–22	+	5/6
Dr Mimmie Claudine Ngum Chi Watts	2018–21	#	5/6
Tracy Le	2018–21	+ &	6/6
Stelvio Vido (Term commenced on 2 June 2020)	2020–23		1/1

+ Finance, Audit and Risk Management Committee

# Appointments, Remuneration and Governance Committee

& Investment Committee

## Code of Conduct

The Board has adopted the Code of Conduct for Directors of Victorian Public Entities issued by the Victorian Public Sector Commission (VPSC). This Code of Conduct sets the standard of behaviour expected of Directors and statutory office holders from the date of their appointment.

## Performance Evaluation

The following performance evaluations were conducted to track changes in performance overtime, manage and monitor quality improvement and identify gaps in the composition of the Board and its standing committees:

- Director's performance self-assessment
- Chair's evaluation of individual directors
- Board and committees performance self-assessment
- Evaluation of the Chair's performance

The result of evaluations highlighted the following outcomes:

- A well-functioning collegiate Board with a great mix of skills, experience and perspectives, led by a Chair who is able to bring directors together.
- There is an excellent diversity of Board and committee membership.
- The Board and its standing committees have successfully focused their attention on long-term significant and strategic matters meeting its terms of reference.
- The relationship between the Chair, directors and the CEO is robust, collegiate and respectful.

## Board Committees

### Finance, Audit and Risk Management 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 audits and reviews the effectiveness and efficiency of internal control structures and compliance systems.

### Appointments, Remuneration and Governance Committee

The Appointments, Remuneration and Governance Committee is responsible for AMES Australia's 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.

### 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.

## Board Secretariat

The Board Secretariat supports the Board and its committees in ensuring that their governance and other obligations are complied with.

In addition the unit carries out functions relevant to privacy, public interest disclosure, freedom of information and information security. It also provides key leadership support in terms of high-level government and corporate compliance and reporting, business transition, sourcing legal advice, investigating complex issues and identifying solutions in collaboration with the Executive.

## Project Management Office (PMO)

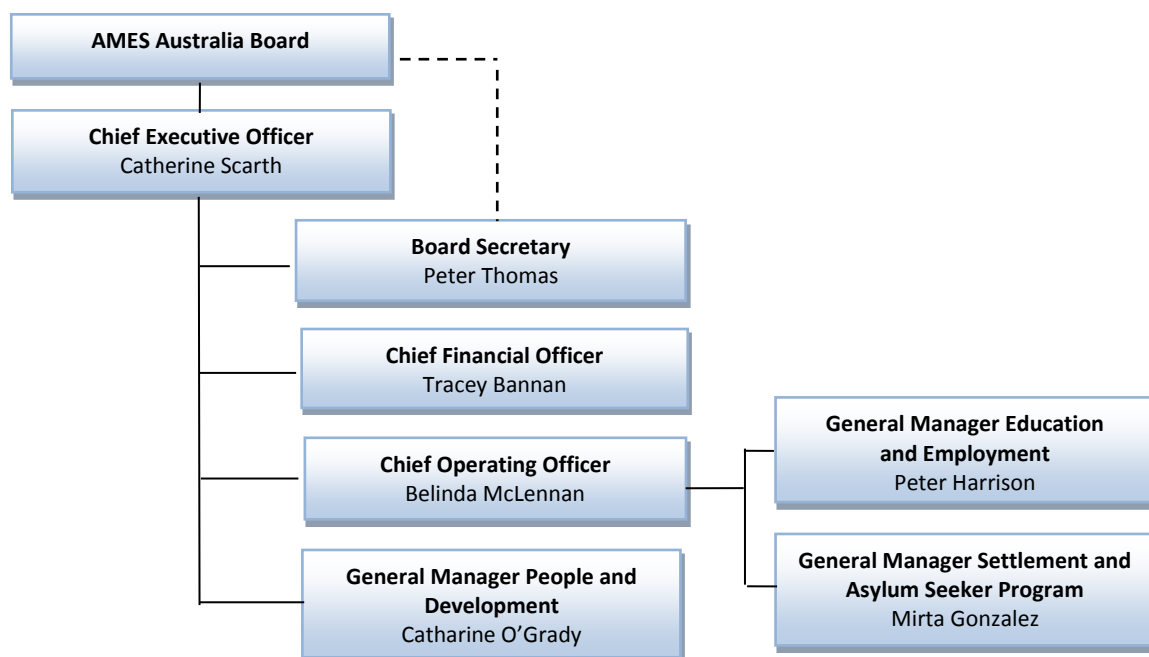
The PMO was established to respond to the unprecedented impact of COVID-19, assist with, operationalise and monitor the implementation of decisions and actions approved by the Executive.

When COVID-19 restrictions came into effect in March 2020, most employees started to work from home leaving only staff deemed essential on site. Some AMES Australia sites were placed into hibernation with restricted servicing and clients serviced elsewhere or remotely. Appropriate safeguards, information, protocols and supplies were provided. In response to stage four restrictions, all AMES Australia sites in Melbourne were placed into hibernation.

AMES Australia continued to manage the impact of COVID-19 by:

- implementing the COVID Safety Plan in accordance with the government guidelines and Return to Workplace Plan
- establishing various working groups to focus on matters related to finance, workforce, services and accommodation
- providing more frequent updates to the Board, employees, volunteers and clients through newsletters, bulletins, intranet, website, social media platforms and online meetings.

## Organisational Structure as at 30 June 2020



## Executive Officers (EO)\*

Class	Description	Male	Female	Self-described
EO - 3	Number of EO as at 30 June 2020	2	4	0
EO - 3	Number of EO who left during the financial year 2019–20	1	1	0
EO - 3	Number of EO reported as at 30 June 2019	3	4	0

\*EO disclosure does not include a statutory office holder or an accountable officer (AMES Australia CEO). Refer to Part B Consolidated Financial Report for the list of Executive Officers during the reporting period.

# Workforce Data

Headcount (H), full-time equivalent (FTE), full-time headcount (FTH) and part-time headcount (PTH) in the last full pay period in June 2020 and June 2019.

		June 2020								June 2019									
		All employees		Ongoing			Max term & Casual		Sessional		All employees		Ongoing			Max term & Casual		Sessional	
		H	FTE	FTH	PTH	FTE	H	FTE	H	FTE	H	FTE	FTH	PTH	FTE	H	FTE	H	FTE
Gender	Male	175	167	62	6	66	105	100	2	2	202	169	55	7	60	128	104	14	7
	Female	318	289	100	34	123	178	164	6	2	393	315	94	30	114	214	170	53	29
	Self-described	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Age	15-24	14	11	0	0	0	14	11	0	0	18	13	1	0	1	17	12	0	0
	25-34	107	102	21	6	24	80	78	0	0	133	115	24	6	28	101	86	2	1
	35-44	159	153	54	10	62	93	90	2	1	165	141	41	9	48	106	88	8	5
	45-54	99	90	39	14	48	45	42	0	0	127	101	44	12	51	55	42	17	9
	55-64	92	83	43	7	48	39	33	4	2	116	93	35	9	41	48	36	26	16
	65+	22	17	5	3	7	12	10	2	1	36	21	4	1	5	15	10	14	5
Admin+	1	4	3	0	0	0	4	3	0	0	4	3	0	0	0	4	3	0	0
	2	164	146	45	20	57	99	89	0	0	211	154	40	16	49	155	104	0	0
	3	164	161	56	8	61	100	100	0	0	160	150	52	6	56	102	94	0	0
	4	56	50	25	5	29	26	21	0	0	57	53	26	5	30	26	23	0	0
	5	40	38	11	3	13	26	25	0	0	40	36	10	6	15	24	22	0	0
	6	20	18	12	3	14	5	4	0	0	14	14	7	2	9	5	5	0	0
	7	2	2	2	0	2	0	0	0	0	3	3	3	0	3	0	0	0	0
Teaching^	1-2	6	5	0	0	0	6	5	0	0	6	5	0	1	1	5	4	0	0
	3-4	2	2	1	0	1	1	1	0	0	2	2	2	0	2	0	0	0	0
	5-6	1	1	1	0	1	0	0	0	0	1	1	0	0	0	1	1	0	0
	7-8	3	3	1	0	1	2	2	0	0	2	1	1	0	1	1	1	0	0
	9	13	13	8	1	9	4	4	0	0	13	13	8	1	9	4	4	0	0
	VET Trainer	2	2	0	0	0	2	2	0	0	2	2	0	0	0	2	2	0	0
	Sessional	8	4	0	0	0	0	0	8	4	67	36	0	0	0	0	0	67	36
	Executive#	8	8	0	0	0	8	8	0	0	8	8	0	0	0	8	8	0	0
Other	0	0	0	0	0	0	0	0	0	5	3	0	0	0	5	3	0	0	
<b>Total</b>	<b>493</b>	<b>456</b>	<b>162</b>	<b>40</b>	<b>188</b>	<b>283</b>	<b>263</b>	<b>8</b>	<b>4</b>	<b>595</b>	<b>484</b>	<b>149</b>	<b>37</b>	<b>174</b>	<b>342</b>	<b>274</b>	<b>67</b>	<b>36</b>	

Note: Any discrepancies are due to figures being rounded to the nearest whole number.

+Grades in accordance with the AMES Australia Administrative Staff Agreement

^Grades in accordance with the AMES Australia Teachers Enterprise Agreement

# Executive level includes the CEO

# Settlement Portfolio

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)

AMES Australia, in partnership with selected subcontractors, provides initial settlement support to Refugee and Special Humanitarian visa holders. AMES Australia, as the lead provider of the Humanitarian Settlement Program (HSP) in Victoria, Tasmania and South Australia, has delivered services under the HSP contract since 31 October 2017.

HSP provides initial settlement support to humanitarian clients both on arrival and during their initial settlement period through a coordinated case management approach, tailored to the individual needs of all family members. During the initial settlement period the HSP strengthens the ability of humanitarian clients to participate in the economic and social life of Australia and equips individuals with the skills and knowledge to access services independently.

Services provided to the individual or family include:

- on-arrival support which includes 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 (BHG) Package
- orientation program across a range of topics such as Australian law, health, transport and accommodation.

The HSP program also provides specialised and intensive services for clients with exceptional or complex needs. These include mental health services, general practitioner services, occupational therapy, disability services, torture and trauma services, family violence interventions, family relationship counselling, child or youth services, accommodation, financial and legal services.

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

AMES Australia provides direct delivery of HSP services in Victoria from sites located at Dallas, Footscray, Noble Park and Mildura, and from sites in Adelaide and Salisbury in South Australia.

AMES Australia works with a network of subcontracted partners to deliver 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 and Southern Migrant and Refugee Centre.
- In regional and rural Victoria, AMES Australia works in partnership with Bendigo Community Health Services, Ballarat Community Health Centre, Geelong Ethnic Communities Council Inc. (Diversitat), Uniting Care in Shepparton and Wodonga and Mallee Family Care in Swan Hill.
- In South Australia, AMES Australia works in partnership with AnglicareSA, Australia Migrant Resource Centre, Multicultural Youth South Australia and Australian Refugee Association.
- In Tasmania, AMES Australia works in partnership with Migrant Resource Centre Tasmania and with Migrant Resource Centre – North Tasmania.

In the reporting period AMES Australia and its subcontractors provided HSP services to 11,576 clients.

## Humanitarian Arrivals

Humanitarian arrivals came from many countries, with the greatest numbers being from Iraq, Myanmar, Afghanistan, Congo and Syria. There were no new arrivals since March 2020 due to Australian borders being closed from the onset of COVID-19.

### Humanitarian client arrivals by visa category

	2019–20	2018–19	2017–18	2016–17	2015–16
Refugee (200, 201, 204, 785, 790, 801 and 866*)	2,680	3,306	4,044	2,973	1,837
Special Humanitarian Program (202)	2,594	2,579	3,187	4,630	1,516
Total	5,274	5,885	7,231	7,603	3,353

### Humanitarian client arrivals by settlement location

	2019–20	2018–19	2017–18	2016–17	2015–16
Melbourne	3,198	3,456	4,780	6,893	2,862
Regional Victoria	661	800	715	710	491
South Australia**	990	1,095	1,090	0	0
Tasmania**	425	534	646	0	0
Total	5,274	5,885	7,231	7,603	3,353

\*SIS clients - Holders of Protection (866), Temporary Protection (785), Temporary Humanitarian Stay (449), Temporary Humanitarian Concern (786) and Safe Have Enterprise (790) visas may be eligible for SIS up to five years after their arrival in Australia, or up to five years after the grant of their eligible onshore visa.

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

Newly arrived refugees faced significant challenges as a result of the COVID-19 pandemic. Registration with essential services, connection to English language courses and orientation to living in Australia required a new way of working and supporting refugees. Digital literacy and access to technology was identified as a major challenge for many new arrivals, who would previously have had limited to no access to before arriving in Australia. AMES Australia developed innovative ways of working and supporting clients and the community by providing extensive support to navigate through these challenges and to address alternative ways to remain socially connected.

## Community Support Program (CSP)

AMES Australia is one of 12 Approved Processing Organisations (APOs) selected by the Department of Home Affairs (DOHA) for the Community Support Program (CSP) for a period of five years. AMES Australia commenced service in March 2018. The CSP provides opportunities 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.

CSP provides an additional resettlement pathway for 1,000 people in humanitarian situations overseas, with the places allocated to the CSP included in the Refugee and Special Humanitarian Program national quota. Applicants must meet the eligibility requirements for a refugee/humanitarian visa, the DOHA priorities and be able to demonstrate a pathway to employment on arrival.

APOs are responsible for:

- lodging of humanitarian visa applications on behalf of Australian supporters
- overseeing the delivery of settlement support for the successful applicants for 12 months after arriving in Australia
- monitoring and reporting on settlement outcomes to the DOHA.

AMES Australia continued to select new clients for the CSP and lodge visa applications throughout the year. Primary visa applicants who exited the CSP demonstrated positive settlement outcomes, in particular in obtaining employment. Unfortunately the COVID-19 crisis has seen some of these clients experience a reduction or loss of employment. There were no new CSP clients from March to June 2020. In the reporting period 19 visa applications covering 52 individuals were successful. Applicants came from a range of countries including Afghanistan, Eritrea, Ethiopia, Iraq, Myanmar and Syria.

## Status Resolution Support Services (SRSS)

AMES Australia commenced delivery of SRSS to asylum seekers awaiting the outcome of their protection visa application in January 2015. 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.

There have been variations to the contract as follows:

- In January 2018, the DOHA contracted AMES Australia to deliver SRSS for a two further years to 30 June 2020.
- Policy changes continued to impact recipients in 2018–19 noting that the Department had commenced issuing Final Departure Bridging Visas for Regional Processing Country recipients, exiting them into the community.
- In January 2020, the Department extended the duration of AMES Australia services until 30 June 2022.

On 8 February 2018, the revised SRSS program design was approved. It commenced on 1 May 2018. The program offered targeted, needs-based support to those unable to support themselves while resolving their immigration status. Below are the principles of the SRSS redesign:

- 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 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 accessing SRSS support, resulted in a large number of SRSS recipients being removed from the program.

In response to these changes the AMES Australia Settlement Portfolio worked closely with AMES Australia Employment Portfolio and a range of external agencies to fast track asylum seekers into employment. AMES Australia will continue to work closely with other services to ensure that asylum seekers are well connected to health services, housing and employment support post exit.

During the reporting period services were provided to 1,774 SRSS clients (inclusive of subcontractors). AMES Australia is now one of two remaining SRSS service providers in Victoria and manages SRSS contract delivery in Victoria with a number of partners and subcontractors:

- Victoria wide: Redback Settlement Services
- Melbourne: Spectrum Migrant Resource Centre
- Regional Victoria: Geelong Ethnic Communities Council (Diversitat), Mallee Family Care and Uniting Care (Victoria and Tasmania) Limited

Services in Mildura are directly delivered by AMES Australia.

Asylum Seekers face many challenges as a result of the COVID-19 pandemic. Digital literacy and access to technology was identified as a major barrier for clients requiring access to services in the community. Staff developed targeted approaches to support clients and address these barriers ensuring that they remained connected to the community.

# Education and Training Portfolio

## Adult Migrant English Program (AMEP)

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

AMES Australia's regional AMEP contracts are delivered through subcontractors in Gippsland, Goulburn Murray and South Coast of Victoria. AMES Australia provides regional subcontractors with program support, contract management and professional development. AMES Australia directly delivers the AMEP in Mildura for its Wimmera Mallee contract.

The advent of the COVID-19 pandemic in February/March 2020 necessitated a shift in service delivery to a mixed mode model — combination of online, print-based learning materials and some on-site interaction when possible. Student engagement has remained high and in many instances has improved, reflecting the success of the mixed mode delivery model. The flexible features of the model enable students to study when and where convenient for them at their own pace.

### Outcomes

	Clients	Classroom Attended Hours
AMES Australia and subcontractors	608	97,754

## Preparatory and Transition to Employment Services

AMES Australia provides a number of programs integrating accredited English language and foundation skills development from the English as an Additional Language (EAL) Framework streams with vocational content to assist people reach their employment goals as quickly as possible. In many cases, practical work experience placements are a critical component of employment focused programs such as *Work Skills*. Programs are available for refugees and migrants ranging from those seeking entry level skills development and intensive English language programs to overseas qualified professionals requiring career pathway advice and support in skills and qualifications recognition.

During the reporting period, 84 clients participated in the *Work Skills* course. AMES Australia engaged corporate employers, including 7-Eleven, Deloitte, The Radisson on Flagstaff, Yarra Valley Water and Maurice Blackburn, in delivering the Employability Skills Seminar, Work Placement and the Talking Circles Program.

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 provides opportunities for individuals to study English language and vocational programs through the Victorian Government VET funding contract (Skills First funded places) for accredited training. In the reporting period, 1,753 students participated in foundation language training through programs in Initial, Course and Certificate levels I – III in EAL from the EAL Framework; Certificate I in General Education for Adults, and VET industry entry qualifications.

Certificate III in Early Childhood Education and Care (106 clients) and Individual Support – Ageing, Home and Community (104 clients), provided pathway options for students completing and exiting from foundation EAL programs.

AMES Australia's response to COVID-19 restrictions involved:

- introduction of a mixed mode delivery model to provide a continuous learning engagement opportunity for students
- rapid development of teaching and learning materials for a remote delivery environment
- transition of teaching methodology to an online delivery and assessment mode.



The model has provided immediate incentive to rapidly and further develop students' digital literacy skills thus enabling continued contextualised language, literacy and numeracy skill development online. Student access to technology was supported by maintaining Individual Learning Centres open in sites when permissible during restrictions. Print-based learner workbooks were also utilised. These responses mitigated issues of potential student disadvantage. Completions for some students from Semester 1 2020 were impacted by unavailability of required practical placements due to COVID-19 restrictions in aged care and childcare facilities. Consequently completion for some students has been delayed until assessment can be administered in the workplace.

#### Outcomes

	Clients	Total Hours	Unit Completion Rate	*Certificate Completion Rate
AMES Australia	1,753	625,914	46.52%	15.74%

\* Pre-certificate level programs do not achieve certificates

## Pre-accredited Training – ACFE Board

Pre-accredited training addresses the needs of adults who may have experienced barriers to education and require an initial, non-assessed entry or re-entry into learning. These courses provide a stepping stone into future education, training and employment.

Courses offered by AMES Australia ranged from short one to two week intensive courses to longer 10 week courses. These courses predominantly address contextualised language, literacy, numeracy and digital skills development and provided pathway orientation and opportunity for learners to work towards further study, employment and enhanced settlement.

Courses were conducted online, in schools, libraries and community centres and in AMES Australia sites. Training was able to cater to a diversity of learners, including women in the community potentially isolated at home, migrant professionals, jobactive clients and people seeking skills development to undertake occupational entry testing.

During the reporting period, 1,158 clients received 73,265 student contact hours of pre-accredited training funded by the Victorian Government through the Adult, Community and Further Education Board (ACFE). Face-to-face delivery was impacted by COVID-19 restrictions as community centres, schools and other venues closed. In response, AMES Australia repurposed key ACFE funded courses to online mode and continued to deliver remotely during restrictions.

Over 300 students engaged in the *3 Steps to Employment* and *We are all Customers* programs, both of which were repurposed to online delivery. Nearly 200 students undertook general language and literacy courses including the online schools-based English and Language Skills and Language and Literacy for Beginners. A further 200 were enrolled in courses targeting professional migrants such as the *Skilled Professional Migrants Program and Pronunciation for Professionals* which were also repurposed for online delivery. Around 45 community members participated in *Stitch in Time*, Paper Flower-making and English for Sewing groups — an activity based approach to learning English.

ACFE Board Innovation Funds were secured to develop a model and resources for assisting students to explore, prepare for and successfully undertake work experience with resources distributed across the Learn Local sector.

#### Outcomes

	Clients	Total Student Contact Hours	*Module Satisfactory Attendance Rate
AMES Australia	1,158	73,265	84.73%

\* ACFE and Asylum Seeker ACFE

## Skills for Education and Employment (SEE)

AMES Australia remains a significant provider of the Department of Education, Skills and Employment's (DESE) Skills for Education and Employment (SEE) program, successfully maintaining contracts in five of the 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 increase access to work opportunities by improving their core skills. The AMES Australia Education team works closely with the AMES Australia jobactive Consortium and other referring agencies to offer language, literacy and numeracy support to clients while preparing them for employment.

AMES Australia partnered with a number of other 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, Caringbush Adult Education, Wingate Ave Community Centre and SkillsPlus (both Inner Metro and South East and Peninsula). In regional Victoria, AMES Australia delivered the SEE contract through Goulburn Ovens Institute of TAFE and Wodonga TAFE in the Goulburn Murray region and South West Institute of TAFE in the South Coast of Victoria region.

AMES Australia's SEE contract regions have largely achieved KPI targets set by DESE and are continuously improving performance and maintaining quality assurance. The innovative web based training component of delivery continued, underpinning AMES Australia's rapid and expert response to remote delivery requirements as a result of COVID-19 restrictions.

During the reporting period the AMES Australia SEE Consortium delivered training to 1,088 clients. Ninety-seven per cent of clients who commenced training achieved learning outcome gains as measured by the Australian Core Skills Framework. Clients also achieved vocational competencies focusing on practical work skills, customer service and office administration.

### Outcomes

	Clients	Total Student Contact Hours	Unit Completion Rate (Includes EAL and Industry)
SEE Consortium	1,088	411,102	97%

## Youth Services

AMES Australia Youth Services utilises youth-centric, trauma-informed approaches to support young people (17-25 years old) from refugee, migrant and Indigenous backgrounds to ensure they are equipped to reach their potential and build a meaningful life in Australia. Programs aim to address a lack of service provision for young adults from CALD and Indigenous Australian backgrounds currently not engaged in a mainstream education or a vocational, employment setting. This is achieved by increasing the capacity of young adults to participate in various community social activities.

Disadvantaged CALD and Indigenous youth have been significantly impacted by the COVID-19 pandemic resulting in an increase in young people reaching out for financial and crisis support and accessing mental health services. As a result of COVID-19 restrictions face to face participation across programs has ceased. The restrictions have also raised concerns about the digital literacy for our youth, including their lack of access to computers and data plans.

In the reporting period, AMES Australia continued to work closely with youth communities to understand, identify and respond to the complex needs they face and to empower them through developing self-determination and leadership abilities. The engagement strategy has included youth centric social participation activities, pathway planning and education programs delivered through an innovative online platform which provided a safe space to engage.

### Youth Services Education Programs

The accredited and contextualised Certificate I in General Education for Adults (CGEA) focuses on young people obtaining knowledge and skills for routine personal, community or workplace purposes, or to further general education studies.

The pathway upon completion of the course is further study at TAFE and/or University, employment or actively contributing to the community. CGEA is being offered remotely with a pilot delivery underway in Nhill and Mildura. There were 12 enrolments in the reporting period.

A non-accredited Adult, Community and Further Education program focused on English language, literacy and learning skills provides a pathway into the CGEA I course. There were 21 enrolments in the reporting period.

### Reconnect

The Reconnect Program (18-month voluntary program) provides a combination of specialist support services, consultancy, training and advocacy to support young people to overcome barriers preventing them from accessing meaningful and sustainable employment and education. The program is funded by the Department of Education and Training (DET) through Skills First funding. AMES Australia delivers the program across metropolitan Melbourne and regional Victoria. Currently there are 269 young people involved in Reconnect. Intensive support is provided to assist the achievement of short and long-term aspirations through:

- advocating, connecting and engaging with internal and external services
- supporting for enrollment in training programs and courses
- providing financial support for education and employment purposes
- providing on-going support in maintaining engagement in employment and/or education.

Formal learning is delivered one-on-one or in small groups.

### Engage!

The Engage! Program, funded by the Department of Health and Human Services (DHHS), is delivered in the South East, Inner East and West metropolitan regions of Melbourne. The program creates opportunities for young people to have greater connection with and active participation in their local community. During the reporting period 513 young people participated in the program.

COVID-19 restrictions have significantly reduced opportunities for participation in these activities. AMES Australia has worked closely with funding partners to offer online options.

The following activities and programs were facilitated in the reporting period:

- Digital World - aims to improve young people's digital literacy for future education and employment opportunities.
- Youth Camp - an exciting opportunity for young people to experience the outdoors and Aboriginal culture through fun outward bound activities in the Rubicon Valley.
- Driving to Employment - 450 minutes of free driving lessons plus support.
- Engagement Nights - a range of activities aimed to increase young people's self-esteem and confidence and provide a safe place to learn and practice their English language skills.
- BUS Trip Industry Tour - provides an introduction to a wide range of businesses and industries in Australia to support participants develop a greater understanding of work culture, work environment and their employment rights in Australia.
- Mentoring Program - 35 Youth Mentors provided individual support within the Reconnect and Engage! programs.
- Youth Leadership Program – aims to develop young people's core leadership qualities delivered through a range of activities and programs including a Food Leadership program. In the reporting period 40 participants obtained two units of competency (Provide First Aid and Hygienic Practices in Food Safety).
- Sport - a range of activities and events organised in partnership with sports associations.
- First Aid Training - a two-day training with an accredited trainer.

## **One Planet Art Competition**

In the reporting period young people were provided the opportunity to take part in a new activity, the One Planet Art competition, supported by 7-Eleven. Prizes included a laptop, tablet or a gift voucher aimed at helping with study needs.

## **Support Programs for Migrants, Refugees and Asylum seekers**

### **Refugee Mentoring Program**

The Refugee Mentoring Program is a Commonwealth Government initiative delivered through the jobactive program. It aims to assist refugee job seekers with barriers to employment gain meaningful work in Australia by providing them with career advice and mentoring support. Each participant is supported to develop a plan to address barriers either through vocational training, further study, overseas skills or qualifications recognition, mentoring, volunteering or work experience. Funding for this program is drawn from the Employment Fund.

### **CALD Workforce Ready Program**

The CALD Workforce Ready Program is funded by the Victorian Regional Readiness Fund. It aims to support rural and regional organisations to develop local responses to National Disability Insurance Scheme (NDIS) workforce challenges. Specifically, this program aims to identify and engage CALD community members in the Gippsland area to train and work in the disability sector.

Working with MELBA Services and Jobs Victoria, AMES Australia is involved in training and recruiting CALD job seekers to the NDIS.

Of the approximately 30 participants in the program 80% are Sudanese women. The program, originally scheduled to run from July 2019 to June 2020, has been extended to December 2020 due to the recent bushfires in the Gippsland region and COVID-19 restrictions.

### **Planning Career Futures for Refugees**

AMES Australia in partnership with the Scanlon Foundation delivers the Planning Career Futures for Refugees program in South Australia. The current program, funded from January 2020 to December 2021, supports skilled and professional refugees plan a career pathway in Australia. It aims to assist participants find jobs that match their overseas skills and qualifications, connect them with local employers, government programs and secure employment and volunteering opportunities in line with their career goals.

The program is delivered in partnership by AMES Australia's Adelaide HSP team and Melbourne CPP team. To date 28 clients have registered in the program.

### **Skilled Professional Migrants Program (SPMP)**

The SPMP is a four-week intensive program that assists migrants with professional qualifications develop job search skills, including the preparation of resumes and job applications, interview skills and networking. The program also develops participants' understanding of the Australian job market and workplace culture. Participants receive feedback from corporate volunteers, and after completing the course, may be provided on-going mentoring by industry professionals during their job search.

Past participants can also join an SPMP alumni group that facilitates networking and information exchange. A study conducted by AMES Australia found that employment situations for participants after SPMP had significantly improved. Shortly after attending the program, 89 per cent of participants had found work, and of these, 64 per cent were in a professional position. During the reporting period, 104 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 prepare migrants for jobs that use their expertise and experience. Within three months of the workshop 73 per cent of participants had started a new job and two thirds were in jobs that fully or partially match their background. During the reporting period 230 clients participated in the program.

## Intensive International English Language Testing System (IELTS) Preparation Course

The Intensive IELTS Preparation Course is designed for people intending to sit the Academic IELTS Test to study at a university, 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 (CPP) participated in the program and have successfully achieved the score needed to gain professional recognition or to undertake higher education at a university. During the reporting period, 83 clients participated in the program.

## Occupational English Test (OET) Preparation Course

The OET Preparation Course is designed to assist health professionals (e.g. doctors, nurses, dentists, pharmacists and physiotherapists) intending to take the OET gain recognition of overseas qualifications and meet the requirements of the Australian Health Practitioner Regulation Agency (APHRA).

The course commenced as fee for service in Term 1 2018. From April 2018 AMES Australia has received funding from the Victorian Government to deliver the course. The course has enabled a number of overseas trained doctors in the CPP gain partial registration with APHRA. They are now currently working as hospital medical officers in Victoria. During the reporting period, 66 clients participated in the course.

With COVID-19 restrictions in place the support programs described above have all been successfully delivered remotely.

# Employment Portfolio

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 job seekers and employers to assist job seekers develop work-readiness and match them with workforce opportunities.

## jobactive

AMES Australia delivers employment services under the Commonwealth Government's jobactive program across metropolitan Melbourne through a consortium arrangement with ECHO Australia, SkillsPlus and Uniting Victoria/Tasmania Employment Services. AMES Australia delivers employment services from 15 locations in metropolitan Melbourne: Broadmeadows, Dandenong, Footscray, Glenroy, Preston, Springvale, St Albans, Sunbury, Sunshine, Craigieburn, Epping, Melton, Noble Park, Werribee and Oakleigh. Outreach services are available at Gisborne, Whittlesea and Kinglake.

Consortium partners provide services in Cranbourne, Greensborough, Lilydale, Narre Warren, Ringwood, Wantirna, Frankston, Rosebud, Pakenham, Mornington, Hastings and Heidelberg. AMES Australia also provides employment services in Western Sydney as a jobactive subcontractor to WISE Employment in Liverpool, Cabramatta, Auburn and Bankstown. AMES Australia supports job seekers relocating 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 in Nhill, Cobram and Mildura in northern and western Victoria and in NSW including Wagga Wagga.

During the reporting period, jobactive services were provided to 10,891 job seekers. The impact of the COVID-19 pandemic resulted in an additional 16,236 new job seekers being referred to AMES Australia since the end of March 2020. A total of 4,703 job placements were achieved across Victoria and NSW. In addition, job seekers were placed in 1,960 Work for the Dole activities relevant to their employment pathways. Appropriate activity placements providing a meaningful, stable and safe environment for participants to fulfil their Annual Activity Requirements were made available.

## Outcomes

	Clients	Referrals during COVID	Job placements	26-week outcomes	Work for the Dole
jobactive Consortium	10,891	16,236	4,703	2,122	1,960

## Integrated Services

AMES Australia delivered a number of programs to provide an integrated approach to service provision for job seekers.

- Delivery of new initiatives for job seekers through education-based ACFE Board short programs include *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. Course development included piloting, evaluation and promotion prior to the broad-scale launch.
- AMES Australia Employment has linked job seekers with numerous vacancies provided through a network of employers in regional locations including Nhill, Wagga Wagga and Mildura. Employers include the Meat Processors Group, one of Australia's leading food industry recruitment businesses. In addition SRSS and HSP clients in Victoria have been provided sustainable employment and relocation opportunities to NSW and Queensland.
- Recently arrived HSP clients from Venezuela settled in Adelaide and have been introduced to employment opportunities and briefed on working in the Australian context.
- Through the Victorian Government funded Reconnect Program, AMES Australia provides support for disengaged youth by helping them to explore pathways to training, further study or employment. This collaboration assists young clients stabilise their living situation and improve their level of engagement with family, work, education, training and local community.

## Partnerships

AMES Australia continues to seek partnerships and collaborations that will increase opportunities for job seekers.

- SERCO Australia is one of the world's largest recruitment providers supplying public services to government. Recruitment involves pre-screening and pre-employment training before job seekers commence paid employment. Over 75 AMES Australia clients have been placed through this relationship.
- Melba Support Services supports AMES Australia clients from jobactive, vocational programs and settlement services into opportunities in the disability support industry. Many clients have secured meaningful work in this growing sector through this relationship. This year, with the support of Melba, AMES Australia obtained Victorian Regional Readiness funding to assist refugees into employment in the Gippsland region.
- A collaboration with Pure Insights, an international counselling service, has seen both job seekers and AMES Australia jobactive team supported to gain pathways to successful and sustainable employment through the provision of quality employment-focused counselling, training, coaching and vocational assessments.
- Regional Employment Trial - Improving Economic Participation for Refugees in Wyndham is a collaborative partnership between the Wyndham City Council, Job Prospects, Wyndham Community Education Centre and AMES Australia. The project aims to boost employment and entrepreneurship among humanitarian migrants living in the City of Wyndham, where this cohort faces high levels of unemployment. The project aims to improve economic participation outcomes for this group through the following key interventions:
  - introduction of new employer-focused resources
  - investment in a local backbone organisation
  - trialing more intensive assessment and case management services for a select group of families
  - additional services and resources to fill gaps in the current range of services offered with respect to the economic participation of humanitarian migrants.



- AMES Australia continues to sponsor the Western Sydney Women's Group (WSW) in assisting disadvantaged women from the South and Greater Western Sydney regions overcome barriers to employment, education and independence. WSW undertakes workshops to assist clients overcome stress and anxiety, budget, access community support, as well as focusing on career education and development. WSW runs three workshops per quarter which are attended by groups of between 60 to 180 clients.
- In a partnership with the University of Sydney, AMES Australia provides four student placements a quarter available to both domestic and international students enrolled in either the Diploma of Rehabilitation course or the Masters of Rehabilitation. Students volunteer at AMES Australia sites and assist with resume preparation, interview techniques, injury consultation and development of return to employment plans for AMES Australia clients.
- Funding from the Scanlon Foundation allowed AMES Australia to undertake a project to assist refugee clients into employment. Twenty-one clients commenced the program, seven obtained employment, three were assisted with student entries to obtain qualifications equivalent to those held previously overseas (two doctors and a dentist) and four clients were assisted with entry to study new qualifications in Australia.
- Through a recent partnership with the Training and Employment Readiness group and Labourpower Australia Recruitment, AMES Australia clients undertake partial certification in Certificate III in Warehousing, and are then put forward for vacant positions with Labourpower Australia. Fifty-two clients have been referred to the program and 31 (11 of whom are from refugee backgrounds) have obtained employment in varying warehouse positions.
- AMES Australia has worked closely with Community Corporate who have partnered with Woolworths to deliver the Woolworths Refugee Employment Program for newly arrived refugee clients. The program offers classroom-based training and mentoring plus two weeks work placement in a Woolworths store. On successful completion of the program (theory and practical), participants are offered a part time position, up to 20 hours per week.
- AMES Australia has partnered with Job Match Australia and the Australian Retailers Association to deliver two distinct programs.
  - The Social Outfit is a program specifically developed for recently arrived refugees and asylum seekers aged between 18 and 29. Clients complete Certificate II in Retail Services and undertake a six month traineeship. The program is funded under the NSW Government Smart and Skilled program.
  - The Standard Retail program is a six week program, followed by two weeks practical placement at a suitable retailer accessible to clients who undertake Certificate II in Retail Services. AMES Australia clients have been successful in gaining employment with Myer, Officeworks, BBQ Galore, Spotlight Australia, Coles and Woolworths.

## Community Development and Social Participation

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

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 the opportunity for AMES Australia to develop new initiatives responding directly to client needs and to strengthen its service provision. Additionally consultations provide an opportunity to link new and emerging communities with mainstream service providers thereby building the communities' capacity.

In the reporting period, four central, two metropolitan communities assemblies and eight ethno-specific consultations were conducted. The consultations focused on employment rights, regional settlement and the state parliament systems and active participation.

With the advent of COVID-19 and introduction of restrictions, the Community Development team maintained engagement with client communities by contacting individuals by phone and via online applications. Feedback confirmed that this contact provided much needed information on client needs and issues during this very isolating and stressful period.

During the reporting period AMES Australia continued to build the capacity of CALD clients with a disability or those caring for someone with a disability. The CALD Disability Champions program was completed in January 2020 and built the capacity of 12 Community Champions who delivered 63 in-language community education sessions, 59 in metropolitan Melbourne and four in regional Victoria reaching 1,047 CALD individuals. Almost 95% of attendees strongly agreed or agreed that they have a greater understanding of the NDIS after the training.

A second National Disability Insurance Agency funded Information Linkages and Capacity (ILC) Building project commenced in November 2019 to deliver 40 Peer Support sessions to a South Sudanese and an Afghan group. The sessions were led by two of the Community Champions and continued to build members' knowledge of the disability sector, provide an opportunity for sharing members' lived experience and to refer members to appropriate services. During the pandemic, the sessions moved to an online platform and have been shown to be an important avenue for health updates and address issues that have arisen as a result of the lockdown, including addressing access to food and financial support.

A third ILC project 'Business Matters' which commenced in April 2020, supports Arabic speaking individuals with a disability explore pathways to employment and small business using a peer support model of engagement. Project planning and implementation are underway.

In July 2019 AMES Australia commenced a regional resettlement program funded by the Department of Social Services (DSS) under the Try Test and Learn (TTL) Fund. The project aims to relocate 20 families from Melbourne to either the Grampians or the Loddon Mallee regions and test AMES Australia's family model of sustainable resettlement. Project partners include Regional Development Victoria, Sunraysia Mallee Ethnic Communities Council and the Central Grampians Services (an entity of North Grampians Shire, the Pyrenees Shire and Ararat Council). Partners leverage their local networks to identify employment and housing opportunities and help build a welcoming community. AMES Australia identifies and assesses CALD families' eligibility to the program, individual family member's needs, goals and aspirations. Four families have successfully relocated, three to Mildura and one family to the Grampians. Employment and housing were secured prior to relocation.

## Social Enterprises

For more than 16 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 the reporting period, the Sorghum Sisters African Catering and Training Social Enterprise continued to focus on the organisational strategic priority of improving the economic inclusion of CALD women. The Women and Work program provided contextualised training, work experience and social connection for new arrivals from refugee and migrant backgrounds. The program comprised three groups located in Hoppers Crossing and a further group in Kensington, totaling 113 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 accredited training or start their own business.

In March 2020 the enterprise was impacted by a major fire in the kitchen and COVID-19 restrictions which resulted in the cessation of catering and training.

## International

Over the past 12 years, Dr Melika Yassin Sheikh-Eldin has represented AMES Australia on the Refugee Council of Australia Board of Management as an organisational member, ensuring the voice of humanitarian client group is heard at the national and international levels. During this time AMES Australia has presented and participated actively in the different United Nations High Commissioner for Refugees (UNHCR) annual consultations.



During the reporting period the focus of international work was on building the self-representational skills of refugees to present at UNHCR forums. Examples of this work included the following:

Date	Forum	Activity
September 2019	Asia Pacific Network of Refugees and Asia Pacific Regional Refugees Network forum	Participated in discussions. As a member of the UNHCR Gender Audit team, training provided to refugee women representatives from the Asia Pacific Region.
December 2019	Global Forum held at the UNHCR in Geneva	Presented on Refugee Participation and Self-representation.
February 2020	Working group on Resettlement in Ottawa Canada	Participated in preparation for the 2020 Annual consultations and presented on the 'Meaningful Refugee participation and Rethinking the Annual Tripartite Consultations on Resettlement (ATCR) and strategic planning for 2021 sessions'.
June 2020	Annual NGO and the ATCR consultations webinars	Participated in discussions.

## Prevention of Violence Against Women (PVAW)

The AMES Australia PVAW continues to deliver its highly regarded leadership courses. Two of the three planned leadership courses in the reporting period were completed, with the third being transitioned to an online course due to COVID-19 restrictions. This course will be delivered in the fourth quarter 2020. Graduates from the 2019 course are working toward the production of podcasts delivering messages about the prevention of violence in their own languages.

The work of AMES Australia's PVAW program has started to attract interest from other states. In March 2020 a specialised two-day intensive course was provided to the Community Educators employed by the Australian Refugee Association in Adelaide. The course was evaluated as highly successful and a follow-up webinar presentation was delivered to numerous Adelaide settlement community organisations under the theme 'Engaging men in domestic and family violence prevention'.

A COVID-19 family violence awareness and information rapid response concept was delivered to the Minister for Multicultural Affairs as the prevalence of family violence increased along with the restrictions. This concept was accepted by the Minister and funded through the Department of Premier and Cabinet to support CALD communities through the crisis.

AMES Australia's PVAW program continues to advocate for the special circumstances of CALD women and this year worked jointly with AMES Australia Disability Champions to deliver a targeted training package focusing on recognising, responding to and referring women with disabilities who may be experiencing violence.

## Volunteering

Volunteering at AMES Australia takes place across multiple program areas and covers a range of activities, including settlement orientation, English language support, employment preparation, professional and youth mentoring and administrative support. Volunteering provides important opportunities for clients and AMES Australia to engage with the broader community. Skilled migrants and refugees can utilise their skills and learn about Australian work culture.

In the reporting period there were 530 volunteers who provided assistance to clients.

- 33% of volunteers assisted clients learn English.
- 27% of volunteers assisted Settlement portfolio clients become familiar with essential services and learn about the daily life in Australia (e.g. attending appointments, connecting with community and social groups).

- 19% of volunteers were professional mentors who supported SPMP participants to pursue their careers. The SPMP received continued support from Maurice Blackburn Lawyers, Yarra Valley Water, Jacob, Salesforce and 7-Eleven through preparation for interviews or the provision of mock interviews. Volunteers in the Youth Mentor Program support and empower young people disengaged from education and employment.
- 12% of volunteers supported office administration across AMES Australia sites.
- 6% of volunteers supported the delivery of free programs and administration at the Multicultural Hub. The Hub provides valuable work experience to newly arrived skilled migrants as a pathway to their first job in Australia.
- 3% of volunteers in the Job Ready Mentor Program supported job seekers in job searching techniques, developing resumes and building interview skills.

The number of volunteers has slightly decreased from the previous reporting period due to the impact of COVID-19 pandemic. From March 2020, the role of volunteers has shifted to provide support remotely. Some examples of remote activities volunteer have provided, under the direction of a teacher, employment consultant or case manager, include:

- English language tutoring or casual English conversation to help clients improve language skills via video call or phone
- mentoring skilled migrant clients with job search skills, interview preparation, cover letters, and English conversation for the workplace
- assisting clients over the phone or online to register for online library membership, download the myGov, banking and Centrelink apps
- calling families with school aged children in order to support them with homework and navigating remote learning.

Women make up 65 per cent of AMES Australia's volunteers and men 35 per cent (a 3 per cent increase in the proportion of men from the previous reporting period). Volunteers' ages range from university students (18–24 years old) to retirees in their 80s. The average age of a volunteer is 47 years. Sixty-nine per cent of AMES Australia volunteers were born outside Australia.

## Multicultural Hub and Drill Hall

Established in 2008, the Multicultural Hub (the Hub) and Drill Hall are owned by the City of Melbourne and managed by AMES Australia. Over the years the Hub has built a strong reputation as an inclusive centre, supporting social participation and diversity in all forms. The Hub welcomes our target communities, migrants and refugees, international students, senior migrants, faith-based organisations and groups representing LGBTI, the homeless and disabled.

The Hub aims to strengthen community connections and foster good will by providing a central place for the city's culturally diverse communities to meet, interact and collaborate in a respectful and supportive environment. The Hub volunteering program provides short term placements enabling many new migrants to gain their first Australian workplace experience before moving on to paid employment.

- The Hub hosted 29 administration volunteers, with 17 successfully transitioning to part-time or full-time employment.
- The Hub's free program of activities run by 10 committed community volunteers delivered 18 programs.

While the Hub closed in March 2020 with the introduction of COVID-19 Stage 3 restrictions, engagement of students continued through Facebook and online English conversation class.

## Statistics July 2019 to March 2020

- 74,125 visitors to the Hub were from multicultural backgrounds.
- 4,171 events were held at the Hub.
- 269 people participated in the Hub's free activities: English conversation, Job Club, Reading and Talking Circles classes.
- The Drill Hall hosted 200 events with 17,221 attendees.

Clients attending free courses were surveyed throughout the reporting period. Responses indicate that the Hub continues to support the social participation of newly arrived migrants, refugees and international students by providing opportunities for people to meet and connect with the community. Overwhelmingly, people reported that through attending the Hub they met a diverse range of people, made new friends and learned new skills.

## Survey Feedback

- 75% reported that they had met people from other cultures.
- 76% reported that they had made new friends.
- 74% reported that they had learnt new skills.
- 90% reported that the Hub was a good place to meet.
- 81% felt they were free to express their faith and culture at the Hub.
- 83% of people surveyed would recommend the Hub.
- 91% of clients rated service as very good or excellent.

# Research and Policy

Research and evaluation projects are undertaken by the Research and Policy unit (R&P) in collaboration with service portfolios and units across AMES Australia. Research allows AMES Australia to document and analyse successful practice and contribute to the evidence base required for dialogue with key stakeholders and government. AMES Australia's policy of supporting research is underpinned by criteria and guidelines including ethics approval as well as privacy for and access to research participants in accordance with values and principles of the National Statement on Ethical Conduct in Human Research (National Health and Medical Research Council 2007).

## Research and Evaluation

### The Sustainable Development Goals for Social Impact

Initiated in late 2019, the Sustainable Development Goals (SDGs) for Social Impact provides a platform for AMES Australia to understand, measure, and communicate its social impact. A suite of activities to map outcome and social impact measurement activities was undertaken and aligned to the SDGs. This alignment enables clarity in articulation of AMES Australia's social impact to key stakeholders and a shared language for its values. The second Social Impact Report (August 2019) documented existing and updated measures of impact to evidence the direct and indirect impacts AMES Australia's programs and services to the lives of its clients on their pathway to successful settlement.

The Sustainable Development Goals are a collection of 17 global goals set by the UN and designed to be a 'blueprint to achieve a better and more sustainable future for all' by 2030.

### CALD Research Series

AMES Australia has developed a series of briefing papers to inform policy and service development in Victoria. The series addresses emerging evidence on the social and economic participation of CALD communities, with a focus on recently arrived migrants, refugees and asylum seekers.

The briefings, informed by original research and consultation conducted by R&P, and literature reviews, examine target CALD cohorts' access to education and training and other services. Several key common themes have emerged, including: migrants' underutilisation in and disengagement from key services; gaps in access to accurate information about services; potential for activating support possibilities at the local level; gaps in program and cohort data; and platforms for sharing knowledge and better practice.

### **Service Redesign Evaluation**

Service Redesign is a major initiative to create the environment for AMES Australia to deliver on its strategy. Having commenced in February 2019, the Service Redesign focused on three programmatic and three 'ways of working' interventions during the reporting period. R&P undertook a mixed-methods evaluation focused on two key domains: a) if and how programmatic interventions, which were in pilot form at the time of evaluation, were working towards faster, better settlement, and b) what factors, including the cross functional 'way of working' intervention might make any of the six interventions portable and scalable. An evaluation report including 10 evidence-based recommendations formed part of the wider report to the Executive.

### **Evaluation of the Settlement Health Coordinators Program**

Evaluation of the Settlement Health Coordinators (SHC) program funded by the Victorian Department of Health and Human Services was completed. The SHCs in the west of Melbourne played a unique role as conduit between settlement, refugee health programs and the broader health system, actively facilitating communication and improving access for refugees to health services that are well prepared and informed on refugee health. The evaluation determined that the SHC role increased the quality of care, mitigated health risks and built expertise across the health sector through capacity building partnerships.

### **Try, Test and Learn: A Bridge to Regional Employment and Opportunity**

R&P continues to evaluate the Try, Test and Learn (TTL): *A Bridge to Regional Employment Opportunities* project to document success and risk factors and transferable elements for sustainable regional resettlement models. This evaluation project provides an opportunity to build on AMES Australia's earlier research in the regional resettlement space and contribute to increased knowledge of the feasibility and impact of the resettlement of refugees and migrants for the newly arrived communities and for regional locations and regional employers.

To date interviews have focused on stakeholders in the Grampians Region, the Regional Migration Coordinator in the Mallee Loddon Region and project team in Melbourne. Stakeholder relationships and governance components of the project are emerging as key to the viability of the model and its potential to be scaled up or replicated in other locations. The project is due for completion in June 2021.

### **Monitoring and Evaluation**

During the reporting period, R&P provided technical expertise on monitoring and evaluation (ME) to colleagues for several discreet projects across three general categories: supporting teams in designing ME frameworks and approaches for projects; providing broad experience on research methodologies and ethics; and building bespoke data collection tools. One example was support for a professional development project that included providing advice on models for reflective practice in social services, approaches to facilitating sessions on the topic, and building a group of tools to monitor and evaluate the project.

## **Research and other relationships with external agencies**

### **Department of Education and Training / CALD Knowledge Exchange Program**

AMES Australia's partnership with the Victorian DET has sponsored the development of a CALD Knowledge Exchange Program - 'the AMES way' of generating institutional innovation and specialist knowledge and using it to build the capacity of CALD communities, service providers and government agencies. The core components of the Program are the Knowledge Repository on refugees, migrants and people seeking asylum, and the capability building Outreach Project.

The Knowledge Repository searchable online database, with 140 publications and knowledge products across 24 themes and 12 CALD cohorts, has also been developed to support sector engagement. The Outreach Project supports TAFEs, RTOs, Learn Local organisations and other education providers to invest in the educational advancement of diverse Victorians. In the reporting period a CALD Knowledge Exchange webinar series was launched to share evidence, experiences and resources related to education, disability, employment and family relationships.

### International Longitudinal Study: Settlement outcomes of Syrian-conflict refugee families in Australia

This three-year research partnership project with the University of Technology Sydney, Western Sydney University and the University of Sydney, focuses on the settlement experiences of refugees from Iraq and Syria who settled in urban and regional areas of Victoria, New South Wales and Queensland between 2015 and 2017. AMES Australia is towards the end of the second year of data collection supported by four bilingual Research Assistants; and has engaged 40 families in the research, including 107 adults and 58 young people. The research investigates social, educational, and employment experiences and outcomes, with the findings intended to inform settlement policies and services.

## Funding Submissions

AMES Australia has been successful in seven funding submissions for projects in Education (two), Employment (two) and Social Participation (three) to be undertaken between July 2019 and June 2023. Of the submissions, nearly 60 per cent were funded by the Victorian Government, 30 per cent by the Commonwealth Government, and 10 per cent by the Scanlon Foundation.

## Policy Responses

AMES Australia has prepared 12 policy positions in seven key areas: i) regional settlement, ii) skilled migration, iii) refugee settlement, iv) employment services, v) family reunion, vi) youth, and vii) education which are articulated in responses to discussion papers and in direct submissions to meetings with government, opposition and departmental representatives. R&P provides policy advice and briefings to the Executive. In the reporting period briefings were provided on the definition of 'functional English' in the AMEP, issues within the AMEP, State-nominated and Skilled Regional visas, and the CPP model. AMES Australia has also been invited to provide evidence at public hearings to parliamentary inquiries.

Submission Date	Topic / Format	Government body / Committee
August 2019	Inquiry into sustainable employment for disadvantaged job seekers (Written submission)	Victorian Legislative Assembly, Economy and Infrastructure Committee
September 2019	Inquiry into migration in regional Australia (Written submission)	Joint Standing Committee on Migration
	Inquiry into the Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia (Written submission)	Senate Standing Committees on Community Affairs
October 2019	Inquiry into early childhood engagement of CALD communities (Written submission)	Victorian Legislative Assembly, Legal and Social Issues Committee
	Inquiry into early childhood engagement of CALD communities (Evidence at the Inquiry's public hearing)	Victorian Legislative Assembly, Legal and Social Issues Committee
November 2019	Inquiry into the Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia Evidence at the Inquiry's public hearing)	Senate Standing Committees on Community Affairs
December 2019	Improving the AMEP (Written submission)	DOHA
January 2020	Maximising AMEP and English Language Learning Contributed Victorian consultation response to the Settlement Council of Victoria's written submission	DOHA
February 2020	Disability Worker Registration Scheme (Written submission)	Disability Worker Registration – Board of Victoria

Submission Date	Topic / Format	Government body / Committee
April 2020	Engagement Strategy with Culturally and Linguistically Diverse People with Disability (Written submission)	Royal Commission
	Victorian State Disability Plan 2021-2024 (Written submission)	The Office for Disability, Department of Health and Human Services, State Government of Victoria
May 2020	Skills for Victoria's Growing Economy - Macklin Review (Written submission)	The Victorian Government
June 2020	Inquiry into early childhood engagement of CALD communities: Additional evidence regarding the impact of the Coronavirus pandemic (Written submission)	Victorian Legislative Assembly, Legal and Social Issues Committee

## Conferences and Presentations

Resources have been allocated to identify suitable conferences that are relevant to AMES Australia's focus, prepare abstracts and presentation documents, and attend conferences where abstracts are accepted.

Between July 2019 and February 2020, AMES Australia presented at two local and four interstate conferences in Australia. From the outbreak of COVID-19 up until the end of June 2020, three local conferences where AMES Australia was to present were cancelled or moved online. AMES Australia presented at one online conference and hosted one webinar conference on 'NDIS: Roll out or miss out?' - attended by 90 plus people.

## Graham Sherry OAM Scholarship

In 2017, the AMES Australia Board 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.

Now in its third year, scholarships of \$5,000 were awarded to an aspirational young woman and man who have used the funds to support their study during 2020. Both recipients were motivated in their choice of study by a desire to give back to the community and establish a strong career path.

- The first scholarship was awarded to a refugee from Afghanistan who arrived in Australia in 2018. Now in her second year of a Bachelor of Law at the University of South Australia she hopes to use her qualifications to become an international advocate for refugee rights.
- An aspirational young man who came to Australia from Myanmar to join his brother in 2014 received the second scholarship. He is now studying a Bachelor of Social Work (Honors) at RMIT University and has a strong desire to support his community with his qualifications.

## Corporate Support

AMES Australia services and programs are supported by the following corporate support units.

### Finance

The Finance unit is responsible for developing and managing organisation wide financial strategies and financial risk mitigation practices that will ensure AMES Australia's financial sustainability. This includes provision of finance and accounting services, including advice on financial matters and the preparation and management of budgets as well as preparing monthly management reports for the Executive, the Finance, Audit and Risk Management Committee and the AMES Australia Board, as well as the annual financial statements.



## Facilities and Administration

The Facilities and Administration unit provides services that include facilities to accommodate AMES Australia's employees and programs, services, short-term and long-term accommodation for newly arrived HSP and SRSS clients, administration and procurement.

The Facilities team is responsible for the management of facilities at all AMES Australia sites. AMES Australia conforms to the building and maintenance provisions of *the Building Act 1993 and Building Code of Australia 2013*. All major works requiring building approval have certified plans. 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 AMES Australia's 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.

Short and Long-term accommodation units are responsible for the accommodation requirements of HSP and SRSS clients, including the sourcing and management of residential properties and provision of BHG.

Procurement functions include centralised sourcing of products and services, and contract management. Contract management most notably includes contractors for provision of BHG in three states for the HSP and also management of the telecommunications and energy contracts for the organisation. The unit also manages commercial leases.

Administration functions include the management of motor vehicle fleet, office supplies, mobile phones, records management, travel, head office reception and other purchasing requirements.

## Quality and Risk Management

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

- Internal Audit function
- ISO 9001 Quality Management System
- Risk Management and Business Continuity
- Fraud, corruption and other losses

## Marketing and Communications

The Marketing and Communications unit serves AMES Australia's internal and external communications activities, across social media, website, media and publicity, advertising, sponsorship, branding, client acquisition campaigns, design and production of promotional materials and events. Communication activities are aligned to AMES Australia's purpose and vision and designed to engage with a broad range of clients, government, corporate and consumer stakeholders. AMES Australia's CEO is frequently sought out by mainstream media for commentary on issues relating to diversity, multiculturalism, settlement and migration.

In the reporting period the value of AMES Australia's media coverage increased by 48% based on an industry advertising value equivalent analysis. A number of pieces were widely syndicated, taking AMES Australia's voice and vision across Australia.

AMES Australia continues to build its social media presence across multiple platforms. These media platforms are used to celebrate client success stories, share our vision with our partners, promote our services, acknowledge our volunteer workforce and highlight evidence of the positive effects of migration on Australian society. AMES Australia's website and social media platforms have been invaluable for communicating accurate and trustworthy sources of COVID-19 information and support for multicultural audiences.

With support from AMES Australia's multilingual workforce, a series of safety videos in emerging languages was broadcasted. AMES Australia has also launched a staying connected social media campaign #WithAMES, to counter isolation during the pandemic.

Key initiatives achieved include:

- launch of blog capability on AMES Australia website to support social media activity, website traffic growth and news responsiveness contributed to 7% increase in website sessions compared to the previous year
- use of targeted, responsive paid social media led to significant reduction in the cost of engaging Education and Skilled Migration Service clients and an 83% increase in first time student enrolments
- addition of an e-commerce module facilitated an online purchase function for Sorghum Sisters catering and for the Taste the Difference event.

### Heartlands

Heartlands, an AMES Australia annual event, uses art to provide insight into the refugee and migrant experience for the broader community. The 2019 exhibition, held at The Walker Street Gallery and Arts Centre, Dandenong from 4 July to 27 July marked the event's 10th year and brought together the work of 11 young digital artists from refugee backgrounds under the theme of 'stories from the other side'.

The opening night of the exhibition was addressed by guests Walter Rapoport, Commissioner of the Victorian Multicultural Commission and Gabrielle Williams, local member for Dandenong and Minister for Prevention of Family Violence, Minister for Women and Minister for Aboriginal Affairs in the Victorian Government. The event was covered by SBS, in language publications and in the local media.

### Taste the Difference

Due to tightened COVID-19 restrictions, the annual Taste the Difference Refugee Week dinner usually held at the Multicultural Hub went digital in 2020. Partnering with two social enterprise cafes, owned and run by entrepreneurial refugees, AMES Australia provided supporters and corporate partners with a Refugee Week dining experience delivered to their homes and accompanied by inspiring stories and music recommendations.

## Information Technology (IT)

The IT unit provides information systems support services to employees, clients and partners, including application support, service desk support, cloud solutions, intranet services and disaster recovery.

The IT unit continued to focus on:

- progressing Cyber Security compliance with jobactive - Information Security Registered Assessors Program accreditation
- ensuring employees are aware of social media, personnel security and media management
- investing in auto-patching software of servers and end-point devices.

Supporting Service Redesign initiatives, the IT unit developed an in-house solution centred on supporting the Individual Pathway Plan for HSP client referrals to both Education and Employment services. This solution is based on Microsoft PowerApps cloud platform accessible via mobile devices and computers from any location. This solution enables employees working remotely during COVID-19 to continue referrals.

AMES Australia's continuous enhancement of its digital capability and infrastructure, and service desk support provided by the IT unit facilitated the necessary transition to working remotely during the pandemic.



## Digital Engagement

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

- supported the delivery of education programs, delivering 43,000 hours of online learning across English as an additional language and vocational education and training programs
- developed online learning videos which amassed 2,000 views
- supported the Victorian Government COVID-19 response with 17 literacy and numeracy learning modules built for Victorians who lost work during the pandemic.

## People and Development

The People and Development unit (P&D) supports and enhances AMES Australia's vision and strategic direction by improving the employee experience and providing the Human Resource (HR) function. Services include employee relations, industrial relations, payroll, HR shared services, recruitment, employee benefits, learning and development, workplace health and safety and volunteer recruitment and training.

In the reporting period P&D facilitated the following learning and development initiatives and strategic projects to improve and enhance workforce communication, capability and engagement:

- Leadership Development Program
- Workshops (e.g. Giving and Receiving Feedback, Dealing with Difficult People, Performance Coaching and Recruitment Process)
- Learning activities (e.g. Negotiation and Crisis Intervention, Predict, Assess and Respond to Challenging/Aggressive Behaviour, Managing Stress and Resilience, Mental Health First Aid, Business Writing and Microsoft Office applications)
- Engagement initiatives (e.g. HR Roadshows, tailored mini-sessions, Express Bus Tours for new employees)

With the advent of COVID-19 and its impact on employees and clients, a period of transition to remote working arrangements (RWA) commenced from March 2020. RWA was supported through online learning and development opportunities in the form of:

- modules developed and available on myAMES platform to support the transition to RWA
- a daily newsletter which encouraged employees and volunteers to stay connected and provided links to free online development opportunities and a forum to share stories and acknowledge AMES Australia's unsung heroes during the pandemic
- a weekly newsletter for managers to provide guidance on supporting employees and links to free online leadership development opportunities
- online compliance training in relation to privacy, child safety, information security, information classification and marking, work health and safety (for various levels of responsibility), anti-bullying and anti-harassment.

A number of system enhancements are in progress for EmpowerHR to improve payroll administration efficiency.

## Diversity and Inclusion

The AMES Australia Diversity and Inclusion Framework outlines our commitment to building a workplace that is grounded in respect, fosters inclusion, promotes diversity and embraces the unique skills and qualities of all our people. The framework supports other work being undertaken to build safe and inclusive workplaces described in the AMES Australia People and Development Strategic Plan 2018-2020.

This Framework incorporates the following:

- **Reconciliation Action Plan**

AMES Australia is developing a Reconciliation Action Plan (RAP) to support our vision for reconciliation and the participation of Aboriginal and Torres Strait Islander peoples in programs and workplaces that are truly inclusive. In support of this, AMES Australia added *Acknowledgement of Country* statement to the website and employees' email signature, celebrated Reconciliation Week, employed an intern as part of the Barrang Djinang Aboriginal Employment strategy for the Victorian public sector and nominated an employee who identifies as Aboriginal for the Barrang Djinang Leadership Program.
- **Gender Equality Action Plan**

AMES Australia is committed to driving progress in gender equality. In response to this, a Gender Equality Action Plan (GEAP) 2020–24 is being developed, in line with the *Gender Equality Act 2020* requirements. AMES Australia is currently in Phase 1 - conducting a Gender Impact Assessment (GIA). This will extend to reviewing where programs, policies or services being delivered or reviewed have a 'direct and significant impact on the public'. Phase 2 will be to develop the GEAP 2020–24 and set targets and quotas based on the outcome of the GIA. Phase 3 will implement the AMES Australia GEAP 2020-24 and report on its progress.
- **Disability Action Plan**

AMES Australia continues its commitment to providing access and equity for employees, students and clients with disabilities to enable them to participate fully and independently. This links directly with AMES Australia's vision of full participation for all in a cohesive and diverse society. The Disability Action Plan and Diversity at AMES Australia intranet page provides employees with information and an opportunity to provide feedback to the AMES Australia Disability Consultative Committee.
- **Culture and Diversity Training**

AMES Australia is developing a cultural safety training to support our diverse workplace in its journey towards creating a workplace that embraces diversity and inclusion through mutual respect and shared understanding. The outcomes will focus on:

  - reflecting how individual attitudes and values influence perceptions, assumptions and behaviours within the workplace
  - raising participant's knowledge about the diversity of cultural experiences
  - exploring what a culturally safe workplace looks like
  - planning towards creating a culturally safe workplace.

## Industrial Relations

Two disputes were lodged with the Fair Work Commission in the reporting period and were resolved in conciliation. The Teachers Enterprise Agreement 2020–22 is expected to be finalised by end of 2020. No time was lost due to industrial action during the reporting period.

## Crisis Management

AMES Australia is committed to effectively manage incidents, emergencies or crises to minimise the risk to employees, and to enhance the protection of property and the reputation of the organisation. The Crisis Management Policy and Plan are in place to assist AMES Australia cope with the anticipated needs generated by crisis situations and to assist with communication of those events and needs.

## Development and Innovation

The Development and Innovation unit supports AMES Australia find new ways of sourcing funds, providing services and positioning AMES Australia for the future. It also supports corporate engagement, partnership activities and the AMES Australia Enterprise Hub.

In the reporting period, the unit facilitated partnering on several tenders to extend AMES Australia's traditional funding streams to industry and philanthropy. It also supported the Education Portfolio with the pivot to remote service delivery.

### Service Redesign

The Service Redesign Project is an internal strategically-focused working group charged with identifying services within AMES Australia which can be delivered in an increasingly integrated way to achieve greater impact and outcomes for clients. In the reporting period the Service Redesign Team identified new strategic partnerships and led the following pilots:

- A custom-designed mobile app for AMES Australia HSP clients.
- Pre-arrival contact with clients to facilitate more effective and targeted services.
- An in-house designed and built database for Individual Pathway Planning for AMES Australia clients.
- New ways of working cross-functionally and self-managing teams in the Noble Park pilot site.
- An online Service Directory that has over 230 services that AMES Australia clients use listed within Victoria. This list will be expanded to include services in NSW and SA.

## Work Health and Safety (WHS)

### WHS Management System and Committees

The objective of AMES Australia's WHS strategy is to ensure a systematic approach to health and safety across the organisation, reducing risk and ensuring the workforce remains safe and healthy at work. The WHS management system continues to be embedded across AMES Australia.

Throughout the reporting period, AMES Australia implemented, monitored and reviewed a number of health and wellbeing actions (e.g. ergonomic assessments, site visits, assessment of reception areas and training for employees in responding to aggression from clients).

The COVID-19 pandemic saw the introduction of a number of new response initiatives and responsibilities (e.g. provision of hand sanitizers and advice on hand washing and social distancing). Due to the restrictions, there was a reduction in site visits in the second half of the reporting period which resulted in increased online WHS consultations. Bespoke briefing sessions were delivered for site first responders and frontline employees dealing with clients presenting with symptoms relating to COVID-19.

Implementation, monitoring and review of the WHS strategy continued throughout the reporting period. Reinforced safety practices were embedded in operations across AMES Australia. Employees' wellbeing, mental health and resilience will continue to be the focus for AMES Australia throughout 2020.

### WHS Incidents

In the reporting period, 63 incidents were reported. Of these incidents, 46 per cent were employee related. The number of incidents decreased compared to previous years as a result of the continuous improvement of safety practices across AMES Australia.

There were no workplace fatalities and three new WorkCover claims were accepted during the reporting period.

	2019–20	2018–19	2017–18
Total number of incidents and injuries reported (employees and clients)	63	93	84
Number of incidents and injuries (employees only)	7	35	47
Lost Time Injury (LTI) 1-<10 days work related WorkCover claim	3	0	1.76
WorkCover claims (open / active)	**4 (6)	2 (7)	6 (7)
LTI Days (WorkCover)	*285.40	*305	*147.50
WorkCover cost premium	\$381,083	\$445,722	\$489,231

\*LTI Days (WorkCover 10 Days +) total days 2016–19 = 737.90

\*\* 1 claim still open from 2017-18

## Regional Committees and Early Intervention Strategy

AMES Australia provides early interventions, assistance and support to employees and managers regarding work related injuries, and to long-term sick or non-work related injured employees and their managers. The aim is to facilitate a return to or recovery at work, as effectively as possible. This has resulted in three out of seven LTI work related injuries being supported, recovering at home or on the job, resulting in earlier return and not progressing to a WorkCover claim.

Regional Committees continue to operate in Victoria, New South Wales and South Australia. These Committees share the hosting of quarterly meetings, enhancing consultation and collaboration in relation to Work Health and Safety issues. Hazard reporting is also reviewed via these Committees.

AMES Australia continued to provide a health and wellbeing program. Flu vaccinations were provided in March–May 2020 to approximately 38 percent employees across all sites. Participation rates in the vaccination program have increased 20 percent in the last two years.

## Health and Safety Training

Participants	Training narrative	2019–20 Attendance rate	2018–19 Attendance rate
Health and Safety Representative	5-day Health and Safety training	n/a	100%
Fire Wardens	Fire Warden Online training	100%	100%
Site First Aiders	CPR and First Aid 003	100%	100%
People Managers	Management Fundamentals including Health and Safety	100%	100%
Key employees	Health and Safety Accountabilities and Responsibilities	76% to date	75% to date
HR unit	Return to Work Training	n/a	100%
Key employees	Mental Health First Aid and Managing Stress and Resilience	100%	n/a
New Starters	Corporate Induction including OHS	93% to date	89% to date
	OHS/WHS for Managers	84% to date	75% to date
	Equal Opportunity for Managers	87% to date	75% to date
	Anti-Bullying and Anti-Harassment for Managers	86% to date	79% to date
Employees who need conflict resolution skills to deal with aggressive clients	PART Training	100%	100%
	Manage Conflict through Negotiation (Basic and Advanced)	100%	100%

## Emergency Planning and Preparedness

Emergency site teams have been trained in the emergency response specific to their site. Emergency Site Manuals are updated annually and reviewed quarterly as part of site inspections or in response to changes to emergency procedures.

## WorkSafe Visits

Location	Description	Legislation / Standard	Outcome
255 William St Melbourne	Site visit in response to a service request from an employee, related to a Return to Work (RTW) matter.	Workplace Injury and Rehabilitation and Compensation Act 2013	The attending Inspector was presented with evidence of RTW documentation relating to specific worker, which resulted in no further action recommended.

## 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 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 sites.

### Energy Consumption

Indicator	2019–20	2018–19
Electricity Usage (MJ)	8,191,381	8,703,657
Natural Gas Usage (MJ)	1,074,630	811,833
Total greenhouse gas emissions from energy consumption (tonnes CO <sub>2</sub> -e)	3,048	3,215
Electricity total tonnes CO <sub>2</sub> -e	2,973	3,159
Gas total tonnes CO <sub>2</sub> -e	74	56
Percentage of electricity purchased as Green Power	0%	0%
Electricity used per FTE (MJ/FTE)	16,180	19,102
Natural Gas used per FTE (MJ/FTE)	10,536	6,826

Note: In the reporting period electricity data was taken from approximately 90 per cent of office-based sites and natural gas data from approximately 11 per cent. Billing information relevant to excluded sites was not available as it was incorporated into the rental outgoings. FTE for electricity usage (455.63) and gas usage (118.93) was calculated relative to sites included. AMES Australia is continuing to improve the collection of data.

### Waste and Recycling

Indicator	2019–20	2018–19
Total Waste Units of waste disposed of by destination Stream (kg/year)	19,245.87	22,722.92
Landfill	12,453.83	16,190.72
Comingled recycling (cans, plastic containers, bottles etc.)	413.4	452.40
Paper and cardboard	3,602.91	3,439.80

Indicator	2019–20	2018–19
Secure Documents (Paper)	2,775.73	2,640.00
Organics (food scraps)	0	0.00
Total Waste Units of waste disposed of by FTE destination	310.77	180.63
Landfill	209.79	128.70
Comingled recycling (cans, plastic containers, bottles etc.)	6.47	3.60
Paper and cardboard	53.42	27.34
Secure Documents (Paper)	41.10	20.99
Organics (food scraps)	0	0.00
Recycling Rate (%)	35.29%	28.75%
Greenhouse gas emissions associated with Waste (tonnes CO <sub>2</sub> -e)	8.33	9.71

Note: In the reporting period data was derived from waste audits, over two days at AMES Australia's head office. Each waste stream was weighed and recorded by the waste collection contractor. Waste and recycling data was sampled when varying COVID-19 restrictions were in place, from March to June 2020. Data relevant to the previous eight months was derived from the reporting period 2018–19 sample. AMES Australia is continuing to improve the collection of data.

#### Paper Consumption

Indicator	2019–20	2018–19
Total units of A4 equivalent copy paper used (reams)	4,688	3,743
Units of A4 equivalent copy paper used per FTE (reams/FTE)	10.3	7.7
Carbon neutral 20% recycled content	30%	100%
Carbon neutral 100% recycled content	18%	N/A
Carbon neutral 0% recycled content	52%	N/A

Note: In the reporting period data was based on purchases of reams for all office-based sites with 455 FTE. The demand for reams since the onset of COVID-19 restrictions in March 2020 has reduced. However reams were already purchased and remain in storage. It is anticipated that the reduction will be reflected in FY 2020–21 data.

#### Water Consumption

Indicator	2019–20	2018–19
Total water consumption (kilolitres)	2,592	2,446
Units of office water used per FTE (kilolitres/FTE)	42.8	32.7
Units of office water used per office area (kilolitres/m <sup>2</sup> )	0.48	0.44

Note: In the reporting period data was taken from approximately 15 per cent of the office-based sites. Billing information relevant to excluded sites was not available as it was incorporated into the rental outgoings. FTE (60.5) and office area (5600m<sup>2</sup>) were calculated relative to sites included. AMES Australia is continuing to improve the collection of data.

#### Transportation

Indicator	2019–20	2018–19
Total energy consumption by fleet vehicles (litres)	33,860	40,337
Total distance travelled by fleet vehicles (km)	320,889	332,988
Total greenhouse gas emissions from fleet vehicles (tonnes CO <sub>2</sub> -e)	50.4	52.3
Greenhouse gas emissions from fleet vehicles per 1000km (tonnes CO <sub>2</sub> -e)	6.12	6.28

Note: No hybrid cars used in the reporting period.

## Other Legislative Compliance

### Employment and Conduct Principles

AMES Australia is committed to applying merit and equity principles when appointing employees. The selection processes ensure applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

## Public Sector Values and Employment Principles

AMES Australia 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.

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

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 and Performance Policy. An employee suspecting that a breach has occurred or will occur is encouraged to report to the People and Development unit. No employee will be disadvantaged or prejudiced if he or she reports in good faith. All reports will be acted upon and kept confidential.

## Public Interest Disclosures Act 2012

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

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

Anyone can make a public interest disclosure. This includes individuals either internal or external to the organisation, independent contractors, students, recipients of services and the general public. AMES Australia cannot receive and assess a public interest disclosure about AMES Australia, its personnel or other members of the public sector. AMES Australia will advise the discloser to directly contact the DET or IBAC. Online forms are available on IBAC website. Alternatively IBAC can be contacted by phone (1300 735 135).

The Board Secretary is responsible for:

- being the point of contact for general advice
- being the liaison (under the direction of the CEO) between AMES Australia and investigating government departments or bodies
- referring disclosures to DET or IBAC
- taking necessary steps to ensure confidentiality is maintained
- facilitating welfare management for a discloser or someone who cooperates or intends to cooperate with an investigation.

The CEO (Principal Officer) must notify IBAC of all instances of suspected corrupt conduct occurring in the organisation in accordance with AMES Australia Fraud, Corruption and Other Losses Procedure. AMES Australia had not received any disclosures under the *Public Interest Disclosures Act 2012* during the reporting period. The AMES Australia Public Interest Disclosure Policy is available on the website <https://www.ames.net.au>



## Freedom of Information (FOI) Act 1982

AMES Australia is committed to administering the *Freedom of Information Act 1982* in a fair, objective and unbiased manner. AMES Australia is also committed to ensuring that all statutory requirements are met and that applicants are kept informed of the process and progress of their requests. The CEO has delegated the responsibility for managing FOI requests to the Board Secretary.

Enquiries and requests for information should be made in writing and forwarded to:

Board Secretary / Freedom of Information Principal Officer  
255 William St Melbourne Vic 3000 or FOI@ames.net.au

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

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

AMES Australia had not directly received or processed any requests under the *Freedom of Information Act 1982* during the reporting period.

Further information regarding the operation and scope of FOI can be obtained from the AMES Australia website <https://www.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 website <https://www.ames.net.au/students/fees>

## Carers Recognition Act 2012

AMES Australia recognises the role of carers and the importance of care relationships in the community. AMES Australia endeavours to assist 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. This includes:

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

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

## National Competition Policy

AMES Australia costing models comply with National Competitive Neutrality principles.



## Overseas Trips

There were two overseas trips during the reporting period (Switzerland and Canada). AMES Australia complies with the Victorian Public-Sector Travel Principles.

## Additional Information Available on Request

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

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

## Social Procurement Strategy

AMES Australia's focus under the Social Procurement strategy is to incorporate social procurement planning into every day procurement, concentrating effort on the following objectives which align closely with AMES Australia's core function:

- Provide opportunities for Victorian Aboriginal people.
- Promote and ensure women's equality and safety.
- Provide opportunities for disadvantaged Victorians with a particular focus on employment opportunities for migrants, refugees and disengaged youth.

AMES Australia will also plan and measure its environmentally sustainable business practices such as energy reduction, water efficiency and prioritising engagement of local businesses and products.

## Consultancies

In the reporting period there were three consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred in relation to these consultancies in 2019–20 was \$91,488 (excluding GST). Details of individual consultancies are outlined below.

Consultants	Summary of Project	Expenditure (ex GST)	Future Expenditure (ex GST)
Deloitte Access Economics Pty Ltd	Provision of advice and developing of a framework for fee setting options for Migration Services.	\$57,300	nil
Mercer Consulting (Australia) Pty Ltd	Development of classification descriptors.	\$19,800	nil
Spark Strategy	Provision of advice for the execution of the Social Impact Strategy.	\$14,388	nil

During the reporting period, AMES Australia engaged two consultants where the total fees payable to the individual consultancies were less than \$10,000 (exclusive of GST). The total expenditure incurred in 2019-20 in relation to these consultancies was \$9,200 (exclusive of GST).

## Information and Communication Technology (ICT) Expenditure

All operational ICT expenditure Business as Usual (BAU)	ICT expenditure related to projects		
	Non-Business As Usual (non-BAU) ICT expenditure (Total=Operational expenditure and capital expenditure)	Operational expenditure	Capital expenditure
\$4,789,999	\$323,569	\$117,172	\$206,397

## Government Advertising Expenditure

Nil reports. Each AMES Australia's advertising campaigns did not trigger the disclosure threshold of \$100,000 on advertising expenditure.

## Local Jobs First

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

# Key Performance Outcomes 2019–20

Indicator title	Description	2019–20 Target	2019–20 Actual	Explanation of material variances	2018–19 Result
<b>Education</b>					
Training delivery	Student contact hours (Consortium- all programs)	1.42m	1.09m	COVID-19 impacts include: <ul style="list-style-type: none"> <li>• decrease in AMES Australia's assessment capability</li> <li>• some students unable to source technology to access online platform</li> <li>• low SEE referrals from jobactive Consortium</li> <li>• low referrals from Settlement Portfolio due to border restrictions/closure.</li> </ul>	1.29m
	Skills First Certificate completion rate (Cert III in Individual Support and Early Childhood Education and Care)	89%	47.6%	Students commencing in early 2020 have not completed the program due to COVID-19 work placement restrictions.	85%
	Skills First Unit completion rate	67%	46.52%	Assessments for students were not all developed for mixed mode delivery due to difficulties delivering and assessing due to COVID-19 restrictions.	61.3%
	SEE Unit completion rate (includes EAL and Industry)	50%	24.9%	Assessments for students were not all developed for mixed mode delivery due to difficulties delivering and assessing due to COVID-19 restrictions.	45%
	ACFE and Asylum Seeker ACFE Module attendance rate	85%	84.73%	-	77.57%
	Student satisfaction	Student satisfaction rate (Australian Quality Training Framework Quality Report)	86%	76.8%	-
Participation in workplace and industry experience	Number of students in accredited courses with work or industry-based experience	312	378	-	284
	<p>Note: A number of students currently enrolled in Cert III in Early Childhood Education and Care and Cert III in Individual Support have not been able to complete the work placement requirement due to COVID-19 restrictions.</p> <p>Number of students enrolled in Cert II in EAL (Employment) State accredited program with an observation elective unit completed in the workplace has been included.</p>				
<b>Settlement</b>					
HSP	Number of HSP client referred	6,130	5,274	Impacted by no new arrivals since March 2020 due to borders being closed from the onset of COVID-19.	5,885

Indicator title	Description	2019–20 Target	2019–20 Actual	Explanation of material variances	2018–19 Result
SRSS	Number of SRSS clients referred	0	178	Clients referred were not newly arrived clients. They were vulnerable clients from the community that met eligibility requirements and Band 3 referrals from HELD detention.	274
<b>Employment</b>					
jobactive sustainable employment outcomes	Number of placements (Consortium)	5,317	4,703	From November 2019 Mutual Obligations have been suspended as we dealt with the impact of bushfires and COVID-19.	6,733
	Number of 26-week retention outcomes (Consortium)	2,249	2,122		3,471
<b>Research and Evaluation</b>					
Evidence based research and evaluation capability	Number of research and evaluation reports	8	10	-	7
<b>Organisational Governance</b>					
Financial sustainability (AMES Australia)	Liquidity available to meet expenses as they arise Working capital ratio	1.59:1	1.71:1	-	2.05:1
	Surplus / (deficit) before depreciation and excluding capital  Note: Depreciation of right of use-assets (per AASB 16 Leases, applicable in 2019–20) has been included for comparison with rental expense in 2018–19.	(\$5.15m)	(\$1.08m)	-	(\$1.11m)
Revenue projection for 2019–20 financial year (AMES Australia)	Annual turnover AMES Australia total revenue	\$95.7m	\$92.04m	Reduced service delivery as a result of challenges in the current environment.	\$103.5m
Expenditure to budget reporting	Monthly Management reports	15th day of month	Met	-	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. of Education and Training.	Met	Met	-	Met

# Five Year Financial Summary

## AMES Australia five year financial summary (consolidated)

Financial Summary	30 June 2020 \$000	30 June 2019 \$000	30 June 2018 \$000	30 June 2017 \$000	30 June 2016 \$000
Total income from transactions	92,048	103,633	103,768	180,399	171,035
Total expenses from transactions	(94,528)	(105,910)	(101,122)	(185,710)	(167,083)
Net result from transactions	(2,480)	(2,277)	2,646	(5,311)	3,952
Net result for the period	(2,573)	(2,664)	2,712	(6,866)	3,528
Net cash flow from/(used in) operating activities	2,468	2,126	(8,244)	4,882	10,824
Total assets	61,088	63,566	65,783	83,881	78,348
Total liabilities	19,516	19,395	18,948	39,758	35,714

For the year ending 30 June 2020, AMES Australia reported a deficit of \$2.5 million.

AMES Australia reported a decrease in revenue and related expenditure over the previous financial year as a result of reduced delivery. Employment services were particularly impacted as a result of the challenges in the current environment, as well as the onset of COVID-19 in the last quarter of the financial year. During the year, AMES Australia continued to contribute towards Community Investments through its engagement in Social Enterprises, the Multicultural Hub and other social participation initiatives.

A complete set of the audited accounts with notes is available in the AMES Australia Annual Report 2019–20 published on [www.ames.net.au](http://www.ames.net.au)

# Disclosure Index

Legislation	Requirement	Page reference
Standing Directions and Financial Reporting Directions		
<b>Report of operations</b>		
<b>Charter and purpose</b>		
FRD 22H	Manner of establishment and the relevant Ministers	Part A page 5
FRD 22H	Purpose, functions, powers and duties	Part A page 5
FRD 8D	Departmental objectives, indicators and outputs	Part A page 10–24
FRD 22H	Key initiatives and projects	Part A page 10–32
FRD 22H	Nature and range of services provided	Part A page 10–24
<b>Management and structure</b>		
FRD 22H	Organisational structure	Part A page 8
<b>Financial and other information</b>		
FRD 8D	Performance against output performance measures	Part A page 40–41
FRD 8D	Budget portfolio outcomes	N/A
FRD 10A	Disclosure index	Part A page 43
FRD 12B	Disclosure of major contracts	N/A
FRD 15E	Executive officer disclosures	Part A page 8
FRD 22H	Employment and conduct principles	Part A page 35–36
FRD 22H	Occupational health and safety policy	Part A page 32
FRD 22H	Summary of the financial results for the year	Part A page 42
FRD 22H	Significant changes in financial position during the year	Part A page 42
FRD 22H	Major changes or factors affecting performance	Part A page 40–42
FRD 22H	Subsequent events	Part B page 55
FRD 22H	Application and operation of Freedom of Information Act 1982	Part A page 37
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	Part A page 28
FRD 22H	Statement on National Competition Policy	Part A page 37
FRD 22H	Application and operation of the Public Interest Disclosures Act 2012	Part A page 36
FRD 22H	Application and operation of the Carers Recognition Act 2012	Part A page 37
FRD 22H	Details of consultancies over \$10 000	Part A page 39
FRD 22H	Details of consultancies under \$10 000	Part A page 39
FRD 22H	Disclosure of government advertising expenditure	Part A page 39
FRD 22H	Disclosure of ICT expenditure	Part A page 39
FRD 22H	Statement of availability of other information	Part A page 39
FRD 24D	Reporting of office-based environmental impacts	Part A page 34
FRD 25C	Local Jobs First	Part A page 39
FRD 29C	Workforce data disclosures	Part A page 9
SD 5.2	Specific requirements under Standing Direction 5.2	Part A page 1
<b>Compliance attestation and declaration</b>		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	Part A page 1
SD 5.2.3	Declaration in report of operations	Part A page 1
<b>Financial statements</b>		
<b>Declaration</b>		
SD 5.2.2	Declaration in financial statements	Part B page 3
<b>Other requirements under Standing Directions 5.2</b>		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	Part B page 9
SD 5.2.1(a)	Compliance with Standing Directions	Part A page 1 Part B page 3

Legislation	Requirement	Page reference
Standing Directions and Financial Reporting Directions		
SD 5.2.1(b)	Compliance with Model Financial Report	Part B page 3
<b>Other disclosures as required by FRDs in notes to the financial statement</b>		
FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity	N/A
FRD 11A	Disclosure of Ex gratia Expenses	Part B page 51
FRD 13	Disclosure of Parliamentary Appropriations	N/A
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	Part B page 52–56
FRD 103H	Non-Financial Physical Assets	Part B page 21–26
FRD 110A	Cash Flow Statements	Part B page 7
FRD 112D	Defined Benefit Superannuation Obligations	Part B page 17–18
FRD 114C	Financial Instruments – general government entities and public non-financial corporations	Part B page 36–37
<b>Legislation</b>		
	<i>Freedom of Information Act 1982</i>	Part A page 37
	<i>Building Act 1993</i>	Part A page 28
	<i>Public Interest Disclosures Act 2012</i>	Part A page 36
	<i>Carers Recognition Act 2012</i>	Part A page 37
	<i>Disability Act 2006</i>	Part A page 31
	<i>Local Jobs Act 2003</i>	Part A page 39
	<i>Financial Management Act 1994</i>	Part B page 3

# Acronyms

ACFE	Adult Community and Further Education	IELTS	International English Language Testing System
AMEP	Adult Migrant English Program	IT	Information Technology
APOs	Approved Processing Organisations	MRC	Migrant Resource Centre
APHRA	Australian Health Practitioner Regulation Agency	NDIS	National Disability Insurance Scheme
ATCR	Annual Tripartite Consultation on Resettlement	OET	Occupational English Test
BHG	Basic Household Goods	OHS	Occupational Health and Safety
BVE	Bridging Visa E	PMO	Project Management Office
CALD	Culturally and Linguistically Diverse	PVAW	Prevention of Violence Against Women
CPP	Career Pathways Pilot	RTO	Registered Training Organisation
CSP	Community Support Program	SASP	Settlement and Asylum Seeker Programs
CGEA	Certificate in General Education for Adults	SCH	Student Contact Hour
DESE	Department of Education, Skills and Employment	SDGs	Sustainable Development Goals
DET	Department of Education and Training	SEE	Skills for Education and Employment Program
DHHS	Department of Health and Human Services	SHC	Settlement Health Coordinators
DOHA	Department of Home Affairs	SPMP	Skilled Professional Migrant Program
DSS	Department of Social Services	SRSS	Status Resolution Support Services
EAL	English as an Additional Language	RTW	Return to Work (RTW)
EO	Executive Officer	RWA	Remote Working Arrangements
FOI	Freedom of Information	TAFE	Technical and Further Education
FTE	Full time Equivalent	TTL	Try Test and Learn
GEAP	Gender Equality Action Plan	UN	United Nations
GIA	Gender Impact Assessment	UNHCR	United Nations High Commissioner for Refugees
HSP	Humanitarian Settlement Program	VET	Vocational Education and Training
IBAC	Independent Broad-based Anti-corruption Commission	VPSC	Victorian Public Sector Commission
ICT	Information and Communication Technology	WHS	Work Health and Safety
ILC	Information Linkages and Capacity	WSW	Western Sydney Women's Group



# PART B: FINANCIAL STATEMENTS

AMES Australia Consolidated Annual Financial Report for the Year ended 30 June 2020 (page 1–59)

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**CONTENTS**

	<b>Page</b>
<b>Report</b>	Report of the Auditor-General 1-2
<b>Certifications</b>	Declaration by Board Chair, Chief Executive Officer and Chief Finance Officer 3
<b>Financial Statements</b>	Consolidated Comprehensive operating statement 4
	Consolidated Balance sheet 5
	Consolidated Statement of changes in equity 6
	Consolidated Cash flow statement 7
<b>Notes to the financial statements</b>	
	<b>1. About this report 8</b>
	The basis on which the financial statements have been prepared and compliance with reporting regulations
	<b>2. Funding delivery of our services 10</b>
	Revenue recognised from grants, sales of goods and services and other sources
	2.1 Summary of income that funds the delivery of services 10
	2.2 Income from transactions 11
	<b>3. The cost of delivering services 14</b>
	Operating expenses of the organisation
	3.1 Expenses incurred in the delivery of services 14
	3.2 Supplies and services / Other operating expenses 19
	<b>4. Major assets and investments 21</b>
	Land, buildings, plant and equipment
	4.1 Total property, plant and equipment 21
	<b>5. Other assets and liabilities 27</b>
	Other key asset and liability balances
	5.1 Receivables 27
	5.2 Payables 28
	5.3 Contract liabilities 30
	5.4 Other provisions 31
	<b>6. Financing our operations 32</b>
	Cash flow information and commitments
	6.1 Cash flow information and balances 32
	6.2 Leases 33
	6.3 Commitments 35

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

	<b>Page</b>
<b>Notes to the financial statements (continued)</b>	
<b>7. Risks, contingencies and valuation judgements</b>	<b>36</b>
Financial instruments, financial risk management, contingent assets and liabilities, fair value determination and commitment disclosures	
7.1 Financial instruments specific disclosures	36
7.2 Financial risk management objective and policies	39
7.3 Contingent assets and contingent liabilities	47
7.4 Fair value determination	48
<b>8. Other disclosures</b>	<b>51</b>
8.1 Ex-gratia expenses	51
8.2 Other economic flows included in net result	51
8.3 Economic dependency	52
8.4 Responsible persons	52
8.5 Remuneration of executive officers	53
8.6 Related parties	54
8.7 Remuneration of auditors	55
8.8 Subsequent events	55
8.9 Subsidiaries	55
8.10 Other accounting policies	56
8.11 Australian Accounting Standards issued that are not yet effective	57
8.12 Changes in accounting policies	58

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The financial report was authorised for issue by the Board members on 31 August 2020. 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 entity) and its controlled entity (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> <li>• consolidated entity and entity balance sheets as at 30 June 2020</li> <li>• consolidated entity and entity comprehensive operating statements for the year then ended</li> <li>• consolidated entity and entity statements of changes in equity for the year then ended</li> <li>• consolidated entity and entity cash flow statements 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 entity as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<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 entity and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p><b>Board's responsibilities for the financial report</b></p>	<p>The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <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 entity 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>

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

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

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

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

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Charlotte Jeffries  
*as delegate for the Auditor-General of Victoria*

MELBOURNE  
14 September 2020

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

The attached consolidated financial statements for AMES Australia have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the consolidated comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and financial position of the organisation as at 30 June 2020.

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 31 August 2020.



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Stuart Crosby  
Board Chair  
Melbourne  
31 August 2020



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Catherine Scarth  
Chief Executive Officer  
Melbourne  
31 August 2020



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Tracey Bannan  
Chief Finance Officer  
Melbourne  
31 August 2020

**AMES AUSTRALIA**  
**CONSOLIDATED COMPREHENSIVE OPERATING STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**

	Notes	Consolidated		AMES Australia	
		\$'000 2020	\$'000 2019	\$'000 2020	\$'000 2019
<b>Income from transactions</b>					
Government contributions - operating	2.2.1	7,793	5,973	7,793	5,973
Sales of goods and services	2.2.2	81,226	94,343	81,226	94,343
Other income	2.2.3	2,749	2,778	2,775	2,734
Interest income		280	539	277	532
<b>Total income from transactions</b>		<b>92,048</b>	<b>103,633</b>	<b>92,071</b>	<b>103,582</b>
<b>Expenses from transactions</b>					
Employee expenses	3.1.1	42,543	43,808	42,543	43,808
Depreciation and amortisation	4.1.1	5,665	1,606	5,665	1,606
Interest expense	6.2	55	-	55	-
Supplies and services	3.2	23,542	29,935	23,536	29,859
Other operating expenses	3.2	22,723	30,561	22,721	30,644
<b>Total expenses from transactions</b>		<b>94,528</b>	<b>105,910</b>	<b>94,520</b>	<b>105,917</b>
<b>Net results from transactions (net operating balance)</b>		<b>(2,480)</b>	<b>(2,277)</b>	<b>(2,449)</b>	<b>(2,335)</b>
<b>Other economic flows included in net result</b>					
Net gain/(loss) on non-financial assets	8.2	26	88	26	88
Other gains/(losses) from other economic flows	8.2	(119)	(475)	(119)	(475)
<b>Total other economic flows included in net result</b>		<b>(93)</b>	<b>(387)</b>	<b>(93)</b>	<b>(387)</b>
<b>Net result</b>		<b>(2,573)</b>	<b>(2,664)</b>	<b>(2,542)</b>	<b>(2,722)</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		-	-	-	-
<b>Comprehensive result</b>		<b>(2,573)</b>	<b>(2,664)</b>	<b>(2,542)</b>	<b>(2,722)</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 2020**

	Notes	Consolidated		AMES Australia	
		\$'000 2020	\$'000 2019	\$'000 2020	\$'000 2019
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	6.1	25,756	29,419	25,755	28,972
Receivables	5.1	5,140	5,864	5,140	6,015
<b>Total financial assets</b>		<b>30,896</b>	<b>35,283</b>	<b>30,895</b>	<b>34,987</b>
<b>Non-financial assets</b>					
Other non-financial assets		828	973	828	973
Property, plant and equipment	4.1	29,364	27,310	29,364	27,310
<b>Total non-financial assets</b>		<b>30,192</b>	<b>28,283</b>	<b>30,192</b>	<b>28,283</b>
<b>Total assets</b>		<b>61,088</b>	<b>63,566</b>	<b>61,087</b>	<b>63,270</b>
<b>Liabilities</b>					
Payables	5.2	4,868	8,089	4,868	7,851
Contract liabilities	5.3	3,292	2,468	3,292	2,468
Employee related provisions	3.1.2	7,916	7,523	7,916	7,523
Lease liabilities	6.2.1	1,774	-	1,774	-
Other provisions	5.4	1,666	1,315	1,666	1,315
<b>Total liabilities</b>		<b>19,516</b>	<b>19,395</b>	<b>19,516</b>	<b>19,157</b>
<b>Net assets</b>		<b>41,572</b>	<b>44,171</b>	<b>41,571</b>	<b>44,113</b>
<b>Equity</b>					
Accumulated surplus		7,794	10,393	7,793	10,335
Reserves		10,872	10,872	10,872	10,872
Contributed capital		22,906	22,906	22,906	22,906
<b>Total Equity</b>		<b>41,572</b>	<b>44,171</b>	<b>41,571</b>	<b>44,113</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 2020**

<i>Consolidated</i>	Notes	Reserves \$'000	Accumulated surplus/ (deficit) \$'000	Contributed capital \$'000	Total \$'000
Balance at 1 July 2018		10,872	13,057	22,906	46,835
Net result for the year		-	(2,664)	-	(2,664)
Balance at 30 June 2019		10,872	10,393	22,906	44,171
Non controlling interest			(26)		(26)
Net result for the year		-	(2,573)	-	(2,573)
Balance at 30 June 2020		10,872	7,794	22,906	41,572

<i>AMES Australia</i>	Notes	Reserves \$'000	Accumulated surplus/ (deficit) \$'000	Contributed capital \$'000	Total \$'000
Balance at 1 July 2018		10,872	13,057	22,906	46,835
Net result for the year		-	(2,722)	-	(2,722)
Balance at 30 June 2019		10,872	10,335	22,906	44,113
Net result for the year		-	(2,542)	-	(2,542)
Balance at 30 June 2020		10,872	7,793	22,906	41,571

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 2020**

	Notes	Consolidated		AMES Australia	
		\$'000 2020	\$'000 2019	\$'000 2020	\$'000 2019
<b>Cash flow from operating activities</b>					
<b>Receipts</b>					
Government contributions – operating	2.2.1	7,793	5,973	7,793	5,973
User fees and charges received		93,790	107,240	93,950	107,028
Interest received		275	606	273	600
<b>Total receipts</b>		<b>101,858</b>	<b>113,819</b>	<b>102,016</b>	<b>113,601</b>
<b>Payments</b>					
Payments to suppliers and employees		(95,839)	(107,694)	(95,587)	(107,393)
Interest and other costs of finance paid		(55)	-	(55)	-
Net goods and services tax paid to the ATO		(3,496)	(3,999)	(3,486)	(4,083)
<b>Total payments</b>		<b>(99,390)</b>	<b>(111,693)</b>	<b>(99,128)</b>	<b>(111,476)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.1.1	<b>2,468</b>	<b>2,126</b>	<b>2,888</b>	<b>2,125</b>
<b>Cash flows from investing activities</b>					
Proceeds from investments		-	12,200	-	12,200
Purchase of non-financial assets		(1,906)	(327)	(1,906)	(327)
Proceeds from sale of non-financial assets	8.2	134	165	134	165
<b>Net cash flows from/(used in) investing activities</b>		<b>(1,772)</b>	<b>12,038</b>	<b>(1,772)</b>	<b>12,038</b>
<b>Cash flows from financing activities</b>					
Repayment of principal portion of leasing liabilities		(4,333)	-	(4,333)	-
Payment to minority interest		(26)	-	-	-
<b>Net cash flows from/(used in) financing activities</b>		<b>(4,359)</b>	<b>-</b>	<b>(4,333)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(3,663)</b>	<b>14,164</b>	<b>(3,217)</b>	<b>14,163</b>
Cash and cash equivalents at beginning of financial year		29,419	15,255	28,972	14,809
<b>Cash and cash equivalents at end of financial year</b>	6.1	<b>25,756</b>	<b>29,419</b>	<b>25,755</b>	<b>28,972</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 2020

## 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.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

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

Entities consolidated into AMES Australia's reporting entity include:

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 2020**

## **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 2020

## 2. FUNDING DELIVERY OF OUR SERVICES

### Introduction

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

#### *Significant judgement: Grant revenue*

AMES Australia has made judgement on the recognition of grant revenue as income of not-for-profit entities where they do not contain sufficiently specific performance obligations. Income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers is recognised when the AMES Australia satisfies the performance obligations.

### Structure

2.1	Summary of income that funds the delivery of services	.....10
2.2	Income from transactions	.....11

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

	Notes	Consolidated		AMES Australia	
		\$'000 2020	\$'000 2019	\$'000 2020	\$'000 2019
Government contributions	2.2.1	7,793	5,973	7,793	5,973
Sale of goods and services	2.2.2	81,226	94,343	81,226	94,343
Other income	2.2.3	2,749	2,778	2,775	2,734
Interest income		279	539	276	532
<b>Total income from transactions</b>		<b>92,047</b>	<b>103,633</b>	<b>92,070</b>	<b>103,582</b>

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**2.2 Income from transactions**

**2.2.1 Government contributions**

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2020	2019	2020	2019
<b>Government contributions – operating</b>				
State government specific funded programs	5,638	5,973	5,638	5,973
<b>Total government contributions - operating</b>	<b>5,638</b>	<b>5,973</b>	<b>5,638</b>	<b>5,973</b>
State government - other contributions	2,155	-	2,155	-
<b>Total government contributions - other</b>	<b>2,155</b>	<b>-</b>	<b>2,155</b>	<b>-</b>
<b>Total government contributions</b>	<b>7,793</b>	<b>5,973</b>	<b>7,793</b>	<b>5,973</b>

AMES Australia recognises income immediately within the scope of AASB 1058 Income of Not-for-Profit Entities in the comprehensive operating statement when control is achieved over the funds and the contract is not enforceable or the performance obligations are not sufficiently specific. Where performance obligations are sufficiently specific, the asset and related liability are recognised with the residual being directly recognised in the comprehensive operating statement within the scope of AASB 15 Revenue from Contracts with Customers.

The major operating grant of AMES Australia is the Victorian Training Guarantee (VTG) provided by the Victorian Government to the Vocational Education and Training (VET) sector for eligible training. This income is typically recognised at the point in time when AMES Australia has claimed and delivered the funded training for eligible students enrolled in its VET courses.

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



**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**2.2.2 Sale of goods and services**

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2020	2019	2020	2019
Student fees and charges	209	215	209	215
Fee for service – Government	77,823	90,101	77,823	90,101
Fee for service - Other	2,926	3,721	2,926	3,721
<b>Other non-course fees and charges</b>				
Sale of goods	268	306	268	306
<b>Total fees and charges</b>	<b>81,226</b>	<b>94,343</b>	<b>81,226</b>	<b>94,343</b>

The sale of goods and services included in the table above are transaction that AMES Australia has determined to be classified as revenue from contracts with customers in accordance with AASB 15. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements.

**Performance obligations and revenue recognition policies**

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

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

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

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**2.2.2 Sale of goods and services (continued)**

**Previous accounting policy for 30 June 2019**

**(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 actual services provided or 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.

**2.2.3 Other income**

	Consolidated		AMES Australia	
	\$'000 2020	\$'000 2019	\$'000 2020	\$'000 2019
Rental revenue	1,744	1,766	1,744	1,766
Other revenue	1,005	1,012	1,031	968
<b>Total other income</b>	<b>2,749</b>	<b>2,778</b>	<b>2,775</b>	<b>2,734</b>

**(i) Rental revenue**

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

**(ii) Other revenue**

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**3. THE COST OF DELIVERING SERVICES**

**Introduction**

This section provides an account of the expenses incurred by AMES Australia in delivering services and outputs. In Section 3.2, the cost associated with provision of services is recorded.

**Structure**

3.1	Expenses incurred in the delivery of services	.....14
3.2	Supplies and services / Other operating expenses	.....19

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

	Notes	Consolidated		AMES Australia	
		\$'000 2020	\$'000 2019	\$'000 2020	\$'000 2019
Employee expenses	3.1.1	42,543	43,808	42,543	43,808
Supplies and services	3.2	23,542	29,935	23,536	29,859
Other operating expenses	3.2	22,723	30,561	22,721	30,644
<b>Total expenses incurred in the delivery of services</b>		<b>88,808</b>	<b>104,304</b>	<b>88,800</b>	<b>104,311</b>

**3.1.1 Employee expenses**

	Notes	Consolidated		AMES Australia	
		\$'000 2020	\$'000 2019	\$'000 2020	\$'000 2019
Salaries, wages, overtime and allowances, annual leave and long service leave		35,679	37,237	35,679	37,237
Superannuation	3.1.3	3,428	3,296	3,428	3,296
Payroll tax		1,751	1,908	1,751	1,908
Worker's compensation		249	493	249	493
Termination benefits		1,255	646	1,255	646
Other salary related costs		181	228	181	228
<b>Total employee expenses</b>		<b>42,543</b>	<b>43,808</b>	<b>42,543</b>	<b>43,808</b>

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**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 superannuation benefits relating to its employees; its only obligation is to pay superannuation contributions as and when they fall due.

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**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.

<i>AMES Australia / Consolidated</i>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Current provisions</b>				
<b>Employee benefit – Annual leave</b>				
Unconditional and expected to wholly settle within 12 months	3,080	2,555	3,080	2,555
Unconditional and expected to wholly settle after 12 months	264	260	264	260
<b>Employee benefit – Long service leave</b>				
Unconditional and expected to wholly settle within 12 months	290	234	290	234
Unconditional and expected to wholly settle after 12 months	2,770	2,584	2,770	2,584
<b>Employee benefit – Performance payments</b>				
Unconditional and expected to wholly settle within 12 months	-	100	-	100
<b>Provision for on-costs</b>				
Unconditional and expected to wholly settle within 12 months	46	37	46	37
Unconditional and expected to wholly settle after 12 months	441	411	441	411
<b>Total current provisions for employee benefits</b>	<b>6,891</b>	<b>6,181</b>	<b>6,891</b>	<b>6,181</b>
<b>Non-currents provisions:</b>				
Employee benefits	884	1,158	884	1,158
On-costs	141	184	141	184
<b>Total non-current provisions for employee benefits</b>	<b>1,025</b>	<b>1,342</b>	<b>1,025</b>	<b>1,342</b>
<b>Total provisions for employee benefits</b>	<b>7,916</b>	<b>7,523</b>	<b>7,916</b>	<b>7,523</b>

**Reconciliation of movements in on-cost provisions**

<i>AMES Australia / Consolidated</i>	<b>\$'000</b>	<b>\$'000</b>
	<b>2020</b>	<b>2019</b>
<b>Opening Balance</b>	<b>632</b>	<b>555</b>
Additional provisions recognised	5,409	5,646
Reductions arising from payments	(5,396)	(5,498)
Unwind of discount and effect of changes in the discount rate	(17)	(71)
<b>Closing Balance</b>	<b>628</b>	<b>632</b>
Current	487	448
Non-current	141	184

**(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.

# AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

## 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.

#### 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.

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.

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**3.1.3 Superannuation contributions (continued)**

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
	2020	2019	2020	2019
<b>Paid contribution for the year:</b>				
<b>Defined benefit plans -</b>				
State Superannuation Fund	19	51	19	51
<b>Defined contribution plans –</b>				
VicSuper	3,079	2,915	3,079	2,915
<b>Total paid contribution for the year</b>	<b>3,098</b>	<b>2,966</b>	<b>3,098</b>	<b>2,966</b>
<b>Contribution outstanding at year end (paid the following month)</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>
<b>Total superannuation expense recognised in the comprehensive operating statement</b>	<b>3,428</b>	<b>3,296</b>	<b>3,428</b>	<b>3,296</b>

The basis for contributions is determined by the various schemes.

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

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

		\$'000	\$'000	\$'000	\$'000
	Notes	2020	2019	2020	2019
<b>Supplies and services</b>					
Purchases of supplies and consumables		370	485	370	485
Communication expenses		977	897	977	897
Contract and other services		1,835	2,194	1,835	2,194
Building repairs and maintenance		859	1,425	859	1,425
Minor equipment		430	199	430	199
Fees and charges		19,071	24,735	19,065	24,659
<b>Total supplies and services</b>		<b>23,542</b>	<b>29,935</b>	<b>23,536</b>	<b>29,859</b>
<b>Other operating expenses</b>					
<b>General expenses</b>					
Marketing and promotional expenses		447	477	447	477
Occupancy expenses		940	1,029	940	1,029
Audit fees and services	8.7	53	55	53	44
Staff development		119	235	119	235
Travel and motor vehicle expenses		496	569	494	569
Other expenses		273	185	273	279
<b>Subtotal general expenses</b>		<b>2,328</b>	<b>2,550</b>	<b>2,326</b>	<b>2,633</b>
<b>Lease expenses</b>					
Minimum lease payments		-	5,667	-	5,667
Short-term lease expenses		669	-	669	-
Venue hire and equipment rentals		1,141	72	1,141	72
<b>Subtotal operating lease expenses</b>		<b>1,810</b>	<b>5,739</b>	<b>1,810</b>	<b>5,739</b>
<b>Other expenses</b>					
Job network clients related expenses		5,270	9,437	5,270	9,437
Asylum seeker clients related expenses		13,271	12,782	13,271	12,782
Cost of goods sold/distributed (ancillary trading)		44	53	44	53
<b>Subtotal other expenses</b>		<b>18,585</b>	<b>22,272</b>	<b>18,585</b>	<b>22,272</b>
<b>Total other operating expenses</b>		<b>22,723</b>	<b>30,561</b>	<b>22,721</b>	<b>30,644</b>



**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**3.2 Supplies and services / Other operating expenses (continued)**

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.

Operating lease payments up until 30 June 2019 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.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

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

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**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	.....21
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**4.1 Total property, plant and equipment <sup>(a)</sup>**

	AMES Australia / Consolidated		AMES Australia / Consolidated		AMES Australia / Consolidated	
	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	\$'000		\$'000		\$'000	
	2020	2019	2020	2019	2020	2019
Land at fair value	8,450	8,450	-	-	8,450	8,450
Buildings at fair value	23,515	17,593	(5,973)	(1,199)	17,542	16,394
Building improvements	1,136	1,136	(251)	(175)	885	961
Leasehold improvements at fair value	5,528	4,013	(3,715)	(3,301)	1,813	712
Plant & equipment, computer equipment	3,237	3,030	(2,925)	(2,689)	312	341
Motor vehicles at fair value	822	849	(460)	(397)	362	452
<b>Net carrying amount</b>	<b>42,688</b>	<b>35,071</b>	<b>(13,324)</b>	<b>(7,761)</b>	<b>29,364</b>	<b>27,310</b>

Note: (a) AASB 16 Leases has been applied for the first time from 1 July 2019.

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

**4.1 (a) Total right-of-use assets: buildings**

AMES Australia / Consolidated	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount
	\$'000	\$'000	\$'000
	2020	2020	2020
Buildings at fair value	5,922	4,174	1,748
<b>Net carrying amount</b>	<b>5,922</b>	<b>4,174</b>	<b>1,748</b>

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

<i>AMES Australia / Consolidated</i>	<b>Buildings \$'000</b>
<b>Opening balance - 1 July 2019 <sup>(a)</sup></b>	5,595
Additions	457
Disposals	(130)
Depreciation	(4,174)
<b>Closing balance - 30 June 2020</b>	<b>1,748</b>

Note: (a) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019.

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.

**Right-of-use asset acquired by lessees (Under AASB 16 Leases from 1 July 2019) – Initial measurement**

AMES Australia recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

**Right-of-use asset – Subsequent measurement**

AMES Australia depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

# AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

## 4. MAJOR ASSETS AND INVESTMENTS (continued)

### Revaluations of non-current physical assets

Non-current physical assets measured at fair value are revalued in accordance with Financial Reporting Directions (FRDs) issued by the Assistant Treasurer. 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. The next scheduled full revaluation will be conducted in 2022.

Management have assessed fair value at 30 June 2020 for AMES' land and buildings by applying the Valuer General Victoria (VGV) indexation factors for the financial year 2019/20. The assessment demonstrated that fair value was materially similar to carrying value, and therefore a managerial or full revaluation of AMES' buildings and land was not required.

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

### 4.1.1 Depreciation and amortisation

	AMES Australia / Consolidated \$'000 2020	AMES Australia / Consolidated \$'000 2019
Buildings <sup>(a)</sup>	4,773	600
Plant & equipment, computer equipment	235	336
Motor vehicles	166	178
Leasehold improvements	414	419
Building improvements	77	73
<b>Total depreciation and amortisation</b>	<b>5,665</b>	<b>1,606</b>

Note: (a) The table incorporates depreciation of right-of-use assets as AASB 16 Leases has been applied for the first time from 1 July 2019.

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**4. MAJOR ASSETS AND INVESTMENTS**

**4.1.1 Depreciation and amortisation (continued)**

Depreciation is provided on property, plant and equipment, including freehold buildings, with a capitalised cost in excess of \$5,000 (2018/19: \$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	Useful Life (Years)
Buildings	8 - 50
Building improvements	15
Leasehold improvements	
• Long Term Lease – fit outs	13 - 15
• Other Lease – fit outs	2 - 4
Plant & equipment	4 - 15
Computer equipment	3 - 4
Motor vehicles	5
Right-of-use Asset	Lease term

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.

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

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

**Indefinite life assets:** Land which is considered as having an indefinite life, are not depreciated. Depreciation is not recognised in respect of this asset because their service potential has not, in any material sense, been consumed during the reporting period.

**Impairment:** Non-financial assets, including items of property, plant and equipment, are tested for impairment 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.

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

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

<i>AMES Australia / Consolidated</i>	Land		Buildings		Building improvements		Leasehold improvements		Plant & equipment, computer equipment		Motor vehicles		Total	
	\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Opening balance</b>	8,450	8,450	16,393	16,993	962	977	711	1,130	341	587	453	529	27,310	28,666
Recognition of right-of-use assets on initial application of AASB 16 <sup>(a)</sup>	-	-	5,595	-	-	-	-	-	-	-	-	-	5,595	-
<b>Adjusted balance 1 July 2019</b>	<b>8,450</b>	<b>8,450</b>	<b>21,988</b>	<b>16,993</b>	<b>962</b>	<b>977</b>	<b>711</b>	<b>1,130</b>	<b>341</b>	<b>587</b>	<b>453</b>	<b>529</b>	<b>32,905</b>	<b>28,666</b>
Additions	-	-	457	-	-	58	1,515	-	206	90	185	179	2,363	327
Disposals	-	-	(130)	-	-	-	-	-	-	-	(109)	(77)	(239)	(77)
Depreciation	-	-	(4,773)	(600)	(77)	(73)	(413)	(419)	(235)	(336)	(167)	(178)	(5,665)	(1,606)
<b>Closing balance</b>	<b>8,450</b>	<b>8,450</b>	<b>17,542</b>	<b>16,393</b>	<b>885</b>	<b>962</b>	<b>1,813</b>	<b>711</b>	<b>312</b>	<b>341</b>	<b>362</b>	<b>453</b>	<b>29,364</b>	<b>27,310</b>

Note: (a) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 relating to operating leases.

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**4.1.3 Carrying values by 'purpose' groups<sup>(a)</sup>**

<i>AMES Australia / Consolidated</i>	Public Administration		Total	
	\$'000	\$'000	\$'000	\$'000
	2020	2019	2020	2019
<b>Nature-based classification</b>				
Land at fair value	8,450	8,450	8,450	8,450
Buildings at fair value	15,794	16,394	15,794	16,394
Plant, equipment and vehicles at fair value	674	793	674	793
<b>Net carrying amount</b>	<b>24,918</b>	<b>25,637</b>	<b>24,918</b>	<b>25,637</b>

*Notes: (a) Property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six purpose groups based upon government purpose classifications. All assets in a purpose group are further sub-categorised according to the asset's 'nature' (e.g. buildings, plant), with each sub-category being classified as a separate class of asset for financial reporting purposes.*

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**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	.....27
5.2	Payables	.....28
5.3	Contract liabilities	.....30
5.4	Other provisions	.....31

**5.1 Receivables**

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2020	2019	2020	2019
<b>Current receivables</b>				
<b>Contractual</b>				
Trade receivables	1,059	1,847	1,059	2,021
Allowance for impairment losses of contractual receivables	-	-	-	-
Revenue receivables	4,051	3,982	4,051	3,959
Other receivables	30	35	30	35
<b>Total current receivables</b>	<b>5,140</b>	<b>5,864</b>	<b>5,140</b>	<b>6,015</b>

Receivables consist of:

- contractual receivables, which include debtors in relation to goods and services 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 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. AMES Australia holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Revenue receivables are AMES Australia's right to revenue consideration for which the performance obligations have been satisfied. However, no invoices are issued as the rights become unconditional upon services delivered and claimed on management information system as required by the customers.

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.

Details about AMES Australia's impairment policies, credit risk exposure and the calculation of the loss allowance are set out in Note 7.2.



**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**5.2 Payables**

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2020	2019	2020	2019
<b>Current payable</b>				
<b>Contractual</b>				
Supplies and services	3,006	5,419	3,006	5,200
Accrued salaries, wages and superannuation	1,198	1,957	1,198	1,957
<b>Sub-total</b>	<b>4,204</b>	<b>7,376</b>	<b>4,204</b>	<b>7,157</b>
<b>Statutory</b>				
Taxes payable	664	713	664	694
<b>Total current payables</b>	<b>4,868</b>	<b>8,089</b>	<b>4,868</b>	<b>7,851</b>

Payables consist of:

- contractual payables, such as accounts payable, and accrued expenses. 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.

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**Maturity analysis of financial liabilities**

<i>Consolidated</i>	Carrying amount	Nominal amount	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	5+ years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2020</b>							
Supplies and services	3,006	3,006	2,812	194	-	-	-
Accrued salaries, wages and superannuation	1,198	1,198	1,198	-	-	-	-
<b>Total</b>	<b>4,204</b>	<b>4,204</b>	<b>4,010</b>	<b>194</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2019</b>							
Supplies and services	5,419	5,419	5,192	28	-	199	-
Accrued salaries, wages and superannuation	1,957	1,957	1,957	-	-	-	-
<b>Total</b>	<b>7,376</b>	<b>7,376</b>	<b>7,149</b>	<b>28</b>	<b>-</b>	<b>199</b>	<b>-</b>
<b>AMES Australia</b>							
	Carrying amount	Nominal amount	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	5+ years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2020</b>							
Supplies and services	3,006	3,006	2,812	194	-	-	-
Accrued salaries, wages and superannuation	1,198	1,198	1,198	-	-	-	-
<b>Total</b>	<b>4,204</b>	<b>4,204</b>	<b>4,010</b>	<b>194</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2019</b>							
Supplies and services	5,200	5,200	5,172	28	-	-	-
Accrued salaries, wages and superannuation	1,957	1,957	1,957	-	-	-	-
<b>Total</b>	<b>7,157</b>	<b>7,157</b>	<b>7,129</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**5.3 Contract liabilities**

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2020	2019	2020	2019
Revenue in advance	3,292	2,468	3,292	2,468
<b>Total other liabilities</b>	<b>3,292</b>	<b>2,468</b>	<b>3,292</b>	<b>2,468</b>

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

<i>AMES Australia / Consolidated</i>	Total \$'000 2020
Contract liabilities	
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	2,468
Add: Payments received for performance obligations yet to be completed during the period	23,033
<i>Less: Revenue recognised in the reporting period for the completion of a performance obligation</i>	(22,209)
<b>Total contract liabilities</b>	<b>3,292</b>
<i>Represented by</i>	
Current contract liabilities	3,292
<b>Non-current contract liabilities</b>	-

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**5.4 Other provisions**

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2020	2019	2020	2019
<b>Current provisions</b>				
Make-good provision	1,666	1,315	1,666	1,315
<b>Total other provisions</b>	<b>1,666</b>	<b>1,315</b>	<b>1,666</b>	<b>1,315</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.

**Reconciliation of movements in other provisions**

<i>AMES Australia / Consolidated</i>	Total	
	\$'000	\$'000
	Make-good	2020
<b>Opening Balance</b>	<b>1,315</b>	<b>1,315</b>
Additional provisions recognised	410	410
Reductions arising from payments	(2)	(2)
Reductions resulting from re-measurement or settlement without cost	(57)	(57)
<b>Closing Balance</b>	<b>1,666</b>	<b>1,666</b>

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**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	.....32
6.2	Leases	.....33
6.3	Commitments	.....35

**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
	2020	2019	2020	2019
Total cash and deposits disclosed in the balance sheet	25,756	29,419	25,755	28,972
<b>Balance as per cash flow statement</b>	<b>25,756</b>	<b>29,419</b>	<b>25,755</b>	<b>28,972</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
	2020	2019	2020	2019
<b>Net result for the period</b>	<b>(2,573)</b>	<b>(2,664)</b>	<b>(2,542)</b>	<b>(2,722)</b>
<b>Non-cash movements:</b>				
Depreciation and amortisation of non-current assets	5,665	1,606	5,665	1,606
Net (gain)/loss of sale of non-current assets	(26)	(88)	(26)	(88)
Other non-cash movements	215	-	215	-
<b>Total non-cash flows in operating result</b>	<b>5,854</b>	<b>1,518</b>	<b>5,854</b>	<b>1,518</b>
<b>Movements in assets and liabilities</b>				
Decrease/(increase) in trade receivables	725	2,952	875	2,817
Decrease/(increase) in inventories	8	(3)	8	(3)
Increase/(decrease) in other assets	138	(123)	138	(126)
Increase/(decrease) in payables	(2,399)	(743)	(2,160)	(548)
Increase/(decrease) in other liabilities	(29)	-	(29)	-
Increase/(decrease) in employee benefits	393	447	393	447
Increase/(decrease) in provisions	351	742	351	742
<b>Total movements in assets and liabilities</b>	<b>(813)</b>	<b>3,272</b>	<b>(424)</b>	<b>3,329</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>2,468</b>	<b>2,126</b>	<b>2,888</b>	<b>2,125</b>

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**6. FINANCING OUR OPERATIONS (continued)**

**Financing facilities**

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2020	2019	2020	2019
<b>Unsecured credit card facility, reviewed annually and payable at call</b>				
Amount used	145	130	145	130
Balance available	255	270	255	270
<b>Total credit card facility with bank</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>

**6.2 Leases**

AMES Australia lease various properties. The lease contracts are typically made for fixed periods of 1-6 years with an option to renew the lease after that date.

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

At 30 June 2020, AMES Australia was committed to short term leases and the total commitment at that date was \$1,008,904.

**6.2 (a) Right-of-use Assets**

Right-of-use assets are presented in note 4.1 (a).

**6.2 (b) Amounts recognised in the Comprehensive Operating Statement**

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

<i>AMES Australia / Consolidated</i>	\$'000
	2020
Interest expense on lease liabilities	55
Expenses relating to short term leases	656
Variable lease payments not included in the measurement of lease liabilities	12
Income from subleasing right-of-use assets	4
<b>Total amount recognised in the statement of comprehensive statement</b>	<b>727</b>

**6.2 (c) Amounts recognised in the Statement of Cashflows**

The following amounts are recognised in the Statement of Cashflows for the year ending 30 June 2020 relating to leases.

<i>AMES Australia / Consolidated</i>	\$'000
	2020
<b>Total cash outflow for lease</b>	<b>4,333</b>

# AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

## 6. FINANCING OUR OPERATIONS (continued)

### 6.2 Leases (continued)

For any new contracts entered into on or after 1 July 2019, AMES Australia considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition AMES Australia assesses whether the contract meets three key evaluations:

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

#### Separation of lease and non-lease components

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

#### Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

##### *Lease Liability – initial measurement*

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

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

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

##### *Lease Liability – subsequent measurement*

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

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

##### *Short-term leases and leases of low-value assets*

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

##### *Below market/Peppercorn lease*

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

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

##### *Presentation of right-of-use assets and lease liabilities*

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**6. FINANCING OUR OPERATIONS (continued)**

**6.2 Leases (continued)**

**6.2.1 Lease liabilities**

<i>AMES Australia / Consolidated</i>	<b>\$'000</b>
	<b>2020</b>
Total operating lease commitments disclosed at 30 June 2019	5,760
Discounted using the incremental borrowing rate at 1 July 2019	<b>5,595</b>
Additional lease liabilities recognised	457
Lease payments	(4,333)
Interest	55
<b>Total lease liabilities</b>	<b>1,774</b>

**6.3 Commitments**

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

**6.3.1 Total commitments payable**

<i>AMES Australia / Consolidated</i>	Less than 1 year	1 – 5 years	5+ years	Total
2020	\$'000	\$'000	\$'000	\$'000
<b>Capital expenditure commitments payable</b>				
Property, plant and equipment	12	-	-	12
Operating commitments payable	2,103	21	-	2,124
<b>Total commitments (inclusive of GST)</b>	<b>2,115</b>	<b>21</b>	<b>-</b>	<b>2,136</b>
Less GST recoverable	(192)	(2)	-	(194)
<b>Total commitments (exclusive of GST)</b>	<b>1,923</b>	<b>19</b>	<b>-</b>	<b>1,942</b>

<i>AMES Australia / Consolidated</i>	Less than 1 year	1 – 5 years	5+ years	Total
2019	\$'000	\$'000	\$'000	\$'000
<b>Capital expenditure commitments payable</b>				
Property, plant and equipment	6	-	-	6
Operating and lease commitments payable <sup>(a)</sup>	5,045	715	-	5,760
Other commitments payable	506	-	-	506
<b>Total commitments (inclusive of GST)</b>	<b>5,557</b>	<b>715</b>	<b>-</b>	<b>6,272</b>
Less GST recoverable	(505)	(65)	-	(570)
<b>Total commitments (exclusive of GST)</b>	<b>5,052</b>	<b>650</b>	<b>-</b>	<b>5,702</b>

Note: (a) For 2019 lease commitments relate to leased properties. These have been recorded on the balance sheet as lease liabilities at 30 June 2020.



# AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

<b>Introduction</b>	<b>Structure</b>	
<p>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.</p>	<p>7.1</p> <p>7.2</p> <p>7.3</p> <p>7.4</p>	<p>Financial instruments specific disclosures .....36</p> <p>Financial risk management objective and policies .....39</p> <p>Contingent assets and liabilities .....47</p> <p>Fair value determination .....48</p>

### 7.1 Financial instruments specific disclosures

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

#### Categories of financial assets

##### Financial assets at amortised cost

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

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

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

- cash and deposits;
- contractual receivables.

#### Categories of financial liabilities

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

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

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

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

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

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

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

**7.1.1 Carrying amount of financial instruments by category**

		Consolidated	AMES Australia
		\$'000	\$'000
Category		2020	2020
<b>Financial assets</b>			
Cash and deposits	Cash and deposits	25,756	25,755
Receivables <sup>(a)</sup>	Financial assets at amortised cost	5,140	5,140
<b>Total financial assets</b>		<b>30,896</b>	<b>30,895</b>
<b>Financial liabilities</b>			
Payables <sup>(a)</sup>	Financial liabilities at amortised cost	4,204	4,204
Lease liabilities	Financial liabilities at amortised cost	1,774	1,774
<b>Total financial liabilities</b>		<b>5,978</b>	<b>5,978</b>

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

		Consolidated	AMES Australia
		\$'000	\$'000
Category		2019	2019
<b>Financial assets</b>			
Cash and deposits	Cash and deposits	29,419	28,972
Receivables <sup>(a)</sup>	Financial assets at amortised cost	5,864	6,015
<b>Total financial assets</b>		<b>35,283</b>	<b>34,987</b>
<b>Financial liabilities</b>			
Payables <sup>(a)</sup>	Financial liabilities at amortised cost	5,928	5,928
Lease liabilities	Financial liabilities at amortised cost	-	-
<b>Total financial liabilities</b>		<b>5,928</b>	<b>5,928</b>

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

**AMES AUSTRALIA**  
**CONSOLIDATED ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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

**7.1.2 Financial instruments – Net holding gain/(loss) on financial instruments by category**

	Net holding gain/(loss)		Total interest income/(expense)		Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2020	2019	2020	2019	2020	2019
<b>Consolidated</b>						
<b>Contractual financial assets</b>						
Financial assets at amortised cost - other than on derecognition	(4,297)	(987)	275	539	(4,022)	(448)
<b>Total contractual financial assets</b>	<b>(4,297)</b>	<b>(987)</b>	<b>275</b>	<b>539</b>	<b>(4,022)</b>	<b>(448)</b>
<b>Contractual financial liabilities</b>						
Financial liabilities measured at amortised cost	50	1,014	(55)	-	(5)	1,014
<b>Total contractual financial liabilities</b>	<b>50</b>	<b>1,014</b>	<b>(55)</b>	<b>-</b>	<b>(5)</b>	<b>1,014</b>
<b>AMES Australia</b>						
Financial assets at amortised cost - other than on derecognition	(4,092)	(853)	272	532	(3,820)	(321)
<b>Total contractual financial assets</b>	<b>(4,092)</b>	<b>(853)</b>	<b>272</b>	<b>532</b>	<b>(3,820)</b>	<b>(321)</b>
<b>Contractual financial liabilities</b>						
Financial liabilities measured at amortised cost	50	1,229	(55)	-	(5)	1,229
<b>Total contractual financial liabilities</b>	<b>50</b>	<b>1,229</b>	<b>(55)</b>	<b>-</b>	<b>(5)</b>	<b>1,229</b>

Note: Amounts disclosed in this table exclude holding gains and losses related to statutory financial assets and liabilities.

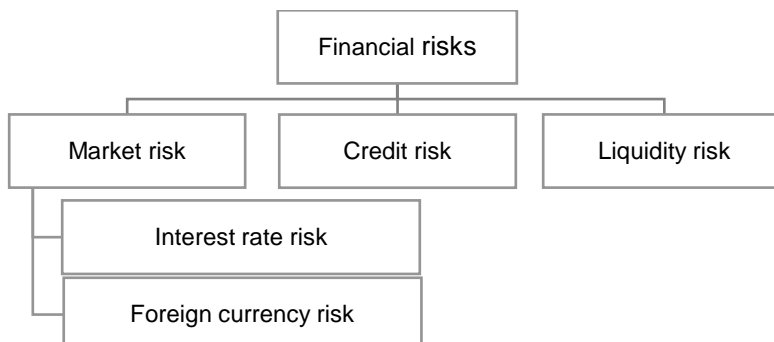
The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents, financial assets at amortised cost and debt instruments that are classified as financial assets at fair value through other comprehensive income, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result;
- for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost.

# AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

## 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, foreign currency risk), credit risk and liquidity risk.

The organisation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of AMES Australia by adhering to principles on interest rate risk and credit risk. Compliance with policies and exposure limits is reviewed by management on a continuous basis. AMES Australia does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes. As a part of this risk management strategy, AMES Australia holds over 83.3% (2018/19: 83.3%) of its financial assets in cash and equivalents. AMES Australia uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ageing analysis for credit risk.

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**Financial instruments: Credit risk**

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

There are no material amounts of collateral held as security at 30 June 2020.

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

Finance, Audit and Risk Management Committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only Westpac Banking Corporation (current account);
- 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.

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

<i>Consolidated</i>	2020	Financial institutions (AA- rating) \$'000	Government agencies (AAA rating) \$'000	Total \$'000
<b>Financial assets</b>				
<b>Financial assets with loss allowance measured at 12-month expected credit loss</b>				
Cash and deposits		25,756	-	25,756
Receivables <sup>(a)</sup>		-	5,140	5,140
<b>Total financial assets</b>		<b>25,756</b>	<b>5,140</b>	<b>30,896</b>
	<b>2019</b>			
<b>Financial assets</b>				
<b>Financial assets with loss allowance measured at 12-month expected credit loss</b>				
Cash and deposits		29,419	-	29,419
Receivables <sup>(a)</sup>		-	5,864	5,864
<b>Total financial assets</b>		<b>29,419</b>	<b>5,864</b>	<b>35,283</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).

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

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

<i>AMES Australia</i>	Financial institutions (AA- rating)	Government agencies (AAA rating)	Total
2020	\$'000	\$'000	\$'000
<b>Financial assets</b>			
<b>Financial assets with loss allowance measured at 12-month expected credit loss</b>			
Cash and deposits	25,755	-	25,755
Receivables <sup>(a)</sup>	-	5,140	5,140
<b>Total financial assets</b>	<b>25,755</b>	<b>5,140</b>	<b>30,895</b>
<b>2019</b>			
<b>Financial assets</b>			
<b>Financial assets with loss allowance measured at 12-month expected credit loss</b>			
Cash and deposits	28,972	-	28,972
Receivables <sup>(a)</sup>	-	6,015	6,015
<b>Total financial assets</b>	<b>28,972</b>	<b>6,015</b>	<b>34,987</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)*

**Impairment of financial assets**

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

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

Under AASB 9, loss allowances are measure on either of the following basis:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these ECLs that result from all possible default events over the expected life of a financial instrument.

# AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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

### Contractual receivables at amortised cost

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

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

The opening loss allowance on initial application date of AASB 9 did not result in an additional allowance for impairment by AMES Australia. Similarly, the assessment at the end of the financial year resulted with no additional impairment losses to be recognised.

### Financial instruments: Liquidity risk

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

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

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

### 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.

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

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

#### • Interest rate risk

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

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

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

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

**Interest rate exposure of financial instruments**

<i>Consolidated</i>	2020	Weighted average interest rate  %	Carrying amount  \$'000	Interest rate exposure		
				Floating interest rate	Fixed interest rate	Non- interest bearing
				\$'000	\$'000	\$'000
<b>Financial assets</b>						
Cash and deposits		0.95	25,756	25,748	-	8
<b>Receivables<sup>(a)</sup></b>						
Trade receivables			1,059	-	-	1,059
Revenue receivables			4,051	-	-	4,051
Other receivables			30	-	-	30
<b>Total financial assets</b>			<b>30,896</b>	<b>25,748</b>	<b>-</b>	<b>5,148</b>
<b>Financial liabilities</b>						
Trade and other payables			4,204	-	-	4,204
Lease liabilities		3.42	1,774	-	1,774	-
<b>Total financial liabilities</b>			<b>5,978</b>	<b>-</b>	<b>1,774</b>	<b>4,204</b>
<b>AMES Australia</b>						
	2020	Weighted average interest rate  %	Carrying amount  \$'000	Interest rate exposure		
				Floating interest rate	Fixed interest rate	Non- interest bearing
				\$'000	\$'000	\$'000
<b>Financial assets</b>						
Cash and deposits		1.10	25,755	25,747	-	8
<b>Receivables<sup>(a)</sup></b>						
Trade receivables			1,059	-	-	1,059
Revenue receivables			4,051	-	-	4,051
Other receivables			30	-	-	30
<b>Total financial assets</b>			<b>30,895</b>	<b>25,747</b>	<b>-</b>	<b>5,148</b>
<b>Financial liabilities</b>						
Trade and other payables			4,204	-	-	4,204
Lease liabilities		3.42	1,774	-	1,774	-
<b>Total financial liabilities</b>			<b>5,978</b>	<b>-</b>	<b>1,774</b>	<b>4,204</b>



**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**Interest rate exposure of financial instruments (continued)**

<i>Consolidated</i>	2019	Weighted average interest rate  %	Carrying amount  \$'000	Interest rate exposure		
				Floating interest rate  \$'000	Fixed interest rate  \$'000	Non- interest bearing  \$'000
<b>Financial assets</b>						
Cash and deposits		1.78	29,419	29,411	-	8
<b>Receivables<sup>(a)</sup></b>						
Trade receivables			1,847	-	-	1,847
Revenue receivables			3,982	-	-	3,982
Other receivables			35	-	-	35
<b>Total financial assets</b>			<b>35,283</b>	<b>29,411</b>	<b>-</b>	<b>5,872</b>
<b>Financial liabilities</b>						
Trade and other payables			7,376	-	-	7,376
<b>Total financial liabilities</b>			<b>7,376</b>	<b>-</b>	<b>-</b>	<b>7,376</b>

<i>AMES Australia</i>	2019	Weighted average interest rate  %	Carrying amount  \$'000	Interest rate exposure		
				Floating interest rate  \$'000	Fixed interest rate  \$'000	Non- interest bearing  \$'000
<b>Financial assets</b>						
Cash and deposits		1.78	28,972	28,964	-	8
<b>Receivables<sup>(a)</sup></b>						
Trade receivables			2,021	-	-	2,021
Revenue receivables			3,959	-	-	3,959
Other receivables			35	-	-	35
<b>Total financial assets</b>			<b>34,987</b>	<b>28,964</b>	<b>-</b>	<b>6,023</b>
<b>Financial liabilities</b>						
Trade and other payables			7,157	-	-	7,157
<b>Total financial liabilities</b>			<b>7,157</b>	<b>-</b>	<b>-</b>	<b>7,157</b>

Note: (a) Other receivables does not include statutory receivables.

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**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>	2020	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		25,756	(258)	(258)	258	258
<b>Total impact</b>			<b>(258)</b>	<b>(258)</b>	<b>258</b>	<b>258</b>
<b>Contractual financial liabilities</b>						
Lease liabilities		1,774	(18)	(18)	18	18
<b>Total impact</b>			<b>(258)</b>	<b>(258)</b>	<b>258</b>	<b>258</b>

<i>AMES Australia</i>	2020	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		25,755	(258)	(258)	258	258
<b>Total impact</b>			<b>(258)</b>	<b>(258)</b>	<b>258</b>	<b>258</b>
<b>Contractual financial liabilities</b>						
Lease liabilities		1,774	(18)	(18)	18	18
<b>Total impact</b>			<b>(18)</b>	<b>(18)</b>	<b>18</b>	<b>18</b>

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**Interest rate risk sensitivity (continued)**

<i>Consolidated</i>	2019	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		29,419	(294)	(294)	294	294
<b>Total impact</b>			<b>(294)</b>	<b>(294)</b>	<b>294</b>	<b>294</b>

<i>AMES Australia</i>	2019	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		28,972	(290)	(290)	290	290
<b>Total impact</b>			<b>(290)</b>	<b>(290)</b>	<b>290</b>	<b>290</b>

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**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 2018/19).

**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.

<b>Quantifiable contingent liabilities</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>2020</b>	<b>2019</b>
Bank guarantee	49	22
<b>Total contingent liabilities</b>	<b>49</b>	<b>22</b>

# AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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

### 7.4 Fair value determination

*Significant judgement: Fair value measurements of assets and liabilities*

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

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

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

#### Fair value hierarchy

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

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

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

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

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

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

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

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**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:

<i>AMES Australia / Consolidated</i>	Carrying amount as at 30 June 2020 \$'000	Fair value hierarchy			Carrying amount as at 30 June 2019 \$'000	Fair value hierarchy		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
Land	8,450	-	8,450	-	8,450	-	8,450	-
Buildings - Melbourne	10,207	-	10,207	-	10,672	-	10,672	-
- Noble Park	134	-	-	134	154	-	-	154
- Box Hill	5,452	-	5,452	-	5,568	-	5,568	-
Building improvements	885	-	-	885	962	-	-	962
Leasehold improvements	1,813	-	-	1,813	711	-	-	711
Plant and equipment	312	-	-	312	341	-	-	341
Motor vehicles	362	-	362	-	452	-	452	-
<b>Total assets at fair value</b>	<b>27,615</b>	<b>-</b>	<b>24,471</b>	<b>3,144</b>	<b>27,310</b>	<b>-</b>	<b>25,142</b>	<b>2,168</b>

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

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**Reconciliation of Level 3 fair value movements**

<i>AMES Australia / Consolidated</i>	<b>Buildings</b>	<b>Building improvements</b>	<b>Leasehold improvements</b>	<b>Plant and equipment</b>
<b>As at 30 June 2020</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Opening balance</b>	<b>154</b>	<b>962</b>	<b>711</b>	<b>341</b>
Purchases / (sales)	-	-	1,515	206
Depreciation	(19)	(76)	(414)	(236)
<b>Closing balance</b>	<b>135</b>	<b>886</b>	<b>1,812</b>	<b>311</b>

<i>AMES Australia / Consolidated</i>	<b>Buildings</b>	<b>Building improvements</b>	<b>Leasehold improvements</b>	<b>Plant and equipment</b>
<b>As at 30 June 2019</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Opening balance</b>	<b>173</b>	<b>977</b>	<b>1,130</b>	<b>587</b>
Purchases / (sales)	-	58	-	90
Depreciation	(19)	(73)	(419)	(336)
<b>Closing balance</b>	<b>154</b>	<b>962</b>	<b>711</b>	<b>341</b>

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

<b>2020 and 2019</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 and industry guidelines including construction handbooks, depreciated for building age and adjusted for refurbishment

Significant unobservable inputs have remained unchanged since June 2019.

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**8. OTHER DISCLOSURES**

**Introduction**

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

**Structure**

8.1	Ex-gratia expenses	.....51	8.5	Remuneration of executive officers	.....53
8.2	Other economic flows included in net result	.....51	8.6	Related parties	.....54
8.3	Economic dependency	.....52	8.7	Remuneration of auditors	.....55
8.4	Responsible persons	.....52	8.8	Subsequent events	.....55
			8.9	Subsidiaries	.....55
			8.10	Other accounting policies	.....56
			8.11	Australian Accounting Standards issued that are not yet effective	.....57
			8.12	Changes in accounting policies	.....58

**8.1 Ex-gratia expenses**

For the reporting year ended 30 June 2020, there were no ex-gratia payments made (2018/19: 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.

**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
	2020	2019	2020	2019
<b>Net gain/(loss) on non-financial asset</b>				
Proceed from sale of physical assets	134	165	134	165
Less written down value	(108)	(77)	(108)	(77)
<b>Total net gain/(loss) on non-financial assets</b>	<b>26</b>	<b>88</b>	<b>26</b>	<b>88</b>
<b>Other gains/(losses) from other economic flows</b>				
Net gain/(loss) arising from revaluation of long service leave liability	(119)	(475)	(119)	(475)
<b>Total from other economic flows</b>	<b>(93)</b>	<b>(387)</b>	<b>(93)</b>	<b>(387)</b>



# AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

## 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 Education, Skills and Employment

### 8.4 Responsible persons

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

#### Names

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

Minister for Training and Skills	The Hon. Gayle Tierney MP	1 July 2019 to 30 June 2020
Chief Executive Officer	Catherine Scarth	1 July 2019 to 30 June 2020
Board Member – Chair of Board and Chair of Appointments, Remuneration & Governance Committee and Chair of Investment Committee	Stuart Crosby	1 July 2019 to 30 June 2020
Board Member - Deputy Chair of Board	Megan Boston	1 July 2019 to 1 June 2020
Board Member - Chair of Finance, Audit and Risk Management Committee	Stuart Alford	1 July 2019 to 30 June 2020
Board Member	Catherina Toh	1 July 2019 to 30 June 2020
Board Member	Ikenna Nwokolo	1 July 2019 to 30 June 2020
Board Member	Jo Pride	1 July 2019 to 30 June 2020
Board Member	Michelle Foster	1 July 2019 to 30 June 2020
Board Member	Mimmie Claudine Watts	1 July 2019 to 30 June 2020
Board Member	Tracy Le	1 July 2019 to 30 June 2020
Board Member	Vedran Drakulic	1 July 2019 to 30 June 2020
Board Member	Stelvio Vido	2 June 2020 to 30 June 2020

#### 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	2020	2019
\$0 - \$10,000	1	-
\$20,001 - \$30,000	9	9
\$50,001 - \$60,000	1	1
\$340,001 - \$350,000	-	1
\$350,001 - \$360,000	1	-
<b>Total number</b>	<b>12</b>	<b>11</b>
<b>Total remuneration (\$'000)</b>	<b>608</b>	<b>604</b>

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**8. OTHER DISCLOSURES (continued)**

**8.5 Remuneration of executive officers**

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

Deva Corea	Chief Finance Officer (ceased November 2019)
Tracey Bannan	Chief Finance Officer (appointed November 2019)
Belinda McLennan	Chief Operating Officer / Acting General Manager Education
Mabel Estrella	Chief Digital Officer (ceased November 2019)
Peter Thomas	Board Secretary
Catharine O'Grady	General Manager People & Development
Mirta Gonzalez	General Manager Settlement & Asylum Seeker Program
Peter Harrison	General Manager Education & Employment

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.

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Remuneration of executive officers</b>		
Short-term employee benefits	1,157	1,392
Post-employee benefits	114	133
Other long-term benefits	10	20
Termination benefits	27	-
<b>Total remuneration<sup>(a)</sup></b>	<b>1,308</b>	<b>1,545</b>
<b>Total number of executives</b>	<b>8</b>	<b>7</b>
<b>Total annualised employee equivalents<sup>(b)</sup></b>	<b>7</b>	<b>7</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.

# AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

## 8. OTHER DISCLOSURES (continued)

### 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 Assistant Treasurer 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.

#### Significant transactions with government-related entities

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

Entity	Nature of transactions	2020 \$'000	2019 \$'000
Department of Education and Training (Victorian Government)	Payments received for the delivery of vocational training.	5,473	5,623
Adult Community and Further Education (ACFE) Board	Payments received for pre-accredited training hours and grant funding for various project initiatives.	1,184	3,308

#### 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	Jamila Trad-Padhee	Director (until 7 September 2019)
Connect Settlement Services Pty Ltd	Peter Thomas	Director and Company Secretary

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.

	Consolidated / AMES Australia 2020 \$'000	Consolidated / AMES Australia 2019 \$'000
<b>Compensation of KMPs</b>		
Short-term employee benefits	1,713	1,958
Post-employment benefits	157	175
Other long-term benefits	20	16
Termination benefits	27	-
<b>Total</b>	<b>1,917</b>	<b>2,149</b>

Notes:

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

# AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

## 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:

Organisation related to key management personnel	Key management personnel	2020 \$'000	2019 \$'000
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)	5,472	5,623

### 8.7 Remuneration of auditors

	Consolidated		AMES Australia	
	\$'000	\$'000	\$'000	\$'000
	2020	2019	2020	2019
<b>Victorian Auditor-General's Office</b>				
Audit of the financial statements	53	55	53	44
<b>Total remuneration of auditors</b>	<b>53</b>	<b>55</b>	<b>53</b>	<b>44</b>

### 8.8 Subsequent events

The duration and impact of the COVID-19 pandemic remains unclear at this time. As a result of border closures, the Humanitarian Settlement Program has been significantly impacted. The delivery of Education Services has changed with the move to online or mixed mode delivery. AMES Australia faces challenges in achieving job placements despite the caseloads in our Employment Services increasing during the pandemic.

It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of AMES Australia for future periods. However, AMES Australia's management have responded to the impact of COVID-19 with ongoing assessment by applying different scenarios with varying assumptions.

### 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.

As at 1 July 2020, Connect Settlement Services Pty Ltd has deregistered with the Australian Securities & Investments Commission (ASIC).

# AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

## 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.

# AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

## 8. OTHER DISCLOSURES (continued)

### 8.11 Australian Accounting Standards issued that are not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2020 reporting period.

As at 30 June 2020, the following standards and interpretations which are applicable to AMES Australia had been issued but were not mandatory for financial year ending 30 June 2020. AMES Australia has not, and does not intend to, adopt these standards early.

Standard/Interpretation	Key requirements	Effective Date	Impact on financial statements
<i>AASB 17 Insurance Contracts</i>	The new Australian standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle-based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard does not currently apply to not-for-profit public sector entities. The AASB is undertaking further outreach to determine the applicability of this standard to the not-for-profit public sector.	1 January 2021	This standard is not expected to be applicable to AMES Australia and will have no significant impact.
<i>AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material</i>	This standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 10 Events after the Reporting Period, include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material. The amendments also clarify the definition of material and its application by improving the wording and aligning the definition across AASB standards and other publications.	1 January 2020	The standard is not expected to have a significant impact for AMES Australia.
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 January 2022. However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact for AMES Australia.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2019-20 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on AMES Australia's financial statements.

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business.*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework.*
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.*
- AASB 2019-4 *Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements.*

# AMES AUSTRALIA CONSOLIDATED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

## 8. OTHER DISCLOSURES (continued)

### 8.12 Changes in accounting policies

#### 8.12.1 Leases

This note explains the impact of the adoption of AASB 16 Leases on AMES Australia's financial statements.

AMES Australia has applied AASB 16 with a date of initial application of 1 July 2019.

AMES Australia has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, AMES Australia determined at contract inception whether an arrangement is or contains a lease under AASB 117. Under AASB 16, AMES Australia assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.2.

On transition to AASB 16, AMES Australia has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

#### *Leases classified as operating leases under AASB 117*

As a lessee, AMES Australia previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to AMES Australia. Under AASB 16, AMES Australia recognises right-of-use assets and lease liabilities for all 6 except where exemption is availed in respect of short-term and low-value leases.

On adoption of AASB 16, AMES Australia recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the TCV's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

AMES Australia has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

#### *Leases as a Lessor*

AMES Australia is not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor. AMES Australia accounted for its leases in accordance with AASB 16 from the date of initial application.

#### 8.12.2 Revenue from Contracts with Customers

In accordance with FRD 121 requirements, AMES Australia has applied the transitional provisions of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, AMES Australia applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application.

Comparative information has not been restated.

**AMES AUSTRALIA  
CONSOLIDATED ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**8. OTHER DISCLOSURES (continued)**

**8.12 Changes in accounting policies**

**8.12.3 Income of Not-for-Profit Entities**

In accordance with FRD 122 requirements, AMES Australia has applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, AMES Australia applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application. AMES Australia has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 and as mandated by FRD 122.

Comparative information has not been restated.

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.



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