

# ANNUAL REPORT 2014



*Chisholm*

# OUR VISION

Leading the way in education  
and training to inspire success  
and transform lives.

# OUR PURPOSE

Chisholm Institute excels in education  
and training and is respected and valued  
for enhancing the social and economic  
futures of individuals, industry and  
communities.

# OUR VALUES

Our drive for commercial success  
is underpinned by our core values:

OPPORTUNITY

INTEGRITY

COLLABORATION

ACHIEVEMENT

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# ABOUT THIS REPORT

The Chisholm Institute 2014 Annual Report is a report to the Parliament of Victoria required under Section 45 of the *Financial Management Act 1994*.

The report contains a report on the operations of Chisholm Institute, Chisholm Online and the Caroline Chisholm Education Foundation: consolidated financial statement, performance statement and other information required under Standing Directions of the Minister for Finance under the Act (Section 4 Financial Management Reporting) and the Financial Reporting Directions given under that Act.

In the preparation of this report Chisholm has followed the reporting guidelines issued by the Higher Education and Skills Group, Department of Education and Training.

This report is based on the model Annual Report issued with these guidelines, in accordance with the *Financial Management Act 1994*, Australian Accounting Standards, Statement of Accounting concepts, authoritative pronouncements of the Australian Accounting Standards Board and other legislative requirements.

All financial information presented in this report is consistent with the audited consolidated financial report for Chisholm Institute.

Queries in relation to this report can be addressed to:

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**Maria Peters**  
Chief Executive  
Officer  
25 February 2015



**Grant Radford**  
Chief Finance and  
Accounting Officer  
25 February 2015



# ABOUT CHISHOLM

Chisholm exists to inspire success and transform people's lives. As Australia's and Victoria's 2014 Large Training Provider of the Year, Chisholm strives to lead the way in education and training. Our drive for commercial success is underpinned by our core values; opportunity, integrity, collaboration and achievement.

Chisholm is a Victorian Government institute of technical and further education established under the Education and Training Reform Act 2006. The responsible Minister was the Honourable Peter Hall, MLC, Minister for Higher Education and Skills until his retirement from Parliament on 17 March 2014. He was followed by the Honourable Nick Wakeling, MP, the Minister for Higher Education and Skills from 17 March 2014 to 3 December 2014. The Honourable Steve Herbert, MP, was sworn in as the current Minister for Training and Skills from 3 December 2014 following the State election in November 2014.

Chisholm was named in 1998 in honour of Caroline Chisholm, the early Australian reformer and humanitarian.

In 2014 the Institute continued its response to major changes in the sector, successfully moving to a more customer-centric business model, streamlining processes and expanding pathways to develop more opportunities for students.

Chisholm is multi-sectoral, delivering a broad range of education and training programs and services in higher education, VET and school sectors across its campuses, online, in the workplace and overseas with partner educational and government organisations.

Currently, Chisholm offers certificate, diploma, advanced diploma and graduate certificate courses, short courses and degree programs.

The Institute serves one of the state's most culturally diverse and fastest growing regions in south east Victoria, with modern training facilities in Bass Coast, Berwick, Cranbourne, Dandenong, Frankston and Mornington Peninsula.

Chisholm is a proud public institute that has as its purpose to excel in education and training and be respected and valued for enhancing the social and economic futures of individuals, industry and communities.





# BOARD CHAIR'S MESSAGE

As Chair of the Chisholm Institute Board, I am proud to present the Institute's Annual Report for 2014, a year of significant progress in implementing the strategic business direction and also one of many achievements.

If 2013 was a year of transition, 2014 was a year in which we saw the commencement of Chisholm's 2014-2016 plans toward the Chisholm 2020 vision to be a partner of choice, institute of choice and workplace of choice. The Institute's values were refined and a revised governance structure was set in place to support the Board.

In 2014 we maintained a strong focus on governance and quality and can proudly say that Chisholm achieved another solid financial performance for the year. In 2014, Chisholm was pleased to attain Government commitment to the redevelopment of Chisholm's Frankston campus, enabling the Board to announce a co-contribution to fund the redevelopment. In addition, a number of other important infrastructure projects have been completed in 2014 and I would like to thank the project management teams involved.

On behalf of the Board I would especially like to thank our CEO, Maria Peters for her leadership and direction of the Institute. The successes and awards achieved in 2014 are testament to her professionalism, dedicated leadership, and commitment to Chisholm and the role of public VET provision.

I would also like to thank the Executive Directors who have worked tirelessly to realise the Board's strategic objectives. I had the pleasure of working closely with them throughout the year and appreciated their support, capability and professionalism.

The outstanding recognition the Institute gained this year in both the Victorian and Australian National Training Awards is evidence of the commitment of all of our managers, teaching, administrative and professional staff, and their efforts to realise Chisholm's vision. I would like to congratulate and thank you all for your contribution this year. You are the people that inspire our students every day and who have supported the students in their success. Without your efforts this would never have happened.

Formal recognition at a national level, following an extremely robust process, strengthened Chisholm's reputation in providing quality education and training to all students and solidified the excellence in the organisational strategies and procedures.

I am confident that as we look to 2015 and beyond, being the Large Training Provider of the Year both in Victoria and Australia will position us well for a successful future.

**Stephen G. Marks**

Board Chair

25 February 2015



# CEO'S MESSAGE

As Chisholm's journey of transformation continued in 2014, our areas of business focus were refined, our products and processes were honed and our vision actualised. Through our focus on growth, people and systems, Chisholm did lead the way in education and training inspiring our students to success and transforming lives.

The Institute refreshed its value statements to sit within a framework of commercial success and long term sustainability: opportunity, integrity, collaboration and achievement. The Institute commenced a process of embedding these values into the fabric of Chisholm's culture through leadership, communication, human resource and business processes.

2014 was a year that reinvigorated the way Chisholm was presented in the community. Major events included a successful Open Day where we invited new stakeholders onto our campuses and strengthened partnerships with industry. A focus on industry engagement supported the strategic direction of growth into new markets while international partnerships further added to our success.

In September, Chisholm was named Large Training Provider of the Year at the Victorian Training Awards. The awards process was one of reflection and recognition of Chisholm's journey to date as well as the strategic direction for the future. Further success at the Australian Training Awards capped off the year and added much cause for celebration amongst the Chisholm community. These awards recognise the contribution of our staff, our leaders and our Board.

Our partnerships with universities were strengthened, offering Chisholm students greater pathway opportunities into higher education. We have had a significant increase in the number of students undertaking either a Chisholm or partner degree with great student outcomes. The launch of Chisholm Online heralded an important moment in Chisholm's history and represents another component of the Institute's strategic response to its transformation. I am confident that Chisholm Online will become a premier VET online delivery provider responding to individual and industry needs locally, nationally and internationally.

Further partnerships with the community and industry were established, with Chisholm continuing to play an important role through various local community and business networks. Many internships and community-based projects incorporated workplace learning providing students with additional practical experience whilst supporting local schools, the Royal Women's Hospital and other community organisations.

There were many highlights in 2014 including:

- gold and bronze medals for our students in the World Skills competition
- four La Trobe Bachelor of Accounting students graduated with Dean's Awards
- graduation of our first class of students learning via Technology Enabled Learning Centres
- hosting two major industry events which attracted hundreds of key representatives from the manufacturing and automotive industries
- our one thousandth scholarship recipient through the Caroline Chisholm Education Foundation
- completion of construction of the Berwick Trade Careers Centre, the START Trade Training Centre at Frankston and the Southern Peninsula Trade Training Centre
- growing our international student numbers and projects with a major highlight being a project for the Vietnamese government aimed at developing vocational training to provide the skills needed to enhance economic growth and development.

Throughout this report, details of these and many other successes by Chisholm, its staff and students are highlighted.

As an organisation, our focus on our people remained a high priority with teams and many individuals recognised and rewarded for excellence, innovation and leadership through our Chisholm Stars program.

With a solid foundation of planning set for 2015 and beyond, the future looks bright for Chisholm. I am proud of the successes we have had in an environment that is changing and competitive.

I would like to thank our staff, the leadership team and the Chisholm Board for their commitment and support through this phase of Chisholm's journey of transformation. I believe as an organisation we have a robust and dynamic strategy, which will ensure Chisholm continues to gain momentum in realising our goals for a strong and sustainable future.

**Maria Peters**

Chief Executive Officer  
25 February 2015



# STATE AND NATIONAL RECOGNITION

## **Chisholm named Victorian Large Training Provider of the Year**

As a proud public provider Chisholm was ecstatic to be awarded Large Training Provider of the Year at the 60th annual Victorian Training Awards.

"This award recognises the quality of our training, our clear strategy, the commitment of our people that lead to strong operational results," said Maria Peters, CEO at Chisholm.

"What sets Chisholm apart is a focus on a student centred approach from the time they inquire to enrol with us to when they graduate. We are proud of their achievements and this award recognises their success.

"This award reflects the courage, commitment and work of our staff through a period of significant change. They have successfully balanced remaining true to our core values, and delivering quality educational products, with the need to be resilient, adaptive, to embrace commercial imperatives and continue to believe in Chisholm, what it stands for and ensure we exist into the future".

## **Chisholm named Australian Large Training Provider of the Year**

Chisholm Institute earned the title of Australian Large Training Provider of the Year following its win at the 20th annual Australian Training Awards gala ceremony in Adelaide.

Chisholm, Victoria's most successful public vocational education and training provider, was one of three finalists for the award following its win in the category at the Victorian Training Awards in September. The Large Training Provider of the Year award is the pinnacle of the evening which sees the Australian Government recognising top achievers in the Vocational Education and Training (VET) sector.

Throughout this period of change in the Victorian VET sector, Chisholm has remained committed to its strategic direction and community responsibilities, emerging as one of the top performing TAFEs in Victoria. Chisholm's strong operational results, clear strategy and commitment to being an institute, workplace and partner of choice were key elements highlighted in the award selection process.

# STUDENT HIGHLIGHTS

## **PROVIDING ACCESS AND OPPORTUNITY**

### **Students take top spot at Master Plumbers Awards**

The Master Plumbers 107th Gold Medal and Training Awards saw ten awards handed out to plumbing apprentices in Victoria who excelled in their pre-apprenticeship or apprenticeship studies and on-the-job performance.

Chisholm's Benjamin Cheng won the highest award, the Andrew Letten Gold Medal Award, which was presented by The Hon. Nick Wakeling, Minister for Higher Education and Skills. Benjamin was one of three nominees for the top award, along with Mitchell Saillard and Aaron Williams.

### **Graduates earn La Trobe Deans awards**

Four students earned Dean's awards, taking top honours out of the entire La Trobe cohort, while completing their La Trobe degree at Chisholm. The award recognises the outstanding quality of educators and support provided in our Certificate and Diploma qualifications. "The lecturers at the Chisholm/La Trobe Dandenong campus were amazing, with most of them having had extensive industry experience in the fields that they were subsequently teaching. They were thorough and dedicated, but more importantly, they were approachable. It was always comforting to know that if you weren't quite sure about a particular aspect of a lecture that you could seek further guidance from your lecturer." Carly Watson, La Trobe Deans Award Winner, Bachelor of Accounting.

### **Krystle won gold and silver**

At the 2014 WorldSkills Australia National Competition Chisholm students were awarded silver and bronze medals from the Beauty Care and Automotive/Mechanical areas respectively.

Krystle Harvey won gold in the Victorian World Skills competition for beauty which took her to Perth for the national competition where she won the silver medal.

Also representing Chisholm in the National World Skills competition were Aaron Cornelius who earned a bronze medal for automotive mechanics and James Simonis who placed fourth in heavy vehicle mechanics.





### **Chisholm student recognised as a finalist in the 2014 Victorian International Education Awards**

Mercedes Wenz (International Certificate IV in Youth Work student) was nominated as a finalist in the Victorian International Education Awards 2014 in the category of International Student of the Year - Vocational Education and Training. Mercedes has always had a natural talent for working with others and helping them through struggles, 'I find joy in being with others and making them smile' said Mercedes.

Mercedes thanked her studies at Chisholm for helping achieve her goals – 'my passion is being realised through [my studies] Chisholm, I am looking forward to helping and supporting young people in need when I complete my studies'.

### **Photo imaging student wins silver at coveted industry awards**

Chisholm Diploma of Photo Imaging student, Martina Lehninger won a Silver award at the AIPP APPA awards in Sydney. Beginning the course in 2013, Martina thanked the teachers in helping her to uncover her talents in photography.

The coveted Canon AIPP Australian Institute of Professional Photography Awards are open to all Australian and overseas professional photographers. Entries are judged in sub-categories covering specialised forms of professional photography including: Commercial, Illustrative, Portrait, Wedding, Science, Environment & Nature, Landscape and an Open Award.

### **Ron Rado Memorial Art Prize 2014 Winners**

The winners of the Ron Rado Memorial Art Prize, an annual awards exhibition for fine art students of Chisholm, were held at the Walker Street Gallery. Featuring works in various media including ceramics, print making, photography, sculpture and mixed media, prize recipients were:

- Acquisitive Prize: Per Mathiesen - Don't Litter
- Highly Commended: Jake Baglin - Self Portrait
- Innovation Award: Shane Hart - Count Art
- Encouragement Award: Helen Banks - Perry Bridge Church
- Encouragement Award: Karen Crawford - Blue Dress



### **Diploma leads to beautiful reward**

Diploma of Beauty Therapy student, Sharna Heitman was awarded the Hair and Beauty Industry Association's 'Vocational Outstanding Student – Diploma of Beauty Therapy' award.

Sharna was nominated for the HBIA accolade after she won Chisholm's own Outstanding Student Award for Diploma of Beauty Therapy in 2010. Sharna, was required to sit a panel style interview, competing against students from across Victoria.

### **Third year plumbing apprentices celebrate World Plumbing Day success**

Chisholm plumbing apprentice students celebrated success at the World Plumbing Day Apprentice Skills Competition, which more than 400 people attended.

Certificate III Plumbing students James Dickinson and Rob Maraucher took out second and third places respectively at the Plumbing Industry Climate Action Centre (PICAC).

The two apprentices competed against nine other students from different education providers including Swinburne and RMIT. As part of the assessment the students were judged on their presentation, measurements and pressure tests of their water pipes model.

### **Winners at Frankston City Council Education Awards**

Tylin Shanks re-entered education as a mature aged student as a step towards building a totally new life, having never previously had a positive experience in school.

His commitment, persistence and hard work have been an inspiration to other students and earned him the award for a student in a registered training organisation.

# INSTITUTE INITIATIVES

## Chisholm Online

Launched in October this year across seven courses, Chisholm Online offers students a suite of online courses across business, construction, health and education to up skill, reskill or to aide their return to the workforce. With year round enrolments, graduates earn a recognised Chisholm qualification ranging from Certificate IV to graduate qualifications.

Boasting students from four states across Australia, Chisholm recognised a need to offer flexible study options for people juggling various commitments including work, family and geographic constraints.

Developed specifically for the online environment and backed by educational research and industry sector expertise, Chisholm Online provides a study solution that considers lifestyle, enabling students to study at their own pace and in their own time. Students are also supported with access to the same student support services as on-campus students plus the additional benefit of online learning support seven days a week.

## Expanding the Higher Education Offer

With 360 students, Chisholm's higher education offering grew during 2014 and is set to increase further in the future.

Chisholm runs three accredited copyrighted degrees - the Bachelor of Community Mental Health, Alcohol and Other Drugs, the Bachelor of Interactive Media Design and the Bachelor of Engineering Technology (Mechanical and Manufacturing/ Mechatronics). In 2014, 172 students were enrolled in Chisholm degrees.

Under licence from La Trobe University, the second and third years of the La Trobe Bachelor of Accounting are delivered as is the Bachelor of Information Technology.

And in partnership with Deakin University, Chisholm offers the Bachelor of Early Childhood Education, specifically designed to provide a pathway from advanced diploma through to degree.

## PLETO - Education at the cutting edge

Delivering education via PLETO (formally known as the TELC Technology Enabled Learning Centres project), enabled Chisholm to expand its market throughout 2014 and offered regionally based students flexible access to training.

With our first students graduating in 2014 Chisholm delivered:

- the Advance Diploma of Creative Product Development from our Frankston campus to Federation Training's Bairnsdale campus in Gippsland
- a seven week service coordination and change program to 30 participants from Chisholm's Mornington Peninsula campus to Bendigo Health, Rochester and Elmore District Health, Castlemaine Health Education Centre, Maldon Hospital, Kyneton District Health and MDHS, Maryborough
- helped Deakin University deliver its Bachelor of Early Childhood Education to more than 127 Chisholm / Deakin students simultaneously across five Chisholm locations ranging from Dandenong to Wonthaggi.

## Creating a high performing customer-driven workforce

Attracting, keeping and re-engaging students continued to be a key focus. In line with a commitment to put customers first, the Institute concluded in 2014 its major engagement project to centralise communications and provide a seamless, customer-focused approach to enrolments.

There were further development of online resources across a wide range of courses to increase flexibility and options both for students and for employers.

Based on a commitment to improve the customer experience, Chisholm's Customer Engagement Project examined the people, processes and systems. This information provided a basis for improving enrolment management. An intensive staff briefing process was implemented, training was put in place for frontline staff, resources were substantially boosted and a new team of enrolment advisors were appointed to provide specialist advice to students considering a Chisholm education. Initial process and system changes were also put in place to facilitate a customer friendly and efficient enrolment process across all campuses, with customer feedback gathered across the period to drive further improvement. The project continues to inform the redesign of the entire approach to customer management at Chisholm.

## Educational governance

To enhance quality delivery, products for industry and meeting student and client's learning needs, Chisholm introduced an Education Management Framework which advances Chisholm's education management and quality assurance.

Combining enhanced educational governance and a strengthened focus on operational governance structures to meet regulatory and industry standards, Chisholm can demonstrate effective education management systems, processes and records management certifying best practice.

Achievements include:

- design and rollout of the Education Management Framework, streamlining educational planning and documentation to meet external requirements whilst enhancing the quality of student programs

- re-registrations preparation: registered training organisation, non-self-accrediting higher education provider, non-school secondary provider and provider of international programs
- rollout of a new electronic platform and design of the Chisholm Quality Management System
- guidance on governance issues arising from the continuation of delegation of scope of registration from ASQA
- management of operational improvement projects, business process self-assessment and audit program.

### **Purpose-built facilities**

Chisholm's state-of-the-art purpose-built facilities across all of our campuses meet industry and student needs, simulate real-world workplaces and maximise students' employability.

Our new \$26 million Berwick Trade Careers Centre due to open in 2015 will provide pathways for students completing VCAL and pre-apprenticeship programs at the Berwick TEC and for school leavers, and will help young people not engaged in learning to build a career. The centre will also offer higher level post-trade qualifications and key skills in areas such as small business, project management and other value added skills needed by industry.

2014 saw the completion of construction of other key facilities; the START Trade Training Centre at Frankston, part of a 13 School Consortium and the Southern Peninsula Trade Training Centre, five School Consortium at Mornington Peninsula. These facilities are a partnership with local secondary colleges, which have pooled their vocational education and training funding to establish major training centres in the region, utilising Chisholm land, expertise and frameworks for simulated workplace training delivery. The Trade Training Centres will operate using the holistic training model successfully established by Chisholm's Berwick TEC.



### **Winners at Frankston City Council Education Awards**

Chisholm Educator Jon Hatfield, won the category of Teacher in a Registered Training Organisation for his skills in finding new ways to bring out the best in his students. Jon created innovative strategies to communicate with a deaf student who was learning in a mainstream institution for the first time.

### **Berwick to Shanghai by Skype**

A group of electrical students from Berwick TEC reached out across the airwaves to their counterparts in China, thanks to the efforts of their globe-trotting teacher and the support of Chisholm's International Projects Unit.

Electrical teacher Lachlan Maclean and ICT coordinator Keith McGinn travelled to China to further develop existing partnerships with Chinese training colleges and explore the possibility of establishing new relationships.

"One school that Chisholm has been working with for a while is the Shanghai Power Industry School," Lachlan recalls. "The enthusiasm of the staff and students is amazing."

Lachlan and Keith came up with the idea of having their students in Berwick build some battery chargers in kit form, then ship them to their fellow students in Shanghai and – via the internet communications tool Skype – instruct them on how to reassemble them. With the assistance of a VCAL Oral Communications teacher – and Karen Eager – a Coordinator in the China Electricity Council programs – the Berwick TEC electrical students carried out a face-to-face rehearsal with a group of Chinese students from Chisholm's International department, giving the Berwick students a chance to develop their communication skills.

Looking to the future, Lachlan plans to replicate the project every year within the VCAL Electrical program. The TEC intends to roll it out as a model, where appropriate, across all its program areas and it is hoped that it will eventually be used by other departments within the institute whose students have counterparts studying similar courses in China.

### **Bringing skills back to Australia**

Staff member Ron Locandro, Teacher – Automotive, headed to Holland and USA to bring hybrid and electric vehicle awareness and maintenance skills back to Australia. The project goal was to provide wide-ranging awareness and training for Automotive Instructors and Technicians with the widespread implementation of advanced Alternative Energy/Hybrid vehicles such as bio-diesel, ethanol, diesel, hydrogen, and CNG/LPG gas. The objectives included enhancing general awareness, service, maintenance and fault diagnosis of Alternative Energy/Hybrid vehicles and establishing a national resource for ongoing collaboration between industry and the TAFE sector Australian wide.







## **The National Workforce Development Fund (NWDF)**

In partnership with the Building Designers Association of Victoria (BDAV), Chisholm successfully secured funding through the NWDF for the delivery of the Certificate IV in Nationwide House Energy Rating Scheme (NatHERS). This program prepares graduates for a role as an assessor of building plans for thermal performance of residential homes in the construction industry.

## **Re-skilling Existing workers for New Careers**

After announcing the closure of its bayside Melbourne plant, Bayer's Material Science division engaged Chisholm to manage their staff redundancy program. Chisholm met with key Bayer executives to understand the cohort and determine potential programs required to lead to employment outcomes. Chisholm designed a specific program focussed on workplace efficiency, best practice processes, reducing waste and articulating the value proposition to potential employers. This program will see participants gaining the skills and knowledge to achieve sustainable employment outcomes.

Chisholm plays an important strategic role as part of a steering committee set up through the Department of State Development, Business and Innovation, and advises on educational trends that will lead to the successful re-skilling of workers that have been displaced by the recent downturn in industry activity across the automotive and manufacturing sectors in Victoria.

## **Guest Furniture partnership**

Warehousing staff at Guests attained a warehousing qualification as well as a certificate in competitive systems and practices. With projects identified by staff and conducted on the floor, this ground-up approach empowered staff and made significant improvements to teamwork and productivity. The program was expanded in 2014 to include Guest Furniture sites interstate.

# **INTERNATIONAL PARTNERSHIPS**

## **Chisholm in Vietnam**

Chisholm partnered with the Vietnam Ministry of Labour, Invalids and Social Affairs, specifically working with the General Directorate of Vocation Training to assist in making rapid change to the Vietnam vocational training sector to effectively service economic growth of Vietnam.

Chisholm and it's in Vietnam partner workshopped extensively with the Government leadership to assist in scoping a feasible project which will extend to over five years. This work is developing a TVET framework and involves working with industry to ensure programs offered meet the occupational skill needs of Vietnam.

There were two key projects in this phase. The first included the development of packages for 12 Vietnam trades and the second project focused on teacher training in Australia in these trades.

The project has seen 194 teachers from key vocational training facilities in Vietnam trained at Chisholm in various vocational areas to raise skill levels and adapt to modern processes. Upon demonstration of competency, the Vietnam teachers were awarded the relevant Australian qualification as well as the Certificate IV in Training and Assessment. These teachers will implement the delivery of the packages within their Colleges with a focus on applying their vocational skills knowledge into effective training upon return to Vietnam.

Given the success of these projects, it is planned to continue to work with our partner and the Vietnamese government on further occupational packages and teacher training.

## **Chisholm partnered with Toyota Philippines**

Chisholm has once again strengthened its International ties by forming a partnership with Toyota Philippines. In conjunction with Austrade, this great new agreement signifies collaboration with Toyota Philippines where Chisholm will provide an overarching quality process in relation to the delivery of Apprentice and Dealer Training.

## **Children's Services students headed to China**

The Early Childhood Education and Community Services program sees four groups of students travel to China for an eight week placement within Chinese kindergartens. The students are immersed in the culture and education of these kindergartens, as they work and live in the kindergartens and attend placement each day. Julia Roberts, Diploma of Children Services student attributed her involvement in this program with being successful in her workplace – "It was the first time I travelled overseas by myself and at the end of the placement I had so much more confidence and independence. I have a greater appreciation for my students and it has provided me with a larger skill set now that I have completed my studies."

Chisholm Institute, in partnership with Changchun Medical College in China, is successfully delivering Certificate III in Aged Care to students in Changchun, Jilin Province. From its beginnings in 2010, the partnership between Chisholm Institute and Changchun Medical College has provided at least 50 students with this qualification each year.

## **Delivering training across 10 education facilities in China**

Chisholm (via the EET Department) provides training in colleges and schools located throughout China plus one university in Hanoi. With around 3000 students across the combined programs, Chisholm staff will be teaching in China for 135 weeks in 2015.

## COMMUNITY PARTNERSHIPS

### Chisholm students renovated family accommodation at Royal Women's Hospital

Chisholm Building and Construction students came to the aid of the Royal Women's Hospital Foundation. The Chisholm team, a collaboration of students across qualifications from Certificate III Carpentry to Diploma of Building and Construction, donated products and labour to help make the units more liveable.

The Women's provides accommodation for patients and their families from rural areas when ongoing, regular hospital visits are necessary for treatment and care. The block of 16 units in Grattan Street, Carlton was built in in late 60s and was in vital need of renovation. In 2014 Chisholm students undertook the refurbishment of three units as part of a "live project" in their course work. Another great example, of how student's partner with industry on projects for the benefit of the community.

### Berwick TEC supports Wallara community

The Wallara project, a three year program between Wallara Disability Service and Chisholm's Senior and Technical College students, provides support, guidance and friendship to Wallara clients as part of the VCAL students Personal Development Skills community project. Documentaries have been filmed and screened on Channel 31.

## PEOPLE AND DEVELOPMENT

A Chisholm three-year strategic plan is in its second year of implementation, supported by a one-year 2014 business operational plan and aligned to key Institute KPIs.

The focus continues to be on culture transformation work which begun in 2012 to meet the strategic aims of both the organisation restructure and Board vision for 2020. Chisholm developed a strategy focused on assisting the business through the transformation and empowering our people to own the change. The approach was both strategic and tactical ensuring Chisholm was set up for long term success while also providing timely support at a local level through several key initiatives.

## HUMAN RESOURCE MANAGEMENT AND ORGANISATIONAL DEVELOPMENT

Key achievements in 2014 included the development and implementation of the second wave of employee life cycle initiatives encompassing onboarding and induction, performance management, talent and succession planning, reward and recognition, professional development and enhancing the Institutes vision of embedding a high performing, customer driven culture as follows:

- launched July 2013, the Chisholm Institute Recognition and Reward Program evolved in 2014 to include a range of strategies designed to recognise and reward exceptional staff performance and behaviours aligned to our values
- review of the performance and development review framework and process and alignment to the Institute's strategy and processes for planning, performance management and development process
- launch of a new corporate induction program complimented by a new and streamlined onboarding procedure. In 2014 the Institute invested in a recruitment review and strategy, the recommendations from this are currently being implemented, ensuring we are recruiting the right people into the right roles
- refreshed our corporate values that underpin Chisholm's vision and strategy forming another key cultural driver through their continued affirmation in organisational strategy and operations and focussing on both 'what we do' and 'how we do it'
- designed and launched a talent and succession framework, implementing phase one. This key initiative is an integrated process aligned to the performance management and development framework, ensures a highly productive staff in the right job, at the right time and assists in the identifying and developing high performing staff
- aligned the professional development strategy to the capability framework and employee position descriptions.
- reviewed the people and development policies with a focus on simplification and streamlining procedures.

### Workforce data equivalent full time (eft) staff

EFT average staffing comparison	2014	2013	2012
Board	7	-	-
Executive Officers	8	7	11
Teaching	575	567	659
Non Teaching	288	279	369
Others	-	-	-
<b>Total</b>	<b>878</b>	<b>853</b>	<b>1,039</b>

Note.

The information above represents an average EFT staffing figure for the 2014, 2013 and 2012 calendar years (i.e., the sum of monthly figures divided by 12).

## 2014 workforce profile

	Ongoing		Fixed Term Casual		Total	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
<b>Gender</b>						
Male	158	148.7	506	271.9	664	420.6
Female	178	150.3	582	307.0	760	457.2
<b>Total</b>	<b>336</b>	<b>299.0</b>	<b>1088</b>	<b>578.8</b>	<b>1424</b>	<b>877.8</b>

## Age

Under 25	1	1.0	23	6.5	24	7.5
25-34	15	12.3	145	71.6	160	83.9
35-44	58	50.3	273	150.7	331	201.0
45-54	127	113.7	344	184.3	471	298.0
55-64	124	112.6	240	136.2	364	248.7
Over 65	11	9.2	63	29.5	74	38.7
<b>Total</b>	<b>336</b>	<b>299.0</b>	<b>1088</b>	<b>578.8</b>	<b>1424</b>	<b>877.8</b>

## Classification

Board			7	7.0	7	7.0
Executive			8	8.0	8	8.0
Manager			28	28.0	28	28.0
Teaching	174	157.7	852	417.1	1026	574.8
Non-Teaching	162	141.3	193	118.7	355	260.0
<b>Total</b>	<b>336</b>	<b>299.0</b>	<b>1088</b>	<b>578.8</b>	<b>1424</b>	<b>877.8</b>





## PUBLIC SECTOR EMPLOYMENT AND CONDUCT PRINCIPLES

Chisholm's employment policies and processes are based on the principle of merit, relevant award and statutory requirements, and best practice public sector approaches.

The Institute's Code of Conduct, reviewed annually, provides guidance to all staff on expected behaviour and professional conduct and is based on the Institute values, the Victorian Public Sector Model and other best practice examples.

Chisholm is committed to equal opportunity and fair and transparent processes in all human resource management procedures.

## GENERAL STATEMENT ON INDUSTRIAL RELATIONS

Chisholm continues to have regular consultative arrangements in place with both major unions, the Australian Education Union and National Tertiary Education Union. Chisholm also uses the dispute resolution procedures in its Certified Agreements to ensure issues that may arise are addressed appropriately and in a timely manner.

There were no days lost due to industrial action in 2014.

## STATISTICAL OVERVIEW

Chisholm Consolidated (includes Chisholm Online)

### Student enrolments

	2014	2013
Government funded accredited programs	14,784	15,656
Fee for service programs	24,424	24,199
(Less) student enrolments in both government accredited programs and fee for service programs	(1,190)	(1,737)
Total net student enrolments	<b>38,018</b>	<b>38,118</b>

### Student contact hour delivery

	2014	2013
Government funded accredited programs	7,228,964	7,469,096
Fee for service programs	5,497,828	4,447,097
Total student contact hour delivery	<b>12,726,792</b>	<b>11,916,193</b>

## Student enrolments by age

Age group	2014		2013	
	Student enrolments	Per cent	Student enrolments	Per cent
Under 15	294	0.8%	365	1.0%
15 to 19	11,955	31.4%	12,097	31.7%
20 to 24	7,470	19.6%	7,848	20.6%
25 to 39	8,562	22.5%	8,594	22.5%
40 to 64	9,386	24.7%	8,916	23.4%
65 plus	350	0.9%	296	0.8%
Not stated	1	<0.1%	2	<0.1%
<b>Total</b>	<b>38,018</b>	<b>100.0%</b>	<b>38,118</b>	<b>100.0%</b>

## Student enrolments by gender

Gender	2014		2013	
	Student enrolments	Per cent	Student enrolments	Per cent
Female	16,383	43.1%	14,640	38.4%
Male	21,635	56.9%	23,476	61.6%
Not stated	-	-	2	<0.1%
<b>Total</b>	<b>38,018</b>	<b>100.0%</b>	<b>38,118</b>	<b>100.0%</b>

## Course enrolments and student contact hours by campus

Campus	2014				2013			
	Course enrolments*	Per cent	Student contact hours	Per cent	Course enrolments*	Per cent	Student contact hours	Per cent
Dandenong	12,536	25.3%	3,400,959	26.7%	14,855	24.7%	3,102,326	26.0%
Frankston	9,323	18.8%	2,995,603	23.5%	15,283	25.4%	2,952,961	24.8%
Offshore delivery	6,705	13.5%	1,981,392	15.6%	6,716	11.2%	1,946,865	16.3%
Berwick	3,585	7.2%	1,688,552	13.3%	4,307	7.2%	1,458,526	12.2%
Workplace	12,119	24.4%	1,397,762	11.0%	13,682	22.7%	1,486,893	12.5%
Cranbourne	1,502	3.0%	363,579	2.9%	1,189	2.0%	317,220	2.7%
Online	1,809	3.6%	249,576	2.0%	1,302	2.2%	181,436	1.5%
Mornington Peninsula	819	1.7%	249,391	2.0%	1,751	2.9%	264,476	2.2%
Chisholm @311	538	1.1%	197,565	1.6%	317	0.5%	102,628	0.9%
Bass Coast	572	1.2%	188,182	1.5%	755	1.3%	102,810	0.9%
Chisholm Online	85	0.2%	14,231	0.1%	-	-	-	-
<b>Total</b>	<b>49,593</b>	<b>100.0%</b>	<b>12,726,792</b>	<b>100.0%</b>	<b>60,157</b>	<b>100.0%</b>	<b>11,916,193</b>	<b>100.0%</b>

\* Individual students can choose to enrol in multiple campuses.

## FINANCIAL OVERVIEW

For the year ended 31 December 2014

	Note	2014 \$'000	2013 \$'000	2012 \$'000	2011 \$'000	2010 \$'000
<b>Consolidated</b>						
<b>Summary of financial results</b>						
Trading revenue	(a)	121,277	116,918	127,924	128,967	128,922
Trading expenses	(b)	106,481	98,012	122,367	123,587	126,428
EBITDA (Trading Surplus)	(c)	14,796	18,906	5,557	5,380	2,494
Depreciation and amortisation		7,321	6,859	7,196	6,357	5,867
EBIT	(d)	7,475	12,047	(1,639)	(977)	(3,373)
Capital Surplus	(e)	22,231	18,811	5,283	7,508	25,284
<b>Net Result</b>	<b>(f)</b>	<b>29,706</b>	<b>30,858</b>	<b>3,644</b>	<b>6,531</b>	<b>21,911</b>
<b>Net Assets</b>		<b>293,763</b>	<b>266,215</b>	<b>266,024</b>	<b>219,870</b>	<b>212,930</b>

### Note

(a) Total income from transactions less capital contributions.

(b) Total expenses from transactions less depreciation and other economic flows excluding gain/ (loss) on non financial assets.

(c) Trading revenue less trading expenses.

(d) EBITDA less depreciation and amortisation.

(e) Capital contributions plus/ (minus) gain/ (loss) on non financial assets.

(f) EBIT plus capital surplus

## FINANCIAL PERFORMANCE TO BUDGET

For the year ended 31 December 2014

The Board approves an Annual Budget consistent with financial obligations stated in its governance approaches, the Constitution, the Education and Training Act and other statutory directions. The 2014 Budget was originally approved by the Board on 12 December 2013. A revision to the Budget was approved on 23 September 2014. Chisholm's performances against the financial targets specified in the 2014 Revised Budget are summarised as follows:

	Note	2014 Actual \$'000	2014 Revised Budget	Variance
<b>Consolidated</b>				
<b>Trading operations</b>				
Trading revenues		121,277	121,244	33
Trading expenses	(a)	106,481	107,975	1,494
EBITDA		14,796	13,269	1,527
Depreciation/Amortisation		(7,321)	(7,243)	(78)
EBIT		7,475	6,026	1,449
<b>Capital operations</b>	<b>(b)</b>	<b>22,231</b>	<b>24,042</b>	<b>(1,811)</b>
<b>Net result</b>		<b>29,706</b>	<b>30,068</b>	<b>(362)</b>
<b>Working capital amount</b>	<b>(c)</b>	<b>46,887</b>	<b>44,620</b>	<b>2,937</b>

### Note

(a) Lower than budget trading expenses largely due to cost cutting strategies employed by Chisholm.

(b) Lower than budget capital operations were largely due to timing of capital projects.

(c) Working capital is equal to current assets less current liabilities (excluding current provision expected to be wholly settled after 12 months)

# BOARD AND COMMITTEES

## 2014 BOARD

### **Stephen G. Marks**

Board Chair

Stephen has more than 35 years of experience as a chartered accountant, and he has provided specialist independent probity auditing and advisory services to the public sector for the past 12 years. In addition to his Institute stewardship responsibilities, Stephen is a board member of the St Vincent's Institute and the audit committee of Origin Youth Health Research Centre. He is also a member of the Victorian Department of Human Services Financial Management Advisory Committee and DMP Asset Management Investment Advisory Committee. Stephen's extensive finance and public sector experience provides a solid platform for the maintenance of the excellent reputation and ongoing sustainability of Chisholm.

### **Todd Hartley**

Todd is the Managing Director of Hilton Manufacturing, a leading manufacturing company in Dandenong South. Todd brings to the Board over 25 years of experience in the manufacturing industry in southern Melbourne, including a broad range of manufacturing networks and associations. Todd's particular strengths are in commercial enterprise, technology innovation and facility management. In addition to his role at Hilton Manufacturing, Todd also serves as the Treasurer of the South East Melbourne Manufacturing Alliance and is a board member of the Committee for Dandenong. He also holds a number of other positions on manufacturing boards and committees.

### **John Bennie**

John has been CEO of Greater Dandenong City Council since October 2006. He is a Director of the South East Melbourne Manufacturers' Alliance and Chair of the Southern Melbourne Regional Development Australia Committee. He was previously CEO of Manningham City Council from 1999 to 2006 and a Board member of South East Development (Melbourne) Area Consultative Committee.

### **David Willersdorf**

David is Group General Manager/Director/Company Secretary for the Grenda Corporation Pty Ltd, with over 20 years of experience in this business. He is a member of the Committee for Dandenong, a Fellow of the Certified Practising Accountants of Australia Association and a member of the Australian Institute of Management. David's key areas of knowledge, skills and experience include financial management, accounting and risk management, and statutory and regulatory compliance.

### **Robert Comelli**

Robert is currently the CEO of Australian Botanical Products Pty Ltd. He was previously the CEO of the Association for Accounting Technicians (Australia) Ltd. He has a strong commercial finance background, holding senior management and CEO positions in a variety of private sector organisations and directorships in public and private companies, including Groups with 20 subsidiaries and turnovers of over \$500 million. Robert is a Fellow of CPA Australia, Fellow of the Institute of Public Accountants and Fellow of the Association of Accounting Technicians.

### **David Edgar**

David is currently a senior level executive as the CEO of Apprenticeship and Traineeship Employment Partners (ATEP), based in Melbourne. David has 17 years' experience in vocational education, employment and training and the not for profit sector with 13 of those years in senior management in a Group Training Organisation, including management of Registered Training Organisation, Australian Apprenticeship Centre business activities and a range of affiliated government funded initiatives.

### **David Eynon**

David is Executive Director of the Air Conditioning and Mechanical Contractors Association. He has extensive experience in public policy development in connection with skills training, industrial relations and energy efficiency. David is currently director of Australian Construction Industry Forum Ltd, ARBS Exhibitions Ltd, the Joint Plumbing Industry Training Fund Ltd and the Redundancy Central Payments Fund.

### **Carol Adams**

Professor Carol Adams is an internationally renowned author in integrated reporting and sustainability reporting, change management and performance management. She serves on a number of Boards and consults on corporate reporting strategy and process and embedding sustainability into mainstream management and governance processes. Carol helps organisations realise lasting value from social and environmental sustainability initiatives. She has also led the development of internationally award winning management and governance processes and sustainability reports.

### **Paul Clark**

Concluded 29 September 2014

Paul is the Chairman of Melbourne Water and the Director of the Victorian Water Industry Association. He has extensive experience in turning around underperforming business units and creating new businesses. He has also provided mentoring and coaching to senior executives and partners in professional services firms. His industry experience includes financial services, professional services and property.

## Professor Wendy Cross

Concluded 28 February 2014

Wendy's career has spanned many years in nursing, nursing research and nurse education. She is currently Head of the School of Nursing and Midwifery at Monash University, and was previously in a senior position at Southern Health. Her roles have encompassed practice development, clinical governance, policy development, performance management and appraisal, workforce planning and many other activities. Wendy has been awarded numerous research and teaching grants.

## Tracey Davies

Concluded 28 February 2014

Tracey is a Principal at Davies Lawyers, having been a solicitor for more than 23 years. She has represented a wide variety of clients and currently practises in the areas of employment law, industrial relations and commercial litigation. Tracey is a member of the Law Institute of Victoria, Law Institute of Victoria Practice Sections - Litigation Lawyers and Administrative Law & Human Rights and Industrial Relations Society of Victoria.

## EXECUTIVE DIRECTORS GROUP (SENIOR MANAGEMENT TEAM)

The Executive Directors Group's focus is strategic leadership and business development, with day-to-day operations largely managed by middle management under a policy and procedural framework established by the Executive Directors Group under the Board's delegation framework.

Maria Peters CEO					
Helen McNamara <sup>2</sup> Acting Executive Director Educational Leadership & Student Experience	Paul Goudie Executive Director Human, Health & Business Services	Leanne Jenkins Executive Director Youth, Pathways & Regional Education	Andrew Kong Executive Director Engineering, Technology & Trades	Theo Teeder <sup>3</sup> General Manager Chisholm Online	Deborah Rulach Executive Director Client Engagement
	Grant Radford Chief Operating Officer				
	Paul Leary <sup>1</sup> Executive Manager People & Development				

<sup>1</sup> Paul Leary finished at Chisholm on 14 November 2014

<sup>2</sup> Helen McNamara commenced on 12 May 2014

<sup>3</sup> Theo Teeder commenced on 8 May 2014

# CORPORATE GOVERNANCE

## MANNER OF ESTABLISHMENT AND THE RELEVANT MINISTER

Chisholm Institute and the governing Board of Chisholm Institute are established by the Education and Training Reform Act 2006 (the Act) (Vic).

Chisholm Institute is governed by a board representative of government, industry and community. Changes to the governance structure of Chisholm Institute included the establishment of a number of committees during 2014. These committees are:

- Audit and Risk Management Committee
- Education Committee
- Infrastructure, Systems and Planning Committee
- Remuneration Committee
- Membership Committee

The board is ultimately responsible to the Victorian Government for the governance and management of the Institute and is accountable to the relevant Victorian Minister with accountability for Higher Education and Skills.

### Objectives, Functions, Powers and Duties

In line with the requirements of the Chisholm Institute Constitution order 2013, the objectives of Chisholm Institute are:

- to facilitate higher education through excellent teaching, innovation and educational leadership that delivers quality outcomes
- to ensure it is sustainable in the medium to long term
- to operate its businesses, delivering educational services and utilising assets that it manages on the State's behalf as efficiently as possible
- to facilitate increasing opportunities for Apprenticeships and Traineeships across the relevant Australian industry sectors.

### The functions of Chisholm Institute are as follows:

- to provide the communities and industries serviced by the Institute with efficient and effective technical and further education programs and services
- to offer and conduct courses of study leading to the conferral of higher education awards
- subject to the requirements of the Act to operate as a group training organisation that employs apprentices and other trainees and places them with host employers.

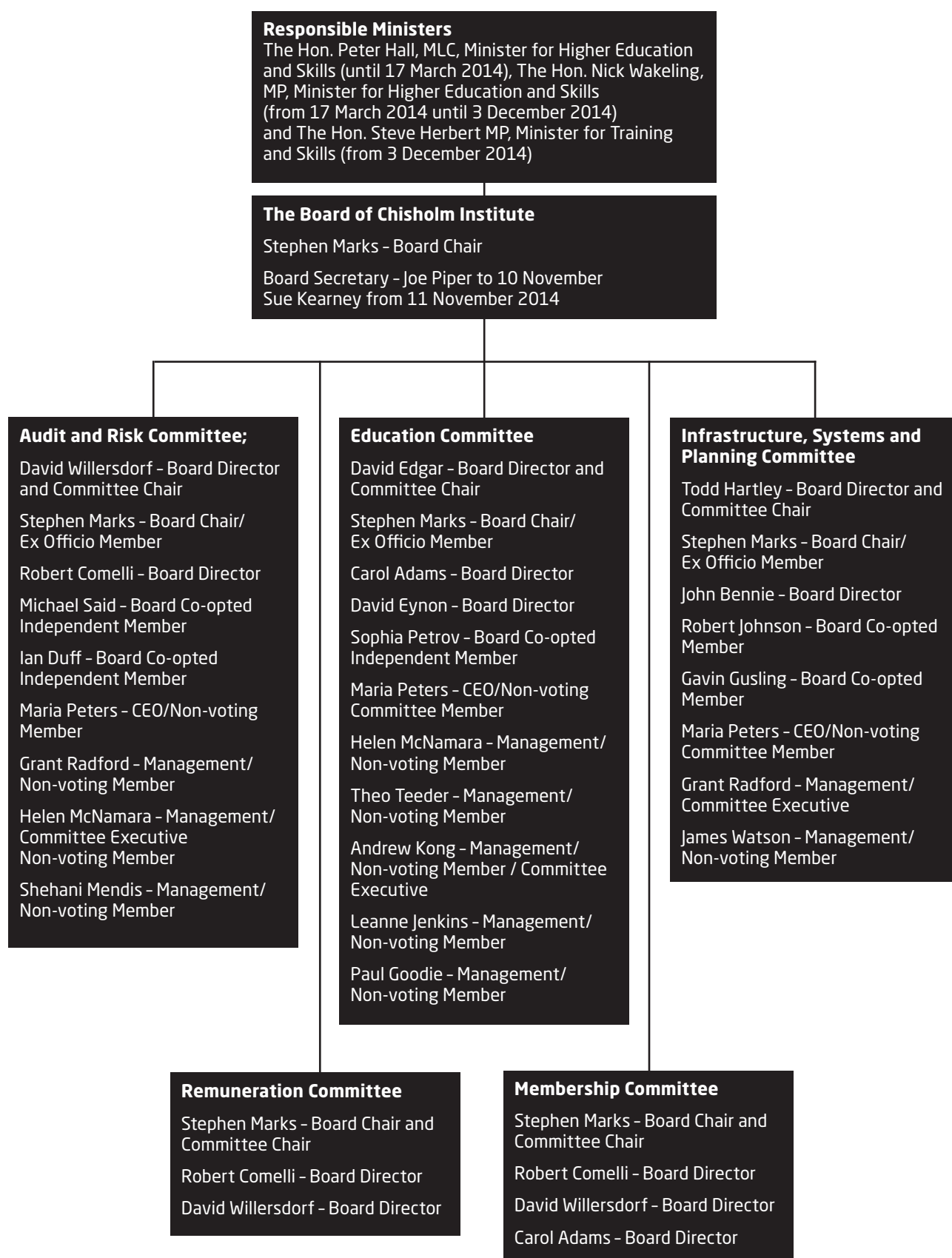
The Institute has the power to do all things that are necessary or convenient to be done for or in connection with, or as incidental to, meeting its objectives or performing its functions. However, the powers of Chisholm Institute are subject to, and must be exercised in accordance with, the functions, duties and obligations conferred or imposed on the Institute by:

- the Act and other laws
- the Constitution
- Ministerial and Government directions and guidelines under the Act and other legislation, laws and conventions
- the general administrative, social and economic directives and policies established by the Government of Victoria from time to time.

The Chisholm Institute Board must take all reasonable steps for the advancement of the objectives of the Institute, whilst operating in accordance with the economic and social objectives and public sector policy established from time to time by the Minister. Whilst meeting its objectives, the Board is also required to comply with the Chisholm Institute Constitution and provide all assistance and information to the Minister, or his delegates. .

# BOARD ORGANISATIONAL CHART

## 1 JANUARY 2014 - 31 DECEMBER 2014





# BOARD COMMITTEES CHART

## 1 JANUARY 2014 - 31 DECEMBER 2014

### Controlled Entities

Directors of Chisholm Online (TAFE Online Pty Ltd)

Stephen Marks – Chisholm Board Chair and Chisholm Online Chair

DavidWillersdorf – Chisholm Board Director

DavidEdgar – Chisholm Board Director

MariaPeters – Chisholm CEO

GrantRadford – Company Secretary

Non-voting Member

### Trustees of Caroline Chisholm Education Foundation

Virginia Simmons – Independent Foundation Chair

David Willersdorf – Chisholm Board Director

Maria Peters – Chisholm CEO

Charles Wilkins – Community Representative

Greg Hunt – Community Representative

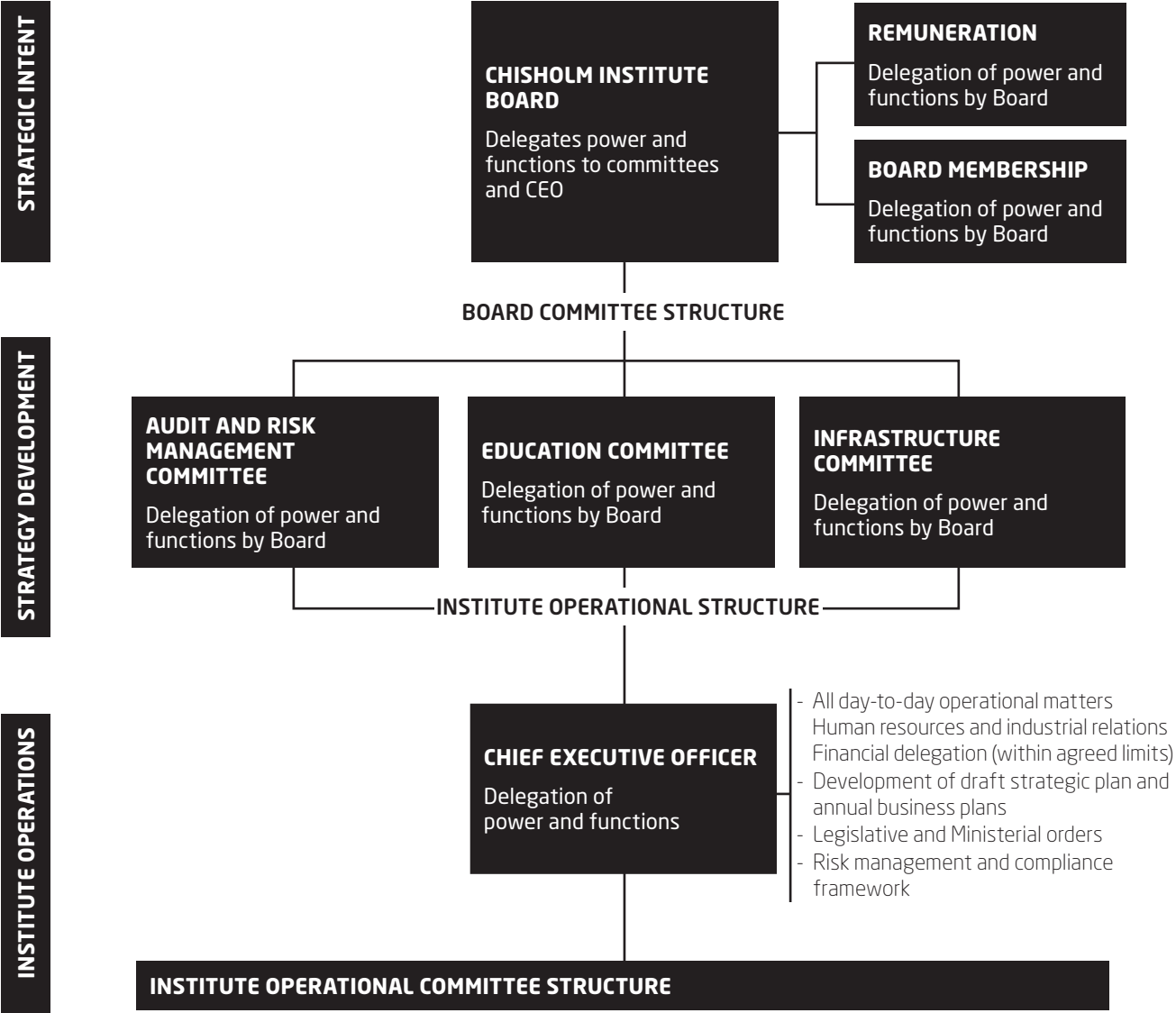
Matt Johnston – Chisholm Staff/Treasurer

Cate MacMillan – Chisholm Staff Representative

Natalie Millan – Chisholm Staff and Ambassador Representative

Glen Kruger – Community Representative

Mandy Splatt – Community Representative



## RISK MANAGEMENT COMPLIANCE ATTESTATION

I, Stephen G Marks, certify that as at 31 December 2014, Chisholm Institute has a risk management framework which is consistent with the AS/NZS 31000:2009 risk management standard.

This framework, along with our internal control system, enables the Board, Executive Directors, management and staff to understand, recognise and manage significant risk exposures.

The Audit and Risk Management Committee has verified this assurance and the risk framework of Chisholm Institute was reviewed and approved at the October 2014 Board meeting.



### Stephen G Marks

Board Chair  
Chisholm Institute  
25 February 2015 Dandenong

## INSURANCE ATTESTATION

I, Maria Peters, certify that Chisholm Institute has complied with Ministerial Direction 4.5.5.1 – Insurance.



### Maria Peters

Chief Executive Officer  
Chisholm Institute  
30 June 2014 Dandenong

# SOCIAL RESPONSIBILITY

Chisholm recognises the important role it plays in the communities in which it operates. Chisholm acknowledges that demonstrated social responsibility is a vital contributor to long term business success and community capability. As a Victorian Government operation, Chisholm also plays a key role in the Victorian Government's commitment to social responsibility.

This commitment is reflected in

- Chisholm's commitment to providing accessible programs meeting the learning needs and vocational aspirations of its students
- Chisholm's commitment to safety, health and the environment in all aspects of its operations
- the operation of the Caroline Chisholm Education Foundation.

## WORK HEALTH, SAFETY AND WELLBEING

Chisholm considers all workplace injuries to be preventable and strives to ensure that best practice WH&S systems are integrated into business area operations. This is vital in ensuring the health, safety and wellbeing of staff, students, contractors and visitors.

The Institute's health and safety strategy aims to meet its statutory and employee duty of care obligations and to create a harmonious, productive learning and working environment by providing a workplace free from risks to health and safety.

Key strategies undertaken in 2014 were:

- health and wellbeing initiatives to improve staff health and fitness, including an Institute-wide staff flu vaccination program, walking challenges and mental health first aid training
- active promotion of the Employee Assistance Program to benefit staff and their families, including career transition training and manager assist
- audiometric testing for staff in work areas with potential high noise levels
- WH&S plans developed for business areas and managers trained and supported with internal WH&S consultancy services
- business area hazard registers developed
- provision of WH&S training for managers and senior educators

- a new designated work group structure and election of new health and safety representatives and a renewed focus on the WH&S Policy Committee as the central consultative mechanism
- high risk height safety hazards identified and addressed
- plant and equipment management project
- chemical management project
- development of a new institute Business Continuity Management Plan
- security staff taking on responsibility of being the first line first aid officers
- updating of emergency evacuation plans.

## INCIDENTS

The number of reported incidents is higher than previous years and this is indicative of staff's increased awareness to make reports and the reporting of first aid incidents being captured through the security reports.

### Occupational health & safety incident statistics

	2014
Total Incident reports*	184
Total Staff Incident reports*	47
Total Student Incident reports*	126
Total Contractor and Visitor Incident reports	8
WorkSafe Notifiable Incidents	12

\* Includes non-work/study related first aid treatment

### Staff & Student Related Incidents

	2014 Staff Work Related Incidents	2014 Student Study Related Incidents
Total Incident Reports	39	86
Near Miss Reports	3	1
No Treatment Required	11	14
First aid Treatments	8	40
Medical Treatment	17	31

## WORKCOVER/RETURN TO WORK

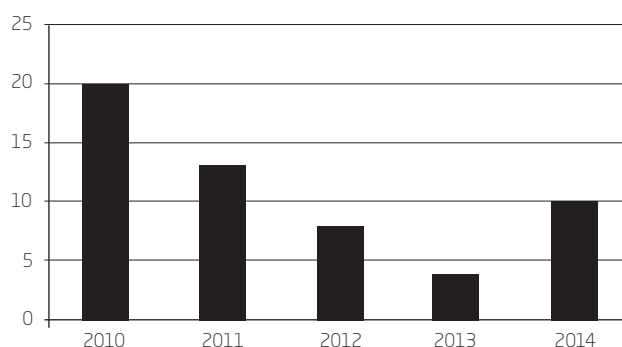
### Workcover Compensation & Injury Management

	2014
Number of new WorkCover claims	15
Accepted WorkCover claims	10
Rejected WorkCover claims	3
Pending WorkCover Agent Decisions	2

The number of accepted new WorkCover claims for 2014 totalled ten. There were two non-time loss claims and eight time loss claims. The Institute's Injury Management Program has provided assistance and support for staff to return to work after injury or illness including staff provided with return to work programs for personal injury or illness.

On a five year rolling average the expectation would be 11 claims for the year.

Accepted WorkCover Claims over the past 5 years.



# ENVIRONMENTAL SUSTAINABILITY

The business of Chisholm Institute requires consumption of large amounts of natural resources. Chisholm is committed to reducing its impact on the environment and in 2014 continued work that had commenced in 2007.

Chisholm's ResourceSmart Strategy covers the following key areas

- energy
- water
- waste minimisation and recycling
- onsite renewable energy generation
- green purchasing
- built environment design
- transportation
- greenhouse gas emissions
- education for sustainability
- embedding of sustainability throughout our business.

The targets set for 2014 were:

- emission reduction 30 per cent
- energy reduction 30 per cent
- GreenPower purchase 30 per cent
- renewable energy onsite generation 12 per cent
- water reduction -55 per cent
- waste recycled -50 per cent.

One of the 2014 highlights was the implementation of the Greener Government Building Initiative, which included two solar panel installations, one at the Bass Coast Campus (15kW - currently being commissioned) and the other at the Berwick Campus (30kW- installation underway).

Chisholm's baseline information was calculated for 2007 and the results for 2014 compared with the baseline are tabled in the Environmental Performance section of the Annual Report.

# CAROLINE CHISHOLM EDUCATION FOUNDATION



**Caption: Caroline Chisholm**

(picture courtesy National Library of Australia)

"I promise to know neither country nor creed, but to serve all justly and impartially."

Established in 2006 by the Chisholm Board, the Caroline Chisholm Education Foundation (CCEF) exemplifies a commitment to social responsibility and addresses the needs of many students in the southern region providing them access to financial support and assistance to remain in or commence vocational education. It was identified that many students have had a difficult journey experiencing one or more factors including unemployment, a refugee background, single parenthood, a disability, mental health issues, homelessness, domestic violence and family adversity.

The CCEF works to assist students facing hardship and raises funds for access and equity scholarships to assist these students with course fees and study expenses. Students deemed at risk of withdrawing or having difficulty with study are assisted by professional support staff enabling the student to concentrate on study.

The formation of the CCEF was inspired by the activism, energy and "can do" approach of Caroline Chisholm, one of Australia's greatest humanitarians who assisted young people and women in their struggles to create a new life in Australia. Arriving in 1838 to the new Australian colony, she was compelled to help change the appalling conditions of poor, vulnerable migrants. "I promise to know neither country nor creed, but to serve all justly and impartially," she wrote.

Proudly bearing the name of this remarkable woman, the Trustees are committed to continuing her vision and ideals of social justice through the Foundation.

Chisholm Institute provides administrative and some in-kind support to the Foundation's Secretariat to enable the focus to be on developing relationships with donors and the community to raise funds for scholarships, which are granted to students via a selection process.

## MANAGEMENT OF THE CAROLINE CHISHOLM EDUCATION FOUNDATION

The Caroline Chisholm Education Foundation (CCEF) is a "controlled-entity" of the Chisholm Institute Board, operating under a Trust Deed approved by the Board and an operational agreement with the Board.

The Board of Trustees has an independent chair and comprises representatives from the broader Chisholm community, the Chisholm Institute Board and Chisholm Institute staff. They are responsible for the governance of the CCEF.

The 2014 Trustees were: Virginia Simmons (Chairperson), Maria Peters, Greg Hunt, David Willersdorf, Glen Kruger, Mandy Splatt, Charles Wilkins, Natalie Millan, Helen Lechte (resigned June), Matthew Johnson and Catherine MacMillan (appointed December).

## DISTRIBUTION OF GRANTS

Grants are available to assist students receive a high quality, vocational educational qualification at Chisholm Institute where social circumstances or financial hardship is impeding their engagement in education and training. Access to funding is subject to eligibility according to the CCEF's Grant Disbursement Principles and guidelines.

## FUNDRAISING

Fundraising events are an important CCEF activity. As well as lifting the profile of the Foundation in the local and wider community and expanding the number of donors and supporters, they give Chisholm staff an opportunity to get involved.

The Foundation has an annual plan of fundraising events including a Golf Day, International Women's Day lunch and End of Year function. It also works in partnership with other organisations as their Charity of Choice.

## 2014 GRANTS

In 2014 there were 241 scholarship recipients with an average grant amount of \$1,078. This was the largest scholarship allocation in the history of the Foundation which demonstrates an increasing demand for financial assistance to enter and remain in vocational education. Grants were awarded to students across all course areas and campuses.

### Local Councils

The City of Casey

Mornington Peninsula Shire

The City of Greater Dandenong

### Philanthropic Trusts

Australian Communities Foundation

The George Hicks Foundation

The Bass Community Foundation

RE Ross Trust

### Rotary Clubs

Rotary club of Berwick

Rotary Club of Endeavour Hills

Rotary Club of Rosebud

Rotary Club of Chelsea

Rotary Club of Frankston

Rotary Club of Lysterfield and Ferntree Gully

### SMP Connect

Bendigo Bank

All Saints Anglican Op Shop

Rosebud RSL

Southern Peninsula Community Fund

Uniting Church Op Shop

Rye and District Op Shop

The Optical Superstore

Marita and John Lukies

Peter Smit

## Organisations

A&L Windows

Hansen and Yuncken

Career networks

East Bentleigh YWCA

Fuji Xerox Scholarship

Hilton Manufacturing

Canon

Grenda

Pitcher Partners

MP Longest lunch

ANZ Bank

Avaxa Casey and District Multiple Birth Association

Emerson Scholarship

FGB Natural Products

Department of Human Services

Sandra George Manufacturing

Volkswagen Club Victoria

Wonthaggi Lions club

UBS

Volgren

PSC Insurance Brokers

Landers and Rogers

PWC

BusVic

Perfekt

Peninsula Community Legal Centre

### Individuals -memorial or perpetual

Sue Polgar Memorial Scholarship

Virginia Simmons Perpetual Scholarship

Jesse and Beryl Blundell Memorial scholarship

Emerson Memorial scholarship

Ian Tattersall Memorial Scholarship

# **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

**CHISHOLM INSTITUTE  
CHISHOLM ONLINE  
CAROLINE CHISHOLM EDUCATION FOUNDATION**



## INDEPENDENT AUDITOR'S REPORT

### To the Board members, Chisholm Institute

#### *The Financial Report*

The accompanying financial report for the year ended 31 December 2014 of the Chisholm Institute which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration by the board chair, chief executive officer, and chief finance and accounting officer has been audited.

#### *The Board members' Responsibility for the Financial Report*

The Board members of the Chisholm Institute are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board members, as well as evaluating the overall presentation of the financial report.

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

## **Independent Auditor's Report (continued)**

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Chisholm Institute as at 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE  
6 March 2015

  
John Doyle  
Auditor-General

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

We certify that the attached financial statements for Chisholm Institute and the consolidated entity have been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2014 and financial position of the Institute as at 31 December 2014.

At the date of signing this financial report, we are not aware of any circumstance that would render any particulars included in the financial report to be misleading or inaccurate. There are reasonable grounds to believe that the Institute will be able to pay its debts as and when they became due and payable.

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



### **Stephen Marks**

Board Chair

Date: 25 February 2015

Place: Dandenong



### **Maria Peters**

Chief Executive Officer

Date: 25 February 2015

Place: Dandenong



### **Grant Radford**

Chief Finance and Accounting Officer

Date: 25 February 2015

Place: Dandenong

# COMPREHENSIVE OPERATING STATEMENT

For the year ended 31 December 2014

		Consolidated		Chisholm	
	Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Continuing operations					
Income from transactions					
Government contributions - operating	2a(i)	65,611	70,324	65,525	70,324
Government contributions - capital	2a(ii)	22,478	18,804	22,478	18,804
Sale of goods and services	2b	52,916	44,099	52,894	44,099
Interest	2c	944	740	914	717
Other income	2d	1,756	1,715	1,473	1,428
Total income from transactions		143,705	135,682	143,284	135,372
Expenses from transactions					
Employee benefits	3a	70,377	67,767	69,041	67,767
Depreciation and amortisation	3b	7,321	6,859	7,281	6,859
Grants and other transfers	3c	-	4	-	4
Supplies and services	3d	23,021	20,351	22,642	20,351
Other operating expenses	3e	12,386	10,533	11,386	10,414
Total expenses from transactions		113,105	105,514	110,350	105,395
Net result from transactions (net operating balance)		30,600	30,168	32,934	29,977
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	4a	(247)	7	(247)	7
Net gain/(loss) on financial instruments	4b	(457)	2	(457)	2
Net gain/(loss) arising from revaluation of long service leave liability	4c	60	581	32	581
Net gain/(loss) arising from revaluation of annual leave liability	4c	(250)	100	(244)	100
Total other economic flows included in net result		(894)	690	(916)	690
Net result		29,706	30,858	32,018	30,667
Other economic flows - other comprehensive income					
Items that will not be reclassified to net result					
Changes in physical asset revaluation surplus	16c	(2,158)	(136)	(2,158)	(136)
Comprehensive result		27,548	30,722	29,860	30,531

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

# BALANCE SHEET

As at 31 December 2014

		Consolidated		Chisholm	
	Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Assets					
Financial assets					
Cash and deposits	5	41,927	36,634	40,692	35,893
Receivables	6	17,569	14,200	18,850	14,198
Investments and other financial assets	7	105	101	2,000	-
Total financial assets		59,601	50,935	61,542	50,091
Non financial assets					
Inventories	8	74	107	74	107
Other non financial assets	9	1,469	1,285	1,449	1,285
Property, plant and equipment	10	252,606	234,942	252,606	234,942
Intangibles	11	1,749	1,098	1,059	1,098
Total non financial assets		255,898	237,432	255,188	237,432
Total assets					
		315,499	288,367	316,730	287,523
Liabilities					
Payables	12	5,364	6,821	5,344	6,989
Provisions	13	10,118	10,089	10,090	10,089
Borrowings	14	760	-	760	-
Other liabilities	15	5,494	5,242	5,473	5,242
Total liabilities		21,736	22,152	21,667	22,320
Net assets					
		293,763	266,215	295,063	265,203
Equity					
Accumulated surplus/(deficit)	16b	157,667	127,961	158,967	126,949
Physical asset revaluation surplus	16c	50,709	52,867	50,709	52,867
Contributed capital	16a	85,387	85,387	85,387	85,387
Net worth		293,763	266,215	295,063	265,203
Commitments for expenditure					
	19				
Contingent assets and contingent liabilities					
	20				

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

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

		Physical assets revaluation surplus	Accumulated surplus	Contributions by owner	Total
<b>Consolidated</b>	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 January 2013</b>		53,003	97,103	85,387	235,493
Net result for the year		-	30,858	-	30,858
Other economic flows – other comprehensive result		(136)	-	-	(136)
<b>Year ended 31 December 2013</b>		<b>52,867</b>	<b>127,961</b>	<b>85,387</b>	<b>266,215</b>
Net result for the year		-	29,706	-	29,706
Other economic flows – other comprehensive result		(2,158)	-	-	(2,158)
<b>Year ended 31 December 2014</b>		<b>50,709</b>	<b>157,667</b>	<b>85,387</b>	<b>293,763</b>

		Physical assets revaluation surplus	Accumulated surplus	Contributions by owner	Total
<b>Chisholm</b>	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 January 2013</b>		53,003	96,282	85,387	234,672
Net result for the year		-	30,667	-	30,667
Other economic flows – other comprehensive result		(136)	-	-	(136)
<b>Year ended 31 December 2013</b>		<b>52,867</b>	<b>126,949</b>	<b>85,387</b>	<b>265,203</b>
Net result for the year		-	32,018	-	32,018
Other economic flows – other comprehensive result		(2,158)	-	-	(2,158)
<b>Year ended 31 December 2014</b>		<b>50,709</b>	<b>158,967</b>	<b>85,387</b>	<b>295,063</b>

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

# CASH FLOW STATEMENT

For the year ended 31 December 2014

		Consolidated		Chisholm	
	Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Government contributions - operating		73,042	67,604	73,042	67,604
Government contributions - capital		18,271	18,804	18,271	18,804
User fees and charges received		54,481	46,260	54,450	46,260
Goods and services tax recovered from the ATO		101	3,854	-	3,854
Interest received		926	740	897	717
Other receipts		1,895	2,222	1,513	2,012
<b>Total receipts</b>		<b>148,716</b>	<b>139,484</b>	<b>148,173</b>	<b>139,251</b>
<b>Payments</b>					
Payments to employees		(70,253)	(68,617)	(69,991)	(68,617)
Payments to suppliers		(40,643)	(33,655)	(39,595)	(33,493)
Goods and services tax paid		(5,288)	(7,297)	(5,282)	(7,297)
<b>Total payments</b>		<b>(116,184)</b>	<b>(109,569)</b>	<b>(114,868)</b>	<b>(109,407)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>17</b>	<b>32,532</b>	<b>29,915</b>	<b>33,305</b>	<b>29,844</b>
<b>Cash flows from investing activities</b>					
Payments for investments		(4)	(101)	(2,000)	-
Payments for non financial assets		(28,044)	(18,706)	(27,315)	(18,706)
Proceeds from sale of non financial assets		2	7	2	7
<b>Net cash provided by/(used in) investing activities</b>		<b>(28,046)</b>	<b>(18,800)</b>	<b>(29,313)</b>	<b>(18,699)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		807	-	807	-
<b>Net cash provided by/(used in) investing activities</b>		<b>807</b>	<b>-</b>	<b>807</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5,293</b>	<b>11,115</b>	<b>4,799</b>	<b>11,145</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>36,634</b>	<b>25,519</b>	<b>35,893</b>	<b>24,748</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>5</b>	<b>41,927</b>	<b>36,634</b>	<b>40,692</b>	<b>35,893</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## Note

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# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

### 1. Statement of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for Chisholm Institute and its controlled entities TAFE Online Pty Ltd and Caroline Chisholm Education Foundation ('Consolidated Group'), and the separate financial statements and notes of Chisholm Institute as an individual parent entity ('Chisholm').

The accounting policies set out below have been applied in preparing the financial statements for Chisholm and the consolidated group for the year ended 31 December 2014 and the comparative information presented for the year ended 31 December 2013.

The following is a summary of the material accounting policies adopted by the Chisholm in the preparation of the financial report. The accounting policies have been consistently applied across the group unless otherwise stated.

#### 1.01 Statement of compliance

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.

For the purposes of preparing financial statements, Chisholm is classed as a not-for-profit entity. Where appropriate, those AAS paragraphs applicable to not-for profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

#### 1.02 Basis of accounting preparation and measurement

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 Chisholm and the Consolidated Group, 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 value
- the fair value of an asset other than land is generally based on its depreciated replacement value (excluding non specialised buildings)
- certain liabilities that are calculated with regard to actuarial assessments
- available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised.

### Critical accounting judgement and key sources of estimation uncertainty

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

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates

The following are the critical judgements, apart from those involved in estimations that Chisholm has made in the process of applying the accounting policies and that have the most significant effect of the amounts recognised in the consolidated financial statements:

- discount rates applied to material balances.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## Fair value measurement

Consistent with AASB 13 Fair Value Measurement, Chisholm 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.

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

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

For the purpose of fair value disclosures, Chisholm 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, Chisholm 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 Chisholm's independent valuation agency.

Chisholm, in conjunction with VGV monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

## 1.03 Reporting entity

The financial statements cover Chisholm and its controlled entities as an individual reporting entity. Chisholm is a statutory body corporate, established pursuant to an act made by the Victorian Government under the Education and Training Reform Act 2006 Section 3.1.12 4(a).

Its principal address is:

Chisholm Institute  
121 Stud Road  
Dandenong VIC 3175

The financial statements include all the controlled activities of the entity.

## 1.04 Basis of consolidation

In accordance with AASB 10 Consolidated Financial Statements, the consolidated financial statements of Chisholm combine like items of assets, liabilities, equity, income, expenses and cash flows of Chisholm with those of the reporting entities controlled by Chisholm. Uniform accounting policies for like transactions and other events in similar circumstances are applied in the preparation of consolidated financial statements.

A controlled entity is an entity over which Chisholm has exposure or rights to variable returns from its involvement with the entity, and the ability to affect those returns through the use of its power over the entity.

The existence of power over an entity is established when Chisholm has existing rights that give it the current ability to direct the relevant activities of the controlled entity which would significantly affect the returns of the controlled entity.

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.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group are eliminated in full on consolidation.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

Entities consolidated into Chisholm's reporting entity include:

### **TAFE Online Pty Ltd (Chisholm Online)**

Chisholm Online commenced operations during the current financial period as a provider of nationally accredited vocational education courses online.

Chisholm is deemed to have control over Chisholm Online due to the following factors:

- Chisholm holds 100% of the share capital issued by Chisholm Online; there are no other controlling interests
- the Chisholm Online Board contains only members from Chisholm's Board
- Chisholm provides significant financial and administration support to Chisholm Online.

### **Caroline Chisholm Education Foundation (CCEF)**

CCEF was established in 2007 as an independent charitable trust which aims to assist students in financial hardship receive a high quality vocational educational qualification from Chisholm Institute.

Chisholm is deemed to have control over CCEF due to the following factors:

- the foundation is administered by an independent Board of trustees including a Chisholm Board appointed trustee, the Chisholm CEO as well as 2 Chisholm staff trustees
- all non Chisholm related trustees must be approved by the Chisholm Board
- Chisholm's Chief Operating Officer (COO) is the treasurer of the CCEF trust
- the beneficiaries of the trust are Chisholm students
- Chisholm provides significant financial and administration support to CCEF.

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Institute.

### **1.05 Events after reporting date**

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Chisholm and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date.

Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the reporting date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and are considered to be of material interest.

### **1.06 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 (i.e., on a gross basis). 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 is classified as operating cash flows.

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

### **1.07 Income from transactions**

Amounts disclosed as income is where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of Chisholm's major activities as follows:

#### **Government Contributions**

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## Sale of goods and services

### Student fees and charges

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

### Fee for service

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

### Revenue from sale of goods

Revenue from sale of goods is recognised by Chisholm when:

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

### Interest income

Interest income from cash, short-term deposits and investments is brought to account on a time proportional basis taking into account interest rates applicable to the financial assets. Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported as part of income from other economic flows in the net result or as unrealised gains and losses taken direct to equity, forming part of the total change in net worth in the comprehensive result.

### Other income

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

## 1.08 Expenses from transactions

### Employee benefits

Expense for employee benefits are recognised when incurred, except for contributions in respect of defined benefit plans.

### Retirement benefit obligations

#### Defined contribution plan

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

#### Defined benefit plans

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

Chisholm does not recognise any deferred liability in respect of the plan(s) because Chisholm has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as and when they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its finance report.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## Depreciation and amortisation

### Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is generally calculated on a straight-line basis so as to write off the net cost or other re-valued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjustments made where appropriate.

### Depreciation methods and rates are used for each class of depreciable assets.

	Class of assets	Method	Rates
Buildings	Straight line	1.69%-20.00%	(2013: 1.69% - 20.00%)
Plant and Equipment	Straight line	10.00%-34.00%	(2013: 10.50% - 34.00%)
Motor Vehicles	Straight line	15.00%	(2013: 15.00%)
Library Collections	Straight line	20.00%	(2013: 20.00%)
Land Improvements	Straight line	2.50%-6.67%	(2013: 2.50% - 6.67%)
Leasehold Improvements	Straight line	19.35%	(2013: 19.35%)

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis.

### Amortisation

Intangible assets with finite lives are amortised on a straight line basis over the assets useful lives. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

### Grants and other transfers

Grants and other transfers to third parties are recognised as an expense in the reporting period in which they are paid or payable.

### Supplies and services

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

### 1.09 Other economic flows included in net result

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

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

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

### 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.

### Impairment of non financial assets

Assets are assessed annually for indications of impairment, except for:

- Inventories.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the comprehensive operating statement, except to the extent that the write down can be debited to an asset revaluation reserve amount applicable to that class of asset. If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell.

### Net gain/ (loss) on financial instruments

Net gain/(loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

### Revaluation of financial instruments at fair value

The revaluation gain/ (loss) on financial instruments at fair value excludes dividends or interest earned on financial assets, which is reported as part of income from transactions.

### Impairment of financial assets

Financial assets have been assessed for impairment in accordance with Australian Accounting Standards. Where a financial asset's fair value at balance date has reduced by 10% per cent or more than its cost price; or where its fair value has been less than its cost price for a period of 6 or more months, the financial instrument is treated as impaired. Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The allowance for doubtful receivables and bad debts not written off by mutual consent are adjusted as 'other economic flows'.

### 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 annual and long service leave liability due to changes in the bond interest rates.

## 1.10 Financial instruments

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

### Categories of non-derivative financial instruments Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

### Financial liabilities at amortised cost

Financial instrument liabilities 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.

Financial instrument liabilities measured at amortised cost include all of Chisholm's contractual payables, advances received and interest-bearing arrangements other than those designated at fair value through profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## 1.11 Financial assets

### Cash and deposits

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 includes bank overdrafts, which are included as borrowings on the balance sheet.

### Receivables

Receivables consist of:

- statutory receivables, which include predominantly amounts owing from the Victorian Government and GST input tax credits recoverable
- contractual receivables, which include mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables.

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments. Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment. A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

### Investments and other financial assets

Investments are classified in the following categories:

- financial assets at fair value through profit or loss
- loans and receivables
- held to maturity investments
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition. Any dividend or interest earned on the financial asset is recognised in the consolidated comprehensive operating statement as a transaction.

### 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
- Chisholm 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
- Chisholm has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

### Impairment of financial assets

At the end of each reporting period, Chisholm assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

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



# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

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

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

### 1.12 Leases

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

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

#### Operating leases

##### Chisholm as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

##### Chisholm as lessee

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

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

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 1.13 Non financial assets

#### Inventories

Inventories include goods and other property held either for sale or for distribution at a zero or nominal cost, or for consumption in the ordinary course of business operations. It includes land held-for-sale and excludes depreciable assets.

#### Property, plant and equipment

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 fair value of infrastructure systems and plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

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. For the accounting policy on impairment of non-financial physical assets, refer to Note 1.09 on Impairment of non-financial assets.

### Library collections

Library collections are measured at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

### Capitalised threshold

Chisholm's capitalisation threshold is \$5,000 exclusive of GST (2013: \$5,000 exclusive of GST).

### Leasehold improvements

The cost of leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

### Non-financial physical assets constructed by Chisholm

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

### Revaluations of non-financial physical assets

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

### Intangible assets

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Chisholm.

When recognition criteria AASB 138 Intangible Assets are met, internally generated intangible assets are recognised and measured at cost less accumulated depreciation/amortisation and impairment. Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it
- the ability to use or sell the asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred. Intangible assets are measured at cost less accumulated amortisation and impairment, and are amortised on a straight-line basis over their useful lives as follows:

	2014	2013
Capitalised software development cost (years)	3-4	4

\* New intangibles were developed during 2014 and these were determined to have a amortisation period of 3 years.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## Prepayments

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

## 1.14 Liabilities

### Payables

Payables consist of:

- contractual payables, such as accounts payable, and unearned income including deferred income from concession arrangements. Accounts payable represent liabilities for goods and services provided to Chisholm prior to the end of the financial year that are unpaid, and arise when Chisholm becomes obliged to make future payments in respect of the purchase of those goods and services
- 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.

### Provisions

Provisions are recognised when Chisholm 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.

### Employee benefits

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.

#### (a) Wages, salaries and annual leave

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

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- undiscounted value – if the Institute expects to wholly settle within 12 months
- present value – if the Institute does not expect to wholly settle within 12 months.

#### (b) 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 where the Institute does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the 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
- present value (discounted value) – component that is not expected to be wholly settled within 12 months.

The discount rate applied is advised by the Minister for Finance.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the 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.

#### (c) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. Chisholm recognises termination benefits when it is demonstrably committed to either 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 balance sheet date are discounted to present value.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## Employee benefits on-costs

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

## Performance payments

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

## Onerous contracts

An onerous contract is considered to exist where Chisholm has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

### 1.15 Commitments

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

### 1.16 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 19) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of the GST receivable or payable respectively.

## 1.17 Equity

### Contributed capital

Funding that are in the nature of contributions by the Victorian State government are treated as contributed capital when designated in accordance with UIG Interpretation 1038 Contribution by Owners Made to Wholly-Owned Public Sector Entities. Commonwealth capital funds are not affected and are treated as income. Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distribution to owners.

### 1.18 Foreign currency translations

#### Functional and presentation currency

Chisholm's financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

#### Transactions and balances

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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

### 1.19 Materiality

In accordance with Accounting Standard AASB 108 Accounting Policies, Changes in Accounting Estimates and Error, 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.

### 1.20 Rounding of amounts

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

### 1.21 Comparative information

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

### 1.22 Change in accounting policy

Subsequent to the 2013 reporting period, the following new and revised accounting standards have been adopted in the current period with their financial impact detailed as below.

### AASB 10 Consolidated Financial Statements

Chisholm has applied AASB 10 Consolidated Financial Statements for the first time in the current year. This standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee. Power is present, per AASB 10, when an investor has existing rights that give it the current ability to direct the relevant activities that significantly affect the investee's returns. Appendix E of the standard provides specific implementation guidance for not for profit entities.

The impact of AASB 10 on Chisholm's financial statements is significant with the addition of two (2) entities, CCEF and Chisholm Online, into the consolidated Chisholm group. Additional information can be found in note 1.04 above.

AASB 10 requires retrospective application for the annual reporting period immediately preceding the date of initial application of the standard. As such, prior period consolidated comparative values include Chisholm and CCEF results/balances.

### AASB 11 Joint Arrangements

AASB 11 deals with the concept of joint control, and sets out a new principle-based approach for determining the type of joint arrangement that exist and the corresponding accounting treatment.

Chisholm is not a party to any joint arrangements hence AASB 11 has not been applied in the current year.

### AASB 12 Disclosure of interest in Other Entities

This standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.

Chisholm has applied AASB 12 Disclosure of Interest in Other Entities for the first time in the current year.

### AASB 127 Separate Financial Statements

AASB 127 prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The standard requires entities, preparing separate financial statements, to account for investments in subsidiaries, joint ventures and associates either at cost or in accordance with AASB 9 Financial Instruments. Chisholm has applied AASB for the first time in the current year.

### AASB 128 Investments in Associates (NFP)

AASB 128 prescribes the accounting treatment of investments in associates. An associate is defined as an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence.

Chisholm does not have any investments in associates hence AASB 128 has not been applied in the current year.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

### 1.23 New and revised AASBs in issue but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2014 reporting period.

As at 31 December 2014 the following standards and interpretations (applicable to Chisholm) had been issued but were not mandatory for financial year ending 31 December 2014. Chisholm has not, and does not intend to, adopt these standards early.

Standard/ Interpretation	Summary	Application date of standard	Impact on entity financial statements
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2017	<p>The preliminary assessment has identified that the financial impact of available-for-sale assets will now be reported through other comprehensive income and no longer recycled to the profit and loss.</p> <p>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</p>

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2014 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2014 reporting period and is considered to have insignificant impacts on public sector reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.
- 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements.
- 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.
- 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting.
- 2013-5 Amendments to Australian Accounting Standards – Investment Entities
- 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements
- 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policy holders
- 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- AASB Interpretation 21 Levies.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

	Consolidated		Chisholm	
Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>2. Income from transactions</b>				
<b>(a) Grants and other transfers</b>				
<b>(i) Government contributions - operating</b>				
State government - specific funded	450	1,604	450	1,604
State government - contestable	54,507	59,772	54,421	59,772
State government- other contributions	10,654	8,948	10,654	8,948
<b>Total Government contributions- operating</b>	<b>65,611</b>	<b>70,324</b>	<b>65,525</b>	<b>70,324</b>
<b>(ii) Government contributions - capital</b>				
Commonwealth capital	14,124	6,976	14,124	6,976
State capital	8,354	11,828	8,354	11,828
<b>Total Government contributions - capital</b>	<b>22,478</b>	<b>18,804</b>	<b>22,478</b>	<b>18,804</b>
<b>Total Government contributions</b>	<b>88,089</b>	<b>89,128</b>	<b>88,003</b>	<b>89,128</b>
<b>(b) Sale of goods and services</b>				
Student fees and charges	17,801	17,083	17,788	17,083
<b>Rendering of services</b>				
Fee for service - government	9,967	9,006	9,967	9,006
Fee for service - international operations - onshore	6,752	4,805	6,752	4,805
Fee for service - international operations - offshore	7,854	4,395	7,854	4,395
Fee for service - other	9,732	8,296	9,723	8,296
Total rendering of services	34,305	26,502	34,296	26,502
Other non-course fees and charges				
Sale of goods	810	514	810	514
<b>Total income from sale of goods and services</b>	<b>52,916</b>	<b>44,099</b>	<b>52,894</b>	<b>44,099</b>
<b>(c) Interest</b>				
<b>Interest from financial assets not at fair value through P/L</b>				
Interest on bank deposits	944	740	914	717
<b>(d) Other income</b>				
Rental income	430	436	430	436
Donations bequests and contributions	446	440	-	7
Scholarships	35	11	35	11
Other	845	828	1,008	974
<b>Total other income</b>	<b>1,756</b>	<b>1,715</b>	<b>1,473</b>	<b>1,428</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

	Consolidated		Chisholm	
Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>3. Expenses from transactions</b>				
<b>(a) Employee expenses</b>				
Salaries, wages, overtime and allowances	59,243	56,662	58,117	56,662
Superannuation	5,309	4,973	5,216	4,973
Payroll tax	3,118	3,029	3,063	3,029
Worker's compensation	584	670	571	670
Long service leave	977	997	945	997
Annual leave	551	565	533	565
Termination benefits	569	852	569	852
Other	26	19	27	19
<b>Total employee benefits</b>	<b>70,377</b>	<b>67,767</b>	<b>69,041</b>	<b>67,767</b>
<b>(b) Depreciation and amortisation</b>				
<b>Depreciation of non-current assets</b>				
Buildings	4,772	4,517	4,772	4,517
Plant and equipment	1,480	1,431	1,480	1,431
Motor vehicles	75	101	75	101
Library collections	139	159	139	159
Land improvements	69	59	69	59
Leasehold improvements	340	340	340	340
<b>Total depreciation</b>	<b>6,875</b>	<b>6,607</b>	<b>6,875</b>	<b>6,607</b>
<b>Amortisation of non current physical and intangible assets</b>				
Software	446	252	406	252
<b>Total depreciation and amortisation</b>	<b>7,321</b>	<b>6,859</b>	<b>7,281</b>	<b>6,859</b>
<b>(c) Grants and other transfers</b>				
Grants and subsidies to apprentices and trainees	-	4	-	4
<b>(d) Supplies and services</b>				
Purchase of supplies and consumables	4,083	3,619	4,072	3,619
Communication expenses	997	1,089	997	1,089
Contract and other services	5,745	5,524	5,745	5,524
Cost of goods sold/distributed (ancillary trading)	431	353	431	353
Building repairs and maintenance	2,615	2,477	2,615	2,477
Other borrowing costs (other than interests)	108	110	108	110
Minor equipment	161	97	161	97
Fees and charges	8,881	7,082	8,513	7,082
<b>Total supplies and services</b>	<b>23,021</b>	<b>20,351</b>	<b>22,642</b>	<b>20,351</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

	Consolidated		Chisholm	
Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>(e) Other operating expenses</b>				
<b>General expenses</b>				
Marketing and promotional expenses	1,922	1,510	1,407	1,495
Utilities	1,753	1,755	1,753	1,755
Audit fees and services	164	158	158	158
Staff development	224	298	219	298
Travel and motor vehicle expenses	1,570	1,758	1,569	1,758
Other expenses	2,610	2,598	2,138	2,494
<b>Total general expenses</b>	<b>8,243</b>	<b>8,077</b>	<b>7,244</b>	<b>7,958</b>
Operating lease rental expenses	2,095	1,636	2,095	1,636
<b>Total operating lease rental expenses</b>	<b>2,095</b>	<b>1,636</b>	<b>2,095</b>	<b>1,636</b>
Bad debts from transactions	236	265	236	265
Equipment below capitalisation threshold	1,812	555	1,811	555
<b>Total other operating expenses</b>	<b>12,386</b>	<b>10,533</b>	<b>11,386</b>	<b>10,414</b>

## 4. Other economic flows included in net result

### (a) Net gain/(loss) on non financial assets (including PPE and intangible assets)

Net gain/(loss) on disposal of property plant and equipment	(247)	7	(247)	7
<b>Total net gain/(loss) arising from non financial assets</b>	<b>(247)</b>	<b>7</b>	<b>(247)</b>	<b>7</b>

### (b) Net gain/(loss) on financial instruments (a)

Foreign exchange gain/(loss)	(63)	32	(63)	32
Greener Government loan discount	47	-	47	-
Impairment of:				
Loans and receivables	(441)	(30)	(441)	(30)
<b>Total net gain/(loss) on financial instruments</b>	<b>(457)</b>	<b>2</b>	<b>(457)</b>	<b>2</b>

### (c) Other gains/(losses) from other economic flows

Net gain/(loss) arising from revaluation of long service leave liabilities	60	581	32	581
Net gain/(loss) arising from revaluation of annual leave liabilities	(250)	100	(244)	100
<b>Total other gains/(losses) from other economic flows</b>	<b>(190)</b>	<b>681</b>	<b>(212)</b>	<b>681</b>
<b>Total other economic flows included in net result</b>	<b>(894)</b>	<b>690</b>	<b>(916)</b>	<b>690</b>

#### Note

(a) Including increase/ (decrease) in provision for doubtful debts and bad debts from other economic flows - refer to Note 1.09

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

	Consolidated		Chisholm	
Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>5. Cash and cash equivalents</b>				
Cash at bank and on hand	4,875	6,932	3,640	6,191
Deposits at call	37,052	29,702	37,052	29,702
<b>Total cash and cash equivalents</b>	<b>41,927</b>	<b>36,634</b>	<b>40,692</b>	<b>35,893</b>

## (a) Reconciliation of cash at the end of the year

The above figure are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	41,927	36,634	40,692	35,893
Balances as per cash flow statement	41,927	36,634	40,692	35,893

## (b) Cash at bank and on hand

Cash at bank is bearing floating interest rates at 2.13% and 2.45% (2013: 2.13% and 2.38%)

## (c) Deposits at call

The deposits are bearing floating interest rates at 2.45% (2013: 2.45% and 2.95%)

## 6. Receivables

### Current

#### Contractual

Sale of goods and services	8,489	1,462	8,489	1,462
Provision for doubtful contractual receivables (a)	(340)	(41)	(340)	(41)
Other receivables	1,313	3,044	2,666	3,044
Revenue receivable	8,067	9,735	8,035	9,733
<b>Total contractual receivables</b>	<b>17,529</b>	<b>14,200</b>	<b>18,850</b>	<b>14,198</b>

#### Statutory

GST input tax credit recoverable	40	-	-	-
<b>Total statutory receivables</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total current receivables</b>	<b>17,569</b>	<b>14,200</b>	<b>18,850</b>	<b>14,198</b>

The average credit period on sales of goods is 21 days. No interest is charged on receivables for the first 21 days from the date of the invoice or thereafter.

## (a) Movement in the provision for doubtful receivables

Balance at the beginning of the year	(41)	(23)	(41)	(23)
Reversal of unused provision recognised in net result	19	4	19	4
Increase in provision recognised in net result	(334)	(41)	(334)	(41)
Reversal of provision for uncollectable receivables written off during the year	16	19	16	19
<b>Balance at the end of the year</b>	<b>(340)</b>	<b>(41)</b>	<b>(340)</b>	<b>(41)</b>

## (b) Ageing analysis of contractual receivables

Refer to Note 23 for the ageing analysis of contractual receivables.

## (c) Nature and extent of risk arising from contractual receivables

Refer to Note 23 for the nature and extent of risk arising from contractual receivables.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

		Consolidated		Chisholm	
	Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>7. Investment and other financial assets</b>					
<b>Current</b>					
Australia dollar term deposits		105	101	-	-
<b>Total current investments and other financial assets</b>		<b>105</b>	<b>101</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>					
Unlisted shares in subsidiary - Chisholm Online		-	-	2,000	-
<b>Total non-current investments and other financial assets</b>		<b>-</b>	<b>-</b>	<b>2,000</b>	<b>-</b>
<b>Total investments and other financial assets</b>		<b>105</b>	<b>101</b>	<b>2,000</b>	<b>-</b>

## (a) Ageing analysis of investments and other financial assets

Please refer to Note 23 for the ageing analysis of investments and other financial assets

## (b) Nature and extent of risk arising from investments and other financial assets

Please refer to Note 23 for the nature and extent of risks arising from investments and other financial assets.

## 8. Inventories

Supplies and consumables - at cost	74	107	74	107
<b>Total current inventories</b>	<b>74</b>	<b>107</b>	<b>74</b>	<b>107</b>

## 9. Other non financial assets

### Current

Prepayments	1,469	1,285	1,449	1,285
<b>Total other non financial assets</b>	<b>1,469</b>	<b>1,285</b>	<b>1,449</b>	<b>1,285</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## 10. Property, plant and equipment

### (a) Consolidated

		Land	Buildings	Construction	Plant &	Motor	Leasehold	Land	Library	Total
				in progress	equipment	vehicles	imp.	imp.		
Chisholm	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 Jan 2013</b>										
Cost		-	-	2,569	19,630	772	1,758	1,276	2,669	<b>28,674</b>
Valuation		45,057	166,099	-	-	-	-	-	-	<b>211,156</b>
Accumulated Depreciation		-	-	-	(12,955)	(507)	(229)	-	(2,294)	<b>(15,985)</b>
<b>Net book amount</b>		<b>45,057</b>	<b>166,099</b>	<b>2,569</b>	<b>6,675</b>	<b>265</b>	<b>1,529</b>	<b>1,276</b>	<b>375</b>	<b>223,845</b>
<b>Year ended 31 Dec 2013</b>										
Opening net book amount		45,057	166,099	2,569	6,675	265	1,529	1,276	375	<b>223,845</b>
Additions		-	-	17,209	513	12	-	-	106	<b>17,841</b>
Disposals		-	(136)	-	(418)	(16)	-	-	-	<b>(570)</b>
Depreciation write-back		-	-	-	418	16	-	-	-	<b>434</b>
Transfer to buildings		-	7	(7)	-	-	-	-	-	<b>-</b>
Depreciation		-	(4,517)	-	(1,431)	(101)	(340)	(59)	(159)	<b>(6,607)</b>
Impairment		-	-	-	-	-	-	-	-	<b>-</b>
<b>Closing net book amount</b>		<b>45,057</b>	<b>161,453</b>	<b>19,771</b>	<b>5,757</b>	<b>176</b>	<b>1,189</b>	<b>1,217</b>	<b>322</b>	<b>234,942</b>
<b>At 31 Dec 2013</b>										
Cost		-	-	19,771	19,725	768	1,758	1,276	2,775	<b>46,073</b>
Valuation		45,057	165,970	-	-	-	-	-	-	<b>211,027</b>
Accumulated Depreciation		-	(4,517)	-	(13,968)	(592)	(569)	(59)	(2,453)	<b>(22,158)</b>
<b>Net book amount</b>		<b>45,057</b>	<b>161,453</b>	<b>19,771</b>	<b>5,757</b>	<b>176</b>	<b>1,189</b>	<b>1,217</b>	<b>322</b>	<b>234,942</b>
<b>Year ended 31 Dec 2014</b>										
Opening net book amount		45,057	161,453	19,771	5,757	176	1,189	1,217	322	<b>234,942</b>
Additions		-	-	26,048	897	24	-	-	-	<b>26,969</b>
Disposals		-	-	-	(74)	-	-	(13)	(183)	<b>(270)</b>
Depreciation write-back		-	-	-	-	-	-	-	-	<b>-</b>
Transfer to buildings		-	44,056	(44,673)	356	-	-	261	-	<b>-</b>
Depreciation		-	(4,773)	-	(1,481)	(75)	(341)	(68)	(139)	<b>(6,877)</b>
Impairment		-	(2,158)	-	-	-	-	-	-	<b>(2,158)</b>
<b>Closing net book amount</b>		<b>45,057</b>	<b>198,578</b>	<b>1,146</b>	<b>5,455</b>	<b>125</b>	<b>848</b>	<b>1,397</b>	<b>-</b>	<b>252,606</b>
<b>At 31 Dec 2014</b>										
Cost		-	44,063	1,146	20,834	792	1,758	1,524	-	<b>70,117</b>
Valuation		45,057	163,805	-	-	-	-	-	-	<b>208,862</b>
Accumulated Depreciation		-	(9,290)	-	(15,379)	(667)	(910)	(127)	-	<b>(26,373)</b>
<b>Net book amount at the end of year</b>		<b>45,057</b>	<b>198,578</b>	<b>1,146</b>	<b>5,455</b>	<b>125</b>	<b>848</b>	<b>1,397</b>	<b>-</b>	<b>252,606</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## (b) Chisholm

		Land	Buildings	Construction in progress	Plant & equipment	Motor vehicles	Leasehold imp.	Land imp.	Library	Total
Chisholm	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 Jan 2013</b>										
Cost		-	-	2,569	19,630	772	1,758	1,276	2,669	<b>28,674</b>
Valuation		45,057	166,099	-	-	-	-	-	-	<b>211,156</b>
Accumulated Depreciation		-	-	-	(12,955)	(507)	(229)	-	(2,294)	<b>(15,985)</b>
<b>Net book amount</b>		<b>45,057</b>	<b>166,099</b>	<b>2,569</b>	<b>6,675</b>	<b>265</b>	<b>1,529</b>	<b>1,276</b>	<b>375</b>	<b>223,845</b>
<b>Year ended 31 Dec 2013</b>										
Opening net book amount		45,057	166,099	2,569	6,675	265	1,529	1,276	375	<b>223,845</b>
Additions		-	-	17,209	513	12	-	-	106	<b>17,841</b>
Disposals		-	(136)	-	(418)	(16)	-	-	-	<b>(570)</b>
Depreciation write-back		-	-	-	418	16	-	-	-	<b>434</b>
Transfer to buildings		-	7	(7)	-	-	-	-	-	<b>-</b>
Depreciation		-	(4,517)	-	(1,431)	(101)	(340)	(59)	(159)	<b>(6,607)</b>
Impairment		-	-	-	-	-	-	-	-	<b>-</b>
<b>Closing net book amount</b>		<b>45,057</b>	<b>161,453</b>	<b>19,771</b>	<b>5,757</b>	<b>176</b>	<b>1,189</b>	<b>1,217</b>	<b>322</b>	<b>234,942</b>
<b>At 31 Dec 2013</b>										
Cost		-	-	19,771	19,725	768	1,758	1,276	2,775	<b>46,073</b>
Valuation		45,057	165,970	-	-	-	-	-	-	<b>211,027</b>
Accumulated Depreciation		-	(4,517)	-	(13,968)	(592)	(569)	(59)	(2,453)	<b>(22,158)</b>
<b>Net book amount</b>		<b>45,057</b>	<b>161,453</b>	<b>19,771</b>	<b>5,757</b>	<b>176</b>	<b>1,189</b>	<b>1,217</b>	<b>322</b>	<b>234,942</b>
<b>Year ended 31 Dec 2014</b>										
Opening net book amount		45,057	161,453	19,771	5,757	176	1,189	1,217	322	<b>234,942</b>
Additions		-	-	26,048	897	24	-	-	-	<b>26,969</b>
Disposals		-	-	-	(74)	-	-	(13)	(183)	<b>(270)</b>
Depreciation write-back		-	-	-	-	-	-	-	-	<b>-</b>
Transfer to buildings		-	44,056	(44,673)	356	-	-	261	-	<b>-</b>
Depreciation		-	(4,773)	-	(1,481)	(75)	(341)	(68)	(139)	<b>(6,877)</b>
Impairment		-	(2,158)	-	-	-	-	-	-	<b>(2,158)</b>
<b>Closing net book amount</b>		<b>45,057</b>	<b>198,578</b>	<b>1,146</b>	<b>5,455</b>	<b>125</b>	<b>848</b>	<b>1,397</b>	<b>-</b>	<b>252,606</b>
<b>At 31 Dec 2014</b>										
Cost		-	44,063	1,146	20,834	792	1,758	1,524	-	<b>70,117</b>
Valuation		45,057	163,805	-	-	-	-	-	-	<b>208,862</b>
Accumulated Depreciation		-	(9,290)	-	(15,379)	(667)	(910)	(127)	-	<b>(26,373)</b>
<b>Net book amount at the end of year</b>		<b>45,057</b>	<b>198,578</b>	<b>1,146</b>	<b>5,455</b>	<b>125</b>	<b>848</b>	<b>1,397</b>	<b>-</b>	<b>252,606</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## (c) Fair value measurement hierarchy for assets as at 31 December 2014

Classified in accordance with the fair value hierarchy, see Note 1.02

	Fair value hierarchy			
	Level 1	Level 2	Level 3	
	Quoted prices	Observable price inputs	Unobservable inputs	
Chisholm	Carrying amount as at 31 Dec 2014			
	\$'000	\$'000	\$'000	\$'000
<b>Land at fair value:</b>				
Non specialised land	4,911	-	4,911	-
Specialised land	40,146	-	-	40,146
<b>Total of land at fair value</b>	<b>45,057</b>	<b>-</b>	<b>4,911</b>	<b>40,146</b>
<b>Building at fair value:</b>				
Non specialised buildings	1,652	-	1,652	-
Specialised buildings	196,926	-	-	196,926
<b>Total buildings at fair value</b>	<b>198,578</b>	<b>-</b>	<b>1,652</b>	<b>196,926</b>
<b>Other assets at fair value:</b>				
Plant and equipment	5,455	-	-	5,455
Vehicles	125	-	-	125
Land improvements	1,397	-	-	1,397
Leasehold improvements	848	-	-	848
<b>Total other assets at fair value</b>	<b>7,825</b>	<b>-</b>	<b>-</b>	<b>7,825</b>

During the 2014 financial year \$40.1 million in specialised land and \$196.9 million in specialised buildings was transferred to level 3 in the fair value hierarchy due to the use of significant unobservable inputs in their valuation. Refer to note (f) below for further details regarding these inputs.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

	Fair value hierarchy			
	Level 1	Level 2	Level 3	
	Quoted prices	Observable price inputs	Unobservable inputs	
Carrying amount as at 31 Dec 2013				
\$'000	\$'000	\$'000	\$'000	\$'000
<b>Chisholm</b>				
<b>Land at fair value:</b>				
Non specialised land	4,911	-	4,911	-
Specialised land	40,146	-	40,146	-
<b>Total of land at fair value</b>	<b>45,057</b>	<b>-</b>	<b>45,057</b>	<b>-</b>
<b>Building at fair value:</b>				
Non specialised buildings	17,375	-	17,375	-
Specialised buildings	144,078	-	144,078	-
<b>Total buildings at fair value</b>	<b>161,453</b>	<b>-</b>	<b>161,453</b>	<b>-</b>
<b>Other assets at fair value:</b>				
Plant and equipment	5,757	-	-	5,757
Vehicles	176	-	-	176
Land improvements	1,217	-	-	1,217
Leasehold improvements	1,189	-	-	1,189
Library	322	-	-	322
<b>Total other assets at fair value</b>	<b>8,661</b>	<b>-</b>	<b>-</b>	<b>8,661</b>

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

### **(d) Valuations of Property, Plant and Equipment**

Fair value assessments have been performed at 31 December, 2014 for all classes of assets. This assessment demonstrated that fair value was materially similar to carrying value, and therefore a full revaluation was not required this year. The next scheduled full revaluation for Chisholm will be conducted in 2017.

#### **Non Specialised land, land improvements and buildings**

Non specialised land and non specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non specialised land an independent valuation was performed by the Valuer General Victoria with an effective date of 31 December 2012. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

To the extent that non specialised land, non specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

#### **Specialised land, land improvements and specialised buildings**

The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the Institute's majority of specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Institute's specialised land was performed by the Valuer General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 31 December 2012.

#### **Vehicles**

Vehicles are valued using the depreciated replacement cost method. The Institute acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the Institute who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

#### **Plant and equipment**

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

#### **Library and leasehold improvements**

Library and Leasehold improvements are held at fair value being depreciated cost. As there is no evidence of a reliable market-based fair value (or other relevant fair value indicators) for leasehold improvements, depreciated cost is the fair value for these types of assets. The valuation of leasehold improvements is based on significant unobservable inputs and accordingly is classified as Level 3 assets.

There were no changes in valuation techniques throughout the period to 31 December 2014.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## e) Reconciliation of Level 3 fair value at 31 December 2014

	Specialised Land	Specialised Buildings	Plant & equipment	Motor vehicles	Land imp.	Leasehold imp.	Library
Chisholm	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>	-	-	5,757	176	1,217	1,189	322
Purchases (sales)	-	44,058	1,183	24	261	-	47
Transfers in (out) of Level 3	40,146	157,530	-	-	-	-	-
Gains or losses recognised in net result	-	-	(5)	-	(12)	-	(230)
Depreciation	-	(4,662)	(1,480)	(75)	(69)	(341)	(139)
Impairment loss	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>40,146</b>	<b>196,926</b>	<b>5,455</b>	<b>125</b>	<b>1,397</b>	<b>848</b>	<b>-</b>
Gains or losses recognised in other economic flows	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing Balance</b>	<b>40,146</b>	<b>196,926</b>	<b>5,455</b>	<b>125</b>	<b>1,397</b>	<b>848</b>	<b>-</b>

## (f) Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised land	Market approach	CSO	13 - 25%	Changes to the Community Service Obligation (CSO) allowance would result in significant changes to the fair value of assets. This represents the difference between the Highest Best Use (HBU) and the restricted use.
Specialised buildings	Depreciated replacement cost	Direct cost per square metre	\$40 - 3,520	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value
		Useful life	1.69 - 10%	Any increase or decrease in the useful life of buildings would result in significant changes to the value of assets.
Plant and equipment	Depreciated replacement cost	Useful life	10 - 34%	Any increase or decrease in the useful life of plant and equipment would result in significant changes to the value of assets.
Motor vehicles	Depreciated replacement cost	Direct cost per unit	\$477 - 12,095	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life	15%	Any increase or decrease in the useful life of motor vehicles would result in significant changes to the value of assets.
Land improvements	Depreciated replacement cost	Direct cost per square metre	\$60 - 80	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
		Useful life	2.5 - 6.7%	Any increase or decrease in the lease term would result in a change in the useful life of land improvements and would result in significant changes to the value of assets.
Leasehold improvements	Depreciated cost	Useful life	19.35%	Any increase or decrease in the lease term would result in a change in the useful life of leasehold improvements and would result in significant changes to the value of assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## 11. Intangible assets

	Software
Consolidated	Note
Year ended 31 Dec 2013	\$'000
Opening balance	485
Additions from internal developments	865
Disposals	-
Impairment losses charged to net result	-
Amortisation charge	(252)
<b>Closing balance</b>	<b>1,098</b>

### Year ended 31 Dec 2014

Opening balance	1,098
Additions from internal developments	1,097
Disposals	-
Impairment losses charged to net result	-
Amortisation charge	(446)
<b>Closing balance</b>	<b>1,749</b>

	Software
Consolidated	Note
Year ended 31 Dec 2013	\$'000
Opening balance	485
Additions from internal developments	865
Disposals	-
Impairment losses charged to net result	-
Amortisation charge	(252)
<b>Closing balance</b>	<b>1,098</b>

### Year ended 31 Dec 2014

Opening balance	1,098
Additions from internal developments	367
Disposals	-
Impairment losses charged to net result	-
Amortisation charge	(406)
<b>Closing balance</b>	<b>1,059</b>

### Note

Amortisation charged is reported as an expense from transactions in the Comprehensive Operating Statement. Chisholm has capitalised software development expenditure for the upgrade of its Strata software. The carrying amount of the capitalised software development expenditure is \$1.06 million (2013: \$1.10 million). Its useful life is 4 years and will be fully amortised in 2017.

	Consolidated	Chisholm
Note	2014 \$'000	2013 \$'000
	2014 \$'000	2013 \$'000

## 12. Payables

### Current

#### Contractual

Supplies and services	4,513	4,937	4,493	5,105
Amounts payable to governments and agencies	-	389	-	389

#### Statutory

GST payable	558	638	558	638
Group tax payable	-	547	-	547
FBT Payable	36	45	36	45
Other taxes payable	257	265	257	265

<b>Total current payables</b>	<b>5,364</b>	<b>6,821</b>	<b>5,344</b>	<b>6,989</b>
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### (a) Foreign currency risk

The carrying amounts of the entity's payables are denominated in the following currency:

Australian dollars	5,364	6,821	5,344	6,989
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### Notes

The average credit period is 30 days. No interest is charged on the other payables for the first 30 days from the date of the invoice or thereafter.

Terms and conditions of amounts payable to other government agencies vary according to a particular agreement with that agency.

### Maturity analysis of contractual payables

Refer to Note 23 for the maturity analysis of contractual payables.

### Nature and extent of risk arising from contractual payables

Refer to Note 23 for the nature and extent of risk arising from contractual payables.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

		Consolidated		Chisholm	
	Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>13. Provisions</b>					
<b>Current provisions expected to be wholly settled within 12 months</b>					
<b>Employee benefits</b>	(a)				
Annual leave		1,680	1,096	1,657	1,096
Long service leave		1,068	878	1,068	878
Performance payments		222	190	222	190
Other		236	46	236	46
<b>Subtotal</b>		<b>3,206</b>	<b>2,210</b>	<b>3,183</b>	<b>2,210</b>
On costs	(b)	194	123	193	123
<b>Current provision expected to be wholly settled after 12 months</b>					
Annual leave	(a)	72	637	72	637
Long service leave		5,511	5,852	5,511	5,852
<b>Subtotal</b>		<b>5,583</b>	<b>6,489</b>	<b>5,583</b>	<b>6,489</b>
On costs	(b)	372	399	372	399
<b>Total current provisions</b>		<b>9,355</b>	<b>9,221</b>	<b>9,331</b>	<b>9,221</b>
<b>Non-current provisions</b>					
Long service leave		715	818	711	818
On costs	(b)	48	50	48	50
<b>Total non-current provisions</b>		<b>763</b>	<b>868</b>	<b>759</b>	<b>868</b>
<b>Total provisions</b>		<b>10,118</b>	<b>10,089</b>	<b>10,090</b>	<b>10,089</b>

## Movement in provisions (excluding on costs)

Movement in provisions during the financial year are set out below:

<b>Carrying amount at the start of the year</b>	9,517	10,231	9,517	10,231
Additional provisions recognised	1,497	1,562	1,479	1,562
Amounts used	(2,040)	(1,687)	(2,040)	(1,687)
Increase/(decrease) due to re-measurement	530	(589)	521	(589)
<b>Carrying amount at the end of the year</b>	<b>9,504</b>	<b>9,517</b>	<b>9,477</b>	<b>9,517</b>

## Note

(a) Amounts are measured at present values.

(b) Employee benefits consist of annual leave, long service leave, performance payments and time of in lieu.

On costs such as payroll tax and worker's compensation insurance are not employee benefits and are reflected as a separate provision.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

		Consolidated		Chisholm	
	Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>14. Borrowings</b>					
<b>Non Current</b>					
Advances from government	(a)	760	-	760	-
<b>Total non-current borrowings</b>		<b>760</b>	<b>-</b>	<b>760</b>	<b>-</b>

## 15. Other Liabilities

<b>Current</b>					
Revenue in advance		5,494	5,242	5,473	5,242
<b>Total current other liabilities</b>		<b>5,494</b>	<b>5,242</b>	<b>5,473</b>	<b>5,242</b>

## Maturity analysis of borrowings and other liabilities

Refer to Note 23 for maturity analysis of borrowings and other liabilities.

## Nature and extent of risk arising from borrowings and other liabilities

Refer to Note 23 for the nature and extent of risk arising from borrowings and other liabilities.

### Note

(a) Unsecured loans which bear no interest. Repayment of the loan will commence 1 June 2016 with annual instalments of \$351,450. The loan is held at amortised cost per policy note 1.10.

## 16. Equity

<b>(a) Contributed capital</b>					
Balance at 1 January		85,387	85,387	85,387	85,387
Capital contributions		-	-	-	-
<b>Balance at 31 December</b>		<b>85,387</b>	<b>85,387</b>	<b>85,387</b>	<b>85,387</b>
<b>(b) Accumulated surplus/(deficit)</b>					
Balance at 1 January		127,961	97,103	126,949	96,282
Net result for the year		29,706	30,858	32,018	30,667
<b>Balance at 31 December</b>		<b>157,667</b>	<b>127,961</b>	<b>158,967</b>	<b>126,949</b>
<b>(c) Reserves</b>					
<b>Composition of reserves</b>					
Physical asset revaluation surplus		50,709	52,867	50,709	52,867
<b>Balance at the end of the year</b>		<b>50,709</b>	<b>52,867</b>	<b>50,709</b>	<b>52,867</b>
<b>Total Equity</b>		<b>293,763</b>	<b>266,215</b>	<b>295,063</b>	<b>265,203</b>
<b>Movement in reserves</b>					
<b>Asset revaluation reserve - Land</b>					
Balance at 1 January		31,482	31,482	31,482	31,482
Revaluation increment on non-current asset		-	-	-	-
<b>Balance at 31 December</b>		<b>31,482</b>	<b>31,482</b>	<b>31,482</b>	<b>31,482</b>
<b>Asset revaluation surplus - Buildings</b>					
Balance at 1 January		21,385	21,521	21,385	21,521
Impairment of building		(2,158)	-	(2,158)	-
ARR adjustment on disposal of assets		-	(136)	-	(136)
<b>Balance at 31 December</b>		<b>19,227</b>	<b>21,385</b>	<b>19,227</b>	<b>21,385</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

	Consolidated		Chisholm	
Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>17. Cash flow information</b>				
Reconciliation of operating result after income tax to net cash flows from operating activities				
<b>Net result for the year</b>	<b>29,706</b>	<b>30,858</b>	<b>32,018</b>	<b>30,667</b>
<b>Non cash movements</b>				
Depreciation & amortisation of non-financial assets	7,321	6,859	7,281	6,859
Net gain/(loss) on sale of non-financial assets	247	(7)	247	(7)
Greener Government loan discount	(47)	-	(47)	-
<b>Movements in assets and liabilities</b>				
Decrease/(increase) in receivables	(4,692)	(4,885)	(4,650)	(4,765)
Decrease/(increase) in inventories	32	30	32	30
Decrease/(increase) in other assets	(184)	(378)	(164)	(378)
Increase/(decrease) in payables	(132)	(1,805)	(1,644)	(1,805)
Increase/(decrease) in provisions	29	(757)	1	(757)
Increase/(decrease) in other liabilities	252	-	231	
<b>Net cash flows from/(used in) operating activities</b>	<b>32,532</b>	<b>29,915</b>	<b>33,305</b>	<b>29,844</b>
Per cash flow statement	32,532	29,915	33,305	29,844

## 18. Ex-gratia expenses

Chisholm made a total of \$5,000 in ex gratia payments during 2014 (2013: \$13,882) to a former student.

## 19. Commitments for expenditure

### Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

#### Payable:

Within one year	67	19,979	67	19,979
Later than one year but not later than five years	-	4,763	-	4,763
<b>Total other capital expenditure commitments</b>	<b>67</b>	<b>24,742</b>	<b>67</b>	<b>24,742</b>
GST reclaimable on the above	6	2,249	6	2,249
<b>Net other capital expenditure commitments</b>	<b>61</b>	<b>22,493</b>	<b>61</b>	<b>22,493</b>

### Non cancellable operating lease commitments

Non-cancellable operating lease commitments in relation to leases contracted for at the reporting date but not recognised as liabilities are as follow:

#### Payable:

Within one year	2,379	1,588	2,379	1,588
Later than one year but not later than five years	7,452	1,343	7,452	1,343
<b>Total lease commitments</b>	<b>9,831</b>	<b>2,931</b>	<b>9,831</b>	<b>2,931</b>
GST reclaimable on the above	894	266	894	266
<b>Net operating lease commitments</b>	<b>8,937</b>	<b>2,665</b>	<b>8,937</b>	<b>2,665</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## Other expenditure commitments

Expenditure commitments for maintenance services in existence at reporting date but not recognised as liabilities are as follows:

Note	Consolidated		Chisholm	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Payable:</b>				
Within one year	2,517	5,077	2,517	5,077
Later than one year but not later than five years	1,146	2,512	1,146	2,512
<b>Total other expenditure commitments</b>	<b>3,663</b>	<b>7,589</b>	<b>3,663</b>	<b>7,589</b>
GST reclaimable on the above	333	690	333	690
<b>Net other expenditure commitments</b>	<b>3,330</b>	<b>6,899</b>	<b>3,330</b>	<b>6,899</b>

## Remuneration commitments

Commitments for the payment of salaries and other remuneration under long term employment contracts in existence at reporting date but not recognised as liabilities are as follow:

### Payable:

<b>Within one year</b>	<b>15,769</b>	<b>14,593</b>	<b>15,061</b>	<b>14,593</b>
Later than one year but not later than five years	4,418	7,928	4,369	7,928
Total remuneration commitments	20,187	22,521	19,430	22,521

## 20. Contingent assets and contingent liabilities

There were no contingent assets at 31 December 2014 (2013: nil) that may have a material effect on the financial operations of Chisholm.

Contingent liabilities as at 31 December 2014 amount to \$489,549 and relate to the following:

- \$208,681 for a performance bond bank guarantee issued in favour of Qatar National Bank for Qatar Petroleum (2013: \$187,824)
- \$259,859 for a rental bond issued in favour of Sandhurst Trustees Ltd (2013: nil)
- 60,514 SAR for a 6 month tender bid bond bank guarantee issued in favour of Al-Elm Information (2013: nil) in Saudi Arabia.

## 21. Leases

Chisholm leases out certain land and buildings, which are excess to current requirements, at current market rates. Non-cancellable operating lease receivables

### Receivable:

Within one year	304	227	304	227
Later than one year but not later five years	733	314	733	314
<b>Total lease receivables</b>	<b>1,037</b>	<b>541</b>	<b>1,037</b>	<b>541</b>
GST payable on the above	94	49	94	49
<b>Net operating lease receivables</b>	<b>943</b>	<b>492</b>	<b>943</b>	<b>492</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## 22. Superannuation

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

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

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

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

	Consolidated		Chisholm	
Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Paid contribution for the year</b>				
<b>Defined benefit plans:</b>				
State Superannuation Fund - revised and new	389	807	389	807
<b>Total defined benefit plans</b>	<b>389</b>	<b>807</b>	<b>389</b>	<b>807</b>
<b>Defined contribution plans:</b>				
VicSuper	3,031	3,517	3,004	3,517
Other	3,163	1,567	3,110	1,567
<b>Total defined contribution plans</b>	<b>6,194</b>	<b>5,084</b>	<b>6,114</b>	<b>5,084</b>
<b>Total paid contribution for the year</b>	<b>6,583</b>	<b>5,891</b>	<b>6,503</b>	<b>5,891</b>
<b>Outstanding contribution at year end</b>				
<b>Defined benefit plans:</b>				
State Superannuation Fund - revised and new	24	28	24	28
<b>Total defined benefit plans</b>	<b>24</b>	<b>28</b>	<b>24</b>	<b>28</b>
<b>Defined contribution plans:</b>				
VicSuper	312	294	305	294
Other	194	156	188	156
<b>Total defined contribution plans</b>	<b>506</b>	<b>450</b>	<b>493</b>	<b>450</b>
<b>Total outstanding contribution at year end</b>	<b>530</b>	<b>478</b>	<b>517</b>	<b>478</b>

There have been no loans made from the above fund and the bases for contributions are determined by the various schemes. The above amounts were measured as at 31 December of each year, or in the case of employer contributions they relate to the years ended 31 December.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## 23. Financial Instruments

### Financial risk management

#### (i) Financial risk management objectives

Chisholm's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables) and payables (excluding statutory payables).

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements.

Chisholm's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Chisholm's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of Chisholm by adhering to principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity.

Compliance with policies and exposure limits is reviewed by management on a continuous basis. Chisholm does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Chisholm 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 credit risk, ageing analysis for credit risk and data analysis in respect of investment portfolios to determine market risk.

The carrying amount of Chisholm's contractual financial assets and financial liabilities, excluding statutory receivables and payables, by category are disclosed below:

	Consolidated		Chisholm	
Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Cash and deposits</b>	41,927	36,634	40,692	35,893
<b>Loans and receivables</b>				
<b>Receivables</b>				
Trade receivables	8,148	1,421	8,148	1,421
Other receivables	1,313	3,044	2,665	3,044
Revenue receivable	8,068	9,735	8,037	9,733
<b>Investment and other financial assets</b>				
Investment in subsidiary	-	-	2,000	-
Term deposits	105	101	-	-
<b>Total loans and receivables</b>	<b>17,634</b>	<b>14,301</b>	<b>20,850</b>	<b>14,198</b>
<b>Total Financial Assets</b>	<b>59,561</b>	<b>50,935</b>	<b>61,542</b>	<b>50,091</b>
<b>Financial Liabilities at amortised cost</b>				
<b>Payables</b>				
Supplies and services	4,513	5,326	4,493	5,494
Other liabilities	5,494	5,242	5,473	5,242
<b>Borrowings</b>				
Advances from Government	760	-	760	-
<b>Total financial liabilities at amortised cost</b>	<b>10,767</b>	<b>10,568</b>	<b>10,726</b>	<b>10,736</b>
<b>Total financial liabilities</b>	<b>10,767</b>	<b>10,568</b>	<b>10,726</b>	<b>10,736</b>
<b>Note</b>				

(a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

The net holding gains or losses of Chisholm's contractual financial assets and financial liabilities by category are disclosed below.

The net holding gains or losses are determined as follows:

- for cash and cash equivalents, loans or receivables and available-for-sale financial assets, 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.

	Consolidated		Chisholm	
Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Net holding gain/(loss) on financial instruments by category</b>				
Financial assets - cash	836	638	806	615
Financial assets- loans and receivables	(441)	(30)	(441)	(30)
<b>Net holding gain/(loss) - financial assets</b>	<b>395</b>	<b>608</b>	<b>365</b>	<b>585</b>
Financial liabilities at amortised cost	47	-	47	-
<b>Net holding gain/(loss) - financial liabilities</b>	<b>47</b>	<b>-</b>	<b>47</b>	<b>-</b>
<b>Total net holding gain/(loss)</b>	<b>442</b>	<b>608</b>	<b>412</b>	<b>585</b>

### Interest income/(expense)

Financial assets - cash	944	740	914	717
Financial assets- loans and receivables				
<b>Interest income/(expense) - financial assets</b>	<b>944</b>	<b>740</b>	<b>914</b>	<b>717</b>
Financial liabilities at amortised cost	47	-	47	-
<b>Interest income/(expense) - financial liabilities</b>	<b>47</b>	<b>-</b>	<b>47</b>	<b>-</b>
<b>Total interest income/(expense)</b>	<b>991</b>	<b>740</b>	<b>961</b>	<b>717</b>

### Fee income/(expense)

Financial assets - cash	(108)	(102)	(108)	(102)
Financial assets- loans and receivables	-	-	-	-
<b>Fee income/(expense) - financial assets</b>	<b>(108)</b>	<b>(102)</b>	<b>(108)</b>	<b>(102)</b>
Financial liabilities at amortised cost				
<b>Fee income/(expense) - financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total fee income/(expense)</b>	<b>(108)</b>	<b>(102)</b>	<b>(108)</b>	<b>(102)</b>

### Impairment loss

Financial assets- loans and receivables	(441)	(30)	(441)	(30)
<b>Total impairment loss</b>	<b>(441)</b>	<b>(30)</b>	<b>(441)</b>	<b>(30)</b>

### Note

(a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

### Credit risk

Credit risk applies to the contractual financial assets of Chisholm, which comprise cash and deposits and non-statutory receivables. Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a loss to Chisholm.

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 is no material amounts of collateral held as security at 31 December 2014.

Credit risk is reviewed regularly by the Financial Services department. It arises from exposure to customers as well as through certain deposits with financial institutions.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

The Financial Services department monitors credit risk by actively assessing the rating quality and liquidity of counter parties and Chisholm seeks to mitigate credit risk by ensuring:

- only banks and financial institutions with an 'AAA' rating are utilised for investments
- all potential non-student customers are rated for credit worthiness taking into account their size, market position and financial standing
- customers that do not meet Chisholm's credit policies may only purchase in cash or using recognised credit cards.

Chisholm minimises credit risk in relation to student loans receivable through the engagement of an external billing and collections agency, Debit Success.

Chisholm does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by Chisholm.

The trade receivables balance at 31 December 2014 and 31 December 2013 do not include any counter parties with external credit ratings. Credit quality of contractual financial assets that are neither part due nor impaired.

		Financial Institutions (AA- rating)	Government agencies (AAA rating)	Other counterparty	Total
Consolidated	Note	\$'000	\$'000	\$'000	\$'000
<b>2014</b>					
Cash and deposits		4,860	37,052	15	41,927
Receivables	(a)	1	12,374	5,154	17,529
Investments and other financial assets		-	-	105	105
<b>Total contractual financial assets</b>		<b>4,861</b>	<b>49,426</b>	<b>5,274</b>	<b>59,561</b>

<b>2013</b>					
Cash and deposits		6,922	29,702	10	36,634
Receivables	(a)	-	9,874	4,326	14,200
Investments and other financial assets		-	-	101	101
<b>Total contractual financial assets</b>		<b>6,922</b>	<b>39,576</b>	<b>4,437</b>	<b>50,935</b>

		Financial Institutions (AA- rating)	Government agencies (AAA rating)	Other counterparty	Total
Chisholm	Note	\$'000	\$'000	\$'000	\$'000
<b>2014</b>					
Cash and deposits		3,625	37,052	15	40,692
Receivables	(a)	-	12,336	6,514	18,850
Investments and other financial assets		-	-	2,000	2,000
<b>Total contractual financial assets</b>		<b>3,625</b>	<b>49,388</b>	<b>8,529</b>	<b>61,542</b>

<b>2013</b>					
Cash and deposits		6,181	29,702	10	35,893
Receivables	(a)	-	9,874	4,324	14,198
Investments and other financial assets		-	-	-	-
<b>Total contractual financial assets</b>		<b>6,181</b>	<b>39,576</b>	<b>4,334</b>	<b>50,091</b>

### Note

(a) Excludes statutory receivables (e.g., amounts arising from Victorian Government and GST input tax credit receivable).

### Ageing analysis of financial assets

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

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

The following table discloses the ageing analysis for Chisholm's financial assets.

		Past due but not impaired						Impaired financial assets
		Carrying amount	Not past due and not impaired	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	
Consolidated	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2014 Financial Assets</b>								
Trade receivables	(a)	8,148	5,605	1,285	1,203	54	1	340
Other receivables		1,313	1,313	-	-	-	-	-
Revenue receivables		8,068	8,068	-	-	-	-	-
<b>Total 2014 financial assets</b>		<b>17,529</b>	<b>14,986</b>	<b>1,285</b>	<b>1,203</b>	<b>54</b>	<b>1</b>	<b>340</b>

### 2013 Financial Assets

Trade receivables	(a)	1,421	614	437	247	121	2	41
Other receivables		3,044	3,044	-	-	-	-	-
Revenue receivables		9,735	9,735	-	-	-	-	-
<b>Total 2013 financial assets</b>		<b>14,200</b>	<b>13,393</b>	<b>437</b>	<b>247</b>	<b>121</b>	<b>2</b>	<b>41</b>

#### Note

(a) Excludes statutory receivables (e.g., amounts arising from Victorian Government and GST input tax credit receivable).

		Past due but not impaired						Impaired financial assets
		Carrying amount	Not past due and not impaired	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	
Chisholm	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2014 Financial Assets</b>								
Trade receivables	(a)	8,148	5,605	1,285	1,203	54	1	340
Other receivables		2,665	2,665	-	-	-	-	-
Revenue receivables		8,037	8,037	-	-	-	-	-
<b>Total 2014 financial assets</b>		<b>18,850</b>	<b>16,307</b>	<b>1,285</b>	<b>1,203</b>	<b>54</b>	<b>1</b>	<b>340</b>

### 2013 Financial Assets

Trade receivables	(a)	1,421	614	437	247	121	2	41
Other receivables		3,044	3,044	-	-	-	-	-
Revenue receivables		9,733	9,733	-	-	-	-	-
<b>Total 2013 financial assets</b>		<b>14,198</b>	<b>13,391</b>	<b>437</b>	<b>247</b>	<b>121</b>	<b>2</b>	<b>41</b>

#### Note

(a) Excludes statutory receivables (e.g., amounts arising from Victorian Government and GST input tax credit receivable).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## Liquidity Risk

Liquidity risk is the risk that the Institute would be unable to meet its financial obligations as and when they fall due. The Institute operates under payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Institute's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 20.

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

The Institute's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. There has been no significant change in the Institute'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.

## Maturity Analysis of financial liabilities

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements, and \$489,549 (2013: \$187,824) in relation to financial guarantees, represents the Institute maximum exposure to liquidity risk.

The following table discloses the contractual maturity analysis for Chisholm's financial liabilities.

		Maturity dates						
		Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
Consolidated	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2014 Financial Liabilities</b>								
<b>Payables</b>								
Supplies and services	(a)	4,513	4,513	3,947	518	48	-	-
Other liabilities	(a)	5,494	5,494	5,494	-	-	-	-
<b>Borrowings</b>								
Advances from Government		760	807	-	-	-	807	-
<b>Total 2014 financial liabilities</b>		<b>10,767</b>	<b>10,814</b>	<b>9,441</b>	<b>518</b>	<b>48</b>	<b>807</b>	<b>-</b>
<b>2013 Financial Liabilities</b>								
<b>Payables</b>								
Supplies and services	(a)	5,326	5,326	5,028	295	3	-	-
Other liabilities	(a)	5,242	5,242	5,242	-	-	-	-
<b>Total 2013 financial liabilities</b>		<b>10,568</b>	<b>10,568</b>	<b>10,270</b>	<b>295</b>	<b>3</b>	<b>-</b>	<b>-</b>

## Note

(a) Excludes statutory payables (e.g., amounts arising to Victorian Government and GST taxes payable).



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

		Maturity dates						
		Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
Chisholm	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2014 Financial Liabilities</b>								
<b>Payables</b>								
Supplies and services	(a)	4,493	4,493	3,927	518	48	-	-
Other liabilities	(a)	5,473	5,473	5,473	-	-	-	-
<b>Borrowings</b>								
Advances from Government		760	807	-	-	-	807	-
<b>Total 2014 financial liabilities</b>		<b>10,726</b>	<b>10,773</b>	<b>9,400</b>	<b>518</b>	<b>48</b>	<b>807</b>	<b>-</b>

## 2013 Financial Liabilities

<b>Payables</b>								
Supplies and services	(a)	5,494	5,494	5,196	295	3	-	-
Other liabilities	(a)	5,242	5,242	5,242	-	-	-	-
<b>Total 2013 financial liabilities</b>		<b>10,736</b>	<b>10,736</b>	<b>10,438</b>	<b>295</b>	<b>3</b>	<b>-</b>	<b>-</b>

### Note

(a) Excludes statutory payables (e.g., amounts arising to Victorian Government and GST taxes payable).

### Market risk

Chisholm 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 Chisholm. These market risks primarily relate to foreign currency and interest rate risk.

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

There has been no significant change in Chisholm'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.

### Foreign currency risk

Chisholm is exposed to foreign currency risk mainly through the delivery of services in currencies other than the Australian dollar, and payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of transactions denominated in foreign currencies and a relatively short timeframe between commitment and settlement.

Chisholm does not have any foreign currency bank accounts denominated in foreign currency at 31 December 2014.

Chisholm's exposures are mainly against the Chinese Yuan Renmimbi (CNY/RMB) however historical gains/losses have been minimal and not hedged. Management continues to assess its exposure to foreign currency risk to ensure hedging arrangements are in place should Chisholm's exposures materially increase.

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

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

### 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.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Chisholm does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Chisholm has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

### Financial instrument composition and interest rate exposure

Chisholm manages cash flow interest rate risk through a mixture of short term and longer term investments, and undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management monitors movement in interest rates on monthly basis.

There has been no significant change in Chisholm'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.

Interest rate movements have not been sufficiently significant during the year to have an impact on Chisholm's year end result.

Chisholm'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				
		Weighted average effective rate	Total carrying amount per balance sheet	Floating interest rate	Fixed interest rate	Non-interest bearing
Consolidated 2014	Note	%	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>						
Cash and deposits		2.419%	41,927	41,927	-	-
Receivables	(a)					
Trade receivables			8,148	-	-	8,148
Other receivables			1,313	-	-	1,313
Revenue receivables			8,068	-	-	8,068
<b>Investments and other financial assets</b>						
Term deposits			105	105	-	-
<b>Total financial assets</b>			<b>59,561</b>	<b>42,032</b>	<b>-</b>	<b>17,529</b>
<b>Financial liabilities</b>						
<b>Payables</b>						
	(b)					
Supplies and services			4,513	-	-	4,513
Other liabilities			5,494	-	-	5,494
Borrowings						
Advances from government			760	-	-	760
<b>Total financial liabilities</b>			<b>10,767</b>	<b>-</b>	<b>-</b>	<b>10,767</b>

### Note

(a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

		Interest rate exposure				
		Weighted average effective rate	Total carrying amount per balance sheet	Floating interest rate	Fixed interest rate	Non-interest bearing
Consolidated 2013	Note	%	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>						
Cash and deposits		2.602%	36,634	36,634	-	-
Receivables	(a)					
Trade receivables			1,421	-	-	1,421
Other receivables			3,212	-	-	3,212
Revenue receivable			9,567	-	-	9,567
<b>Investments and other financial assets</b>						
Term deposits			101	101	-	-
<b>Total financial assets</b>			<b>50,935</b>	<b>36,735</b>	<b>-</b>	<b>14,200</b>
<b>Financial liabilities</b>						
<b>Payables</b>	(b)					
Supplies and services			5,326	-	-	5,326
Other liabilities			5,242	-	-	5,242
<b>Total financial liabilities</b>			<b>10,568</b>	<b>-</b>	<b>-</b>	<b>10,568</b>

## Note

(a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

		Interest rate exposure				
		Weighted average effective rate	Total carrying amount per balance sheet	Floating interest rate	Fixed interest rate	Non-interest bearing
Chisholm 2014	Note	%	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>						
Cash and deposits		2.421%	40,692	40,692	-	-
Receivables	(a)					
Trade receivables			8,148			8,148
Other receivables			2,665			2,665
Revenue receivables			8,037			8,037
<b>Investments and other financial assets</b>						
Investment in subsidiary			2,000	-	-	2,000
<b>Total financial assets</b>			<b>61,542</b>	<b>40,692</b>	<b>-</b>	<b>20,850</b>
<b>Financial liabilities</b>						
<b>Payables</b>	(b)					
Supplies and services			4,493	-	-	4,493
Other liabilities			5,473	-	-	5,473
Borrowings						
Advances from government			760	-	-	760
<b>Total financial liabilities</b>			<b>10,726</b>	<b>-</b>	<b>-</b>	<b>10,726</b>

## Note

(a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

		Interest rate exposure				
		Weighted average effective rate	Total carrying amount per balance sheet	Floating interest rate	Fixed interest rate	Non-interest bearing
Chisholm 2013	Note	%	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>						
Cash and deposits		2.599%	35,893	35,893	-	-
Receivables	(a)					
Trade receivables			1,421	-	-	1,421
Other receivables			3,044	-	-	3,044
Revenue receivable			9,733	-	-	9,733
<b>Investments and other financial assets</b>						
<b>Total financial assets</b>			<b>50,091</b>	<b>35,893</b>	<b>-</b>	<b>14,198</b>
<b>Financial liabilities</b>						
<b>Payables</b>	(b)					
Supplies and services			5,494	-	-	5,494
Other liabilities			5,242	-	-	5,242
<b>Total financial liabilities</b>			<b>10,736</b>	<b>-</b>	<b>-</b>	<b>10,736</b>

## Note

(a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

## Sensitivity analysis and assumptions

Chisholm'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 50 basis points up and down (2013: 100 basis points up and 50 down) in market interest rates (AUD); and
- a proportional exchange rate movement of 10 per cent down (2013: 10 per cent, depreciation of AUD) and 5 per cent up (2013: 5 per cent, appreciation of AUD) against the RMB, from the year-end rate of 5.086 (2013: 5.415).

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

The following tables show the impact on the Institute's net result and equity for each category of financial instrument held by the Institute at the end of the reporting period as presented to key management personnel, if the above movements were to occur

		Interest rate risk				Foreign exchange risk				
			-50 basis points		+50 basis points		-10%		+5%	
		Carrying amount	Result	Equity	Result	Equity	Result	Equity	Result	Equity
Consolidated 2014	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual Financial assets										
Cash and deposits		41,927	(209)	(209)	209	209	-	-	-	-
Receivables		17,529	-	-	-	-	(151)	(151)	76	76
Other financial assets		2,105	(1)	(1)	1	1	-	-	-	-
Total increase/ (decrease) financial assets			(210)	(210)	210	210	(151)	(151)	76	76
Contractual Financial liabilities										
Payables		10,007	-	-	-	-	-	-	-	-
Borrowings		760	-	-	-	-	-	-	-	-
Total increase/ (decrease) financial liabilities			-	-	-	-	-	-	-	-
Total increase/ (decrease)			(210)	(210)	210	210	(151)	(151)	76	76

### Note

(a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

		Interest rate risk				Foreign exchange risk				
			-50 basis points		+100 basis points		-10%		+5%	
		Carrying amount	Result	Equity	Result	Equity	Result	Equity	Result	Equity
Consolidated 2013	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual Financial assets										
Cash and deposits		36,634	(183)	(183)	363	363	-	-	-	-
Receivables		14,200	-	-	-	-	(127)	(127)	64	64
Other financial assets		101	(1)	(1)	1	1	-	-	-	-
Total increase/ (decrease) financial assets			(184)	(184)	364	364	(127)	(127)	64	64
Contractual Financial liabilities										
Payables		10,568	-	-	-	-	-	-	-	-
Total increase/ (decrease) financial liabilities			-	-	-	-	-	-	-	-
Total increase/ (decrease)			(184)	(184)	364	364	(127)	(127)	64	64

### Note

(a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

		Interest rate risk				Foreign exchange risk				
			-50 basis points		+50 basis points		-10%		+5%	
		Carrying amount	Result	Equity	Result	Equity	Result	Equity	Result	Equity
Chisholm 2014	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual Financial assets										
		40,692	(203)	(203)	203	203				
		18,850					(151)	(151)	76	76
		2,000								
Total increase/(decrease) financial assets			(203)	(203)	203	203	(151)	(151)	76	76
Contractual Financial liabilities										
		9,966	-	-	-	-	-	-	-	-
		760	-	-	-	-	-	-	-	-
Total increase/(decrease) financial liabilities			-	-	-	-	-	-	-	-
Total increase/(decrease)			(203)	(203)	203	203	(151)	(151)	76	76

## Note

(a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

		Interest rate risk				Foreign exchange risk				
			-50 basis points		+100 basis points		-10%		+5%	
		Carrying amount	Result	Equity	Result	Equity	Result	Equity	Result	Equity
Chisholm 2013	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual Financial assets										
Cash and deposits		35,893	(179)	(179)	359	359	-	-	-	-
Receivables		14,198	-	-	-	-	(127)	(127)	64	64
Other financial assets		-	-	-	-	-	-	-	-	-
Total increase/ (decrease) financial assets			(179)	(179)	359	359	(127)	(127)	64	64
Contractual Financial liabilities										
Payables		10,736	-	-	-	-	-	-	-	-
Total increase/ (decrease) financial liabilities			-	-	-	-	-	-	-	-
Total increase/ (decrease)			(179)	(179)	359	359	(127)	(127)	64	64

## Note

(a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

### Funding Risk

Funding risk is the risk of over reliance on a particular funding source to the extent that a change in that funding source could impact on the operating results of the current year and future years.

Chisholm manages funding risk by continuing to diversify and increased funding from commercial activities, both domestically and offshore.

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

### Fair value estimation

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

Fair values of financial instrument asset and liabilities are determined using the fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into three levels based on the degree to which the fair value is observable

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the Institute 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).

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

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

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

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

		Carrying amount	Net fair value	Carrying amount	Net fair value
	Note	2014 \$'000	2014 \$'000	2013 \$'000	2013 \$'000
<b>Consolidated</b>					
<b>Financial assets</b>					
<b>Cash and deposits</b>		41,927	41,927	36,634	36,634
<b>Receivables</b>	(a)				
Trade receivables		8,148	8,148	1,421	1,421
Other receivables		1,313	1,313	3,044	3,044
Revenue receivable		8,068	8,068	9,735	9,735
<b>Investments and other financial assets</b>					
Term deposits		105	105	101	101
<b>Total financial assets</b>		<b>59,561</b>	<b>59,561</b>	<b>50,935</b>	<b>50,935</b>
<b>Financial liabilities</b>					
<b>Payables</b>	(b)				
Supplies and services		4,513	4,513	5,326	5,326
Other liabilities		5,494	5,494	5,242	5,242
<b>Borrowings</b>					
Advances from government		760	760	-	-
<b>Total financial liabilities</b>		<b>10,767</b>	<b>10,767</b>	<b>10,568</b>	<b>10,568</b>

### Note

(a) Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

		Carrying amount	Net fair value	Carrying amount	Net fair value
	Note	2014 \$'000	2014 \$'000	2013 \$'000	2013 \$'000
<b>Chisholm</b>					
<b>Financial assets</b>					
<b>Cash and deposits</b>		40,692	40,692	35,893	35,893
<b>Receivables</b>	(a)				
Trade receivables		8,148	8,148	1,421	1,421
Other receivables		2,665	2,665	3,044	3,044
Revenue receivable		8,037	8,037	9,733	9,733
<b>Investments and other financial assets</b>					
Investment in subsidiary		2,000	2,000	-	-
<b>Total financial assets</b>		<b>61,542</b>	<b>61,542</b>	<b>50,091</b>	<b>50,091</b>
<b>Financial liabilities</b>					
<b>Payables</b>	(b)				
Supplies and services		4,493	4,493	5,494	5,494
Other liabilities		5,473	5,473	5,242	5,242
<b>Borrowings</b>					
Advances from government		760	760	-	-
<b>Total financial liabilities</b>		<b>10,726</b>	<b>10,726</b>	<b>10,736</b>	<b>10,736</b>

## Note (a)

Excludes statutory receivables and payables (e.g., amounts arising to/from Victorian Government, GST input tax credit receivable and taxes payable).

The Institute did not have any financial instruments that are measured subsequent to initial recognition at fair value as at 31 December 2014.

## 24. Responsible persons and executive officers

### Responsible persons related disclosures

In accordance with the directions of the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding responsible persons and executive officers for the reporting period.

#### (i) Minister

The relevant Minister was The Hon. Peter Hall, MLC, Minister for Higher Education and Skills until his retirement from parliament on 17 March 2014.

The Hon. Nick Wakeling, MP, was the Minister for Higher Education and Skills from 17 March 2014 to 3 December 2014.

The Hon. Steve Herbert, MP, was sworn in as the current Minister for Training and Skills from 3 December 2014 following the State election in November 2014.

Remuneration of the relevant Minister is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members' Interests which is completed by each member of the Parliament.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## (ii) Chief executive officer (accountable officer)

Name	Relevant Period
Peter Harrison (Acting)	1/01/2014 – 10/01/2014
Grant Radford (Acting)	11/01/2014 – 17/01/2014
Maria Peters	18/01/2014 – 19/02/2014
Peter Harrison (Acting)	20/02/2014 – 21/02/2014
Maria Peters	22/02/2014 – 6/03/2014
Grant Radford (Acting)	7/03/2014
Maria Peters	8/03/2014 – 6/07/2014
Grant Radford (Acting)	7/07/2014 – 18/07/2014
Maria Peters	19/07/2014 – 31/12/2014

Remuneration received or receivable by the chief executive officer in connection with the management of the Institute during the reporting period was in the range: \$310,000 - \$319,999 (2013: \$260,000 - \$269,999)

## (iii) Members of the Board

Name	Category of Appointment	Relevant Period
Mr Stephen G. Marks (Chair)	Ministerial Nominee Director	01/01/2014 – 31/12/2014
Mr David Willersdorf	Ministerial Nominee Director	01/01/2014 – 31/12/2014
Mr Robert Comelli	Ministerial Nominee Director	01/01/2014 – 31/12/2014
Prof. Carol Adams	Ministerial Nominee Director	18/06/2014 – 31/12/2014
Mr Paul Clarke	Ministerial Nominee Director	01/03/2014 – 29/09/2014
Ms Tracey Davies	Ministerial Nominee Director	01/01/2014 – 28/02/2014
Mr David Eynon	Board Nominee Director	01/01/2014 – 31/12/2014
Mr David Edgar	Board Nominee Director	01/01/2014 – 31/12/2014
Mr John Bennie	Board Nominee Director	01/01/2014 – 31/12/2014
Mr Todd Hartley	Board Nominee Director	01/01/2014 – 31/12/2014
Prof. Wendy Cross	Board Nominee Director	01/01/2014 – 28/02/2014

Name	Board Committee	Relevant Period
Mr Ian Duff	Audit and Risk Committee	01/01/2014 – 31/12/2014
Mr Michael Said	Audit and Risk Committee	01/01/2014 – 31/12/2014
Ms Sophia Petrov	Education Committee	01/01/2014 – 31/12/2014
Mr Robert Johnson	Infrastructure, Systems and Planning Committee	01/01/2014 – 31/12/2014
Mr Gavin Gusling	Infrastructure, Systems and Planning Committee	29/05/2014 – 31/12/2014

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

Remuneration of the board members in connection with the management of the Institute is disclosed below.

	2014	2013
	Note	No.
	No.	No.
<b>Income range</b>		
The number of board members whose total remuneration from the Institute was within the specified income bands as follows:	(a)	
\$0	2	3
Less than \$10,000	6	3
\$10,000 - \$19,999	1	3
\$20,000 - \$29,999	1	3
\$30,000 - \$39,999	5	1
\$40,000 - \$49,999	-	1
\$70,000 - \$79,999	1	1
<b>Total number of board members</b>	<b>16</b>	<b>15</b>
<b>Total remuneration of board members (\$'000)</b>	<b>317</b>	<b>276</b>

### Note

(a) The CEO was included in the remuneration of Board members until 14 April 2013.

### Other transactions

Other related transactions and loan requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

### (iv) Executive officers

The following persons also had authority and responsibility for planning, directing and controlling the activities of Chisholm during the current year:

Name	Centre/Division	Relevant Period
Mr Peter Harrison	Deputy Chief Executive Officer	01/01/2014 - 09/05/2014
Ms Helen McNamara	Acting Deputy Chief Executive Officer	12/05/2014 - 31/12/2014
Mr Grant Radford	Chief Operating Officer	01/01/2014 - 31/12/2014
Mr Andrew Kong	Executive Director, Engineering, Technology & Trades	01/01/2014 - 31/12/2014
Mr Paul Goudie	Executive Director, Human, Health & Business Services	01/01/2014 - 31/12/2014
Ms Leanne Jenkins	Executive Director, Youth, Pathways & Regional Education	01/01/2014 - 31/12/2014
Ms Deborah Rulach	Executive Director, Client Engagement	01/01/2014 - 31/12/2014

### Remuneration of executive officers

The number of executive officers, including the chief executive officer, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands.

The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

The total annualised employee equivalent provides a measure of full time equivalent executive offices over the reporting period.

Several factors affected total remuneration payable to executives over the year including separations due to retirement, resignation or retrenchment, renegotiation of employment contract and terms of bonus payments.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

		Total Remuneration		Base Remuneration	
	Note	2014 No.	2013 No.	2014 No.	2013 No.
Income Range					
The number of executive officers whose total remuneration from the Institute exceeded \$100,000, separately identifying base remuneration and total remuneration, disclosed within the income bands of \$10,000 are as follows:					
\$10,000 - \$19,999		-	1	-	1
\$50,000 - \$59,999		-	-	-	1
\$60,000 - \$69,999		-	-	1	1
\$80,000 - \$89,999		-	1	-	-
\$90,000 - \$99,999				1	-
\$100,000 - \$109,999		2	-	1	-
\$110,000 - \$119,999		-	-	-	-
\$120,000 - \$129,999		-	1	-	-
\$130,000- \$139,999		-	-	-	-
\$140,000- \$149,999		-	-	2	3
\$150,000 - \$159,999		-	2	2	-
\$160,000 - \$169,999		4	-	-	1
\$170,000 - \$179,999		1	1	1	2
\$180,000 - \$189,999		-	2	-	-
\$190,000 - \$199,999		-	1	-	-
\$200,000 - \$209,999		1	-	-	-
\$250,000 - \$259,999		-	-	1	-
\$310,000 - \$319,999		1	-	-	-
Total number of executive officers		9	9	9	9
Total annualised employee equivalent (AEE)	(a)	7.6	6.5	7.6	6.5
Total amount of remuneration (\$'000)	(b)	1,583	1,278	1,310	1,079

## Note

(a) Annualised employee equivalent is based on a 38 ordinary hour working week over the reporting period.

(b) Includes General Manager- Chisholm Online

## Other transactions

Other related transactions and loan requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

## (v) Payments to other personnel

The number of contractors charged with significant management responsibilities, to whom the total expenses paid by the Institute exceeded \$100,000 per person is disclosed. These contractors are responsible for planning, directing or controlling, directly or indirectly, the Institute's activities. The change in total expenses from 2013 to 2014 reporting period was mainly driven by fewer business transition projects during the 2014 financial year.

Expense band	Total expenses (exclusive of GST)	
	2014 No.	2013 No.
\$100,000 - \$109,999	1	-
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	-	1
<b>Total expenses paid to other personnel (\$'000)</b>	<b>109</b>	<b>342</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

## 25. Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with account policy described in Note 1.04.

Controlled entities	Note	Country of Incorporation	Class of Shares	2014%	2013%
Chisholm Online	(a)	Australian	Ordinary	100	0
Caroline Chisholm Education Foundation	(b)	Unincorporated entity			

### Note

(a) Chisholm Online is a company incorporated under the Corporations Act 2001 with share capital of 2,000,000 ordinary shares at \$1 each.

(b) Caroline Chisholm Education Foundation is a trust. Its principle purpose is to assist students in financial hardship receive a high quality vocational educational qualification from Chisholm Institute.

## 26. Remuneration of auditors

	Consolidated		Chisholm	
Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Remuneration of the Victorian Auditor-General's Office for:</b>				
Audit of the financial statements	65	63	60	63
<b>Total remuneration of the Victorian Auditor-General's Office</b>	<b>65</b>	<b>63</b>	<b>60</b>	<b>63</b>
<b>Remuneration of other auditors</b>				
Internal audit services	98	95	98	95
<b>Total remuneration of other auditors</b>	<b>98</b>	<b>95</b>	<b>98</b>	<b>95</b>
<b>Total Remuneration of auditors</b>	<b>163</b>	<b>158</b>	<b>158</b>	<b>158</b>

## 27. Subsequent events

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of Chisholm, the results of those operations, or the state of affairs on Chisholm in future financial years.

## 28. Economic dependency

Chisholm has substantial economic dependency on Government operating and capital contributions.

## 29. Institute details

The registered office of and principal place of business of Chisholm is:  
Chisholm Institute  
121 Stud Road  
Dandenong VIC 3175

## INDEPENDENT AUDITOR'S REPORT

### To the Board members, Chisholm Institute

#### *The Performance Statement*

The accompanying performance statement for the year ended 31 December 2014 of Chisholm Institute comprising the performance statement and the declaration by the board chair, chief executive officer, and chief finance and accounting officer, has been audited.

#### *The Board members' Responsibility for the Performance Statement*

The Board members of Chisholm Institute are responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board members determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the statement of performance is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

## **Independent Auditor's Report (continued)**

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Opinion*

In my opinion, the performance statement of the Chisholm Institute in respect of the 31 December 2014 financial year presents fairly, in all material respects.

MELBOURNE  
6 March 2015

  
John Doyle  
Auditor-General



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

In our opinion, the accompanying Statement of Performance of Chisholm Institute in respect of the 2014 financial year is presented fairly.

The Statement outlines the performance indicators as determined by the responsible Minister, pre-determined targets and the actual results for the year against these indicators, and an explanation of any significant variance between the actual results and performance targets.

As at the date of signing, we are not aware of any circumstance which would render any particulars in the Statement to be misleading or inaccurate.



### **Stephen Marks**

Board Chair

Date: 25 February 2015

Place: Dandenong



### **Maria Peters**

Chief Executive Officer

Date: 25 February 2015

Place: Dandenong



### **Grant Radford**

Chief Finance and Accounting Officer

Date: 25 February 2015

Place: Dandenong

# PERFORMANCE STATEMENT

For the year ended 31 December 2014

Key Performance Indicator	Information	Note	2014		2014		2013	
			Actual		Target		Actual	Result
<b>5% increase in VTG student numbers</b>	Number of student enrolled who qualify for the Victorian Training Guarantee.	(a)	14,716	(6%)	16,439	5%	15,656	Not achieved
<b>10% increase in FFS student numbers</b>	Number of students enrolled in fee for service courses.	(b)	24,412	1%	26,619	10%	24,199	Not achieved
<b>10% increase in FFS revenue</b>	Fee for service revenues (\$'000).	(c)	34,297	29%	29,152	10%	26,502	Achieved
<b>10% improvement in trading revenue per EFT staff</b>	Total revenue (excluding capital revenue)/EFT staff (\$'000).	(d)	139.0	2%	150.0	10%	136.7	Not achieved
<b>\$7.5 million trading surplus</b>	Earnings before income tax and depreciation/ amortisation (EBITDA) (\$'000).	(e)	18.0		7.5		19.3	Achieved
<b>Return on investment</b>	Earnings before income tax (EBIT)/non current assets (\$'000).	(f)	3.8%		-		5.3%	Achieved

\* KPIs approved by the Higher Skills and Education Group as set out in the Chisholm Institute Statement of Corporate Intent. The agreed ROI target for 2014 was for Chisholm Institute to generate a breakeven EBIT.

## Note

- (a) Due to a downturn in contestable market share and overall student numbers for government funded programs.
- (b) Growth experienced, linked with onshore International students, otherwise market remained static and growth target not achieved.
- (c) Associated with increased international revenues, both onshore and offshore.
- (d) Overall government revenue target not achieved which impacted on achievement of target per EFT.
- (e) The higher than target EBITDA was a result of increased productivity through a reduction in non salary expenditure.
- (f) The higher than target ROI is due to a higher than target EBIT/EBITDA.

# DISCLOSURE INDEX

Source reference	REPORTING REQUIREMENTS	Relevant pages
	<b>REPORT OF OPERATIONS</b>	
	<b>CHARTER AND PURPOSE</b>	
FRD 22E	Manner of establishment and the relevant Minister	5,22
FRD 22E	Objectives, functions, powers and duties	21
FRD 22E	Nature and range of services provided including communities served	5
	<b>MANAGEMENT AND STRUCTURE</b>	
FRD 22E	Organisational structure and chart, including accountabilities	20-23
FRD 22E	Names of Board members	19
	<b>FINANCIAL AND OTHER INFORMATION</b>	
FRD 03A	Accounting for Dividends	NA
FRD 07A	Early adoption of authoritative accounting pronouncements	50
FRD 10	Disclosure Index	89-92
FRD 17B	Long Service leave wage inflation and discount rates	47
FRD 19	Private provision of public infrastructure	NA
FRD 20A	Accounting for State motor vehicle lease arrangements prior to 1 Feb 2004	NA
FRD 22E	Operational and budgetary objectives, performance against objectives and achievements	18,88
FRD 22E	Occupational health and safety statement including performance indicators, performance against those indicators and how they affected outputs	24, 25
FRD 22E	Workforce data for current and previous reporting period including a statement on employment and conduct principles	14, 15
FRD 22E	Summary of the financial results for the year including previous 4 year comparisons	18
FRD 22E	Significant changes in financial position during the year	18,34
FRD 22E	Major changes or factors affecting performance	18,88
FRD 22E	Post-balance sheet date events likely to significantly affect subsequent reporting periods	84
FRD 22E	Summary of application and operation of the Freedom of Information Act 1982	95
FRD 22E	Statement of compliance with building and maintenance provisions of the Building Act 1993	93-94
FRD 22E	Statement on National Competition Policy	102
FRD 22E	Summary of application and operation of the Protected Disclosure Act 2012	101
FRD 22E	Summary of Environmental Performance	98-100

FRD 22E	Consultants:  Report of Operations must include a statement disclosing each of the following 1. Total number of consultancies over \$10,000 2. Location (e.g. website) of where details of these consultancies over \$10,000 have been made publicly available 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period  AND publication on TAFE institute website required, for each consultancy more than \$10,000, of a schedule listing: • Consultant engaged • Brief summary of project • Total project fees approved • Expenditure for reporting period • Any future expenditure committed to the consultant for the project	95
FRD 22E	Statement, to the extent applicable, on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act	NA
FRD 22E	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at (a) – (l) in the FRD)	93
FRD 24C	Reporting of office based environmental impacts	99-100
FRD 25B	Victorian Industry Participation Policy Disclosures	101
FRD 26A	Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004	NA
FRD 29	Workforce Data Disclosures on the public service employee workforce	NA
SD 4.5.5	Provide an attestation that risk identification and management is consistent with AS/NZS ISO31000:2009 or equivalent	24
SD 4.2 (g)	Qualitative and Quantitative information to be included in Report of Operations, and provide general information about the entity and its activities, together with highlights and future initiatives	4-18
SD 4.2 (h)	The Report must be prepared in accordance with requirements of the relevant Financial Reporting Directions	4,32
SD 4.2 (j)	The Report of Operations must be signed and dated by a member of the Responsible Body	6
CG 10 (clause 27)	Major Commercial Activities	10, 94
CG 12 (clause 33)	Controlled Entities	40,84
<b>FINANCIAL REPORT</b>		
<b>FINANCIAL STATEMENTS REQUIRED UNDER PART 7 OF THE FINANCIAL MANAGEMENT ACT 1984</b>		
SD 4.2(a)	The financial statements must be prepared in accordance with: • Australian accounting standards (AAS and AASB standards) and other mandatory professional reporting requirements (including urgent issues group consensus views); • Financial Reporting Directions; and • business rules.	32 32 32
SD 4.2(b)	The financial statements are to comprise the following: • income statement; • balance sheet; • statement of recognised income and expense; • cash flows statement; and • notes to the financial statements.	33 34 33 36 37-84

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**OTHER REQUIREMENTS UNDER STANDING DIRECTION 4.2**

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SD 4.2(c)	The financial statements must where applicable be signed and dated by the Accountable Officer, CFAO and a member of the Responsible Body, stating whether, in their opinion:	
	• the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of the period;	32
	• the financial statements are prepared in accordance with this direction and applicable Financial Reporting Directions; and	32
	• the financial statements comply with applicable Australian accounting standards (AAS and AASB standards) and other mandatory professional reporting requirements (including urgent issues group consensus views).	32
SD 4.2(d)	Rounding of amounts	49
SD 4.2(e)	Review and recommendation by Audit Committee or responsible body	30-32

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**OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS**

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FRD 11A	Disclosure of ex-gratia payments	65
FRD 21B	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	80-83
FRD 101	First time adoption	49
FRD 102	Inventories	45,55
FRD 103E	Non-current physical assets	56-61
FRD 104	Foreign currency	38,73
FRD 105A	Borrowing costs	52,69
FRD 106	Impairment of assets	42-44
FRD 109	Intangible assets	46,62
FRD 107A	Investment properties	NA
FRD 110	Cash flow statements	36,65
FRD 112D	Defined benefit superannuation obligations	41,67
FRD 113	Investment in subsidiaries, jointly controlled entities and associates	84
FRD 114A	Financial instruments – general government entities and public non-financial corporations	68-80
FRD 119A	Transfers through contributed capital	35,48
FRD 120H	Accounting and reporting pronouncements applicable to the reporting period	38-50

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**PART 7 OF THE FINANCIAL MANAGEMENT ACT 1994 (FMA)**

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FMA s49(a)	Must contain such information as required by the Minister	32
FMA s49(b)	Must be prepared in a manner and form approved by the Minister	32
FMA s49(c)	Must present fairly the financial transactions of an institute during the financial year to which they relate	32
FMA s 49 (d)	Must present fairly the financial position of an institute as at the end of the year	32
FMA s 49 (e)	Must be certified by the Accountable Officer for an institute in the manner approved by the Minister	32

## COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES

Legislation	The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation and subordinate instruments, including, but not limited to, the following: <ul style="list-style-type: none"> <li>• Education and Training Reform Act 2006 (ETRA)</li> <li>• TAFE institute constitution</li> <li>• Directions of the Minister for Higher Education and Skills (or predecessors)</li> <li>• TAFE institute Commercial Guidelines</li> <li>• TAFE institute Strategic Planning Guidelines</li> <li>• Public Administration Act 2004</li> <li>• Financial Management Act 1994</li> <li>• Freedom of Information Act 1982</li> <li>• Building Act 1983</li> <li>• Protected Disclosure Act 2012</li> <li>• Victorian Industry Participation Policy Act 2003</li> </ul>	93
ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2014.	102-103
Policy	Statement that the TAFE institute complies with the Victorian Public Sector Travel Principles	102
<b>PRESENTATION OF REPORTING AND PERFORMANCE INFORMATION</b>		
FRD 27B	Audited Statements of Key Performance Measures (KPIs) must include an audited statement of performance for certain KPIs.  Reporting and performance should be presented using KPIs as set out in the Statement of Corporate Intent agreed with the Minister, comparing 2014 actual performance against the 2014 target and 2013 actual performance, and providing an explanation of any variance between the 2014 actual performance and 2014 target for each KPI. The KPIs must also include the Return on Investment.	88
<b>OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES</b>		
PAEC and VAGO (June 2003 Special Review item 3.110)	<ul style="list-style-type: none"> <li>• Financial and other information on initiatives taken or strategies relating to the institute's overseas operations</li> <li>• Nature of strategic and operational risks for overseas operations</li> <li>• Strategies established to manage such risks of overseas operations</li> <li>• Performance measures and targets formulated for overseas operations</li> <li>• The extent to which expected outcomes for overseas operations have been achieved.</li> </ul>	13,51,68-78,88

## **ADDITIONAL INFORMATION AVAILABLE ON REQUEST**

Consistent with the requirements of the Financial Management Act 1994, Chisholm has prepared materials on the following topics, which are available on request:

- statements regarding declarations of pecuniary interest
- details of publications produced by Chisholm Institute and the places where publications can be obtained
- details of research and development activities undertaken by Chisholm Institute
- details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- details of promotional, public relations and marketing activities undertaken by Chisholm Institute to develop community awareness of the Institute and the programs and services provided
- details of major committees sponsored by Chisholm Institute and the extent to which their purposes have been achieved
- details of major external reviews
- details of changes in prices, fees, charges, rates and levies charged by the entity
- details of all consultancies and contractors including consultants/contractors engaged; services provided; and expenditure committed for each engagement
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- 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.

Enquiries regarding this information should be directed to:

### **The Chief Operating Officer**

Chisholm Institute

PO Box 684

Dandenong Vic 3175

T: +61 3 9212 5259

E: [grant.radford@chisholm.edu.au](mailto:grant.radford@chisholm.edu.au)

## **COMPLIANCE WITH OTHER LEGISLATION AND SUBORDINATE INSTRUMENTS**

Chisholm Institute complies with all relevant legislation and subordinate instruments, including, but not limited to, the following:

- Education and Training Reform Act 2006 (ETRA)
- TAFE institute constitution
- Directions of the Minister for Higher Education and Skills (or predecessors)
- TAFE institute Commercial Guidelines
- TAFE institute Strategic Planning Guidelines
- Public Administration Act 2004
- Freedom of Information Act 1982
- Building Act 1983
- Protected Disclosure Act 2012
- Victorian Industry Participation Policy Act 2003.

## **COMPLIANCE WITH THE BUILDING ACT 1993**

### **General statement**

Chisholm Institute holds all plans and documentation for building extensions and new buildings lodged for issue of building approvals by certified building surveyors. Upon completion of construction, the Institute has obtained Certificates of Occupancy and practical completion certificates from the relevant architects and surveyors.

## **ASSURANCE PROGRAMS**

### **Certification of building projects**

The architects provided completion certificates and necessary building compliance and regulatory certificates were received for all projects completed.

### **Building maintenance programs**

Chisholm Institute has an ongoing maintenance program (using Institute staff and engagement of specialist external contractors) for works to the existing buildings controlled by Chisholm.

### **Compliance statement**

It is considered that all buildings on campus currently conform to the Building Regulations as existed at the time of construction of the respective buildings. All new buildings constructed since the promulgation of the Building Act 1993 comply with those relevant standards. Chisholm Institute has an ongoing program to ensure that any alterations or improvements to buildings meet the necessary standards to ensure that they are safe and fit for purpose.

For the year ended 31 December 2014, progress towards full compliance with the Building Act 1993 is summarised as follows.



## COMPLIANCE WITH THE BUILDING ACT 1993

<b>Building works</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
New buildings certified for approval	3	0	0	0	3	2
Works in progress subject to mandatory inspections	2	3a	0	0	3	1
New occupancy permits issued	3	0	0	4	3	3
<b>Maintenance</b>						
Notices issued for substandard buildings requiring urgent attention	0	0	0	0	0	0
Other notices issued involving major expenditure and urgent attention	0	0	0	0	0	0
<b>Conforming</b>						
Number of owned buildings occupied by Chisholm (Note the numbers are buildings in their entirety; floors and levels have not been considered.)						
Frankston	18	17b	17	17	17	17
Dandenong	27c	27c	27	27	25	25
Berwick	10	9	9	9	8	6
Cranbourne	5	5	5	5	4	3
Bass Coast	5	4	4	5	4	3
Mornington Peninsula	11d	6	6	6	6	6
<b>TOTAL</b>	<b>76</b>	<b>68</b>	<b>68</b>	<b>69</b>	<b>64</b>	<b>60</b>
Number of buildings conforming to the standards	76	68	68	69	64	60
Number of non-conforming buildings vacated	0	0	0	0	0	0
Number of buildings not confirming to standards	Refer to Subdivision Statement					

Note: Frankston campus Trade Training Centre (START), Mornington Peninsula campus Trade Training Centre, Berwick campus Trade Careers Centre.

Institute buildings J, K and L and buildings F, G and H at Frankston are counted as one building.

Institute buildings R and S are counted as one building.

Includes 4 factories currently leased.

Subdivision 1 of the Building Regulations is related to all new buildings or section of existing buildings altered after 1 July 1994. There are approximately eight buildings out of the 69 that are considered to be Subdivision 1 type buildings. All buildings are issued with an Annual Essential Safety Measures Report.

Subdivision 2 relates to all buildings constructed or altered prior to 1 July 1994.

All Subdivision 2 buildings have been provided with a maintenance determination in accordance with Part 1215 of the Building Regulations, which requires all buildings to be provided with this document and subsequent Annual Essential Safety Measures Reports prior to 13 June 2009.

Building works undertaken by Chisholm during the year ended 31 December 2014 were as follows:

- partial implementation of disability access rectification works across all campuses for high priority compliance issues
- the full refurbishment of the passenger lift building A, Dandenong campus, with expected completion end of February 2015
- as part of the Efficient Government Buildings (EGB) program major retrofitting of energy efficient lighting, air conditioning controls, water control systems and solar lighting systems due for completion in 2015
- quarterly inspections completed by an accredited external consultant to ensure that all essential service requirements are met for the safety of occupants.

### Report on Major Commercial Activity

In 2014 Chisholm launched Chisholm Online. Refer to page 10 for details. There was no other Major Commercial Activity conducted by Chisholm in this reporting period.

## ENGAGEMENT OF CONSULTANTS

### For the year ended 31 December 2014

The Financial Reporting Directions and guidance FRD 22E defines a consultant as a particular type of contractor that is engaged primarily to perform a discrete task for an entity that facilitates decision making through:

- Provision of expert analysis and advice; and/or
- Development of a written report or other intellectual output.

#### Details of consultancies

During the year ended 31 December 2014, there were 40 consultancies where the total fees payable to the consultants were \$10 000 or greater. The total expenditure incurred during 2014 in relation to these consultancies was \$3,893,445 (excl. GST). Details of individual consultancies can be viewed at [www.chisholm.edu.au/engagementofconsultants](http://www.chisholm.edu.au/engagementofconsultants).

During the year ended 31 December 2014, there were 61 consultancies where the total fees payable to the consultants were less than \$10 000. The total expenditure incurred during 2014 in relation to these consultancies was \$244,637 (excl. GST).

## APPLICATION OF THE FREEDOM OF INFORMATION ACT 1982

Chisholm Institute has implemented procedures which, subject to privacy and confidentiality provisions, facilitate all reasonable requests for information from students, staff and the general public without recourse to the Freedom of Information Act 1982.

General enquiries about Chisholm Institute should be addressed to:

Chisholm Institute  
PO Box 684  
Dandenong Vic 3175

or visit [www.chisholm.edu.au](http://www.chisholm.edu.au).

All Freedom of Information requests should be forwarded to: The Freedom of Information Officer Chisholm Institute PO Box 684 Dandenong Vic 3175.

Chisholm Institute may levy a charge for information provided that is subject to a Freedom of Information request in accordance with the Freedom of Information (Access Charges) Regulations 2014.

During the year ended 31 December 2014, Chisholm received three applications for access to documentary information under Section 17 of the Freedom of Information Act 1982.

## ASSET RECEIVED WITHOUT DUE CONSIDERATION

Chisholm Institute receives financial support from industry and the community in the form of donated assets and materials provided at no cost. During 2014, these donations took the form of:

- cash donations received by Chisholm for the Caroline Chisholm Education Foundation
- equipment, furniture and fittings and other consumable materials donated to Chisholm Institute that assist in the provision of apprenticeship programs and the delivery of other programs
- additional supplier price discounts for equipment purchased for training purposes
- cash and materials donations specifically for student award presentations.

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the contributed asset qualifies for recognition, unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In which case, such transfer will be recognised at carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

## ACTIVITY TABLE

### For the year ended 31 December 2014

The Activity Table is provided for National Financial Reporting purposes. The information provided in this statement is unaudited however it is reporting on the same basis as the financial information reported in the audited Financial Report for Chisholm Institute for the year ended 31 December 2014.

	2014 \$'000	2013 \$'000
<b>STATEMENT 1 - OPERATING EXPENSES</b>		
<b>Total Operating Expenses</b>		
Delivery Provision and Support Activity	63,866	61,150
Administration and General Services Activity	19,890	18,924
Property, Plant and Equipment Services Activity	20,878	18,350
Student and Other Services Activity	6,682	6,322
<b>Total Operating Expenses</b>	<b>111,316</b>	<b>104,745</b>

### STATEMENT 2 - DELIVERY PROVISION AND SUPPORT ACTIVITY

<b>Delivery Provision and Support Activity</b>		
Salaries, Wages, Overtime and Allowances	46,120	45,561
Superannuation	4,120	3,972
Payroll Tax	2,444	2,460
Other Salary Related Costs	582	947
Consumables	3,167	3,161
Travel and Motor Vehicle Expenses	808	879
Depreciation	2,417	2,277
Other Direct Delivery Expenses	4,208	1,893
<b>Delivery Provision and Support Activity</b>	<b>63,866</b>	<b>61,150</b>

### STATEMENT 3 - ADMINISTRATION AND GENERAL SERVICES ACTIVITY

<b>Administration and General Services Activity</b>		
Salaries, Wages, Overtime and Allowances	7,940	6,844
Superannuation	588	469
Payroll Tax	317	247
Other Salary Related Costs	(41)	(360)
Consumables	640	223
Communication Expenses	997	1,089
Fees	4,762	5,736
Travel and Motor Vehicle Expenses	760	875
Depreciation	465	438
Other Expenses	3,462	3,363
<b>Administration and General Services Activity</b>	<b>19,890</b>	<b>18,924</b>

**STATEMENT 4 - PROPERTY, PLANT AND EQUIPMENT SERVICES ACTIVITY****2013  
\$'000****2012  
\$'000****Property, Plant and Equipment Services Activity**

Salaries, Wages, Overtime and Allowances	984	975
Superannuation	98	94
Payroll Tax	54	53
Other Salary Related Costs	13	21
Consumables	90	87
Depreciation	4,383	4,129
Equipment	956	555
Energy Costs	1,753	1,755
Contract Services	6,725	6,569
Rent/leasing Charges	2,105	1,636
Repair and Maintenance	2,615	2,477
Loss on sale of non current assets	249	(7)
Other Expenses	853	6
<b>Property, Plant and Equipment Services Activity</b>	<b>20,878</b>	<b>18,350</b>

**STATEMENT 5 - STUDENT AND OTHER SERVICES ACTIVITY**

Student and Other Services Activity		
Salaries, Wages, Overtime and Allowances	5,333	5,015
Superannuation	409	438
Payroll Tax	249	269
Other Salary Related Costs	44	81
Consumables	337	245
Depreciation	16	15
Other Expenses	294	258
<b>Student and Other Services Activity</b>	<b>6,682</b>	<b>6,322</b>

## ENVIRONMENTAL PERFORMANCES

Chisholm seeks to integrate sustainability principles into all aspects of the organisation so that it is recognised as a leader in the design and delivery of sustainable education and training for social, environmental and economic prosperity, and understanding through lifelong education, training and community capacity building.

Chisholm recognises its own sustainability is interconnected with the sustainability of its activities, which require coherence and congruence between sustainability, education delivery and assessment, campus operations and development, values, policy and procedures, behaviour and culture.

Chisholm's core business is vocational education and training and the direct environmental impacts of this have been identified resulting in targets being set around greenhouse gas emissions, energy, water, waste, onsite renewable generation, GreenPower purchase, embedding sustainability into Institute business and education. Further to this Chisholm is committed to actions relating to green procurement and education for sustainability, which will support the Chisholm 2020 target of 50 per cent reduction in the Chisholm sustainability index.

Key sustainability priorities for 2014 included the following:

### ResourceSmart Strategy

The Chisholm ResourceSmart Strategy covers the following targets, relative to 2007 (base year)

Target (baseline 2007)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Emission reduction	-15%	-20%	-25%	-30%	-35%	-40%	-43%	-45%	-48%	-50%
Energy reduction	-15%	-20%	-25%	-30%	-35%	-40%	43%	-45%	-48%	-50%
GreenPower purchase	20%	20%	25%	30%	35%	40%	45%	50%	55%	60%
Renewable generation	5%	8%	10%	12%	15%	18%	20%	25%	28%	30%
Water reduction	-15%	-25%	-35%	-55%	-65%	-70%	-75%	-80%	-85%	-90%
Waste recycling	25%	35%	45%	50%	55%	60%	65%	70%	75%	80%

The Chisholm ResourceSmart Strategy not only covers the above but also green purchasing, built environment design, transportation, education for sustainability, and embedding of sustainability throughout the business.

### Environmental Sustainability Index

The Environmental Sustainability Index aligns with ResourceSmart strategy targets and is calculated using weighted emissions, energy and water consumption against students (EFTSL) plus staff (EFT). This single measure enables Chisholm to take a holistic view of sustainability.

A summary of the index follows:

### Chisholm Environmental Sustainability Index 2010 - 2014

Year	Target Sustainability Index	Target reduction %	Actual Sustainability Index	Actual performance %
2007 (baseline)	1.63	0%	1.63	0%
2008	1.59	-2%	1.64	1.6%
2009	1.55	-5%	1.41	-13%
2010	1.46	-10%	1.39	-15%
2011	1.38	-15%	1.41	-13%
2012	1.30	-20%	1.43	-12%
2013	1.20	-26%	1.26	-22%
2014	1.11	-32%	1.1	-32%

## SUSTAINABILITY PERFORMANCE

Chisholm monitors its sustainability performance against ResourceSmart targets quarterly.

The 2014 performance summary follows:

### 2014 (Jan - Dec) VS 2007 baseline (Jan - Dec)

Impacts/indicators	Measure	Baseline 2007	Actual 2014	% ('07 vs '13)
Square metres (mth avg)	M2	98,784	120,324	21.8%
Student contact hours (enrolled)	SCH	9,250,627	13237522	43.0%
Student enrolments	#	40,329	38749	4.0%
Staff EFT (avg)	EFT	956	652	-31 %
Student EFTSL (SCH/720)	EFTSL	12,848	18385	43.0%
Student (EFTSL) + staff (EFT)	EFTSL + EFT	13,805	19053	38%
<b>2011 targets</b>				
T1 - Emissions reduction (25%)	t Co2e	14,223	15980	
	t CO2e/EFTSL+EFT	1.03	0.83	19.4%
T2 - Energy reduction (25%)	MJ	61,636,903	53254451	
	Total MJ/EFTSL+ EFT	4,465	2795	-37.4%
T3 - GreenPower purchase (25%)	MJ	3,187,044	0	
	%	9.8%	0%	-9.8%
T4 - Renewable energy (10%)	MJ	0	39,210	
	%	0	0.06%	0.06%
T5 - Water reduction (35%)	kL	36,744	34556	
	kL/EFTSL+ EFT	2.66	1.8	-32.3%
T6 - Waste to landfill reduction (45%)	t	847	788.7	
	t/EFTSL+ EFT	0.0613	0.041	-33%
	% recycled	13.3%	24.5%	

Notes: There are many variables that impacted on Chisholm achieving its sustainability targets. Impacts include:

- the square metres (m<sup>2</sup>) of building area increased by 21.8 per cent in 2014 compared to 2007
- the enrolled student contact hours (SCH) increased by 43 per cent in 2014 compared to 2007
- Chisholm operating hours increased in line with the additional delivery.

## 2014 ENVIRONMENTAL DATA

Energy use	2014	
Total energy usage segmented by primary source, including GreenPower (megajoules)	Electricity	30496050
	Natural gas	22758401
	GreenPower	0
	<b>Total</b>	<b>53254451</b>
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (tonnes CO <sub>2</sub> e)	Electricity (S2)	9995
	Electricity (S3)	1359
	Natural gas (S1)	1168
	Natural gas (S2)	9995
	GreenPower	0
	<b>Total</b>	<b>12523</b>
Percentage of electricity purchased as GreenPower (%)	0	
Units of energy used per full time employee (megajoules per FTE)	81678	
Units of energy used per unit of office area (megajoules per m <sup>2</sup> )	442	

## Waste production

Total units of office waste disposed of by destination (t per year)	Landfill	788
	Recycled	275
	Total	1063
Units of office waste disposed of per FTE by destination (kg per FTE)	1630	
Recycling rate (% of total waste by weight)	23.0	
Greenhouse gas emissions associated with waste disposal (tonnes CO <sub>2</sub> e)	867	

## Paper use

Total units of A4 equivalent copy paper used (reams) (1 ream = 500 pages/sheets).	Corridor printers*	16463
*Figure is based on the assumption that the total impressions/clicks are all calculated as printing double sided only to work out the total page/paper count. A3 paper usage has not been included.	Print room	10,117
	Total	26580
Units of A4 equivalent copy paper used per FTE (reams per FTE)	40.7	
Percentage of recycled content in copy paper purchased (%)	Recycled content	0
	Carbon neutral	84
	FSC accredited	97
Percentage of publications available electronically	100%	
Water consumption	2014	
Total units of metered water consumed by water source (kilolitres)	34481	
Units of metered water consumed in offices per FTE (kilolitres per FTE)	52.8	
Units of metered water consumed in offices per unit of office area (kilolitres per m <sup>2</sup> )	0.28	

## Transportation

Total energy consumption by vehicle feet segmented by vehicle type (L)	Diesel	6081
	LPG	15947
	Petrol	81784
	Total	103.8
Total vehicle travel associated with entity operations segmented by vehicle type (km)	1,186,499	
Greenhouse gas emissions from vehicle feet (tonnes CO <sub>2</sub> e) segmented by vehicle type - total and per 1,000 km	Diesel (S1+3)	17.6
	LPG (S1+3)	27.6
	Petrol (S1+3)	209.5
	Total	254.6
Total distance travelled by air (km)	2372269	
Percentage of employees regularly using public transport, cycling, walking etc.	n/a <sup>†</sup>	

## Greenhouse gas emissions

Total greenhouse gas emissions associated with energy use (tonnes CO <sub>2</sub> e)	12523
Total greenhouse gas emissions associated with vehicle feet (tonnes CO <sub>2</sub> e)	309
Total greenhouse gas emissions associated with air travel (tonnes CO <sub>2</sub> e)	942
Total greenhouse gas emissions associated with waste disposal (tonnes CO <sub>2</sub> e)	867
Greenhouse gas emission offsets purchased (CO <sub>2</sub> -e)	n/a <sup>†</sup>

## Procurement

Chisholm chooses to partner with environmentally responsible suppliers by incorporating sustainability as part of the tender evaluation process. All tender applicants are required to provide details of strategies that will be adopted to contribute to Chisholm's commitment to sustainability

† Not available in 2014 but will be reported from 2015 onwards.

## GREENER GOVERNMENT BUILDINGS INITIATIVE

Following the 2013 Chisholm partnership with Ecosave to complete a Detailed Facility Study (DFS) of the Institute facilities as part of the Department of Treasury and Finance's Greener Government Buildings program, Chisholm began implementing several of the savings measures. Due for completion August, 2015, the initiative will provide significant energy and water savings to Chisholm and support the Victorian Government's target of implementing an Energy Performance Contract at sites accounting for at least 90 per cent of their total energy consumption by 2018.

## FINANCIAL MANAGEMENT COMPLIANCE FRAMEWORK

Under the Victorian Government Financial Management Compliance Framework (FMCF), Chisholm Institute makes an annual declaration on financial management, taxation, purchasing, theft and losses, compliance and reporting processes.

In accordance with the FMCF, Maria Peters, CEO and the Accountable Officer for Chisholm Institute and Grant Radford, Chief Operating Officer for Chisholm Institute have made a declaration to the Institute Board that Chisholm's financial reports are founded on sound risk management, internal compliance and control systems.

In 2014, Chisholm Institute reports no non-compliances with the FMCF.

## APPLICATION AND OPERATION OF THE PROTECTED DISCLOSURE ACT 2012

Chisholm has implemented a policy and procedural framework to encourage and facilitate the making of protected disclosures of improper conduct by Chisholm's officers and employees. Chisholm's procedure provides protection and support for persons who made a disclosure and establishes a system for matters to be investigated and, where necessary, corrective actions to be taken.

### For the year ended 31 December 2014

- There were no matters raised with Chisholm under the Protected Disclosure Act 2012.
- There was two matters referred to Chisholm for investigation by the Ombudsman in 2014
- There were no matters referred to Chisholm Institute which the Institute declined to investigate

## REPORT ON THE IMPLEMENTATION OF THE VICTORIAN INDUSTRY PARTICIPATION POLICY (VIPP)

Chisholm has complied with the Victorian Industry Participation Policy Act 2003.

We commenced three construction contracts during this reporting period, totalling \$35,627,495.80, for which the VIPP applied.

- The commitments by contractors under VIPP included
- An overall level of local content of 86% of the total value of the contracts;
- 336 number of full time equivalent jobs;
- 11 number of apprenticeships/traineeships; and
- The following benefits (as highlights) to the Victorian economy in terms of skills and technology transfer increases; engagement of new apprentices and retain existing; monitored training programmes and use of industry accredited training schemes.

Project	Contract Award	Contract Value (ex GST)	Metropolitan / Regional	Overall Value of Local Content of the total value of Contract (ANZ Value-created Activity)	Number of FTE jobs		Number of apprenticeships / traineeships
					Employment Created	Employment Retained	
Berwick TCC	21 December 2012	\$17,317,953.00	Metropolitan	83%	3	113	8



### Benefits to the Victorian Economy

APM group training initiatives and promotion of the Skills for Growth; the Workforce Development Program; and Engagement of two new and 6 existing apprentices.

<b>Frankston START TTC</b>	11 April 2013	\$15,729,539.00	Metropolitan	90.91%	10	100	3
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### Benefits to the Victorian Economy

A monitored training program for each employee; and Engagement of one new and 2 existing apprentices.

<b>Mornington Peninsula SPTTC</b>	14 November 2013	\$2,580,003.80	Regional	87.79%	100	10	0
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### Benefits to the Victorian Economy

Allmore training enhancing skills of the workforce; and Use of Industry accredited training schemes.

<b>Total</b>	<b>\$35,627,495.80</b>	<b>113</b>	<b>223</b>	<b>11</b>
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### National Competition Policy

Chisholm has developed costing and pricing models that apply to Chisholm costs including overhead, infrastructure and other indirect costs, where appropriate, to take into account any competitive advantage that Chisholm may have.

This enables Chisholm to comply with National Competition Policy, including the requirements of the government policy statement, "Competitive neutrality: A Statement of Victorian Policy", the "Victorian Government Timetable for the Review of Legislative Restrictions" and subsequent reforms.

### Compliance with Victorian Public Sector Travel Principles

All business travel (international and/or domestic) by Institute employees during the year ended 31 December 2014 was compliant with Victorian Public Sector Travel Principles.

## COMPULSORY NON ACADEMIC STUDENT FEE INCOME STATEMENT

### For the year ended 31 December 2014

Chisholm Institute imposes compulsory non-academic fees in the form of the Student Services and Amenities Fee (SSAF) and Ancillary Fee for the purposes of providing additional student services, amenities, activities and ICT infrastructure.

The collection and expenditure of the fees is subject to the provisions of the Education and Training Reform Act 2006.

For the year ended 31 December 2014 \$1,480,537 was collected from students via these fees.

The funds collected were made available to a significant range of services, initiatives and support infrastructure aligned to the Institute strategy. These included disability liaison services including pre-enrolment planning, timetabling and career direction services as well as the provision of interpreter services, note takers and assistive technologies and other adjustments to accommodate students with individual requirements.

Funds were also applied to services providing youth counselling, career counselling and guidance, and personal counselling, all aimed at enhancing the educational opportunities while dealing with other issues of significance.

In terms of support infrastructure, funds were made available to the student PC replacement program and ongoing maintenance of the wireless network to ensure students have access to up-to-date and fit for purpose technology for their learning.



### Grant Radford

Chief Operating Officer

## PRICES, FEES, CHARGES, RATES AND LEVIES CHARGED BY CHISHOLM INSTITUTE

Chisholm charges a range of fees and prices for programs and services offered by the Institute. For 2014, the fees and charges included:

- tuition fees for eligible Victorian Training Guarantee students. These ranged between \$0.00 and \$9.50 per hour, depending on the course, cohort and competitive forces. There was no minimum fee and maximums did not apply (with the exception of VCAL, which was capped at \$1,430)
- students who were ineligible for the Victorian Training Guarantee paid tuition fees up to \$16.50 per hour
- a compulsory service and amenities fee was charged for the purpose of providing student services and amenities. The fee was based on 30 cents per enrolled hour with a minimum fee of \$50 and a maximum fee of \$150
- an ancillary fee of \$25 was charged in 2014. The fee was used to support the provision of information and communications technology equipment and access to students
- a non-compulsory materials fee for eligible Victorian Training Guarantee students to cover the actual cost of providing materials or services used or retained by a student in a particular course of study. The fee varied for each course depending on requirements. Full details were provided to each student prior to enrolment
- recognition of prior learning was provided free of charge for Victorian Training Guarantee and at a discounted rate of 5 per cent of the corresponding tuition rate for fee for service students
- all eligible Victorian Training Guarantee students who held valid concession cards (Commonwealth Health Care Card, Pensioner Concession Card and Veteran's Gold Card) received an 80 per cent discount on their tuition fees and paid a maximum of \$50 for the services and amenities fee
- programs and services provided on a fee-for-service basis were priced in accordance with National Competition Policy principles
- programs and services provided to international students and industry based customers were costed on a commercial basis
- other fees and charges of a cost-recovery nature, e.g. library fines, parking fines, photocopying and printing charges.

## ACRONYMS

This listing is prepared to assist in the understanding of the Annual Report and related materials.

AAS	Australian Accounting Standard
AASB	Australian Accounting Standards Board
AEE	Annualised employee equivalent
ARR	Accounting rate of return
BTCC	Berwick Trade Careers Centre
CCEF	Caroline Chisholm Education Foundation
CEO	Chief Executive Officer
DFS	Detailed Facility Study
DREAM	Dandenong Regional Educational Alliance Model (Dandenong TTC)
EBITDA	Earnings before interest, taxes and amortisation
EFT	Equivalent full time (when referring to staffing)
EFTSL	Equivalent full time student load
ETR	Education and Training Reform Act 2006
FBT	Fringe benefits tax
FFS	Fee-for-service
FMA	Financial Management Act 1994
FMCF	Financial Management Compliance Framework
FRD	Financial Reporting Directions
FSC	Forest Stewardship Council
FTE	Full time employee
GST	Goods and services tax
HACC	Health and community care
IFRS	International Financial Reporting Standards
LSL	Long service leave
MBA	Master of Business Administration
PACCT	Professional, Administrative, Clerical, Computing and Technical
PAEC	Decision of Public Accounts and Estimates Committee of Parliament December 1997
PPE	Personal protective equipment
SCH	Student contact hours
SD	Standing Directions of the Minister for Finance issued under the Financial Management Act 1994
START	School TAFE Alliance Regional Trade (Frankston TTC)
TELC	Technology Enabled Learning Centre
TTC	Trade Training Centre
TVET	Company owned by the Ministerial Council for Tertiary Education and Employment
UIG	Urgent Issues Group
VCAL	Victorian Certificate of Applied Learning
VCE	Victorian Certificate of Education
VET	Vocational Education and Training
WH&S	Workplace health and safety

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