Australian Agricultural College Corporation

2012–13 **Annual Report**

Great state. Great opportunity.

Queensland Government

This Annual Report and other documents outlining the corporation's strategy and objectives can be accessed on our website, www.aacc.edu.au

We welcome feedback on this report – it can be provided via our website or by phoning 1800 888 710

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Letter of Compliance

18 October 2013

The Honourable Dr John McVeigh MP
Minister for Agriculture, Fisheries and Forestry
GPO Box 46
Brisbane Qld 4000

Dear Minister McVeigh

I am pleased to present the Annual Report 2012-2013 and financial statements for the Australian Agricultural College Corporation.

I certify that this Annual Report complies with:

- The prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009,* and
- The detailed requirements set out in the *Annual Report Requirements for Queensland Government agencies.*

A checklist outlining the Annual Report requirements can be found at page 73 of this Annual Report.

Yours sincerely

Jack Noye
CEO, Australian Agricultural College Corporation
Director-General, Department of Agriculture, Fisheries and Forestry

Chief Executive Officer's Report

2012-13 has been a year continuing the consolidation and re-building program for the Australian Agricultural College Corporation (AACC). In November 2012, Ernst & Young (E&Y) finalised their review of AACC operations and governance arrangements. The result of this review was a recommendation to amend the corporate structure and undertake reform to operational performance across the organisation.

The Government approved the changes to the corporate governance structure of AACC in March 2013. Included in that decision was to move from a Corporation Sole to a Statutory Authority, with a Governing Board, Local College Boards and the engagement of dedicated College Directors. The Governing Board will be directly responsible to the Minister for Agriculture, Fisheries and Forestry for the overall operations of the corporation. Legislation to fully implement the Government's changes to establish AACC as a Statutory Authority is being developed and is expected to be in place in the first half of 2014. Local College Boards were recruited and commenced in May 2013. The purpose of the Boards is to ensure local decision making will be influencing the future direction of the Colleges. College Directors were appointed in May and June 2013.

Longreach Pastoral College and Emerald Agricultural College students have participated in a myriad of local community activities over the last 12 months continuing a long tradition upholding the status and reputation of the Colleges through their enthusiasm. College students were featured on national television while participating in the Longreach Stockman's Hall of Fame Campdraft in July. College staff have shown dedication and commitment to student growth and development by supporting their participation in these extra-curricular activities.

AACC Industry Training continues to increase its partnership arrangements with industry and community organisations. It also continues to strengthen and build on existing partnerships including those with local councils, Indigenous community groups and employment agencies. These partnerships are essential to deliver practical skills-based short courses desired by industry. The success of these courses is a direct result of being located in the regional agricultural areas of Queensland. AACC is not only bringing training to the front gate but negotiating training on-farm using enterprise equipment and resources.

In 2012-13, student numbers and enrolment hours did decline as a result of decisions regarding non-involvement in programs like the Correctional Centres contract and uncertainty around the future of the colleges during the latter part of 2012. The introduction of new courses at both residential Colleges and new industry product offerings in 2013-14 should improve student numbers and training hours in future years. Staff have also been actively promoting AACC training courses at many career expos, high schools and high profile events around the state including the EKKA.

Disposal of the surplus campus, farm and additional training facilities in the Burdekin provides an opportunity to upgrade the Longreach and Emerald Colleges. Operational management of production programs at Dalby were transferred to Education Queensland to be operated as an agriculturally focused state high school.

After the sale of surplus properties, there will be further maintenance upgrades across college sites. An $850,000 upgrade of information technology equipment this year has created greater opportunities for students to access online training delivery, as well as greater communication options for the corporation's geographically dispersed staff.

Production revenues were significantly impacted this year due to the decline in the value of cattle and sheep throughout early 2013. While the Colleges were able to maintain some stock levels to mitigate some of the risk, the value of the stock significantly declined resulting in a book loss in the value of biological assets.

Our Environment

Agriculture is one of the four pillars of the Queensland economy—it creates jobs, generates over $13.7 billion per annum for the Queensland economy and is the lifeblood of many rural and regional communities across the State. The Queensland Government understands the importance of agriculture and has committed to doubling agricultural production by 2040.

The evolving nature of agriculture, an ageing workforce, combined with skill shortages has changed the training requirements of the agricultural industry over the past decade. The constantly changing needs of industry provide an ongoing challenge to AACC to ensure relevance and currency of the training it offers. There is a strong focus on renewing and improving the training provided at the residential colleges, Emerald Agricultural College and Longreach Pastoral College.

The Emerald Agricultural College and the Longreach Pastoral College have been restructured. Local Boards and new College Directors have been appointed to ensure the colleges provide the practical agricultural training that industry needs.

The Queensland Government has provided $100,000 for ten residential scholarships for students at the colleges in 2014. It is anticipated that industry will contribute funding for additional scholarships.

The dynamic agricultural environment is recognised by the corporation and has formed the basis of education planning activities. Current courses are being revised and refreshed in line with industry needs as well as innovations in courses and course delivery for the future. While there is a strong focus on college residential training of young people, the corporation is also focusing on flexible delivery models and shorter, more industry relevant courses. The creation in 2011-12 of a new regulator (the Australian Skills Quality Authority) flowed into 2012-13 demanding greater depth and scope of auditing, as well as higher levels of compliance across the training industry, including AACC.

Through consultation with peak bodies and industry representatives, AACC has introduced training to provide farm owners and their employees with a range of new business and technical skills. Areas such as occupational health and safety, environmental regulation and chemical certification have been identified as key learning areas for the industry. AACC has responded by instigating state-wide training to ensure farmers understand and implement industry safeguards.

AACC has an important role in implementing a workforce development plan to address the skilled workforce needs of a modern and progressive agriculture sector. In a future that will have greater contestability for training funding, the corporation is positioning for the colleges and the industry training arm to be centres of excellence in rural training.

AACC will be changing its name to Queensland Agricultural Training Colleges under the new legislation.

Our Organisation

AACC's purpose is to support the sustainability of rural and related industries and communities by improving the knowledge and skills of its existing and future workforce.

Throughout its current strategic planning exercise AACC has identified the following core priority areas and objectives:

- Clients - Ensure our products are relevant, produce industry standard graduates and enable our students to have an experience that matches their needs and expectations.
- Business Sustainability - Ensure our practices are focussed on the long term financial viability in an increasingly competitive environment.
- Partnerships - Have productive partnerships that enhance the reputation of the organisation.
- Staff - Attract, develop and retain highly qualified professional staff.

Agricultural training services are offered through two main divisions: residential training delivered at Longreach and Emerald (44% of total delivery); and industry training delivered at various locations throughout Queensland (56% of total delivery).

Complementing traditional residential training, AACC offers a mix of learning and assessment strategies. Students in regional areas are no longer reliant solely on face-to-face campus based training. Improved rural access to reliable information and communication technologies supports on-line learning. The corporation's six production facilities (training farms) at Emerald, Berrigurra, Narayan, Longreach, Manningham and Rosebank (leased), provided hands-on training and work experience, particularly for students from non-farming backgrounds.

With a geographic spread from the Atherton Tableland in North Queensland to the Lockyer Valley in the South East and West to Longreach, AACC specialises in courses and delivery modes to meet the varied needs of the rural sector. Table 1 provides an overview of the geographic spread of delivery, along with delivery modes and specialisations by location.

Table 1: Geographic spread, delivery methods and specialisations

Region	Delivery Method / Mode	Specialisation
Lockyer Valley	On farm/Industry based	Horticulture
	Traineeships	Parks and Gardens
Bundaberg	On farm/Industry based	Sugar
	Traineeships/School based	Farm Engineering/Agriculture
Mackay	On-farm/industry training	Livestock
	Recognition of Prior Learning (RPL)	Sugar
	Traineeships/Apprenticeships	Community
Burdekin	On-farm/Industry training	Sugar/Conservation and Land Management/Agriculture
	Online Delivery	Sugar Milling/Animal Studies/Veterinary Nursing
	Traineeships/Apprenticeships	Animal Studies/Veterinary Nursing/Meat Processing/Conservation and Land Management/Agriculture
	RPL	Conservation and Land Management/Agriculture/Horticulture/Meat Processing
	School Based	Meat Processing/Animal Studies/Conservation and Land Management/Agriculture

Region	Delivery Method / Mode	Specialisation
Far North Queensland	External	Conservation and Land Management
	Industry based	Horticulture/Conservation and Land Management
	RPL	
	School based	
Longreach	Residential	Semi-arid Cattle, Sheep & Wool, Equine Breeding
Emerald	Residential/Traineeships	Broad Acre Cropping/Tropical Cattle/Feed Lotting

Performance and Key Activities

The past year has been centred on revitalising the traditional residential training courses and diversifying towards industry-focussed options.

Emerald Agricultural College

Emerald Agricultural College undertook significant governance changes in 2012-13. The Local Board and the College Director were appointed in May 2013. With the finalisation of the corporate structure the Board has concentrated on reinvigorating the college, starting with the college structure and improved courses.

The college has an obligation to ensure that students receive the highest level of training, while meeting the needs of industry, making Emerald graduates sought after employees in rural industries. The Board has already made significant steps towards linkages and engagement with local industry. The Director and staff have engaged in a concentrated marketing drive, promoting the College at schools, career expos and local country shows. There have been high levels of student interest and with promising enrolment prospects for 2014. Emerald Agricultural College students have demonstrated high levels of achievement this year, performing well at the EKKA, campdrafts and country shows throughout the region.

Longreach Pastoral College

Longreach Pastoral College also undertook a significant change in its governance arrangements in 2012-13. With declining student numbers and constructive feedback from industry, a decision was undertaken that the college required more autonomy in strategic direction and operational management. In May 2013, a Local Board was formed and in June, a College Director was appointed.

A major focus of the new Board continues to be meeting industry requirements for students and ensuring that they are given greater practical skills training than has been achieved in past years. The development of management plans includes the following:

1. Restructuring the training program to provide for program managers who integrate the training packages with production, ensuring maximum participation by students in the production activities of the college properties while complying with national VET regulations. In addition, a program manager will be appointed to develop new courses, including on-line and blended courses for Certificate IV and above and to ensure compliance of all training programs.
2. Delivering a program which incorporates up to 10 industry placements over 2 years, thereby exposing students to up to 20 weeks of industry experience in a range of pastoral and related industries.
3. The outcome of these changes will lead to a graduate of the college receiving a ‘Longreach Pastoral College Passport’. The passport exhibits the qualifications achieved by the graduate, an account of his/her industry experience and references from graziers and industry service providers after each industry placement.

Industry Training

AACC’s North Queensland Industry Training Unit delivered training to 1,245 participants across the key centres of Mareeba, Ayr and Mackay during 2012-13. Increased training opportunities arose from working closer with industry and delivering industry training at their worksites.

AACC's North Queensland Industry Training Unit has increased training in two key areas:

- meat processing - enrolling and supporting 17 trainees and 19 participants in meat safety
- veterinary nursing - with over 800 enrolments since its commencement in 2011.

AACC continues to strengthen its working relationship with the sugar industry in 2012-13. Delivery of several courses related to operating 'haul-out' vehicles reflected changes to the licensing requirements for the operation of these vehicles. AACC is also looking forward to further collaboration with the sugar industry as they implement their new Best Management Practice program.

The establishment of industry training in Southern Queensland as a leader in rural training is progressing well with highly recognised, multi-skilled trainers being employed on an 'as needs' basis. This flexible employment arrangement allows instructors to continue working within industry, keeping their industry acumen current to provide AACC students with the best level of industry skills.

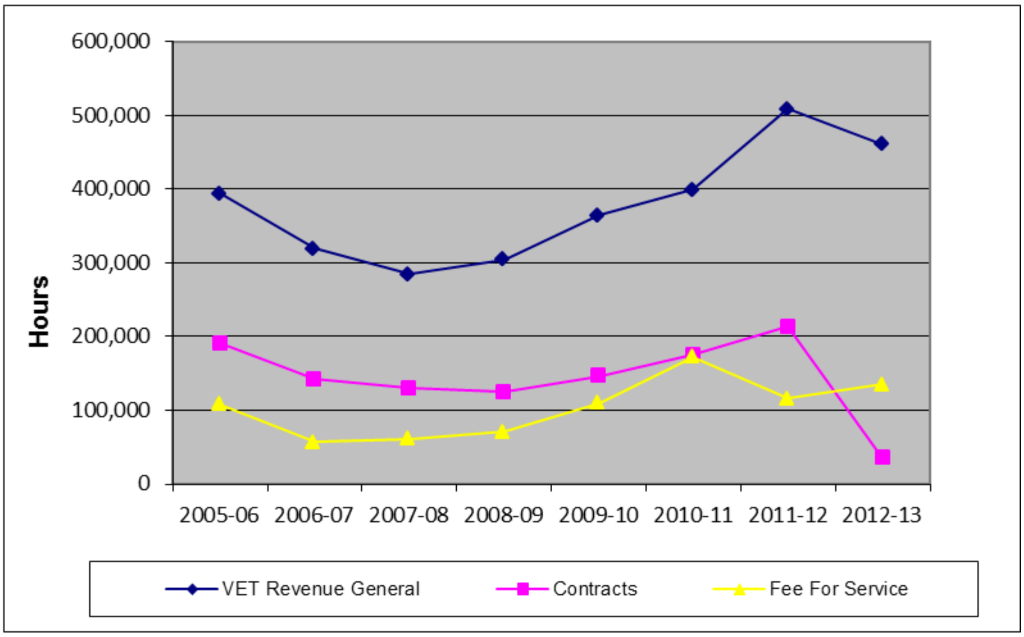
Training has been rolled out to 844 participants in rural industries in South Queensland. To efficiently meet the needs of training requests, a focus has been placed on developing programs in conjunction with relevant agricultural industries. This has resulted in industry focussed qualification outcomes such as Pork Production, Horticulture (Park and Gardens), Horticulture Production, Dairy Production, Poultry and Equine.

AACC has satisfied industry requirements for time based convenience and economical delivery of courses via an understanding of industry's capacities and requirements. An outcome of this process has resulted in additional funding opportunities becoming available to support industry based training programs. An example of these opportunities has been 35 women involved in horticulture are being trained in agribusiness management to Diploma level through the 'Women in Horticulture' program in partnership with Growcom, with funding assistance from the National Workforce Development Fund.

Training Outcomes

In 2012–13, the total delivery hours decreased from 837,997 to 631,149 representing a decrease of 32.8% from 2011–12. The decrease results largely from AACC not having a Correctional Centres training contract for 2012-13, a contract AACC had delivered over the previous five years. Figure 1 provides a comparison of delivery hours by funding source for AACC since the 2005-06 financial year.

Figure 1: AACC Delivery Hours by Funding Source



In 2012–13, full-time campus based training accounted for approximately 53% of total training delivered through Vocational Education Training (VET) Revenue General funding, and approximately 44% of the total delivery for the financial year. The 2012–13 data also shows a decrease in traineeship enrolments across work-based and school-based trainees and apprentices. Approximately 56% of the total AACC delivery has been accomplished by industry training, a direct correlation of the training demand from industry.

Compared with the 2011–12 course profile, the Certificate III in Agriculture course moved to first place in terms of hours of delivery and fifth place in terms of enrolment numbers in this financial year. This is consistent with the identified needs of industry and results largely from the increase in engagement with existing workers undertaking skills sets rather than full qualifications.

During 2012–13, AACC staff increased engagement with industry to strengthen existing partnerships and build new partnerships for training delivery. These partnerships with industry and other educational providers have helped increase training delivery and the flow-on effects will help underpin growth in training from all funding sources in 2013–14.

A brief summary of the service delivery statement, delivery and student profile for 2012–13 is presented in Table 2.

Table 2: Summary of Service Delivery Statement

Australian Agricultural College Corporation	Notes	2012-13 Target/est.	2012-13 Actual
Service standards			
Level of stakeholder satisfaction with VET training services and products:			
a) Quality Indicator (QI) Learners Survey		85%	88%
b) Quality Indicator (QI) Employer Survey	1	75%	73%
Percentage of successfully completed competencies compared with all modules assessed	2	90%	81%
Percentage of completed competencies delivered at or above Certificate IV level		13%	11%
Percentage of students employed or in further study 6 months after completing their training		90%	90%
Total number of VET students			3,231
State contribution ($'000)		**14,339**	**14,930**
Other revenue ($'000)		**11,957**	**8,271**

Notes:

1. This survey is taken annually, the results of which are not yet available.
2. Variance relates to the higher percentage of student withdrawals prior to assessment.

Delivery hours profile by funding source

For 2012-13, AACC's training delivery profile achieved the following in terms of training hours:

VET Revenue General	460,765
Contracts	30,865
Fee-for-Service	139,519
Total delivery hours	**631,149**

Student profile

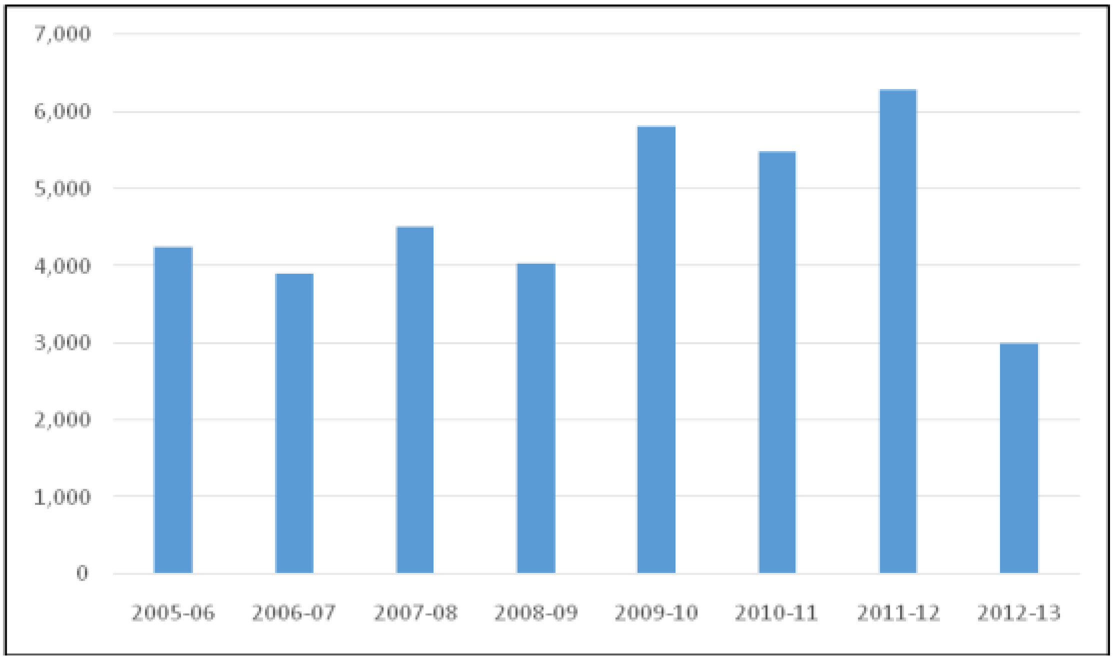
As at 30 June 2013, AACC's student information for 2012-13 was as follows:

Student information (approx. numbers)

Total students	3,231
Work-based apprentices and trainees	80
School-based apprentices and trainees	84

Figure 2 below, provides a comparison of student numbers for AACC since the 2005-06 financial year. As mentioned previously, the decrease in student numbers is largely from AACC not having a Correctional Centres training contract for 2012-13.

Figure 2: **Unique Student Trends**



Audit and Review

Registered Training Organisation Audits

ASQA Audit

The Australian Skills Quality Authority (ASQA) audit of AACC in May 2013 was a monitoring audit and was the first audit to occur after the move to the national regulator on the 28th June 2012. The audit was carried out onsite at three of the AACC sites (Gatton, Emerald and Ayr).

AVETMISS Audit

Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) is a part of the national audit for government funded training providers. These audits are carried out on an annual basis to confirm application of funding to student results. Outcomes of this audit provide the Invalid Enrolment Rate for the Registered Training Organisation (RTO) which is used to determine if over payments have been made for training delivery. In May 2013 all requested files were provided to the audit team in Brisbane and sourced from all delivery locations across AACC.

External Audits and Reviews

The following audits and reviews were carried out in 2012-13 and AACC was found to be compliant in all cases.

- Queensland Audit Office annual review of financial statements.
- WH&S and Environmental Audits of Assets and Facilities at Longreach and Emerald Colleges by Risk Services.
- Food Safety Audit Butcher Shop by Safe Food Queensland.
- Organic accreditation for meat processing of butcher shop.
- Animal Welfare Audit by animal ethics committee at both Emerald and Longreach.
- Horse Safety Australia – Horse Training Facilities, Longreach and Emerald Colleges, Safety and Compliance.

Internal Audits and Reviews

- Following consultation with Biosecurity Queensland and a review of risks associated with horses, AACC decided to vaccinate all horses on college properties against the Hendra virus to reduce the risk of exposure for students and staff.
- Regular OH&S internal reviews are undertaken to ensure compliance with local policies and procedures.

Open Data

All information on consultancies and overseas travel by AACC employees is listed on the Queensland Government Open Data Website (www.qld.gov.au/data)

Governance

Management and Structure

Ernst & Young undertook a review of AACC operations and governance arrangements in July and November 2012.

A result of that review was a recommendation to amend the corporate structure and undertake a number of operational performance improvements across the organisation.

The performance improvements can be categorised in the following work streams:

Workstream	Completed 2012-13	Priority for 2013-14
Financial Management	Redeveloped monthly financial reports to allow for accountability. Development of budget planning tool.	Establish a financial forecasting tool to allow for regular and accurate forecasting.
Asset Management	Asbestos issues rectified. Commenced works on high priority WHS issues. Surplus land and equipment disposals. Upgraded ICT platform.	3 year capital expenditure plans for assets, ICT and maintenance plans. Identify surplus production facilities. Introduce electronic Asset Management system.
Cost Minimisation	Voluntary Redundancy program. Mareeba relocation (June).	Business Process improvements. Implementation of software systems that automate processes.
Increase Revenue	Price increases for residential component. Charge students for additional activities previously provided as part of the training program.	Develop sales strategies for wholesale and retail clients. Apply for VET fee assistance for 2014 Diploma programs.
Stakeholder Management	Arrangements established with Marcus Oldham College and the University of New England for course credit of AACC programs.	Establish formal arrangements with UQ Gatton for the provision of agricultural training in the Lockyer Valley. Establish regular communication with industry stakeholders.
Course Redevelopment	Recruitment and selection of curriculum developer.	Redesign course curriculum. Work with Agrifoods Australia in relation to recognition of program. Re-package existing course to reflect industry needs while development of final model is completed.
Governance	Local Boards established and College Directors appointed for Longreach and Emerald.	Establish a Governing Board to lead the new statutory authority.

In conjunction with the Department of Agriculture, Forestry and Fisheries, AACC is preparing legislation changes that will enable the transfer of the legal entity from a Corporation Sole to a Statutory Authority in the first half of 2014.

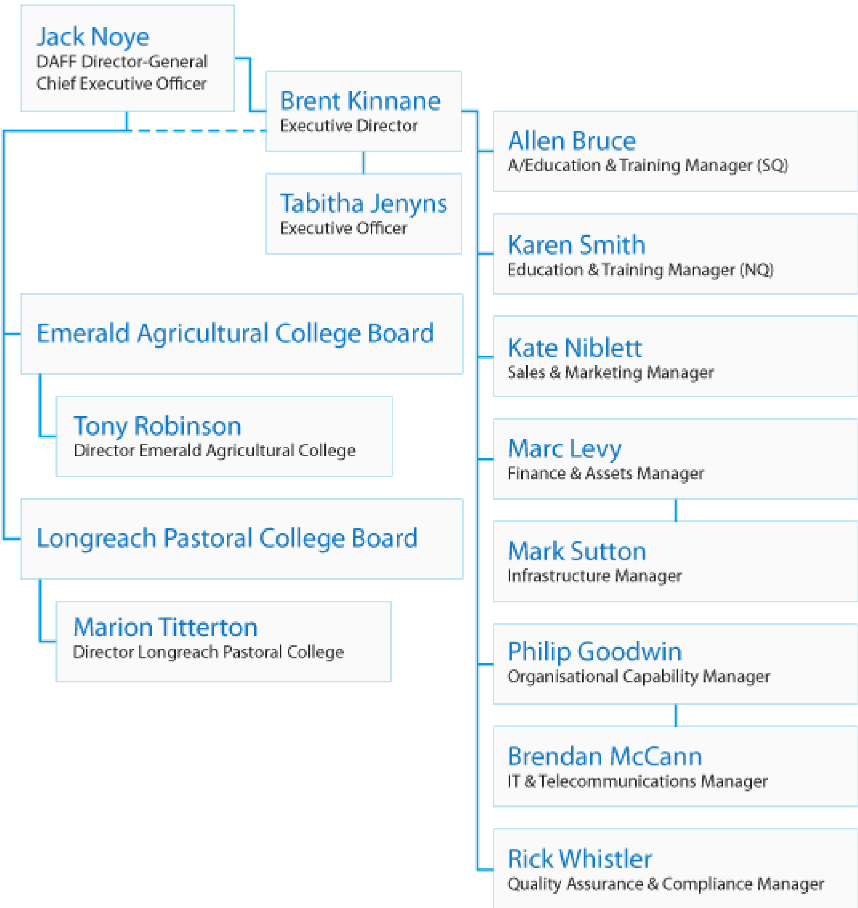
Organisational structure

AACC is a Corporation Sole constituted by a chief executive and represents the State of Queensland. Its primary legislation, the *Agricultural College Act 2005* was amended by the *Statutory Bodies Legislation Amendment Act 2007* to return employees of AACC to the state industrial relations systems by re-establishing the employment office with a new unincorporated statutory body known as the Australian Agricultural College Employing Office (AACEO).

AACEO is a controlled entity of AACC for financial reporting purposes and a work performance agreement operates between the two entities for the provision of employees. The Executive Director of AACC is the Executive Officer of AACEO.

The Executive Director is responsible for the day-to-day management of the corporation. The Senior Leadership Team comprising the Executive Director and Business Unit Managers, meet regularly to discuss strategic and operational matters. AACC's current management-level organisational structure is shown in Figure 3 below.

Figure 3: AACC Current Management Structure



Advisory Board / Local Boards

Due to the change in corporate structure and governance, the Advisory Board members resigned in September 2012.

Legislative changes will require the recruitment of a Governing Board for the corporation to commence in 2013-14. It is proposed to establish a new Advisory Board under the existing legislation by early 2014. This Advisory Board will have representatives from the existing Local Boards and other industry representatives and will transition to the new Governing Board under the new legislation.

The Local Boards of Emerald Agricultural College and Longreach Pastoral College commenced on 1 May 2013. The Board Members for each college are:

Emerald Agricultural College Board

Chair	Mike McCosker
Member (Deputy Chair)	Christine Rolfe
Member	George Bourne
Member	Michelle Hanrahan
Member	Rebecca Murray
Member	Adele O'Connor
Member	Wayne Reeves

Longreach Pastoral College Board

Chair	Donald Brown
Member (Deputy Chair)	Richard Pietsch
Member	Ben Banks
Member	Rosemary Champion
Member	Ian Duncan
Member	Katrina Payne
Member	Ian Walker

Under the current legislation, the Local Boards are responsible to the Chief Executive Officer and Minister to oversee the day-to-day operations of the colleges, to determine key business planning and performance matters, undertake curriculum development, design production programs and determine operational direction for their colleges.

The Local Boards perform a governance role for the residential college as delegated by the Chief Executive Officer. This includes delegated governance responsibilities for:

- financial management
- asset management
- human resources
- marketing
- curriculum/instruction
- workplace health and safety
- production
- appointment of the College Director and Senior Instructors
- planning
- compliance.

Public Sector Ethics

In accordance with the *Public Sector Ethics Act 1994*, the corporation regularly provides training for all employees in relation to the Queensland Government's Code of Conduct (the code) and all new employees are presented with this information as part of the induction process.

The corporation has in place a grievance and dispute resolution policy that states any allegations of serious misconduct arising from a grievance shall be managed in line with the provisions of the *Public Interest Disclosure Act 2010*. Similarly, the corporation has in place a freedom of information policy that is in direct alignment to the *Right to Information Act 2009*.

Risk Management and Accountability

Incidents

Recorded incidents, including first aid and near miss reports, were 82 for the year. Students accounted for 59, staff and contractors 21 and visitors 2. The centres which recorded the majority of Incident Reports during the year were Longreach Pastoral College and Emerald Agricultural College.

Types of Occurrence

An analysis indicates a trend towards ergonomic and gravitational incidents, with the majority of student incidents involving falls, interactions with animals and vehicle accidents. Significant employee incidents involved muscular sprains and strains. Figure 4 and Figure 5 show incidents by type of occurrence and a comparison of incident and workers' compensation claims from the previous year. Overall incidents remained stable although student incidents increased while employee incidents reduced.

Figure 4: Incidents by type of Incident

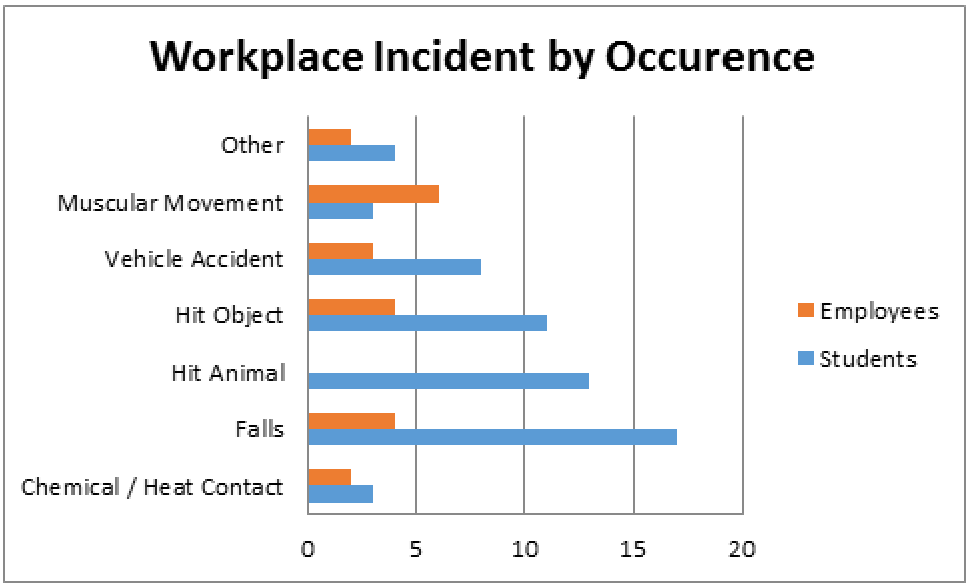
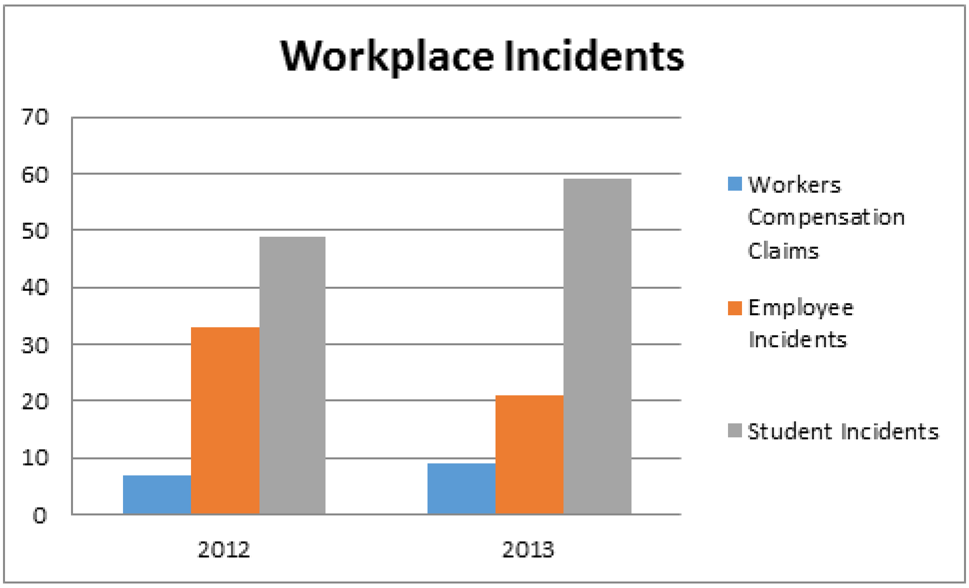


Figure 5: All incidents – July 2012 to June 2013



Due to improved management practices and reporting systems and processes, there has been an increase in the number of recorded incidents. However, this does not necessarily reflect an increase in the number of actual incidents that have occurred.

AACC will continue to implement effective risk management strategies to better manage and reduce incidents which include targeted training, enhanced reporting and improvements in administrative and engineering controls.

Animal Ethics Reports

There were five animal ethics reports for the year in relation to the continuation of training. AACC received approval to continue training with animals and there were no recorded complaints or grievances.

Organisational Capability

Human resources staff continued to implement systems process improvement to maximise the potential of employees and provide advice on the key areas of workforce planning/reform, employee relations, recruitment, learning and development, performance management, staff administration, equal employment opportunity and occupational health and safety.

During 2012-13, Organisational Capability was responsible for the portfolios of Human Resources, Compliance and Assurance, Information Technology and Telecommunication and Administration. With the implementation of the new business model, Organisational Capability now maintains 6 FTEs with responsibilities for Human Resources, Workplace Health and Safety and Information Technology and Telecommunication.

Our People

AACC has a diverse workforce covering divergent business activities that support the vocational education and training industry specialising in agribusiness. The workforce is involved in providing education and training, industry training, residential training, as well as administrative, technical, professional, specialist, managerial and executive services.

The overall workforce for the period has decreased by 21% as a result of:

- revised business model/organisational structure
- reduction in management positions
- rationalisation of flexible working/telecommuting arrangements
- scrutiny of corporate positions and associated functions
- implementation of and access to Employee Requiring Placement/Voluntary Redundancy program
- enhanced workforce planning and pre-recruitment process improvements
- reduction in positions that were directly related to the disposal of surplus assets and properties.

A breakdown of employee FTE status with a comparison over the last two years is provided in Table 3.

Table 3: Full Time Equivalent Employees for 2010-11, 2011-12, 2012-13

Employees	2010-11		2011-12		2012-13	
Frontline	73	39.2%	69	38.8%	63	45.0%
Support	60	32.3%	58	32.6%	51	36.4%
Corporate	53	28.5%	51	28.6%	26	18.6%
Total	186	100%	178	100%	140	100%

Employee expenses during 2012-13 totalled $12.9M. Nineteen employees received voluntary separation packages during 2012-13, totalling $1.3M. This amount includes voluntary separation and associated ex-gratia payments. During 2012-13 there were 31.2 FTEs at the Emerald Agricultural College and 26.6 FTEs at the Longreach Pastoral College.

Learning and Development

Training reflected an investment in organisational effectiveness while enhancing employee safety, behaviour, performance, personal growth and succession planning.

AACC provided professional, technical and skill development training during the year. The training ranged from statutory training, including Certificate IV in Training and Education (TAE), first aid training, specific industry training, new legislation briefings and a range of generalist skills training. Staff also attended various workshops and conferences.

Staff also participated in compulsory online training for privacy and records management, specifically focussing on the use of student management systems; client relationship management systems that were introduced through the information and communication upgrade. An intensive file archiving project will be undertaken in 2013-14, with advice being provided for this project from Queensland Archives.

Workforce Planning, Attraction and Retention

During 2012-13, AACC implemented workforce planning strategies in the following areas to improve the organisation's ability to attract and retain employees:

- job design and evaluation
- recruitment and selection
- induction
- organisational structure
- employment status
- remuneration reviews
- work/life balance arrangements
- employee development
- organisational development and reform.

In addition, AACC commenced arrangements with the Public Service Commission to implement a new Enterprise Agreement. The negotiated agreement is to be finalised during 2013-14 and is aligned to the Government's wages policy.

Recruitment and Selection

Due to organisational restructure and reform, recruitment and selection of employees was restricted to critical operational requirements. AACC continued to maintain internal efficiency and legislative compliance through the active recruitment of employees to fill vacant positions identified within the organisational structure.

Farming Livestock Outcomes

Livestock

Livestock production for 2012-13 maintained high productivity against declining seasonal conditions. Beef cattle reproduction rates and calving percentages of 80% to 90% were achieved at all locations. Horse numbers were reduced as a reflection of training demand and production cost saving. Sheep reproduction rates struggled against significant numbers of predators and inclement seasonal conditions. Livestock values were written down in March 2013 to reflect the significant decline in sheep and cattle prices due to worsening dry conditions and difficult markets; this was again reflected in the June 2013 valuations. Wool production was higher than in previous years with just over 190 bales sold. Additional income was realised from 1000 head of short term agistment cattle on surplus pasture at Longreach Pastoral College.

Table 4: Livestock movements and valuations for the 2012-13 Financial Year

Livestock Class	Opening Stock	Births	Losses	Purchases	Sales	Rations	Closing Stock
Beef Cattle	5,917	1965	175	8	1846	28	5,841
Sheep	8,572	2121	1453	0	1982	59	7,199
Horses	307	28	12	0	94	0	229

Cropping

The cropping functions of both colleges cover summer and winter cropping programs, which complement the training outcomes for students. Cropping revolves around irrigated fodder production at Longreach Pastoral College, which is used internally to support livestock production (cattle, sheep and horses).

Emerald Agricultural College concentrated on grain production, dryland and irrigated, to maximise potential production revenues, but more importantly supply students with ample and varied learning opportunities. In 2012-13 crops included chickpeas and wheat for winter crops and mungbeans, sorghum and maize in the summer program. The majority of the grain grown is sold on the open market, however some sorghum and maize is retained at Emerald Agricultural College for use in the accredited feedlot.

Financial Summary

The attached financial statements contain comprehensive financial data for the corporation including for its controlled entity, the Australian Agricultural College Employing Office (AACEO).

Financial performance

As shown in our Statement of Comprehensive Income, the corporation recorded an operating loss of $3.98M in 2012-13. This is an improvement over the result for the previous year but continues to reflect deficiencies identified with the corporation's business model and in particular, the capital intensive nature of residential training.

During 2012-13, the business model was the subject of a comprehensive review. The review resulted in the Government confirming its commitment to agricultural training and approving a range of measures aimed at improving AACC's financial performance. The most significant change is in governance arrangements, giving responsibility for the performance of the residential colleges at Emerald and Longreach to Local Boards. In addition, the Industry Training business model has been retained and AACC will become a Statutory Authority in 2013-14. Improved financial results are forecast for the future.

Income

Income for 2012-13 was $21.94M. The largest income item relates to the Vocational Educational Training (VET) Revenue General grant of $13.89M received from the Department of Education, Training and Employment. The remaining revenues come from user fees and other revenues (including sale of goods and sale of services).

Expenditure

Expenses for the year amounted to $25.9M, which included employee expenses of $12.9M and supplies and services of $9.5M. Employee expenses included approximately $1.3M in voluntary redundancy payments for which reimbursement was received from Queensland Treasury and Trade.

Financial position

Major changes to the corporation's asset holdings resulted from the disposal of:

- the Beckers cattle property
- the former AACC Burdekin campus
- the Burdekin sugar farm and
- surplus major plant and equipment.

The corporation's statement of financial position reflects a decrease in total equity from $109.98M at 30 June 2012 to $103.9M at 30 June 2013.

At 30 June 2013, the corporation's Current Ratio stands at 7.9, indicating the corporation will have sufficient liquid assets to meet its debts falling due within the next 12 months.

Assets

Total assets amounted to $107.4M and primarily related to property, plant and equipment ($79.6M) and cash and cash equivalents ($9.9M). At 30 June 2013, an amount of $11.1M was receivable from the sale of the Burdekin properties referred to above.

Liabilities

Total liabilities amounted to $3.5M primarily relating to current and non-current employee leave entitlements of $1.8M and payables of $1.1M.

Australian Agricultural College Corporation Financial Statements

for the financial year ended 30 June 2013

Australian Agricultural College Corporation
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General Information

These financial statements cover the Australian Agricultural College Corporation and its controlled entity, Australia Agricultural College Employing Office.

The Corporation is a "Corporation Sole" as constituted by the Agricultural Colleges Act 2005. The corporation represents the State of Queensland and is declared to be an excluded matter for the Corporations Act, section 5F, in relation to the whole of the Corporations legislation.

The corporate office and principal place of business of the Corporation is:
Warrego Highway
University of Qld
GATTON QLD 4343

A description of the nature of the Corporation's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the Corporation's financial statements please call AACC Corporate Office on (07) 5468 2111 or visit the Corporation internet site **www.aacc.edu.au**

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

Australian Agricultural College Corporation

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

		Economic Entity		Parent Entity	
	Notes	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Income from Continuing Operations					
Grants and other contributions	3	15,729	16,029	15,729	16,029
User charges	4	2,772	3,150	2,772	3,150
Other revenues	5	3,437	6,876	3,437	6,876
Total Income from Continuing Operations		**21,938**	**26,055**	**21,938**	**26,055**
Expenses from Continuing Operations					
Employee expenses	6&7	12,883	18,570	401	285
Supplies and services	8	9,541	11,860	22,023	30,145
Depreciation and amortisation	9	1,435	2,060	1,435	2,060
Finance / borrowing costs	10	6	5	6	5
Other expenses	11	2,054	739	2,054	739
Total Expenses from Continuing Operations		**25,919**	**33,234**	**25,919**	**33,234**
Operating loss from Continuing Operations		**(3,981)**	**(7,179)**	**(3,981)**	**(7,179)**
Other Comprehensive Income					
Items that will not be reclassified subsequently to Operating Result:					
Increase/(decrease) in asset revaluation surplus	22	(1,634)	(24,254)	(1,634)	(24,254)
Total items that will not be reclassified subsequently to Operating Result:		(1,634)	(24,254)	(1,634)	(24,254)
Total Other Comprehensive Income		(1,634)	(24,254)	(1,634)	(24,254)
Total Comprehensive Income		**(5,615)**	**(31,433)**	**(5,615)**	**(31,433)**

The accompanying notes form part of these statements.

Australian Agricultural College Corporation

STATEMENT OF FINANCIAL POSITION
as at 30 June 2013

	Notes	Economic Entity 2013 $'000	Economic Entity 2012 $'000	Parent Entity 2013 $'000	Parent Entity 2012 $'000
Current Assets					
Cash and cash equivalents	12	9,867	6,909	9,867	6,909
Receivables	13	12,989	2,162	12,989	2,162
Inventories	14	236	404	236	404
Biological assets	15	1,483	4,826	1,483	4,826
Other current assets	16	245	71	245	64
Total Current Assets		**24,820**	**14,371**	**24,820**	**14,365**
Non Current Assets					
Receivables	13	39	39	39	39
Biological assets	15	2,897	2,874	2,897	2,874
Other financial assets	17	106	106	106	106
Property, plant and equipment	18	79,575	97,005	79,575	97,005
Total Non Current Assets		**82,617**	**100,024**	**82,617**	**100,024**
Total Assets		**107,437**	**114,395**	**107,437**	**114,389**
Current Liabilities					
Payables	19	1,181	1,577	3,309	4,088
Accrued employee benefits	20	1,713	1,898	-	33
Other current liabilities	21	229	291	229	291
Total Current Liabilities		**3,123**	**3,765**	**3,538**	**4,412**
Non Current Liabilities					
Accrued employee benefits	20	415	652	-	-
Total Non Current Liabilities		**415**	**652**	**-**	**-**
Total Liabilities		**3,538**	**4,417**	**3,538**	**4,412**
Net Assets		**103,899**	**109,978**	**103,899**	**109,977**
Equity					
Contributed equity		11,030	11,494	11,030	11,494
Accumulated surplus/(deficit)		(17,471)	(13,490)	(17,471)	(13,490)
Asset revaluation surplus	22	110,341	111,975	110,341	111,975
Total Equity		**103,899**	**109,979**	**103,899**	**109,979**

The accompanying notes form part of these statements.

Australian Agricultural College Corporation

STATEMENT OF CHANGES IN EQUITY
for year ended 30 June 2013

	Notes	Contributed Equity		Asset Revaluation Surplus (Note 22)		Accumulated Surplus/Deficit		TOTAL	
		Economic Entity	Parent Entity	Economic Entity	Parent Entity	Economic Entity	Parent Entity	Economic Entity	Parent Entity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2011		37,090	37,090	136,229	136,229	(6,311)	(6,311)	167,008	167,008
Operating loss from Continuing Operations		-	-	-	-	(7,179)	(7,179)	(7,179)	(7,179)
Other Comprehensive Income									
Increase/(Decrease) in Asset Revaluation Surplus		-	-	(24,254)	(24,254)	-	-	(24,254)	(24,254)
Transactions with Owners as Owners:									
Net assets transferred (via Machinery of Government change)	18(b)	(25,596)	(25,596)	-	-	-	-	(25,596)	(25,596)
Balance at 30 June 2012		**11,494**	**11,494**	**111,975**	**111,975**	**(13,490)**	**(13,490)**	**109,979**	**109,979**
Balance as at 1 July 2012		11,494	11,494	111,975	111,975	(13,490)	(13,490)	109,979	109,979
Operating loss from Continuing Operations		-	-	-	-	(3,981)	(3,981)	(3,981)	(3,981)
Other Comprehensive Income									
Increase/(Decrease) in Asset Revaluation Surplus		-	-	(1,634)	(1,634)	-	-	(1,634)	(1,634)
Transactions with Owners as Owners:									
Net assets transferred (via Machinery of Government change)	18(b)	-	-	-	-	-	-	-	-
Non-appropriated equity withdrawal		(464)	(464)	-	-	-	-	(464)	(464)
Balance as at 30 June 2013		**11,030**	**11,030**	**110,341**	**110,341**	**(17,471)**	**(17,471)**	**103,899**	**103,899**

The accompanying notes form part of these statements.

Australian Agricultural College Corporation

STATEMENT OF CASH FLOWS
for the year ended 30 June 2013

	Notes	Economic Entity 2013 $'000	Economic Entity 2012 $'000	Parent Entity 2013 $'000	Parent Entity 2012 $'000
Cash flows from operating activities					
Inflows **:**					
Grants and other contributions		15,722	16,262	15,722	16,262
User charges		3,059	2,313	3,059	2,313
Sale of biological assets		4,674	4,652	4,674	4,652
GST input tax credits from ATO		1,042	1,284	1,042	1,284
GST collected from customers		1,001	740	1,001	740
Interest receipts		291	568	291	568
Dividends		10	14	10	14
Other		2,264	1,647	2,264	1,647
Outflows:					
Employee expenses		(13,305)	(19,339)	(457)	(262)
Supplies and services		(9,942)	(11,685)	(22,790)	(30,762)
GST paid to suppliers		(1,066)	(1,292)	(1,066)	(1,292)
GST remitted to ATO		(1,051)	(719)	(1,051)	(719)
Receivables		-	(39)	-	(39)
Other		(633)	(274)	(633)	(274)
Net cash provided by/(used in) operating activities	**23**	**2,066**	**(5,868)**	**2,066**	**(5,868)**
Cash flows from investing activities					
Inflows:					
Sales of property, plant and equipment		6,107	3,634	6,107	3,634
Other Financial Assets		-	16	-	16
Outflows:					
Payments for property, plant and equipment		(787)	(982)	(787)	(982)
Biologicals		(4,370)	(830)	(4,370)	(830)
Purchases of biological assets		(51)	(969)	(51)	(969)
Net cash provided by investing activities		**899**	**868**	**899**	**868**
Cash flows from financing activities					
Outflows:					
Finance / borrowing costs		(6)	(5)	(6)	(5)
Borrowing redemptions		-	(24)	-	(24)
Net cash (used in) financing activities		**(6)**	**(29)**	**(6)**	**(29)**
Net (decrease) in cash and cash equivalents		2,958	(5,028)	2,958	(5,028)
Cash and cash equivalents at beginning of financial year		6,909	11,937	6,909	11,937
Cash and cash equivalents at end of financial year	**12**	**9,867**	**6,909**	**9,867**	**6,909**

The accompanying notes form part of these statements.

1. Objectives and Principal Activities of the Australian Agricultural College Corporation

The Australian Agricultural College Corporation (AACC) commenced operation on 1 July 2005, amalgamating the four former Queensland agricultural colleges. The new corporation combines the delivery of education and training in agriculture over the last 130 years.

The objective of the Corporation is to be the leading provider of quality education and training for capacity building in rural and agricultural related industries, enterprises and communities.

The Corporation is funded for the outputs it delivers by a grant provided by Queensland Treasury paid to the Corporation via the Department of Education, Training and Employment (DETE). It also generates agricultural production linked to training as well as fee for service activities.

These activities include:
- livestock and crop production;
- facility hire, accommodation and catering services;
- training courses, user choice and strategic priority programs.

On 1 September 2007 the Corporation established the Australian Agricultural College Employing Office (AACEO). The main function of AACEO was to enter into a work performance agreement with the Corporation to employ staff to perform work for the Corporation under a work performance agreement.

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

The Corporation has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009* .

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2013, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Corporation has applied those requirements applicable to not-for-profit entities, as the Corporation is a not-for-profit entity. Except where stated, the historical cost convention is used.

These financial statements include the consolidated activities of AACEO.

2. Summary of Significant Accounting Policies (cont'd)

(b) The Reporting Entity

These consolidated financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Corporation and the entities that it controls, where these entities are material.

In the process of reporting the Corporation as a single economic entity, all transactions with entities controlled by the Corporation have been eliminated (where material).

The Corporation as an economic entity consists of the parent entity together with AACEO, as a controlled entity. In order to provide enhanced disclosure, the Corporation has adopted the principles outlined in Australian Accounting Standard AASB 127 *Consolidated and Separate Financial Statements*. This approach is considered appropriate as it reflects the relationship between the Corporation's core business activities and those of AACEO. In the process of reporting on the Corporation as a single economic entity, all transactions and balances internal to the economic entity have been eliminated in full.

(d) User Charges

User charges and fees controlled by the Corporation are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges are controlled by the Corporation where they can be deployed for the achievement of the Corporation's objectives.

Taxes, fees and fines collected, but not controlled, by the Corporation are reported as administered revenue.

(e) Grants and Other Contributions Revenue

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Corporation obtains control over them. Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangements.

Contributed assets are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

(f) Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions. It also includes investments with short periods to maturity that are readily convertible to cash on hand at the Corporation's or issuer's option and that are subject to a low risk of changes in value.

2. Summary of Significant Accounting Policies (cont'd)

(f) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed purchase/contract price, and include receivables for student fees. Settlement of the non student fee amounts is usually required within 30 days from the date of invoice. Student fees are generally settled within 30 - 120 days.

Receivables also relate to the harvesting of agricultural products (for example sugar and cotton).

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written off as at 30 June. Increases in the allowance for impairment are based on loss events.

Other debtors generally arise from transactions outside the usual operating activities of the Corporation and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained.

(g) Inventories

Inventories held for sale, distribution and feedlot inventory are valued at the lower of cost and net realisable value.

Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expensed as incurred.

Net realisable value is determined on the basis of the Corporation's normal selling pattern. Expenses associated with marketing, selling and distribution are deducted to determine net realisable value.

Inventories held for distribution are those inventories which the Corporation will use internally at a later date and they are measured at the lower of cost and current replacement cost.

Feedlot inventory are those stores of crop produce that may be held for internal use or for sale depending on future economic conditions.

(h) Non-current Assets Classified as Held for Sale

Non-current assets held for sale consist of those assets which management has determined are available for immediate sale in their present condition, and their sale is highly probable within the next twelve months. These assets are measured at the lower of the assets' carrying amounts and their fair value less costs to sell. These assets are not depreciated.

2. Summary of Significant Accounting Policies (cont'd)

(i) Biological Assets

Under AASB 141 *Agriculture*, biological assets are defined as living animals and plants. They are distinguished from other assets held by the Corporation by the fact that they have the natural capacity to grow and/or procreate.

Biological assets are used in the training activities of the Corporation and generate agricultural produce as a result of agricultural activity. Two groups of biological assets are held: livestock (comprising cattle, horses, goats, sheep and pigs) and plants (comprising sugarcane, grain and cotton crops).

These assets are valued at current market values in accordance with AASB 141 *Agriculture*. Valuations were undertaken internally at year end using regional livestock agents, agronomists and other information relating to the value of the assets in an active market, in order to determine the fair value of the assets. A gain or loss arising from a change in fair values of the biological asset is recognised in the Statement of Comprehensive Income.

In accordance with the requirements of AASB 141 *Agriculture*, tree fruit orchards, vines and nursery seedlings have been assessed. On the basis that these assets are not material in the context of financial reporting by the Corporation, they have not been recognised. This position is re-assessed annually.

Livestock

The net increment in the market value of all livestock is determined as being the difference between the net market value of the livestock at the beginning of the financial year and at the end of the financial year.

Plants

The net increment in the market value of plants is determined as being the difference between the net market value of the plants at the beginning of the financial year and at the end of the financial year.

(j) Acquisitions of Assets

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Where assets are received free of charge from another Queensland Government department or Statutory Body (whether as a result of a machinery-of-Government or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government department or Statutory Body, are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

2. Summary of Significant Accounting Policies (cont'd)

(k) Property, Plant and Equipment

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition.

Buildings and Infrastructure	$5,000
Land	$1
Major Plant and Equipment	$5,000
Other	$5,000

Items with a lesser value are expensed in the year of acquisition.

Land improvements undertaken by the Corporation are included with buildings and infrastructure.

(l) Revaluations of Non-Current Physical Assets

Land, buildings, infrastructure and major plant and equipment are measured at their fair values in accordance with AASB 116 Property, Plant and Equipment and Queensland Treasury and Trade's Non-Current Asset Accounting Policies for the Queensland Public Sector. In respect of these asset classes, the cost of items acquired during the financial year has been judged by management of the Corporation to materially represent their fair value at the end of the reporting period.

Plant and equipment, other than major plant and equipment, is measured at cost in accordance with Treasury and Trade's *Non-Current Asset Policies* .

Non-current physical assets measured at fair value are revalued on an annual basis by appraisals undertaken by an independent professional valuer or internal expert appraisals are undertaken at least once every five years. However, if a class of asset experiences significant and volatile changes in fair value (i.e. where indicators suggests that the value of the class of asset may have changed by 20% or more from one reporting period to the next), it is subject to such revaluations in the reporting period, where practicable, regardless of the timing of previous such method of revaluation.

Where indices are used in the revaluation process, the Corporation ensures that the application of such indices would result in a valid estimation of the asset's fair value at reporting date. State Valuation Service (SVS) supplied the indices and provided assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets and comparing results to similar assets that have been valued by an independent professional valuer or internal expert, and analysing the trend of changes in values over time. At year end, management assess the relevance and suitability of indices provided for SVS based on the agency's own particular circumstances.

2. Summary of Significant Accounting Policies (cont'd)

(l) Revaluations of Non-Current Physical Assets (cont'd)

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Materiality concepts under AASB 1031 *Materiality* are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

(m) Depreciation of Property, Plant and Equipment

Land is not depreciated as it has an unlimited useful life.

Property, plant and equipment is depreciated on a straight line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Corporation.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property, plant and equipment.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Corporation.

Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the assets to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of leases includes any option period where exercise of the option is probable.

2. Summary of Significant Accounting Policies (cont'd)

(m) Depreciation of Property, Plant and Equipment (cont'd)

For each class of depreciable asset the following depreciation rates are used:

Class	***Rate %***
Buildings	1 - 8
Infrastructure	1 - 9
Plant and Equipment	5 - 15
Major Plant and Equipment	4 - 5

(n) Impairment of Non-Current Assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Corporation determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and the depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer also note 2(l).

(o) Leases

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

(p) Other Financial Assets

Investments in equity instruments that do not have a quoted market price in an active market are carried at cost.

Shares in Sugar Terminals Limited are valued at net market value from prices quoted by the National Stock Exchange of Australia. Allowance for impairment in original cost has been made.

The Corporation does not enter into transactions for speculative purposes, nor for hedging.

2. Summary of Significant Accounting Policies (cont'd)

(q) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Other payables relate to accrued expenditure measured and settled on the same terms as trade creditors.

(r) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Corporation becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value through profit and loss
- Receivables - held at amortised cost
- Payables - held at amortised cost
- Borrowings - held at amortised cost
- Shares in Sugar Terminals - held at fair value
- Shares in non trading companies - held at cost

Impairment

The Corporation assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact of the estimated future cash flows of the financial asset or group of financial asset that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(i) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimate future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated Statement of Comprehensive Income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the Corporation may measure impairment on the basis of an instrument's fair value using an observable market price.

2. Summary of Significant Accounting Policies (cont'd)

(r) Financial Instruments (cont'd)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated Statement of Comprehensive Income.

(ii) Asset classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the financial asset previously recognised in the profit or loss - is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in the profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available for sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

(s) Employee Benefits

Employer superannuation contributions, annual leave and long service leave are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, Salaries, Annual Leave and Sick leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

Prior history indicates that on average, sick leave taken in each reporting period is less than the entitlement accrued. This is expected to recur in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

2. Summary of Significant Accounting Policies (cont'd)

(s) Employee Benefits (cont'd)

Long Service Leave

Liabilities for long service leave are recognised on the same basis as those liabilities for accrued annual leave. Allowance for long service leave is made in accordance with the legal liability and has been calculated in accordance with AASB 119 *Employee Benefits* .

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Corporation's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. Therefore, no liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting.*

Key Executive Management Personnel and Remuneration

Key executive management personnel and remuneration disclosures are made in accordance with the section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to note 7 for the disclosures on key executive management personnel and remuneration.

(t) Financing/Borrowing costs

Finance costs are recognised as an expense in the period in which they are incurred.

Finance costs include:

- Interest on bank overdrafts and short term and long term borrowings;
- Finance lease charges;
- Amortisation of discounts or premiums relating to borrowings; and
- Ancillary administration charges.

No borrowing costs are capitalised into qualifying assets.

2. Summary of Significant Accounting Policies (cont'd)

(u) Insurance

The Corporation's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis. In addition, the Corporation pays premiums to WorkCover Queensland in respect of its obligations for employee compensation and to AON Insurance Brokers in respect of fully registered motor vehicles. Minor policies were taken out from time to time on a business needs basis to cover insurable risks relating to crop and livestock activities.

(v) Services Received Free of Charge or for Nominal Value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as a revenue and an expense.

(w) Contributed Equity

Non-reciprocal transfers of assets and liabilities from the four former Queensland Agricultural Colleges Boards (as Statutory Bodies) to the Corporation at 1 July 2005 have been recorded as adjustments to Contributed Equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

(x) Taxation

The Australian Agricultural College Corporation is a State body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Corporation. GST credits receivable from, and GST payable to the Australian Taxation Office (ATO), are recognised in the Statement of Financial Position (refer to note 13).

(y) Issuance of Financial Statements

The financial statements are authorised for issue by the Executive Director of the Australian Agricultural College Corporation and the Chief Executive Officer of the Australian Agricultural College Corporation at the date of signing the Management Certificate.

2. Summary of Significant Accounting Policies (cont'd)

(z) Judgements and Assumptions

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of asset and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Valuation of Biological Assets - note 15
Valuation of Property, Plant and Equipment - note 18(a)
Valuation of Non-Current Assets Classified as Held for Sale or Distribution to Owners - note 18(b)
Provisions - note 20

The Australian government passed its Clean Energy Act in November 2011 which resulted in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

The flexible market-based price phase of the carbon pricing mechanism will commence on 1 July 2015. It is preceded by a three-year period during which the price of permits will be fixed at $23 per tonne of carbon dioxide equivalent in year one, $24.15 in year two and $25.40 in year three.

Section 4.3.4 of Queensland Treasury and Trade's report on 'Carbon Price Impacts for Queensland' dated August 2011 indicates that, for non-residential construction activities, costs may increase by between 0.7 per cent and 0.8 per cent over the period 2012-13 to 2015-16.

On this basis and other information available, the introduction of the carbon pricing mechanism is not expected to have a significant impact on the Corporation's critical accounting estimates, assumptions and management judgements.

(aa) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest $1,000 or, where that amount is $500 or less, to zero, unless disclosure of the full amount is specifically required. Sub-totals and totals may not add due to rounding, but the overall discrepancy is no greater than two.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

2. Summary of Significant Accounting Policies (cont'd)

(ab) Corporate Administration Agency

The Corporate Administration Agency provides the Corporation with corporate services under the "Shared Services Provider" model. These fees and terms of the services are agreed through a Service Level Agreement, negotiated annually and include:

- Financial systems and processing
- Management accounting
- Human resources recruitment, payroll and consultancy
- Information system and support in relation to records management.

(ac) New and Revised Accounting Standards

The Corporation did not voluntarily change any of its accounting policies during 2012-13. Australian accounting standard changes applicable for the first time for 2012-13 have had minimal effect on the Corporation's financial statements, as explained below.

AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]* became effective from reporting periods beginning on or after 1 July 2012. The only impact for the Corporation is that, in the Statement of Comprehensive Income, items within the 'Other Comprehensive Income' section are now presented in different subsections, according to whether or not they are subsequently classifiable to the operating result. Whether subsequent reclassification is possible depends on the requirements or criteria in the accounting standard/interpretation that relates to the item concerned.

The Corporation is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury and Trade. Consequently, the Corporation has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The Corporation applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below.

2. Summary of Significant Accounting Policies (cont'd)

(ac) New and Revised Accounting Standards (cont'd)

AASB 13 *Fair Value Measurement* applies from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Corporation's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.

The Corporation has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes will be necessary. While the Corporation is yet to complete this review, no substantial changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for the Corporation's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside the Corporation, the amount of information to be disclosed will be relatively greater.

A revised version of AASB 119 *Employee Benefits* applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively. Given the Corporation's circumstances, the only implications for the Corporation are that the revised standard clarifies the concept of 'termination benefits', and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for 'short-term employee benefits', they will be measured according to the AASB 119 requirements for 'short-term employee benefits'. Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for 'other long-term employee benefits'. Under the revised standard, the recognition and measurement of employer obligations for 'other long-term employee benefits' will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 includes changed criteria for accounting for employee benefits as 'short-term employee benefits'. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. The Corporation makes employer superannuation contributions to the QSuper defined benefit and accumulation plan, and the corresponding QSuper employer benefit obligation is held by the State. Therefore, those changes to AASB119 will have no impact on the Corporation.

2. Summary of Significant Accounting Policies (cont'd)

(ac) New and Revised Accounting Standards (cont'd)

AASB 1053 *Application of Tiers of Australian Accounting Standards* applies as from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two Tiers of reporting requirements – Australian Accounting Standards (commonly referred to as 'Tier 1'), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as 'Tier 2'). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

Details of which disclosures in standards and interpretations are not required under Tier 2 reporting are set out in amending standards AASB 2010-2, AASB 2011-2, AASB 2011-6, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11 (which also apply from reporting periods beginning on or after 1 July 2013). However, Queensland Treasury and Trade's Financial Reporting Requirements effectively do not allow application of AASB 2011-6 in respect of controlled entities, associates or interests in jointly controlled entities.

Pursuant to AASB 1053, public sector entities like the Corporation may adopt Tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the Tier 1 requirements. In the case of the Corporation, Queensland Treasury and Trade is the regulator. Queensland Treasury and Trade has advised that its policy decision is to require adoption of Tier 1 reporting by all Queensland Government departments (including the Corporation) and statutory bodies that are consolidated into the whole-of-Government financial statements. Therefore, the release of AASB 1053 and associated amending standards will have no impact on the Corporation.

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2014 –

- AASB 10 *Consolidated Financial Statements* ;
- AASB 11 *Joint Arrangements* ;
- AASB 12 *Disclosure of Interests in Other Entities* ;
- AASB 127 (revised) *Separate Financial Statements* ;
- AASB 128 (revised) *Investments in Associates and Joint Ventures ;* and
- AASB 2011 *-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]* .

2. Summary of Significant Accounting Policies (cont'd)

(ac) New and Revised Accounting Standards (cont'd)

The AASB is planning to amend AASB 10. Such amendments are expected to clarify how the IASB’s principles about control of entities should be applied by not-for-profit entities in an Australian context. Hence, the Corporation is not yet in a position to reliably determine the future implications of these new and revised standards for the Corporation's financial statements.

AASB 10 redefines and clarifies the concept of control of another entity, which is the basis for determining which entities should be consolidated into an entity’s financial statements. Therefore, subject to any not-for-profit modifications yet to be made to AASB 10, the Corporation will need to re-assess the nature of its relationships with other entities, including entities that aren’t currently consolidated.

AASB 11 deals with the concept of joint control, and sets out new principles for determining the type of joint arrangement that exists – which, in turn, dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. Subject to any not-for-profit modifications yet to be made to AASB 11, the Corporation will need to assess the nature of any arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11.

AASB 1055 Budgetary Reporting applies from reporting periods beginning on or after 1 July 2014. From that date, based on what is currently published in the Queensland Government's Budgetary Service Delivery Statements, this means the Corporation will need to include in these financial statements the original budgeted statements for the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and Statement of Cash Flows. These budgeted statements will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial statement.

In addition, based on what is currently published in the Queensland Government's Service Delivery Statements, the Corporation will need to include in these financial statements the original budgeted information for major classes of administered income and expenses, and major classes of administered assets and liabilities. This budgeted information will need to be presented consistently with the corresponding (actuals) administered information, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial information.

2. Summary of Significant Accounting Policies (cont'd)

(ac) New and Revised Accounting Standards (cont'd)

AASB 9 *Financial Instruments* (December 2010) and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] become effective from reporting periods beginning on or after 1 January 2015. The main impacts of these standards on the Corporation are that they will change the requirements for the classification, measurement and disclosures associated with the department's financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Corporation has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the Corporation's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Corporation enters into, it is not expected that any of the Corporation's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2015-16 financial statements, all of the Corporation's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classifications presently used in Notes 2(r) and 29).

The most significant impact of the new measurement requirements on the Corporation is that the 'held to maturity' investment described in Notes 2(r) and 29 will need to be measured at fair value. In addition, that investment will no longer be classified as 'held to maturity'. The Corporation is not yet able to reliably estimate what the fair value of this investment will be at the date of initial application of AASB 9. The difference between the carrying amount of this investment and its initial fair value will be recognised as an adjustment to the balance of Accumulated Surplus on initial application of AASB 9. AASB 9 allows an entity to make an irrevocable election at the date of initial recognition to present in 'other comprehensive income' subsequent changes in the fair value of such an asset. Queensland Treasury and Trade is currently considering mandating this accounting treatment when AASB 9 becomes effective.

2. Summary of Significant Accounting Policies (cont'd)

(ac) New and Revised Accounting Standards (cont'd)

The Corporation will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2015-16. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2015-16 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the Corporation enters into, the most significant ongoing disclosure impacts are expected to relate to investments in equity instruments measured at fair value through other comprehensive income (e.g. the 'held to maturity' investment described in Note 2(i)) and derecognition of these.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Corporation's activities, or have no material impact on the Corporation.

	Economic Entity		Parent Entity	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
3. Grants and Other Contributions				
Government grants **	15,318	14,024	15,318	14,024
User Choice and contract arrangements	411	2,005	411	2,005
Total	**15,729**	**16,029**	**15,729**	**16,029**

** Included in revenue from grants for 2013 is a non-reciprocal grant of $13.891m from Department of Education and Training. The terms of the grant are provided to the Corporation with the expectation that 450,000 AHC will be delivered in accordance with the approved delivery plan.

AHC refers to "annual hours curriculum". This is the number of nominal training hours "allowance" to be delivered by an instructor for a student to gain a sufficient level of competency to complete each subject or competency within an overall course.

	Economic Entity 2013	Economic Entity 2012	Parent Entity 2013	Parent Entity 2012
4. User Charges				
Sale of goods	338	247	338	247
Sale of services	2,434	2,903	2,434	2,903
Total	**2,772**	**3,150**	**2,772**	**3,150**
5. Other Revenues				
Dividends	10	14	10	14
Interest	279	561	279	561
Unrealised gain/(loss) of Investments	-	-	-	-
Gain on sale of Property, Plant and Equipment	38	68	38	68
Property - residential charges, rent and hire fees	1,304	1,503	1,304	1,503
Biological assets - gains/(loss)	1,482	4,586	1,482	4,586
Other	324	144	324	144
Total	**3,437**	**6,876**	**3,437**	**6,876**

6. Employee Expenses

		Economic Entity		Parent Entity	
		2013 $'000	2012 $'000	2013 $'000	2012 $'000
Employee Benefits					
Wages and salaries		10,338	14,845	379	223
Annual leave		610	899	1	24
Employer superannuation contributions	*	1,107	1,385	6	25
Long service leave	*	109	218	-	-
Employee Related Expenses					
Workers' compensation premium	*	173	365	-	1
Payroll tax		546	858	15	12
Total		**12,883**	**18,570**	**401**	**285**

* Refer to Note 2(s).

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

	2013	2012	2013	2012
Number of full-time equivalent employees:	**140**	**170**	**1**	**1**

7. Key Executive Management Personnel and Remuneration

a) Key Executive Management Personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Corporation during 2012-13. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	**Date appointed to/resigned from position**
Executive Director	The Executive Director is responsible for the efficient, effective and economic administration of AACC.	SES 2.5	Appointed 31 January 2011, terminated 31 October 2012
Executive Director	The Executive Director is responsible for the efficient, effective and economic administration of AACC.	SES 2.5	Appointed 27 August 2012
Director Corporate Services	The Director Education and Training is responsible for the effective, efficient and economic administration of Education and Training within AACC.	SO1	Appointed 14 March 2011, terminated 21 September 2012
Director Corporate Services, Finance	The Director Corporate Services, Finance is responsible for the effective, efficient and economic administration of Financial Services within AACC.	SO1	Appointed 24 September 2012
Director Corporate Services, Human	The Director Corporate Services, Human Resources is responsible for the effective, efficient and economic administration of Human Resource Services within AACC.	SO1	Appointed 24 September 2012
Director Education and Training	The Director Education and Training is responsible for the effective, efficient and economic administration of Education and Training within AACC.	SO2	Appointed 6 September 2010, terminated 11 January 2013
Director Education and Training	The Director Education and Training is responsible for the effective, efficient and economic administration of Education and Training within AACC.	SO2	Appointed 24 January 2013, terminated 28 June 2013
Director Emerald Agricultural College	The Director Emerald Agricultural College is responsible for the effective, efficient and economic administration of Emerald Agricular College.	SO3	Appointed 6 May 2013
Director Longreach Pastoral College	The Director Longreach Pastoral College is responsible for the effective, efficient and economic administration of Longreach Pastoral College.	SO2	Appointed 4 June 2013

b) Remuneration

Remuneration policy for the Corporation's key executive management personnel is set by the Queensland Public Service Commission as provided for under the Public Service Act 2008. The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts. The contracts provide for the provision of performance-related cash bonuses and other benefits including motor vehicles.

For the 2012-13 year, remuneration of key executive management personnel increased by 2.2% in accordance with government policy.

7. Key Executive Management Personnel and Remuneration (cont'd)

Remuneration packages for key executive management personnel comprise the following components:

- Short term employee benefits which include:
  - Base - consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of
  - Non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include long service leave accrued.
- Post employment benefits include superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.
- Performance bonuses may be paid or payable annually depending upon satisfaction of key criteria. Performance payments of the key executive management are capped at 15% of total fixed remuneration. The amounts payable are tied to the achievement of pre-determined Corporation and individual performance targets as agreed by the Director-General.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

1 July 2012 – 30 June 2013

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Executive Director	82	-	-	6	369	457
Executive Director	129	-	5	16	-	150
Director Education and Training	122	-	-	14	-	136
Director Corporate Services Finance	119	-	-	13	-	132
Director Corporate Services Human Resources	95	-	-	8	-	103
Director Emerald Agricultural College	23	-	-	2	-	25
Director Longreach Agricultural College	11	-	-	1	-	12
Total	581	0	5	60	369	1,015

There were no performance bonuses paid or payable in the 2012-13 financial year.

7. Key Executive Management Personnel and Remuneration (cont'd)

1 July 2011 – 30 June 2012

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Executive Director	198	25	0	25	0	248
Director Education and Training	125	0	0	16	0	141
Director Corporate Services	110	0	0	14	0	124
Total	433	25	0	55	0	513

There were no performance bonuses paid or payable in the 2011-12 financial year.

	Economic Entity 2013 $'000	Economic Entity 2012 $'000	Parent Entity 2013 $'000	Parent Entity 2012 $'000
8. Supplies and Services				
Consultants and contractors	2,414	3,524	2,414	3,524
Computer	606	532	606	532
Transport	765	1,079	765	1,079
Building	1,226	1,281	1,226	1,281
Production	2,337	2,299	2,337	2,299
Domestic	311	503	311	503
Work performance arrangement fee and associated costs	-	-	12,481	18,285
Recruitment	111	65	111	65
Communications	417	396	417	396
Freight & Postage	55	70	55	70
Printing	64	142	64	142
Insurance	248	193	248	193
Infrastructure	299	344	299	344
Building refurbishment	21	14	21	14
Training	99	305	99	305
Other	568	1,113	569	1,113
Total	**9,541**	**11,860**	**22,023**	**30,145**
9. Depreciation and Amortisation				
Depreciation and amortisation were incurred in respect of:				
Buildings	540	750	540	750
Infrastructure	215	390	215	390
Major plant and equipment	407	577	407	577
Plant and equipment	273	343	273	343
Total	**1,435**	**2,060**	**1,435**	**2,060**
10. Finance / Borrowing Costs				
Administration charges	6	5	6	5
Total	**6**	**5**	**6**	**5**

Refer to Note 2(t) for further details.

11. Other Expenses				
External audit fees *	106	79	106	79
Bad and impaired debts	8	10	8	10
Operating lease payments	527	195	527	195
Losses from disposal of property, plant & equipment	1,413	455	1,413	455
Total	**2,054**	**739**	**2,054**	**739**

* Total audit fees paid to Queensland Audit Office relating to the 2012-13 financial statements are estimated to be $56,600 (2012: $79,000). The difference between this figure and the figure above relates to additional 2012 audit fees. There are no non-audit services included in this amount.

		Economic Entity		Parent Entity	
		2013	2012	2013	2012
		$'000	$'000	$'000	$'000
12. Cash and Cash Equivalents					
Imprest accounts		2	7	2	7
Cash at bank		6,787	1,902	6,787	1,902
Short term deposits		3,078	5,000	3,078	5,000
Total		**9,867**	**6,909**	**9,867**	**6,909**
13. Receivables					
Current					
Trade receivables		4,316	1,396	4,316	1,396
Less: Allowance for impairment loss		(13)	(13)	(13)	(13)
		4,303	1,383	4,303	1,383
GST receivable		162	138	162	138
Less: GST payable		(75)	(125)	(75)	(125)
		87	13	87	13
Grants and payments receivable		-	-	-	-
Accrued income		8,568	723	8,568	723
Accrued interest		31	43	31	43
Total		**12,989**	**2,162**	**12,989**	**2,162**
Movements in the allowance for impairment loss					
Balance at the beginning of the year		13	46	46	46
Amounts written off during the year		-	(45)	-	-
Amounts recovered during the year		-	2	-	-
Increase/decrease in allowance recognised in the operating result		0	10	-	-
Balance at the end of the year		13	13	46	46
Non-Current					
Receivables	*	39	39	39	39
Total		**39**	**39**	**39**	**39**

	Economic Entity		Parent Entity	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
14. Inventories				
Inventory held for use - at cost	28	60	28	60
Inventory held for distribution - at cost	30	42	30	42
Feedlot inventory - at cost	178	302	178	302
Total	**236**	**404**	**236**	**404**
15. Biological Assets				
Current				
Livestock	1,417	2,624	1,417	2,624
Plants	66	2,202	66	2,202
Total	1,483	4,826	1,483	4,826
Non-Current				
Livestock	2,897	2,874	2,897	2,874
Total	2,897	2,874	2,897	2,874
Total Biological Assets				
Livestock	4,314	5,498	4,314	5,498
Plants	66	2,202	66	2,202
Total	**4,380**	**7,700**	**4,380**	**7,700**

15. Biological Assets (Cont'd)

Biological Assets Reconciliation ($' 000)

Livestock	**Cattle**	**Sheep**	**Horse**	**Alpaca**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Carrying amount at 1 July 2012	3,859	740	899	1	5,499
add Purchases	51	-	-	-	51
less Decrease attributed to sales	(1,286)	(120)	(150)	-	(1,557)
less Decrease for internal use	(20)	(3)	-	-	(23)
add Births	706	54	14	-	774
less Deaths	(129)	(126)	(41)	-	(296)
add/(less) Valuation movement	39	(155)	(19)	-	(135)
Carrying amount at 30 June 2013	**3,220**	**390**	**703**	**1**	**4,313**
Total actual numbers on hand 30 June 2012	**5,917**	**8,572**	**307**	**3**	**14,799**
Total actual numbers on hand 30 June 2013	**5,841**	**7,199**	**229**	**2**	**13,271**
Movements	**(76)**	**(1,373)**	**(78)**	**(1)**	**(1,528)**

Plants	**Sugarcane * $'000**	**Crops ** $'000**	**Total $'000**
Carrying amount at 1 July 2012	1,966	236	2,202
Decrease attributed to sales	(2,428)	(690)	(3,117)
Valuation and natural increase movement	462	520	981
Carrying amount at 30 June 2013	**0**	**66**	**66**

** Crops are represented by oats, wheat, barley, mung beans, sorghum, cotton & lucerne in ground at year end, with estimated yields and market values applied.

To manage the Corporation's exposure to fluctuations in livestock valuations, management regularly monitors livestock markets across multiple locations. A detailed review of livestock carrying values against market prices is undertaken twice annually and an adjustment is made to the Corporation's biological assets as required. The improved cash position of the Corporation has reduced any imperative for the Corporation to dispose of livestock assets at adverse prices. A conscious decision has been made to reduce horse numbers as a cost management initiative.

The above note represents both consolidated and parent figures as all the assets are contained within the parent entity.

	Economic Entity		Parent Entity	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
16. Other Current Assets				
Prepayments	245	71	245	64
Total	**245**	**71**	**245**	**64**
17. Other Financial Assets				
Shares in Companies	106	106	106	106
Total	**106**	**106**	**106**	**106**

	Economic Entity		Parent Entity	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
18.(a) Property, Plant and Equipment				
Land:				
At fair value	15,330	31,120	15,330	31,120
Less: Accumulated impairments	-	(3,780)	-	(3,780)
	15,330	27,340	15,330	27,340
Buildings:				
At fair value	58,442	81,402	58,442	81,402
Less: Accumulated depreciation	(7,926)	(11,285)	(7,926)	(11,285)
Less: Accumulated impairment	-	(18,110)	-	(18,110)
	50,516	52,007	50,516	52,007
Infrastructure:				
At fair value	12,136	19,416	12,136	19,416
Less: Accumulated depreciation	(3,345)	(6,253)	(3,345)	(6,253)
Less: Accumulated impairment	(26)	(3,559)	(26)	(3,559)
	8,765	9,604	8,765	9,604
Major Plant and Equipment:				
At fair value	9,382	13,869	9,382	13,869
Less: Accumulated depreciation	(6,382)	(7,453)	(6,382)	(7,453)
	3,000	6,416	3,000	6,416
Plant and equipment:				
At cost	7,801	9,453	7,801	9,453
Less: Accumulated depreciation	(6,490)	(7,815)	(6,490)	(7,815)
	1,311	1,638	1,311	1,638
Work in progress:				
At cost Work in progress	653	-	653	-
	653	-	653	-
Total	**79,575**	**97,005**	**79,575**	**97,005**

Land , buildings, infrastructure, and major plant and equipment were last valued as at 30 June 2011 by APV Valuers and Asset Management based on "fair value" principles in accordance with AASB 116.

The values for land and buildings will be indexed annually to ensure such value materially reflect fair value as at each reporting date. Management has judged that the valuations of major plant and equipment continue to materially represent fair value as at 30 June 2013.

Plant and equipment is valued at cost in accordance with Queensland Treasury's Non-Current Asset Accounting Policies for the Queensland Public Sector.

The above note represents both consolidated and parent figures as all the assets are contained within the parent entity.

18.(a) Property, Plant and Equipment (cont'd)

Property, Plant and Equipment Reconciliation

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current reporting period.

	Land		Buildings		Infrastructure		Major Plant and Equipment		Plant and Equipment		Work In Progress		Total	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Carrying amount at 1 July	27,340	15,330	52,007	50,970	9,604	8,446	6,415	6,473	1,638	1,788	-	-	97,004	83,007
Reinstated assets from prior years														
Acquisitions	-	-	12	634	-	-	50	69	72	279	653	-	787	983
Disposals	(15,790)	-	(1,057)	-	(598)	-	(962)	(207)	(126)	(99)	-	-	(18,533)	(306)
Transfers between classes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments (decrements)	-	-	-	(1,573)	-	2,009	-	759	-	-	-	-	-	1,195
Transfers (to)/from assets held for sale or for distribution to owners	-	15,790	-	20,836	-	3,098	(464)	(102)	-	13	-	-	(464)	39,635
Depreciation	-	-	(540)	(750)	(215)	(390)	(407)	(577)	(273)	(343)	-	-	(1,435)	(2,060)
Impairment	-	(3,780)	-	(18,110)	(50)	(3,559)	-	-	-	-	-	-	(50)	(25,449)
Impairment reversal	3,780	-	94	-	24	-	(1,632)	-	-	-	-	-	2,266	-
Carrying amount at 30 June	**15,330**	**27,340**	**50,516**	**52,007**	**8,765**	**9,604**	**3,000**	**6,415**	**1,311**	**1,638**	**653**	**-**	**79,575**	**97,005**

The above note represents both consolidated and parent figures as all the assets are contained with the parent entity.

18.(b) Non-Current Assets Classified as Held for Sale or Distribution to Owners

Reconciliations of the carrying amounts of each class of Non-Current Property, Plant and Equipment at the beginning and end of the current reporting period.

Non-Current Assets Classified as Held for Sale *

Location	Property Description	Land 2013 $'000	Land 2012 $'000	Buildings 2013 $'000	Buildings 2012 $'000	Infrastructure 2013 $'000	Infrastructure 2012 $'000	P&E 2013 $'000	P&E 2012 $'000	Total 2013 $'000	Total 2012 $'000
Carrying amount at 1 July		-	15,087	(482)	650	(2,154)	2,573	(37)	37	(2,673)	18,347
Transfers from (to) Property Plant and Equipment											
Dalby	"Gosdens"	-	-	-	-	-	-	-	(27)	-	(27)
Dalby	"Beckers"	-	-	-	-	-	-	-	(8)	-	(8)
Dalby	"Railway"	-	-	-	-	-	-	-	-	-	-
Burdekin	Cane Farm	-	(8,680)	-	(222)	-	(2,082)	-	(2)	-	(10,986)
Burdekin	Beckers Station	-	(3,380)	-	(260)	-	(72)	-	-	-	(3,712)
		-	(12,060)	-	(482)	-	(2,154)	-	(37)	-	(14,733)
Less: Disposals											
Dalby	"Gosdens"	-	(1,746)	-	(107)	-	(410)	-	-	-	(2,263)
Dalby	"Beckers"	-	(921)	-	(61)	-	(9)	-	-	-	(991)
Dalby	"Railway"	-	(360)	-	-	-	-	-	-	-	(360)
		-	(3,027)	-	(168)	-	(419)	-	-	-	(3,614)
Carrying Amount at 30 June		-	-	-	-	-	-	-	-	-	-

Reconciliations of the carrying amounts of each class of Non-Current Property, Plant and Equipment at the beginning and end of the current reporting period.

Non-Current Assets Classified as Held for Distribution to Owners **

Location	Property Description	Land 2013 $'000	Land 2012 $'000	Buildings 2013 $'000	Buildings 2012 $'000	Infrastructure 2013 $'000	Infrastructure 2012 $'000	P&E 2013 $'000	P&E 2012 $'000	Total 2013 $'000	Total 2012 $'000
Carrying amount at 1 July		-	5,955	-	38,117	-	6,434	-	29	-	50,535
Transfers from (to) Property Plant and Equipment											
Dalby	Campus	-	-	-	-	-	-	-	-	-	-
Burdekin	Campus	-	(3,730)	-	(18,809)	-	(2,358)	-	-	-	(24,897)
Mareeba	Campus	-	-	-	-	-	(225)	-	(29)	-	(254)
		-	(3,730)	-	(18,809)	-	(2,583)	-	(29)	-	(25,151)
Less: Disposals											
Dalby	Campus	-	(2,225)	-	(19,308)	-	(3,851)	-	-	-	(25,384)
Carrying Amount at 30 June		-	-	-	-	-	-	-	-	-	-

* As part of the Corporation's disinvestment process under its "Reconnecting Agricultural Education" strategy, these properties were identified as no longer relevant to the delivery of skills and training required to reconnect with the needs of modern agribusiness. Of these properties, those at Dalby were sold in July 2011 and sale of the remaining Burdekin properties were expected to be completed in early 2012. Sale of Burdekin properties did not eventuate. These assets were subsequently reclaimed as Property, Plant and Equipment. The Burdekin properties were sold in June 2013.

**In 2011, as part of the Corporation's disinvestment process under its "Reconnecting Agricultural Education" strategy, these properties were identified as no longer relevant to the delivery of skills and training required to reconnect with the needs of modern agricultural industry and were classified as being available for distribution to owners. In 2012, a review of these assets determined that they no longer met the criteria necessary for classification as being for distribution to owners and were reclassified as Property Plant & Equipment.

	Economic Entity		Parent Entity	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
19. Payables				
Current				
Trade creditors	462	797	462	797
Other payables	719	779	2,847	3,289
Total	**1,181**	**1,576**	**3,309**	**4,086**
20. Accrued Employee Benefits				
Current				
Recreation and long service leave	1,580	1,812	-	27
Accrued salaries and wages	133	86	-	6
Total	**1,713**	**1,898**	**-**	**33**
Non-current				
Recreation and long service leave	415	652	-	-
Total	**415**	**652**	**-**	**-**

The yield rates used to calculate the present value of non current long service leave are based on Reserve Bank of Australia ten year bond rates and range between 4.78% and 5.75%.

21. Other Current Liabilities

	Economic Entity 2013 $'000	Economic Entity 2012 $'000	Parent Entity 2013 $'000	Parent Entity 2012 $'000
Current				
Unearned revenue grants	-	7	-	7
Refundable Bonds	8	71	8	71
Special Purpose Funds	221	213	221	213
Total	**229**	**291**	**229**	**291**

22. Asset Revaluation Surplus by Class

	Land $'000	Buildings $'000	Infrastructure $'000	Major Plant & Equipment $'000	Total $'000
Balance at 1 July 2012	25,193	62,690	7,685	16,406	111,975
Revaluation increments	55	-	-	-	55
Impairment	-	-	(58)	(1,632)	(1,689)
Balance at 30 June 2013	**25,248**	**62,690**	**7,627**	**14,775**	**110,341**

	Land $'000	Buildings $'000	Infrastructure $'000	Major Plant & Equipment $'000	Total $'000
Balance at 1 July 2011	27,814	80,786	11,223	16,406	136,230
Revaluation increments	1,159	14	21	-	1,194
Impairment	(3,780)	(18,110)	(3,559)	-	(25,449)
Balance at 30 June 2012	**25,193**	**62,690**	**7,685**	**16,406**	**111,975**

The asset revaluation reserve represents the net effect of upwards and downwards revaluations of assets to fair value.

The above note represents both consolidated and parent figures as all the revalued assets are contained within the parent entity.

23. Reconciliation of Operating Loss from Continuing operations to Net Cash from Operating Activities

	Economic Entity		Parent Entity	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Operating loss from continuing operations	(3,981)	(7,187)	(3,981)	(7,181)
Depreciation and amortisation expense	1,435	2,060	1,435	2,060
Impairment or doubtful debts	8	-	8	-
Non-cash transfer of assets	464	-	464	-
Loss/(Gain) on sale of property, plant and equipment	1,414	455	1,414	455
Changes in assets and liabilities:				
(Increase)/decrease in receivables	289	(635)	289	(633)
Decrease in inventories	168	332	168	332
(Increase)/decrease in prepayments	(174)	48	(174)	(6)
(Increase)/decrease in biological assets	3,323	-	3,323	-
(Decrease) in accounts payable	(396)	(133)	(396)	(926)
(Decrease) in accrued employee benefits	(422)	(833)	(422)	6
Increase/(decrease) in unearned revenue	(62)	25	(62)	25
Net cash provided by (used in) operating activities	**2,066**	**(5,868)**	**2,066**	**(5,868)**

24. Non-Cash Financing and Investing Activities

There were no non-cash financial and investing activities at reporting date.

25. Commitments for Expenditure

(a) ***Non-cancellable operating lease commitments***

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

	Economic Entity 2013	Economic Entity 2012	Parent Entity 2013	Parent Entity 2012
Not later than one year	-	124	-	124
Later than one year and not later than five years	-	122	-	122
	-	246	-	246

Operating leases are entered into as a means of acquiring access to training and production related farm equipment. Leasing arrangement were with John Deere Credit and payments are fixed. Some of the leases have optional buy out payments at the end of the operational lease and these have been treated as a contingency.

26. Events Occurring after Balance Date

There has not been any matter or circumstance other than that referred to in the financial statements that has arisen since the end of the reporting period that has significantly affected, or may significantly affect, the operations of the Corporation, the results of those operations, or the state of affairs of the Corporation in future reporting periods.

27. Financial Instruments

(a) *Categorisation of Financial Instruments*

The Corporation has the following categories of financial assets and financial liabilities:

Category	Note	Economic Entity 2013 $'000	Economic Entity 2012 $'000	Parent Entity 2013 $'000	Parent Entity 2012 $'000
Financial Assets					
Cash and cash equivalents	12	9,867	6,909	9,867	6,909
Other financial assets	17	106	106	106	106
Receivables	13	12,989	2,162	12,989	2,162
Total		**22,962**	**9,177**	**22,962**	**9,177**
Financial Liabilities					
Payables	19	1,181	1,576	3,309	4,086
Other financial liabilities - lease liability	25	-	246	-	246
Total		**1,181**	**1,822**	**3,309**	**4,332**

(b) *Financial Risk Management*

AACC's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Government and AACC policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Corporation.

All financial risk is managed by the Accounting and Reporting Division under policies approved by the Corporation. The Corporation provides written principles for overall risk management, as well as policies covering specific areas.

The Corporation measures risk exposure using a variety of methods as follows -

Risk Exposure	Measurement method
Credit Risk	Ageing analysis
Liquidity Risk	Sensitivity analysis
Market Risk	Interest rate sensitivity analysis

27. Financial Instruments (cont'd)

(c) Credit Risk Exposure

Credit risk exposure refers to the situation where the Corporation may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment.

The following table represents the Corporation's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum Exposure to Credit Risk

Category		Economic Entity 2013 $'000	Economic Entity 2012 $'000	Parent Entity 2013 $'000	Parent Entity 2012 $'000
Cash	12	9,867	6,909	9,867	6,909
Receivables	13	12,989	2,162	12,989	2,162
Total		**22,856**	**9,071**	**22,856**	**9,071**

No collateral is held as security and no credit enhancements relate to financial assets held by the Corporation.

The Corporation manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Corporation invests in secure assets, and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any allowance for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit standings. The main factor affecting the current calculation for provisions analysis assessment is historic experience.

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

27. Financial Instruments (cont'd)

(c) Credit Risk Exposure (cont'd)

Aging of past due but not impaired financial assets are disclosed in the following tables:

2013 Financial Assets Past Due But Not Impaired

	Contractual Repricing/Maturity date:				
			Overdue		
	Less than 30 Days $'000	30-60 Days $'000	61-90 Days $'000	More than 90 Days $'000	Total $'000
Financial Assets					
Receivables	556	132	19	155	862
Total	**556**	**132**	**19**	**155**	**862**

2012 Financial Assets Past Due But Not Impaired

	Contractual Repricing/Maturity date:				
			Overdue		
	Less than 30 Days $'000	30-60 Days $'000	61-90 Days $'000	More than 90 Days $'000	Total $'000
Financial Assets					
Receivables	821	225	-	393	1,439
Total	**821**	**225**	**-**	**393**	**1,439**

(d) Liquidity Risk

Liquidity risk refers to the situation where the Corporation may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Corporation is exposed to liquidity risk in respect of its payables. The Corporation does not have any borrowings as at 30 June 2013.

The Corporation manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Corporation has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

27. Financial Instruments (cont'd)

(d) Liquidity Risk (cont'd)

The following table sets out the liquidity risk of financial liabilities held by the Corporation. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that are based on discounted cash flows.

		2013 Payables in			Total
		<1year	1-5 years	>5 years	
Financial Liabilities	Note	$'000	$'000	$'000	$'000
Payables	19	1,181	-	-	1,181
Total		**1,181**	**-**	**-**	**1,181**

		2012 Payables in			Total
		<1year	1-5 years	>5 years	
Financial Liabilities	Note	$'000	$'000	$'000	$'000
Payables	19	1,576	-	-	1,576
Total		**1,576**	**-**	**-**	**1,576**

(e) Market Risk

The Corporation does not trade in foreign currency. The Corporation is exposed to interest rate risk through its cash deposited in interest bearing accounts. The Corporation does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity management strategy articulated in the Corporation's Financial Management Practices Manual. The Corporation is exposed to biological asset price changes.

To manage the Corporation's exposure to fluctuations in livestock valuations, management regularly monitors livestock markets across multiple locations. A detailed review of livestock carrying values against market prices is undertaken twice annually and an adjustment is made to the Corporation's biological assets as required. The improved cash position of the Corporation has reduced any imperative for the Corporation to dispose of livestock assets at adverse prices. A conscious decision has been made to reduce horse numbers as a cost management initiative.

27. Financial Instruments (cont'd)

(f) Interest Rate Sensitivity Analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss if interest rates would change by +/-1% from the year-end rates applicable to the Corporation's financial assets and liabilities. With all other variables held constant, the Corporation would have a surplus and equity increase/(decrease) of $99,000 (2012: $69,000). This is mainly attributable to the Corporation's exposure to variable interest rates on its cash at bank.

		2013 Interest rate risk			
		-1%		+ 1%	
Financial Instruments	Carrying Amount	Profit	Equity	Profit	Equity
Cash	9,867	(99)	(99)	99	99
Overall effect on profit and equity		(99)	(99)	99	99

The Board's sensitivity to interest has remained stable in the current period.

		2012 Interest rate risk			
		- 1 %		+ 1%	
Financial Instruments	Carrying Amount	Profit	Equity	Profit	Equity
Cash	6,909	(69)	(69)	69	69
Overall effect on profit and equity		(69)	(69)	69	69

(g) Fair Value

The Corporation recognises that fair values of financial assets and liabilities are classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements:

Level 1 - fair values that reflect unadjusted quoted prices in active markets for identical assets/liabilities

Level 2 - fair values that are based on inputs that are directly or indirectly observable for the asset/liability (other than unadjusted quoted prices); and

Level 3 - fair values that are derived from data not observable in a market.

27. Financial Instruments (cont'd)

(g) Fair Value (cont'd)

According to the above hierarchy, the fair values of each class of asset/liability recognised at fair value are as follows:

Class	Classification according to fair value hierarchy Level 1 $'000	Level 2 $'000	Level 3 $'000	2013 Total Carrying Amount $'000
Financial Assets				
Shares at fair value	106	-	-	106
Total	106	-	-	106

Class	Classification according to fair value hierarchy Level 1 $'000	Level 2 $'000	Level 3 $'000	2012 Total Carrying Amount $'000
Financial Assets				
Shares at fair value	106	-	-	106
Total	106	-	-	106

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

28. Trust Transactions and Balances

Prior to amalgamation, the former colleges acted as trustee and manager of a number of trusts and special purpose activities either established by benefactors or by informal student bodies. In all cases the funds were held or raised to meet training and student objectives.

Prior to 2006-2007 these funds were held in a number of different bank accounts and administered in a number of different ways. During 2006-2007 these funding arrangements were reviewed and the funds transferred to the Corporations' main bank account.

The liability for these funds is recognised in the financial statements at Note 21 as special purpose funds. These funds remain managed outside the normal operations of the Corporation.

Student funds held as refundable bonds are reported and managed in the same way and the liability is reported at Note 21.

AUSTRALIAN AGRICULTURAL COLLEGE CORPORATION

CERTIFICATE OF THE AUSTRALIAN AGRICULTURAL COLLEGE CORPORATION

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

(a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects: and

(b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Australian Agricultural College Corporation for the financial year ended 30 June 2013 and of the financial position of the entity at the end of that year.

BRENT KINNANE
EXECUTIVE DIRECTOR
Australian Agricultural College Corporation

Date: 30/8/2013

JACK NOYE
CHIEF EXECUTIVE OFFICER
Australian Agricultural College Corporation

Date: 2/9/13

INDEPENDENT AUDITOR'S REPORT

To the Executive Director of Australian Agricultural College Corporation

Report on the Financial Report

I have audited the accompanying financial report of Australian Agricultural College Corporation, which comprises the statements of financial position as at 30 June 2013, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Executive Director and Chief Executive of the entity and the consolidated entity comprising the Corporation and the entities it controlled at the year's end or from time to time during the financial year.

The Executive Director's Responsibility for the Financial Report

The Executive Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Executive Director's responsibility also includes such internal control as the Executive Director determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards,* which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is 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 procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Director, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

   (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

   (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of Australian Agricultural College Corporation and the consolidated entity for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

QUEENSLAND
3 SEP 2013
AUDIT OFFICE

C F DOUGHERTY CPA
as Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane

Compliance Checklist

Summary of requirement		Basis for requirement	Annual Report reference
Letter of compliance	• **A letter of compliance from the accountable officer or statutory body to the relevant Minister**	ARRs – section 8	Page 1
Accessibility	• **Table of contents** • **Glossary**	ARRs – section 10.1	Page i
	• **Public availability**	ARRs – section 10.2	Inside front cover
	• **Interpreter service statement**	*Queensland Government Language Services Policy* ARRs – section 10.3	Inside front cover
	• **Copyright notice**	*Copyright Act 1968* ARRs – section 10.4	Inside front cover
	• **Information licensing**	*Queensland Government Enterprise Architecture – Information licensing* ARRs – section 10.5	Inside front cover
General information	• **Introductory Information**	ARRs – section 11.1	Page 4
	• **Agency role and main functions**	ARRs – section 11.2	Page 6
	• **Operating environment**	ARRs – section 11.3	Page 3
	• **Machinery of Government changes**	ARRs – section 11.4	N/A
Non-financial performance	• **Government objectives for the community**	ARRs – section 12.1	N/A
	• **Other whole-of-government plans / specific initiatives**	ARRs – section 12.2	N/A
	• **Agency objectives and performance indicators**	ARRs – section 12.3	Page 6
	• **Agency service areas, service standards and other measures**	ARRs – section 12.4	Page 11
Financial performance	• **Summary of financial performance**	ARRs – section 13.1	Page 20
	• **Chief Finance Officer (CFO) statement**	ARRs – section 13.2	N/A
Governance – management and structure	• **Organisational structure**	ARRs – section 14.1	Page 13
	• **Executive management**	ARRs – section 14.2	Page 13
	• **Related entities**	ARRs – section 14.3	N/A
	• **Boards and committees**	ARRs – section 14.4	Page 14

Summary of requirement		Basis for requirement	Annual Report reference
	• ***Public Sector Ethics Act 1994***	*Public Sector Ethics Act 1994* (section 23 and Schedule) ARRs – section 14.5	Page 14
Governance – risk management and accountability	• **Risk management**	ARRs – section 15.1	Page 15
	• **External Scrutiny**	ARRs – section 15.2	Page 11
	• **Audit committee**	ARRs – section 15.3	N/A
	• **Internal Audit**	ARRs – section 15.4	Page 11
	• **Public Sector Renewal Program**	ARRs – section 15.5	N/A
	• **Information systems and recordkeeping**	ARRs – section 15.7	Page 18
Governance – human resources	• **Workforce planning, attraction and retention and performance**	ARRs – section 16.1	Page 18
	• **Early retirement, redundancy and retrenchment**	Directive No.11/12 *Early Retirement, Redundancy and Retrenchment* ARRs – section 16.2	Page 17
	• **Voluntary Separation Program**	ARRs – section 16.3	Page 17
Open Data	• **Open Data**	ARRs – section 17	Page 11
Financial statements	• **Certification of financial statements**	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	Page 70
	• **Independent Auditors Report**	FAA – section 62 FPMS – section 50 ARRs – section 18.2	Page 71
	• **Remuneration disclosures**	*Financial Reporting Requirements for Queensland Government Agencies* ARRs – section 18.3	Page 49

FAA - *Financial Accountability Act 2009* FPMS - *Financial and Performance Management Standard 2009*

ARRs - *Annual Report Requirements for Queensland Government agencies*

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2012–13 **Annual Report**
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