

*Adult Learning Australia*

*Annual General Report*

2006 -2007



# ADULT LEARNING AUSTRALIA ANNUAL GENERAL MEETING

## *President's Report*

My first year as President of this organisation (this Calendar Year) has been full of interesting challenges, the first of which was to find a new CEO upon the retirement of Ron Anderson. This was not an easy task, but within a reasonable timeframe we finally discovered Peter Peterson and, after a series of informal and formal interviews he was appointed and welcomed by the Executive to this position.

Although membership of our Board has been reasonably stable, it was with some regret that we had to accept the retirements for personal and work reasons of Rita Bennink and Kathryn. Their contributions have been highly valued - Kathryn had only been with us for a relatively short time bringing fresh vitality whereas Rita has been a member for many years, and I will certainly miss your corporate knowledge, wisdom and visionary strength.

Bringing new skill sets to our Board I welcome two new members – Mark Brophy and Margaret Kling. I am sure they will make significant contributions to the directions and activities of Adult Learning Australia.

One of my key priorities during this first term of office has been the **growth** of our relationship with DEST. This hasn't been easy, being an election and a conservative largely vocationally focussed approach being sought by the DEST leadership from us. ALA has participated in the 'round table' of community education and training providers which has met on two occasions, once with the former Minister for Vocational Education and Training, Andrew Robb. At the heart of the agenda was the paper presented at our Melbourne ALA conference by Ben Bardon, the essence of which is that community education and training does play a significant role in skilling of Australians, and must be an integral part of any redesigned national training system.

With the change of government at the federal level, we are working hard to establish relationships across the board, especially with Julia Gillard, Deputy Prime Minister, and Minister for Education and Work Place Relations, and other relevant Ministers and Parliamentary Secretaries. ALA is also working on establishing 'new' relationships within the Department of Education, Employment and Workplace Relations (DEEWR). We are hopeful that the Government's Social Inclusion approach will broaden while retaining vocational aspects, various form of literacy (reading, writing, financial, health and Environmental) and other community capacity building will be fostered. I am hopeful that some of our past initiatives, such as learning circles, which have withered in past years will be rejuvenated.

One of my highlights was representing our organisation, together with our immediate Past President Garry Traynor, at the ACE Aotearoa National Conference, in Hamilton, New Zealand. I know we both represented ALA with both flair and distinction, and further cemented this important relationship with our Kiwi counterparts. We are currently negotiating a Memorandum of Understanding with ACE Aotearoa, an agreement which I believe will see us providing leadership and support throughout the South East Asian and Pacific Island region.

This Australian and New Zealand relationship was further reinforced at the International Adult Learners' Week conference hosted by UNESCO in Manchester, one precursor to CONFINTEA VI to be held in Brazil next year. Adult Learning Australia was privileged to be offered one of few Keynote Addresses which was warmly received by delegates, even though translated into four languages during presentation.

I believe it is important that Adult Learning Australia takes on a leadership role within the South East Asian and Pacific region, and to work closely with ASPBAE in the process. Adult learning movements in Indonesia, the Philippines, Malaysia and the Pacific Islands need our support.

Our 2007 National Conference in Cairns was ultimately quite successful, despite a rather dubious beginning. However, it is a costly exercise to our organisation and we may need to review this flagship event to ensure future conferences are not a financial burden on ALA. The success of this year's conference was clearly testimony of the commitment and sheer effort of our ALA national office staff, and I particularly would like to recognise the work of Janie McOmish on this event. Thanks also to all Board members who made significant contributions during the conference.

Planning for this year's conference in Fremantle, Western Australia, has been underway for some time, and ALA is working in partnership with Janice and her team from Learning LINK WA. Our negotiations with UNESCO have not provided us with support for an international flavour at this year's conference. However, there is a strong prospect that we will secure UNESCO funding for a regional international presence, and a follow-on international symposium at the 2009 conference in Hobart, leading to Confintea VI in Brazil.

I believe Adult Learning Australia must determine clear priorities and future directions at our planning workshop in Sydney this month. This process can now be informed and influenced by the emerging policies of the new federal government. Certainly one of our most important and challenging priorities is to position our organisation favourably with relevant Ministers and Commonwealth Agencies, most important of which will be the new Department of Education, Employment and Workplace Relations.

May I take this opportunity to thank Peter and our national office staff for their continuing hard work, often well beyond the 'call of duty'. In welcoming Julia Gane to the team, I know that she will make a significant and valued contribution, easing the workload upon our CEO following the departure of Peter Murphy.

During the year I had to rely heavily on our Executive, and I am appreciative of the fine work done on behalf of Adult Learning Australia by our Vice President, Deirdre Baker, our Treasurer Vaughan Croucher and our Secretary, Roger Morris OBE. And to each Board member, thank you for your continuing support and commitment to the ideals and objectives of Adult Learning Australia. Your time and energy often has to be balanced between work, family and personal commitments, and that I warmly acknowledge.

Greg Peart  
22 February 2008

## Executive Officer Report to the Annual General Meeting

Prepared by:

Peter Peterson, Chief Executive Officer and Ron Anderson, immediate past Chief Executive Officer  
Adult Learning Australia Inc

22 FEBRUARY 2008

The bulk of this report is based on information in respect of work undertaken by my predecessor Ron Anderson. While I have not served in this role during the financial year to which this report refers, I would like to make the following observations.

The ALA Board has lent its full support to myself during the early days of my tenure here. Our President Mr Greg Peart has offered useful advice and has supported the proactive push to establish the most productive and sustainable focus possible for ALA. That approach is about building and serving our membership. That membership must extend beyond providers to industry and local Government in 2008.

With the advent of the new Government the chances of implementing some of the recommendations that numerous enquiries and reviews appear to be greatly strengthened. We have two major lines of Ministerial communication: the first through the Deputy Prime Minister Julia Gillard who we understand is well versed in the important roll that Adult Education can play through her experiences in Victoria. The second is Senator Ursula Stephens who has a commendable record of commitment and achievement in social inclusion issues. However the opportunities extend beyond with other Ministers such as Nick Sherry, the sole survivor of the 'Come in Cinderella' Enquiry and we are already working with his officers to conduct a national workshop on Financial Literacy.

I hope to develop our lines of communication with DEEST who we have worked well with in the past. In my view communication and the development of joint opportunities can be improved especially if officers dedicated to Adult Learning can be provided in the Department.

There is no doubt in my mind that ALA requires additional resources to fully achieve its potential and its mandate. All officers within ALA are working well beyond the requirements of their positions because they believe in what we are doing. The support provided from ALA executive members Deirdre Baker who was key to making the conference the success it was, Vaughan Croucher for his unstinting commitment to making sure we are on the right financial track and Roger Morris who incredible corporate knowledge and longstanding commitment was fairly reflected in the 2008 Australia Day Honours.

This report however relates primarily to the practical achievements of 2006/07 which have been well documented in the following reports provided by Ron Anderson.

Throughout 2006, and more particularly, during this reporting period, the Board of Adult Learning Australia Inc. has been through several facilitated governance and strategic planning processes to better align the future purpose of the national peak body for Adult Community Education with the newly emerging trends related to the 'whole of government' and human capital needs being expressed through the COAG Agenda while extending the range of national activities between ACE and VTE stakeholders and coordinating community capacity building activities, consistent with the Skilling Australia's Workforce agenda.

Adult Learning Australia also undertook a survey of members, the results of which also feed into the board's strategic deliberations.

As a result of these deliberations and other factors, Adult Learning Australia in the latter half of 2006 revised its vision and mission to more clearly articulate and reflect its new purpose.

It is significant that the new vision and mission of Adult Learning Australia now positions the organisation to focus on supporting the means of delivering adult learning opportunities nationally, rather than the earlier direction which was about attempting to support the more generic focus of the benefits of lifelong learning for its own sake.

The new strategic direction of Adult Learning Australia is reflected in the following statements:

Adult Learning Australia's Vision is to support:

*Adult Learning Providers to become better recognised, valued and supported.*

Adult Learning Australia's Mission is to:

- ❖ *advocate on behalf of Adult Learning Providers nationally.*
- ❖ *connect Adult Learning Providers across Australia, and*
- ❖ *lead in the provision of information to support professional practice in Adult Learning.*

Adult Learning Australia's Values are to:

- *deliver, encourage and celebrate positive initiatives in all sectors and spheres of adult learning.*
- *be inclusive and responsive to the needs of each sector of learning.*
- *be a listener to community, business and government.*
- *build enduring professional relationships with other peak bodies.*
- *strive for quality, innovation and continuous improvement in what we do with others.*
- *build a sound professional consultancy relationship with government, business and community to enhance learning for all.*
- *be fiscally responsible and pursue excellence in our decision-making.*
- *acknowledge the contribution of staff and volunteers.*
- *strive for integrity, transparency and accountability in our actions, and*
- *be financially independent in the next five years.*

Adult Learning Australia's Principles of Practice are to:

- *strive to ensure the best quality outcomes for all those who choose to engage with and do business with ALA.*
- *be a lead agency in identifying and promoting good Adult Community Education(ACE) research to advance adult learning pathways and opportunities.*
- *serve as a national voice for ACE adult learners generally and more specifically disadvantaged and equity groups.*
- *provide strong links to the field of practice in our role as the peak body for adult learning.*
- *seek to be a catalyst for encouraging supporting and nurturing learning alliances with all sectors, and*
- *engage collaboratively with other organisations sharing a similar vision, values and outcomes.*

During the 2006/7 financial-year the Department of Education Science and Training (DEST) and Adult Learning Australia Inc (ALA) agreed that ALA would focus on five broad operational areas of activity within the context of the objectives identified above.

Objective:

*For ALA to carry out its role as the national peak organisation providing a voice for adult learners in ACE and identification of issues linked to adult learning policy debates.*

Regular bi monthly meetings had been established with the DEST Liaison Officer as a means of information sharing around matters of common interest including broadening the range of national operations between ACE and VTE stakeholders and coordinating ACE community capacity building activities.

The emerging COAG agenda has been a dominant item of discussion, including Adult Learning Australia's contribution of quantitative data and analysis to aspects of the recent Discussion Paper on Community Education and National Reform by Ben Bardon. Discussions in the lead-up and subsequent to the completion of this paper has also assisted ALA to focus its research direction over the first 6 months of this contract period and has served to inform further research activities in the second half of this financial year. Adult Learning Australia prepared a response to this paper for presentation to DEST early in 2007.

Adult Learning Australia has had long term representation on the Australian Qualifications Framework Advisory Board to MCEETYA (AQFAB) and through this representation was invited by Dr Anne Byrne, Branch Manager, Skills Analysis and Quality Systems Branch, to join the Steering Committee to provide strategic advice and oversight of research, data collection and analysis to support Australia's participation in the Organisation for Economic Cooperation and Development (OECD) activity on the Recognition of Non-formal and Informal Learning. ALA made an extensive contribution to this DEST committee against tight deadlines.

Adult Learning Australia also represents the voice of ACE on the Flexible Learning Action Group (FLAG) by attending face to face meetings and teleconferences. The main role for ALA on this committee is to make sure that an ACE perspective is considered in group deliberations to balance out an otherwise dominant TAFE position in relation to decisions. FLAG is chaired by Jim Davidson with member representation from each state and territory. The duration of Adult Learning Australia's representation on FLAG has been since 2004. Under a separate funding arrangement Adult Learning Australia manages the E-learning Creative Community Partnership Project. This project brings Adult Learning Australia into contact with both TAFE and RTO's nationally that partner with the community engagement projects that ALA works with and coordinates. Copies of the Community Engagement promotional material have previously been provided to DEST.

Also in its capacity as the peak-body for adult learning through ACE in Australia, Adult Learning Australia has on-going dialogue and has networked on issues of interest to ACE provider members and with both state based peak-bodies and other representative groups.

ALA is represented on the NCVET Objective 3 Advisory Research Committee and has also been involved in the DEST-OECD Thematic Review Committee.

During October/September 2006 Adult Learning Australia engaged with DEST in relation to Adult Learners' Week (ALW) activities and launches. These activities included the launch of ALW by then Minister Hardgrave on the 1<sup>st</sup> September at Griffith University and the launch of Learn @ Work Day at Marrickville Council in Sydney on the 8th. This latter event drew an audience mix of over 100 employees, training providers and other guests.

Adult Learning Australia also continues to actively nurture links with international adult learning peak-bodies by sharing relevant research. These bodies include: The American Association of Adult and Community Education (AAACE) and LERN in the United States of America; the National Institute for Adult and Community Education (NIACE) in the UK; Age Concern in Ireland; the Association of South Pacific Bureau of Adult Education (ASPBAE); ACE New Zealand, and more recently with the Korean Education Development Institute (KEDI) in South Korea, with whom an MOU was recently signed.

On the 31<sup>st</sup> August 2006 Dr Jae-Boon Lee, Director-General of National Centre for Lifelong Education at the Korean Education Development Institution (KEDI) invited the Adult Learners' Week Coordinator to the Fifth National Lifelong Learning Festival to speak on Adult Learners' Week activities and its implemented in Australia, as well as provide an overview of the role of Adult Learning Australia. KEDI is looking for successful models of community engagement to implement in South Korea. Attendees came together at this learning festival from many South East Asian and OECD member countries.

These wide ranging international linkages and activities serve to inform ALA about national and international developments in adult learning.

### **Copies of research commissioned.**

Objective:

*Adult Learning Australia's manages research initiatives that includes building a more quantitative picture of ACE nationally to identify and support an ACE role within the COAG 'whole of government' and human capital agenda.*

Several new and informative pieces of research to support these objectives were released over this period and provided to DEST. All of these reports have helped scope the extent of VETACE provision in Australia. The work of Choy, Haukka and Keyes and the subsequent work by Choy and Haukka have assisted in quantifying the scope of accredited provision by ACE in Australia, particularly the size of that contribution and the AQF levels being offered by the ACE sector to support VET provision.

A brief overview of the work commissioned by Adult Learning Australia over this period follows below.

- **Adult and Community Education**  
**A structural-analysis to explore the capacity of ACE for skilling Australia and human capital development**  
Dr Sarojni Choy (ALA Visiting Research Fellow); Dr Sandra Haukka and Elizabeth Keyes. QUT and Adult Learning Australia, June 2006.

This structural analysis of the ACE sector highlights the evidence of the contribution community agencies are making to the national reform agenda and its goals for human capital development. It provides extensive data on the VTE role of ACE. It argues that this contribution can be greatly enhanced.

- **A National Database of ACE Providers.**  
Dr Sarojni Choy and Dr Sandra Haukka.

This research project follows the earlier analysis of ACE, identifying a lack of national data as a barrier to assessing the true scope and value of ACE. Compiling a national database of over 1200 adult community education providers and their services, the report advocates a more consistent profiling of ACE in Australia-one that will underwrite a clearer assessment of the sector's contribution to social wellbeing and economic development.

Further work has recently been commissioned to identify how and where these providers cluster in relation to each other on a state and territory basis. This analysis will also enable Adult Learning Australia to better identify the range and types of accredited training being offered nationally by ACE providers and more clearly identify vocational pathway opportunities between these providers.

- **The value of ACE providers. A guide to the evidence base.**  
Dr Kaye Bowman (ALA Visiting Research Fellow)

Adult Learning Australia, October 2006.

This report presents a fresh analysis of the role and value of ACE providers, defined as community owned and managed, not-for-profit, adult learning agencies. Systematising the available evidence, the report describes six key ways in which ACE organisations contribute to the lives of individuals and the social and economic development of their communities-as platform and bridge builders; as developers of work-skills and facilitators of adult health; and as promoters of citizenship and community capacity.

- **Small Business And Human Capital: The Role Of Adult Community Education.**  
Kris Newton (ALA Visiting Research Fellow).

This project surveyed small business intermediaries in order to identify principles to guide the development of learning services for small enterprises by the ACE sector. The report comprehensively examines the role of ACE providers in meeting the human capital needs of small business and outlines twelve key messages that can guide their work as learning brokers.

In addition to the research projects identified above ALA has commissioned a suite of research papers on the theme of **Widening Participation for Adult Learners**.

- **The impact of equity and diversity on the adult learning environment**  
Madeline Fernbach, ALA Visiting Research Fellow

Recent policy reforms through Welfare to Work (2005) and the COAG National Reform Agenda (COAG, 2006) have indicated there is a strengthening commitment at a policy level to the inclusion of diversity and disadvantage in Vocational and Technical Education (VTE). To a large measure, this accommodation of disadvantaged and difficult learners reflects the belief that these cohorts of the population, traditionally under-represented in training and employment, may provide one solution to the current and projected skills and labour shortages.

- **Client differentiation and the community sector**  
John McIntyre

The project will explore the way ACE providers understand and approach their client base, in relation to the participation goals of the COAG's National Reform Agenda and its 'human capital thread'.

### **Information on representation at relevant Adult Learning forums.**

Objective:

*Communication with ACE and VTE stakeholders AND co-ordinating ACE community capacity building activities.*

A perennial issue of concern within the ACE sector is good governance. In July 2006 Adult Learning Australia was invited to present a paper on this subject at the annual ACE/Vic Conference in Melbourne. This paper explored the issue of how an ACE provider board might approach the role of becoming a C21 learning board.

Adult Learning Australia during this period also contributed to the DEST Committee with strategic advice and oversight of research, data collection and analysis to support Australia's participation in the

Organisation for Economic Cooperation and Development (OECD) activity on the Recognition of Non-formal and Informal Learning.

A workshop and paper was presented by Adult Learning Australia at the Australian Learning Communities Network Conference (ALCN) in Brisbane in late September on e-learning and drew in the expertise of practitioners from Queensland based projects.

Adult Learning Australia is a member of the Equity Research Centre in Melbourne and has attended and contributed to some of their workshops around equity issues within VTE. Dr Helen Kimberley, Senior Researcher at the Centre was invited to be a Co-Chair at ALA's 46<sup>th</sup> National Conference in Melbourne. The theme of this conference was Social Capital-Learning for Living.

Through the Adult Learners' Week Coordinator, ALA also presented a paper to the New Zealand ACE Conference on the topic of strategies for marketing Adult Learners' Week.

Adult Learning Australia continued over this period to produce both QUEST and the Australian Journal of Adult Learning within their regular publication cycles.

### **A report on coordination of Adult and Community Education (ACE) activities (eg Adult Learners' Week, ALA National Conference and other activities)**

Objectives:

*Adult Learning Australia to manage and promote the Adult Learners' Week initiative.*

A full evaluation report on the management and promotion of Adult Learners' Week (ALW) 2006 was enclosed with the Interim Report in December 2006.

Key outcomes from the Sign Up Now 2006 evaluation report (the 11<sup>th</sup> Anniversary of Adult Learners' Week in Australia) sourced from ACNielsen survey data and other sources, were as follows:

- An increase in overall awareness compared with 2005;
- A similar number of entries recorded on the on-line events calendar as for 2005;
- The highest level of website activity;
- The highest recorded level of ALW awareness throughout adult education centres;
- Reinforcement of the importance of newspaper editorial and advertisements for disseminating ALW publicity;
- A notable increase in television exposure and similar awareness via radio and print media compared with 2005;
- Increased awareness of the national Adult Learners' Week website;
- An increase was identified about the importance of television advertisements for creating publicity and awareness.

Our estimate is that the value of the free media coverage was approximately \$280,000 to \$936,000 for the Television component; between \$234,000 and \$936,000 for radio coverage and between \$50,000 and \$350,000 for print media coverage. Adult Learning Australia leveraging of this national exposure was on a budget of \$250,000 which has not been indexed for several years.

Total awareness of Adult Learners' Week increased from one-in-four (25%) of the Australian population in 2005 to 27% in 2006.

The Australian Guest was Pru Goward who contributed to the strong media interest and awareness about Adult Learners' Week for 2006.

Details of the ACNielsen findings as well as Adult Learning Australia's own research and recommendations have been made available DEST in the December Interim Report.

Objective:

*Adult Learning Australia to organise and coordinate the 46<sup>th</sup> National Conference in November 2006, entitled Social Capital – Learning for Living as part of building ACE-VET linkages.*

The 46<sup>th</sup> Annual National Conference was held in Melbourne over the period 23-25 November 2006.

The theme of the conference was **Social Capital: Learning for Living** which attracted around 130 delegates and over 35 presenters.

### **ALA 47<sup>th</sup> Conference 2007: Understanding today's literacies**

#### **Conference aims**

In recent years the concept of literacy has been broadened beyond its initial meaning of reading and writing (and numeracy) competence to encompass other areas where understanding is required in order to make sense of social, political and economic change. In *Literacy in the new millennium*, Lonsdale and McCurry (NCVER, 2004) pointed to expansion in the use of technology, the globalisation of national economies, the proliferation of information (print, electronic, audio and visual), an increased focus on lifelong learning, and the growth of multicultural societies and interdisciplinary studies, as some of the drivers of the transformations around us that require new literacies.

#### **Conference streams**

- *Workplace literacy*
- *Literacy as a skilling pathway*
- *Financial literacy*
- *Environmental literacy*
- *E-learning and ICTs*
- *Literacy in the community*
- *Research and Policy Literacies*

**ADULT LEARNING AUSTRALIA INC**  
ABN 78 533 061 672

GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2007

ADULT LEARNING AUSTRALIA INC

STATEMENT BY THE BOARD

**BOARD**

The following persons are members of the Board at the date of this report or were members during the financial year:

Greg Peart	<i>President</i>
Deidre Baker	<i>Vice-President</i>
Roger Morris	<i>Secretary</i>
Vaughan Croucher	<i>Treasurer</i>
Allan Arnett	
Rita Bennink	
Kathleen Broderick	
Vanessa Little	
Garry Traynor	

**PRINCIPAL ACTIVITIES**

The principal activities during the financial year were promotion and development of adult learning in Australia. These are outlined in the Association's Annual report

There were no significant changes in the nature of the Association's principal activities during the financial year.


**RESULT FOR THE YEAR**

The net surplus of the Association for the year ended 30 June 2007 was \$90,855.

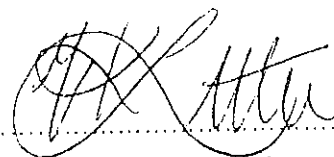
**FINANCIAL REPORT**

In the opinion of the Board, the accompanying general purpose financial report is drawn up so as to give a true and fair view of the Association's financial position as at 30 June 2007 and of its financial performance for the year ended on that date.

In the opinion of the Board there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

  
.....  
Name: VAUGHAN CROUCHER

Member of Board

  
.....  
Name: VANESSA LITTLE

Member of Board

Dated at Tuesday this 4<sup>th</sup> day of December 2007

ADULT LEARNING AUSTRALIA INC  
 INCOME STATEMENT  
 FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
Revenue	2	1,451,977	2,061,946
Project expenses	16	(816,513)	(1,442,533)
Employee benefits expense		(277,546)	(271,510)
Depreciation expense		(8,319)	(8,836)
Other expenses	3	(258,744)	(314,909)
 Net profit attributable to members of the Association		<u>90,855</u>	<u>24,158</u>

The accompanying notes form part of this financial report

ADULT LEARNING AUSTRALIA INC

BALANCE SHEET  
AS AT 30 JUNE 2007

	Note	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	704,446	529,621
Trade and other receivables	5	92	96
Other financial assets	6	48,551	46,785
Other current assets	7	161,412	159,846
<b>TOTAL CURRENT ASSETS</b>		<u>914,501</u>	<u>736,348</u>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	6	1,334	1,252
Property, plant and equipment	8	2,964	24,285
Intangible asset	9	-	535
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,298</u>	<u>26,072</u>
<b>TOTAL ASSETS</b>		<u>918,799</u>	<u>762,420</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	68,042	92,306
Other current liabilities	11	542,674	450,813
<b>TOTAL CURRENT LIABILITIES</b>		<u>610,716</u>	<u>543,119</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits provision	12	-	2,155
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>2,155</u>
<b>TOTAL LIABILITIES</b>		<u>610,716</u>	<u>545,274</u>
<b>NET ASSETS</b>		<u>308,083</u>	<u>217,146</u>
<b>EQUITY</b>			
Retained earnings		307,166	216,311
Reserve	13	917	835
		<u>308,083</u>	<u>217,146</u>

The accompanying notes form part of this financial report

ADULT LEARNING AUSTRALIA INC

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2007

	Note	Retained Earnings \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2005		192,153	-	192,153
Revaluation increment on shares	13	-	835	835
Profit attributable to members of the Association		24,158	-	24,158
Balance at 30 June 2006		<u>216,311</u>	<u>835</u>	<u>217,146</u>
Revaluation increment on shares	13	-	82	82
Profit attributable to members of the Association		90,855	-	90,855
Balance at 30 June 2007		<u><u>307,166</u></u>	<u><u>917</u></u>	<u><u>308,083</u></u>

The accompanying notes form part of this financial report

ADULT LEARNING AUSTRALIA INC

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operations		1,663,540	1,975,429
Interest received		19,578	31,144
Dividends received		69	95
Payments to suppliers and employees		<u>(1,517,051)</u>	<u>(2,239,079)</u>
NET CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES	14	<u>166,136</u>	<u>(232,411)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in deposits held to maturity		(1,766)	(1,165)
Purchase of motor vehicle and office equipment		-	(11,198)
Purchase of 1300 telephone number		-	(535)
Proceeds from sale of motor vehicle		<u>10,455</u>	<u>-</u>
NET CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>8,689</u>	<u>(12,898)</u>
NET INCREASE/(DECREASE) IN CASH HELD		174,825	(245,309)
Cash at the beginning of the financial year		<u>529,621</u>	<u>774,930</u>
CASH AT THE END OF THE YEAR	4	<u>704,446</u>	<u>529,621</u>

The accompanying notes form part of this financial report

## ADULT LEARNING AUSTRALIA INC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Associations Incorporation Act 1991*.

The financial report covers Adult Learning Australia Inc. as an individual entity. Adult Learning Australia Inc. is an association incorporated in the Australian Capital Territory under the *Associations Incorporation Act 1991*.

The financial report of Adult Learning Australia Inc. as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

#### **Reporting Basis and Conventions**

This financial report is prepared on an accruals basis and is based on historical costs, with the exception where stated, of the application of fair value basis of accounting for selected non-current assets.

##### *(a) Taxation*

##### Income Tax

The Association is exempt from income tax under Section 50-5 of the *Income Tax Assessment Act 1997*.

##### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an expense.

Receivables and payables, other than accrued expenses, are stated with the amount of the GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

##### *(b) Property, Plant and Equipment*

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation or amortisation and impairment losses.

ADULT LEARNING AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*(b) Property, Plant and Equipment (continued)*

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

*(c) Depreciation*

The depreciable amount of all fixed assets including buildings and capitalised lease assets, is depreciated or amortised on a straight line basis over their useful lives to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of asset are as follows:

Office equipment and furniture	33.3% and 20%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

*(d) Operating Leases*

The Association has entered into operating leases under which the lessor effectively retains substantially all the risks and benefits of ownership. Operating lease payments are charged as expenses in the periods in which they are incurred.

ADULT LEARNING AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

*(e) Financial Instruments*

Recognition

Financial instruments are initially measured at cost, including transaction costs, on the date contracted. Subsequent to initial recognition these instruments are measured as set out below.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and includes accrued interest income. They are stated at the amount due and are normally settled within 30 days. The collectibility of debts is assessed and specific allowance is made for impairment of receivables.

Financial liabilities

Non-derivative financial liabilities are recognised at original debt less any payments of principal.

Available for sale financial assets

Available for sale financial assets include any financial assets not included in the above categories. Available for sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Impairment

At each reporting date the Association assesses whether there is objective evidence that a financial instrument has been impaired and adjusts the value of the instrument accordingly. Impairment losses are recognised in the income statement.

*(f) Impairment of Assets*

At each reporting date the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

*(g) Employee benefits*

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

ADULT LEARNING AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*(h) Cash and Cash Equivalents*

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown with short-term borrowings in current liabilities on the balance sheet.

*(i) Revenue recognition*

Members' subscriptions are recognised in the year in which invoices are raised and any amounts relating to future periods are recognised as a liability.

Grant income is recognised to the extent of expenditure of the grant. Grant monies that have been received or are receivable but not expended at balance date, are carried forward as unexpended grants.

Dividends are recognised when the right to receive them has been established.

*(j) Comparative Figures*

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

Critical Accounting Estimates and Judgments

The directors' estimates and judgments incorporated into the financial report are based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key Estimates — Impairment

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

ADULT LEARNING AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

	2007	2006
	\$	\$
<b>2. REVENUE</b>		
Operating activities		
Grants received		
Operating grant	305,000	305,000
Project grants	816,513	1,442,533
Membership subscriptions	43,572	16,545
Project fees and expenses recovered	230,333	239,166
Publication sales	11,707	10,942
Other	21,879	8,286
Non-operating activities		
Profit on sale of office equipment	-	4,557
Interest received	22,904	34,822
Dividends received	69	95
	<u>1,451,977</u>	<u>2,061,946</u>
<b>3. PROFIT FROM ORDINARY ACTIVITIES</b>		
Other expenses from ordinary activities:		
Administration expenses	156,261	206,252
Publication expenses	41,193	51,436
Remuneration paid to the auditor for audit or review of the financial report	1,500	1,400
Rental expense on operating leases		
Minimum lease rentals	57,243	55,821
Loss on sale of office equipment	2,547	-
	<u>258,744</u>	<u>314,909</u>
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	200	200
Cash at bank	295,763	252,817
Deposits at call	408,483	276,604
	<u>704,446</u>	<u>529,621</u>
<b>5. RECEIVABLES</b>		
<i>Current:</i>		
Sundry debtors	92	96
	<u>92</u>	<u>96</u>
<b>6. OTHER FINANCIAL ASSETS</b>		
<i>Current:</i>		
Held to maturity assets:		
Fixed deposits maturing later than 3 months after balance date	48,551	46,785
<i>Non-current:</i>		
Available for sale financial assets		
Listed investment, at fair value:		
Shares in Insurance Australia Group	1,334	1,252

The fair value of listed investments is the published bid-price current at reporting date.

ADULT LEARNING AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

	2007 \$	2006 \$
<b>7. OTHER CURRENT ASSETS</b>		
Prepayments	8,408	10,168
Accrued Income	153,004	149,678
	<u>161,412</u>	<u>159,846</u>
<b>8. PROPERTY PLANT AND EQUIPMENT</b>		
Motor vehicle - at cost	-	21,092
Less: Accumulated depreciation	-	(2,846)
	<u>-</u>	<u>18,246</u>
Office equipment and furniture - at cost	15,402	15,402
Less: Accumulated depreciation	(12,438)	(9,363)
	<u>2,964</u>	<u>6,039</u>
<b>TOTAL</b>	<u>2,964</u>	<u>24,285</u>

	Total \$	Motor vehicle \$	Office equipment and furniture \$
<i>Movements in Carrying Amounts:</i>			
Balance at beginning of year	24,285	18,245	6,040
Disposals	(13,002)	(13,002)	-
Depreciation expense	(8,319)	(5,243)	(3,076)
Carrying amount at end of year	<u>2,964</u>	<u>-</u>	<u>2,964</u>

	2007 \$	2006 \$
<b>9. INTANGIBLE ASSETS</b>		
1300 Telephone number - at cost	<u>-</u>	<u>535</u>
Balance at beginning of year	535	-
Impairment loss	(535)	-
Additions at cost	<u>535</u>	<u>535</u>
Carrying amount at end of year	<u>-</u>	<u>535</u>
<b>10. PAYABLES</b>		
Trade and other creditors and accruals	39,845	57,436
GST liabilities	13,123	4,024
Employee benefits - current	15,074	30,846
	<u>68,042</u>	<u>92,306</u>
<b>11. OTHER CURRENT LIABILITIES</b>		
Subscriptions in Advance	5,792	20,157
Unexpended grants - Note 16	536,882	430,656
	<u>542,674</u>	<u>450,813</u>
<b>12. PROVISIONS</b>		
Non-current		
Employee benefits	<u>-</u>	<u>2,155</u>

ADULT LEARNING AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

	2007 \$	2006 \$
13. RESERVES		
Financial assets revaluation reserve	<u>917</u>	<u>835</u>
<b>Nature and purpose of reserve:</b>		
The financial assets revaluation reserve records changes in the fair value of listed investments. This reserve is not able to be distributed as a dividend. Amounts are recognised in the income statement when the listed investment is sold or impaired.		
14. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) <i>Reconciliation of net cash from operating activities to operating surplus</i>		
Operating surplus	90,855	24,158
Non-cash flows in operating profit:		
Depreciation	8,319	8,836
Impairment loss	535	-
(Profit)/Loss on disposal of plant and equipment	2,547	(4,557)
Movements, arising from operating activities, in assets and liabilities:		
Receivables	4	21,291
Prepayment	1,760	(227)
Accrued income	(3,326)	(77,603)
Payables	(8,492)	(2,831)
Employee benefits	(17,927)	(11,714)
Subscriptions in advance	(14,365)	3,611
Unexpended grants	106,226	(193,375)
Net cash flows from operating activities	<u>166,136</u>	<u>(232,411)</u>
(b) <i>Non-Cash Financing and Investing Activities</i>		
Consideration for motor vehicle traded-in	<u>-</u>	<u>10,909</u>
(c) <i>Credit Standby Arrangements with Banks</i>		
Credit card facility having a variable interest rate:	10,000	10,000
Amount utilised	827	2,507
Unused credit facility	<u>9,173</u>	<u>7,493</u>

ADULT LEARNING AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

15. FINANCIAL INSTRUMENTS

**Credit risk exposure:** The Association's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet.

The **Net Fair Value** of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts.

**Interest rate risk:** The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate	Variable interest rate	Non- Interest bearing	Fixed interest maturing within 1 year	Total carrying amount
	%	\$	\$	\$	\$
<b>2007</b>					
<b>Financial Assets</b>					
Cash	3.61	704,246	200	-	704,446
Fixed Deposit	5.62	-	-	48,551	48,551
Receivables		-	92	-	92
Investments		-	1,334	-	1,334
Accrued interest income		-	7,004	-	7,004
<b>Total financial assets</b>		<b>704,246</b>	<b>8,630</b>	<b>48,551</b>	<b>761,427</b>
<b>Financial liabilities</b>					
Payables		-	52,968	-	52,968
Subscriptions in advance		-	5,792	-	5,792
Unexpended grants		-	536,882	-	536,882
<b>Total financial liabilities</b>		<b>-</b>	<b>595,642</b>	<b>-</b>	<b>595,642</b>
<b>Net financial assets</b>		<b>704,246</b>	<b>(587,012)</b>	<b>48,551</b>	<b>165,785</b>
<b>2006</b>					
<b>Financial Assets</b>					
Cash	4.52	529,421	200	-	529,621
Fixed deposits	2.96	-	-	46,785	46,785
Receivables		-	96	-	96
Investments		-	1,252	-	1,252
Accrued interest income		-	3,678	-	3,678
<b>Total financial assets</b>		<b>529,421</b>	<b>5,226</b>	<b>46,785</b>	<b>581,432</b>
<b>Financial liabilities</b>					
Payables		-	61,460	-	61,460
Subscriptions in advance		-	20,157	-	20,157
Unexpended grants		-	430,656	-	430,656
<b>Total financial liabilities</b>		<b>-</b>	<b>512,273</b>	<b>-</b>	<b>512,273</b>
<b>Net financial assets</b>		<b>529,421</b>	<b>(507,047)</b>	<b>46,785</b>	<b>69,159</b>

ADULT LEARNING AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

16. PROJECTS FOR THE YEAR ENDED 30 JUNE 2007

	Unexpended Grants at beginning of the year \$	INCOME \$	EXPENDITURE \$	Unexpended Grants at end of the year \$
Research 2006/07	-	165,000	31,516	133,484
Adult Learning Week 2007	-	250,000	110,416	139,584
E-Learning Creative Community Partnerships 2007	-	366,412	146,403	220,009
Flag 2007 Ace Member Support	-	-	10,034	(10,034)
Research 2005/06	49,980	-	27,540	22,440
Learning Communities	29,249	-	5,569	23,680
ALA Awards	-	17,727	8,315	9,412
Learning Ambassador Awards	-	-	1,693	(1,693)
E-Learning Creative Community Partnerships 2006	209,561	90,000	299,561	-
Flag 2006 Ace Member Support	(3,006)	33,600	30,594	-
Adult Learning Week 2006	130,926	-	130,926	-
Learn @ Work Day 2006	13,946	-	13,946	-
	<u>430,656</u>	<u>922,739</u>	<u>816,513</u>	<u>536,882</u>

17. OPERATING LEASE COMMITMENTS

	2007 \$	2006 \$
(i) Rent of office space		
Due and payable:		
- not later than 1 year	40,441	41,718
- later than 1 year but not later than 5 years	-	39,290
	<u>40,441</u>	<u>81,008</u>
(ii) Rent of computer equipment		
Due and payable:		
- not later than 1 year	1,976	2,965
	<u>1,976</u>	<u>2,965</u>
(iii) Rent of photocopier		
Due and payable:		
- not later than 1 year	791	1,055
	<u>791</u>	<u>1,055</u>

*All commitments are shown net of goods and services tax.*

ADULT LEARNING AUSTRALIA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007 (Continued)

18. ASSOCIATION DETAILS

The principal place of business of the Association is:

Level 1, 32 Northbourne Avenue,  
CANBERRA ACT

19. BRANCH ACCOUNTS

Up to balance date, certain state branches have operated independently of the Association. Where those states have accounted for their own activities, they have not been included in the Association's accounts.

The Board continues in its endeavours to place all state assets and financial recording procedures under the direct control of the Association which is the legal entity responsible for all activities operating under its name.

The following assets have been identified by the state branches as existing at balance date. The assets have not been recorded in the Association's balance sheet:

		2007	2006
		\$	\$
NSW Branch	cash held		30,924
SA Branch	cash held		not known
WA Branch	cash held		5,738
		<u>0</u>	<u>36,662</u>

Funds held by branches in ACT, NT, QLD, TAS and VIC have been received and accounted for in the records of the Association.

**HOUSTON & HANNA**  
**CHARTERED ACCOUNTANT**

**K D Hanna FCA (Principal)**

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**(02) 6248 8175**

**Facsimile: (02) 6249 6792**

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Suite 15, George Turner Offices

11 McKay Gardens, Turner ACT

**email: [kim@khanna.com.au](mailto:kim@khanna.com.au)**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
ADULT LEARNING AUSTRALIA INCORPORATED  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2007**

**Scope.**

I have audited the attached financial statements of Adult Learning Australia Incorporated (The Association) for the year ended 30th June 2007. The Committee is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Association.

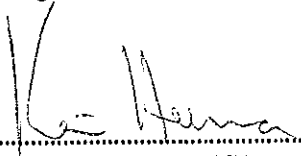
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. The procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and Statutory requirements so as to present a view which is consistent with our understanding of the Association's position and the results of its operations.

The audit opinion in this report has been formed on the above basis.

**Audit Opinion.**

In my opinion,

- (a) The financial statements of the Association are properly drawn up:
  - (i) So as to give a true and fair view of matters required by subsection 72(2) of the Associations Incorporation Act 1991 to be dealt with in the financial statements
  - (ii) in accordance with the provisions of the Associations Incorporation Act 1991; and
  - (iii) in accordance with proper accounting standards, being Applicable Accounting Standards;
- (b) I have obtained all the information and explanations required;
- (c) Proper accounting records have been kept by the Association as required by the Act; and
- (d) The audit was conducted in accordance with the rules of Adult Learning Australia Incorporated.

  
.....  
**Kim Hanna FCA**  
**Registered Company Auditor**  
Date.....5/12/07.....