



Government of **Western Australia**  
South Regional **TAFE**

annual  
**REPORT**

---

**2018**

[southregionaltafe.wa.edu.au](http://southregionaltafe.wa.edu.au)

## Statement of Compliance

Hon. Sue Ellery MLC  
Minister for Education and Training  
13th Floor, Dumas House  
2 Havelock Street  
West Perth WA 6005

Dear Minister

### Statement of Compliance for 2018

In accordance with Section 61 of the Financial Management Act 2006 and Section 54 of the Vocational Education and Training Act 1996, I hereby submit for your information and presentation to Parliament the annual report of South Regional TAFE for 2018.

The annual report has been prepared in accordance with the provisions of the Financial Management Act 2006.

Yours sincerely



Prof. Bryant Stokes  
Chair  
Governing Council

1 March 2019



Duncan Anderson  
Managing Director  
South Regional TAFE

1 March 2019

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## Section 1 – Overview of South Regional TAFE

### Executive Summary

#### Governing Council Chair's Report



I am pleased to present the 2018 Annual Report for South Regional TAFE.

As the college approaches the three-year milestone since its inception, it is satisfying to see how it has settled into an efficient and effective organisation, well respected in the communities it serves.

Relationships with people in industry, business and the community help to answer skills demands while promoting prosperity in the regions. The college has maintained excellent relationships, attracting valuable feedback to inform training it delivers, allowing the college to generate appropriate programs incorporating best practice and latest developments, and answer local skills demands.

Testament to the quality of these relationships is the readiness of people in business and industry, as well as individuals, to commit to significant sponsorship of students through scholarships and awards. In addition to facilitating training and encouraging high achievement, these generous sponsors play their own part in enriching our communities. The college is indebted to these individuals and organisations for their ongoing support.

Reaching communities through open days and annual award nights continues to boost the college's profile and inform the public of offerings, and both of these major events were well attended in 2018.

Through judicious financial management and effective governance, the college achieved very good fiscal outcomes for the year. Governance in the college continues to mature and I remain committed to best practice governance to ensure outstanding outcomes are delivered for our students, industry, business and community.

I congratulate all staff on another year of effort and commitment. One example of their diligence was the implementation of the new student management system. This required significant change to the entire business system. The manner, in which this undertaking was approached, with relatively few problems, was exemplary and is a clear indicator of the amazing staff at all levels throughout South Regional TAFE.

High standards of training were upheld and thousands of students left the college equipped with skills for jobs. The student satisfaction rating of 90.3 per cent is proof of the quality training students receive on our campuses.

I extend my sincere appreciation to Managing Director Duncan Anderson, who has capably led the college through an extended period of change to an era of stability and growth.

My thanks also go to Governing Council Deputy Chair Dr Wendy Giles and the members for their excellent support and guidance for the college. Their wide experience and knowledge are invaluable.

I look forward to further consolidation and progress, and wish students, community members and college staff another rewarding and productive year in 2019.

A handwritten signature in black ink, reading "Bryant Stokes". The signature is written in a cursive style with a large, looping initial "B".

Prof. Bryant Stokes  
Chair  
Governing Council

## Managing Director's report



Following a year of excellent outcomes in both academic and administrative areas, I am indebted to staff across the college for their dedication and diligence. It remains a great privilege to lead such a diverse organisation that continually delivers wonderful outcomes throughout the business and regional communities we serve.

During the year, our network of 12 campuses worked closely together to meet the college's strategic objectives and promote a strong organisational culture while providing quality training to people across a geographically widespread area.

Quarterly management meetings have continued strong leadership and achievement of key goals, enabling the college to continue to enjoy a high profile and remain a first-choice provider of vocational education and training. This will remain a key focus, bringing together 12 campuses as one.

Our highest achievers received several prestigious awards throughout the year.

At the 2018 award nights held in March in Bunbury and Albany, our best students from all campuses were recognised. Albany accounting student Trudie Johnston took out the overall Student of the Year title.

At the WorldSkills national competition in Sydney, the college was represented by four students from the Bunbury and Albany campuses.

Three Bunbury students – Nikolas Foster, bricklaying; Kevin Dirks, cabinetmaking, and Danae Italiano, hairdressing – competed. Nikolas brought home a gold medal and Kevin a silver. Albany beauty therapy student Emily Burg came fourth in her competition.

My congratulations go to these students for demonstrating excellence which reflects extremely well on their hard work, commitment and highly developed skills emanating from our college's quality training.

The relationships between the college and local industry, employers and community members continued to underpin successful training outcomes for students, not only for practical skills, but also for support and advocacy. This was demonstrated in the generous sponsorship of awards at the college's award nights, and also in a number of scholarships offered to alleviate the financial challenges of study for students facing hardship.

I appreciate the generosity of these individuals and organisations for recognising the benefits of supporting students and acknowledging the rewards training brings to communities.

The key generational change to work practices was necessary with the introduction of an efficient student management system (SMS). This integrates several existing business systems and streamlines enrolment and student management processes.

Implemented at the start of Semester 2, the SMS necessitated extensive staff training and business system review. The scale of change, work required and challenge cannot be underestimated. All staff through their professionalism, dedication and commitment performed to the highest standard. I would also like to recognise the support from council and the outstanding work carried out by the project implementation team. The coordinated and consistent method in which this complex project was delivered, enabled by our amazing staff, resulted in relatively few issues in a year when our training delivery grew in many areas.

For 52 members of the lecturing staff, employment stability was boosted with the transfer of their fixed-term contract status to permanency in a workforce reform move. This positive step to providing certainty reflects commitment to our staff in a rapidly changing employment climate.

The achievement of 99.2 per cent of SCH was very pleasing, and reflects employees' performance and commitment. Of significance were results in employment-based training and priority areas, as well as the wonderful outcomes for Aboriginal students and those who identify as having a disability.

The student satisfaction survey by Paterson found 90.3 per cent of students were satisfied or highly satisfied with their training at the college, another pleasing figure which follows the trends of recent years.

In November, the State Government initiative of Jobs and Skills Centres at key campuses came to fruition with the establishment of the first centre at the Albany campus, followed by the centre at the Bunbury campus.

In Albany, the centre is delivered by the college in partnership with Worklink and Southern Aboriginal Corporation; in Bunbury, the partner is JSW Training and Community Services.

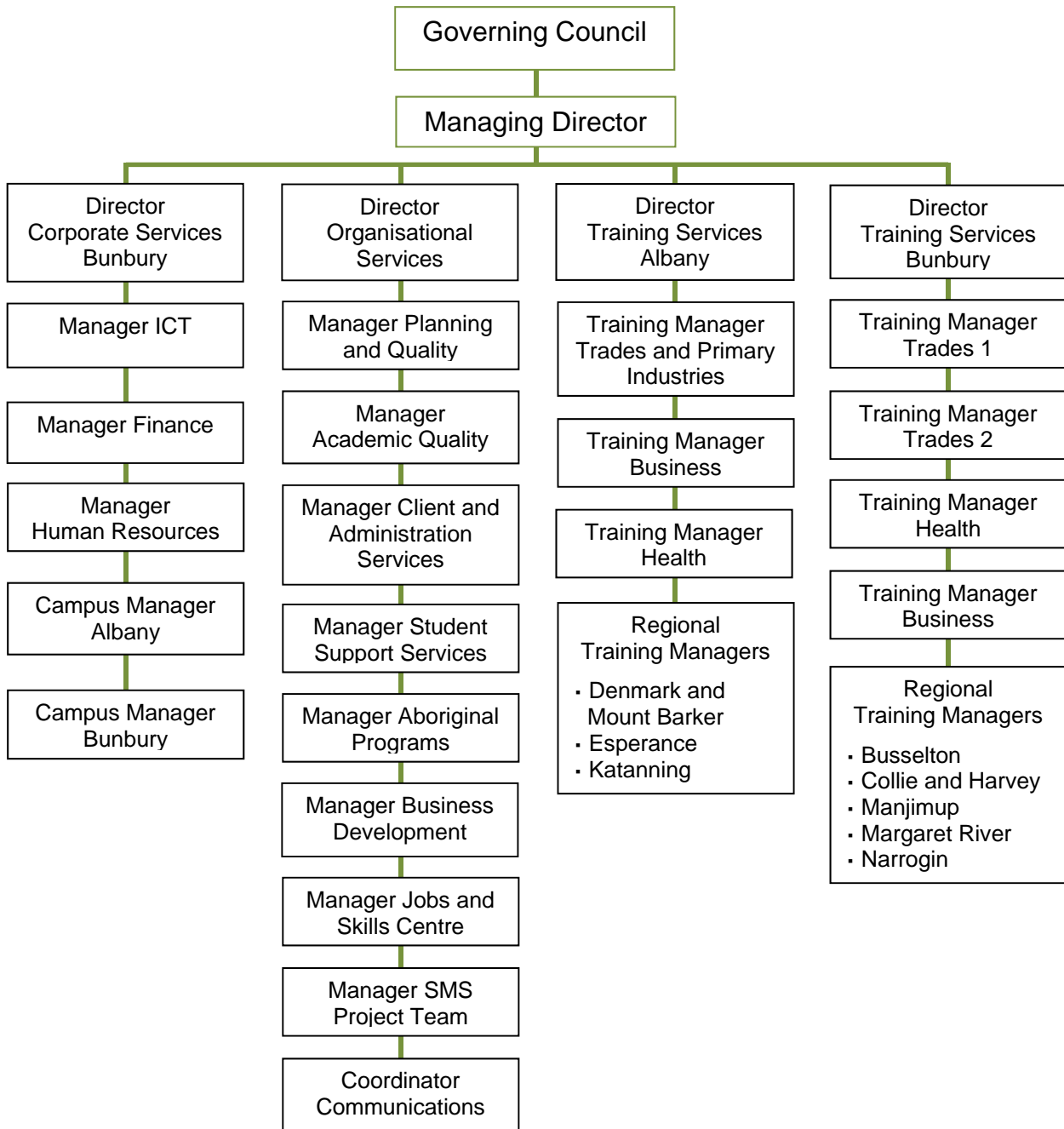
I would like to thank Governing Council Chair Prof. Bryant Stokes and council members for their invaluable support and strategic direction during another successful and rewarding year for the college.

Finally, I would like to recognise all staff who collectively strive to achieve the amazing outcomes we have achieved. I remain humbled by all staff members' dedication, commitment, professionalism and empathy. It is a great privilege to lead South Regional TAFE and I look forward to our continued, collective success in 2019.



Duncan Anderson  
Managing Director  
South Regional TAFE

## Operational Structure 2018





## Performance Management Framework

The performance management framework ensures that Government goals are supported at agency level by specific desired outcomes – critically, that the college can align and measure performance against these goals.

The college's Strategic Plans 2017-2019 align to the WA Government's *Plan for Jobs*.

College outcomes reflect the priorities of WA Government's *Plan for Jobs*. Key performance indicators in both the Managing Director's Management Performance Agreement and the annual Delivery and Performance Agreement negotiated with the VET (WA) Ministerial Corporation reflect these whole-of-Government objectives.

The college is committed to good governance, embracing the Governance Framework for State Training Providers, including through risk management, which is integral through ongoing business planning and daily operations.

The State Training Plan 2018-2021 identifies and recommends priorities and actions for the State, which provides a clear blueprint for training providers in setting goals and identifying key deliverables for 2018 and beyond. This formed the basis of our reporting framework in 2018.



*Bunbury campus Bricklaying Lecturer Mark Baker congratulates student Nikolas Foster on his gold medal win at the WorldSkills national competition in Sydney in June.*

## Section 2 – South Regional TAFE Performance

### Operational overview

South Regional TAFE provides vocational education and training to people in communities across the South West and Great Southern regions as well as in Narrogin and Esperance.

Established in April 2016, the college services a network of 12 campuses covering an area of approximately 196,600 sq.km across the south of Western Australia

Campuses are located in:

- Albany
- Bunbury
- Busselton
- Collie
- Denmark
- Esperance
- Harvey
- Katanning
- Manjimup
- Margaret River
- Mount Barker
- Narrogin

The college delivers qualifications from Certificate I to Advanced Diploma, and provides the expertise, resources and facilities to offer high-quality training to individuals, organisations and industry. It delivers on campus, online, in the workplace, and at community resource centres and high schools.

At the end of 2018, the college had 185 qualifications, 26 accredited courses and 30 units of competency on its scope of delivery with the Training Accreditation Council of Western Australia.

In addition to delivery under profile, the college offers articulated pathways to university, apprenticeships and traineeship training and workforce training and assessment.

South Regional TAFE is contracted by the Department of Training and Workforce Development to deliver state-funded training through a Delivery and Performance Agreement with the Minister for Education and Training.



## Performance measures

South Regional TAFE provides services to a wide range of stakeholders and uses a range of demographic-based performance indicators to monitor service distribution, based upon the 2009 Australian Bureau of Statistics (ABS) population data. The college has provided services to its community relative to its target market; 15-64 year olds who are eligible for the workforce, with particular attention to the inclusion of youth and the Indigenous community.

1 January 2018 to 31 December 2018						
Priority Areas	Measure	2018 Initial Target	2018 May Target	2018 Sep Target	2018 Achieved	% Achieved
Employment Based Training	SCH	413,623	455,563	455,563	434,173	105%
Priority Industry Training	SCH	515,102	515,985	515,985	504,186	98%
General Industry Training	SCH	1,333,668	1,312,353	1,312,353	1,325,312	99%
Foundation Skills and General Education	SCH	237,607	216,099	231,627	216,399	91%
Certificate IV and Above	SCH	684,784	722,568	722,568	702,554	103%
15-24 Year-Olds	SCH	1,382,640	1,382,640	1,382,640	1,275,162	92%
Indigenous – Certificate II and Above	Qualification Completion HC	108	133	133	132	122%
Disability Certificate II and Above	Qualification Completion HC	250	253	253	260	104%

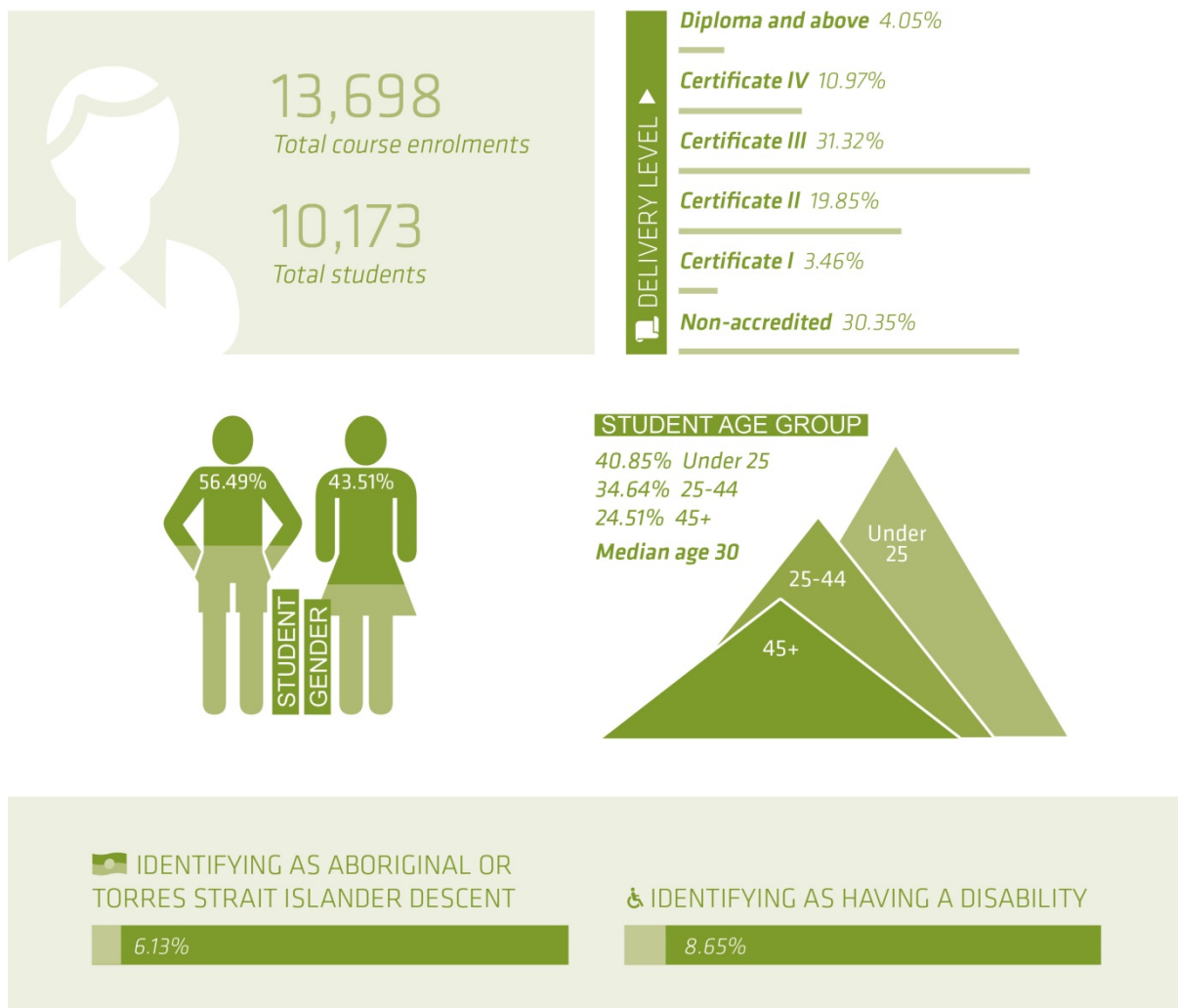
## Performance management

In combining campuses from the former South West Institute of Technology, Great Southern Institute of Technology, Goldfields Institute and CY O'Connor Institute, South Regional TAFE is the largest State Government provider of vocational education and training in the South West and Great Southern of the State. It is well positioned to explore opportunities presented by this significant increase in scale.

## Delivery

The college began 2018 with a Delivery and Performance Agreement (DPA) figure of 2,500,000. This was renegotiated in May and September to align targets with local demands and while shifts were made in individual industry areas, the bottom line figure remained at 2,500,000 Student Curriculum Hours (SCH). As per the South Regional TAFE Business Plan, the performance indicators in this report reflect the original DPA figure of 2,500,000. The college delivered a total of 2,480,070 SCH or 99.2 per cent of its contracted profile, reflecting the 'green shoots' of its supported regional economies.

## Student profile 2018



## Reports

### Directorate reports

#### Corporate Services

##### **Role and function**

The Corporate Services Directorate provides the financial, human resources, information technology, infrastructure and facilities management functions of the college.

##### **Major achievements**

All outcomes have been achieved for the directorate with the following representing the major achievements for each business unit.

- The \$2.8 million remedial works program at Albany campus, funded and managed by the Department of Training and Workforce Development, has been completed. These are major infrastructure works designed to upgrade ageing buildings and services with a view to reducing ongoing repair and maintenance costs. These include the following items:
  - refurbishment of A Block including a new gym for delivery of Health and fitness programs
  - refurbishment of toilet facilities across the campus
  - removal of transportable classrooms that contained asbestos
  - increase in student parking spaces
  - upgrade of general power distribution across the campus
  - upgrade of air-conditioning units
  - construction of a new Jobs and Skills Centre.
- The \$4.3 million remedial works program at the Bunbury campus, funded and managed by the Department of Training and Workforce Development, has commenced. As mentioned above, these are major infrastructure works designed to upgrade ageing buildings and services with a view to reducing ongoing repair and maintenance costs, include the following items that have been completed to date:
  - installation of a new dust extraction system in the carpentry and joinery workshops
  - upgrade of general power distribution across the campus including replacement of distribution boards and installation of RCDs
  - upgrade of air-conditioning units
  - repairs and replacement of roofs to remedy leaks
  - removal of asbestos from walkways
  - construction of a new Jobs and Skills Centre
- At the Narrogin campus, a large vehicle storage shed and general shed were converted to a contemporary teaching and secure storage space for art and wool delivery.
- At Margaret River campus, work was carried out to remove trees whose roots were undermining paths and reinstate the area as a space where long-table events can be held.

## **Organisational Services**

### **Student Services**

Student Services provide each student with the support and advice to help them complete their chosen course.

Student support is coordinated by dedicated staff at Albany and Bunbury campuses. Their assistance includes general study advice and support, student advocacy, disability support and internal student support, as well as coordinating financial hardship fee waivers and the counselling service.

Disability services, which may include in-class assistants or specialised equipment, provides students with access, support and equal opportunity to training.

### **Counselling**

A free counselling service is available for students at all campuses.

Service provider Black Swan Health has two counsellors based in Albany and Bunbury. They work with the college's Student Services teams to assist students in a range of academic or personal problems impacting on their individual studies or the classroom as a whole.

The counsellors provide a phone counselling service to regional campuses and make planned visits to regional campuses.

### **Course Information Services**

Course Information Services (CIS) manages course and pathway enquiries from prospective students via the college's website, phone, email and in-person visits.

CIS staff are based at Albany and Bunbury campuses and support all campuses, including full-time study applications made through the State Training Admissions system.

The team maintains course information on the college website, the focal point of promoting courses.

CIS also engages with school students and their parents as well as the local community to provide group presentations about courses, the application process and eligibility criteria.

The CIS team took part in two open days in Albany and Bunbury in October to promote courses available for study in Semester 1, 2019. This was the third event of its kind in Bunbury and second for Albany with consistent numbers and results at both locations demonstrating the open days can continued to be developed as a major application initiative.

### **International Students**

The college enrolled 70 international students during 2018 at the Albany, Bunbury and Margaret River campuses.

Students originated from 24 countries and took qualifications in commercial cookery, early education and childcare, hospitality, information technology, patisserie and spoken and written English.

International students received a comprehensive orientation at the beginning of each semester and were provided with ongoing support throughout the year.

The college continued providing access to literacy support for new immigrants through the Adult Migrant English Program (AMEP).

### **Learning Resource Centres**

Learning resource centres cover all 12 campuses. The two branches based in Bunbury and Albany coordinate satellite services at the regional campuses. All campuses access electronic resources, as well as hard-copy resources by request.

A digital publication service across the college was pioneered in Albany and has demonstrable continued growth in Bunbury over the past two years. This includes ePublications, which consist of professional journals and industry magazines to aid in lecturers' professional development and provide students with valuable background on the industry or field they are studying. In 2018, there were 2132 users of this service.

There was further development and introduction of unifying policies across both regions to include the new operating software Alma and consolidate procedures.

### **Aboriginal Programs**

Services were provided to Aboriginal and Torres Strait Islander students within the college's catchments. Additional support included tutoring, mentoring and assistance along with engagement resources.

Assistance was provided either on a one-on-one or group basis to 78 students taking Certificate I to Diploma level qualifications. The section employed 22 tutors and mentors to assist the students.

The section continues to meet the aims and objectives within the college's Reconciliation Action Plan. Additional staff have been employed, partnerships with Aboriginal organisations, groups and community members have increased, and cultural awareness promotion has also been a main instigator of a number of events. These include NAIDOC week celebrations, Reconciliation Week promotions, welcome days, cultural days, induction days and promotion of events through social media, website, and staff intranet.

### ***Training Services***

#### **Overview**

This was a year of outstanding achievements for students and staff. Congratulations to the managers and their staff on the level of profile achieved and their ability to achieve this excellent outcome while operating within budget.

All campuses across the college worked extremely hard to service the growing demand for industry skill sets and short courses. The growth in these areas is due to the industry engagement being undertaken in each local area and the manager's willingness and positive attitude to service local clients.

The college was able to convert a number of existing lecturing staff to permanent positions this year. This will enable our existing staff to have a stable level of employment.

- 42 offers of permanent appointment were made in the four years and over cohort

- 10 offer of permanent appointment were made in the two-to-four years cohort

There are a growing number of women participating in traditional trades industry areas in both the Great Southern and the South West. The increased number in the pre-apprentice classes is enabling women to gain apprenticeships in traditionally male-dominated trades.

The Training Services Directors congratulate all staff on the level of professionalism, commitment and teamwork.

### ***Facilities***

The new Esperance campus is in the consultation stage with members of staff and the community. Plans are nearing completion and the Esperance community is looking forward to having this new facility in their region.

In Bunbury, a purpose-built simulated childcare centre with kitchen, changing area and playroom opened in Semester 2. A special sensory garden for the children was designed and constructed by horticulture students at the Bunbury campus.

A remedial massage centre was built and the first cohort of Certificate IV completed in Semester 1.

### **South West**

The academic management of the Bunbury campus was restructured into two training areas with two divisions within, each supported by a Training Manager and two Training Operation Coordinators.

These are as follows:

Trades, Paraprofessional and Service Industries

- Trades and Paraprofessionals
- Construction and Services Industries

Commerce, Health and Environmental Sciences

- Health
- Commerce and Environmental Sciences

Regional campuses have remained the same:

- Narrogin
- Collie/Harvey
- Margaret River
- Busselton
- Manjimup

### ***Major achievements***

Three Bunbury campus students were among a group of representatives at the WorldSkills national competition in Sydney. These were Nikolas Foster, bricklaying; Kevin Dirks, cabinetmaking and Danae Italiano, hairdressing. Nikolas, who was trained by Mark Baker, won the gold medal and Kevin took out the silver.



First and second-year apprentices and students of the Certificate III in Commercial Cookery from Bunbury and Margaret River cooked off in the regional heats of the Australian Culinary Federation Apprentice of the year competition, held in the Epicure Training Restaurant kitchen. First year apprentice Cara Viljoen, who trained at the Margaret River Campus, took out the gold.

The automotive centre held many industry events and courses to build stronger local industry relationships. In the Targa Sprint Rally, students were given the opportunity to assist with all sprint cars to be put over the pits with the organisers before the event.

Diesel Help ran two courses for industry from the centre also involving the lecturers.

Breakaway Project supported Aboriginal pathways and in conjunction with Roelands Mission undertook upgrades to grounds. Carpentry and joinery units were included, and were appreciated for their relevance and skill building for this cohort.

The first Asian cookery short course was completed this year with excellent outcomes and industry support.

The first all-female Certificate I in Resource Processing cohort completed at Alcoa Waroona.

Sport recreation and fitness students were successfully linked with Aged Care Games, local primary schools and the disability sector (WAI Sports) to volunteer at their events for the students to apply their practical skills within the community.

Hospitality industry links included:

- **Gather&Feast**  
A monthly Saturday lunch by cookery and hospitality students utilising local fresh produce from the markets. The Gather&Feast concept is an innovative cookery and hospitality program.
- **Truffle Kerfuffle**  
Cookery and hospitality students volunteered at the Truffle Kerfuffle Festival in Manjimup and take their inspiration back to the kitchen, adding truffle to the menu for a Gather&Feast truffle edition.
- **Gourmet Escape**  
In this prestigious annual event, cookery lecturers and students support chefs on the Leeuwin stage at the Gourmet Village as well as with preparation in the TAFE kitchen for visiting chefs.
- **Margaret River Chamber of Commerce and Industry's annual Business Awards** were held at Eight Willows Retreat in August. The business lecturer facilitated the awards workshops and judged the finalists. The digital media lecturer and students took video of the finalists and photography on the night. Cookery students and lecturers presented the dessert course, and hospitality students and lecturers provided front-of-house coverage.
- **Commercial cookery apprentice Cara Viljoen won First Year Apprentice of the Year** in the Australian Culinary Federation competition and came runner-up for overall Apprentice of the Year.
- The college hosted an Alpaca Masterclass for local industry and students created a meal for the attendees.

- The college hosted the Margaret River Wine Association's Community Wine Fair in February.

## **Great Southern**

The academic management of the Albany campus was restructured into two training areas supported by a Training Manager and a Training Operations Coordinator.

- Community, Health and Education
- Trades, Paraprofessionals and Service Industries

Regional campuses have remained the same:

- Esperance
- Mount Barker/Denmark
- Katanning

## ***Major achievements***

At the Great Southern award night In April, the college's Overall Student of the Year was from the Albany campus. Accounting student Trudie Johnston took out the title for her dedication, hard work and professional attitude. Trudie is also a volunteer with several organisations, benefitting her community.

Esperance Tjaltjraak Native Title Aboriginal Corporation gained funding to train Aboriginal people as part of the McGowan Government's Aboriginal Ranger program. In May, 14 students enrolled in Certificate III in Aboriginal Sites Work and Certificate III in Indigenous Land Management, as well as short courses such as chainsaw and chemical handling. Seven students completed both qualifications and five students will complete their studies in 2019.

The Tjaltjraak Rangers have worked with the Shire of Esperance, South Coast NRM and the Department of Primary Industries and Regional Development while working towards their qualifications. Since completing their qualifications, the Tjaltjraak Rangers have been employed by the Department of Primary Industries and Regional Development for the annual Starling project.

Diploma of Beauty Therapy student Emily Berg represented the college in the national vocational competition WorldSkills in Sydney. Having won the state title, Emily was placed fourth in Sydney, a fraction of a point outside the medals. Shortly after returning from the nationals, Emily bought her own beauty therapy business.

Nursing Lecturer Jodie Watkins, who completed her Master's degree in Health Professional Education in 2018, presented the findings of her research thesis at the Worldwide Nursing Conference in Singapore, gaining recognition from international health professionals and her academic peers.

Information Technology students from the Albany campus brought home several prizes from the state-wide GovHack competition finals in Perth. The students made up five of the nine GovHack teams from throughout WA and three reached the finals. Certificate III student Ronice Preston took out the Spirit of GovHack award in recognition of her enthusiasm and excellence.

Denmark music students made a real presence in the South West and Great Southern region through 2018, performing and making guest appearances at regional festivals, community events and on local radio. Casual lecturer and former student Dave Rastrick was a finalist on the 2018 Western Australian Music awards shortlist.

The Mount Barker campus continues to support its local multi-cultural community with the Certificates in Spoken and Written English and the Australian Migrant English Program. This year, Hazara Afghani women hosted a henna hand painting stall at the local Community College Fair, where they practised their language skills and met other parents and members of the community while raising funds for local causes.



*Minister for Education and Training the Hon. Sue Ellery MLC talks to cabinetmaking apprentice Tyrone Buktenica on her visit to the Albany campus.*

## **Section 3 – Significant Issues Impacting South Regional TAFE**

### **Significant issues and economic and social trends**

#### **Key Challenges in 2018**

- Implementation of a new Student Management System whilst transforming business process and ensuring a positive student experience.
- A changing economic environment.
- Maintaining college capacity and workforce capability to meet the requirements of industry and the community.
- Establishment of continuous improvement processes; a systematic approach to the college's quality proposition, business process and the achievement of outcomes.

#### **Key influencers for 2018**

- Government direction and priorities.
- Implementation of a new Student Management System.
- Planning for the establishment of Jobs and Skills Centres at Albany and Bunbury.

#### **Looking ahead to 2019**

- The South Regional TAFE strategic plan identifies 2019 as a year where the college is looking to achieve positive growth demonstrating the college is the first choice in training.
- Industry consultation as part of the planning process has built stronger ties and identified areas of training requirements. These will be progressed in 2019.
- Jobs and Skills Centres will concentrate on strengthening the ties between career services, Aboriginal workforce development and existing training opportunities for industry and the community.

#### **Critical success factors**

The following factors will influence the achievement of 2019 outcomes:

- Effective achievement of the college commitment to government for meeting training targets in identified priority areas.
- The development of a student-centred culture across the organisation to ensure student satisfaction and industry requirements are met.
- Compliance with the Standards for Registered Training Organisations 2015.

## Section 4 – Disclosures and Legal Compliance

### Auditor-General's Opinion



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### SOUTH REGIONAL TAFE

#### Report on the Financial Statements

#### *Opinion*

I have audited the financial statements of South Regional TAFE which comprise the Statement of Financial Position as at 31 December 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of South Regional TAFE for the year ended 31 December 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

#### *Basis for Opinion*

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the TAFE in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Responsibility of the Governing Council for the Financial Statements*

The Governing Council is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Governing Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Council is responsible for assessing the agency'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 the Western Australian Government has made policy or funding decisions affecting the continued existence of the TAFE.

#### *Auditor's Responsibility for the Audit of the Financial Statements*

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 my 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 agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governing Council.
- Conclude on the appropriateness of the Governing Council'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 agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Governing Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## **Report on Controls**

### ***Opinion***

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by South Regional TAFE. The controls exercised by the TAFE are those policies and procedures established by the Governing Council to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by South Regional TAFE are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 December 2018.

### ***The Governing Council's Responsibilities***

The Governing Council is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

### **Auditor General's Responsibilities**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

### **Limitations of Controls**

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

### **Report on the Key Performance Indicators**

#### **Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of South Regional TAFE for the year ended 31 December 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of South Regional TAFE are relevant and appropriate to assist users to assess the TAFE's performance and fairly represent indicated performance for the year ended 31 December 2018.

#### **The Governing Council's Responsibility for the Key Performance Indicators**

The Governing Council is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Governing Council determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Governing Council is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

#### **Auditor General's Responsibility**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

**My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators**

This auditor's report relates to the financial statements and key performance indicators of South Regional TAFE for the year ended 31 December 2018 included on the TAFE's website. The TAFE's management is responsible for the integrity of the TAFE's website. This audit does not provide assurance on the integrity of the TAFE's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

SANDRA LABUSCHAGNE  
DEPUTY AUDITOR GENERAL  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia

07 March 2019



## Certification of Financial Statements

For the reporting period ended 31 December 2018

The accompanying financial statements of South Regional TAFE have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 31 December 2018 and the financial position as at 31 December 2018.

At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.



Bryant Stokes  
Chairperson  
Governing Council  
South Regional TAFE  
1 March 2019



Duncan Anderson  
Managing Director  
South Regional TAFE  
1 March 2019



Ken McKinnon  
Chief Financial Officer  
South Regional TAFE  
1 March 2019

## Financial Statements

South Regional TAFE		2018	2017
STATEMENT OF COMPREHENSIVE INCOME			
FOR THE YEAR ENDED 31 DECEMBER 2018			
	Notes	\$	\$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	2.1(a)	37,606	37,807
Grants and subsidies	2.2	2	4
Supplies and services	2.3	14,645	13,111
Asset revaluation decrement	2.3	911	1,034
Other expenses	2.3	4,879	4,142
Cost of sales	3.3	56	68
Loss on disposal of non-current assets	3.7	171	10
Depreciation and amortisation expense	4.1.1	3,349	3,388
<b>Total cost of services</b>		<b>61,619</b>	<b>59,564</b>
<b>Income</b>			
<i>Revenue</i>			
Fee for service	3.2	2,181	1,915
Student fees and charges	3.2	7,368	7,229
Ancillary trading	3.2	382	387
Sales	3.3	52	54
Commonwealth grants and contributions	3.4	155	209
Interest revenue	3.5	420	412
Other revenue	3.6	461	740
<b>Total revenue</b>		<b>11,019</b>	<b>10,946</b>
<b>Total income other than income from State Government</b>		<b>11,019</b>	<b>10,946</b>
<b>NET COST OF SERVICES</b>		<b>50,600</b>	<b>48,618</b>
<b>Income from State Government</b>			
Service appropriation	3.1	43,481	41,330
Services received free of charge	3.1	1,810	1,581
<b>Total income from State Government</b>	3.1	<b>45,291</b>	<b>42,911</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(5,309)</b>	<b>(5,707)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD</b>		<b>(5,309)</b>	<b>(5,707)</b>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**South Regional TAFE  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2018**

2018

2017

	Notes	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.1	12,614	11,708
Restricted cash and cash equivalents	6.1	401	2,922
Receivables	5.1	746	828
Inventories	3.3	29	30
Other current assets	5.2	336	281
<b>Total Current Assets</b>		<b>14,126</b>	<b>15,769</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	6.1	534	390
Property, plant and equipment	4.1	87,390	90,578
<b>Total Non-Current Assets</b>		<b>87,924</b>	<b>90,968</b>
<b>TOTAL ASSETS</b>		<b>102,050</b>	<b>106,737</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5.3	766	818
Employee related provisions	2.1(b)	6,927	7,330
Other current liabilities	5.4	349	2,586
<b>Total Current Liabilities</b>		<b>8,042</b>	<b>10,734</b>
<b>Non-Current Liabilities</b>			
Employee related provisions	2.1(b)	630	635
<b>Total Non-Current Liabilities</b>		<b>630</b>	<b>635</b>
<b>TOTAL LIABILITIES</b>		<b>8,672</b>	<b>11,369</b>
<b>NET ASSETS</b>		<b>93,378</b>	<b>95,368</b>
<b>EQUITY</b>			
Contributed equity	8.8	106,032	102,713
Accumulated surplus / (deficit)		(12,654)	(7,345)
<b>TOTAL EQUITY</b>		<b>93,378</b>	<b>95,368</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

<b>South Regional TAFE</b>			
<b>STATEMENT OF CASH FLOWS</b>		2018	2017
<b>FOR THE YEAR ENDED 31 DECEMBER 2018</b>			

	Notes	\$	\$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation - Department of Training and Workforce Development		41,245	42,662
Capital appropriation - Department of Training and Workforce Development		-	-
Royalties for Regions Fund		-	-
<b>Total Net cash provided by/(used in) State Government</b>		<b>41,245</b>	<b>42,662</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(38,014)	(37,235)
Supplies and services		(12,943)	(11,492)
Grants and subsidies		(2)	(4)
GST payments on purchases		(1,229)	(1,133)
GST payments to taxation authority		-	-
Other payments		(2,716)	(3,232)
<b>Receipts</b>			
Fee for service		2,263	1,915
Student fees and charges		7,368	6,979
Ancillary trading		382	387
Commonwealth grants and contributions		155	209
Interest received		420	412
GST receipts on sales		116	153
GST receipts from taxation authority		1,113	989
Other receipts		458	741
<b>Net cash provided by/(used in) operating activities</b>		<b>(42,629)</b>	<b>(41,311)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current physical assets		(373)	(239)
Capital Contribution			
<b>Receipts</b>			
Proceeds from sale of non-current physical assets		1	2
Capital Contribution		285	
<b>Net cash provided by/(used in) investing activities</b>		<b>(87)</b>	<b>(237)</b>
Net increase in cash and cash equivalents		<b>(1,471)</b>	<b>1,114</b>
Cash and cash equivalents at the beginning of period		15,020	13,906
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	6.1	<b>13,549</b>	<b>15,020</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

**South Regional TAFE**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Contributed Equity	Accumulated Surplus / (Deficit)	Total Equity
<b>Balance at 1 January 2017</b>		\$ 101,505	(1,638)	\$ 99,867
Changes in accounting policy or correction of prior period errors			-	-
Restated balance at 1 January 2017		101,505	(1,638)	99,867
Surplus/(deficit)			(5,707)	(5,707)
Other comprehensive income			-	-
Total comprehensive income for the period		-	(5,707)	(5,707)
Transactions with owners in their capacity as owners:	8.8			
Capital appropriations		-		-
Other contributions by owners		1,208		1,208
Distributions to owners		-		-
Total		1,208	-	1,208
<b>Balance at 31 December 2017</b>		<b>102,713</b>	<b>(7,345)</b>	<b>95,368</b>

<b>Balance at 1 January 2018</b>		102,713	(7,345)	95,368
Changes in accounting policy or correction of prior period errors			-	-
Restated balance at 1 January 2018		102,713	(7,345)	95,368
Surplus/(deficit)			(5,309)	(5,309)
Other comprehensive income			-	-
Total comprehensive income for the period		-	(5,309)	(5,309)
Transactions with owners in their capacity as owners:	8.8			
Capital appropriations		285		285
Other contributions by owners		3,034		3,034
Distributions to owners		-		-
Total		3,319	-	3,319
<b>Balance at 31 December 2018</b>		<b>106,032</b>	<b>(12,654)</b>	<b>93,378</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**1 Basis of preparation**

South Regional TAFE (SR TAFE) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. SR TAFE is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Managing Director of SR TAFE on 25th February 2019.

**Statement of compliance**

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006* (FMA)
- 2) The Treasurer's Instructions (the Instructions or TI)
- 3) Australian Accounting Standards (AAS) including applicable interpretations - reduced disclosure requirements.
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

**Basis of preparation**

These financial statements are presented in Australian dollars applying the accrual basis of accounting and historical cost convention. Certain balances will apply a different measurement basis (such as fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

**Judgements and estimates**

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

**Contributed equity**

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

**2 Use of our funding**

**Expenses incurred in the delivery of services**

This section provides additional information about how SR TAFE's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by SR TAFE in achieving its objectives and the relevant notes are:

	Notes	2018 \$'000	2017 \$'000
Employee benefits expenses	2.1(a)	37,606	37,807
Employee related provisions	2.1(b)	7,557	7,965
Grants and subsidies	2.2	2	4
Other expenditure	2.3	20,435	18,287

**2.1(a) Employee benefits expenses**

	2018	2017
Wages and salaries	34,339	33,790
Termination benefits	-	870
Superannuation - defined contribution plans <sup>(a)</sup>	3,267	3,147
<b>Total employee benefits expenses</b>	<b>37,606</b>	<b>37,807</b>

<sup>(a)</sup> Defined contribution plans includes West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS) Government Employees Superannuation Board Schemes (GESBS) and other eligible funds.

**Wages and salaries:** Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax and leave entitlements.

**Termination benefits:** Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when SR TAFE is demonstrably committed to terminating the employment of current employees according to a

## Notes to the Financial Statements continued

detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**Superannuation:** The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for SR TAFE purposes because the concurrent contributions (defined contributions) made by SR TAFE to GESB extinguishes SR TAFE's obligations to the related superannuation liability.

SR TAFE does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by SR TAFE to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

### 2.1(b) Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2018 \$'000	2017 \$'000
<b>Current</b>		
<u>Employee benefits provision</u>		
Annual leave <sup>(a)</sup>	1,888	2,287
Long service leave <sup>(b)</sup>	4,379	4,253
Deferred salary scheme <sup>(c)</sup>	260	372
Purchased leave <sup>(d)</sup>	3	4
	6,530	6,916
<u>Other provisions</u>		
Employment on-costs <sup>(e)</sup>	397	414
<b>Total current employee benefits provisions</b>	<b>6,927</b>	<b>7,330</b>
<b>Non-current</b>		
<u>Employee benefits provision</u>		
Long service leave <sup>(b)</sup>	593	597
	593	597
<u>Other provisions</u>		
Employment on-costs <sup>(e)</sup>	37	38
<b>Total non-current employee benefits provisions</b>	<b>630</b>	<b>635</b>
<b>Total employee benefits provisions</b>	<b>7,557</b>	<b>7,965</b>

<sup>(a)</sup> **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

<sup>(b)</sup> **Long service leave liabilities:** Unconditional long service leave provisions are classified as current liabilities as SR TAFE does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because SR TAFE has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave liabilities are calculated at present value as SR TAFE does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

<sup>(c)</sup> **Deferred salary scheme liabilities:** Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

<sup>(d)</sup> **Purchased leave liabilities:** Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. This leave must be used each calendar year and cannot be accrued from year to year.

<sup>(e)</sup> **Employment on-costs:** The settlement of annual and long service leave liabilities gives rise to the payment of

employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of Note 2.3 Other expenditure (apart from the unwinding of the discount (finance cost)) and are not included as part of SR TAFE's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'

	2018	2017
	\$'000	\$'000
<b>Employment on-costs provisions</b>		
Carrying amount at start of period	452	424
Additional / (reversals of) provisions recognised	-	28
Payments / other sacrifices of economic benefits	(17)	-
<b>Total Carrying amount at end of period</b>	<b>435</b>	<b>452</b>

#### Key sources of estimation uncertainty - long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating SR TAFE's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

#### 2.2 Grants and subsidies

	2018	2017
	\$'000	\$'000
<u>Recurrent</u>		
Scholarships for students	2	4
<b>Total grants and subsidies</b>	<b>2</b>	<b>4</b>

Transactions in which SR TAFE provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.



## Notes to the Financial Statements continued

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools and community groups.

### 2.3 Other expenditure

	2018	2017
	\$'000	\$'000
<b>Supplies and services</b>		
Consumables and minor equipment	3,122	1,983
Communication expenses	358	400
Utilities expenses	1,236	1,334
Consultancies and contracted services	5,545	5,390
Minor works	1,642	1,349
Repairs and maintenance	605	489
Operating lease and hire charges	539	691
Travel and passenger transport	274	295
Advertising and public relations	282	260
Staff professional development activities	227	141
Supplies and services - other	815	779
<b>Total supplies and services expenses</b>	<b>14,645</b>	<b>13,111</b>
<b>Other expenditure</b>		
Audit fees	170	170
Building maintenance	1,942	1,436
Doubtful debts expense	-	67
Employment on-costs	2,629	2,397
Donations	1	-
Student prizes and awards	34	37
Losses and write-offs	49	1
Other	54	34
<b>Total other expenses</b>	<b>4,879</b>	<b>4,142</b>
<b>Asset revaluation decrement</b>		
Asset revaluation decrement	911	1,034
<b>Total asset revaluation decrement</b>	<b>911</b>	<b>1,034</b>
<b>Total other expenditure</b>	<b>20,435</b>	<b>18,287</b>

#### Other:

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

#### Repairs, maintenance and minor works:

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

#### Supplies and services:

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

#### Doubtful debts expense:

Doubtful debts expense was recognised as the movement in the allowance for doubtful debts. From 2018 expected credit losses expense is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses credit losses of receivables is measured at the lifetime expected credit losses at each reporting date. SR TAFE has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### Employment on-costs:

Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 2.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

**3 Our funding sources****How we obtain our funding**

This section provides additional information about how SR TAFE obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by SR TAFE and the relevant notes are:

	Notes	2018 \$'000	2017 \$'000
Income from State Government	3.1	45,291	42,911
User charges and fees	3.2	9,931	9,530
Trading profit	3.3	(4)	(14)
Commonwealth grants and contributions	3.4	155	209
Interest revenue	3.5	420	412
Other revenue	3.6	461	741
Gains/(Losses) on disposal of non-current assets	3.7	(171)	(10)

**3.1 Income from State Government**

Appropriation received during the period:

	2018	2017
Service appropriation <sup>(a)</sup>		
Delivery and Performance Agreement (DPA)	42,444	41,000
Non-DPA Grants from Department of Training and Workforce Development (DTWD)	1,037	330
	<b>43,481</b>	<b>41,330</b>
Services received free of charge from other State Government agencies during the period:		
Department of Training and Workforce Development		
- Corporate systems support	1,738	1,501
- Human resources and industrial relations support	72	80
<b>Total services received</b>	<b>1,810</b>	<b>1,581</b>
<b>Total income from State Government</b>	<b>45,291</b>	<b>42,911</b>

(a) Service Appropriations are recognised as revenues at fair value in the period in which SR TAFE gains control of the appropriated funds. SR TAFE gains control of appropriated funds at the time those funds are deposited in the bank account.

Service appropriations fund the net cost of services delivered. Appropriate revenue comprises of a cash component.

**3.2 User charges and fees**

	2018 \$'000	2017 \$'000
<b>Fee for service</b>		
Fee for service - general	831	872
Fee for service - Department of Training and Workforce Development (DTWD)	-	17
Fee for service - Government (other than DTWD)	760	287
International fees	590	739
<b>Total fee for service</b>	<b>2,181</b>	<b>1,915</b>
<b>Student fees and charges</b>		
Tuition fees	5,745	5,499
Enrolment and Resource fees	1,374	1,453
Recognition of prior learning (RPL) fees	167	142
Incidental fees	19	28
Other College fees	63	107
<b>Total student fees and charges</b>	<b>7,368</b>	<b>7,229</b>
<b>Ancillary trading</b>		
Liveworks (not a trading activity)	276	245
Joint Ventures Net Operating Result	1	-
Other Ancillary Revenue	105	142
<b>Total ancillary trading</b>	<b>382</b>	<b>387</b>
<b>Total User charges and fees</b>	<b>9,931</b>	<b>9,531</b>

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities when fees and charges are due.

**3.3 Trading profit**

	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Bookshop		
Sales	49	48
Cost of Sales:		
Opening Inventory	(30)	(44)
Purchases	(2)	(54)
	(32)	(98)
Closing Inventory	29	30
Cost of Goods Sold	(56)	(68)
<b>Total trading profit/(loss) - Bookshop</b>	<b>(7)</b>	<b>(20)</b>
Other trading		
Sales	3	6
<b>Total trading profit/(loss) - Other trading</b>	<b>3</b>	<b>6</b>
<b>Total Trading profit/(loss)</b>	<b>(4)</b>	<b>(14)</b>
<b>Closing Inventory comprises:</b>		
<b>Current Inventories</b>		
At cost	29	30
<b>Total current inventories</b>	<b>29</b>	<b>30</b>

**Sales**

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

**Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each particular class of inventory, with the majority being measured on a first in first out basis. Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

**3.4 Commonwealth grants and contributions**

	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Commonwealth specific purpose grants and contributions	155	209
	155	209

Capital grants for 2018 consist of a non-reciprocal grant.

The terms of the grant specify that it must be used to fund the Language, Literacy and Numerously program.

The grant has been recognised in its entirety upon receipt as the only condition applying to its use is how it can be expended and it is not subject to performance measures in terms of service delivery.

For non-reciprocal grants, SR TAFE recognises revenue when the grant is receivable at its fair value as and when its fair value can be reliably measured.

Contributions of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

**3.5 Interest revenue**

	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Interest revenue	420	412

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised as the interest accrues.

**3.6 Other revenue**

	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Rental and facilities fees	285	446
Sponsorship and donations revenue	34	42
Insurance recoveries	81	219
Recovery of expensed items	48	22
Miscellaneous revenue	13	11
	<b>461</b>	<b>740</b>

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

- Sale of goods - when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.
- Provision of services - by reference to the stage of completion of the transaction.

**3.7 Gains/(Losses) on disposal of non-current assets**

	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
<u>Net proceeds from disposal of non-current assets</u>		
Buildings	-	2
Plant, furniture and general equipment	1	-
<b>Total proceeds from disposal of non-current assets</b>	<b>1</b>	<b>2</b>
<u>Carrying amount of non-current assets disposed</u>		
Buildings	(147)	(12)
Plant, furniture and general equipment	(23)	-
Computers	(2)	-
<b>Net gain/(loss)</b>	<b>(171)</b>	<b>(10)</b>

**Realised and unrealised gains** are usually recognised on a net basis. These include the gains arising on the disposal of non-current assets and some revaluations of non-current assets.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sale).

**4 Key assets****Assets utilised for economic benefit or service potential**

This section includes information regarding the key assets SR TAFE utilised to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Land	3,790	4,310
Buildings	82,279	84,809
Motor vehicles	290	329
Computer equipment and communication network	142	248
Plant, furniture and general equipment	889	882
<b>Total key assets</b>	<b>87,390</b>	<b>90,578</b>

Notes to the Financial Statements continued

**4.1 Property, plant and equipment**

4.1 Total carrying amount Assets

	Land	Buildings	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment, communication network	Total
Year ended 31 December 2018	\$	\$	\$	\$	\$	\$
1 January 2018						
Gross carrying amount	4,310	84,809	404	1,374	532	91,429
Accumulated depreciation	-	-	(75)	(492)	(284)	(851)
Accumulated impairment losses	-	-	-	-	-	-
Carrying amount at start of period	4,310	84,809	329	882	248	90,578
Additions		989	17	224	14	1,244
Transfers (a)						
Other disposals		(147)		(22)	(3)	(172)
Revaluation increments/(decrements)	(520)	(391)				(911)
Impairment losses (b)						
Impairment losses reversed (b)						
Depreciation	-	(2,981)	(56)	(195)	(117)	(3,349)
Carrying amount 31 December 2018	3,790	82,279	290	889	142	87,390
Gross carrying amount	3,790	82,279	420	1,552	492	88,533
Accumulated depreciation	-	-	(130)	(663)	(350)	(1,143)
Accumulated impairment losses	-	-	-	-	-	-

## Notes to the Financial Statements continued

### Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Assets transferred as part of a machinery of government change are transferred at their fair value.

### Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of land and buildings.

Land is carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses. All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

**Land and buildings** are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 31 December 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 31 December 2018 and recognised at 31 December 2018. In undertaking the revaluation, fair value was determined by reference to market values for land: \$3,790,000 (2017: \$4,310,000) and buildings : \$82,279,947 (2017: \$84,809,316). For the remaining balance, fair value of buildings was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Revaluation model:

a) Fair Value where market-based evidence is available:

The fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

b) Fair value in the absence of market-based evidence:

**Buildings are specialised or where land is restricted:** Fair value of land and buildings is determined on the basis of existing use.

**Existing use buildings:** Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset.

**Restricted use land:** Fair value is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

**Significant assumptions and judgements:** The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

### 4.1.1 Depreciation and impairment

#### Charge for the period

	2018 \$'000	2017 \$'000
<b>Depreciation</b>		
Buildings	2,981	3,001
Motor vehicles, caravans and trailers	56	45
Plant, furniture and general equipment	195	178
Computers and communication network	117	164
<b>Total depreciation for the period</b>	<b>3,349</b>	<b>3,388</b>

As at 31 December 2018 there were no indications of impairment to property, plant and equipment.

All surplus assets at 31 December 2018 have either been classified as assets held for sale or written-off.

#### Finite useful lives

All property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exception to this rule includes items under operating leases.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Building	25 to 40 years
Motor vehicles, caravans and trailers	4 to 15 years
Plant, furniture and general equipment	2 to 15 years
Computer and communication equipment	1 to 14 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Land which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of the asset because its service potential has not, in any material sense, been consumed during the reporting period.

#### Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As SR TAFE is a not-for-profit entity, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of future consumption or expiration of the asset's economic benefits and to evaluate any impairment risk from declining replacement costs.

## 5 Other assets and liabilities

This section sets out those assets and liabilities that arose from SR TAFE's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2018 \$'000	2017 \$'000
Receivables	5.1	746	828
Other assets	5.2	336	281
Payables	5.3	766	818
Other liabilities	5.4	349	2,586

### 5.1 Receivables

	2018 \$'000	2017 \$'000
<b>Current</b>		
Receivables - Trade	195	362
Receivables - Students	352	307
Allowance for impairment of receivables	(107)	(121)
Accrued revenue	201	117
GST receivable	105	163
	746	828
<b>Total receivables</b>	746	828

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net receivables is equivalent to fair value as it is due for settlement within 30 days.

### 5.2 Other assets

	2018 \$'000	2017 \$'000
<b>Current</b>		
Prepayments	336	281
<b>Total current</b>	336	281
<b>Balance at end of period</b>	336	281

## Notes to the Financial Statements continued

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

### 5.3 Payables

	2018 \$'000	2017 \$'000
<b>Current</b>		
Trade payables	8	131
GST and FBT Payable	-	7
Accrued expenses	477	531
Accrued salaries and related costs	278	143
Paid parental leave payable	3	6
<b>Total current</b>	<b>766</b>	<b>818</b>
<b>Balance at end of period</b>	<b>766</b>	<b>818</b>

Payables are recognised at the amounts payable when SR TAFE becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

**Accrued salaries** represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. SR TAFE considers the carrying amount of accrued salaries to be equivalent to its fair value.

### 5.4 Other liabilities

	2018 \$'000	2017 \$'000
<b>Current</b>		
Income received in advance <sup>(a)</sup>	207	52
Monies/deposits held in trust	25	14
Provision for refund of DPA	117	2,520
<b>Balance at end of period</b>	<b>349</b>	<b>2,586</b>

<sup>(a)</sup> Includes unspent funds provided under the VET Student Loan arrangements not yet allocated to student enrolments and income received in advance from students.

## 6 Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of SR TAFE.

	Notes
Cash and cash equivalents	6.1
Commitments	6.2
Non-cancellable operating lease commitments	6.2.1
Capital commitments	6.2.2
Other expenditure commitments	6.2.3

### 6.1 Cash and cash equivalents

	2018 \$'000	2017 \$'000
<b>Current</b>		
Cash and cash equivalents		
Cash On Hand	7	7
Cash At Bank	12,607	11,701
<b>Total cash and cash equivalents</b>	<b>12,614</b>	<b>11,708</b>
Restricted cash and cash equivalents current		
DPA funds due to DTWD <sup>(a)</sup>	117	2,545
Specific donations <sup>(b)</sup>	25	5
Allowance for deferred salaries <sup>(c)</sup>	259	372
<b>Total restricted cash and cash equivalents current</b>	<b>401</b>	<b>2,922</b>
<b>Total current</b>	<b>13,015</b>	<b>14,630</b>
<b>Non-current</b>		
Restricted cash and cash equivalents non-current		
Restricted cash 27th pay <sup>(d)</sup>	534	390
<b>Total non-current</b>	<b>534</b>	<b>390</b>
<b>Balance at end of period</b>	<b>13,549</b>	<b>15,020</b>

<sup>(a)</sup> An amount is held as fees payable to the DTWD for a shortfall in student curriculum hours delivered and a excess of 'recognition of prior learning tuition

<sup>(b)</sup> Funds for Denmark Music Foundation \$3,093 (2017: \$3,593), the Jack Family Trust \$252 (2017: \$227), an anonymous donor \$1,620 (2017: \$120), Sue Abe \$20,000 (2017 \$nil) and the Harvey Trust \$nil (2017: \$1,091)



<sup>(c)</sup> Amount held to meet salaries due to staff, who have elected to defer payment to purchase additional leave at a later time

<sup>(d)</sup> Amount was held in 2017 to meet 27 pays in 2024 being one additional pay period more than the normal 26 pays per annum.

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

## 6.2 Commitments

### 6.2.1 Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Within 1 year

Later than 1 year and not later than 5 years

**Balance at end of period**

	2018	2017
	\$'000	\$'000
Within 1 year	251	290
Later than 1 year and not later than 5 years	297	452
<b>Balance at end of period</b>	<b>548</b>	<b>742</b>

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties. The totals presented for non-cancellable operating lease commitments are GST inclusive. The College has entered into 3 commercial leases and has determined that the Lessor retains all the significant risks and rewards of ownership of the property. Accordingly, each lease has been classified as an operating lease.

### 6.2.2 Capital commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within 1 year

**Balance at end of period**

The totals presented for capital commitments are GST inclusive.

	2018	2017
	\$'000	\$'000
Within 1 year	99	39
<b>Balance at end of period</b>	<b>99</b>	<b>39</b>

### 6.2.3 Other expenditure commitments

Other expenditure commitments for the acquisition of goods and services contracted for at the end of the reporting period but not recognised as liabilities are payable as follows:

Within 1 year

**Balance at end of period**

The totals presented for capital commitments are GST inclusive.

	2018	2,017
	\$'000	\$'000
Within 1 year	143	695
<b>Balance at end of period</b>	<b>143</b>	<b>695</b>

### Judgements made by management in applying accounting policies – operating lease commitments

SR TAFE has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

## 7 Risks and Contingencies

This note sets out the key risk management policies and measurement techniques of SR TAFE.

Financial Instruments

Contingent assets

Contingent liabilities

Contaminated sites

Notes

7.1

7.2.1

7.2.2

7.2.3

### 7.1 Financial Instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

#### Financial assets

Cash and cash equivalents

Restricted cash and cash equivalents

Receivables <sup>(a)</sup>

**Total financial assets**

	2018	2017
	\$'000	\$'000
Cash and cash equivalents	12,614	11,708
Restricted cash and cash equivalents	936	3,312
Receivables <sup>(a)</sup>	545	665
<b>Total financial assets</b>	<b>14,095</b>	<b>15,685</b>
<u>Financial liabilities</u>		
Financial liabilities measured at amortised cost	766	818
<b>Total financial liabilities</b>	<b>766</b>	<b>818</b>

<sup>(a)</sup> The amount excludes GST recoverable from the ATO (statutory receivable).

## Notes to the Financial Statements continued

### 7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

#### 7.2.1 Contingent assets

SR TAFE has no contingent assets.

#### 7.2.2 Contingent liabilities

SR TAFE has no contingent liabilities.

#### 7.2.3 Contaminated sites

Under the Contaminated Sites Act 2003, the College is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as *contaminated – remediation required or possibly contaminated – investigation required*, the College may have a liability in respect of investigation or remediation expense.

The Governing Council is not aware of any contaminated sites on any of the properties under its control as at balance date.

## 8 Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related parties	8.4
Related bodies	8.5
Affiliated bodies	8.6
Remuneration of auditors	8.7
Equity	8.8
Supplementary financial information	8.9
Explanatory statement	8.10

### 8.1 Events occurring after the end of the reporting period

There were no significant events occurring after the reporting period.

### 8.2 Initial application of Australian Accounting Standards

#### AASB 9 Financial instruments

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurements for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

SR TAFE applied AASB 9 prospectively, with an initial application date of 1 January 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, SR TAFE has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in Accumulated surplus/ (deficit).

The effect of adopting AASB 9 as at 1 January 2018 was assessed as not material, and therefore no adjustment was required to be made to comparative information.

#### (a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: SR TAFE's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of SR TAFE's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to SR TAFE. The following are the changes in the classification of SR TAFE's financial assets:

- Receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 January 2018
- SR TAFE did not designate any financial assets as at fair value through P/L

In summary, upon the adoption of AASB 9, SR TAFE had the following required (or elected) reclassifications as at 1 January 2018:

	AASB 9 category		
	Amortised cost \$'000	Fair value through	
		OCI \$'000	Fair value through P/L \$'000
<b>AASB 139 category</b>			
Receivables *	746	-	-
	746	-	-

\* The change in carrying amount is a result of additional impairment allowance. See the discussion on impairment below.

*(b) Impairment*

The adoption of AASB 9 has fundamentally changed SR TAFE's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires SR TAFE to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

Upon adoption of AASB 9, the effect was not considered to be material, therefore no adjustment was made.

### 8.3 Key management personnel

SR TAFE has determined key management personnel to include the Managing Director, Governing Council, senior officers of SR TAFE and the Minister that SR TAFE assists. SR TAFE does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of SR TAFE for the reporting period are presented within the following bands:

	2018	2017
<b>Compensation of the accountable authority (\$)</b>		
250,001 - 200,000	1	-
240,001 - 250,000	-	1
20,001 - 30,000	1	1
0 - 10,000	10	9
<b>Compensation of senior officers (\$)</b>		
290,001 - 300,000		1
280,001 - 290,000		1
200,001 - 210,000		1
170,001 - 180,000	2	-
160,001 - 170,000	2	2
150,001 - 160,000	-	2
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	871	1,121
Post-employment benefits	79	93
Other long-term benefits	24	41
Termination benefits	-	472
<b>Total compensation of key management personnel</b>	<b>974</b>	<b>1,727</b>

Total compensation includes the superannuation expense incurred by SR TAFE in respect of senior officers.

### 8.4 Related parties

SR TAFE is a wholly owned public sector entity that is controlled by the State of Western Australia.

Related parties of SR TAFE include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- all members of the Governing Council;
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

### Material transactions with other related parties

Outside of normal citizen type transactions with SR TAFE, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

## Notes to the Financial Statements continued

### 8.5 Related bodies

SR TAFE has no related bodies.

### 8.6 Affiliated bodies

SR TAFE has no affiliated bodies.

### 8.7 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2018 \$'000	2017 \$'000
Auditing the accounts, financial statements, controls and key performance indicators	170	170

### 8.8 Equity

	2018 \$'000	2017 \$'000
<b>Contributed equity</b>		
Balance at start of period	102,713	101,505
<i>Contributions by owners</i>		
Capital appropriation	285	-
<i>Other contributions by owners</i>		
Transfer of land from Department of Training and Workplace Development	-	350
Transfer of building improvements from Department of Training and Workplace Development	871	247
Transfer of building repairs from Department of Training and Workplace Development	2,163	611
<b>Total contributions by owners</b>	<b>106,032</b>	<b>102,713</b>

### 8.9 Supplementary financial information

#### (a) Write-offs

During the financial year \$63,579 (2017: \$67,774) of debts due to SR TAFE were written off and \$16,828 (2017: nil) was written off the asset register under the authority of the Accountable Authority.

	2018 \$'000	2017 \$'000
The accountable authority	80	68
	80	68

#### (b) Losses through theft, defaults and other causes

	2018 \$'000	2017 \$'000
Losses of public money and public and other property through theft or defaults	-	-
Amounts recovered	-	-
	-	-

#### (c) Gifts of public property

	2018 \$'000	2017 \$'000
Gifts of public property provided by SR TAFE	-	-
	-	-

### 8.10 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2018, and between the actual results for 2018 and 2017. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$1.11 million for the Statements of comprehensive income and cash flows, and
- 5% and \$2.13 million for the Statement of financial position.

## 8.10.1 Statement of Comprehensive

## Income Variances

	Variance Note	Estimate 2018 \$'000	Actual 2018 \$'000	Actual 2017 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2018 and 2017 \$'000
<b>Expenses</b>						
Employee benefits expense		37,247	37,606	37,807	359	(201)
Grants and subsidies		-	2	4	2	(2)
Supplies and services	(a), 1	11,868	14,645	13,111	2,777	1,534
Asset revaluation decrement		-	911	1,034	911	(123)
Other expenses	(b)	3,003	4,879	4,142	1,876	737
Cost of sales		55	56	68	1	(12)
Loss on disposal of non-current assets		-	-	-	-	-
Depreciation and amortisation expense		-	171	10	171	161
		3,472	3,349	3,388	(123)	(39)
<b>Total cost of services</b>		<b>55,645</b>	<b>61,619</b>	<b>59,564</b>	<b>5,974</b>	<b>2,055</b>
<b>Income</b>						
<i>Revenue</i>						
Fee for service		1,749	2,181	1,915	432	266
Student fees and charges		7,411	7,368	7,229	(43)	139
Ancillary trading		397	382	387	(15)	(5)
Sales		79	52	54	(27)	(2)
Commonwealth grants and contributions		-	-	-	-	-
		500	155	209	(345)	(54)
Interest revenue		312	420	412	108	8
Other revenue		480	461	740	(19)	(279)
<b>Total revenue</b>		<b>10,928</b>	<b>11,019</b>	<b>10,946</b>	<b>91</b>	<b>73</b>
<i>Gains</i>						
Gain on disposal of non-current assets		-	-	-	-	-
Other gains		-	-	-	-	-
<b>Total gains</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income other than income from State Government</b>		<b>10,928</b>	<b>11,019</b>	<b>10,946</b>	<b>91</b>	<b>73</b>
<b>NET COST OF SERVICES</b>		<b>44,717</b>	<b>50,600</b>	<b>48,618</b>	<b>5,883</b>	<b>1,982</b>
<b>Income from State Government</b>						
Service appropriation	(c), 2	42,148	43,481	41,330	1,333	2,151
Liabilities assumed		-	-	-	-	-
Assets transferred		-	-	-	-	-
Services received free of charge		1,583	1,810	1,581	227	229
Royalties for Regions Fund		-	-	-	-	-
<b>Total income from State Government</b>		<b>43,731</b>	<b>45,291</b>	<b>42,911</b>	<b>1,560</b>	<b>2,380</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(986)</b>	<b>(5,309)</b>	<b>(5,707)</b>	<b>(4,323)</b>	<b>398</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation surplus		-	-	-	-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD</b>		<b>(986)</b>	<b>(5,309)</b>	<b>(5,707)</b>	<b>(4,323)</b>	<b>398</b>

## Major Estimate and Actual (2018) Variance Narratives

(a) The expenditure on supplies and services was \$2,777,000 greater during 2018 than estimated due to additional spending on computer equipment of \$470,500, minor building work of \$961,900 and an increased volume of services by DTWD costing \$319,400. In addition to the above items \$971,000 was spent on building works enhancement that were not in the estimated figures.

(b) The results for 2018 exceeded the estimated results due to a decrement in the value of non-current assets of \$911,000 and additional expenditure on building repairs and maintenance of \$944,000 that was funded by DTWD.

(c) The actual revenue from service appropriation increased over the estimated value due to a reimbursement of staff severance payments of \$421,285 and a range of training delivery adjustments for salary changes, lecturer qualification upgrades, revised training delivery profile and increased cost at the Margaret River campus totalling \$911,715.

## Notes to the Financial Statements continued

### Major Actual 2018 and Comparative (2017) Variance Narratives

- The expenditure on supplies and services was \$1,534,000 greater during 2018 than 2017 due to additional spending on computer equipment of \$470,500, minor building work of \$961,900 and an increased volume of services by DTWD costing \$319,400.
- The material contributors to the increase in actual revenue from State service appropriation over the actual result for 2017 are the greater delivery of Student Curriculum Hours during 2018 combined with reimbursements for staff severance payments.

### 8.10.2 Statement of Financial Position Variances

	Variance Note	Estimate 2018 \$'000	Actual 2018 \$'000	Actual 2017 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2018 and 2017 \$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	(a)	14,415	12,614	11,708	(1,801)	906
Restricted cash and cash equivalents	1	399	401	2,922	2	(2,521)
Receivables		811	746	828	(65)	(82)
Inventories		44	29	30	(15)	(1)
Other current assets		294	336	281	42	55
<b>Total Current Assets</b>		<b>15,963</b>	<b>14,126</b>	<b>15,769</b>	<b>(1,837)</b>	<b>(1,643)</b>
<b>Non-Current Assets</b>						
Restricted cash and cash equivalents		514	534	390	20	144
Property, plant and equipment	(b), 2	93,006	87,390	90,578	(5,616)	(3,188)
<b>Total Non-Current Assets</b>		<b>93,520</b>	<b>87,924</b>	<b>90,968</b>	<b>(5,596)</b>	<b>(3,044)</b>
<b>TOTAL ASSETS</b>		<b>109,483</b>	<b>102,050</b>	<b>106,737</b>	<b>(7,433)</b>	<b>(4,687)</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		502	766	818	264	(52)
Employee related provisions		6,553	6,927	7,330	374	(403)
Other current liabilities	3	238	349	2,586	111	(2,237)
<b>Total Current Liabilities</b>		<b>7,293</b>	<b>8,042</b>	<b>10,734</b>	<b>749</b>	<b>(2,692)</b>
<b>Non-Current Liabilities</b>						
Employee related provisions		873	630	635	(243)	(5)
<b>Total Non-Current Liabilities</b>		<b>873</b>	<b>630</b>	<b>635</b>	<b>(243)</b>	<b>(5)</b>
<b>TOTAL LIABILITIES</b>		<b>8,166</b>	<b>8,672</b>	<b>11,369</b>	<b>506</b>	<b>(2,697)</b>
<b>NET ASSETS</b>		<b>101,317</b>	<b>93,378</b>	<b>95,368</b>	<b>(7,939)</b>	<b>(1,990)</b>
<b>EQUITY</b>						
Contributed equity		105,721	106,032	102,713	311	3,319
Reserves		-	-	-	-	-
Accumulated surplus / (deficit)		(4,404)	(12,654)	(7,345)	(8,250)	(5,309)
<b>TOTAL EQUITY</b>		<b>101,317</b>	<b>93,378</b>	<b>95,368</b>	<b>(7,939)</b>	<b>(1,990)</b>

### Major Estimate and Actual (2018) Variance Narratives

- Cash and cash equivalents were \$1,801,000 lower in 2018 than estimated mainly to a refund paid to DTWD for a shortfall in delivery of SCH during 2017.
- The reduction in the value of property, plant and equipment of \$5,616,000 between the Actual 2018 results and the Estimated 2018 result is attributable to a devaluation decrement of \$ 911,000 and a portion of the planned asset purchases not eventuating.

### Major Actual 2018 and Comparative (2017) Variance Narratives

- Restricted cash and cash equivalents were \$2,521,000 lower in 2018 than 2017 mainly due to an improvement in the volume of delivery of SCH during 2018 and less shortfall refund to DTWD.
- The value of property, plant and equipment in 2018 Actuals was \$3,188,000 below the 2017 Actual result mainly due to a depreciation charge of \$3,349,000 plus a revaluation decrement of \$911,000. The decrease is partially offset by the acquisition of new items.
- The value of other current liabilities in 2018 Actuals was \$2,237,000 below the 2017 Actual result. This is attributable to a reduction in the refund due to DTWD for a shortfall in delivery hours during 2018.

## 8.11.3 Statement of Cash Flows Variances

Variance Note	Estimate 2018 \$'000	Actual 2018 \$'000	Actual 2017 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2018 and 2017 \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>					
Service appropriation - DTWD	40,673	41,245	42,662	572	(1,417)
Capital appropriation - DTWD	-	-	-	-	-
Royalties for Regions Fund	-	-	-	-	-
<b>Total Net cash provided by State Government</b>	<b>40,673</b>	<b>41,245</b>	<b>42,662</b>	<b>572</b>	<b>(1,417)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Payments</b>					
Employee benefits	(37,247)	(38,014)	(37,235)	(767)	(779)
Supplies and services	(10,286)	(12,943)	(11,492)	(2,657)	(1,451)
Grants and subsidies	-	(2)	(4)	(2)	2
GST payments on purchases	(881)	(1,229)	(1,133)	(348)	(96)
GST payments to taxation authority	-	-	-	-	-
Other payments	(3,045)	(2,716)	(3,232)	329	516
<b>Receipts</b>					
Fee for service	1,749	2,263	1,915	514	348
Student fees and charges	7,411	7,368	6,979	(43)	389
Ancillary trading	397	382	387	(15)	(5)
Commonwealth grants and contributions	500	155	209	(345)	(54)
Interest received	312	420	412	108	8
GST receipts on sales	40	116	153	76	(37)
GST receipts from taxation authority	841	1,113	989	272	124
Other receipts	547	458	741	(89)	(283)
<b>Net cash used in operating activities</b>	<b>(39,662)</b>	<b>(42,629)</b>	<b>(41,311)</b>	<b>(2,967)</b>	<b>(1,318)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Payments</b>					
Purchase of non-current physical assets	(1,294)	(373)	(239)	921	(134)
Capital Contribution	-	-	-	-	-
<b>Receipts</b>					
Proceeds from sale of non-current physical assets	-	1	2	1	(1)
Capital Contribution	-	285	-	285	285
<b>Net cash provided by investing activities</b>	<b>(1,294)</b>	<b>(87)</b>	<b>(237)</b>	<b>1,207</b>	<b>150</b>
Net increase in cash and cash equivalents	(283)	(1,471)	1,114	(1,188)	(2,585)
Cash and cash equivalents at the beginning of period	15,612	15,020	13,906	(592)	1,114
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>15,329</b>	<b>13,550</b>	<b>15,020</b>	<b>(1,779)</b>	<b>(1,470)</b>

**Major Estimate and Actual (2018) Variance Narratives**

(a) The cash outflows for supplies and services were \$2,657,000 greater during 2018 than the estimated figure due to additional spending on computer equipment of \$470,500, minor building work of \$961,900 (funded by DTWD) and additional outflows on contracted services due to an increase in the volume of service delivery by DTWD costing \$319,400.

In addition to the above items there was \$971,000 spent on building works and enhancement that were not in the Estimated figures.

**Major Actual 2018 and Comparative (2017) Variance Narratives**

1 The service appropriation funds for 2018 were \$1,417,000 higher than for 2017 due to a greater delivery of SCH and the reimbursement of costs for staff severance (\$428,215) and increased expenses at the Margaret River campus (\$911,715).

2 The cash inflows from service appropriation increased over the estimated value due to a reimbursement of staff severance payments of \$421,285 and a range of training delivery adjustments for salary changes, lecturer qualification upgrades, revised training delivery profile and increased cost at the Margaret River campus totalling \$911,715.

## 2018 Forward Financial Estimates Annual Estimates

In accordance with Treasurer's Instruction 953, the annual estimates for the 2018 year are hereby included in the 2018 Annual Report. These estimates do not form part of the 2018 financial statements and are not subject to audit.

Statement of Comprehensive Income	2019 \$
<b>COST OF SERVICES</b>	
<b>Expenses</b>	
Employee benefits expense	37,228,978
Supplies and services	12,617,752
Depreciation and amortisation expense	3,320,757
Grants and subsidies	2,500
Cost of sales	72,268
Other expenses	3,317,671
<b>Total Cost of Services</b>	<b>56,559,926</b>
<b>Income</b>	
<b>Revenue</b>	
Fee for service	2,106,091
Student charges and fees	7,391,758
Ancillary trading	340,485
Sales	61,447
Commonwealth grants and contributions	78,978
Interest revenue	400,000
Other revenue	306,104
<b>Total Revenue</b>	<b>10,684,863</b>
<b>Gains</b>	
Gain on disposal of non-current assets	-
<b>Total Gains</b>	-
<b>Total income other than income from State Government</b>	<b>10,684,863</b>
<b>NET COST OF SERVICES</b>	<b>(45,875,063)</b>
<b>INCOME FROM STATE GOVERNMENT</b>	
<b>State funds</b>	42,847,106
Assets assumed/(transferred)	0
Resources received free of charge	1,676,833
<b>Total income from State Government</b>	<b>44,523,939</b>
	<b>(1,351,124)</b>
<b>OTHER COMPREHENSIVE INCOME</b>	
Changes in asset revaluation reserve	-
Gains/(losses) recognised directly in equity	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(1,351,124)</b>



## 2018 Forward Financial Estimates (continued)

STATEMENT OF FINANCIAL POSITION		2019
	\$	
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	13,441,394	
Restricted cash and cash equivalents	377,200	
Inventories	30,000	
Receivables	828,000	
Other current assets	281,000	
<b>Total Current Assets</b>	<b>14,957,594</b>	
<b>Non-Current Assets</b>		
Restricted cash and cash equivalents	662,604	
Property, plant and equipment	90,363,447	
<b>Total Non-Current Assets</b>	<b>91,026,051</b>	
<b>TOTAL ASSETS</b>	<b>105,983,645</b>	
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	818,000	
Provisions	7,330,000	
<b>Total Current Liabilities</b>	<b>8,148,000</b>	
<b>Non-Current Liabilities</b>		
Provisions	635,000	
<b>Total Non-Current Liabilities</b>	<b>635,000</b>	
<b>TOTAL LIABILITIES</b>	<b>8,783,000</b>	
<b>NET ASSETS</b>	<b>97,200,645</b>	
<b>EQUITY</b>		
Contributed Equity	107,836,178	
Accumulated surplus/(deficiency)	(10,635,533)	
<b>TOTAL EQUITY</b>	<b>97,200,645</b>	

## 2018 Forward Financial Estimates (continued)

STATEMENT OF CHANGES IN EQUITY		2019
	\$	
<b>Balance of equity at start of period</b>		<b>97,051,769</b>
<b>CONTRIBUTED EQUITY</b>		
Balance at start of period		106,336,178
Capital contribution		1,500,000
Other contributions by owners		-
Distributions to owners		-
Balance at end of period		<b>107,836,178</b>
<b>RESERVES</b>		
<b>Asset Revaluation Reserve</b>		
Balance at start of period		-
Gains/(losses) from asset revaluation		-
Balance at end of period		-
<b>ACCUMULATED SURPLUS (RETAINED EARNINGS)</b>		
Balance at start of period		(9,284,409)
Changes in accounting policy or correction of prior period errors		-
Restated balance at start of period		(9,284,409)
Surplus/(deficit) or profit/(loss) for the period		(1,351,124)
Gains/(losses) recognised directly in equity		-
Balance at end of period		<b>(10,635,533)</b>
<b>Balance of equity at end of period</b>		<b>97,200,645</b>

## 2018 Forward Financial Estimates (continued)

STATEMENT OF CASH FLOWS		2019
		\$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>		
State funds		42,847,106
<b>Net cash provided by State Government</b>		<b>42,847,106</b>
<b>Utilised as follows:</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Operating Payments</b>		
Employee benefits		(37,228,978)
Supplies and services		(10,940,919)
Finance costs		-
Grants and subsidies		(2,500)
GST payments on purchases		(894,800)
GST payments to taxation authority		-
Cost of goods sold		(72,268)
Other payments		(3,304,793)
<b>Operating Receipts</b>		
Fee for service		2,106,091
Student fees and charges		7,391,758
Ancillary trading		340,485
Commonwealth grants and contributions		78,978
Interest received		400,000
GST receipts on sales		40,400
GST receipts from taxation authority		854,400
Sale of Goods		61,447
Other receipts		293,226
<b>Net cash provided by/(used in) operating activities</b>		<b>(40,877,473)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of non-current physical assets		(961,000)
<b>Net cash provided by/(used in) investing activities</b>		<b>(961,000)</b>
<b>Net increase/(decrease) in cash held and cash equivalents</b>		<b>1,008,633</b>
Cash and cash equivalents at the beginning of the period		13,472,565
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>14,481,198</b>

## Certification of Key Performance Indicators

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess South Regional TAFE's performance and fairly represent the performance of South Regional TAFE for the financial year ended 31 December 2018.



Bryant Stokes  
**Chairperson**  
Governing Council

**1 March 2019**



Duncan Anderson  
**Managing**  
**Director** South  
Regional TAFE

**1 March 2019**

## Detailed Key Performance Indicators Information

### Desired Outcome

The desired outcome of the college is the provision of Vocational Education and Training services to meet community and industry needs.

South Regional TAFE<sup>1</sup> has developed the following Key Performance Indicators (KPIs) to provide an overall indication of the college's performance against both the Delivery and Performance Agreement (DPA) with the Department of Training and Workforce Development (DTWD) and the college's 2018 Business Plan objectives.

### Effectiveness Indicators

#### *Annual VET College Training Profile Achievement*

This indicator measures the effectiveness of the college's training delivery under the College Training Profile, i.e. the extent to which it has provided relevant training and skills formation opportunities to the community, in accordance with the training needs of the state.

The target in 2018 for the College Training Profile was 2,500,000(100%); 99.20% was achieved. The following tables provide details of the distribution of the College Training Profile delivery by SCH in the industry groups specified by DTWD.

#### *Note:*

The college began 2018 with a DPA figure of 2,500,000 and renegotiated the DPA in September to re-align delivery with local demands. Whilst there was movement within Australian and New Zealand Standard Classification of Organisations (ANZSCO) Groups, the college did not amend overall student curriculum hours (SCH). The performance indicators reflect the original DPA figures of 2,500,000.

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<sup>1</sup> South Regional TAFE was established in April 2016 from a merger between South West Institute of Technology and Great Southern Institute of Technology. The Narrogin campus (formerly C.Y. O'Connor Institute and the Esperance campus (formally Goldfields Institute of Technology) also became part of the newly established South Regional TAFE.

## Results

Table 1

Reflects 2018 actual outcomes achieved against planned delivery based on ANZSCO Group classifications for the period 1 January to 31 December 2018.

Profile delivery targets and SCH are both reported under an end of study paradigm, where delivery must be assigned a final outcome before it can be counted. Targets are set in relation to full year outcomes and accurate reporting of SCH on an end of study basis can only occur on full year results.

ANZSCO Groups	2018 Achieved	2018 Planned	% Achieved
<b>1 – MANAGERS</b>	35,560	118,240	30.07%
11 – Chief Executives, General Managers and Legislators	7,120	10,099	70.50%
12 – Farmers and Farm Managers	5,714	69,716	8.20%
13 – Specialist Managers	318	8,565	3.71%
14 – Hospitality, Retail and Service Managers	22,408	29,860	75.04%
<b>2 – PROFESSIONALS</b>	206,240	201,013	102.60%
21 – Arts and Media Professionals	52,790	56,825	92.90%
22 – Business, Human Resources and Marketing Professionals	14,405	7,678	187.61%
23 – Design, Engineering, science and Transport Professionals	64,340	75,338	85.40%
24 – Education Professionals	45,605	32,214	141.57%
25 – Health Professionals	0	0	0
26 – ICT Professionals	29,100	26,119	111.41%
27 – Legal, Social and Welfare Professionals	0	2,839	0

<b>3 – TECHNICIANS AND TRADES WORKERS</b>	636,018	587,499	108.26%
31 – Engineering, ICT and Science Technicians	150,843	180,564	83.54%
32 – Automotive and Engineering Trades Workers	187,001	131,819	141.86%
33 – Construction Trades Workers	68,622	85,005	80.73%
34 – Electro technology and Telecommunications Trades Workers	37,774	36,775	102.72%
35 – Food Trades Workers	47,960	37,322	128.50%
36 - Skilled Animal and Horticultural Workers	55,520	60,610	91.60%
39 – Other Technicians and Trades Workers	88,298	55,404	159.37%
<b>4 – COMMUNITY AND PERSONAL SERVICE WORKERS</b>	805,581	749,869	107.43%
41 – Health and Welfare Support Workers	199,684	234,635	85.10%
42 – Carers and Aides	441,727	336,538	131.26%
43 – Hospitality Workers	29,557	27,024	109.37%
45 – Sports and Personal Service Workers	134,613	151,672	88.75%
<b>5 – CLERICAL AND ADMINISTRATIVE WORKERS</b>	236,884	261,724	90.51%
51 – Office Managers and Program Administrators	20,980	28,427	73.80%
52 – Personal Assistants and Secretaries	0	0	0
53 – General Clerical Workers	144,409	147,447	97.94%
54 – Inquiry Clerks and Receptionists	0	7,442	0
55 – Numerical Clerks	71,495	78,027	91.63%
59 – Other Clerical and Administrative Workers	0	381	0

<b>6 – SALES WORKERS</b>	3,950	8,512	46.41%
62 – Sales Assistants and Salespersons	3,950	8,512	46.41%
<b>7 – MACHINERY OPERATORS AND DRIVERS</b>	93,153	78,784	118.24%
71 – Machine and Stationary Plant Operators	62,718	61,122	102.61%
72 – Mobile Plant Operators	30,435	17,662	172.32%
74 – Store persons	0	0	0
<b>8 – LABOURERS</b>	325,170	256,752	126.65%
81 – Cleaners and Laundry Workers	0	0	0
82 – Construction and Mining Labourers	35,380	39,394	89.81%
83 – Factory Process Workers	40,188	38,073	105.56%
84 – Farm, Forestry and Garden Workers	160,621	82,488	194.72%
85 – Food Preparation Assistants	11,588	19,448	59.58%
89 – Other Labourers	77,393	77,349	100.06%
<b>G – General Education</b>	137,514	237,607	57.87%
GB – Adult Literacy/ESL	67,605	105,549	64.05%
GC – Languages	0	0	0
GE – Targeted Courses	69,909	132,058	52.94%
<b>Grand Total</b>	2,480,070	2,500,000	99.20%

### *Analysis of results*

Variations in Excess of 10%

The DPA allows for flexibility in shifting delivery between industry groups within agreed tolerances. Where ANZSCO reflect actual results which vary by 10% or more from the original planned SCH the following explanations apply:

- Lower than expected demand in respective ANZSCO groups as follows:
  - 11 – Chief Executives, General Managers and Legislators
  - 12 – Farm and Farm Managers



- 13 – Specialist Managers
  - 14 – Hospitality, Retail and Service Managers
  - 23 – Design, Engineering, Science and Transport Professionals
  - 27 – Legal, Social and Welfare Professionals
  - 31 – Engineering, ICT and Science Technicians
  - 33 – Construction Trades Workers
  - 41 – Health and Welfare Support Workers
  - 45 – Sports and Personal Service Workers
  - 51 – Office Managers and Program Administrators
  - 54 – Inquiry Clerks and Receptionists
  - 59 – Other Clerical and Administrative Workers
  - 62 – Sales Assistants and Salespersons
  - 82 – Construction and Mining Labourers
  - 85 – Food Preparation Assistants
  - GB - Adult Literacy/ESL
  - GE – Targeted Courses
- Higher than expected demand in respective ANZSCO groups as follows:
    - 22 – Business, Human Resources and Marketing Professionals
    - 24 – Education Professionals
    - 26 – ICT Professionals
    - 32 – Automotive and Engineering Trades Workers
    - 35 – Food Trades Workers
    - 39 – Other Technicians and Trades Workers
    - 42 – Carers and Aides
    - 72 – Mobile Plant Operators
    - 84 – Farm, Forestry and Garden Workers
- Shifting of SCH across profile ANZSCO groups to meet local demands for training.
  - Planned SCH is reflective of DTWD funding of programs for recognition of prior learning (RPL) and skill shortage areas. (RPL and skill shortage areas are subject to departmental targets and thresholds which may change as a result of negotiations between the college and DTWD on a bi-annual basis.)
  - Change in industry ANZSCO group classifications which have been reflected in the re-negotiated DPA in September.
  - Planned SCH forecast in advance may not occur or may be redirected to qualifications that more adequately suit industry requirements.

### **Student Satisfaction Survey**

Student satisfaction is a performance indicator measuring the extent to which the courses, staff and facilities provided by the college meet the needs of students. The Student Satisfaction Survey is a survey carried out annually by an independent organisation (EY Sweeney). The survey asked students (who are funded under the

National Agreement for Skills and Workforce Development) about themselves and their level of satisfaction with the qualifications and broad areas of teaching, student support and advisory services as well as the facilities of the college.

The 2018 Student Satisfaction survey fieldwork was conducted between September 10<sup>th</sup> 2018 and November 25<sup>th</sup> 2018. The usable State population was established as 48,090 with 10,921 usable returns received (response rate of 22.71%). From a usable population of 7,172 at South Regional TAFE, 1,512 usable returns were received (response rate of 21.1%. The standard error for South Regional TAFE was calculated at 0.8% with a relative sampling error of  $\pm 1.30\%$ ), with a 95% confidence level (for Western Australia the standard error was 0.3% and sampling error was  $\pm 0.5\%$ ).

*Exclusions:*

The following student groups have been excluded from the scope of the survey:

- International full fee paying students
- Students undergoing training through a school based program (VET in schools),
- Adult community education (ACE) students
- Students who are in a correctional facility and students aged less than 15 years.

*Weighting:*

All data described in this report have been weighted to reflect the total student population based on a combination of student gender (male/female), age group (15-19, 20-29, 30-44, 45+), student status (IBS,EBS) and training provider. Weight cells with a zero count for the population and survey data were removed.

*Derivation:*

The Survey asked students to rate their overall degree of satisfaction with their course. The measure compares the number of 'Very Satisfied' and 'Satisfied' respondents as a proportion of respondents.

*Methodology:*

The methodology used by EY Sweeney utilised two data collection techniques; online (emails with a link to a survey, website availability) and postal (hardcopy questionnaire mail outs or completed at the college).

**Results**

In 2018 the college exceeded its target and prior year results.

<b>Student Satisfaction Survey</b>		
<b>2018 Actual</b>	<b>2018 Target</b>	<b>2017 Actual</b>
90.3%	88%	90.0%

## Student Outcome Survey

The Student Outcomes Survey (SOS) is carried out by the National Centre for Vocational Education Research Ltd (NCVER). The inaugural survey for South Regional TAFE was conducted in 2017.

Participants of this survey were students with Australian residential addresses who completed their VET during 2017 and were awarded a qualification (graduate) or who successfully complete part of a course and then left the VET system (module completers).

Survey questionnaires were sent to a randomly selected sample of graduates and module completers with a national response rate of 36.6%. Response rates for the South Regional TAFE were 39.6% with relative sampling errors of:

- $\pm 2.7\%$ , with a 95% confidence level. (for Graduate Achievement Rate)
- $\pm 3.2\%$ , with a 95% confidence level. (for Graduate Destination Rate)

Graduate refers to either:

- a) A student who completed all the requirements for a qualification, or
- b) A student who self-reported completing a qualification and was determined as eligible for that qualification (via logistics model).

<b>South Regional TAFE Student Outcome Survey Response Rates 2018</b>	
<b>Number of questionnaires distributed</b>	<b>1348</b>
<b>Number of responses received</b>	<b>534</b>
<b>Response Rate</b>	<b>39.6%</b>

*Derivation:*

- The Percentage of graduates achieving their main reason for undertaking training is based on the proportion of respondents reporting 'Yes' or 'Partially Agree' to the questionnaire item.
- Improved employment status after training is defined as whether employment status changing from 'not employed' before training to 'employed' after training OR 'employed at a higher skill' after training OR 'received a job related benefit'.

## Results

### *Graduate Achievement Rate*

**Measure (a): The extent to which college graduates have achieved their main reason for undertaking the training.**

The target in 2018 for Achieved Aim was 87.00%. South Regional TAFE achieved 84.1%.

South Regional TAFE Graduate Achievement Rate		
	2017	2018
South Regional TAFE	86.1%	84.1%
Target	87.0%	87.0%
Australia	84.2%	84.2%

### *Graduate Destination*

**Measure (b): The extent to which the college is providing relevant and quality training that improves student employability.**

The target in 2018 for Graduate Destination was 81.00%. South Regional TAFE achieved 75.1%.

South Regional TAFE Graduate Achievement Rate			
	Graduates Employed	Not employed	Unemployed
2018	75.1%	24.9%	14.5%
2017	74.5%	25.5%	16.0%
2018 Target	81.0%		
Australia	77.3%	22.7%	14.2%

*NB "Not employed" consists of those students both unemployed and not in the labour market*

### Analysis of results:

- South Regional TAFE was established in April 2016, trend data is only available for the 2017 and 2018 academic years. Figures indicate a marginal improvement on the 2017 academic year and outcome is within 2.2% of national result.

## Efficiency Indicator

### Delivery Cost per Student Curriculum Hour

The following table indicates the cost efficiency of the college in training delivery under the college's Training Profile and fee for service. The table presents the average cost per SCH for all delivery. Total SCH includes 233,782 non-profile hours.

#### Non Profile Delivery:

Includes:

- Competitively allocated training both state and non-state funded;
- Domestic and International fee for service delivery; and
- Delivery related to credit transfers and recognition of prior learning.

#### Source:

The 2018 SCH figures were derived from the AVETMISS Survey as extracted from the college's Unified Enrolments System. In addition to the AVETMISS Survey figures, separate records for Lifestyle course delivery were added.

#### Definition:

The SCH is the sum of the SCH extracted from the AVETMISS Survey (Profile funded delivery) plus the total of non-profile (fee for service) SCH.

#### Results:

The target for 2018 was \$22.00/SCH. The college achieved \$22.70/SCH.

Year	Total Cost	Total SCH	Average Cost/SCH	Budget Cost/SCH
2017	\$59,564,099	2,613,313	\$22.79	\$22.00
2018	\$61,619,000	2,713,852	\$22.70	\$22.00

#### Analysis of results:

- South Regional TAFE was established in April 2016, trend data exists only for the 2017 and 2018 academic years. Figure for 2018 has marginally improved against a larger volume of delivery.

## Ministerial Directives

Treasurer's Instruction 903 (12) requires South Regional TAFE to disclose details of any Ministerial directives relevant to the setting of desired outcomes or operational objectives, the achievement of desired outcomes or operational objective, investment activities and financing activities.

No such directives were issued to South Regional TAFE in 2018.

## Other financial disclosures

### Fees and charges TI903 (13) (i)

Fees and charges for students undertaking publicly funded VET in Western Australia must be collected in accordance with the provisions of the:

- Vocational Education and Training Act 1996
- Vocational Education and Training Regulations 1996
- Policy Guidelines for Publicly Funded Registered Training Organisations.

The college's fees are set by the Western Australia Department of Training and Workforce Development and are indexed by the CPI each year.

### Major capital projects TI903 (13) (ii)

South Regional TAFE's had no capital works that were completed in 2018 and there are none ongoing at the end of the year.

The Department of Training and Workforce Development (DTWD) is managing ongoing remedial works programs at the Bunbury Campus (budget of \$4.3M) and has begun the planning process for development of a new campus in Esperance (budget of \$18M).

## Employment and Industrial Relations

### Staff profile 2018

Staff Profile (FTE)		30 Sept 2017	30 Sept 2018
Lecturing Staff	Permanent	98.38	129.57
	Contract	74.67	50.75
	Casual	44.39	18.92
Support Staff	Permanent	134.35	137.10
	Contract	13.40	16.31
	Casual	19.43	8.49
<i>Taken from data assembled for HR MOIR Quarterly FTE reports for September</i>		384.62	361.14

## **Staff development**

The college continued its commitment to the ongoing professional development of staff in 2018. Over the course of the year 461 employees have participated in 2124 recorded instances of professional development or training.

In January, 321 staff attended the annual college Welcome Days at Bunbury and Albany campuses. In that forum, the Managing Director launched a new Staff Code of Conduct, provided a refresher on Accountable and Ethical Decision Making, and an informative presentation was delivered by the Training Accreditation Council.

A significant offering to college staff was the 'Building Resilience in Times of Change' course that was attended by 300 staff in workshops between February and May.

Following updates to the Training and Education (TAE) Training Package in 2016 and revision of the training and assessment credentials required under the *Standards for Registered Training Organisations (RTOs) 2015*, the college continued to provide academic staff with training to upgrade their trainer and assessor credentials in 2018.

The college utilised web-based video conference facilities for training and instruction of administrative and academic staff to support the implementation of the new Student Management System in mid-2018. More than 470 instances of training relating to this system were recorded.

## **Industrial Relations**

In accordance with the Western Australian TAFE Lecturers' General Agreement 2014 and the Public Service and Government Officers CSA General Agreement 2017, the Joint Consultative Committee continued to provide an opportunity for discussion and resolution of matters within the workplace, and a mechanism for consultation between management, employees and their unions.

A replacement Western Australian TAFE Lecturers' General Agreement was finalised during 2018.

The college responded to one claim to the WA Industrial Relations Commission, with the application being dismissed by the Commissioner.

The college participated and resolved through conciliation one complaint to the Australian Human Rights Commission in 2018.

## **Workers' compensation**

Eleven claims were received and accepted in the 2018 calendar year. This compares with nine claims received in 2017.

## **Governance Disclosures**

### **Directors' liability insurance**

South Regional TAFE paid \$11,079.20 for Directors and Officers Liability Insurance to indemnify any director (as defined in Part 3 of the Statutory Corporations (Liability of Directors) Act 1996) against a liability incurred under sections 13 or 14 of the Statutory Corporations (Liability of Directors) Act 1996.

### Unauthorised use of credit cards

The number of instances the Western Australian Government Purchasing Card has been used for a personal purpose	13
The aggregate amount of personal use expenditure for the reporting period	\$378.36
The aggregate amount of personal use expenditure settled by the due date	\$92.61
The aggregate amount of personal use expenditure settled after the period required	\$285.75
The aggregate amount of personal use expenditure outstanding at the end of the reporting period	Nil
The number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	Nil
Number of employees misusing their cards	8

### Public Interest Disclosures

The Public Interest Disclosure Act 2003 provides for the disclosure of public interest information and provides protection for those who make disclosures and those who are subject of disclosures. In accordance with the Act, SR TAFE has appointed three Public Interest Disclosure Officers and has reviewed internal policies and procedures related to obligations under the Act. No public interest disclosures were received during 2018.

### Government policy requirements (GBT policy)

#### Government Building Training policy

South Regional TAFE has not entered into any building and construction or maintenance contracts that fall within the scope of this policy.



Cookery and hospitality students at the Margaret River campus produce monthly long table lunches using fresh produce from the farmers' market. Gather&Feast lunches are well supported by locals and have garnered accolades in state-wide media.



## Board and committee remuneration

The following payments were made to governing council members in 2018.

Name	Position	Gross/Actual remuneration \$
Bryant Stokes	Chair	25,909.30
Wendy Giles	Deputy Chair	1,875.75
Susan Bennett-Ng	Member	2,966.52
Nadine Carter	Member	3,593.28
Mark Dowling	Member	2,522.88
Marilyn Hopkins	Member	1,390.80
Scott Leary	Member	970.18
Peter McCaffrey	Member	3,669.24
Grant Shipp	Member	927.68
Giuseppina Versace	Member	1,681.92
Karen Wright	Member	1,078.56



*Aboriginal students Ronica Larry and Mya Clements prepare seafood for the Djinda Ngardak Aboriginal gourmet food event in the Albany campus training kitchen.*

## Legislation

### Legislation

In the performance of its functions, South Regional TAFE complies with the following relevant written laws:

#### ***State Legislation***

- Auditor General Act 2006
- Building and Construction Industry Training Levy Act 1990
- Building and Construction Industry Training Fund and Levy Collection Act 1990
- Children and Community Services Act 2004
- Corruption and Crime Commission Act 2003
- Criminal Code Act Compilation Act 1913
- Disability Services Act 1993
- Education Service Providers (Full Fee Overseas Students) Registration Act 1991
- Electoral Act 1907
- Electronic Transactions Act 2011
- Equal Opportunity Act 1984
- Evidence Act 1906
- Financial Management Act 2006
- Freedom of Information Act 1992
- Industrial Relations Act 1979
- Library Board of Western Australia Act 1951
- Limitation Act 2005
- Minimum Conditions of Employment Act 1993
- Occupational Health and Safety Act 1984
- Public Interest Disclosure Act 2003
- Public Sector Management Act 1994
- Salaries and Allowances Act 1975
- School Education Act 1999
- State Records Act 2000
- State Supply Commission Act 1991
- Vocational Education and Training Act 1996
- Workers' Compensation and Injury Management Act 1981
- Working with Children (Criminal Record Checking) Act 2004.

#### ***Commonwealth Legislation***

- Competition and Consumer Act 2010
- Copyright Act 1968
- Copyright Amendment (Digital Agenda) Act 2000
- Corporations Act 2001
- Education Services for Overseas Students Act 2000
- Electronic Transactions Act 1999
- Evidence Act 1995
- Fringe Benefits Tax Act 1986
- Higher Education Support Act 2003

- Mutual Recognition Act 1992
- National Vocational Education and Training Regulator Act 2011
- Privacy Act 1988
- Skilling Australia's Workforce Act 2005
- Spam Act 2003
- Trade Marks Act 1995
- VET Student Loans Act 2016
- Higher Education Support Act 2003.

## Other legal requirements

### Expenditure on advertising, market research, polling and direct mail

Expenditure	Total \$	Organisation	Amount \$
Media Advertising Organisations	244,320.51	Carat (Media Agency)	211,224.28
		Adcorp	23,552.00
Direct Advertising	19,937.60	Facebook	11,465.89
		Plantagenet News	3,812.63
		Denmark Bulletin	4,163.63
		Great Southern Herald	45.45
		Waddyadoin Media	450.00
Directories	4,888.63	Albany Chamber of Commerce and Industry	917.05
		Kalgoorlie-Boulder Chamber of Commerce	556.36
		Denmark Chamber of Commerce	278.00
		Margaret River Directory	1,170.13
		Esperance Chamber of Commerce	300.00
		Bunbury Geographe Chamber of Commerce	879.09
		Augusta Community Directory	470.00
		Manjimup Directory	318.00
<b>TOTAL</b>			<b>259,602.51</b>

## Disability Access and Inclusion Plan Outcomes

### Disability Access and Inclusion Plan 2017-2021

South Regional TAFE implements strategies addressing the college's Disability Access and Inclusion Plan's outcomes to ensure the college's services, facilities and information are accessible and inclusive of the needs of people with disability. In 2018 these included:

1. People with disability have the same opportunities as other people to access the services of, and any events organised by South Regional TAFE.
  - Inclusive learning and assessment practices, resources and assistive technology were promoted to college staff.
  - Individualised support, learning resources and equipment were provided to meet the learning needs of students with disability.
  - Training courses were tailored to meet the learning needs of people with disability including Certificate III in Clothing Production – all ability classes.
  - The college liaised with schools, agencies, and families to support the transition of secondary students with disability to training at the college.
  - All college events were held in venues accessible for people with disability.
  
2. People with disability have the same opportunities as other people to access the buildings and facilities of South Regional TAFE.
  - Access improvements were undertaken across South Regional TAFE campuses including at Albany campus – toilets were fitted with easy access handrail fixtures and braille-compliant door signs, an automated opener was installed to the textiles classroom exit door; at Bunbury campus access to the Ngala Maya centre was improved.
  - The Albany campus map was updated to incorporate new accessible facilities, parking and pathways.
  - Personal Emergency Evacuation Plans were developed for students with disability as required.
  
3. People with disability receive information from South Regional TAFE in a format that will enable them to access the information as readily as other people are able to access it.
  - Accessible information needs and how to obtain information in other formats were promoted to staff.
  - Word Skills training conducted for lecturers included how to ensure accessibility in Word documents.
  - Software, apps and resources to access learning materials were promoted and provided to staff and students including Read&Write software, and Dragon Naturally Speaking.
  - Ongoing liaison was maintained with community networks, schools and agencies supporting people with disability.
  - South Regional TAFE staff participated in Future Opportunity Youth Conferences, NDIS forums, Albany Ability Festival, Passport to Employment programs and Transition Pathway Group meetings.
  
4. People with disability receive the same level and quality of service from the staff of South Regional TAFE as other people receive from the staff of the organisation.
  - Professional development opportunities were promoted and provided to staff to increase their awareness of the learning needs of students with disability and strategies for inclusive teaching , including Mental Health First Aid, Understanding Autism, Applying Reasonable Adjustment,

- Practical strategies for teachers with learners who are Deaf or hard of hearing
- Advice and support was provided for staff on facilitating access and inclusion for students with disability.
5. People with disability have the same opportunities as other people to make complaints to South Regional TAFE.
    - Opportunities for students to provide feedback were available through forms, online or in person.
    - Support was provided to assist people with disability to provide feedback, as requested.
  6. People with disability have the same opportunities as other people to participate in any public consultation undertaken by South Regional TAFE.
    - People with disability, students and staff were consulted through surveys and reviews on college training, services, facilities and support for people with disability
    - SRTAFE consulted and engaged with agencies that support people with disability into education, training and employment
    - The college's Access and Inclusion Planning Committee which included student and agency representatives monitored the college's DAIP to ensure implementation and effective outcomes.
  7. People with disability have the same opportunities as other people to obtain and maintain employment at South Regional TAFE.
    - Workplace modifications and flexible employment practices were implemented.
    - Advertised positions encouraged people with disability to apply and job descriptions included a statement on respecting and valuing diversity.
    - The college's Employee Assistance Program was promoted to staff.

### Compliance with Public Sector Standards and Ethical Codes

The college has policies, procedures and guidelines in place with respect to the Public Sector Standards in Human Resource Management and the WA Public Sector Code of Ethics. South Regional TAFE has adopted college values, and a new staff Code of Conduct was launched in 2018.

Policies and supporting material are accessible to employees via the college's intranet, and are promoted by the HR branch through the commencement and induction process. The college continues to provide training for all staff on Accountable and Ethical Decision Making, and the Managing Director delivered a refresher of this material to 321 staff attending the annual college Welcome Days at Bunbury and Albany campuses in January 2018.

One breach of standards claim was lodged in 2018 in relation to the Public Sector Standards (Employment Standard). The claim was withdrawn by the applicant. One matter was addressed and substantiated as substandard performance under the college's Managing Performance Concerns policy. Two matters were addressed under the college disciplinary process, with one finding of a breach of discipline. Three formal grievances were lodged by employees in 2018.

### Recordkeeping plan

Under Section 19 of the State Records Act 2000, every Government organisation is required to have a Recordkeeping Plan (RKP) approved by the State Records Commission (SRC).

An RKP was approved by the SRC on 10 August 2018 covering the five TAFE colleges created by the Vocational Education and Training (Colleges Closure and Establishment) Order 2016 and is valid until August 2023.

A Records Management Working Group was established as part of the Training Sector Reform Project (TSRP) to develop a consistent approach to records management across the sector. Each of the TAFE colleges was represented on the working group and contributed to the development of the new RKP.

On 1 January 2019, as part of the sector-wide upgrade, South Regional TAFE moved to a new single empty records dataset. Access to the former South West and Great Southern TAFE records management systems has ceased and they have now become read-only legacy datasets.

### Substantive Equality

South Regional TAFE has integrated substantive equality and equal employment opportunity into policies, workplace practices and the services provided by the college. The college has articulated its commitments within its Substantive Equality policy, Disability Access and Inclusion Plan, Reconciliation Action Plan, Recruitment Selection and Appointment Policy, recruitment selection and appointment training material, Staff Code of Conduct and the staff corporate induction program.

### Occupational Safety, Health and Injury Management

#### *Statement of Commitment OSH*

The South Regional TAFE Occupational Safety and Health (OSH) Policy recognises that the safety and health of all employees and students are the responsibility of college management and staff.

In fulfilling this responsibility, management and staff have a duty to provide and maintain, so far as practicable, a working environment that is safe and without risk to health.

The South Regional TAFE OSH Support Plan 2018-2020 is a three-year plan which focuses on consolidation of the OSH Management System and implements a new focus aimed at shifting the organisation from a compliance-driven culture to one of a positive safety culture driven by active leadership, with mutual accountability using a risk-based approach to enhance the wellbeing of the college community.

### *Statement of Commitment Injury Management*

South Regional TAFE will ensure that injured employees will be treated with dignity and respect. The college is committed to:

- Providing assistance to injured employees as soon as possible to facilitate their return to work.
- Providing for the injury management of all employees who have sustained a work-related injury or illness that is subject to compensation.
- Consultation with the employee and his or her medical practitioner to develop and maintain a return-to-work program.

Where practicable and as required by medical certification, South Regional TAFE will make provision for the placement of injured employees who are the subject of workers' compensation claims and are unable to return to their original duties.

### *Formal mechanism for consultation with employees on Occupational Safety and Health matters*

The OSH Committee structure has campus based Occupational Safety and Health committees focused on operational and campus based issues reporting through to the OSH Standing Committee which is strategic and focuses on whole of college OSH issues.

The campus-based Occupational Safety and Health committees form the core of OSH consultation within South Regional TAFE and meet legislative requirements as there is a combination of staff-elected representatives and management representatives. The members' appointment, location and details are communicated to all staff via the college intranet and electronic communication.

The members are accessible to both management and employees in the discussion and resolution of occupational safety and health issues.

The campuses OSH committees meet monthly to resolve issues at the local campus level including:

- Discuss and resolve OSH issues
- Review hazard and incident reports
- Promote increased understanding and awareness of safety and health issues
- Facilitate consultation and co-operation in relation to the college's safety and health policy and procedures through the OSH Standing Committee;
- Provide for the development and review of the college's safety and health policy, procedures and practices through the OSH Standing Committee;
- Escalate local OSH issues that have significance to the whole organisation to the OSH Standing Committee for review and action.

### *Training*

A range of training and awareness program opportunities have been provided for all staff in 2018. Training has been offered in areas such as:

- Resilience Training for all staff
- Injury management for Managers
- Equal Opportunity Essentials for Managers

- Contribute to resolving WHS issues using MYOSH
- Manual handling training
- Emergency procedures training
- Fire equipment familiarisation training
- Follow basic chemical safety rules using Chemwatch
- Doggers and riggers licence training
- Elevated Work Platform Licence Training
- Defensive driving
- Chainsaw, skid steer loader, forklift
- First aid
- First responder

### *Projects*

A number of minor works projects were undertaken to address OSH issues across all campuses and facilities.

The projects include:

- Completion of the upgrade to power distribution at the Bunbury campus including updating of all distribution boards to current safety standards including the installation of RCDs on all circuits
- Removal of Asbestos products from the eaves, fascia and soffit on Albany campus and walkways on the Bunbury campus
- Completion of the upgrade of the air-conditioning systems at the Bunbury campus
- Completion of walkways and ramps at the Busselton, Narrogin and Manjimup campuses to improve access and egress for people with mobility issues
- Upgrade to the extraction system in the carpentry and joinery workshops and machine room at the Bunbury campus
- Review and update of all campus service and building evacuation maps for all campuses throughout the south west region
- Raising of main walkway roof and installation of entrance canopy to main admin building at the Albany campus
- Upgrade of Albany C and D Block air-conditioning units, refrigeration and extraction systems
- Installed a raised walkway and platform around the carpentry hopper to enable safe access for maintenance and repairs.

### *Statement of Compliance with the injury management requirements*

The Injury Management Procedures for injury management and workers' compensation meet the requirements of the Workers' Compensation and Injury Management Act: 1981. All staff are informed at induction and information is available via the college's intranet and procedural documentation is on the business system for accessing the workers' compensation or injury management process.

The college seeks to ensure that all claims will be transparent, follow legislative requirements, ensure appropriate confidentiality and demonstrate procedural fairness. The college consults with the employee and his or her medical practitioner to develop and maintain a return to work program which is developed in accordance with the Workers' Compensation and Injury Management Act of 1981.



### Self-evaluation of occupational safety and health management system

South Regional TAFE's OSH Management system is in place and will be subject to an internal audit in 2019 and an external audit in 2020. Both audits of the safety management system within the college will be based on the requirements of the AS/NZS 4801:2001 – Occupational health and safety management systems and utilise the WorkSafe Plan Assessment Tool.

Throughout 2018, South Regional TAFE campuses have been undertaking specific self-assessment audits around chemical and plant management to track their performance against the Occupational Safety and Health (OSH) Management System. An analysis of findings has indicated while processes are in place they have not been fully implemented at an operational level. A range of corrective actions have been identified to correct these existing gaps and strategies developed to ensure processes are working effectively at an operational level.

### Performance Data Report

Indicator	Actual Results			Results against Target
	2017	2018	Target	Comment on Result
Number of fatalities	0	0	0	Achieved
Lost time injury/disease incidence rate	1.58	.76	Zero (0) or 10% reduction on previous 3 years	Achieved
Lost time injury severity rate	20	33	Zero (0) or 10% reduction on previous 3 years	Achieved
Percentage of injured workers returned to work (i) within 13 weeks	83%	100%	Actual Percentage Greater than or equal to 80% return to work within 26 weeks	Achieved
(ii) Within 26 weeks	83%	100%		
Percentage of managers and supervisors trained in occupational safety and health and injury management responsibilities	31%	31%	Greater than or equal to 80%	Not achieved