



worldskills  
Australia

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**ANNUAL**  
**REPORT**  
2020/2021



# **WORLDSKILLS AUSTRALIA ANNUAL REPORT 2020/2021**

Despite the extreme challenges faced by all of us in recent times, the WorldSkills Australia team has adapted quickly to develop new, innovative ways to deliver programs and meet our strategic goals. Click on each heading to the right to discover more about what we achieved in the 2020/2021 financial year.

**ABOUT WORLDSKILLS**

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# ABOUT WORLDSKILLS

## Empowering Excellence in Young Australians Since 1981

We believe that skills drive the future of young people and Australia. Since 1981, we've championed skills excellence in vocational, technological and service-oriented careers and helped over 100,000 people compete in national and international skill competitions. We're passionate because skills grow careers, foster life-long partnerships, and build successful communities!







## OUR PURPOSE

WorldSkills Australia's purpose is to identify, demonstrate, promote and grow the excellence of Australia's Skills Development.

## OUR VISION

WorldSkills Australia exists to influence, challenge and support Australians to develop, recognize and promote skills excellence for a thriving economy.

## OUR VALUES

**Passion:** Boundless enthusiasm that is the driving force behind our successful endeavours to provide purpose and support to keep striving towards excellence in all we do.

**Confidence:** By being, instilling and growing confidence in ourselves and others, excellence can be achieved.

**Collaboration:** We are a community that carries the load together by building purposeful relationships grounded in cooperation and a shared vision.

**Integrity:** Approaching all aspects of the Organisation in an honest, transparent, ethical manner to foster an open, trustworthy, inclusive, and positive environment for all.

**Quality:** We have high standards. We execute on the details. We take pride in our work. Excellence is a state of mind.

**Relevance:** We strive to ensure all we do remains connected and appropriate in the communities we exist in.

# LETTER FROM THE CEO



**Trevor Schwenke**  
Chief Executive Officer

It is my pleasure to report on the achievements of WorldSkills Australia for the year ending June 30, 2021 as CEO of WorldSkills Australia, the cornerstone within the Australian skills community for benchmarking skills excellence both domestically and internationally.

Whilst 2020/21 is a year many will choose to forget, WorldSkills Australia demonstrated significant resilience and determination to achieve outcomes and prepare for a stronger, more exciting and eventful 2022.

From the beginning of this turbulent time, a deliberate decision was made to maintain a high level of engagement with our key stakeholders and wherever and whenever possible we were determined to keep focussed on profiling skills and benchmarking skills excellence across the 55 skills and trades that make up our portfolio.

Scheduled for August 2020 and with a supportive partner in the Western Australian Government, the Department of Training and Workforce Development and the 2 major TAFEs, the initial planning including, the branding, co-locating with an established careers expo and the hall layout suggested that the National Championships and Skills Show would be the most successful yet.

The onset of the COVID-19 pandemic threw all aspects of our

lives into chaos as well as changing our working landscape and meaning we had the difficult decision to postpone the National Championships. The continuing complications of COVID-19 meant the event was postponed a second time and then changed to a hybrid event, to occur across four states and territories as well as virtually. The postponements and changes in format created additional workload and the necessity for us all to be agile in our thinking, communications, and planning. All this, while most of us endured lockdowns and upheavals in our daily life and forced to manage this event remotely from our homes. The success of the event planned for August 2020 will be a true testament to the WorldSkills movement in Australia and the strength of our networks and stakeholder support.

In November WorldSkills Australia moved from an annual face to face regional co-ordinators forum to a 2-night national symposium. This allowed for greater audience participation which provides for the opportunity for regionals coordinators to bring others into the wider team. The success of this innovative event will be built on and continued in future years.

WorldSkills Australia continued to work on state and territory growth and participation with a forum being held with key stakeholders in Darwin in April. The Forum was well attended along with a number of side meetings focused on increasing engagement locally.

In May our Virtual Skills Week ran, where four skills were supported by industry and showcased across the country. This pilot proved a great success and has grown the reach of our digital skills to more stakeholders and training providers. The skills included Cyber Security, Cloud Computing, IT Network Systems Administration



# LETTER FROM THE CEO

and Web Design and Development. This pilot will be expanded in the regional round in 2022 and will include additional skill categories.

In June we celebrated our 40-year anniversary with a showcase event at Parliament House in Canberra. The event was well attended by a range of parliamentary members and staff. A number of key partners provided practical demonstrations on their technology. The night provided an opportunity for our inspirational volunteers and past Skillaroos to demonstrate the positive impact that WorldSkills has had and is having across the Australian skills and training landscape.

At the WorldSkills International General Assembly (GA) which was held virtually in October 2020, two Australian volunteers, Jody Ridgeway and Jenny Frost, were recognised for their service by WorldSkills International with Certificates of Merit being presented. It is excellent to see our hard-working volunteers getting the international recognition they deserve for their many years of dedicated effort and service.

As a member of WorldSkills International (WSI), WorldSkills Australia and many of our volunteers and partners have actively participated in many forums and global activities throughout 2020/21. With 85 member countries WSI provides an interactive framework for networking, growth of collaborative partnerships and sharing of best practice.

I would like to acknowledge and thank the Board of WorldSkills Australia for their vision, leadership and continued support throughout this difficult year. The team at WorldSkills Australia looks forward to working with you again next year as we continue the journey of promoting skills excellence for the

Australian skills and training system.

The staff of WorldSkills Australia in a year of great upheaval and fast changing landscape, accepted the challenges that arose and made the most of every opportunity. I am proud to work with such a great team of professionals and I thank them on behalf of the greater WorldSkills family for their contribution to skills excellence.

Finally, to our state managers, volunteers, partners and supporters thank you for your dedication to the task and your continued support in representing all things WorldSkills in your region, state/territory or skill area. Your contribution makes WorldSkills Australia a true national organisation with national recognition. Please take the time to look through this Annual Report to see the depth and breadth of WorldSkills in Australia during 2020/21.

*Trevor*



# LETTER FROM THE CHAIR



**Kevin Harris PSM**  
Board Chair

July 2020 to June 2021 will be recognised in times to come as extraordinarily challenging for all. WorldSkills Australia was not exempt nor sheltered from these challenges. Against the odds, I am pleased to report that WSA, as a not-for-profit entity focussed on producing outcomes for the good of Australians and powered by

volunteers with a small executive team of employees, achieved many successful outcomes over the period ending the financial year in a very sound position.

WorldSkills Australia through being agile, innovative, and due to the commitment and hard work of many continued its success in demonstrating the excellence of the Australian skills development system. In spite of the many challenges presented by the COVID Pandemic, WorldSkills Australia provided the opportunity for young people to come together, to learn from each other and guided by experts to improve their skills and expand their future opportunities. The key to how this was achieved was the adaption and application of virtual presence technologies by WorldSkills Australia's staff, volunteers and partners working together.

We maintained and indeed enhanced our engagement with employers, industry, education, and training institutions and with volunteer trainers, experts, and organisers to achieve many successful outcomes over the reporting period. This success

can be attributed to many stepping forward to work as a team and taking on the challenge through innovation, agility, and boldness.

The successful outcomes of 2020-2021 demonstrates WorldSkills Australia's greatest resource is its people: passionate and commitment volunteers and a small and dedicated executive team supported by a corporate board consisting of volunteer directors. They are not only people who are committed and passionate but extraordinarily skilled, innovative, and bold. All have driven the success of WorldSkills Australia over this Annual Report period and I thank them on behalf of many.

I also thank WorldSkills Australia's government, employers, education and training, and community partners who have supported our efforts in real terms over the reporting period. Your investment, collaboration and trust are greatly appreciated.

I commend this Annual Report to our stakeholders which provides many examples of great outcomes achieved against the odds.

# MEET THE BOARD



**KEVIN J HARRIS, PSM**

Chair - Commenced 2010  
WorldSkills Australia Official Delegate

Kevin joined the WorldSkills Australia Board in 2010 and was elected as Chair in December 2017. He has previously been a member of WSA's Finance, Audit and Risk Committee as well as Deputy Chair.

Since retiring, Kevin remains very active volunteering his expertise and extensive experience in various leadership roles. These include as an independent non-executive director, membership of Australian National Education Industry Reference Committees and steering group leadership for industry employer organisations. He is a member of the Australian National ICT Industry Reference Committee and the recent past chair of the Australian Information Industry Association Education Group. He is also the chair of Le Cordon Bleu Australia's corporate board. He is an active member of Surf Lifesaving Australia and provides leadership in local community and Surf Life Saving Australia at club and branch level.

Kevin was awarded the Public Service Medal in the 2014 Queen's Birthday Honours List for his life-long achievements in public education and skills development leadership.



**MEGAN LILLY**

Deputy Chair - Commenced 2017  
Chair, Remuneration Committee

Megan Lilly is the Executive Director – Centre for Education & Training at The Australian Industry Group (Ai Group). In this role Megan is responsible for the development of all education and training policy, research and advocacy. Prior to this she was the Chief Executive Officer of Business Services Training Australia, the national industry advisory board for the business services and related industry sectors. Before joining the national board, she held several senior management positions in various Victorian TAFE institutes.

Ms Lilly is a member of the Australian Industry Skills Committee, board member of National Apprentice Employment Network, Deputy Chair – Worldskills Australia, member of the Australian College of Educators, the Australia Pacific Training Coalition and the Mansfield Adult & Continuing Education centre. Megan was also on the AQF Review Panel. She has been a member of the Australia India Education Council, including Chairing the Skills Working Group, Australian Qualifications Framework Council, Queensland Ministerial Commission, Victorian Skills Commission and was a member of the National Skills Standards Council, and the National Quality Council. Megan also chaired the Joint COAG-NQC Working Group – VET Products for the 21 Century and has presented at international conferences. She has a Masters in Educational Policy and Administration.



# MEET THE BOARD



## **JACK HANRAHAN**

**Non-Executive Director**  
**Chair, Finance, Audit and Risk**  
**Committee**  
**Commenced 2011**

Jack has over 30 years' experience across various retail sectors in a variety of senior executive roles. His consultancy firm works closely with global brands, professionally assisting in the development of offers for retailers. Jack has a Masters Degree from the Macquarie Graduate School of Management and is a Graduate of the Australian Institute of Company Directors. He has taught MBA and Graduate programs as well as co-authored a textbook "Retail Strategy" as well as a number of published papers on retail.

Jack joined the WorldSkills Australia Board in 2011 and is currently Chair of the Finance, Audit and Risk Committee.



## **WAYNE COLLYER**

**Non-Executive Director**  
**Chair, Nominations Committee**  
**Commenced 2012**

Wayne has 38 years' experience in the training sector in both Queensland and Western Australia. He completed a Masters in Education Leadership in 1993 and was appointed Managing Director of Central West TAFE from 1994 to 2004 and then Managing Director Polytechnic West from 2004 until his retirement in 2013. Both of these organisations received Training Provider of the Year in Western Australia. For many years Wayne's has made significant contributions to training policy development and delivery, especially in employment based training and engagement with industry.

Wayne was a Board member of TAFE Directors Australia for nine years and continues to contribute to the training sector.

Wayne joined the WorldSkills Board in 2012 and is currently Chair of the Nominations Committee.



## **STEPHEN ROCHE**

**Non-Executive Director**  
**Commenced 2017**

Stephen is a partner with over 25 years of experience providing audit, due diligence and accounting advice services to listed, government and private entities at a global and local level. Stephen has a Bachelor of Commerce and is a Chartered Accountant and current Partner within the Audit and Assurance section of Deloitte Asia Pacific. Stephen also holds several leadership roles within Deloitte Australia and Asia Pacific.

Currently, he is a Director and Chair of the Audit Finance and Risk Committee of the Victorian Law Foundation. He is also an Audit Committee member for Group Eight. Stephen joined the WorldSkills Australia Board in December 2017 and is a member of the Finance, Audit and Risk Committee.

# MEET THE BOARD



**JARRAD LANGDON**

Non-Executive Director  
Commenced 2011

Jarrad has completed several TAFE courses and achieved local and international success in his chosen field of website development. In 2005, he won a gold medal in Website Design at the WorldSkills International Competition in Helsinki. In 2007, Jarrad established Jala Design Pty Ltd, an Australian design agency with a passion for strategic website design and development. Jarrad teaches part-time at TAFE NSW to help train the next generation of developers. He continues his involvement with WorldSkills Australia as a regional judge, project designer, national skill advisor and previously was International Deputy Chief Expert at an International level.

Jarrad has been on the WorldSkills Board since 2011 and is currently a member of the Nominations Committee.



**DUNCAN JACKLIN**

Non-Executive Director  
Commenced 2019

Duncan has significant experience across a range of industries having worked in the energy, steel, building products, construction and agribusiness sectors. His professional career encompasses multiple executive, strategy and general management roles and is currently the General Manager of Blue NRG.

Duncan holds a Bachelor Degree in Business and has completed the PLD Executive program at Harvard Business School in Boston, USA. Duncan joined the WorldSkills Australia Board in 2019, and is currently a member of the Finance, Audit and Risk Committee.



**CHLOE TANNER**

Non-Executive Director  
Commenced 2019

Chloe is a member of the Australian Institute of Company Directors (AICD).

Chloe has studied in the USA, UK and Australia, and holds a Masters in International Business and a Masters in Marketing from the University of South Australia, undertaking part of her program at the University of Oxford.

From working with global firms KPMG and Norton Rose Fulbright, to education providers TAFE SA and Navitas, Chloe is now primarily Australia-based. Her international experience has engaged her with clients in North and South America, Hong Kong, Macau and Vietnam. Chloe has managed marketing and communications programs for global aid agencies, universities, government departments and the private sector across 32 countries.

Also sitting on the board of the Australian Dance Theatre and as a musician, Chloe has spent extensive time overseas in music education and volunteering in Brasil, Mozambique, Nigeria, Nepal, India, Bangladesh and Thailand.

Prior to joining the board of WorldSkills Australia, Chloe was a contributor to the boards and committees of PLAN International, The Communications Council of Australia, ICON, The Oaktree Foundation, St Andrews School and Youth With A Mission (YWAM).



# MEET THE BOARD



**TERRY-HELEN GAYNOR**

Non-Executive Director  
Commenced 2019

Terri-Helen has significant experience in providing operational management and strategic leadership in the corporate, government, NGO, B2B, B2C and B2G sectors globally and specifically in the Asia Pacific region including as a key advisor to governments and Ministers. Her roles have mainly centered on government relations, policy development, advocacy, marketing and communications and stakeholder and community engagement.

Terri-Helen has Chaired and sat as non-executive director on a number of industry and NFP Boards. Terri-Helen was the CEO of the Australian Institute of Training and Development and a former CEO of Endometriosis Australia. Terri-Helen is a current member of the Finance, Audit and Risk Committee of WorldSkills Australia.

Terri-Helen is extremely passionate about youth and diversity in the workplace and has worked for many years to ensure that the connection between government, community and industry is there to support the leaders of tomorrow.



**TREVOR SCHWENKE**

Chief Executive and Director -  
Commenced 2017

Trevor has more than 22 years' experience in key leadership roles in the vocational education and training, higher education, school and corporate sectors. In 2013 Trevor was recognised as the 2013 Queensland Professional Manager of the Year by the Australian Institute of Management. Trevor began his career as a tradesman and holds an Associate Diploma in Engineering, Bachelor Degree in Education and Masters of Education in Leadership. He is currently the From 2016 until April 2019 Trevor was CEO of Bendigo Kangan Institute. Previously, Trevor was the General Manager of TAFE Queensland South West and has held a Board position with TAFE Directors Australia.

Trevor became a WorldSkills Australia Board member in 2017 and was appointed as WorldSkills Australia Chief Executive Officer from August 2019.



# QUARTER 1-4 SUMMARY

## QUARTER 1

In Quarter 1, we celebrated National Skills Week, continued to address the importance of Australia's skilled workers in helping the nation continue to grow during the pandemic, and witnessed some of our Refrigeration & Air Conditioning talent gain national recognition.

1

2

3

4

## QUARTER 2

Quarter 2 saw us hold our very first Skills Symposium - an online event dedicated to communication and connecting with our national volunteer network, as well as hold regional competitions in Cloud Computing.

## QUARTER 3

In Quarter 3, we celebrated reaching the 6-month milestone in our Training Programme for the National Championships. We also began development of our very first range of WorldSkills Australia merchandise.

## QUARTER 4

Quarter 4 gave us the opportunity to hold our first in-person event since the beginning of the pandemic, with a celebration of 40 Years of WorldSkills Australia at Parliament House in Canberra. We also ran Virtual Skills Week, representing four digital skills.

## QUARTER 1 | 1 JUL - 30 SEP

Quarter 1 proved to be a complex time for a national organisation like WorldSkills Australia, with each state experiencing and managing the evolving COVID-19 situation differently. As a result, our focus was on digital and remote activities.

The 'Skills Keep Moving' campaign spearheaded by WorldSkills International in the last quarter of the previous

*For National Skills Week, we profiled 5 competitors training for the National Championships, allowing us to showcase the other side of the WorldSkills journey.*

year continued, giving us an opportunity to share the success stories of WSA alumni.

For National Skills Week, we profiled 5 competitors training for the National Championships, allowing us to showcase the other side of the WorldSkills journey.

The NextGen Awards, which recognises the top 20 refrigeration & air-conditioning apprentices under 25, were announced in August, and featured 9 apprentices registered for the National Championships.



**MONIQUE JURATOVAC - BRICKLAYING**



# QUARTER 1 HIGHLIGHTS



NATIONAL  
**SKILLS**  
**WEEK**  
August 24-30

**5** up and coming competitors profiled on social media

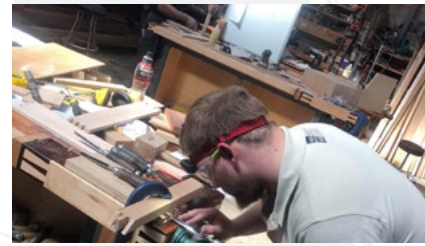


TOP PERFORMING  
POST



13,068 people reached  
168 reactions, shares & comments  
845 clicks

CLIVE GLAUERT - COOKERY

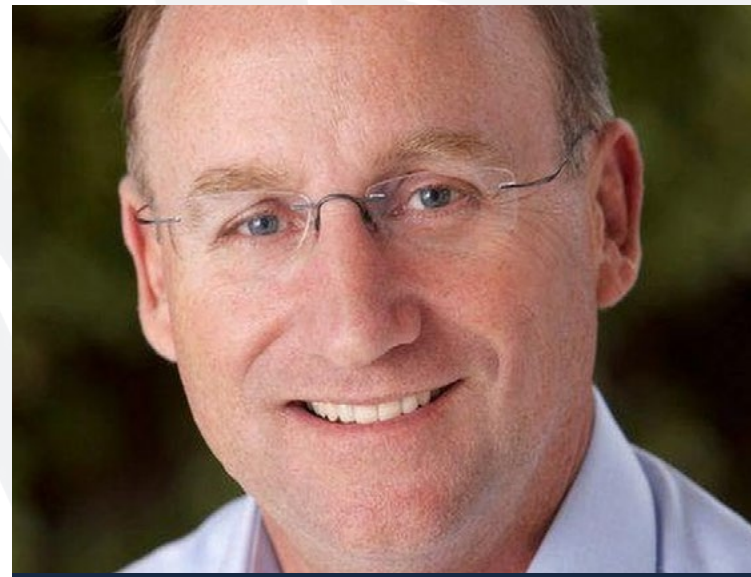


We continued to share stories from WorldSkills Australia alumni as part of WorldSkill International's 'Skills Keep Moving' campaign, which launched in Quarter 4 2019.

As Australia reopens for business, our skilled workers have never been more important.

Thank you for keeping our country and economy moving.

#skillskeepmoving  
#essentialworkers



The Hon Steve Irons (Assistant Minister for Vocational Education, Training and Apprenticeships for WA) sends a message of support to competitors training for the 2021 WorldSkills Australia National Championships.

[Click to view.](#)

## 2020 NEXTGEN AWARDS

The NextGen Awards recognise the top 20 refrigeration & air conditioning apprentices under 25 in Australia.

**9** of the 20 apprentices selected were registered for the 2021 National Championships

**2** of the 9 registered went on to win a medal at the 2021 National Championships





## QUARTER 2 | 1 OCT - 31 DEC



*Gift packs sent to attendees prior to the Skills Symposium*

2020 was a year largely characterised by uncertainty for many, but by Quarter 2 WorldSkills Australia had adapted, and were actively seeking ways to continue our core activities in a new landscape.

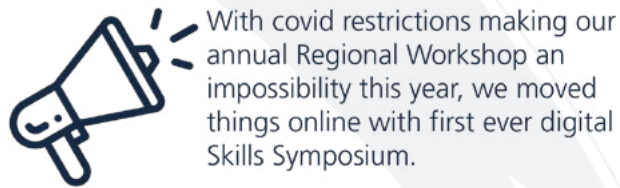
October 22 and 24 saw us hold the first ever WorldSkills Australia Skills Symposium - a virtual event held over two nights, developed to meet the goals usually met by the in-person Regional Workshop.

The two-night event was well-attended, and gave us an opportunity to connect with our volunteers and team leaders, while showcasing our plans for the next regional cycle.

By November, the easing of COVID-19 restrictions across the country, as well as confidence in our ability to adapt to shifting circumstances, saw us announcing new dates for the 2021 National Championship, to now be held in August 2021 in Perth.

***The two-night event gave us an opportunity to connect with our volunteers and team leaders, while showcasing our plans for the next regional cycle***

# QUARTER 2 HIGHLIGHTS



The National Championships were relaunched, with new dates in August 2021 officially announced.

See official announcement.

Our first virtual Regional Cloud Computing competitions were held across the country in late October, with support from AWS.



At Axalta, we are dedicated to a sustainable future for our industry and a very large part of that is encouraging excellence in young tradespeople.

For more than a decade, Axalta has been a sponsor for WorldSkills Australia, sharing a common goal in recognising the exceptional talent of young apprentices who dream of becoming the 'best of the best' in their chosen trade. During this time, WorldSkills have worked tirelessly in promoting skills excellence at all levels; from working closely with Government and Industry through to developing the skills sets of those that chose to compete at all levels of the WorldSkills journey.

Even though 2021 has been a challenging year, we were proud to still be a part of the WorldSkills journey for many vehicle refinishing competitors by offering support with training and the competitions in most states."

**Paul Polverino | National Training Manager  
Axalta Coating Systems (Australia) Pty Ltd**



Content posted for Regional Cloud Computing competitions received  
**306%**  
more engagement  
👍❤️💬 than average





## QUARTER 3 | 1 JAN - 31 MAR

With new dates for the National Championships officially marked on our calendars, and feeling refreshed after a short break over the festive season, we entered 2021 with enthusiasm.

The National Championships Training Programme, which was developed in 2020 to keep competitors focused on skilling up for the main event was relaunched, and those who had been actively engaged in training were awarded their 6-month Training Programme digital badges, through our partnership with Learning Vault.

Our marketing team began development of our first ever merchandise range, while the WorldSkills International #skillsproud campaign gave us another opportunity to share some of the inspiring stories from our competitors and mentors.

The timing of the #skillsproud campaign coincided with World Plumbing Day, and we took the opportunity to share John Doig's (BDM, Reece Plumbing, pictured above) experiences with WorldSkills on our social media.



*With new dates for the National Championships officially marked on our calendars, and refreshed after a short break over the festive season, we entered 2021 with enthusiasm.*



# QUARTER 3 HIGHLIGHTS



## DIGITAL BADGING

**75** competitors awarded their 6-month Training Programmes badges

Thanks to  
**LEARNING VAULT**



**Sharing knowledge**  
Competitors have the opportunity to share their training efforts, ask for feedback and gain valuable knowledge from their peers.



**Expert advice**  
WSA mentors engage directly with competitors, giving expert feedback and helping competitors reach their goals.

**WorldSkills Australia National Training Programme**  
A recap of the first 6 months



**Networking and encouragement**  
In a less-than-typical year, competitors had access to a unique network of peers that encouraged and celebrated their training.



#SkillsProud post for World Plumbing Day

6569 people reached | 675 post engagements

## MERCHANDISE



## DEVELOPMENT

We began development of the inaugural WSA merchandise range, to be launched in 2021



## QUARTER 4 | 1 APR - 30 JUN



Quarter 4 saw activity ramp up significantly, with the 2021 National Championships now only a few short months away.

In May, we ran online regional competitions for four digital skills - Cloud Computing, Cyber Security, IT Systems Administration and Web Design - under the banner of Virtual Skills Week.

That same month, we finalised our 'explainer' animation video, created with Brisbane animation studio Explainimate.

With competitors having done so much of their training remotely due to COVID-19, WorldSkills Australia organised packs to be sent out to all competitors in June, containing gifts and letters of encouragement.

*In May, we ran online regional competitions for four digital skills under the banner of Virtual Skills Week.*

Canberra (pictured above). The guest list for this event included representatives from the government, education and private sectors, and allowed us to highlight the important role WorldSkills Australia plays in skills development.



# QUARTER 4 HIGHLIGHTS



Lincoln Electric are proud to be a global partner of Worldskills. We need to support the next generation of welders coming through and particularly with the looming skill shortage in our industry. We see immense value in supporting Worldskills as both organizations share a common passion for the advancement of the youth.

While there were many challenges thrown up through 2020/21 requiring postponement and rescheduling. We were very impressed with the WorldSkills Australia organization who worked tirelessly so that competitions would go ahead in a modified form. An excellent event was held at Parliament House Canberra to celebrate 40 Years of Skills Excellence. The event was well organized and well attended and we pleased to have been invited to be able to display our education portfolio and talk with key stakeholders. Lincoln Electric look forward to supporting the International competition in Shanghai in 2022."

**Paul Smith | Marketing Manager, Lincoln Electric**



WSA Explainer video produced by  
Brisbane animation studio, Explainimate.

[Watch it now](#)

# 460

Congratulations packs  
- including letters and  
gifts from partners and  
WorldSkills Australia -  
posted to competitors in  
the lead up to the National  
Championships.

**4** SKILLS  
REPRESENTED  
**54** COMPETITORS  
NATIONWIDE





# YEAR IN REVIEW



**TOTAL  
MEDIA  
REACH**

**130,468,180**  
AVE \$1,206,500



**25,000**  
VISITORS TO  
OUR WEBSITE

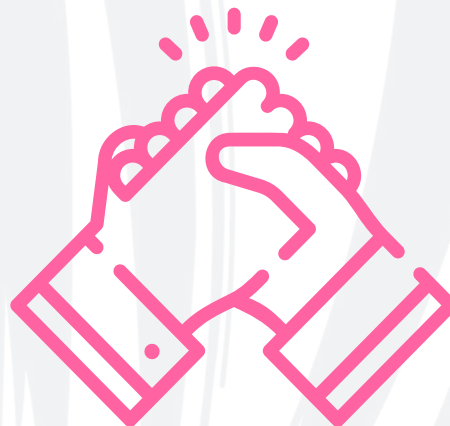


**83, 24 8**

**REACH  
ON FACEBOOK**



**55** TRAINING  
PROGRAMME  
FACEBOOK  
GROUPS



**18** TRAINING  
PROGRAMME  
PARTNERS



♥♥♥ OVER

**100**

VOLUNTEERS  
ATTENDED THE  
**SKILLS**  
SYMPOSIUM

## **WorldSkills Australia**

ABN 43 147 075 714

### **Financial Statements**

**For the Year Ended 30 June 2021**

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## **WorldSkills Australia**

ABN 43 147 075 714

### **Directors' Report For the Year Ended 30 June 2021**

The directors present their report on WorldSkills Australia ("the Company") for the financial year ended 30 June 2021.

#### **Directors**

The names of each person who has been a director during the year and to the date of this report are:

Kevin Harris	(Chairperson)
Megan Lilly	(Deputy Chairperson)
Chloe Benton	
Jarrad Langdon	
Jack Hanrahan	
Terri-Helen Gaynor	
Wayne Collyer	
Trevor Schwenke	
Stephen Roche	
Duncan Jacklin	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### **Operating results**

The surplus of the Company amounted to \$968,987 (2020: surplus of \$142,122; 2019: surplus of \$355,346).

#### **Principal activities**

The principal activity of WorldSkills Australia during the financial year was the organisation and promotion of regional, national and international rounds of trade skills competitions.

No significant changes in the nature of the Company's activity occurred during the financial year.

#### **Short term objectives**

The Company's short term objectives are to:

- raise awareness of the opportunities that exist in vocational education and training using the competitive process as a vehicle to do so.

#### **Long term objectives**

The Company's long term objectives are to:

- contribute to sustainable economic prosperity through the development, recognition and promotion of excellence in skills.

## **WorldSkills Australia**

ABN 43 147 075 714

# **Directors' Report**

## **For the Year Ended 30 June 2021**

### **Strategy for achieving the objectives**

To achieve these objectives, the Company has adopted the following strategies:

- be recognised as a critical participant and advocate in the development and promotion of skills excellence in Australia;
- extend the participation and engagement in skill based competitions;
- develop and implement an engagement strategy for volunteers that ensures the attraction, retention and succession of the volunteer; and
- develop strategies to increase long-term support from industry, sponsors and key stakeholder groups.

### **How principal activities assisted in achieving the objectives**

The principal activities assisted the Company in achieving its objectives by:

- increasing the number of competitors, mentors, trainers and employees in WorldSkills Australia programs; and
- virtue of the competition process, producing role models that can be held up as examples of what can be achieved via a vocational education and training (VET) pathway.

### **Members guarantee**

WorldSkills Australia is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$100 for members that are corporations and \$100 for all other members, subject to the provisions of the Company's constitution.

At 30 June 2021 the collective liability of members was \$1,000 (2020: \$1,100; 2019: \$800).

### **Significant changes in state of affairs**

There have been no significant changes in the state of affairs of the Company during the year.

### **Benefits received directly or indirectly by officers**

WorldSkills Australia has agreements with director, Jarrad Langdon, for the supply of services. Details of the agreement are listed below:

- Jala Design Pty Ltd (Jarrad Langdon) provided website and design services during the year. WorldSkills Australia remunerated an amount of \$6,380 (2020: \$6,380; 2019: \$7,425) for services provided.

## **Directors' Report**

### **For the Year Ended 30 June 2021**

#### **Events after the reporting date**

The COVID-19 pandemic continues to create unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Company at the reporting date. As responses by the government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Company's operations, its future results and financial position. The state of emergency in Victoria was declared on 16 March 2020 and has been extended to 15 December 2021. The stay-at-home directions in Victoria came into force on 2 September 2021 and ended on 21 October 2021. Any future changes to the Company's operations relating to COVID-19 will be in response to relevant government authorities directions. Refer to Note 24 to the financial statements for further information regarding the impact of COVID-19 on the Company's operations during the year.

The 2021 National Championships was successfully concluded on 27 October 2021. The National Championships was originally scheduled to occur in August 2020.

The onset of the COVID-19 pandemic which created chaos in both the working landscape and the ability to travel, meant WorldSkills Australia had the difficult decision to postpone the National Championships. The continuing complications of COVID-19 meant the event was postponed a second time, scheduled to be held in Perth in August 2021, however continued border and travel restriction throughout Australia meant a third alteration, this time from the format of holding the Championships in a single state, predominately under one roof. The 2021 WorldSkills Australia National Championships was held in five states while a number of competitions ran virtually during the period spanning from August to October 2021. The event concluded with a closing ceremony in Perth which was livestreamed to competitors in other states, announcing all the medallists and the best in Nation. Given the duration of the planning and implementation of the event, monies were received and expended during the entire period, with monies received in 2020/2021 being recognised in the balance sheet as a liability and money expended being recognised as prepayments. Amounts relating to the event and recognised in the statement of financial position will be transferred and recognised in the statement of profit or loss and other comprehensive income in the 2021/2022 financial year.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

#### **Meetings of directors**

During the financial year, 6 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	<b>Directors' Meetings</b>		<b>Finance, Audit and Risk Committee Meetings</b>		<b>Remuneration Committee Meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>	<b>Number eligible to attend</b>	<b>Number attended</b>	<b>Number eligible to attend</b>	<b>Number attended</b>
Kevin Harris	6	6	5	5	3	3
Wayne Collyer	6	6	-	-	-	-
Jack Hanrahan	6	6	5	5	-	-
Chloe Benton	6	6	-	-	-	-
Jarrad Langdon	6	5	2	2	-	-
Megan Lilly	6	5	-	-	3	3
Terri-Helen Gaynor	6	6	2	1	-	-
Stephen Roche	6	5	5	5	-	-
Trevor Schwenke	6	6	5	5	3	3
Duncan Jacklin	6	4	3	2	2	1



## **Directors' Report**

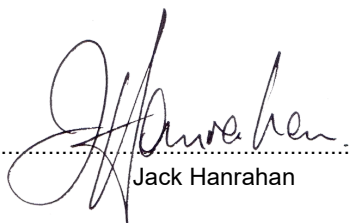
### **For the Year Ended 30 June 2021**

#### **Auditor's independence declaration**

The auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: .....  
Kevin Harris

Director: .....  
Jack Hanrahan

Dated this 8th day of December 2021

**AUDITOR'S INDEPENDENCE DECLARATION**

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of WorldSkills Australia for the year ended 30 June 2021.



**HLB Mann Judd**  
**Chartered Accountants**



**Nick Walker**  
**Partner**

Melbourne  
14 December 2021

**[hlb.com.au](http://hlb.com.au)**

**HLB Mann Judd (VIC Partnership) ABN 20 696 861 713**

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## Statement of Profit or Loss and Other Comprehensive Income

### For the Year Ended 30 June 2021

		2021	2020	2019
	Note	\$	\$	\$
Revenue	4	2,429,736	2,331,796	3,142,063
Other income	4	137,151	177,448	5,350
Employee benefits expense		(1,046,250)	(1,146,705)	(994,709)
Depreciation expense	5	(139,315)	(145,587)	(17,487)
Program expenses		(123,055)	(699,429)	(1,234,616)
Property and maintenance expenses		(24,135)	(28,315)	(122,988)
Administration and marketing expenses		(265,145)	(347,086)	(422,267)
<b>(Deficit)/Surplus before income tax</b>		<b>968,987</b>	142,122	355,346
Income tax expense	2(c)	-	-	-
<b>Net (deficit)/surplus for the year</b>		<b>968,987</b>	142,122	355,346
<b>Total comprehensive income/(loss) for the year</b>		<b>968,987</b>	142,122	355,346

The accompanying notes form part of these financial statements.



## Statement of Financial Position

As At 30 June 2021

	Note	2021 \$	2020 \$	2019 \$
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	6	2,591,837	1,830,690	600,898
Trade and other receivables	7	1,181,881	149,296	179,368
Other financial assets	8	64,804	64,523	63,583
Other assets	9	309,630	163,582	158,224
<b>TOTAL CURRENT ASSETS</b>		<b>4,148,152</b>	<b>2,208,091</b>	<b>1,002,073</b>
<b>NON-CURRENT ASSETS</b>				
Right-of-use assets	10(a)	777,529	907,117	-
Property, plant and equipment	11	31,072	12,574	18,866
Intangible assets	12	14,850	21,005	21,938
<b>TOTAL NON-CURRENT ASSETS</b>		<b>823,451</b>	<b>940,696</b>	<b>40,804</b>
<b>TOTAL ASSETS</b>		<b>4,971,603</b>	<b>3,148,787</b>	<b>1,042,877</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	13	213,870	141,322	284,700
Lease liabilities	10(b)	114,467	106,520	-
Employee benefits	14	66,847	46,154	18,935
Contract liabilities (2019 and 2018: Other liabilities)	15	2,061,409	1,207,890	59,325
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,456,593</b>	<b>1,501,886</b>	<b>362,960</b>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities	10(b)	705,156	819,829	-
Employee benefits	14	47,839	34,044	29,011
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>752,995</b>	<b>853,873</b>	<b>29,011</b>
<b>TOTAL LIABILITIES</b>		<b>3,209,588</b>	<b>2,355,759</b>	<b>391,971</b>
<b>NET ASSETS</b>		<b>1,762,015</b>	<b>793,028</b>	<b>650,906</b>
<b>EQUITY</b>				
Retained Earning	16	1,762,015	793,028	650,906
<b>TOTAL EQUITY</b>		<b>1,762,015</b>	<b>793,028</b>	<b>650,906</b>

The accompanying notes form part of these financial statements.

## **Statement of Changes in Equity**

**For the Year Ended 30 June 2021**

	<b>Note</b>	<b>2021</b> \$	<b>2020</b> \$	<b>2019</b> \$
<b>Retained Earnings</b>				
Balance at 1 July	16	<b>793,028</b>	650,906	295,560
Net surplus/(deficit) for the year	16	<b>968,987</b>	142,122	355,346
<b>Balance at 30 June</b>	16	<b>1,762,015</b>	793,028	650,906
<b>Total Equity</b>		<b>1,762,015</b>	793,028	650,906

## Statement of Cash Flows

For the Year Ended 30 June 2021

	2021	2020	2019
Note	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	2,712,155	4,034,544	3,681,536
Payments to suppliers and employees	(1,859,093)	(2,699,280)	(3,768,435)
Interest received	4,111	3,823	5,350
Interest paid	(20,560)	-	-
<b>Net cash provided by/(used in) operating activities</b>	<b>836,613</b>	<b>1,339,087</b>	<b>(81,549)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payment for intangible asset	-	(8,774)	(8,774)
Purchase of financial assets	(281)	(940)	(1,430)
<b>Net cash used in investing activities</b>	<b>(281)</b>	<b>(9,714)</b>	<b>(10,204)</b>
Repayment of lease liabilities	(75,185)	(99,581)	-
<b>Net cash used by financing activities</b>	<b>(75,185)</b>	<b>(99,581)</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents held	761,147	1,229,792	(91,753)
Cash and cash equivalents at beginning of year	1,830,690	600,898	692,651
<b>Cash and cash equivalents at end of financial year</b>	<b>2,591,837</b>	<b>1,830,690</b>	<b>600,898</b>

6(a)



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

The financial report covers WorldSkills Australia as an individual entity. WorldSkills Australia is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of WorldSkills Australia is Australian dollars.

The financial report was authorised for issue by the Directors on 08 December 2021.

Comparatives are consistent with prior years, unless otherwise stated. Refer to Note 21: Comparative financial information.

#### **1 Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-For-Profits Commission Act 2012*. The Company is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements of the Company comply with Australian Accounting Standards - Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### **2 Summary of Significant Accounting Policies**

##### **(a) Revenue and other income**

###### **Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(a) Revenue and other income (continued)**

###### **Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Company are:

###### **Donations**

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control of the asset.

###### **Sponsorship**

Sponsorship revenue is recognised when the performance obligation related to the sponsorship is fulfilled by the Company.

###### **Statement of financial position balances relating to revenue recognition**

###### **Contract assets and liabilities**

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

###### **Grant revenue**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

###### **Interest revenue**

Interest is recognised using the effective interest method.

In-kind contributions are received by the Company in relation to various expenditure categories, including employee benefits and program expenses.

These amounts have not been recognised in the financial statements, as the volume and complexity of such contributions make it impractical to reliably determine an appropriate value.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(b) Leases**

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

##### **Lessee accounting**

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### ***Exceptions to lease accounting***

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(c) Income Tax**

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

##### **(d) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### **(e) Financial instruments**

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Company classifies its financial assets into the following category, those measured at:

- amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(e) Financial instruments (continued)**

###### **Financial assets (continued)**

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

###### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(e) Financial instruments (continued)**

###### **Financial liabilities**

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade and other payables.

##### **(f) Property, plant and equipment**

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

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

###### **Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Equipment	10% - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### **(g) Employee benefits**

###### **Short-term employee benefits**

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(g) Employee benefits (continued)**

###### **Other long-term employee benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

##### **(h) Economic dependence**

WorldSkills Australia is dependent on the government for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe that the government will not continue to support WorldSkills Australia.

##### **(i) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

##### **(j) Adoption of new and revised accounting standards**

The Company elected to adopt the following standards and amendments early:

- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- *AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(j) Adoption of new and revised accounting standards (continued)**

These are the Company's first general purpose financial statements prepared in accordance with AASB 1060. As permitted by AASB 1053 *Application of Tiers of Australian Accounting Standards*, the Company has not provided comparative information for those disclosures that it had not previously made in the notes of its general purpose financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements.

##### **(k) New accounting standards for application in future periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. Except as disclosed in Note 2(j) above, the directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

##### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Company's financial statements.

#### **3 Critical Accounting Estimates and Judgements**

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Key judgements - Impact of COVID-19**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date as a result of the Coronavirus (COVID-19) pandemic.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 4 Revenue and Other Income

	2021 \$	2020 \$	2019 \$
<b>Revenue</b>			
- operating grants	2,389,720	2,270,796	1,699,737
- sponsorship and donations	38,678	51,685	1,431,397
- regional income	1,338	9,315	10,929
<b>Total revenue</b>	<b>2,429,736</b>	<b>2,331,796</b>	<b>3,142,063</b>
<b>Other income</b>			
- interest	4,081	3,823	5,350
- JobKeeper government subsidy	73,500	63,000	-
- cash boost government stimulus	37,500	62,500	-
- other income	22,070	48,125	-
<b>Total other income</b>	<b>137,151</b>	<b>177,448</b>	<b>5,350</b>
<b>Total revenue and other income</b>	<b>2,566,887</b>	<b>2,509,244</b>	<b>3,147,413</b>

#### (a) Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time, and the following table shows this breakdown:

	2021 \$	2020 \$	2019 \$
<b>Revenue recognition</b>			
<i>Revenue recognised over time:</i>			
- operating grants	2,378,712	2,205,788	-
	<b>2,378,712</b>	<b>2,205,788</b>	<b>-</b>
<i>Revenue recognised at a point in time:</i>			
- operating grants	11,008	65,008	-
- sponsorship and donations	38,678	51,685	-
- regional income	1,338	9,315	-
	<b>51,024</b>	<b>126,008</b>	<b>-</b>
<b>Revenue from contracts with customers</b>	<b>2,429,736</b>	<b>2,331,796</b>	<b>-</b>

As AASB 15 *Revenue from Contracts with Customers* was only adopted and applicable from 1 July 2019, the disaggregation information for the year ended 30 June 2019 is not disclosed.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 5 Result for the Year

The result for the year includes the following specific expenses:

	2021 \$	2020 \$	2019 \$
<b>Employee benefit expenses:</b>			
Superannuation contributions	87,846	92,743	85,654
<b>Depreciation and amortisation expenses:</b>			
Depreciation - office equipment	3,572	6,292	8,440
Depreciation - right-of-use assets	129,588	129,588	-
Amortisation - computer software	6,155	9,707	9,047
<b>Total depreciation and amortisation expenses</b>	<b>139,315</b>	<b>145,587</b>	<b>17,487</b>
<b>Net (gain)/loss on disposal of property, plant and equipment</b>	<b>-</b>	<b>-</b>	<b>790</b>
<b>Rental expense on operating leases:</b>			
Minimum lease payments	-	-	116,914

#### 6 Cash and Cash Equivalents

	Note	2021 \$	2020 \$	2019 \$
Cash on hand		36	36	36
Cash at bank		2,541,473	1,787,176	567,885
Short-term deposits		50,328	43,478	32,977
<b>Total cash and cash equivalents</b>	6(a)	<b>2,591,837</b>	<b>1,830,690</b>	<b>600,898</b>

##### (a) Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	6	2,591,837	1,830,690	600,898
<b>Balance as per statement of cash flows</b>		<b>2,591,837</b>	<b>1,830,690</b>	<b>600,898</b>



## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 7 Trade and Other Receivables

	2021 \$	2020 \$	2019 \$
CURRENT			
<i>Financial assets at amortised cost:</i>			
Trade receivables	1,181,878	115,775	127,626
Other receivables	-	-	273
	<b>1,181,878</b>	<b>115,775</b>	<b>127,899</b>
<i>Other receivables</i>			
GST receivable	-	-	51,417
Accrued income	3	33,521	52
	<b>3</b>	<b>33,521</b>	<b>51,469</b>
<b>Total current trade and other receivables</b>	<b>1,181,881</b>	<b>149,296</b>	<b>179,368</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### 8 Other financial assets

	2021 \$	2020 \$	2019 \$
CURRENT			
<i>Financial assets at amortised cost:</i>			
- Term deposits	64,804	64,523	63,583
<b>Total current other financial assets</b>	<b>64,804</b>	<b>64,523</b>	<b>63,583</b>

#### 9 Other Assets

	2021 \$	2020 \$	2019 \$
CURRENT			
Prepayments	309,630	163,582	158,224
<b>Total current other assets</b>	<b>309,630</b>	<b>163,582</b>	<b>158,224</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 10 Leases

##### Company as a lessee

The Company has a lease agreement over its office premises.

Information relating to the leases in place and associated balances and transactions are provided below.

##### *Terms and conditions of leases*

Operating leases have been taken out for office premises and computer equipment. Lease payments for the office premises are increased on an annual basis by 4%. Lease terms are 5 years, expiring in July 2022.

##### (a) Right-of-use assets

	2021	2020	2019
	\$	\$	\$
<b>Office premises</b>			
At cost	1,036,705	1,036,705	-
Less: Accumulated depreciation	(259,176)	(129,588)	-
<b>Total right-of-use assets</b>	<b>777,529</b>	<b>907,117</b>	<b>-</b>

Movements in carrying amounts of right-of-use assets:

	Office Premises	Total
	\$	\$
<b>Year ended 30 June 2021</b>		
Balance at beginning of year	907,117	907,117
Depreciation expense	(129,588)	(129,588)
<b>Balance at end of year</b>	<b>777,529</b>	<b>777,529</b>

##### (b) Lease liabilities

	2021	2020	2019
	\$	\$	\$
Current lease liabilities	114,467	106,520	-
Non-current lease liabilities	705,156	819,829	-
<b>Total lease liabilities</b>	<b>819,623</b>	<b>926,349</b>	<b>-</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 10 Leases (continued)

##### (b) Lease liabilities (continued)

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
<b>2021</b>					
Lease liabilities	<b>132,163</b>	<b>583,676</b>	<b>159,816</b>	<b>875,655</b>	<b>819,623</b>
<b>2020</b>					
Lease liabilities	127,080	561,227	314,635	1,002,942	926,349
<b>2019</b>					
Lease liabilities	-	-	-	-	-

##### (c) Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	<b>2021</b> \$	<b>2020</b> \$	<b>2019</b> \$
Interest expense on lease liabilities	<b>(20,560)</b>	(23,197)	(116,914)
Depreciation of right-of-use assets	<b>(129,588)</b>	(129,588)	-
	<b>(150,148)</b>	(152,785)	(116,914)

##### (d) Statement of Cash Flows

Total cash outflow for leases

<b>(95,745)</b>	(99,581)	-
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## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 11 Property, plant and equipment

	2021 \$	2020 \$	2019 \$
<b>Equipment</b>			
At cost	137,498	118,623	118,623
Accumulated depreciation	(106,426)	(106,049)	(99,757)
<b>Total equipment</b>	<b>31,072</b>	<b>12,574</b>	<b>18,866</b>
<b>Total property, plant and equipment</b>	<b>31,072</b>	<b>12,574</b>	<b>18,866</b>

#### (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Equipment \$	Total \$
<b>Year ended 30 June 2021</b>		
Balance at the beginning of year	12,574	12,574
Additions	22,070	22,070
Depreciation expense	(3,572)	(3,572)
<b>Balance at the end of the year</b>	<b>31,072</b>	<b>31,072</b>

#### 12 Intangible Assets

	2021 \$	2020 \$	2019 \$
<b>Computer software</b>			
Cost	47,000	47,000	29,452
Accumulated amortisation and impairment	(32,150)	(25,995)	(16,288)
<b>Net carrying value</b>	<b>14,850</b>	<b>21,005</b>	<b>13,164</b>
<b>Intangible assets under development</b>			
Cost	-	-	8,774
<b>Net carrying value</b>	<b>-</b>	<b>-</b>	<b>8,774</b>
<b>Total intangibles</b>	<b>14,850</b>	<b>21,005</b>	<b>21,938</b>



## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 12 Intangible Assets (continued)

##### (a) Movements in carrying amounts of intangible assets

	Computer software \$	Total \$
<b>Year ended 30 June 2021</b>		
Balance at the beginning of the year	21,005	21,005
Amortisation	(6,155)	(6,155)
<b>Closing value at 30 June 2021</b>	<b>14,850</b>	<b>14,850</b>

#### 13 Trade and other payables

	2021 \$	2020 \$	2019 \$
<b>CURRENT</b>			
Unsecured liabilities			
<i>Financial liabilities at amortised cost</i>			
Trade payables	44,570	54,647	161,886
Sundry payables and accrued expenses	71,491	57,360	122,814
	<b>116,061</b>	112,007	284,700
<i>Other</i>			
GST payable	97,809	29,315	-
<b>Total current trade and other payables</b>	<b>213,870</b>	141,322	284,700

Trade and other payables are unsecured, noninterest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 14 Employee Benefits

	2021 \$	2020 \$	2019 \$
CURRENT			
Annual leave	66,847	46,154	18,935
<b>Total current employee benefits</b>	<b>66,847</b>	<b>46,154</b>	<b>18,935</b>
NON-CURRENT			
Long service leave	47,839	34,044	29,011
<b>Total non-current employee benefits</b>	<b>47,839</b>	<b>34,044</b>	<b>29,011</b>

#### 15 Contract Liabilities

	2021 \$	2020 \$	2019 \$
CURRENT			
Income received in advance	2,061,409	1,207,890	59,325
<b>Total current contract liabilities</b>	<b>2,061,409</b>	<b>1,207,890</b>	<b>59,325</b>

#### 16 Retained Earnings

	2021 \$	2020 \$	2019 \$
Retained earnings at the beginning of the financial year	793,028	650,906	295,560
Net (deficit)/surplus for the year	968,987	142,122	355,346
<b>Retained earnings at end of the financial year</b>	<b>1,762,015</b>	<b>793,028</b>	<b>650,906</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 17 Capital and Leasing Commitments

##### Operating Leases

	2021	2020	2019
	\$	\$	\$
Minimum lease payments under non-cancellable operating leases:			
- not later than one year	-	-	110,679
- between one year and five years	-	-	235,300
<b>Total minimum lease payments</b>	<b>-</b>	<b>-</b>	<b>345,979</b>

Operating leases have been taken out for office premises and computer equipment. Lease payments for the office premises are increased on an annual basis by 4%. Lease terms are 5 years, expiring in July 2022.

#### 18 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$597,859 (2020: \$510,013; 2019: \$616,932). Trevor Schwenke was appointed as Executive Director (Chief Executive Officer) on 1 July 2019. During the year ended 30 Jun 2020, he has received remuneration of \$259,852 (2019: NIL).

##### Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 20: Related Parties.

#### 19 Auditors' Remuneration

	2021	2020	2019
	\$	\$	\$
Remuneration of the auditor, HLB Mann Judd, for:			
- auditing the financial statements	14,500	11,790	11,790
- acquittal audit	1,550	1,500	1,500
- financial statement preparation	2,600	2,510	2,510
<b>Total auditor's remuneration</b>	<b>18,650</b>	<b>15,800</b>	<b>15,800</b>

#### 20 Related Parties

##### (a) The Company's main related parties are as follows:

###### (i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 18: Key Management Personnel (KMP) Disclosures.

Other transactions with KMP and their related entities are shown below.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 20 Related Parties (continued)

(ii) Other related parties include close family members of key management personnel and entities that are controlled.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

#### (b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2021 \$	2020 \$	2019 \$
<b>KMP related parties</b>			
Jala Design Pty Ltd (owned by director, Jarrad Langdon) - website and design services	(6,380)	(6,380)	(7,425)
	<u>(6,380)</u>	<u>(6,380)</u>	<u>(7,425)</u>

#### 21 Comparative financial information

The Company operates on a two year business cycle for their competitions, with national and international competitions held every second year, in alternating years. The financial statements have been prepared cognisant of this competition cycle, with two years of comparative information included to provide greater disclosure reflecting this.

#### 22 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. At 30 June 2021 the number of members was 10 (2020: 11; 2019: 8).

#### 23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None; 30 June 2019: None).

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **24 Impact of COVID-19**

A state of emergency was declared in Victoria on 16 March 2020 as a result of the ongoing worldwide pandemic of the coronavirus disease 2019 ("COVID-19") caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). In response to the challenges faced by the pandemic, the state government put in place measures throughout the year including staged restrictions with communities to support distancing and spread of the disease.

The Company was conservative with expenditure and due to strict restrictions was unable to complete the National competition, therefore expenses decreased and contract liabilities and prepayments increased. During the year, the Company received \$73,500 in JobKeeper payments and \$37,500 in cashflow boost from the Australian government. The COVID-19 pandemic has resulted in the following changes to working conditions:

- Staff working from home where possible with minimum staff in the office at any one time
- Staff working from home are required to comply with all WorldSkills policies and procedures and remote working checklist
- A COVID-safe plan has been developed to preserve the safety of our staff with all Government regulations strictly followed

The following financial statement areas have been deemed affected by COVID-19 due to management's judgements and assumptions about the future and any associated uncertainty:

- Critical accounting estimates and judgements (Note 3)
- Events after the end of the reporting period (Note 25)

#### **25 Events after the end of the Reporting Period**

The financial report was authorised for issue on 08 December 2021 by the Board of Directors.

The COVID-19 pandemic continues to create unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Company at the reporting date. As responses by the government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Company's operations, its future results and financial position. The state of emergency in Victoria was declared on 16 March 2020 and has been extended to 15 December 2021. The stay-at-home directions in Victoria came into force on 2 September 2021 and ended on 21 October 2021. Any future changes to the Company's operations relating to COVID-19 will be in response to relevant government authorities directions. Refer to Note 24 to the financial statements for further information regarding the impact of COVID-19 on the Company's operations during the year.

The 2021 National Championships was successfully concluded on 27 October 2021. The National Championships was originally scheduled to occur in August 2020.

The onset of the COVID-19 pandemic which created chaos in both the working landscape and the ability to travel, meant WorldSkills Australia had the difficult decision to postpone the National Championships. The continuing complications of COVID-19 meant the event was postponed a second time, scheduled to be held in Perth in August 2021, however continued border and travel restriction throughout Australia meant a third alteration, this time from the format of holding the Championships in a single state, predominately under one roof. The 2021 WorldSkills Australia National Championships was held in five states while a number of competitions ran virtually during the period spanning from August to October 2021. The event concluded with a closing ceremony in Perth which was livestreamed to competitors in other states, announcing all the medallists and the best in Nation. Given the duration of the planning and implementation of the event, monies were received and expended during the entire period, with monies received in 2020/2021 being recognised in the statement of financial position as a liability and money expended being



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **25 Events after the end of the Reporting Period (continued)**

recognised as prepayments. Amounts relating to the event and recognised in the statement of financial position will be transferred and recognised in the statement of profit or loss and other comprehensive income in the 2021/2022 financial year.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

#### **26 Company Details**

The registered office of and principal place of business of the Company is:

Level 7, 379 Collins St  
Melbourne Victoria 3000

## **Directors' Declaration**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 29, are in accordance with the *Australian Charities and Not-For-Profits Commission Act 2012* and:
  - a. comply with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-For-Profits Commission Regulations 2013* and other mandatory professional reporting requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, subject to Note 2(h), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....

Kevin Harris

Director .....

Jack Hanrahan

Dated this 8th day of December 2021

## **Independent Auditor's Report to the Members of WorldSkills Australia**

### **REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

#### **Opinion**

We have audited the financial report of WorldSkills Australia ("the Entity") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Directors.

In our opinion, the accompanying financial report of the Entity has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Information Other than the Financial Report and Auditor's Report Thereon**

The Directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**[hlb.com.au](http://hlb.com.au)**

**HLB Mann Judd (VIC Partnership) ABN 20 696 861 713**

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and the Directors for the Financial Report**

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**HLB Mann Judd**  
**Chartered Accountants**



**Nick Walker**  
**Partner**

Melbourne  
14 December 2021