

2014

**ANNUAL
REPORT**

2015



**Queensland
Government**

This Annual Report and other documents outlining the organisation's strategy and objectives can be accessed on our website, www.qatc.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



Queensland Agricultural
Training Colleges

PO Box 1268
Building 8117
University of Queensland
Warrego Highway
Gatton QLD 4343

27 August 2015

Hon Bill Byrne MP
Minister for Agriculture and Fisheries
GPO Box 46
BRISBANE QLD 4001

Dear Minister,

I am pleased to present the Annual Report 2014-2015 and financial statements for Queensland Agricultural Training Colleges.

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 reporting requirements can be found at page 103 of this annual report or accessed at www.qatc.edu.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Hugh Rose".

Hugh Rose
Chair – Governing Board
Queensland Agricultural Training Colleges

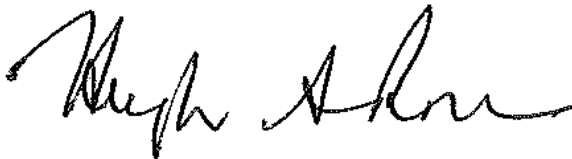
Chairperson's report

Queensland Agricultural Training Colleges commenced operations on 1 July 2014 when the *Queensland Agricultural Training Colleges Act 2005* was enacted to change the former Australian Agricultural College Corporation into a statutory authority. The focus of the change was to improve the governance of the organisation. The introduction of Local Boards was intended to guide local decision making to ensure that the future of residential rural training programs aligned with the needs of industry in Queensland.

Emerald Agricultural College and Longreach Pastoral College both deliver a variety of courses to equip today's students for tomorrow's industry challenges in the areas of livestock production, farm and agribusiness management, horsemanship, cropping, and sheep and wool production. A third brand Rural Training Queensland, combines online flexible delivery with intensive practical face-to-face training to deliver industry-relevant courses across regional Queensland.

The agricultural industry is focused on ensuring that their employees are equipped with high-level practical skills that can be applied to its workplaces. Agricultural training cannot be solely classroom based or online delivery and meet industry expectations. Unfortunately, the shortage of labour in the industry often leads to the engagement of employees who are under skilled which subsequently increases risk for employers. The organisation is uniquely placed in the agricultural training industry, providing students with access to real production facilities, offering real life training in a safe and practical environment to address these issues. A focus from rural industries to prioritise their recruitment activities towards engaging skilled and trained employees provides a unique opportunity for our organisation.

2015-16 and beyond will continue to be challenging, with continued increase in competition and a drive towards more economical training models. The Board has developed a strategic plan for the next 4 years. A focus on delivering products that meet client expectations will lead to a more sustainable business model. Upskilling our instructors and staff to deliver these new products and the development of partnerships with other training providers, industry and local communities are a key ingredient to our future success.



Hugh Rose

Queensland Agricultural Training Colleges
Chair – Governing Board

Principal Executive Officer's report

This annual report covers the full 2014-15 financial year reporting for the Queensland Agricultural Training Colleges including the training divisions of Emerald Agricultural College, Longreach Pastoral College and Rural Training Queensland.

During the reporting year, there was a change of government and therefore, a change of ministerial responsibilities. The Honourable Bill Byrne has been the Minister for Agriculture and Fisheries since 16 February 2015. During this change, Queensland Agricultural Training Colleges remained committed to achieving its purpose of improving the economic prosperity and sustainability of rural and related industries and communities by improving the knowledge and skills of its existing and future workforce.

The introduction of the *Queensland Agricultural Training Colleges Act 2005*, saw the organisation move from a Corporation Sole to a Statutory Authority on 1 July 2014. This legislation was the focus of a significant change program within the organisation. The appointment of a Governing Board was a significant milestone in ensuring the new organisation becomes responsive to and supported by industry.

The 2014-15 financial result was a deficit of \$1.5 million against a budgeted deficit of \$1.7 million. Earnable training revenues were \$4.7 million up from \$4.6 million last year. The increasing competitiveness for government-funded training via the Certificate III Guarantee has seen revenues from subsidised training decrease from \$2.2 million to \$1.7 million. However, revenues from training offered on a full fee paying basis have increased from \$988 000 in 2013-14 to \$1.3 million in 2014-15 indicating that some necessary transitions in the business, due to government funding arrangements, has been made. Pleasingly, there has been increased uptake of product offerings at the Diploma and Advanced Diploma level.

The number of students and the number of competencies enrolled in during 2014-15 declined from previous years across Queensland Agricultural Training Colleges. The decline was driven mainly by the reduction in residential training delivered at Emerald Agricultural College and the impacts of the increase in competition in the industry training market serviced by Rural Training Queensland.

New residential programs were introduced in January 2015 at Longreach and Emerald. The development of a combined Certificate III / Diploma program at both colleges was a result of Local Board direction into the training products offered at the colleges. The year 11 / 12 Pathways to Agricultural Careers and Education Program commenced at Longreach and has been approved by Department Education and Training to continue the trial for the 2016 intake to better determine student demand. A unique program with nine (9) northern Australia beef producers has seen the development of a tailored program that meets the needs of employers and supports job outcomes for the students. Full year marketing campaigns are expected to result in an increase in student numbers for 2016.

Surplus land at Longreach was sold to the Australian Stockmen's Hall of Fame, and provides them with long-term options that secure access, water easement and buffer zones for their entertainment activities. Manningham Station was transferred to the Department of Agriculture and Fisheries for disposal. Ongoing drought conditions at Longreach have had significant impacts on livestock production, however the college has used the opportunity to increase its water capacity at Rosebank Station with significant excavation works to existing dams. The purchase of a centre pivot irrigator gives students access to modern irrigation equipment and also increase fodder production resulting in some mitigation of drought conditions.

Longreach Pastoral College and Emerald Agricultural College students have continued to reconnect with local show societies enhancing the college brands within the local community. This year in particular, the students supported Beef 2015 and the Paradise Lagoons Campdraft as volunteers.

Over the past year, significant compliance works have continued to be the focus of the capital works program at the two residential colleges with upgrades to fire suppressant systems, electrical infrastructure and sewerage systems. In addition, the capital works program has upgraded IT cabling, trialled mobile devices for instructors and upgraded Berrigurra student accommodation and kitchen facilities.

The national regulator Australian Skills Quality Authority audited Queensland Agricultural Training Colleges during the year for the purpose of re-registration. All identified non-compliances were addressed in accordance with their requirements and the Registered Training Organisation certification is in place until 30 June 2020.

We are looking forward to the future and expansion of Queensland Agricultural Training Colleges' training profile. Partnerships with peak bodies, industry, universities and other vocational education and training providers are key to its future success. A joint offering with CQUniversity in 2016 for the delivery of the Bachelor of Agriculture program is an exciting development and an example of the confidence that is being generated in Queensland Agricultural Training Colleges.



Brent Kinnane
Principal Executive Officer
Queensland Agricultural Training Colleges

General information

Introductory information

Queensland Agricultural Training Colleges operates under the *Queensland Agricultural Training Colleges Act 2005* and reports to the Minister for Agriculture and Fisheries.

Agency role and main functions

Queensland Agricultural Training Colleges delivers practical, skills-based training to rural industries, regional communities and regional urban centres throughout Queensland.

Our Vision

To be the leading provider and facilitator of industry relevant education and training.

Our Purpose

To improve the economic prosperity and sustainability of rural and related industries and communities by improving the knowledge and skills of its existing and future workforce.

Queensland Agricultural Training Colleges has three training brands including:

- Emerald Agricultural College has been delivering industry accredited and endorsed training for over 40 years. It is a purpose built facility for training in beef cattle production and cropping. Students gain hands on experience in cattle production, cattle health and nutrition, at the college's 9 300 ha property Berrigurra and also at Narayen via Mundubbera. They contribute to the daily operations of the breeding and finishing enterprise as well as learning horsemanship through mustering and drafting and business management practices.

Practical training takes place within the College's commercial operations, within the AusMeat accredited feedlot, feed mixing shed, outdoor and undercover horse arenas, vet crush, shoeing bay, farm engineering workshops or on the irrigated farming area.

- Longreach Pastoral College is a practical outback rural training facility. For nearly 50 years, the College has been delivering industry endorsed and recognised training in arid zone livestock, horse breeding, shearing and wool handling. The College is home to a sheep, horse and cattle stud, ensuring students receive hands-on experience across a variety of pastoral industries, giving them every chance of success in their careers both now and into the future.

Longreach Pastoral College has a number of studs registered under El Pascol prefix. Studs include:

- Australian Stock Horse and Quarter Horse Studs
- Santa Gertrudis Cattle Stud
- Poll Merino Sheep Stud.

College property, Rosebank Station immediately adjoining the main campus is a full scale production enterprise where students have the opportunity to practice their skills:

- chainsawing, fencing and station improvements
- grader driving
- maintain water supplies
- mustering and livestock handling
- pest management
- shearing shed skills
- sheep crutching and shearing
- sheep and beef cattle husbandry
- wool handling and classing.

- Rural Training Queensland is a new brand on the rural training landscape, delivering industry endorsed practical training across Queensland and other areas of Australia for primary production industries and regional communities. Rural Training Queensland training complements the rural training offered by the iconic agricultural colleges at Longreach and Emerald, delivering short course skills set training as well as Certificate and Diploma accredited courses, including to trainees, apprentices, and school based learners.

Rural Training Queensland delivers training to industry and individuals, and has many opportunities to be flexible in 'where' and 'how' they provide training outcomes to best suit students. Many of the people who train with Rural Training Queensland work full time in agriculture, or are still studying for their secondary school qualification.

Geographic spread, delivery methods and specialisations

Region	Delivery Method / Mode	Specialisation
Emerald	External Diploma On farm/industry based Residential Traineeships/apprenticeships Vocational Educational and Training in schools	Broadacre Cropping, Agriculture Beef Production, Feed Lotting, Equine education and breeding Agribusiness, Irrigation, Skills sets and short courses, TASTE PACE
Longreach	On farm/industry based Residential Traineeships/apprenticeships VET in schools	Beef Production, Sheep & Wool, Equine education and breeding, Skills sets and short courses, TASTE PACE
Burdekin	On farm/industry based Online delivery Recognition of prior learning School based Traineeships/apprenticeships	Conservation and Land Management, Agriculture, Sugar Milling, Animal Studies, Veterinary Nursing, Meat Processing, Horticulture, Rural Operations, Skills sets and short courses
Darling Downs	On farm/industry based Recognition of prior learning School based Traineeships/apprenticeships	Agriculture, Rural Operations, Skills Sets and short courses
Far North Queensland	On farm/industry based Traineeships/apprenticeships Recognition of prior learning School based	Conservation and Land Management, Horticulture, Rural Operations, Skills Sets and short courses
Lockyer Valley	On farm/industry based Online delivery Recognition of prior learning School based Traineeships/apprenticeships	Horticulture, Agriculture, Conservation Land Management and Production Horticulture, Agribusiness, Rural Operations, Skills sets and short courses
Mackay	On farm/industry based Recognition of prior learning School based Traineeships/apprenticeships	Livestock, Sugar, Community facilitation, Rural Operations, Skills sets and short courses
Wide Bay Burnett	On farm/industry based Recognition of prior learning School based Traineeships/apprenticeships	Sugar, Production Horticulture, Farm Engineering, Agriculture, Rural Operations, Skills sets and short courses

Principal place of business and regional bases

*Queensland Agricultural Training Colleges
– corporate office*

*Building 8117, University of
Queensland, Warrego Highway
Gatton Qld 4343*

Emerald Agricultural College

*26274 Capricorn Highway
Emerald Qld 4720*

*Berrigurra Station
613 Yackam Road
Blackwater Qld 4717*

*Narayen Station
4078 Hawkwood Road
Mundubbera Qld 4626*

Longreach Pastoral College

*10311 Landsborough Highway
Longreach Qld 4730*

*Rosebank Station
Longreach Qld 4730*

Rural Training Queensland

*Ayr Training Centre
126 Giddy Road
Ayr Qld 4807*

*Bundaberg Training Centre
49 Ashfield Road
Kalkie Qld 4670*

*Dalby Training Centre
463 Bunya Highway
Dalby Qld 4405*

*Mackay Training Centre
120 Wood Street
Mackay Qld 4740*

*Walkamin Training Centre
10 Morganbury Road
Walkamin Qld 4872*

Operating environment

Agriculture is part of the Queensland way of life and represents a vital component of the economy. Agriculture's future in Queensland has a positive outlook with growth opportunities within our Asian neighbours and other overseas markets. However, primary producers face daily challenges in their business, from weather, workforce labour constraints, dealing with pestilence, market imperfections – all while trying to simultaneously plan for a viable future.

Queensland's agriculture and fisheries industries contributed \$14.7 billion to the State's economy in 2013-14. The industry has growing opportunities in the Asian markets.

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 ensure relevance and currency of training. There is a strong focus on renewing the training provided at the residential colleges and ensuring they remain sustainable.

The organisation consists of three training business units. Emerald Agricultural College, Longreach Pastoral College and Rural Training Queensland each provide training across the state using industry based training models, with both colleges focus on the key areas of speciality around intensive livestock production, cropping and pastoral production activities. The focus on college residential training of young people remains, however the wider organisation also incorporates flexible delivery models, short courses and industry relevant courses through Rural Training Queensland.

The organisation has an important role in assisting in the implementation of industries' workforce development plans to address the skilled workforce needs of a modern and progressive agriculture sector. In a future that will have greater contestability for training funding, Queensland Agricultural Training Colleges is positioning itself to be a centre of excellence in rural training.

Queensland Government focus on contestability in the Vocation Education and Training market is a key factor that is driving the business towards becoming commercially viable. The increase in competition is impacting prices in the market and Queensland Agricultural Training Colleges is positioning itself as a provider of valued real and practical training, which will result in more productive workers and better outcomes for industry.

Enhanced agricultural productivity and growth will be achieved by having a trained and skilled agriculture focused workforce who live and work in rural Queensland.

Machinery of government changes

Queensland Agricultural Training Colleges has not been impacted by any Machinery of Government changes during 2014-15.

Non-financial performance

Government's objectives for the community

With the change of government in February 2015, Queensland Agricultural Training Colleges has focused its efforts on implementing the incoming government's objectives for the community. Among other objectives, the government is committed to achieving better educational and training outcomes and increasing workforce participation.

Queensland Agricultural Training Colleges key objective to improve the economic prosperity and sustainability of rural and related industries and communities by improving the knowledge and skills of its existing and future workforce. The organisation is focused on delivery of industry relevant course and training programs that provide better training outcomes for students. The Northern Beef Industry Program developed in consultation with nine northern Australia beef companies is an example of training programs that ensure students are ready for work when they graduate from the college.

The Queensland Government is focused on increasing the participation of women on Government Boards. During 2014-2015 a number of Board and Local Board positions were vacated. An active approach was taken to encourage women in the agriculture industry to apply. Of the four replacement Board members recommended to various Boards, three include recommendations for women to be placed in the role.

Other whole-of-government plans/specific initiatives

The Australian Labor Party's 2015 Food and Fibre Election Policies highlight that the Government will "*examine new partnership arrangements between the Agriculture (sic) Training Colleges of Longreach and Emerald, with local universities for delivering skill-based training for the agriculture sector.*"

Queensland Agricultural Training Colleges and Central Queensland University have negotiated a Memorandum of Understanding, to be signed in July 2015.

Queensland Agricultural Training Colleges is keen to continue to develop relationships with Central Queensland University to enhance agricultural education and training in central and western Queensland. Both agricultural colleges at Emerald and Longreach have facilities suitable for vocational training, higher education programs and agricultural research.

Central Queensland University has a 125 year history of delivering vocational education and training, and higher education to regional Queensland. They have stated they are committed to becoming known as the best educational and research agricultural institution in Australia.

The objective of the Memorandum of Understanding states that both parties wish to work together in a mutually beneficial way to promote training and research programs relevant for agriculture, rural and related industries.

Agency objectives and performance indicators

Objective	Achievements 2014 - 2015
<p>Staff - Attract, develop and retain highly engaged and diversely qualified professional staff.</p>	<ul style="list-style-type: none"> • All instructors completed mandatory upskilling in training, assessor and education. • Increase in number of applicants for the majority of advertised positions. • Finalised award harmonisation through the making of a modern award – Queensland Agricultural Colleges Award – State 2014 (MA/2014/111). • Certification Queensland Agricultural Training Colleges – Certified Agreement 2014 (CA/2015/3). • Online learning for equal opportunity in employment.
<p>Clients - Ensure our products are relevant, produce industry standard graduates and enable our students to have an experience that matches their needs and expectations</p>	<ul style="list-style-type: none"> • Grown Blended Learning capability from last year with a total of 103 competencies on the organisation’s Learning Management Systems. • Released the Diploma of Agribusiness Management online for Semester 2, 2015. First stage of dual qualification online. • Delivering literacy, language and numeracy qualifications for students across all divisions. • Completed Network Refresh cable rectification at Emerald and Longreach Colleges. • Completed Network Refresh replacement of out-of-scope network hardware at all locations to establish a base platform for the deployment of wireless network. • Cross Industry Training Program launched at Emerald. • Relunched Year 11 and 12 PACE program at Longreach. • Two year program – Australian Primary Industries Program for Emerald Agricultural College and Extensive Livestock Production program launched. • Hosted Indonesian visitors participating in program with University of New England. • Worked with various school groups and industry to ensure vocational educational and training in schools programs aligned to industry job opportunities. • Undertook various training skillsets for teachers to maintain educational professional development. • Developed training programs that deliver on the requirements of Visa 402 immigrants. • Continue to grow the vet nursing programs strongly aligned to work placement participation.

Objective	Achievements 2014 - 2015
Business Sustainability - Ensure our business practices are focussed on the financial viability of the business	<ul style="list-style-type: none"> • Completed registration renewal process to extend the training organisation until 30 June 2020. • Rural Training Queensland brand rolled out, and working with and within the industry. • Finalised the Agricultural Education and Disposal Schedule (QDAN 704 v.1) for use in conjunction with the General Retention and Disposal Schedule for Administrative Records. • Completed the implementation of the Intranet environment based on Microsoft SharePoint 2013. • Berrigurra - Fire services upgrades to the dormitories, kitchen and classroom, internal and external painting of kitchen block, new floor covering to kitchen, upgrades to all exit doors to dormitories, kitchen and classroom blocks. • Capital works program completed on the ring tank desilting at Emerald. • Upgrade of fire services, emergency lighting, fire detection systems, some electrical upgrades to switchboards to dormitories, administration blocks, kitchen and classrooms. • Sewerage infrastructure installed and campus in final stages of connection to town sewer system at Emerald.
Partnerships - To have mutually productive partnerships that enhance the reputation of both organisations.	<ul style="list-style-type: none"> • Northern Beef Industries Program established with nine of Australia's largest pastoral companies as program partners. • Australian Stockhorse Society Scholarship. • Bursaries negotiated through Dairy Australia for Dairy participants. • Scholarships negotiated with Queensland Government through the Department of Agriculture and Fisheries, Glencore, Cotton Australia and Central Highlands Cotton Growers Association. • Completed Department of Agriculture and Fisheries training resources as per biosecurity tender. • Won tender to implement Local Government Association of Queensland recognition of prior learning for Conservation and Land Management qualifications. • Aus Aid Papua New Guinea program in partnership with Department of Agriculture and Fisheries– stage 1 completed basis for Stage 2 and 3 in 2015-16. • Women in Horticulture project completed – 27 participants with 21 full qualifications and 6 partial qualifications. • The renegotiation and reviewing of co-provider agreements to secure longer term core business relations with Vet Nursing Solutions.

Agency service areas and service standards

Service performance

Queensland Agricultural Training Colleges has continued to successfully deliver vocational education and training products specifically to the agricultural sector recording high levels of student satisfaction and employment outcomes. During 2014-15 the Board has overseen the development of a strategic plan to drive business performance. Implementation of supporting plans (such as marketing, capital works, education and training products, production and drought response) and bedding in new organisational structure arrangements have been major focus areas.

From a training perspective, new flagship two year programs were launched at both residential colleges during 2014-15 following extensive industry consultation. Strategic partnerships have been developed with important industry stakeholders such as the Northern Pastoral Group and high schools that have a focus on agricultural training. Higher educational pathways are in place with the University of New England and are under development with Central Queensland University. A number of initiatives are being pursued in the international agricultural training market place.

Several major challenges continue to influence the organisation. These include the now full contestability of the vocational education and training market; the drought affecting the agricultural industry and resulting impact on student numbers and operating costs; and changes to the payment of government grants and subsidies.

Cost control has been a significant area of attention for the organisation over recent years, and has delivered improved financial results. Financial sustainability now necessitates a reduction to the organisation's reliance on the grant and transitional funding arrangements. The budget for 2015-16 and forward financial planning forecast the required revenue growth trajectory to see the organisation reach sustainability including an increase in student enrolments at the residential colleges and increases in online training delivery.

Service area objective

To improve the economic prosperity and sustainability of rural and related industries and communities by improving the knowledge and skills of its existing and future workforce.

Service area description

Queensland Agricultural Training Colleges assists industries to implement their workforce development plans and address the skilled workforce needs of a modern and progressive agriculture sector. The organisation delivers industry endorsed training for primary production and regional communities. Training activities are delivered in two modes: full farm scale production training delivered at Longreach and Emerald, and industry training delivered at various locations throughout Queensland.

Queensland Agricultural Training Colleges	Notes	2014-15 Target	2014-15 Actual	2015-16 Target
Service area: Queensland Agricultural Training Colleges				
Service standards				
<i>Effectiveness measures</i>				
Level of stakeholder satisfaction with vocational education and training services and products				
Quality Indicator Learners Survey		85%	83%	85%
Quality Indicator Employer Survey		75%	76%	75%
Percentage of successfully completed competencies compared with all modules assessed	1	90%	85%	90%
Percentage of completed competencies delivered at or above Certificate IV level	2	13%	22%	27%
Percentage of students employed or in further study 6 months after completing their training (National Centre Vocational Education Research Survey)		90%	91%	90%
<i>Efficiency measures</i>				
Competency per instructional staff FTE	3	New Measure	New Measure	524
Average cost per competency successfully completed	4	\$1,739	\$1,704	\$1,300

Notes:

1. Variance relates to the number of students who withdrew or were not deemed competent was higher than originally expected.
2. Higher enrolment numbers, particularly in the Certificate IV in Veterinary Nursing program, have contributed to the positive variance in this measure for 2014-15.
3. New measure has been developed to replace the discontinued measure of Annual Hours Curriculum per instructional staff full time equivalent (FTE).
4. Targeted increases in training sales across various delivery locations, expansion of online product offering and other cost reduction measures are forecast to improve the average cost per competency delivered.

Staffing

Queensland Agricultural Training Colleges	Notes	2014-15 Budget	2014-15 Actual	2015-16 Budget
Queensland Agricultural Training Colleges	1	120	120	121

Note:

1. FTEs as at 30 June 2015

Discontinued measures

Performance measures included in the 2014-15 Service Delivery Statements that have been discontinued or replaced are reported in the following table with estimated actual results.

Queensland Agricultural Training Colleges	Notes	2014-15 Target/est	2014-15 Est. actual	2015-16 Target/est.
Service area: Queensland Agricultural Training Colleges				
Unit Cost per Annual Hours Curriculum	1	\$39	\$31	Discontinued measure
Annual Hours Curriculum per Instructional staff FTE	2	15,000	20,254	Discontinued measure

Notes:

1. Efficiency is now more appropriately measured by average cost per competency successfully completed due to the change in payment method by the Department of Education and Training.
2. Efficiency is now more appropriately measured by competency per instructional staff FTE due to the change in payment method by the Department of Education and Training.



Figure 1 Students are focussed on learning practical components associated with rural and regional industries.

Division key performance and activities

Emerald Agricultural College and Longreach Pastoral College both deliver a variety of courses to prepare students for industry in the areas of livestock production, farm and agribusiness management, horsemanship, cropping, and sheep and wool production.

Each iconic college is managed by a strong representative local board, capable of directing it to deliver industry-relevant rural training for the future.

Rural Training Queensland combines online flexible delivery with intensive practical face-to-face training to deliver industry-relevant training across regional Queensland.

Emerald Agricultural College

Emerald Agricultural College started the 2014-15 year with 46 students. At the start of Semester 1 2015, 39 students enrolled in the following full time courses:

- Certificate III in Rural Operations
- Certificate III in Rural Operations - Beef
- Certificate IV in Agriculture – Horse
- Certificate IV in Agriculture – Beef
- Certificate IV in Agriculture - Cropping
- Diploma of Agriculture
- Diploma of Agribusiness Management

Emerald trained 247 unique students and delivered 1 589 competencies in full time, short courses and traineeships throughout the 2014-15 year. In December, 46 full time students graduated.

Emerald is reviewing whole of business operations to:

- increase revenue through increased student numbers and greater business efficiencies.
- decrease costs through restructure, system design and greater business efficiencies.

This strategy has seen:

- restructure to a training program that is generalist in nature, provides more practical training, pathways into higher education and facilitates work ready graduates.
- review of operations targeted at education and production programs.
- systems established that deliver better efficiencies, particularly with assets and facilities.

A key highlight is the partnership with Central Queensland University to deliver a comprehensive pathway program across three sites, being Emerald, Rockhampton and Bundaberg from Certificate into Bachelor education programs. This is presently being engineered to commence Semester 1, 2016.

Longreach Pastoral College

Longreach Pastoral College started the 2014-15 year with 22 students. At the start of Semester 1 2015, 45 students enrolled in the following full time courses:

- Certificate II in Rural Operations
- Certificate III in Rural Operations (Horse emphasis)
- Certificate III in Rural Operations (Beef and Sheep emphasis)

Longreach trained 338 unique students and delivered 1 393 competencies in full time and short courses throughout the 2014-15 financial year. Thirty-eight full time students graduated in December 2014.

The PACE program was funded for 2015-16 and commenced with five student enrolments in Semester 1, 2015. The program is delivered in partnership with Longreach State High School where the students study one subject in addition to their on college training.

A new two-year Extensive Livestock Program was introduced in February 2015. Graduating students will receive both a Certificate III in Rural Operations and a Diploma of Agriculture.

In partnership with University of New England, Longreach won the tender for delivery of the Indonesian Livestock Short Course program. Part of the program involved the Indonesian participants undergoing practical hands-on training to improve their skills, particularly in low stress animal handling and animal welfare at Longreach Pastoral College. The visit was funded through the Australian Indonesian Red Meat Partnership and Australia Awards Program.

Longreach Pastoral College was well represented by staff and students at the following events throughout 2014-15:

- Queensland State Sheep Show, Goondiwindi
- Longreach Show
- Beef Australia 2015, Rockhampton
- Winton Show
- Landsborough Ewe Show

The financial performance of Longreach has been significantly impacted by low student numbers in 2014 and by the drought feeding of livestock with purchased forage and grain, of which much of the cost is in freight. Stock numbers have been reduced to levels required to meet training commitments and to ensure the ongoing preservation of the stud stock herds.

Student numbers increased in 2015 but as the drought persisted, it emphasised the need to upgrade the irrigation system in order to base livestock feeding on on-farm forages. A centre pivot irrigator was purchased in June covering approximately 14ha of farming land and is irrigating lucerne and oats. This will greatly reduce drought feeding costs.



Figure 2 The El Pascol Stud brand provides students practical experience in the management of beef genetics and in showing stock.

Rural Training Queensland

Rural Training Queensland trained 1 810 unique students and delivered 7 794 units of competency during 2014-15. The top five qualifications offered were:

- Certificate II in Rural Operations
- Certificate III in Rural Operations
- Certificate II in Animal Studies
- Certificate II in Horticulture
- Certificate II in Agriculture

Across the 2014-15 financial year saw the issuing of 258 qualifications and 1 241 Statements of Attainment, compared to the previous financial year of 292 qualifications and 1 704 Statements of Attainment.

Significant time was invested into the development of new products to attract the attention of prospective students including a new Literacy, Language and Numeracy program, on-line Diplomas and VET in School.

The introduction of a new delivery model sees training delivered at varied locations including schools, showgrounds and farming enterprises. The following programs were delivered in this model:

- Certificate III in Rural Operations (Cattle focus)
- Certificate III in Horse Breeding
- Certificate III in Rural Operations (Equine focus)
- Certificate III in Operations (Cropping focus)

Rural Training Queensland has focussed on building traineeship programs across the suite of agricultural programs in dairy, pork, agriculture, horticulture and conservation and land management. At the end of the 2014-15 financial year, the division had trainees across all of these areas.

Queensland Agricultural Training Colleges has signed a Memorandum of Understanding with Dairy Australia to provide 10 bursaries of \$1 000 for students undertaking Dairy Australia and National Centre for Dairy Education endorsed training. The organisation is endorsed as the Dairy Australia preferred supplier of training / initiatives in Queensland and Northern NSW. Workforce planning initiatives were delivered for Dairy Australia in “Cups on – Cups off” and Euthanize Livestock.

Rural Training Queensland was awarded the Department of Agriculture and Fisheries, and Local Government Association of Queensland state-wide tender to assess skills for pest management staff in regional councils in conjunction with, and funded by Biosecurity Queensland. These were for Conservation and Land Management qualifications. The first stage of this initiative was completed by December 2014, with 26 participants across Queensland. The second phase of this initiative commenced in April 2015 with a further 32 participants undertaking Recognition of Prior Learning assessment only. The division has also successfully tendered to write resources and lesson plans for Department of Agriculture and Fisheries for the roll out of the new *Biosecurity Act 2014* Legislation. This was completed in April 2015.

Staff from the division travelled to Papua New Guinea, to undertake Stage 1 of the AusAid Papua New Guinea Agricultural Training Realignment project in partnership with Department Agriculture and Fisheries. The intent of this initial stage was to undertake a training needs assessment of the 14 participants from the Mt Hagen Agricultural College and, provide resource requirements and lists of equipment for the scoped units of competency in the agreed Certificate III in Agriculture and Certificate III in Rural Operations.

A focus on schools programs has proven moderately successful as co-provider arrangements with several schools progresses. A full delivery of Certificate II in Rural Operations for “disengaged” students at Laidley State High School for two days each week commenced. Twelve students commenced and nine successfully completed the program at the Laidley Pioneer Village delivery site in June. Projects included horticultural activities across the Laidley Township community facilities.

The “Women in Horticulture” in partnership with Growcom was completed in May 2015. Of the 34 participants who undertook a Diploma of Agribusiness Management, 21 successfully completed the full qualification, with four more completing more than half of the qualification. Some of the students who have partially completed the qualification, and two who opted to withdraw due to work pressures, have subsequently expressed an interest in progressing at a later time that fits in with their business operations.

The Certificate II in Rural Operations at the Mareeba State High School has once again been successful with the completion of ten students specialising in fabrication and another ten students in motor mechanics. This program has continued into 2015 with 15 enrolments in fabrication and 12 in motor mechanics. The success has led to the development and delivery to a group of 22 disengaged students undertaking a number of life skills sets from Mareeba High school as well.

In late 2014, the division undertook training with three unemployment groups across the north region (Neato in Innisfail and Ingham and Max Employment in Townsville). Although faced with some challenges, great satisfaction has come from the successful completions of the participants in these programs. Of the 35 participants that enrolled, 14 completed the full Certificate II in Rural Operations with 13 receiving a statement of attainment.

Training in Certificate II in Rural Operations with Community Service Tablelands was delivered as part of the Bail Support Program. The students completed training with the Walkamin team for 10 weeks and completed one week of work experience on farms and gained qualifications in local council pest control programs. Six of the ten students have graduated with a full Certificate. On completion of this training three of the students were offered full time jobs. Two were in the banana industry and one was on a cattle station.

Vet nursing continues to be a growing business. With changes to the funding focus vet nursing enrolments have increased for the Certificate III, IV and Diploma qualifications. Work has been undertaken to develop the new Diploma of Veterinary Nursing General Practice and will be added to the scope of qualification for the 2015-16 year.



Figure 3 Under the Rural Training Queensland brand, training is undertaken on private properties, showgrounds and in schools. At Emerald and Longreach, focus is provided to the full-scale production enterprise at each college.

Financial performance

The financial performance for the organisation to June 2015 was a deficit of \$1.5 million against a budgeted deficit of \$1.7 million. The result to June 2014 was a surplus of \$35 000. Between financial year 2014 - 2015, the Vocational Education and Training Purchaser's grant (or base funding) decreased by \$3.2 million. Government approved the payment of a transitional grant of \$2.5 million for this financial year to support the Colleges two year program that started in February 2015. This grant decreases to \$1.7 million in 2015-16. The results for the organisation and by Division are summarized in the table below:

Performance Report	QATC				
	12/13 Actual \$'000	13/14 Actual \$'000	14/15 Ytd Actual \$'000	14/15 Budget \$'000	Variance
Revenue	13,463	8,439	10,394	7,262	3,132
Expense	23,373	20,970	20,386	20,942	556
Net Profit/(Loss) Before V, G, B, C and D	(9,909)	(12,530)	(9,993)	(13,680)	3,688
VET Purchaser's Grant (V)	6,954	10,495	7,236	10,491	(3,255)
Gain/(Loss) on Disposal of Assets (G)	(1,355)	1,039	222	--	222
Biological Increments (B)	1,760	2,293	2,594	2,547	47
Contractor - Sewer Works (C)	--	--	(281)	--	(281)
Net Profit/(Loss) Before D	(2,550)	1,297	(221)	(643)	421
Depreciation Expense (D)	1,434	1,262	1,272	1,065	(207)
Net Profit/(Loss)	(3,985)	35	(1,493)	(1,707)	214

Total revenues from training (excluding base funding) increased from \$4.6 million in 2013-14 to \$4.7 million in 2014-15. Competition in the market place for Certificate III Guarantee has seen revenue from training subsidies decrease from \$2.2 million to \$1.7 million. However, revenues from training offered on a full fee for service basis have increased from \$988 000 in 2013-14 to \$1.3 million in 2014-15 indicating that some of the transition the business needed to make in response to government funding arrangements has been made. Pleasingly there has been increased uptake of product offerings at the Diploma and Advanced Diploma level.

On the production side of the business, the drought has severely impacted the financial results particularly at Longreach and Narayen Station. The estimated cost of the drought in the form of lost revenue and additional expenditure on supplementary feed and fodder was in excess of \$1 million. Total expenditure on feed and fodder was \$792 000 up from \$638 000 in 2013-14. Livestock numbers at Longreach have now been reduced to the minimum numbers to support student training activities. Whilst supplementary feeding will continue into the new financial year, the acquisition of a centre pivot irrigator that will allow Longreach to increase in-house fodder production at reduced cost.

On a more positive note, the cotton crop at Emerald Agricultural College was successful yielding 1 725 bales against an estimate of 1 717. The average sale price per bale achieved was \$482 against an estimate of \$410. Total gross proceeds from sale were \$831 000. The current buoyant cattle market has resulted in a revaluation

of Emerald cattle to the tune of \$336 000 and follows a gain on sale of cattle out of the Emerald feedlot of \$99 000 recorded during June. Training and accommodation revenues at Longreach and Emerald include approximately \$100 000 from the intensive animal welfare program delivered in conjunction with the University of New England for thirty beef industry professionals from Indonesia. The sale of a small portion of Longreach campus surplus land resulted in a gain on sale of \$221 000.

Labour costs to June totalled \$10.9 million under budget by \$207 000 across the organisation. Expenses for 2014-15 include approximately \$100 000 for field preparation for the 2015-16 cotton crop. Expenditures at Emerald include one-off contributions to connect the College to town sewer amounting to \$273 000. In addition, tree lopping at Berrigurra Station and on campus at Emerald totalled over \$100 000.

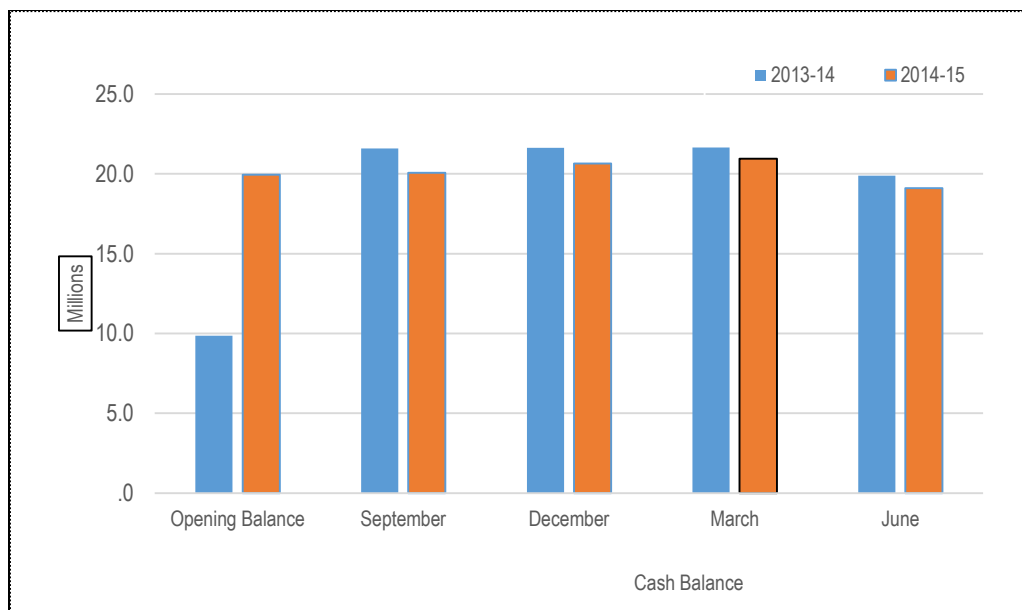
Capital Budget

Cost Centre	Budget 14-15* \$'000	Actuals \$'000	Commitments \$'000	Uncommitted \$'000
Emerald	2,297	543	1,425	329
Longreach	1,873	755	690	428
Rural Training Queensland	128	14		114
Corporate	839	720		119
	\$5,137	\$2,033	\$2,115	\$989

* Including carry over from 2013-14

Cash Balance

At year end, the organisation maintains healthy cash reserves/working capital balances aided this financial year. Subject to audit finalisation net cash provided by operations was \$1.2 million. However, this was aided by proceeds from the sale of livestock out of Longreach and Narayen due to the drought. Should scheduled decreases to government grant funding and the need to continue the refurbishment of College infrastructure be accompanied by continuing operating losses, the organisation's cash position could become problematic over the medium term.



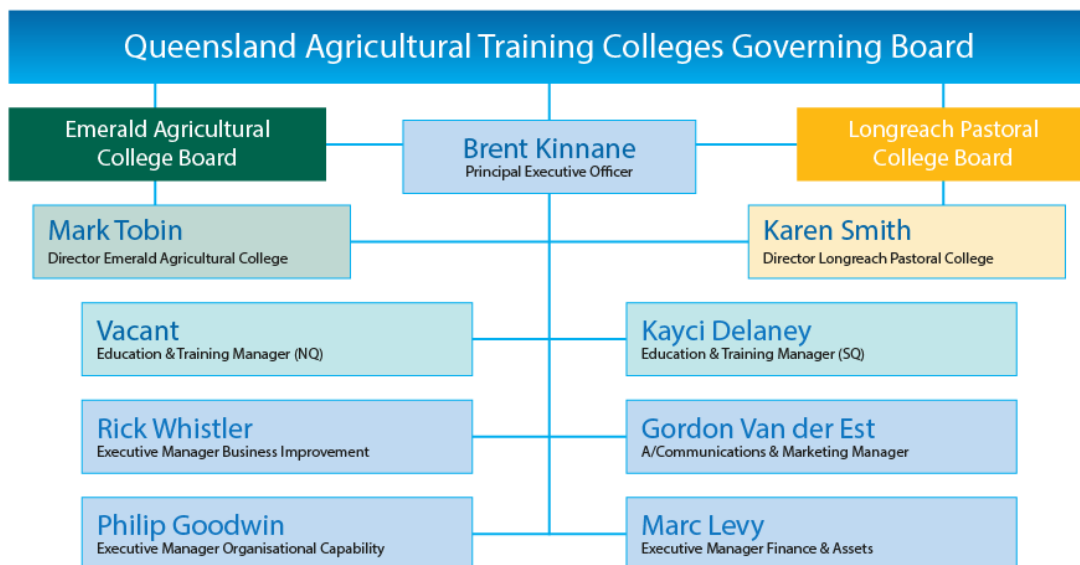
Governance – management and structure

Organisational structure

The *College Amendment Act 2014* was assented to on 19 February 2014. The Act amended the *Agricultural College Act 2005* to rename the Australian Agricultural College Corporation and establish a new governing board for the organisation. The Act is now known as the *Queensland Agricultural Training Colleges Act 2005*, which provides that Queensland Agricultural Training Colleges represents the State of Queensland, and establishes the organisation as a Statutory Body. Queensland Agricultural Training Colleges is declared an excluded matter under the *Corporations Act 2001* (Cwlth) section 5F, and therefore this legislation does not apply.

The Act gives the Minister power to give directions with which the organisation must comply. The Principal Executive Officer is responsible for the day-to-day management of the organisation. The Senior Leadership Team comprising of the Principal Executive Officer and Business Unit Managers, meet regularly to discuss strategic and operational matters. The organisation's 2014-15 management level organisational structure is shown below.

Management Structure 2014-15 as at 30 June 2015



Executive management

Queensland Agricultural Training College Senior Leadership Team profiles are provided below:

Brent Kinnane
Principal Executive Officer

Brent was seconded to the role in August 2012 and leads the authority in advising and serving the Board and Minister for Agriculture and Fisheries. Brent's substantive role is maintained with the Department of Education and Training and has 15 years

experience in management and executive levels in the Vocational Education and Training sector with TAFE Queensland. Along with a strong focus on the business and financial aspects of running a Registered Training Organisation, and a detailed knowledge of the funding opportunities that exist, Brent maintains a focus on the provision of industry relevant and customer focused training outcomes.

Mark Tobin
Emerald Agricultural College Director

Mark was appointed to the position in June 2015 following the resignation of Tony Robinson in February 2015. In this role he leads the delivery of college education programs and associated services providing advice to the Local Board and Principal Executive Officer. Prior to this role, he was the Discipline Leader and Agriculture and Vocational Development Leader of the School of Medical and Applied Sciences for Central Queensland University with responsibilities for the entrepreneurial discipline and strategic development for the Vocational Education and Training programs. He was also previously the Manager of the Clinical Skills Training Unit for the University of Queensland School Of Medicine Rural Clinical School with responsibility to lead and manage operation and service delivery of the Clinical Skills training Unit. In addition he owns and manages a beef cattle operation. Mark maintains extensive experience in governance and management experience in the emergency services, health, education and agricultural sectors.

Karen Smith
Longreach Pastoral College Director

Karen was appointed to the role in an acting capacity following the resignation of Marion Titterton in June 2015 and has subsequently been formally appointed to the position. In this role, she leads the delivery of college education programs and associated services providing advice to the Local Board and Principal Executive Officer. Prior to taking up this role, she was the Education and Training Manager (North) for Rural Training Queensland with responsibility for managing and delivering industry Vocational Education and Training programs. Karen maintains extensive experience in regional sector programs.

Kayci Delany
Education & Training Manager (South Queensland)

Kayci was appointed to this role in October 2013. In this role she leads the delivery industry based training, which is predominantly industry based. She is accountable for these education programs and associated services providing advice to the Principal Executive Officer. Prior to commencing in this position, Kayci was a Director of Commerce and Community with Barrier Reef Institute of TAFE and has a long career in education and training across all industries and many locations. Key highlights include relieving as Institute Director of the TAFE English Language and Literacy Services Oversight Committee with responsibility of leading and managing delivery of language, literacy and numeracy programs across TAFE Queensland.

Philip Goodwin
Executive Manager Organisational Capability

Philip was appointed to the role in January 2014. In this role, he leads the delivery of human resources, information technology, corporate governance and policy providing advice to the Board and Principal Executive Officer. Philips holds significant key human resource experience encompassing all tiers of government,

including diverse multi-industry experience in education (VET and Tertiary sectors), community services, transportation and energy. In addition Philip is a qualified mediator, holds financial experience as a former Credit Union Board member and some 15 years' combined service in the community and emergency services sectors.

Rick Whistler

Executive Manager Business Improvement

Rick was appointed to the role in January 2014. In this role he leads the delivery of education and training compliance, the learning management systems, student administration, training organisation management and provides high level advice to the Board and Principal Executive Officer. Prior to taking up this role, he has held a number of positions within the colleges since he commenced as an Instructor in 2003. Prior to coming to the college Rick had substantial practical commercial experience in the extensive beef industry with significant focus on station management. Rick maintains extensive connections and networks in the training and agricultural sectors.

Marc Levy

Executive Manager Finance and Assets

Marc was appointed to the role in January 2014 and is accountable for the financial and asset management functions of the organisation. His role incorporates preparation of operating and capital works budgets, compilation of year-end financial statements, management reporting and management of the organisation's treasury activities. Submission of a monthly board financial reporting pack is a key responsibility. Prior to commencing with the organisation, Marc spent ten years at Gold Coast City Council, the second largest local government entity in Australia with a budget exceeding \$1billion and rose to senior executive level. Marc holds significant financial management experience, and has experience in leading large government owned commercial enterprises.

Gordon Van der Est

Acting Communications and Marketing Manager

Gordon was appointed to the role in an acting capacity in August 2014 following Julie McKerrow accessing long-term unplanned leave. During 2014-15, Gordon led and implemented a market based framework in the development of the organisations strategic marketing plan and is responsible for the tactical marketing execution including industry consultation, product development and alignment, advertising, communications and the provision of advice to the Board and Principal Executive Officer.

Julie McKerrow

Communications and Marketing Manager

Julie was appointed to the role in in November 2013 and is currently on a graduated return to work program. Prior to taking up this role, she was the Marketing Coordinator for an engineering firm and was primarily responsible for the development and implementation of the company's global marketing strategy. Julie maintains diverse multi-industry experience includes government, education and the agriculture sectors, which compliment this position.

Government bodies (statutory bodies and other entities)

The Queensland Agricultural Training Colleges Governing Board commenced on 1 July 2014, in accordance with the *Queensland Agricultural Training Colleges Act 2005*.

The Governing Board has three committees, which meet prior to the Governing Board meeting:

- Audit, Finance and Risk Management
- Education and Training Board
- Governance and Remuneration

Local Boards were established at Emerald Agricultural College and Longreach Pastoral College in accordance with Section 37 of the *Queensland Agricultural Training Colleges Act 2005*.

The Local Boards are responsible to the Board of Queensland Agricultural Training Colleges and operate in accordance with the Terms of Reference approved by the Board.

Public Sector Ethics Act 1994

In accordance with the *Public Sector Ethics Act 1994*, the organisation regularly provides training for all employees and board members 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 organisation has in place a grievance and dispute resolution policy, which states that 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 organisation has in place a freedom of information policy that is in direct alignment to the *Right to Information Act 2009*.

Governance – risk management and accountability

Audit, Finance and Risk Management Committee

The primary function of the Audit, Finance and Risk Management Board Committee is to ensure the effectiveness of finance, audit, internal control and risk management functions of the Queensland Agricultural Training Colleges.

The Committee's reporting framework, as a minimum, is as follows:

Standard Agenda Item	Information to be reported
Audit	• External Audit Plans and Reports
	• Internal Audit Plans and Reports
	• Management progress on audit issues raised
Finance	• Finance Reports • Annual Financial Statements • Annual Report • Budget • Investment Policy
Internal Control and Risk Management	• Risk Management Plan • Risk Register • Animal Welfare • Fraud Management Plan • Compliance Plan and Checklist • Business Continuity & Incident Management Plan • Work Health & Safety • Scheme of Delegations • Performance Reports

Membership of the Audit, Finance and Risk Management Committee comprises of:

- Mr Michael Stalley – Chair
- Mr Richard Pietsch
- Mr Elton Miller – Government representative
- Mr Marc Levy – Executive Manager Finance and Assets

WH&S incident reporting

To address risks associated with the business Workplace Health and Safety Incident reporting is presented regularly to the Audit Finance and Risk Management Committee.

The 2014-15 reported incidents include Lost Time Injury, Medical Treatment Injury, First Aid Injury, Plant and Property, Non Work / Training Related, Procedural and near misses. The organisation has focussed on building employee awareness and reporting which has resulted in additional reporting categories and a significant increase in the reporting of incidents from the previous financial year.

In total 101 incidents were reported in 2014-15 highlighted as follows:

1. Reported student incidents increased from 39 in 2013-14 to 52 in 2014-15
2. Reported employee incidents increased from 20 in 2013-14 to 46 in 2014-15
3. Reporting of 'near misses' is a positive awareness indicator with 23 incidents recorded in 2014-15.
4. Workers compensation incidents reduced from three in 2013-14 to two in 2014-15
5. Non training / work related incidents increased from 8 in 2013-14 to 14 for 2014-15
6. Longreach Pastoral College and Emerald Agricultural College accounted for 88 of all incidents

Reporting provides greater opportunity to develop policies and procedures to minimise future risk of harm to employees and students.

Systems improvements and associated initiatives

During the year a Workplace Health and Safety Audit Plan was developed, including periodic inspections for all Queensland Agricultural Training Colleges locations. The organisation's Work Health & Safety Advisor also maintained the organisation's I-Auditor system across the organisation. The reporting system allows for immediate reporting of identifiable hazards, inspections or development of specific audits or inspections for the organisation.

In partnership with Workplace Health and Safety Queensland and WorkCover Queensland, Queensland Agricultural Training Colleges initiated the Injury Prevention and Management Program. The program helps identify potential hazards within the workplace and jointly develops strategies to improve injury prevention and the identification of workplace hazards.

Animal ethics reports

Queensland Agricultural Training Colleges has instigated a monthly livestock movement report to the Animal Ethics committee this year, which allows clear reporting of births, deaths, sales and transfers on a monthly basis to keep the committee fully informed on the movements within college livestock herds.

There were thirteen incidents reported to the Animal Ethics committee this year which has been an increase from last year but is also an indication of the increased communication with the Committee and maintains a high level of transparency of the college livestock operations.

A number of the incidents have been related to dog attacks on sheep at the Longreach Pastoral College.

The severe drought conditions at Longreach have led to a need to de-stock Rosebank Station and move the sheep to the College facility. This resulted in the sheep being located closer to the town, which increases the risk of dog attacks from 'town' dogs. The Longreach Pastoral College commenced construction of a dog proof fence to minimise the problems in the future.

All appropriate staff have undertaken the Department of Agriculture and Fisheries online program for Using Animals in Science as a refresher and to maintain currency during the year, an initiative instigated by the college to maintain the high level focus on animal welfare.

The Department Agriculture and Fisheries Animal Ethics Committee has undertaken site visits at Narayan, Longreach Pastoral College, Manningham (previously owned by the organisation), Rosebank, Emerald Agricultural College and Berrigurra during the last twelve months.

Complaints register

Pursuant to the *Public Service Act 2008 S219A(3)*, the organisation maintains a complaints register. During 2014-15 the following complaints statistics were received:

2014-15	The number of customer complaints received by the organisation in the year	The number of those complaints resulting in further action;	The number of those complaints resulting in no further action
Q 1 – July-Sept	0	0	0
Q2 – Oct-Dec	0	0	0
Q3 – Jan-Mar	1	0	1
Q4 – Apr-June	4	1	3

External scrutiny

Queensland Agricultural Training Colleges undertook the following independent reviews and external audits:

Independent review of student management and care practices

The Minister of Agriculture and Fisheries wrote to Hugh Rose, Board Chair on 8 April 2015 requesting an independent desktop study that reviews current student management and care practices.

On 23 April 2015, Richard Stokes of the Australian Boarding Schools Association was engaged to conduct the review and provided a number of recommendations.

Some of the recommendations where:

- Review security screen, alarms on doors and windows, or cameras
- Boom gates on entry points at Longreach Pastoral College
- Develop new residential application form
- Develop a separate under 18 year old and over 18 year old Residential Handbook
- Develop clear consequences for behavioural issues
- Investigate purchase of on-line leave management system
- Training and on-going development of Duty Officers

Queensland Audit Office audit

The Queensland Audit Office has appointed Crowe Howarth to undertake the annual audit of the organisation's financial records.

The purpose of the audit is to "enhance the degree of confidence of intended users in the financial report. This is achieved by expressing an audit opinion on whether the financial report is prepared, in all material respects, in accordance with an applicable financial reporting framework".

The following areas have been identified for significant audit effort:

- Recognition of revenue and user fees and charges
- Valuation of non-current assets
- Valuation of biological assets
- Internal management reporting and disaster recovery planning
- Assessment of management's assumptions, estimates and judgements.
- As a result of a change in legislation, the Australian Agricultural College Employing Office was dissolved and will result in changes to the presentation of the financial statements.

Registered training organisation audits – Australian Skills Quality Authority Audit

Two Australian Skills Quality Authority audits of training programs, governance and management systems were completed during 2014-15.

The first was a Renewal of Registration Audit, notification was received on 3 September 2014. The audit was carried out at Gatton, Dalby and Ayr.

Official notification of the audit result was received on 18 December 2014. Rectifications were submitted on 5 February 2015 and the granting of our renewal of registration was received on 3 March 2015.

The second was a Strategic Industry Review of training for the equine sector, notification was received on 18 November 2014.

Official notification of the audit result was received on 17 December 2014. Rectifications were submitted on 29 January 2015 and the finalisation of the audit as compliant was received on 13 February 2015.

A report on the outcome and the areas of non-compliance are available on the website, for more details go to www.qatc.edu.au.

Internal audit

Queensland Agricultural Training Colleges undertook the following internal audits:

Internal training audits

The internal training audits are based upon a rotation between the four main delivery teams within Queensland Agricultural Training Colleges. During 2014-15 a total of four internal audits have been undertaken, one at each of the delivery teams and covered a total of 19 of the qualifications on the scope of registration. A second round of internal audits was not conducted in 2014-15 due to two external audits being carried out across the organisation.

A schedule of internal training audits has been approved by the Governing Board for the start of the 2015-16 year and these will commence in July 2015.

Workplace Health and Safety Audits

During the year Queensland Agricultural Training Colleges developed a Workplace Health and Safety Audit Plan, including periodic inspections for all locations. The Audit plan was complimented with the trial and implementation of the iAuditor Program as a risk management initiative to review and improve safety and injury management.

As a geographically diverse training provider, iAuditor provides valuable business support with immediate access to tools with a streamlined, mobile-friendly interface that assists the management of safety checks and compliance audits. The iAuditor reporting system allows for immediate reporting of identifiable hazards, inspections and allows for the development of specific audits or inspections providing instant analytics.

Of the 36 iAudits undertaken; 13 (36%) resulted in identified rectification compliance issues, in particular hazardous substances, plant/machinery, inductions and general housekeeping. These were subsequently forwarded to the respective managers and supervisors for corrective action. These areas will be targeted for further review during 2015-16.

The iAuditor system will work in conjunction with and support the Workplace Health and Safety Queensland and WorkCover Queensland, Injury Prevention and Management Program providing overall benefits of:

- improved systems and processes
- improved rehabilitation and return to work systems and processes
- reduced workplace injuries
- increased worker participation and accountability

Information systems and recordkeeping

2014-15 has been a year of steady enhancement for the Information and Communications Technology portfolio. Following planned works to review and optimise the inter-site network links across the organisation, the organisation has worked with the Unisys Corporation and Telstra to complete the first phase of a Riverbed-based WAN Optimisation solution. This technology has been in deployment since early 2015 and the project has successfully met all stated goals in actively reducing traffic on the inter-site links, allowing for a reduction in spend on these services into the new financial year.

A number of initiatives have increased the delivery capacity of the training divisions through greater use of technology for in-field learning. During this year the Rural Training Queensland division received a deployment of new tablet-based computer systems to allow for greater computer-dependant educational delivery in rural and remote locations. This deployment will be expanded in the coming months by the inclusion of teaching staff at the Emerald Agricultural College and Longreach Pastoral College divisions into this program.

The planned refresh of core network infrastructure across all college facilities and training centres was completed in February 2015. This work has helped to establish a modern networking platform to allow for the deployment of wireless networking across all locations during 2015-16, with plans in place to commence the rollout of wireless technologies to all sites in August 2015.

Further development has been conducted on the organisational SharePoint 2013 platform for Internet and Intranet functions. The four divisional websites comprising the organisation's web presence have now been operational for one year, and the additional functions and information provided by these sites over their predecessor are driving increased interest from the public.

With the launch of the internal Intranet and Electronic Documents & Records Management System during the year, staff now have access to resources and corporate records in a streamlined and centralised manner.

Governance – Human Resources

Workforce planning and performance

Workforce Profile (Our People)

Queensland Agricultural Training Colleges maintains a diverse workforce covering divergent business activities that support the delivery of vocational education and training specialising in agribusiness. The workforce is involved in providing education and training, industry training, residential training, student services as well as administrative, technical, professional, specialist, managerial and executive services.

The overall workforce for the 2014-15 period has remained stable with a lean corporate structure supporting the three tiered business model. Full time equivalent employees have been maintained despite reductions in training outputs as a result of additional production activities required to support drought conditions and the integration of production and training activities at the colleges.

A comparison of the number of FTE employees in 2014-15 against the previous two years is provided in table below.

Full Time Equivalent Employees for 2012-13, 2013-14, 2014-15

Employees	2012-13		2013-14		2014-15	
Frontline	63	45%	55	47%	58	49%
Support	52	37%	37	31%	36	36%
Corporate	25	18%	26	22%	25	21%
Total	140	100%	118	100%	120	100%

Workforce Planning, Attraction and Retention

Queensland Agricultural Training Colleges continued strategic workforce planning through pursuing a framework initially based on the lean corporate structure that supports the delivery of vocational education and training plus associated services through the three tiered business model. The focus during 2014-15 was on workforce stability, data collection and planning to assist the concept of workforce optimisation. The introduction of workforce optimisation has initiated targeting the right mix of people, knowledge, skills and behaviours that the organisation requires both now and in the future.

During 2014-15, the organisation utilised and continued to refine workforce planning strategies in the following areas to improve the organisation's ability to attract and retain employees:

- Award modernisation
- Job design and evaluation
- Recruitment and selection
- Induction
- Organisational structure
- Employment status
- Remuneration reviews
- Work/life balance arrangements
- Employee capability development
- Organisational development and reform.

Performance Management

During 2014-15, Queensland Agricultural Training Colleges enhanced performance management and compliance aligned to its organisational policy. As a result of this increased scrutiny, the organisation initiated and finalised four performance management/code of conduct matters.

Implementation of the performance management framework commenced with senior staff following finalisation of the Strategic Plan in the latter part of 2014-15. The performance management system roll out to all staff will be finalised during 2015-16.

Mandatory training through the Learning Seat's online S.A.F.E. training programs was delivered during 2014-15. This training delivers learning to enhance awareness and understanding of organisation performance management and compliance requirements. The program's mandatory training courses which now form part of the induction and on-boarding of new staff involve:

- Electronic Communication and Social Media in the Workplace;
- Work Health & Safety;
- Workplace Bullying; and
- Equal Employment Opportunity

Corporate Policy

Queensland Agricultural Training Colleges continues to review and update policies that promote flexible working arrangements and work-life balance arrangements. All organisational policies are on two year cyclical review and reported to the Board for notation. Where practical, policies have been amended or merged to ensure compliance and improve efficiency and effectiveness.

A key initiative of the Queensland Agricultural Colleges Award – State 2014 was the implementation of the Organisational Hours of Work Arrangements which provided enhance staff access to flexible working hours and leave arrangements thus allowing the removal of a dedicated organisational policy and associated procedure.

Leadership and Professional Development

The organisation continues to support staff accessing leadership and capability development programs. The senior management team recognises and has endorsed support for current and future leaders through accessing networking arrangements, professional bodies, attendance at appropriate industry and associated conferences in addition to the development of targeted leadership programs for emerging leaders and current supervisors and managers.

In addition to the above e-training professional development; SharePoint training was rolled out to staff in June to coincide with the introduction of the SharePoint Portal. Training was initiated for using animals in science for all managers, instructors and production personnel.

Enterprise Agreement / Award Harmonisation

During 2014-15 industrial harmony was realised through the merger of the former Awards. All employees are now being covered by the Queensland Agricultural Colleges Award – State 2014 and the certification of the Queensland Agricultural Training Colleges Certified Agreement 2014, effective 25 February 2015. The agreements were implemented through significant staff consultation and utilised Consultative Committee, fortnightly teleconferences, weekly newsletter “Communique” and employee site based workshops to ensure a consistent message was delivered across the state.

Early retirement, redundancy and retrenchment

There were no early retirement, redundancy or retrenchments offered at Queensland Agricultural Training Colleges during 2014-2015.

Open Data

Queensland Agricultural Training Colleges complies with the Queensland Government Open Data policies and the information can also be viewed on the Queensland Government Open Data Website - www.qld.gov.au/data .

Data sets that are included on the Open Data Website are:-

1. Queensland Agricultural Training Colleges Enrolments
2. Queensland Agricultural Training Colleges Learner Survey 2014
3. Queensland Agricultural Training Colleges 2014 Skills Information
4. Queensland Agricultural Training Colleges Site Locations
5. Queensland Agricultural Training Colleges Asset Register
6. Queensland Agricultural Training Colleges Asset Survey 2014 and Maintenance

Consultancies

The Australian Boarding Schools Association conducted an independent review of student management and care practices at Emerald Agricultural College and Longreach Pastoral College in May 2015. The consultancy cost \$7 483.72.

Consultancy category	Expenditure (\$)
Consultants Management	0
Consultants Human resources management	0
Consultants Communications	0
Consultants Finance/accounting	0
Consultants Professional/technical	7,483.72
Total cost of consultancies	7,483.72

Overseas travel

The following table provides information on overseas travel undertaken by employees during 2014-15.

Name of officer/ member and position	Destination	Reason for travel	Agency cost	Contribution from other agencies or sources
Rick Whistler, Executive Manager Business Improvement (dates 11/10/2014 to 27/10/2014)	Qinghai College, Xining, China	Qinghai Vocational College, Xining, China requested a visit for face to face review of their facilities, training programs and to provide advice in relation to Australian training package requirements. Included visits to industry farming operation have been included to fully understand their needs and culture.	\$340.50	\$2,953.10 plus accommodation, meals and transport in China
Brent Kinnane, Principal Executive Officer (dates 8/12/2014 to 11/12/2014)	Jakarta and Semarang, Indonesia	Undertake business development and promotional opportunities as part of the Treasurer's Trade mission	\$3,840.48	nil
Allen Bruce, Senior Project Officer, Rural Training Queensland and Robert Hall, Instructor (Meat Processing), Rural Training Queensland (dates 26/04/2015 to 03/05/2015)	Mt Hagen, Papua New Guinea	Visit Mt Hagen Vocational College for assessment of physical resources for delivery and assessment of Cert II and III Agricultural courses. Meet with HAC training staff, undertake training needs analysis, interview each participant, gather evidence to develop plan for training in PNG and back to Qld.	Nil	\$4,464.05 \$4,555.97

Queensland Language Services Policy

Queensland Agricultural Training Colleges was not requested to use the Queensland Language Services during 2014-2015.

Government bodies

The Queensland Agricultural Training Colleges Governing Board commenced on 1 July 2014, in accordance with the *Queensland Agricultural Training Colleges Act 2005*.

Board

The primary function of the Queensland Agricultural Training Colleges Board is to be the governing body.

In order to ensure that the Queensland Agricultural Training Colleges fulfils its functions the Board has statutory responsibility for:

- Deciding the strategies and the operational, administrative and financial policies.
- Ensuring the organisation fulfils any statement of expectations given to it by the Minister.
- Ensuring the organisation performs its functions and exercises its powers in a proper, effective and efficient way.
- Ensuring the organisation acts in accordance with its strategic and operational plans.
- Accounting to the Minister for the organisation's performance.
- Annually reviewing the performance of the Principal Executive Officer.

In fulfilling this role, the Board will set the strategic direction for all divisions of Queensland Agricultural Training Colleges including Rural Training Queensland Longreach Pastoral College and Emerald Agricultural College. The Board oversees:

- Financial management
- Asset management
- Human Resources
- Workplace Health and Safety
- Strategic Planning
- Compliance

Local boards

The primary function of the Local Boards is to determine key Business Planning and Performance matters, Curriculum Development, Production Programs and Operational Direction for the Longreach Pastoral College and Emerald Agricultural College in accordance with the strategic direction set by the Board of the Queensland Agricultural Training Colleges.

The Local Boards perform a governance role for the residential college as delegated to it by the Board. These include delegated governance responsibilities for:

- Financial management
- Asset management
- Human Resources
- Marketing
- Curriculum/Instruction
- Workplace Health and Safety
- Production
- Recruitment of the College Director and Senior Instructors
- Planning
- Compliance

Governing board fees and meeting attendance

Queensland Agricultural Training Colleges Governing Board					
Number of meetings held during 2014-15					
During the 2014-15 financial year, a total of 13 meetings were held.					
Position	Member	Note	No of meetings attended	Approved fees	Actual fees
Chair	Hugh Rose	1	13	5,000	5,192
Deputy-chair	Michael Stalley	2	12	3,000	3,115
Member - Govt Rep	Elton Miller	3	8	nil	-
Member - Govt Rep	Lea Diffey		4	nil	-
Member	Mike McCosker	4	12	3,000	3,115
Member	Christine Rolfe	5	11	3,000	3,115
Member	Donald Brown	6	8	3,000	2,388
Member	Richard Pietsch	7	11	3,000	3,115
Total fees				20,000	20,042
Total on-costs (including travel, accommodation, motor vehicle allowance, consultancy fees, airfares, hiring of motor vehicles etc)					39,275
Total expenditure					59,317

Local boards fees and meeting attendance

Emerald Agricultural College Local Board					
Number of meetings held during 2014-15					
During the 2014-15 financial year, a total of 10 meetings were held.					
Position	Member	Note	No of meetings attended	Approved fees	Actual fees
Chair	Mike McCosker		9	2,500	2,500
Deputy-chair	Christine Rolfe	8	9	2,000	2,191
Member	George Bourne		8	nil	-
Member	Michelle Hanrahan	9	7	2,000	2,191
Member	Rebecca Murray		9	2,000	692
Member	Adel O'Connor	10	2	2,000	960
Total fees				10,500	8,534
Total on-costs (including travel, accommodation, motor vehicle allowance, consultancy fees, airfares, hiring of motor vehicles etc)					7,604
Total expenditure					16,138
Longreach Pastoral College Local Board					
Number of meetings held during 2014-15					
During the 2014-15 financial year, a total of 7 meetings were held.					
Position	Member	Note	No of meetings attended	Approved fees	Actual fees
Chair	Donald Brown	11	3	2,500	1,077
Deputy-chair	Richard Pietsch	12	6	2,000	2,075
Member	Ben Banks		4	2,000	2,000
Member	Rosemary Champion		7	2,000	2,000
Member	Ian Duncan		7	2,000	2,000
Member	Katrina Paine	13	7	2,000	2,000
Member	Ian Walker		3	2,000	2,000
Total fees				14,500	13,151
Total on-costs (including travel, accommodation, motor vehicle allowance, consultancy fees, airfares, hiring of motor vehicles etc)					27,760
Total expenditure					40,911

Notes

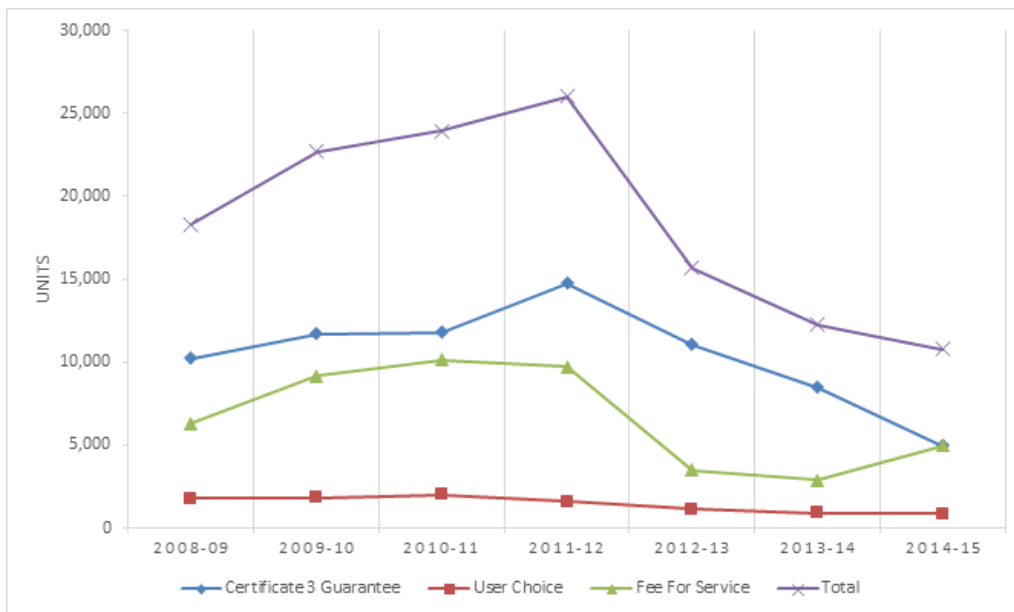
1. Additional payment made pertains to 2013-14
2. Additional payment made pertains to 2013-14
3. Elton Miller was seconded to another position and Lea Diffey represented the Government
4. Additional payment made pertains to 2013-14
5. Additional payment made pertains to 2013-14
6. Donald Brown resigned effective 31 March 2015
7. Additional payment made pertains to 2013-14
8. Additional payment made pertains to 2013-14
9. Additional payment made pertains to 2013-14
10. Adele O'Connor resigned effective 31 December 2014
11. Donald Brown resigned effective 31 March 2015
12. Richard Pietsch was appointed acting Chair on 5 May 2015
13. Katrina Paine was appointed acting Deputy Chair on 5 May 2015

Education

Training Outcomes

In 2014–15, the total number of units delivered decreased from 12 245 to 10 776. This reduction is mostly related to a decreased delivery for full time residential students under Certificate 3 Guarantee funding, however a small decline also occurred in User Choice delivered units in 2014-15. An increase in delivery has occurred in Fee for Service delivery across all areas. These results can be seen in the graph below, which provides a comparison of delivery hours by funding source since the 2008-09 financial year.

Delivered Units by Funding Source



In 2014–15, full-time campus based training accounted for 33% of total training delivered through Certificate 3 Guarantee funding, and approximately 28% of the total delivery for the financial year. The 2014–15 data also shows a slight decrease in traineeship enrolments across work-based and school-based trainees and apprentices. Approximately 72% of the organisation’s delivery has been achieved by Rural Training Queensland, a slight decrease, but still clear correlation of the training demand from industry.

Compared with the 2013–14 course profile, the Certificate II in Rural Operations qualification maintained its first place in terms of units delivered and also first place in terms of enrolment numbers in this financial year. This is consistent with the push in funding towards the more general skills and knowledge identified across industries and results largely from the funding levels and existing workers undertaking skills sets rather than full qualifications.

During 2014–15, staff increased engagement with industry and the community to strengthen existing partnerships and build new partnerships for training delivery. These partnerships with industry and other educational providers have helped increase training delivery through strategic industry strategies and the flow-on effects will help underpin growth in training from such funding as Skilling Queenslanders for Work in 2015–16.

Delivery hours profile by funding source

For 2014-15, the organisation's training delivery profile achieved the following in terms of units of competence:

Certificate 3 and Higher level skills	4,959
User Choice	863
Fee-for-Service	4,954
Total delivered units	10,776

Student profile

For 2014-15 the organisation's student information was as follows:

Student information (approx. numbers)

Total students	2,395
Work-based apprentices and trainees	55
School-based apprentices and trainees	55

Production Outcomes

The organisation operates production facilities to support students gaining full farm scale practical experience whilst also aiming to provide an appropriate financial return. In 2014-15 production activities centred around cattle grazing at Berrigurra Station and Narayen Station and Longreach, sheep at Longreach, a cattle feedlot at Emerald and irrigated cotton crop at Emerald. Drought has severely impacted operations at Longreach and necessitated significant additional expenditures on purchases of supplementary feed. Operations out of Emerald have been more successful and recent gains on cattle prices have increased revenues for that centre.

Emerald Agricultural College

The current buoyant cattle market has resulted in a revaluation of Emerald cattle to \$336 000 and follows a gain on sale of cattle out of the Emerald feedlot of \$99 000 recorded during June. Whilst there has been a decrease in total herd size at Narayen Station, more recent weather conditions have been more favourable increasing availability of feed and allowing a potential increase in the stocking rate into 2015-16. Calving rates at both Berrigurra and Narayen Stations met budget expectations with movements in livestock numbers at Emerald's production facilities are summarised below:

Transaction	Berrigurra Cattle	Emerald Cattle	Narayen Cattle	Total
Opening stock	1,814	104	1,541	3,459
Births	693	0	542	1,235
Purchases	7	0	5	12
Losses	-17	-1	-44	-62
Internal Transfer	-261	261	0	0
Rations			-2	-2
Sales	-457	-296	-1,109	-1,862
Closing Stock	1,779	68	933	2,780

The cropping operation at Emerald achieved a positive return where a successful cotton crop yielded 1 725 bales against an estimate of 1 717. The average sale price per bale achieved was \$482 against an estimate of \$410. Total gross proceeds from sale were \$831 000.

Longreach Pastoral College

The continuation of the drought in far western Queensland continued to impact production at Longreach. Drought mitigation saw the need for further livestock sales out of Longreach with only minimum numbers now being held to support training activities. A number of sheep losses written off during the year was also high. Expenditure on supplementary feed increased to \$486 000 up from \$321 000 in 2013-14. Supplementary feeding will continue into the new financial year, however the acquisition of a centre pivot irrigator that will allow Longreach to increase in-house fodder production at reduced cost. Movements in livestock numbers for Longreach are summarised below:

Transaction	Cattle	Horse	Sheep	Total
Opening stock	1,346	115	3,197	4,658
Births	49	13	277	339
Purchases	2	1	5	8
Losses	-26	-4	-715	-745
Internal Transfer	0	-2	0	-2
Rations	-53	0	-259	-312
Sales	-704	-36	-518	-1,258
Closing Stock	614	87	1,987	2,688

* The high number of sheep losses recorded in 2014-15 are attributed to the following:

- Sheep died over the two years since 2012 but were not detected in the paddocks unless they were found at the feeding and watering sites. Whilst paddock and fence patrols are undertaken their relative frequency meant that carcasses were likely to have been completely demolished by feral pigs and therefore not counted. Only those detected around the feeding and watering sites were recorded in the paddock death books.
- Counting was not done effectively at muster so missing sheep were not detected and there were clerical errors committed at counting such that some sheep were double counted.
- Improved processes and assignment of specific accountabilities have since been implemented.

2015-16 Budget Outlook

In 2015-16 strong cattle prices will provide a financial benefit to the organisation. However, the fact that drought has necessitated substantial destocking means biological revenues will be lower. The budget for Emerald includes a significant increase in revenues from a larger cotton crop on an assumption of relatively high market price with 50% of the crop forward sold at \$515 per bale and above. For the Emerald cropping activity some of the preparatory costs were included in expenses for 2014-15. The pivot irrigator at Longreach will reduce external feed purchases. Weather patterns are indicative of dry conditions that will continue to impact far western Queensland with some outlooks predicting lower rainfall to also affect the organisation's Emerald based properties.

Queensland Agricultural Training Colleges Financial Statements

for the financial year ended 30 June 2015

Queensland Agricultural Training Colleges

Financial Statements 2014-15

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General Information

These financial statements cover the Queensland Agricultural Training Colleges (QATC).

The Corporation is a statutory body as constituted by the *Queensland Agricultural Training Colleges Act 2005* (previously known as the *Agricultural College Act 2005*). The *Agricultural College Amendment Act 2014* was assented to in February 2014 and allows for the continuation of the Corporation under the name Queensland Agricultural Training Colleges with a new governing board responsible directly to the Minister for Agriculture and Fisheries. 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 QATC Corporate Office on (07) 5468 2111 or visit the Corporation internet site www.qatc.edu.au.

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

Queensland Agricultural Training Colleges
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Income from Continuing Operations			
Grants and other contributions	3	10,272	13,470
User charges and fees	4	5,421	3,184
Interest		678	638
Other revenues	5	1,259	1,641
Total Revenue		17,630	18,933
Gains on Disposal/Remeasurment of Assets	6	2,705	3,307
Total Income from Continuing Operations		20,335	22,240
Expenses from Continuing Operations			
Employee expenses	7&8	11,038	11,050
Supplies and services	9	8,957	9,356
Depreciation and amortisation	10	1,272	1,262
Finance / borrowing costs	11	5	6
Other expenses	12	554	379
Loss on disposal/revaluation of assets	13	3	152
Total Expenses from Continuing Operations		21,829	22,205
Operating Result from Continuing Operations		(1,494)	35
Other Comprehensive Income			
<u>Items that will not be reclassified subsequently to Operating Result:</u>			
Increase/(decrease) in asset revaluation surplus	24	(5,508)	(2,080)
<u>Total items that will not be reclassified subsequently to Operating Result:</u>		<u>(5,508)</u>	<u>(2,080)</u>
Total Other Comprehensive Income		(5,508)	(2,080)
Total Comprehensive Income		(7,002)	(2,045)

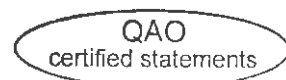
The accompanying notes form part of these statements.

QAO
certified statements

Queensland Agricultural Training Colleges
STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Current Assets			
Cash and cash equivalents	14	19,111	19,935
Receivables	15	1,783	2,784
Inventories	16	377	184
Biological assets	17	489	739
Other current assets	18	217	58
		21,977	23,700
Non-Current Assets Classified as Held for Sale	20(b)	-	2,300
Total Current Assets		21,977	26,000
Non-Current Assets			
Receivables		39	39
Biological assets	17	2,459	3,046
Other financial assets	19	128	107
Property, plant and equipment	20	74,125	77,613
Total Non-Current Assets		76,751	80,805
Total Assets		98,728	106,805
Current Liabilities			
Payables	21	1,529	1,431
Accrued employee benefits	22	1,892	1,887
Other current liabilities	23	1,201	1,244
Total Current Liabilities		4,622	4,562
Non-Current Liabilities			
Accrued employee benefits	22	335	388
Total Non-Current Liabilities		335	388
Total Liabilities		4,957	4,950
Net Assets		93,771	101,855
Equity			
Contributed equity		9,948	11,030
Accumulated surplus/(deficit)		(18,930)	(17,436)
Asset revaluation surplus	24	102,753	108,261
Total Equity		93,771	101,855

The accompanying notes form part of these statements.



Queensland Agricultural Training Colleges
STATEMENT OF CHANGES IN EQUITY
for year ended 30 June 2015

	Contributed Equity	Asset Revaluation Surplus (Note 22)	Retained Surpluses	TOTAL
Notes	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2013	11,030	110,341	(17,471)	103,900
Operating Result from Continuing Operations	-	-	35	35
<i>Other Comprehensive Income</i>				
Increase/(Decrease) in Asset Revaluation Surplus	-	(2,080)	-	(2,080)
<i>Transactions with Owners as Owners:</i>				
Net assets transferred (via Machinery of Government change)	18(b)	-	-	-
Balance at 30 June 2014	11,030	108,261	(17,436)	101,855
Balance as at 1 July 2014	11,030	108,261	(17,436)	101,855
Operating Result from Continuing Operations	-	-	(1,494)	(1,494)
<i>Other Comprehensive Income</i>				
Increase/(Decrease) in Asset Revaluation Surplus	-	(5,508)	-	(5,508)
<i>Transactions with Owners as Owners:</i>				
Net assets transferred (via Machinery of Government change)	-	-	-	-
Equity withdrawals	(1,082)	-	-	(1,082)
Non-appropriated equity withdrawal	-	-	-	-
Balance as at 30 June 2015	9,948	102,753	(18,930)	93,771

The accompanying notes form part of these statements.

Queensland Agricultural Training Colleges

STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Cash flows from operating activities			
<i>Inflows :</i>			
Grants and other contributions		10,754	22,041
User charges and fees		5,912	5,797
Sale of biological assets		2,968	2,871
GST input tax credits from ATO		1,266	964
GST collected from customers		487	626
Interest receipts		697	645
Dividends		10	10
Other		1,652	2,146
<i>Outflows:</i>			
Employee expenses		(11,086)	(10,903)
Finance / borrowing costs		(5)	-
Supplies and services		(9,210)	(8,868)
GST paid to suppliers		(1,150)	(980)
GST remitted to ATO		(611)	(625)
Other		(580)	(334)
Net cash provided by operating activities	25	1,104	13,390
Cash flows from investing activities			
<i>Inflows:</i>			
Sales of property, plant and equipment		222	3,207
Other Financial Assets		-	-
<i>Outflows:</i>			
Payments for property, plant and equipment		(2,076)	(2,054)
Biologicals		-	(4,420)
Purchases of biological assets		(73)	(50)
Net cash (used in) investing activities		(1,927)	(3,317)
Cash flows from financing activities			
<i>Outflows:</i>			
Finance / borrowing costs		-	(6)
Borrowing redemptions		-	-
Net cash provided by (used in) financing activities		-	(6)
Net (decrease) in cash and cash equivalents		(823)	10,067
Cash and cash equivalents at beginning of financial year		19,934	9,867
Cash and cash equivalents at end of financial year	14	19,111	19,934

The accompanying notes form part of these statements.

Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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

The Queensland Agricultural Training Colleges (QATC) - formerly 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 grants provided by Queensland Treasury paid to the Corporation via the Department of Education and Training (DET) and the Department of Agriculture and Fisheries (DAF). 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; and
- 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. AACEO discontinued at 31 July 2015 and its functions were transferred to the Corporation.

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's Financial Reporting Requirements for the year ending 30 June 2015, 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.

(b) User Charges and Fees, Taxes, Penalties and Fines

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.

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

(c) 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.

(d) 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.

(e) 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.

(f) 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.

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

(g) 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.

(h) 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.

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

(i) 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*.

(j) 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.

(k) 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's *Non-Current Asset Accounting Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

In respect of the abovementioned 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, (that is not classified as major plant and equipment) is measured at cost in accordance with the *Non-Current Asset Policies*. The carrying amounts for such plant and equipment at cost should not materially differ from their fair value.

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

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

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.

Early in the reporting period, the Corporation reviewed all fair value methodologies in light of the new principles in AASB 13 Fair Value. Some minor adjustments were made to methodologies to take into account the more exit-oriented approach to fair value under AASB 13, as well as the availability of more observable data for certain assets (e.g. land and buildings). Such adjustments – in themselves - did not result in a material impact on the values for the affected Property Plant and Equipment classes.

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 are considered in accordance with Queensland Treasury Accounting Policy Guidelines 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.

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

(I) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the Corporation include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Corporation include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Corporation assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities of the Corporation for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

There were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about the Corporation's Property, Plant and Equipment and Investment Property is outlined in Note 20.

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

(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.

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

<i>Class</i>	<i>Rate %</i>
Buildings and land improvements	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.

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

(n) Impairment of Non-Current Assets (cont'd)

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 1(1).

(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.

(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

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

(r) Financial Instruments (contd)

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.

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.

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

(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.

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 Management Personnel and Remuneration

Key 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. Refer to note 8 for the disclosures on key management personnel and remuneration.

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

(t) 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.

(u) 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.

(v) 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.

(w) Taxation

The Queensland Agricultural Training Colleges 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 15).

(x) Issuance of Financial Statements

The financial statements are authorised for issue by the Principal Executive Officer of the Queensland Agricultural Training Colleges and the Governing Board - Chairman of the Queensland Agricultural Training Colleges at the date of signing the Management Certificate.

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

(y) Accounting Estimates and Judgements

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 17;

Valuation of Property, Plant and Equipment - note 20'd); and

Valuation of Non-Current Assets Classified as Held for Sale or Distribution to Owners - note 20(b)

During the year, the government abolished the carbon tax. The withdrawal of the carbon pricing mechanism has not had a significant impact on the Corporation's critical accounting estimates, assumptions and management judgements.

(z) Currency, 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.

(aa) 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.

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

(ab) New and Revised Accounting Standards

The Corporation did not voluntarily change any of its accounting policies during 2014-15. Australian accounting standard changes applicable for the first time for 2014-15 have had minimal effect on the Corporation's financial statements, as explained below.

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. 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.

AASB 1055 became effective from reporting periods beginning on or after 1 July 2014. In response to this new standard, the Corporation has included in these financial statements a comprehensive new note 'Budget vs Actual Comparison' (Note 33). This note discloses the Corporation's original published budget figures for 2014-15 compared to actual results, with explanations of major variances, in respect of the Corporation's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

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]* .

AASB 10 redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into an entity's financial statements. AASB 2013-8 applies the various principles in AASB 10 for determining whether a not-for-profit entity controls another entity. On the basis of those accounting standards, the Corporation has reviewed the nature of its relationship with other entities that the Corporation is connected with, to determine the impact of AASB 2013-8. The Corporation's conclusion is that it does not have any control over any additional entities.

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

(ab) New and Revised Accounting Standards (contd)

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. The Corporation has assessed its arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11. Based on present arrangements, no joint arrangements exist. However, if a joint arrangement does arise in future, the Corporation will need to follow the relevant accounting treatment specified in either AASB 11 or the revised AASB 128, depending on the nature of the joint arrangement.

AASB 15 *Revenue from Contracts with Customers* will become effective from reporting periods beginning on or after 1 January 2017. This standard contains much more detailed requirements for the accounting for certain types of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change in the timing of revenue from sales of the Corporation's goods and services, such that some revenue may need to be deferred to a later reporting period to the extent that the Corporation has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime.). The Corporation is yet to complete its analysis of current arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.

AASB 9 *Financial Instruments* 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] will become effective for reporting periods beginning on or after 1 January 2018. The main impacts of these standards on the Sunshine Department 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.

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

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

Therefore, as from the 2017-18 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(1) and 31). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the Corporation's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

The Corporation will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2017-18. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2017-18 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.

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities amends AASB 13 Fair Value Measurement effective from annual reporting periods beginning on or after 1 July 2016. The amendments provide relief from certain disclosures about fair values categorised as level 3 under the fair value hierarchy (refer to note 2(1)). Accordingly, the following disclosures for level 3 fair values in note 20 will no longer be required:

- the disaggregation of certain gains/losses on assets reflected in the operating result;
- quantitative information about the significant unobservable inputs used in the fair value measurement; and
- a description of the sensitivity of the fair value measurement to changes in the unobservable inputs.

As the amending standard was released in early July 2015, the Corporation has not early adopted this relief in these financial statements, as per instructions from Queensland Treasury. However, the Corporation will be early adopting this disclosure relief as from the 2015-16 reporting period (also on instructions from Queensland Treasury).

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.

Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
3. Grants and Other Contributions		
Government grants *	10,272	13,470
Total	10,272	13,470
* Included in revenue from grants for 2015 are non-reciprocal grants totalling \$7.235 million from the Department of Education and Training and \$2.5 million from the Department of Agriculture and Fisheries.		
4. User Charges and fees		
User Choice and contract arrangements	525	324
Sale of goods	214	240
Sale of services	4,682	2,620
Total	5,421	3,184
5. Other Revenues		
Dividends	10	10
Unrealised gain/(loss) of Investments	20	1
Property - residential charges, rent and hire fees	1,069	1,101
Other	160	529
Total	1,259	1,641
6. Gains on Disposal/Remeasurment of Assets		
Net gains from disposal of property, plant and equipment	222	1,071
Gains on biological assets	2,483	2,236
Total	2,705	3,307
7. Employee Expenses		
Employee Benefits		
Wages and salaries	8,654	8,694
Annual leave expense	649	632
Employer superannuation contributions	1,008	969
Long service leave expense	147	195
Employee Related Expenses		
Workers' compensation premium	75	96
Payroll tax	505	464
Total	11,038	11,050

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* 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:

	2015	2014
Number of full-time equivalent employees:	120	118

Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

8. Key Management Personnel and Remuneration and Expenses

a) Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Corporation during 2014-15. 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)
Principal Executive Officer	The Principal Executive Officer is responsible for the efficient, effective and economic administration of QATC.	SES 2.5	Appointed 27 August 2012
Director Emerald Agricultural College	The Director Emerald Agricultural College is responsible for the effective, efficient and economic administration of Emerald Agricultural College.	SO3	Appointed 6 May 2013 (Resigned 6 February 2015)
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 (Resigned 1 June 2015)
Acting Director Emerald Agricultural College	The Director Emerald Agricultural College is responsible for the effective, efficient and economic administration of Emerald Agricultural College.	SO3	Acting in the position between 6 February 2015 and 29 May 2015
Director Emerald Agricultural College	The Director Emerald Agricultural College is responsible for the effective, efficient and economic administration of Emerald Agricultural College.	Employment Contact	Appointed 1 June 2015
Acting Director Longreach Pastoral College	The Director Longreach Pastoral College is responsible for the effective, efficient and economic administration of Longreach Pastoral College.	SO2	Acting in the position between 1 June 2015 and 30 June 2015

b) Remuneration Expenses

Remuneration policy for the Corporation's key 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 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 2014-15 year, remuneration of key executive management personnel increased by 2.2% in accordance with government policy.

Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

8. Key Management Personnel and Remuneration and Expenses (cont'd)

b) Remuneration Expenses (cont'd)

Remuneration packages for key management personnel comprise the following components:

- Short term employee benefits which include:
 - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.
 - performance payments recognised as an expense during the year.
- Non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination 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.

1 July 2014 – 30 June 2015

Position	Short Term Employee Benefits		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000				
Principal Executive Officer	190	-	-	9	-	199
*Director Emerald Agricultural College	81	-	-	8	8	96
**Acting Director Emerald Agricultural College	50	-	-	5	-	55
Director Emerald Agricultural College	10	-	1	-	-	11
***Director Longreach Agricultural College	131	-	-	15	9	155
Acting Director Longreach Agricultural College	11	-	-	1	-	12
Total	473	-	1	38	17	528

There were no performance bonuses paid or payable in the 2014-15 financial year.

*The former Director, Emerald Agricultural College resigned February 2015.

**The Acting Director, Emerald Agricultural College was employed in the position from February 2015 until May 2015.

***The former Director, Longreach college resigned June 2015.



Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

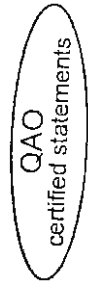
8. Key Management Personnel and Remuneration and Expenses (cont'd)
b) Remuneration Expenses (cont'd)

1 July 2013 – 30 June 2014

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000				
Executive Director	212	-	-	-	\$'000	\$'000
*Director Corporate Services Finance	72	-	-	8	-	80
*Director Corporate Services Human Resources	72	-	-	6	-	78
Director Emerald Agricultural College	134	-	-	13	-	147
Director Longreach Agricultural College	136	-	-	16	-	152
Total	626	-	-	43	-	669

There were no performance bonuses paid or payable in the 2013-14 financial year.

*These positions no longer existed from 1/7/14.



Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
9. Supplies and Services		
Consultants and contractors	1,899	2,004
Computer	658	614
Transport	882	772
Building	1,030	1,641
Production	2,010	1,894
Domestic	271	248
Work performance arrangement fee and associated costs	-	-
Recruitment	59	37
Communications	639	580
Freight & Postage	37	30
Printing	76	75
Insurance	216	219
Infrastructure	236	438
Building refurbishment	-	-
Training	89	153
Other	855	651
Total	8,957	9,356
10. Depreciation and Amortisation		
Depreciation and amortisation were incurred in respect of:		
Buildings and land improvements	453	403
Infrastructure	254	215
Major plant and equipment	377	392
Minor plant and equipment	188	252
Total	1,272	1,262
11. Finance / Borrowing Costs		
Administration charges	5	6
Total	5	6
12. Other Expenses		
External audit fees	*	47
Bad and impaired debts		43
Operating lease payments		(25)
		532
		291
Total		554
		379

* Total audit fees paid to Queensland Audit Office relating to the 2014-15 financial statements are estimated to be \$47,000 (2014: \$43,000). There are no non-audit services included in this amount.

*Queensland Agricultural Training Colleges***NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

	2015 \$'000	2014 \$'000
13. Losses from disposal of property, plant & equipment		
Assets written off/scrapped	3	152
	<u>3</u>	<u>152</u>
14. Cash and Cash Equivalents		
Imprest accounts	4	2
Cash at bank	2,270	4,255
Short term deposits	-	3,161
QTC Investments	16,837	12,517
Total	<u>19,111</u>	<u>19,935</u>
15. Receivables		
<i>Current</i>		
Trade receivables*	866	1,363
Less: Allowance for impairment loss	(20)	(52)
	<u>846</u>	<u>1,311</u>
GST receivable	63	178
Less: GST payable	47	(76)
	<u>110</u>	<u>101</u>
Accrued income	822	1,347
Accrued interest	5	24
Total	<u>1,783</u>	<u>2,784</u>
Movements in the allowance for impairment loss		
Balance at the beginning of the year	52	13
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Increase/decrease in allowance recognised in the operating result	<u>(32)</u>	<u>39</u>
Balance at the end of the year	<u>20</u>	<u>52</u>

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

Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015	2014
	\$'000	\$'000
16. Inventories		
Inventory held for use - at cost	20	32
Inventory held for distribution - at cost	27	19
Feedlot inventory - at cost	330	133
Total	377	184
17. Biological Assets		
<i>Current</i>		
Livestock	471	739
Plants	18	-
Total	489	739
<i>Non-Current</i>		
Livestock	2,459	2,526
Plants	-	520
Total	2,459	3,046
<i>Total Biological Assets</i>		
Livestock	2,930	3,265
Plants	18	520
Total	2,948	3,785

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Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

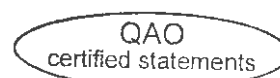
17. Biological Assets (Cont'd)

Biological Assets Reconciliation (\$' 000)

Livestock *	Cattle \$'000	Sheep \$'000	Horse \$'000	Other \$'000	Total \$'000
Carrying amount at 1 July 2014	2,543	225	496	1	3,265
add Purchases	53	20	1	-	74
less Decrease attributed to sales	(1,681)	(124)	(34)	-	(1,839)
less Decrease for internal use	(41)	(13)	-	-	(54)
add Births	197	7	9	-	213
less Deaths	(45)	(47)	(18)	-	(110)
add/(less) Valuation movement	1,335	11	36	-	1,382
Carrying amount at 30 June 2015	2,361	79	489	1	2,930
Total actual numbers on hand 30 June 2014	4,805	3,197	193	2	8,197
Total actual numbers on hand 30 June 2015	3,394	1,987	160	2	5,543
Movements	(1,411)	(1,210)	(33)	-	(2,654)
Plants	Crops ** \$'000				
Carrying amount at 1 July 2014	520				
Decrease for internal use					
Decrease attributed to sales	(1,161)				
Valuation and natural increase movement	659				
Carrying amount at 30 June 2015	18				

* To manage the Corporation's exposure to fluctuations in livestock valuations, management regularly monitors livestock markets across multiple locations. A detailed review of valuations was undertaken during the year using data from regional livestock sales, advice from industry experts and other information relating to the value of the assets in an active market, in order to determine the fair value of the assets. Adjustments were made to the Corporation's biological assets as required. Refer Note 2(h). 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 Corporation's Biological assets are categorised as level 2 of the fair value hierarchy. Biological asset values were derived from directly observable market data. Unobservable inputs include weight, condition and livestock classing.

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

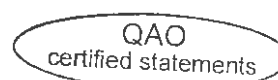


Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015	2014
	\$'000	\$'000
18. Other Current Assets		
Prepayments	217	58
Total	217	58
19. Other Financial Assets		
Shares in Companies*	128	107
Total	128	107

* Shares at fair value have been valued based on the unadjusted quoted market price recorded on the national stock exchange at balance date. This therefore falls under level 1 of the fair value hierarchy.



Queensland Agricultural Training Colleges**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

	2015	2014
	\$'000	\$'000
20.(a) Property, Plant and Equipment		
Land:		
At fair value	14,361	14,784
Less: Accumulated impairments		(423)
	<u>14,361</u>	<u>14,361</u>
Buildings:		
At fair value	61,199	61,205
Less: Accumulated depreciation	(14,579)	(8,027)
Less: Accumulated impairment	(1,312)	(4,921)
	<u>45,308</u>	<u>48,257</u>
Infrastructure:		
At fair value	14,603	12,910
Less: Accumulated depreciation	(4,940)	(4,276)
Less: Accumulated impairment	(694)	(352)
	<u>8,970</u>	<u>8,282</u>
Major Plant and Equipment:		
At fair value	6,594	9,551
Less: Accumulated depreciation	(2,968)	(4,821)
	<u>3,626</u>	<u>4,730</u>
Plant and equipment:		
At cost	6,690	6,467
Less: Accumulated depreciation	(5,580)	(5,418)
	<u>1,110</u>	<u>1,049</u>
Work in progress:		
At cost Work in progress	751	934
	<u>751</u>	<u>934</u>
Total	<u>74,125</u>	<u>77,613</u>

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

A comprehensive valuation was completed as at 30 June 2015 based on "fair value" principles in accordance with AASB 116 *Property Plant and Equipment* and AASB 13 *Fair Value*.

Valuation process

The college engages external, independent and qualified valuers to determine the fair value of the entities land, building and other structure assets on a regular basis. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material a revaluation is undertaken either by comprehensive revaluation or by applying an interim revaluation using appropriate indices.

Changes in level 2 & 3 fair values are analysed at the end of each reporting period and discussed between the Finance Manager, Executive Director and the Assets and Facilities Manager. As part of this process the team presents a report that explains the reasons for the fair value movements.

As at 30 June 2015 a comprehensive revaluation was undertaken for all asset classes subject to revaluation by APV Valuers and Asset Management.

Valuation techniques used to derive fair values

(i) Recurring fair value measurements

The following methods are used to determine the fair value measurements.

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

Land

This has been applied to land held in freehold title and has been assessed on the basis of the estimated amount which the interest in each property being valued might reasonably be expected to realise on the date of valuation in an exchange between market participants given highest and best use or highest and best alternative use. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect condition and comparability. As this was based on observable evidence they have been classified as Level 2.

Buildings

Level 2 valuation inputs

Market (Direct Comparison) - Where there is a market for building assets, fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach were price per square metre.

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

Buildings (cont'd)

Level 3 valuation inputs

Cost (Depreciated) – This includes specialised buildings as well as some residential properties that were located in isolated locations where there was no evidence to support a market approach. These buildings were valued using the cost approach using professionally qualified Registered Valuers.

Under this approach the cost to replace the asset is calculated and then adjusted to take account of an accumulated depreciation. The valuer disaggregated the building into different components and for each component determined a value based on the interrelationship between a range of factors. These include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and the pattern of consumption of the future economic benefit.

Major Plant

Major plant assets have generally been derived from comparable sales and relevant industry market price reference guides and have been classified as being valued at level 2. The most significant inputs into this valuation approach are the make, size, year of manufacture and condition.

Infrastructure - Including Road and Water Network

Infrastructure assets were valued using level 3 valuation inputs using the cost approach. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

(ii) Non-recurring fair value measurements

No assets were valued as a non-recurring valuation. The above note represents both consolidated and parent figures as all the assets are contained within the parent entity.

Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

20.(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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	14,361	15,330	48,257	50,516	8,282	8,765	4,730	3,000	1,048	1,311	934	653	77,612	79,575
Acquisitions	-	708	25	569	89	573	106	77	110	134	1,745	978	2,076	3,039
Disposals	-	(171)	-	(355)	-	-	-	(426)	(6)	(136)	-	-	(6)	(1,088)
Transfers between classes	-	-	-	-	1,636	-	145	697	148	-	(1,929)	(697)	0	0
Revaluation increments (decrements)	-	-	(1,831)	3,470	(784)	104	(985)	1,505	-	(4)	-	-	(3,600)	5,075
Transfers (to)/from assets held for sale or for distribution to owners	-	(1,083)	-	(619)	-	(593)	6	(6)	(6)	-	-	-	-	(2,301)
Depreciation	-	-	(453)	(403)	(253)	(215)	(377)	(392)	(189)	(252)	-	-	(1,272)	(1,262)
Impairment	-	(423)	(691)	(4,921)	(352)	(352)	-	-	5	(5)	-	-	(686)	(5,702)
Impairment reversal	-	-	-	-	-	-	-	275	-	-	-	-	-	275
Carrying amount at 30 June	14,361	14,361	45,308	48,257	8,971	8,282	3,626	4,730	1,110	1,048	751	934	74,126	77,612

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Queensland Agricultural Training Colleges
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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

Categorisation of fair values recognised as at 30 June 2015 (refer note 2(f))

	Level 2 \$'000		Level 3 \$'000		Total \$'000	
	2015	2014	2015	2014	2015	2014
Land	14,361	14,361	-	-	14,361	14,361
Buildings	436	447	44,872	47,810	45,308	48,257
Infrastructure	-	-	8,970	8,282	8,970	8,282
Major Plant and Equipment	3,626	4,730	-	-	3,626	4,730

Level 3 fair value reconciliation (refer note 2(f))

	Land		Buildings		Infrastructure		Major Plant and Equipment			Total
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	
Carrying amount at 1 July	-	-	47,810	50,516	8,282	8,765	-	-	56,092	59,281
Acquisitions	-	-	25	122	-	573	-	-	25	695
Disposals	-	-	-	(355)	89	-	-	-	89	(355)
Transfers between classes	-	-	-	-	1,636	-	-	-	1,636	-
Revaluation increments (decrements)	-	-	(1,830)	3,470	(784)	104	-	-	(2,614)	3,574
Transfers (to)/from assets held for sale or for distribution to owners	-	-	-	(619)	-	(593)	-	-	-	(1,212)
Depreciation	-	-	(442)	(403)	(253)	(215)	-	-	(695)	(618)
Impairment	-	-	(691)	(4,921)	-	(352)	-	-	(691)	(5,273)
Impairment reversal	-	-	-	-	-	-	-	-	-	-
Carrying amount at 30 June	-	-	44,872	47,810	8,970	8,282	-	-	53,842	56,092

Highest and Best Use

All of the Corporation's property, plant and equipment have been valued at highest and best use.

Queensland Agricultural Training Colleges
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

20. (Property, Plant and Equipment (cont'd))

Level 3 significant valuation inputs and relationship to fair value

Description	Type of significant level 3 input	Fair value at 30 June 2015 \$'000	Sensitivity to Unobservable Market Inputs		Amount of Potential Impact	
			Lower %	Upper %	Lower \$'000	Upper \$'000
Emerald -infrastructure	Relationship between asset consumption rating scale and the level of consumed service potential	5,844	-2.50%	2.50%	(146)	146
Emerald - roads	Relationship between asset consumption rating scale and the level of consumed service potential	736	-2.50%	2.50%	(18)	18
Longreach - infrastructure	Relationship between asset consumption rating scale and the level of consumed service potential	5,109	-2.50%	2.50%	(128)	128
Longreach - roads	Relationship between asset consumption rating scale and the level of consumed service potential	631	-2.50%	2.50%	(16)	16
Specialised buildings	Relationship between asset consumption rating scale and the level of consumed service potential	61,507	-2.50%	2.50%	(1,538)	1,538
Other structures	Relationship between asset consumption rating scale and the level of consumed service potential	2,789	-2.50%	2.50%	(70)	70

Level 3 significant valuation inputs and relationship to fair value

Description	Type of significant level 3 input	Fair value at 30 June 2014 \$'000	Sensitivity to Unobservable Market Inputs		Amount of Potential Impact	
			Lower %	Upper %	Lower \$'000	Upper \$'000
Emerald -infrastructure	Condition of the asset where based on condition as supplied by Relationship between asset consumption rating scale and the level of consumed service potential	5,940	-2.50%	2.50%	-149	149
		5,940	-2.50%	2.50%	-149	149

Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

20. (Property, Plant and Equipment (cont'd))

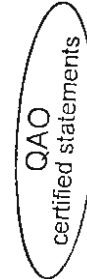
Level 3 significant valuation inputs and relationship to fair value (cont'd)

Description	Type of significant level 3 input	Fair value at 30 June 2014 \$'000	Sensitivity to Unobservable Market Inputs		Amount of Potential Impact	
			Lower %	Upper %	Lower \$'000	Upper \$'000
Longreach - infrastructure	Condition of the asset where based on condition as supplied by	2,599	-2.50%	2.50%	-65	65
Buildings	Relationship between asset consumption rating scale and the level of consumed service potential	2,599	-2.50%	2.50%	-65	65
	Relationship between asset consumption rating scale and the level of consumed service potential	49,852	-2.50%	2.50%	-1,246	1,246
Specialised structures	Relationship between asset consumption rating scale and the level of consumed service potential	3,290	-2.50%	2.50%	-1,246	82

The main level 3 inputs used are derived and evaluated as follows -

* Relationship between asset consumption rating scale and the level of consumed service potential - Under the cost approach the estimated cost to replace the asset is calculated and then adjusted to take account of an accumulated depreciation. In order to achieve this the valuer determines an asset consumption rating scale for each asset type based on the inter- relationship between a range of factors. These factors and their relationship to the fair value require professional judgement and include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit.

* The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of the college's own asset management and finance staff. The results of the valuation were further evaluated by confirmation against the Corporation's own understanding of the assets and the level of remaining service potential.



Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

20.(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 or Distribution to Owners

Location	Property Description	Land		Buildings		Infrastructure		P&E		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	Carrying amount at 1 July	1,082	-	621	-	591	-	6	-	2,300	-
	Transfers from (to) Property Plant and Equipment										
	Manningham Station *	-	1,082	-	621	-	591	-	6	-	2,300
		-	1,082	-	621	-	591	-	6	-	2,300
	Less: Transferred	(1,082)		(621)		(591)		(6)		(2,300)	-
		(1,082)		(621)		(591)		(6)		(2,300)	-
	Carrying Amount at 30 June	-	1,082	-	621	-	591	-	6	-	2,300

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.

* During 2013-14 Ministerial approval was received for the transfer of Manningham Station to the Department of Agriculture and Fisheries (DAF) for its ultimate disposal. This disposal is to be finalised during 2015-16. Sale proceeds realised by DAF will be transferred back to the Corporation for use in funding the acquisition of Rosebank Station. Rosebank Station was identified as of more strategic importance to the ongoing business of the Corporation.

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Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
21. Payables		
<i>Current</i>		
Trade creditors*	845	448
Other payables	685	985
Total	1,529	1,433
<p>* The fair value of trade creditors is assumed to approximate the value of the original transaction, less any allowance for impairment.</p>		
22. Accrued Employee Benefits		
<i>Current</i>		
Recreation and long service leave	1,733	1,430
Accrued salaries and wages	158	457
Total	1,892	1,887
<i>Non-current</i>		
Long service leave	335	388
Total	335	388

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%.

Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
23. Other Current Liabilities		
<i>Current</i>		
Unearned revenue grants	982	1,026
Refundable Bonds	5	1
Special Purpose Funds	214	217
Total	1,201	1,244

24. Asset Revaluation Surplus by Class

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Major Plant & Equipment \$'000	Total \$'000
Balance at 1 July 2014	23,810	60,855	7,377	16,217	108,261
Revaluation increments	-	(3,142)	(1,376)	(991)	(5,508)
Balance at 30 June 2015	23,810	57,713	6,002	15,227	102,752

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Major Plant & Equipment \$'000	Total \$'000
Balance at 1 July 2013	25,248	62,690	7,627	14,774	110,341
Revaluation increments	(1,376)	(1,835)	(250)	1,442	(2,018)
Impairment	(62)	-	-	-	(62)
Balance at 30 June 2014	23,810	60,855	7,377	16,217	108,261

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

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Queensland Agricultural Training Colleges**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

	2015 \$'000	2014 \$'000
25. Reconciliation of Operating Result to Net Cash from Operating Activities		
Operating surplus/(deficit) from continuing operations	(1,494)	35
Depreciation and amortisation expense	1,272	1,262
Unrealised Gain on investments	(20)	-
Impairment or doubtful debts	-	45
Biological assets unrealised (gain)/loss	74	149
Finance/Borrowing costs	-	(6)
Other expenses (non cash)	-	531
Loss/(Gain) on sale of property, plant and equipment	(222)	(1,071)
Changes in assets and liabilities:		
Decrease in receivables	1,002	10,204
(Increase)/decrease in inventories	(193)	52
(Increase)/decrease in prepayments	(159)	187
Decrease in biological assets	836	594
Increase in accounts payable	99	248
Increase/(decrease) in accrued employee benefits	(48)	146
Increase/(decrease) in unearned revenue	(43)	1,014
Net cash from operating activities	1,104	13,390

26. Non-Cash Financing and Investing Activities

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

27. 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:

Not later than one year	89	62
Later than one year and not later than five years	-	-
	<u>89</u>	<u>62</u>

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Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

28. Contingencies

There were no contingent assets or liabilities at reporting date.

29. Controlled Entities

The Corporation does not control any entities. The Australian Agricultural College Employing Office (AACEO) discontinued at 31 July 2014 and its functions were transferred to the Corporation.

30. 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.

31. Financial Instruments

(a) *Categorisation of Financial Instruments*

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

Category	Note	2015 \$'000	2014 \$'000
Financial Assets			
Cash and cash equivalents	14	19,111	19,935
Other financial assets	19	128	107
Receivables	15	1,783	2,784
Total		21,022	22,826
Financial Liabilities			
Payables	21	1,529	1,433
Total		1,529	1,433

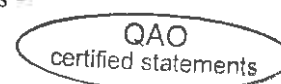
(b) *Financial Risk Management*

QATC'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 QATC 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 -



31. Financial Instruments (cont'd)

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

(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		2015 \$'000	2014 \$'000
Cash	14	19,111	19,935
Receivables	15	1,783	2,784
Total		20,894	22,719

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.

31. 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:

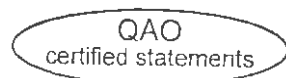
2015 Financial Assets Past Due But Not Impaired

	Contractual Repricing/Maturity date:				Total \$'000
	than 30 \$'000	Overdue 30-60 Days \$'000	61-90 Days \$'000	Days \$'000	
Financial Assets					
Receivables	753	29	6	78	866
Total	753	29	6	78	866

2014 Financial Assets Past Due But Not Impaired

	Contractual Repricing/Maturity date:				Total \$'000
	than 30 \$'000	Overdue 30-60 Days \$'000	61-90 Days \$'000	Days \$'000	
Financial Assets					
Receivables	1,057	86	30	190	1,363
Total	1,057	86	30	190	1,363

* A security bond for a lease over property with Sunwater



31. Financial Instruments (cont'd)

(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 2015.

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.

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.

Financial Liabilities	Note	2015 Payables in			Total
		<1year \$'000	1-5 years \$'000	>5 years \$'000	\$'000
Payables	21	1,529	-	-	1,529
Total		1,529	-	-	1,529

Financial Liabilities	Note	2014 Payables in			Total
		<1year \$'000	1-5 years \$'000	>5 years \$'000	\$'000
Payables	21	1,433	-	-	1,433
Total		1,433	-	-	1,433

(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.

31. 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 \$191,000 (2014: \$199,000). This is mainly attributable to the Corporation's exposure to variable interest rates on its cash at bank.

Financial Instruments	Carrying Amount	2015 Interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
Cash	19,111	(191)	(191)	191	191
Overall effect on profit and equity		(191)	(191)	191	191

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

Financial Instruments	Carrying Amount	2014 Interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
Cash	19,935	(199)	(199)	199	199
Overall effect on profit and equity		(199)	(199)	199	199

32. 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 23 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 23.

Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

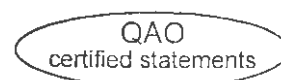
33. Budget vs Actual Comparison

NB. A budget vs actual comparison, and explanations for major variances, has not been included for the Statement of Changes in Equity, as major variances relating to that statement have been addressed in explanations of major variances for other statements.

Statement of Comprehensive Income

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Income from Continuing Operations					
Grants and other contributions		10,491	10,272	(219)	(2%)
User charges and fees	1	6,795	5,421	(1,374)	(20%)
Interest	2	450	678	228	51%
Other revenues	3	17	1,259	1,242	7303%
Gains on sale/remeasurement of assets	4	2,547	2,705	158	6%
Total Income from Continuing Operations		20,300	20,335	35	0%
Expenses from Continuing Operations					
Employee expenses	5	11,630	11,038	592	5%
Supplies and services		8,816	8,957	(141)	(2%)
Depreciation and amortisation		1,162	1,272	(110)	(9%)
Other expenses	6	271	554	(283)	(105%)
Loss on sale/revaluation of assets		128	3	125	97%
Total Expenses from Continuing Operations		22,007	21,829	(178)	(1%)
Operating result from Continuing Operations		(1,707)	(1,494)	213	13%
Other Comprehensive Income					
<u>Items that will not be reclassified subsequently to Operating Result:</u>					
Increase/(decrease) in asset revaluation surplus:	7	-	(5,508)	5,508	100%
<u>Total items that will not be reclassified subsequently to Operating Result:</u>		-	(5,508)	5,508	100%
Total Other Comprehensive Income		-	(5,508)	5,508	100%
Total Comprehensive Income		(1,707)	(7,001)	(5,294)	(310%)

The accompanying notes form part of these statements.



Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

33. Budget vs Actual Comparison (contd)

Statement of Financial Position

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Current Assets					
Cash and cash equivalents	8	1,363	19,111	17,748	1302%
Receivables	9	1,267	1,783	516	41%
Other financial assets	10	12,078	-	(12,078)	(100%)
Inventories		238	377	139	58%
Biological Assets		-	489	489	100%
Other		303	217	(86)	(28%)
		15,249	21,977	6,728	44%
Non-current assets classified as held for sale					
Total Current Assets		15,249	21,977	6,728	44%
Non Current Assets					
Receivables		39	39	0	1%
Other financial assets		81	128	47	58%
Property, plant and equipment	11	82,353	74,125	(8,228)	(10%)
Biological Assets	12	6,181	2,459	(3,722)	(60%)
Total Non Current Assets		88,654	76,751	(11,903)	(13%)
Total Assets		103,903	98,728	(5,175)	(5%)
Current Liabilities					
Payables		1,511	1,529	(18)	(1%)
Other financial liabilities		-	-	-	-
Accrued employee benefits	13	2,216	1,892	324	15%
Other current liabilities	14	229	1,201	(972)	(424%)
Total Current Liabilities		3,956	4,622	(666)	(17%)
Non Current Liabilities					
Other financial liabilities		-	-	-	-
Accrued employee benefits	15	1,180	335	845	72%
Total Non Current Liabilities		1,180	335	845	72%
Total Liabilities		5,136	4,957	179	3%
Net Assets		98,767	93,771	(4,996)	(5%)
Equity					
Contributed equity	16	(28,060)	9,948	38,008	135%
Accumulated surplus/(deficit)	17	16,945	(18,930)	(35,875)	(212%)
Asset revaluation surplus		109,882	102,753	(7,129)	(6%)
Total Equity		98,767	93,771	(4,996)	(5%)

The accompanying notes form part of these statements.

Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

33. Budget vs Actual Comparison (contd)

Statement of Cash Flows

	Variance Notes	Original Budget	Actual	Variance \$'000	Variance % of Budget
		2015 \$'000	2015 \$'000		
Cash flows from operating activities					
<i>Inflows:</i>					
Grants and other contributions		10,491	10,754	263	3%
User charges and fees		6,994	5,912	(1,082)	(15%)
Sale of biological assets	18	-	2,968	2,968	100%
GST input tax credits from ATO	19	-	1,266	1,266	100%
GST collected from customers	20	-	487	487	100%
Interest receipts		450	697	247	55%
Dividends		-	10	10	100%
Payables		-	-	-	-
Other	21	2,291	1,652	(639)	(28%)
<i>Outflows:</i>					
Employee expenses		(11,144)	(11,086)	58	(1%)
Finance/borrowing costs		-	(5)	(5)	(100%)
Supplies and services		(8,753)	(9,210)	(457)	(5%)
GST paid to suppliers	22	-	(1,150)	(1,150)	(100%)
GST remitted to ATO	23	-	(611)	(611)	(100%)
Other	24	(288)	(580)	(292)	(101%)
Net cash provided by operating activities		41	1,104	1,063	2592%
Cash flows from investing activities					
<i>Inflows:</i>					
Investments redeemed	25	3,000	-	(3,000)	(100%)
Sales of property, plant and equipment		-	222	222	100%
Other Financial Assets		-	-	-	100%
<i>Outflows:</i>					
Payments for property, plant and equipment	26	(3,380)	(2,076)	1,304	39%
Biologicals	27	-	-	-	(100%)
Purchases of biological assets		-	(73)	(73)	(100%)
Net cash (used in) investing activities		(380)	(1,927)	(1,547)	407%
Cash flows from financing activities					
<i>Outflows:</i>					
Finance / borrowing costs		(5)	-	5	100%
Borrowing redemptions		-	-	-	(100%)
Net cash provided by (used in) financing activities		(5)	-	5	(100%)
Net (decrease) in cash and cash equivalents		(339)	(823)	(484)	(143%)
Cash and cash equivalents at beginning of financial year		1,702	19,934	18,232	1071%
Cash and cash equivalents at end of financial year		1,363	19,111	17,748	1302%

The accompanying notes form part of these statements.

33. Budget vs Actual Comparison (contd)

Explanations of Major Variances

Statement of Comprehensive Income

1. The variance reflects that the budget for user charges and fees includes forecast revenue from accommodation rentals. However, the actual revenue for this item is as reported as other revenue.
2. Delays in completing the capital works program was caused by approval processes that took longer than expected and a lack of contract resources. Additional sales of livestock due to the drought meant a higher amount was earned for interest on investment of surplus cash.
3. The variance reflects that the budget for user charges and fees includes forecast revenue from accommodation rentals. However, the actual revenue for this item is as reported as other revenue.
4. A one off sale of a small parcel of surplus land at Longreach resulted in a book gain of \$221K.
5. Savings in employee costs were made in response to actual staffing requirements required to support training and production activities.
6. Increase in operating lease payments results from a change in classification of property rentals.
7. This variance results from the comprehensive revaluation of the Corporation's non-current fixed assets at 30 June 2015.

Statement of Financial Position

8. Increase reflects the change in the classification of surplus cash investment from other financial assets to cash and from the sale of livestock in response to drought conditions at Longreach.
9. Variance relates to the accrual of additional training income at year end and fuel tax credits and from the sale of sorghum from Emerald Agricultural College.
10. Decrease reflects the change in the classification of surplus cash investment from other financial assets to cash.
11. This variance results from the comprehensive revaluation of the Corporation's non-current fixed assets at 30 June 2015.
12. Variance results from the sale of additional livestock in response to drought conditions impacting far western Queensland.
13. The budget for non-current accrued employee benefits was over estimated and results in this variance.

Queensland Agricultural Training Colleges

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

1. Budget vs Actual Comparison (contd)

14. This variance relates to the amount held in unearned revenue. In the main this relates to payments received from the Federal Government for VET Fee Help placements and surplus funds to be returned to the Cross Industry Training Project.
15. Accrued employee benefits were set too high in the preparation of the original budget. This is attributed to the fact that a number of longer serving staff have exited the Corporation over recent periods.
16. This variance relates to the now correct treatment for the transfer of the Corporation's former properties at Dalby to the Department of Education that occurred in 2011/12.
17. This variance relates to the now correct treatment for the transfer of the Corporation's former properties at Dalby to the Department of Education that occurred in 2011/12.

Statement of Cash Flows


18. This item was budgeted for in other inflows and results in the variance in this line item.
19. The formulation of the budget assumed that the various GST transactions net off during a financial year.
20. The formulation of the budget assumed that the various GST transactions net off during a financial year.
21. This variance results from the fact that the budget includes cash flows from the sale of biological assets.
22. The formulation of the budget assumed that the various GST transactions net off during a financial year.
23. The formulation of the budget assumed that the various GST transactions net off during a financial year.
24. This variance relates to the change in the treatment of rental of office accommodation and the like budgeted for in supplies and services.
25. Increase reflects the change in the classification of surplus cash investment from other financial assets to cash.
26. This variance relates to delays in the timing of capital works expenditures resulting from approval processes that took longer than expected and lack of availability of skilled resources.
27. This variance results from the opportunistic purchase of livestock to cater for various operational and business requirements at the Corporation's cattle properties.

QUEENSLAND AGRICULTURAL TRAINING COLLEGES

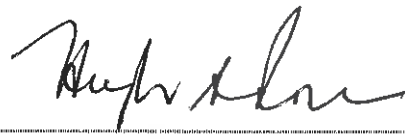
CERTIFICATE OF THE QUEENSLAND AGRICULTURAL TRAINING COLLEGES

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 the Queensland Agricultural Training Colleges for the the financial year ended 30 June 2015 and of the financial position of the entity at the end of that year.



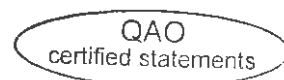
BRENT KINNANE
PRINCIPAL EXECUTIVE OFFICER
Queensland Agricultural Training Colleges



HUGH ROSE
GOVERNING BOARD - CHAIRMAN
Queensland Agricultural Training Colleges

Date: 15/9/15

Date: 15/9/15



INDEPENDENT AUDITOR'S REPORT

To the Governing Board of the Queensland Agricultural Training Colleges

Report on the Financial Report

I have audited the accompanying financial report of Queensland Agricultural Training Colleges, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement 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 Governing Board Chairman and Principal Executive Officer.

The Board's Responsibility for the Financial Report

The Board 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 Board's responsibility also includes such internal control as the Board 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 Board, 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 the Queensland Agricultural Training Colleges for the financial year 1 July 2014 to 30 June 2015 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.



N GEORGE CPA
as Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

Glossary

Abbreviations used throughout this document

AACC	Australian Agricultural College Corporation
AHC	Annual hours curriculum
ASQA	Australian Skills Quality Authority
CQU	Central Queensland University / CQUniversity
DAF	Department of Agriculture and Fisheries
DET	Department of Education and Training
EAC	Emerald Agricultural College
FAI	First aid injury
FTE	Full time equivalent
ICT	Information communication and technology
LLN	Literacy, Language and Numeracy program
LPC	Longreach Pastoral College
LTI	Lost time injury
MTI	Medical treatment injury
NCDE	National Centre for Dairy Education
NM	Near miss
PACE	Pathways to Agricultural Careers and Educations (PACE) Program
QATC	Queensland Agricultural Training Colleges
QI	Quality indicator
RPL	Recognition of prior learning
RTQ	Rural Training Queensland
TASTE	The Agriculture Skills and Technology Experience
VET	Vocational education training
VETiS	Vocational education training in Schools
WH&S	Workplace, health and safety

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 8	3
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 10.1	1-2 48
	<ul style="list-style-type: none"> Public availability 	ARRs – section 10.2	Inside cover
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 10.3	Inside cover
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 10.4	Inside cover
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 10.5	Inside cover
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 11.1	7
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 11.2	7
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 11.3	11
	<ul style="list-style-type: none"> Machinery of government changes 	ARRs – section 11.4	11
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 12.1	12
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 12.2	12
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 12.3	13
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 12.4	15
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 13.1	23
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 14.1	25
	<ul style="list-style-type: none"> Executive management 	ARRs – section 14.2	25
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 14.3	28
	<ul style="list-style-type: none"> <i>Public Sector Ethics Act 1994</i> 	<i>Public Sector Ethics Act 1994</i> ARRs – section 14.4	28

Governance – risk management and accountability	• Risk management	ARRs – section 15.1	29
	• External scrutiny	ARRs – section 15.2	32
	• Audit committee	ARRs – section 15.3	29
	• Internal audit	ARRs – section 15.4	33
	• Information systems and recordkeeping	ARRs – section 15.5	34
Governance – human resources	• Workforce planning and performance	ARRs – section 16.1	35
	• Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 16.2	37
Open Data	• Consultancies	ARRs – section 17 ARRs – section 34.1	38
	• Overseas travel	ARRs – section 17 ARRs – section 34.2	39
	• Queensland Language Services Policy	ARRs – section 17 ARRs – section 34.3	39
	• Government bodies	ARRs – section 17 ARRs – section 34.4	40
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	99
	• Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	100
	• Remuneration disclosures	Financial Reporting Requirements for Queensland Government Agencies ARRs – section 18.3	71

FAA - Financial Accountability Act 2009

FPMS - Financial and Performance Management Standard 2009

ARRs - Annual Report Requirements for Queensland Government agencies

