



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

**20
19**

**Annual
REPORT**



southregionaltafe.wa.edu.au

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 2019

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 2019.

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

6 March 2020



Sue Lapham
Acting Managing Director
South Regional TAFE

6 March 2020

Table of Contents

Statement of Compliance	2
Section 1 – Overview of South Regional TAFE	4
Executive Summary	4
Operational Structure 2019	8
Performance Management Framework.....	9
Section 2 – South Regional TAFE Performance.....	10
Reports	13
Section 3 – Significant Issues Impacting South Regional TAFE.....	19
Significant issues and economic and social trends	19
Section 4 – Disclosures and Legal Compliance	20
Auditor-General’s Opinion	20
Financial statements	24
Detailed Key Performance Indicators Information	56
Other financial disclosures	65
Employment and Industrial Relations	66
Staff profile 2019.....	66
Governance Disclosures	67
Government policy requirements (GBT policy)	68
Other legal requirements.....	70

Section 1 – Overview of South Regional TAFE

Executive Summary

Governing Council Chair's Report



Maintaining the high academic standard for which the college has established a reputation has been a priority this year, and I am impressed by the excellent vocational education and training consistently delivered across the 12 campuses.

Once again, staff displayed competence, dedication and capability while training thousands of people in communities across the south of the State. Employees in all areas have readily adapted to the changing administrative landscape necessitated by advances in technology and contributed significantly to the college's achievement of objectives detailed in the Strategic Plan.

The whole-of-college resolve to achieve excellence was reflected in the results of the annual student satisfaction survey conducted by EY Sweeney for all TAFE colleges in Western Australia. For South Regional TAFE, this showed a high student satisfaction rating of 91.7 per cent, which is 4.2 per cent above the state average, a very pleasing result.

Our solid ongoing relationships with industry, business and community members have allowed the college to develop programs to answer local skill demands and prepare students for the workforce or higher-level education or training.

The college places a high value on sponsorship, and I extend my appreciation to the many organisations and individuals who fund scholarships and awards for excellence every year. In doing so, they reward and encourage academic achievement while also supporting local vocational training and helping to promote prosperity for people in regional communities.

The high academic and professional standards the college has established since its formation in 2016 are reflected in performance indicator targets, which have largely been met and in some cases, exceeded. These have shown very good fiscal results for the year, achieved through prudent financial management and strong governance.

A leadership change in October resulted from Managing Director Duncan Anderson's resignation after six years of service. I would like to acknowledge Mr Anderson's unerring commitment to the position and his sound financial, organisational and academic management.

I am grateful to Sue Lapham for a seamless transition and excellent leadership since her subsequent appointment as Acting Managing Director. Ms Lapham, who has served as a director with the college since 2016 and has a long background at state level within the vocational education and training sector, brings a wealth of experience to the position.

My final thanks go to Deputy Chair Dr Wendy Giles and Governing Council members for their keen interest, strong support and diverse expertise influencing the college's governance and direction.

I look forward to consolidation and steady progress in 2020, and I wish students, staff and community members a rewarding and productive year.

It is with great pleasure that I present the fourth Annual Report for South Regional TAFE.

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

Acting Managing Director's report



At the end of another busy year of delivering quality training and answering the needs of local and regional industry, I am pleased to report on the performance of South Regional TAFE and its achievements in 2019.

Across the college, students enrolled in more than 13,500 courses, and training and support were offered to encourage participation by young people, women, older workers, apprentices and trainees, those identifying as having a disability and Aboriginal and Torres Strait Islander people.

I would like to thank staff at all levels for their diligence and application resulting in excellent academic outcomes for students and a sound financial position for the college.

In line with the strategies of the WA State Training Plan 2017-2020, industry engagement was again a prime consideration, and the building of vital relationships between training staff and regional businesses and organisations was sustained. Skills, support and advocacy are all advanced because of these valuable alliances.

Many of these industry partners fund awards and scholarships for our students and I thank them sincerely for their valuable assistance as well as their recognition of the compound benefits of supporting students and the skills they bring to communities.

I am most proud of the outstanding accomplishments of students and staff.

My congratulations go to our highest-achieving students who received recognition at the annual award nights for the South West and Great Southern regions in April.

Taking out the title of Student of the Year was Busselton youth worker Chloe Baigent, who went on to win the state final of the WA Training Awards in the category of Vocational Student of the Year and represented the college at the Australian Training Awards in Brisbane in November.

Our other finalists in the WA Training Awards were Bukonla Olayeni of Bunbury, in the Cultural Diversity Training category, and Kaitlyn O'Connell of Albany, in the Trainee of the Year category.

For several years, lecturers have supported students in their quest for excellence through the WorldSkills competitions. It was particularly pleasing to see two of our dedicated lecturers receiving fitting recognition for their hard work and commitment to student achievement with their induction into the WorldSkills WA Hall of Fame. Bricklaying Lecturer Mark Baker and Hairdressing Lecturer Denise Scott were awarded for their advocacy of vocational skills and mentoring of students competing at regional, state and national level.

To enhance services to jobseekers, Jobs and Skills Centres were established in Bunbury, where it is delivered with JSW Training and Community Services, and Albany, delivered with Southern Aboriginal Corporation and Worklink. A new area to accommodate the Jobs and Skills Centre in Bunbury was completed in 2019, providing a modern, welcoming environment for clients.

In the annual student satisfaction survey of TAFEs by EY Sweeney, the college achieved a rating of 91.7 per cent, which is 4.2 per cent above the state average. This excellent result,

which follows a rising trend in recent years, demonstrates the degree to which the college helped students to reach their potential and vocational goals while giving them a rewarding learning experience.

This year, construction will start on a new campus for Esperance, with \$18 million of funding from the Department of Training and Workforce Development. The new facility will provide students and staff with a modern, well-appointed environment for work, study and research.

With a new Strategic Plan providing direction from 2020 to 2022, I look forward to further high-quality training outcomes in 2020.

This will be facilitated by the *Lower fees, local skills* initiative funded by the State Government, halving the cost of fees in selected courses during 2020 and 2021.

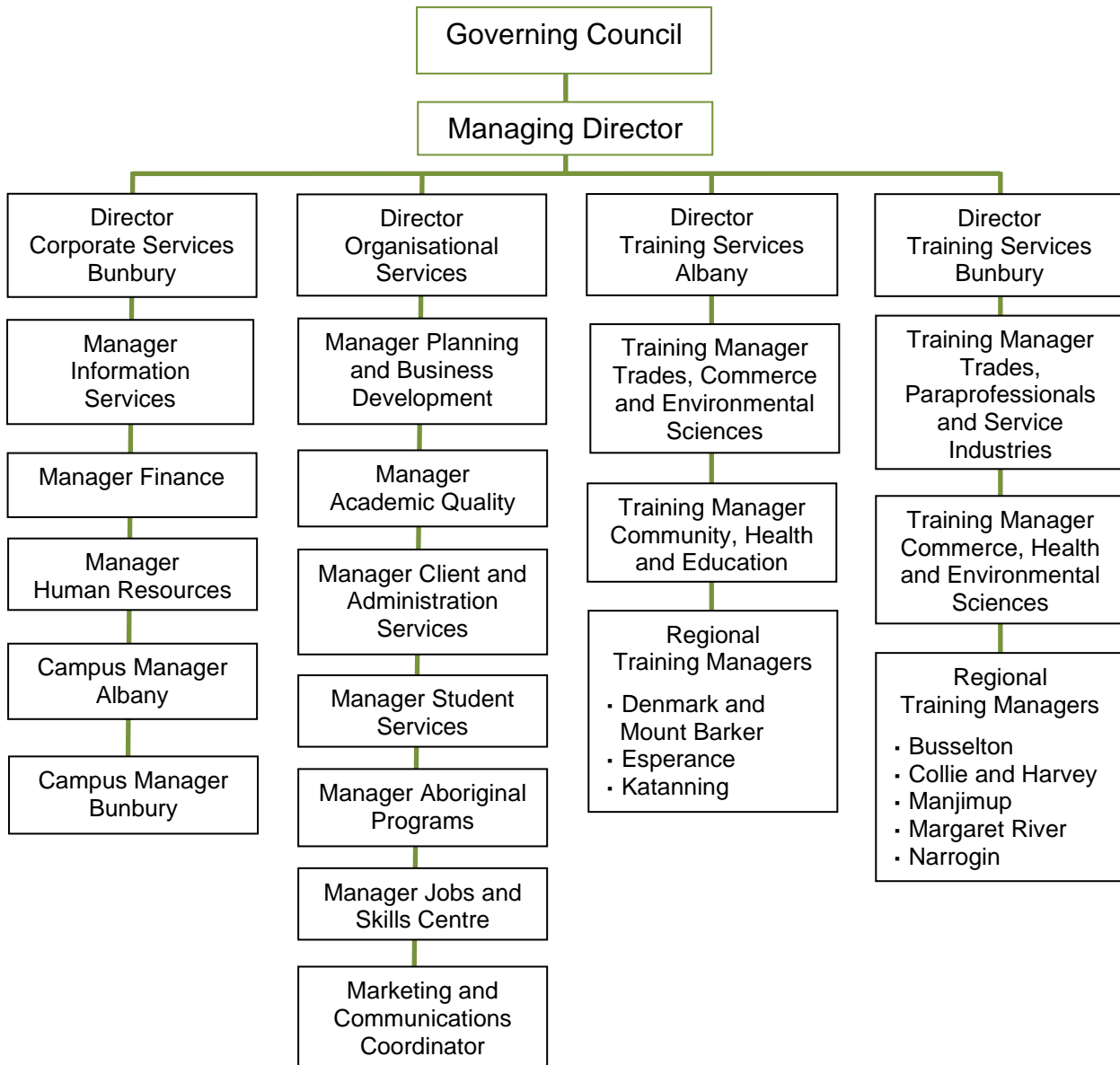
During the year, the executive team has been accountable for planning and reporting to deliver a high level of governance, and I thank the directors for their scrupulous attention to this vital area.

Finally, I would also like to acknowledge the continued support and sound strategic direction provided by Governing Council Chair Prof. Bryant Stokes and the Governing Council members.

A handwritten signature in cursive script that reads "Sue Lapham".

Sue Lapham
Acting Managing Director
South Regional TAFE

Operational Structure 2019



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 thorough 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 2019 and beyond. This formed the basis of our reporting framework in 2019.



International student Thanyasiri Boonlar and other cookery students in the kitchen of the Bunbury campus's Epicure Restaurant prepare for one of their regular functions.

Section 2 – South Regional TAFE Performance

Operational overview

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.

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

It consists of 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.

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



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 2019 to 31 December 2019						
Priority Areas	Measure	2019 Initial Target	2019 May Target	2019 Sep Target	2019 Achieved	% Achieved
Employment Based Training	SCH	476,880	434,720	451,798	401,053	84%
Priority Industry Training	SCH	605,900	587,185	569,552	539,820	89%
General Industry Training	SCH	1,201,100	1,229,855	1,221,910	1,246,853	104%
Foundation Skills and General Education	SCH	216,120	248,240	256,740	256,865	119%
Certificate IV and Above	SCH	722,568	707,678	690,010	654,204	91%
15-24 Year-Olds	SCH	1,382,640	1,382,640	1,382,640	1,323,483	96%
Indigenous – Certificate II and Above	Qualification Completion HC	133	133	133	120	90%
Disability Certificate II and Above	Qualification Completion HC	253	260	253	320	126%

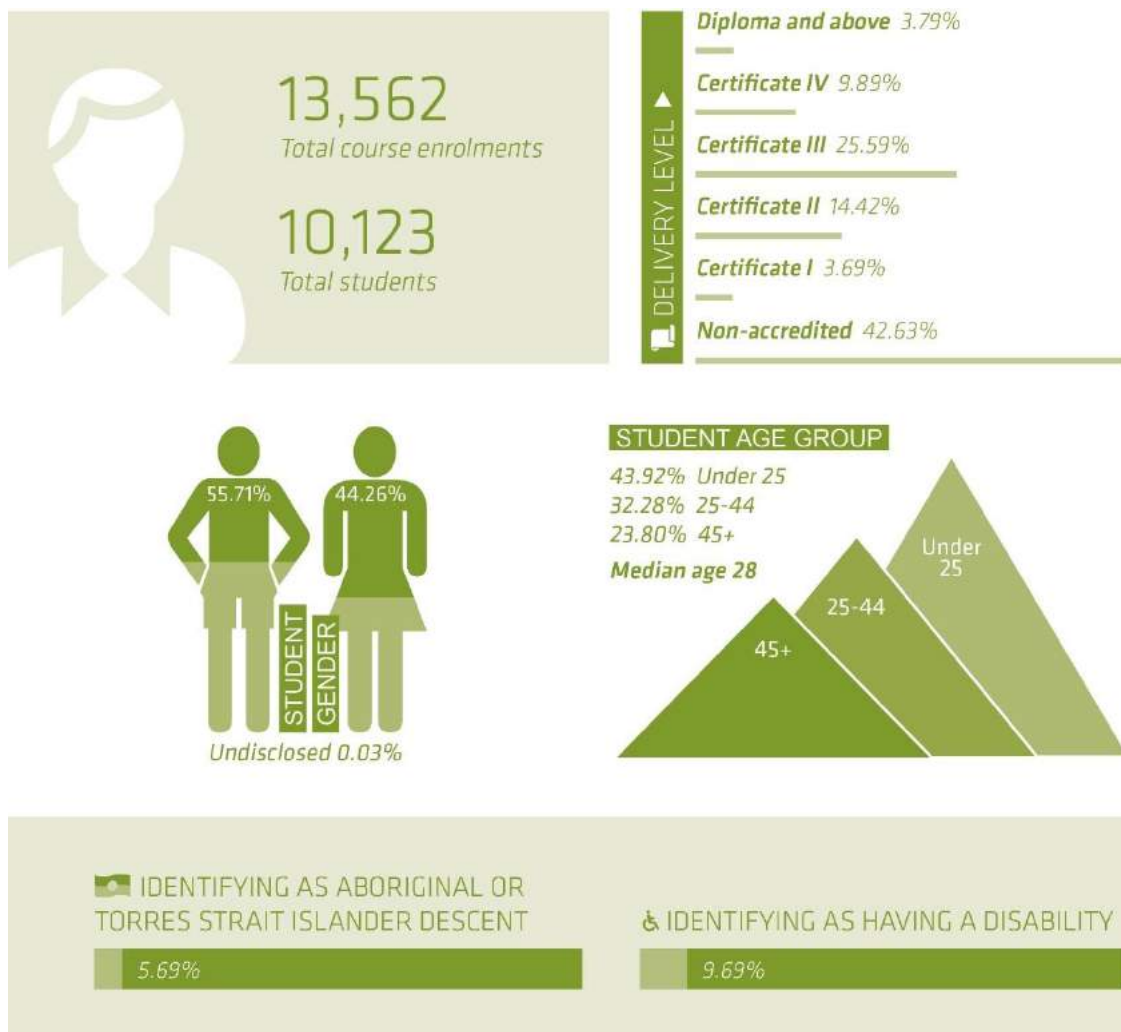
Performance management

In combining campuses from the former South West Institute of Technology, Great Southern Institute of Technology, Goldfields Institute and CY O'Connor Institute since 2016, 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 2019 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 2,444,591 SCH or 97.8 per cent of its contracted profile, reflecting the 'green shoots' of its supported regional economies.

Student profile 2019



Reports

Directorate reports

Corporate Services

The Corporate Services directorate's function is to support the Training Services and Organisational Services directorates to ensure that South Regional TAFE is considered the first choice for training by regional industry, organisations and community.

In particular, the 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 \$4.3 million remedial works program at the Bunbury campus, funded and managed by the Department of Training and Workforce Development, is ongoing. These are major infrastructure works designed to upgrade ageing buildings and services with a view to reduce ongoing repair and maintenance costs into the future and 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.
 - Replacement of the potable water reticulation ring main around the campus.
 - 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.
 - Installation of a lift to provide universal access to the lecture theatre.
 - Refurbishment of E Block to provide a one-stop student administration centre.
 - Refurbishment of the Epicure Restaurant to incorporate a coffee shop and upgrade lighting.
 - Replacement of ageing mechanical units for the extraction system for the commercial kitchens in K Block.
- A new NDIS training facility is being constructed on the Bunbury campus by the Department of Workforce Development and will be available for delivery by 30 June 2020.
- A significant upgrade of the Collie campus is being undertaken by the Department of Training and Workforce Development to ensure that the campus can quickly meet emerging training needs as local industry transitions away from coal mining and power generation over the coming years.
- A lease has been signed with Harvey Water to provide premises for a new campus in Harvey to replace existing leased facilities that are no longer fit for purpose and have significant universal access issues. Harvey Water have commenced a program to redevelop the premises to meet our training requirements which should enable us to occupy later in 2020.

- A Voice Over Internet Protocol (VOIP) system was implemented to replace the ageing telephone system.
- The legacy email systems have been migrated into a single AD domain,
- The migration to Office 365 will improve user efficiency and allow cloud-based solutions to replace ageing on-premise infrastructure.
- The computer operating system across the college has been upgraded to Windows 10 and new laptops have been provided to ensure that lecturers are equipped with the latest mobile technology.

Organisational Services

Jobs and Skills Centres

Jobs and Skills Centres were officially opened in Bunbury and Albany in early 2019.

In line with all Jobs and Skills Centres in Western Australia, clients receive free career, training and employment advice and assistance.

The centres also offer a support service for employers and businesses, and specialist services for Aboriginal people, ex-offenders and people from culturally and linguistically diverse backgrounds.

An online jobs board connects jobseekers with employment opportunities and helps employers attract and recruit employees.

Both Bunbury and Albany centres partner with organisations and promote initiatives to create training and employment opportunities.

Aboriginal Programs

The Aboriginal Programs team works closely with Aboriginal students and provides support through mentoring and tuition. The section strives to meet the requirements of the Delivery and Performance Agreement targets and ensure students can participate within a culturally aware environment.

Partnerships with Aboriginal community members, organisations and groups continually grow. New programs, initiatives and courses are carried out throughout the regions with successful outcomes for students. An example is the Esperance-based Tjaltraak Rangers program in collaboration with the Tjaltraak Native Title Aboriginal Corporation, in which training has been tailored for students undertaking part-time work for the organisation and for local government contracts within the town. The training enables students to gain qualifications while being employed.

These partnerships and programs align with, and meet, the requirements of the college's Reconciliation Action Plan.

Student Services

Student Services supports and advises students to help them complete their chosen course.

Coordinated by staff at the Bunbury and Albany campuses, services include general study advice, student advocacy and internal student support as well as disability services, which

may include in-class assistance or specialised equipment to give students access, support and equal opportunity to learning.

The section also coordinates financial hardship fee waivers and the counselling service.

Counselling

The college offers a free counselling service for all students in any location.

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.

For regional campuses, the counsellors provide a phone counselling service and make scheduled visits.

Course Information Services

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

Staff based at Albany and Bunbury 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.

Course Information Services also engages with school students, their parents and the local community, giving group presentations about courses, the application process and eligibility criteria.

The team took part in two open days held in Albany and Bunbury in October to promote courses available in Semester 1, 2020. This was the fourth event of its kind in Bunbury and third for Albany with consistent numbers and results at both locations demonstrating the open days are now a fixed major application activity.

International Students

The college enrolled 41 international students at the Albany, Bunbury and Margaret River campuses.

Students originating from 17 countries studied qualifications including commercial cookery, early childhood education and care, hospitality, information technology, patisserie and wine industry operations.

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

Learning Resource Centre

The college's learning resource centres (LRCs) serve all 12 campuses and operate from Bunbury and Albany, which coordinate satellite collections at the regional campuses. All campuses access electronic resources, as well as hard-copy resources on request.

Bookshop facilities were introduced to the Bunbury LRC in January. This was a return of a centrally managed bookshop which replicated Albany's established LRC services and was

well received by students. Albany LRC staff helped with training and the ordering process during the set-up and introduction.

The digital publication service across the college had 2090 users, with the majority of these from the Great Southern. The service provided ePublications which consist of professional journals and industry magazines to aid in lecturers' professional development and student learning.

Training Services

Overview

This was a year of outstanding achievements for students and staff.

Managers maintained and consolidated our broad delivery profile while operating within budget. All campuses across the college worked collaboratively to service the growing demand for industry skill sets and short courses. The growth in all areas was due to the industry engagement being undertaken in each local area and managers' willingness to service and engage with local clients.

The college converted more existing lecturing staff to permanent positions, providing stable employment.

It also undertook a major staff development program to ensure all lecturers' qualifications were upgraded to meet national standard requirements. Our principal lecturers played a major role in this achievement.

A growing number of women are participating in traditional trades industry areas. 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, flexibility, commitment and teamwork.

Facilities

In the South West region, development and improvements to two major facilities were initiated and will roll through the start of delivery in 2020:

1. A major upgrade of Collie campus in preparation for, and response to, the Collie Futures initiative as the region transitions from mining and power generation and looks to diversify and support other industries and enterprises in the town and surrounding areas. This includes the upgrading of student facilities as well as offices and teaching and learning areas.
2. Harvey campus re-location from the current site at Uduc Road to a larger, modern facility using the old Harvey Water building on James Stirling Place. This will allow for a significant increase in student numbers and allow the region to support a wider range of qualifications.

South West

The Bunbury campus embedded the new structure for academic management with two training areas each supported by a training manager and two training operation coordinators.

These are:

- Trades, Paraprofessional and Service Industries
- Commerce, Health and Environmental Sciences

Regional campuses have remained the same and are managed locally by campus managers at Narrogin, Collie/Harvey, Margaret River, Busselton and Manjimup.

Great Southern

At the Albany campus, two training areas are each supported by a training manager and two training operation coordinators.

These are:

- Trades, Commerce and Environmental Sciences
- Community, Health and Education

Regional campuses are managed by campus managers at Esperance, Katanning and Denmark/Mount Barker.

Major achievements

Across-College Achievements

Three students reached the finals of the 2019 WA Training Awards. Chloe Baigent of Busselton won the title of WA Vocational Student of the year and was a finalist in the Australian Training Awards. Bukonla Olayeni of Bunbury was a finalist in the WA Cultural Diversity Training Award. In the Great Southern, Kaitlyn O'Connell was a finalist for the WA Trainee of the Year Award.

Four groups of South Regional TAFE students received honourable mentions for their innovative IT skills in the national GovHack competition. Their results were recognised out of 241 teams and more than 1000 participants across Australia and New Zealand.

South West

The Bunbury Campus held one of the biggest WorldSkills regional competition events in WA in 2019. Six Vocational Education and Training in Schools (VETiS) competitions and two open competitions were held in one day with students taking part from across the South West. The winners may get the opportunity to compete in the 2020 WorldSkills Australia National Championships.

Bricklaying Lecturer Mark Baker and Hairdressing Lecturer Denise Scott were inducted into the WorldSkills Hall of Fame in recognition of their commitment to training and mentoring competitors.

Bunbury hospitality management student Kade Fujino and commercial cookery student Dillion Freeman received certificates of encouragement supported by the Freemasons. The organisation's acknowledgement was for their high standard of practical and theoretical work.

Bridgetown cabinet maker Kevin Dirks received one of 26 BBM Global Industry Scholarships and travelled to Canada to gain work experience with highly accomplished cabinet makers and pursue innovation and sustainability.

The Shire of Capel and the Capel Cemetery Group invited surveying students to help with an innovative project to map out the locations of WWI and WWII veterans buried at the Capel cemetery. This information will be uploaded to an interactive website with photographs and biographies.

As part of their studies, Collie students supported an international project collecting bread tags to help fund wheelchairs in South Africa.

Hospitality and cookery students joined celebrity chefs for the internationally renowned food and wine event Margaret River Gourmet Escape for the eighth year. Lecturers worked with the event's culinary managers to set up work placements for the students at the region's restaurants and wineries.

Great Southern

Denmark music students continued to contribute to the regional music calendar, appearing at venues in Albany and Denmark. They hosted and performed at the Nannup Music Festival early in the year, and music graduate Justin Pilkington performed at the WA Music Festival in Perth's Yagan Square.

Music featured in the 20th anniversary celebrations for the Denmark campus with a 2020 Vision Open Day and music round table events for the local community. At the round table, students hosted key regional music professionals and venue managers and representatives of art organisations.

The Southern Art Trail gave Denmark visual arts students a chance to exhibit their drawings, prints, paintings and clay sculpture.

In Esperance, building and construction students worked with the Esperance Education Support Centre to create a sensory garden including a viewing platform with an access ramp, paths, a wash station, climbing logs and plants donated by an industry supporter and Horticulture Lecturer Leah Goodrem.

Albany students collaborated with Aboriginal-owned business Impact Services to deliver the Solid Foundations program to engage the Aboriginal community in training for sustainable employment. The pre-employment program, which uses specialised mentoring support, helps to break down barriers to employment such as cultural differences, cross-cultural communication skills and transport issues while preparing participants for the workforce.

An Albany industry supporter donating a disused fuel tank to the college for use in its delivery of confined spaces training provided real-life experience for electrotechnology students. The group installed an isolation point as the tank was transformed into a pod for the short course training.

Section 3 – Significant Issues Impacting South Regional TAFE

Significant issues and economic and social trends

Key Challenges in 2019

- Consolidation of the Student Management System while 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 2019

- Government direction and priorities.
- Consolidation of a new Student Management System.
- Establishment of the Jobs and Skills Centres at Albany and Bunbury.

Looking ahead to 2020

- The South Regional TAFE Strategic Plan identifies 2020 as a year when the college is looking to achieve positive growth demonstrating it is the first choice in training.
- Industry consultation as part of the planning process has built stronger ties and identified areas of training requirements. Notably a focus on Agriculture and Industry 4.0.
- Jobs and Skills Centres will continue to concentrate on strengthening the ties between career services, Aboriginal workforce development and existing training opportunities for industry and the community.
- The college will support the WA State Government's *Lower fees, local skills* initiative where 34 courses have half-price course fees.

Critical success factors

The following factors will influence the achievement of 2020 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*.
- Interest in the *Lower fees, local skills* initiative.

Section 4 – Disclosures and Legal Compliance



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

SOUTH REGIONAL TAFE **Report on the Financial Statements**

I have audited the financial statements of the South Regional TAFE which comprise the Statement of Financial Position as at 31 December 2019 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 the South Regional TAFE for the year ended 31 December 2019 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.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the 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 the 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 2019.

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 the South Regional TAFE for the year ended 31 December 2019. 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 the 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 2019.

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 the South Regional TAFE for the year ended 31 December 2019 included on 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
17 March 2020

Financial statements

Certification of financial statements

For the reporting period ended 31 December 2019

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 2019 and the financial position as at 31 December 2019.

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.



Kenneth McKinnon
Chief Financial Officer

Date: 6 March 2020



Professor Bryant Stokes
Accountable Authority

Date: 6 March 2020



Susanne Lapham
Acting Managing Director

Date: 6 March 2020

**South Regional TAFE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

2019

2018

	Notes	\$'000	\$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1(a)	40,441	37,606
Supplies and services	2.3	13,119	14,645
Grants and subsidies	2.2	-	2
Finance Cost	6.3	96	-
Asset revaluation decrement	2.3	145	911
Other expenses	2.3	3,803	4,879
Cost of sales	3.3	93	56
Loss on disposal of non-current assets	3.7	-	171
Depreciation and amortisation expense	4.1(b)	3,694	3,349
Total cost of services		61,391	61,619
Income			
<i>Revenue</i>			
Fee for service	3.2	2,162	2,181
Student fees and charges	3.2	6,740	7,368
Ancillary trading	3.2	392	382
Sales	3.3	111	52
Commonwealth grants and contributions	3.4	4	155
Interest revenue	3.5	295	420
Other revenue	3.6	553	461
Total revenue		10,257	11,019
<i>Gains</i>			
Gain on disposal of non-current assets	3.7	1	-
Gain arising from changes in fair value - buildings	3.7	1,498	-
Gain on disposal of lease arrangements	3.7	-	-
Total gains		1,499	-
Total income other than income from State Government		11,756	11,019
NET COST OF SERVICES		49,635	50,600
Income from State Government			
Grants and subsidies	3.1	44,215	43,481
Services received free of charge	3.1	1,796	1,810
Total income from State Government	3.1	46,011	45,291
SURPLUS/(DEFICIT) FOR THE PERIOD		(3,624)	(5,309)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD		(3,624)	(5,309)

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

South Regional TAFE		2019	2018
STATEMENT OF FINANCIAL POSITION			
AS AT 31 DECEMBER 2019			
	Notes	\$'000	\$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	10,402	12,614
Restricted cash and cash equivalents	6.1	856	401
Receivables	5.1	970	746
Inventories	3.3	63	29
Other current assets	5.2	282	336
Total Current Assets		12,573	14,126
Non-Current Assets			
Restricted cash and cash equivalents	6.1	709	534
Property, plant and equipment	4.1(a)	87,443	87,390
Right-of-use assets	4.1(c)	2,798	-
Total Non-Current Assets		90,950	87,924
TOTAL ASSETS		103,523	102,050
LIABILITIES			
Current Liabilities			
Payables	5.3	711	766
Lease liabilities	6.2	228	-
Employee related provisions	2.1(b)	7,050	6,927
Other current liabilities	5.5	811	349
Total Current Liabilities		8,800	8,042
Non-Current Liabilities			
Lease liabilities	6.2	2,644	-
Employee related provisions	2.1(b)	594	630
Total Non-Current Liabilities		3,238	630
TOTAL LIABILITIES		12,038	8,672
NET ASSETS		91,485	93,378
EQUITY			
Contributed equity	8.8	107,764	106,032
Reserves	8.8	-	-
Accumulated surplus / (deficit)		(16,279)	(12,654)
TOTAL EQUITY		91,485	93,378

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

South Regional TAFE					
STATEMENT OF CHANGES IN EQUITY					
AS AT 31 DECEMBER 2019					
		Contributed Equity	Reserves	Accumulated Surplus / (Deficit)	Total Equity
	Notes	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2018		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	8.8	-	-	-	-
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
Balance at 31 December 2018		106,032	-	(12,654)	93,378

Balance at 1 January 2019		106,033	-	(12,655)	93,378
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated balance at 1 January 2019		106,033	-	(12,655)	93,378
Surplus/(deficit)		-	-	(3,624)	(3,624)
Other comprehensive income	8.8	-	-	-	-
Total comprehensive income for the period		-	-	(3,624)	(3,624)
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		-	-	-	-
Transfer of building improvements from DTWD		1,731	-	-	1,731
Distributions to owners		-	-	-	-
Total		1,731	-	-	1,731
Balance at 31 December 2019		107,764	-	(16,279)	91,485

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

South Regional TAFE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

2019

2018

	Notes	\$'000	\$'000
CASH FLOWS FROM STATE GOVERNMENT			
Grants and subsidies - Department of Training and Workforce Development		44,728	41,245
Capital appropriation - Department of Training and Workforce Development		-	-
Royalties for Regions Fund			
Total Net cash provided by State Government		44,728	41,245
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(40,317)	(38,014)
Supplies and services		(11,361)	(12,943)
Finance Cost		(96)	-
Grants and subsidies		-	(2)
GST payments on purchases		(1,252)	(1,229)
Other payments		(3,881)	(2,716)
Receipts			
Fee for service		2,019	2,263
Student fees and charges		6,757	7,368
Ancillary trading		392	382
Commonwealth grants and contributions		4	155
Interest received		295	420
GST receipts on sales		124	116
GST receipts from taxation authority		1,128	1,113
Other receipts		538	458
Net cash used in operating activities		(45,650)	(42,629)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(404)	(373)
Capital Contribution		-	-
Receipts			
Proceeds from sale of non-current physical assets		-	1
Capital Contribution		-	285
Net cash provided by investing activities		(404)	(87)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Other repayments		(262)	-
Receipts			
Other receipts		5	-
Net cash provided by/(used in) financing activities		(257)	-
Net decrease in cash and cash equivalents		(1,583)	(1,471)
Cash and cash equivalents at the beginning of period		13,550	15,020
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	6.1	11,967	13,549

The Statement of Cash Flows 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 acting Managing Director of SR TAFE on 6th March 2020.

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 (TIs)
- 3) Australian Accounting Standards (AAS) including applicable interpretations
- 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.

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.

Significant judgements and estimates have been made to meet the requirements of the new standards AASB 16, AASB 15 and AASB 1058.

AASB 16:

Key judgements to be made for AASB 16 include identifying leases within contracts, determination whether there is reasonable certainty around exercising extension and termination options, identifying whether payments are variable or fixed in substance and determining the stand-alone selling prices for lease and non-lease components.

Estimation uncertainty that may arise is the estimation of the lease term, determination of the appropriate discount rate to discount the lease payments and assessing whether the right-of-use asset needs to be impaired.

AASB 15:

Key judgements include determining the timing of revenue from contracts with customers in terms of timing of satisfaction of performance obligations and determining the transaction price and the amounts allocated to performance obligations.

Estimation uncertainty include determining the transaction prices (estimating variable consideration, adjusting the consideration for the time value of money and measuring non-cash considerations), allocating the transaction price, including estimating stand-alone selling prices and allocating discounts and variable consideration.

AASB 1058:

Key judgements include determining the timing in the satisfaction of obligations and judgements used in determining whether funds are restricted.

Refer to Note 8.2 for the impact of the initial adoption and the practical expedients applied in the initial recognition.

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	2019 \$'000	2018 \$'000
Employee benefits expense	2.1(a)	40,441	37,606
Employee related provisions	2.1(b)	7,644	7,557
Grants and subsidies	2.2	-	2
Other expenditure	2.3	17,067	20,435
2.1(a) Employee benefits expenses		2019 \$'000	2018 \$'000
Short-term employee benefits ^(a)		36,262	34,339
Termination benefits		757	-
Superannuation - defined contribution plans ^(b)		3,422	3,267
Total employee benefits expenses		40,441	37,606
Add: AASB 16 Non-monetary benefits ^(c)			
Provision of vehicle benefits		166	-
Less: Employee Contributions		(145)	-
Provision of Other benefits		-	-
Less: Employee Contributions		-	-
Net employee benefits expenses		40,462	37,606

^(a) Includes wages, salaries and social contributions, paid annual leave and paid sick leave, profit-sharing and bonuses; and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees.

^(b) Defined contribution plans includes West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS) Government Employees Superannuation Board Schemes (GESBS) and other eligible funds.

^(c) Additional non-monetary benefits include the provision of vehicle and housing benefits measured at cost in accordance with the application of AASB 16.

Wages and salaries: Employee expenses includes 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 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.

	2019 \$'000	2018 \$'000
Current		
<u>Employee benefits provision</u>		
Annual leave ^(a)	2,054	1,888
Long service leave ^(b)	4,389	4,379
Deferred salary scheme ^(c)	195	260
Purchased leave ^(d)	4	3
	6,642	6,530
<u>Other provisions</u>		
Employment on-costs ^(e)	408	397
Other	-	-
Total current employee benefits provisions	7,050	6,927
Non-current		
<u>Employee benefits provision</u>		
Long service leave ^(b)	559	593
	559	593
<u>Other provisions</u>		
Employment on-costs ^(e)	35	37
Total non-current employee benefits provisions	594	630
Total employee benefits provisions	7,644	7,557

^(a) **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.

^(b) **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.

^(c) **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.

^(d) **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.

^(e) **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

	2019 \$'000	2018 \$'000
Employment on-costs provisions		
Carrying amount at start of period	435	452
Additional / (reversals of) provisions recognised Payments / other sacrifices of economic benefits	-	(18)
	8	-
Total Carrying amount at end of period	443	434

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 subsidiesRecurrent

Scholarships for students

Total grants and subsidies

	2019 \$'000	2018 \$'000
	-	2
Total grants and subsidies	-	2

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.

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**Supplies and services**

Consumables and minor equipment
Communication expenses
Utilities expenses
Consultancies and contracted services
Minor works
Repairs and maintenance
Rental Cost ^(a)
Travel and passenger transport
Advertising and public relations
Staff professional development activities
Supplies and services - other

Total supplies and services expenses**Other expenditure**

Audit fees
Building maintenance
Expected credit losses expense
Employment on-costs
Donations
Student prizes and awards
Losses and write-offs
Other

Total other expenses**Asset revaluation decrement**

Asset revaluation decrement

Total asset revaluation decrement**Total other expenditure**

	2019 \$'000	2018 \$'000
	3,298	3,122
	416	358
	1,313	1,236
	5,372	5,545
	560	1,642
	391	605
	267	539
	222	274
	263	282
	145	227
	872	815
Total supplies and services expenses	13,119	14,645
	157	170
	983	1,942
	72	-
	2,445	2,629
	-	1
	35	34
	91	49
	20	54
Total other expenses	3,803	4,879
	145	911
Total asset revaluation decrement	145	911
Total other expenditure	17,067	20,435

(a) Included within rental costs are short-term and low value leases of up to \$5,000. This excludes leases with another wholly-owned public sector entity lessor agency. Refer to note 6.2(e) for aggregate short-term and low value leases expense.

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.

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.

Other:

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

The allowance for expected credit losses of trade 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. Please refer to note 5.1 Movement in the allowance for impairment of trade receivables.

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.

Asset Revaluation:

Revaluation increment is credited directly to an asset revaluation reserve, except to the extent that any increment reverses a revaluation decrement of the same class of assets previously recognised as an expense. Revaluation decrement is recognised as an expense, except to the extent of any balance existing in the asset revaluation reserve in respect of that class of assets.

3 Our fundingsources

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	2019 \$'000	2018 \$'000
Income from State Government	3.1	46,011	45,291
User charges and fees	3.2	9,294	9,931
Trading profit/(loss)	3.3	18	(4)
Commonwealth grants and contributions	3.4	4	155
Interest revenue	3.5	295	420
Other revenue	3.6	553	461
gain/(loss)	3.7G	1,499	(171)

3.1 Income from State Government

	2019 \$'000	2018 \$'000
Appropriation received during the period:		
Grants and subsidies ^(a)		
Delivery and Performance Agreement (DPA)	42,689	42,444
Non-DPA Grants from Department of Training and Workforce Development (DTWD)	1,423	1,037
Non-Department of Training and Workforce Development (DTWD) Grants	103	-
	44,215	43,481
Services received free of charge from other State Government agencies during the period:		
Department of Training and Workforce Development	-	-
- Corporate systems support	1,717	1,738
- Human resources and industrial relations support	79	72
	1,796	1,810
Total income from State Government	46,011	45,291

Grants received are from DTWD for the delivery of services forming part of the DPA. Revenue is recognised when the performance obligations specified in the DPA are satisfied.

(a) Grants and subsidies 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.

Grants and subsidies fund the net cost of services delivered. Appropriate revenue comprises the following

- Cash component

^(b) **Transfer of assets:** Discretionary transfers of assets (including grants) and State Government agencies are reported under Income from State Government. Transfers of assets and liabilities in relation to a restructure or administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004 and interpretation 1038. Other non-discretionary non-reciprocal transfers of assets and liabilities designed as contribution by owners under TI 955 are also recognised directly to equity.

3.2 User charges and fees

	2019	2018
	\$'000	\$'000
Fee for service		
Fee for service - general	671	831
Fee for service - Department of Workplace Training and Development (DTWD)	138	22
Fee for service - Commonwealth Government	860	738
International fees	493	590
Total fee for service	2,162	2,181
Student fees and charges		
Tuition fees	5,278	5,745
Enrolment and Resource fees	1,275	1,374
Recognition of prior learning (RPL) fees	149	167
Incidental fees	-	19
Other College fees	38	63
Total student fees and charges	6,740	7,368
Ancillary trading		
Liveworks (not a trading activity)	315	276
Joint Ventures Net Operating Result	-	1
Other Ancillary Revenue	77	105
Total ancillary trading	392	382
Total User charges and fees	9,294	9,931

User charges and fees

Revenue is recognised and measured at the fair value of consideration received or receivable. Student fees and charges are recognised over time as and when the course is delivered to students. Revenue from fee for service is recognised over time as and when the service is provided.

Revenue from ancillary trading is recognised when the service or goods are provided.

3.3 Trading profit

	2019	2018
	\$'000	\$'000
Bookshop		
Sales	80	49
Cost of Sales:		
Opening Inventory	(29)	(30)
Purchases	(127)	(55)
	(156)	(85)
Closing Inventory	63	29
Cost of Goods Sold	(93)	(56)
Total trading profit/(loss) - Bookshop	(13)	(7)
Other trading		
Sales	31	3
Total trading profit/(loss) - Other trading Total	31	3
Trading profit/(loss)	18	(4)
Closing Inventory comprises:		
Current Inventories		
At cost	63	29
Total current inventories	63	29

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

Commonwealth specific purpose grants and contributions

	2019 \$'000	2018 \$'000
	4	155
	4	155

The terms of the grant specify that it must be used to fund travel assistance for apprentices.

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. As at 31 December 2019 all of the grant has been spent.

3.5 Interest revenue

Interest revenue

	2019 \$'000	2018 \$'000
	295	420

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

Rental and facilities fees
Sponsorship and donations revenue
Miscellaneous revenue

	2019 \$'000	2018 \$'000
	148	285
	13	34
	392	142
	553	461

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 - over time when the performance obligations are satisfied.

3.7 Gains/(Losses)

Net proceeds from disposal of non-current assets

Plant, furniture and general equipment

Total proceeds from disposal of non-current assets

Carrying amount of non-current assets disposed

Buildings

Plant, furniture and general equipment

Computers and communication network

Net gain/(loss)

Other gains

Gain arising from changes in fair value - buildings

Other gains/(loss)

Total gains/(loss)

	2019 \$'000	2018 \$'000
	1	1
	1	1
	-	(147)
	-	(23)
	-	(2)
	1	(171)
	1,498	-
	1,498	-
	1,499	-

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:

		2019 \$'000	2018 \$'000
Property, plant and equipment	4.1(a)	87,443	87,390
Right-of-use assets	4.1(c)	2,798	-
Total key assets		90,241	87,390

4.1(a) Property, plant and equipment

Year ended 31 December 2019	Land \$'000	Buildings \$'000	Work in Progress \$'000	Motor vehicles, caravans and trailers \$'000	Plant, furniture and general equipment \$'000	Computer equipment, communica- tion network \$'000	Total \$'000
1 January 2019							
Gross carrying amount	3,790	82,280	-	420	1,552	491	88,533
Accumulated depreciation	-	-	-	(131)	(662)	(350)	(1,143)
Accumulated impairment losses	-	-	-	-	-	-	-
Carrying amount at start of period	3,790	82,280	-	289	890	141	87,390
Additions	-	1,728	31	32	268	-	2,059
Transfers (a)	-	-	-	-	-	-	-
Other disposals	-	-	-	-	-	-	-
Revaluation increments/(decrements)	(145)	1,498	-	-	-	-	1,353
Impairment losses (b)	-	-	-	-	-	-	-
Impairment losses reversed (b)	-	-	-	-	-	-	-
Depreciation	-	(3,004)	-	(57)	(217)	(81)	(3,359)
Carrying amount 31 December 2019	3,645	82,502	31	264	941	60	87,443
Gross carrying amount	3,645	82,503	31	452	1,820	479	88,930
Accumulated depreciation	-	(1)	-	(188)	(879)	(419)	(1,487)
Accumulated impairment losses	-	-	-	-	-	-	-

(a) Department of Planning, Lands and Heritage (DPLH) is the only agency with the power to sell Crown land. The land is transferred to DPLH for sale and SR TAFE accounts for the transfer as a distribution to owner.

(b) Impairment losses are recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss.

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.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

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.

All land and buildings are measured at current use, not market value.

Landgate values:

Land: \$3,645,000

Buildings: \$81,711,260

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(b) Depreciation and impairment

Charge for the period

Depreciation

	2019 \$'000	2018 \$'000
Buildings	3,004	2,981
Motor vehicles, caravans and trailers	57	56
Plant, furniture and general equipment	217	195
Computers and communication network	81	117
Right of Use Asset	335	-
Total depreciation for the period	3,694	3,349

As at 31 December 2019 there were no indications of impairment to property, plant and equipment.

All surplus assets at 31 December 2019 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 23 years
Plant, furniture and general equipment	4 to 28 years
Computer and communication equipment	1 to 15 years
Marine craft	-

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.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Under the College capitalisation policy, the library collection is recognised as a grouped asset at year end in accordance with Treasurer's Instruction 1101, and depreciated under a rolling depreciation methodology. Purchases in a given year are 100% depreciated in the fifth year following purchase and derecognised in the seventh year following purchase.

Under the College capitalisation policy, like Computer equipment items, less than the capitalisation threshold is recognised as a grouped asset at year end in accordance with Treasurer's Instruction 1101. Purchases in a given year are depreciated over future years in line with standard college depreciation rates.

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.

	Notes	2019 \$'000	2018 \$'000
4.1(c) Right-of-use assets			
Buildings		2,417	-
Vehicles		381	-
Total Right-of-use assets:		2,798	-
4.1(d) Depreciation charge of right-of-use assets			
Buildings		109	-
Vehicles		226	-
Total right-of-use asset depreciation		335	-
Lease interest expense (included in 6.3 Finance cost)		96	-
(included in administrative expenses)			
Short-term leases (included in 2.3 Other Expenditure)		153	-
The total cash outflow for lease in 2019 was		249	-

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

Right-of-use assets are generally depreciated on a straight line basis over the shorter of the asset's useful life and the lease term. If the agency is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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	2019 \$'000	2018 \$'000
Receivables	5.1	970	746
Other assets	5.2	282	336
Payables	5.3	711	766
Other liabilities	5.5	811	349

5.1 Receivables

	2019 \$'000	2018 \$'000
Current		
Receivables - Trade	297	195
Receivables - Students	320	352
Allowance for impairment of receivables	(179)	(107)
Accrued revenue	288	201
GST receivable	244	105
	970	746
Total current	970	746

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

	2019 \$'000	2018 \$'000
Current		
Prepayments	282	336
Other	-	-
Total current	282	336
Balance at end of period	282	336

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

	2019 \$'000	2018 \$'000
Current		
Trade payables	31	8
GST payable	-	-
Accrued expenses	361	477
Accrued salaries and related costs	319	278
Paid parental leave payable	-	3
Total current	711	766
Balance at end of period	711	766

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.

The accrued salaries suspense account (see Note 6.1 Cash and cash equivalents) consists of amounts paid annually from SR TAFE appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26 pay days.

No interest is received on this account.

5.5 Other liabilities

	2019	2018
	\$'000	\$'000
Current		
Income received in advance ^(a)	151	207
Monies/deposits held in trust	30	25
Other current liabilities ^(b)	630	117
Balance at end of period	811	349

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

^(b) The college's delivery of training during the reporting period fell below the level agreed with DTWD. An allowance has been made for a refund of training delivery funds that were paid by DTWD in advance of the delivery.

5.6 Contract assets

Where SR TAFE performs by transferring either goods or services to a customer before the payment is due or before the customer pays for consideration, then these are to be classified as contract assets. Contract assets exclude any amounts presented as a receivable.

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
Leases	6.2
Finance costs	6.3
Commitments	6.4
Non-cancellable operating lease commitments	6.4.1
Capital commitments	6.4.2
Other expenditure commitments	6.4.3

6.1 Cash and cash equivalents

	2019	2018
	\$'000	\$'000
Current		
Cash and cash equivalents		
Cash On Hand	7	7
Cash At Bank	10,395	12,607
Total cash and cash equivalents	10,402	12,614
Restricted cash and cash equivalents current		
DPA refunds due to DTWD ^(a)	630	117
Specific donations ^(b)	30	25
Allowance for deferred salaries ^(c)	196	259
Total restricted cash and cash equivalents current	856	401
Total current	11,258	13,015
Non-current		
Restricted cash and cash equivalents non-current		
Restricted cash 27th pay (non-current)	709	534
Total non-current	709	534
Balance at end of period	11,967	13,549

^(a) An amount is held as fees payable to the DTWD for a shortfall in student curriculum hours delivered and an excess of recognition of prior learning tuition.

^(b) Funds for Denmark Music Foundation \$2,593 (2018: \$3,093), the Jack Family Trust \$252 (2018: \$252), an anonymous donor \$120 (2018: \$1,620), Sue Abe \$19,200 (2018 \$20,000) and the Southern Aboriginal Corporation \$7,564 (2018: nil)

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

^(d) Amount was held in 2019 to meet 27 pays in 2024 being one additional pay period to 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 Leases

a. The statement of financial position shows the following amounts relating to lease liabilities:

6.2.1 Lease liabilities

	2019	2018
	\$'000	\$'000
Current	228	-
Non-current	2,644	-
Balance at end of period	2,872	-

b. SR TAFE leasing activities and how these are accounted for:

When a lease contract contains a lease component and non-lease component, and if the non-lease component is material, SR TAFE account for the amount of the non-lease component separately, where practicable from the lease amount by applying other applicable Standards.

Immaterial non-lease component(s) may be included in the lease amount, and accounted for as a single lease.

Lessees were required to classify leases as either finance leases or operating leases until 31 December 2018.

From 1 January 2019, at the commencement date, lessees are required to recognise leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee’s incremental borrowing rate.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

c. Variable Lease payments

Variable lease payments that are dependant on sales are recognised in profit or loss in the period in which the condition that triggers those payment occurs.

d. Extension and termination options

Periods covered by extension or termination options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

e. Short-term and low-value leases

Payments associated with short-term and low-value leases are recognised as an expense in the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets that are individually valued less than \$5,000 at cost. This excludes leases with another wholly-owned public sector entity lessor agency. These expenses are included within note 2.3 Other Expenditure.

6.3 Finance costs

	2019 \$'000	2018 \$'000
Finance costs	96	-
Lease interest expense	96	-
Finance costs expensed	96	-

‘Finance cost’ includes ‘the interest component of lease liability repayments.

6.4 Commitments

6.4.1 Non-cancellable operating lease commitments

	2019 \$'000	2018 \$'000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	-	309
Later than 1 year and not later than 5 years	-	993
Later than 5 years	-	2,798
Balance at end of period	-	4,100

From 1 January 2019, the agency has recognised the right-of-use assets and corresponding lease liability for all non-cancellable operating lease commitments, apart from short term and low value leases. Refer to Note 6.2.

The college has entered a number of leases over properties used for delivery of training services.

The terms and conditions of these leases include market rate lease charge escalation clauses and are for a set term, and include options to renew the leases.

6.4.2 Capital commitments

	2019 \$'000	2018 \$'000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	-	99
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Balance at end of period	-	99

The totals presented for capital commitments are GST inclusive.

6.4.3 Other expenditure commitments

Other expenditure commitments: Supply of telecommunication services (2018: operating leases) contracted for at the end of the reporting period but not recognised as liabilities are payable as follows:

Within 1 year

Later than 1 year and not later than 5 years

Later than 5 years

Balance at end of period

The totals presented for capital commitments are GST inclusive.

	2019 \$'000	2018 \$'000
Within 1 year	134	143
Later than 1 year and not later than 5 years	229	-
Later than 5 years	-	-
Balance at end of period	363	143

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

During the 2018 year the College entered into a number of leases for buildings for branch office accommodation. " 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.

	Notes
Financial Instruments	7.1
Contingent assets	7.2.1
Contingent liabilities	7.2.2
Contaminated sites	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:

	2019 \$'000	2018 \$'000
<u>Financial assets</u>		
Cash and cash equivalents	10,402	12,614
Restricted cash and cash equivalents	1,565	935
Finance assets at amortised cost	970	746
Total financial assets	12,937	14,295
<u>Financial liabilities</u>		
Financial liabilities measured at amortised cost	3,583	766
Total financial liabilities	3,583	766

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

As at the reporting date the college did not have any contingent assets.

7.2.2 Contingent liabilities

As at the reporting date the college did not have any 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

(a) AASB 15 Revenue from Contract with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue and AASB 111 Construction Contracts for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service and is based upon the transfer of control rather than transfer of risks and rewards.

AASB15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers.

Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, the college derives income from appropriations which are recognised under AASB 1058. AASB 1058 is applied to Not-for-Profit Entities for recognising income that is not revenue from contracts with customers. Timing of income recognition under AASB 1058 depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) recognised by an agency.

The college will adopt the modified retrospective approach on transition to AASB 15 and AASB 1058.

No comparative information will be restated under this approach, and the agency will recognise the cumulative effect of initially applying the standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 January 2019).

Under this transition method, the college has elected to apply the Standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Refer to Note 3.1 to 3.6 for the revenue and income accounting policies adopted from 1 January 2019.

The effect of adopting AASB 15, AASB 16 and AASB 1058 as at 1 January 2019 was, as follows:

	Adjustments	1 January 2019 \$'000
Assets		
Right of use asset	8.2(b)	2,921
Contract assets		-
Total Assets		<u>2,921</u>
Liabilities		
Lease liabilities	8.2(b)	2,921
Contract liabilities		-
Total Liabilities		<u>2,921</u>
Total adjustments on Equity		
Accumulated surplus/(deficit)		-
		-

With these changes there was no net impact on retained earnings on 1 Jan 2019

(a) AASB 15 Revenue from Contracts with Customers

When either party to the contract has performed the obligation, the college shall present the contract in the statement of financial position as a contract asset or a contract liability. The college shall present any unconditional rights to consideration separately as a receivable.

- (a) A receivable is the agency’s right to consideration that is unconditional and only passage of time is required before payment of the consideration is due.
- (b) A contract asset is recognised if the agency transfers goods or services to a customer before the customer pays consideration or the payment is due.
- (c) A contract liability is recognised if a customer pays consideration before the agency transfers a good or service to the customer.

(b) AASB 16 Leases

From 1 January 2019, AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The main changes introduced by the new Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as a right-of-use asset and lease liability, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (valued less than \$5,000). The operating lease and finance lease distinction for lessees no longer exists.

The college has applied the modified retrospective approach on initial adoption. As permitted under the specific transition provisions in the standard, comparatives have not been restated. The cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings. Lease liabilities recognised are measured at present value of the remaining lease payments, discounted using the incremental borrowing rate.

The college is permitted on a lease-by-lease basis to apply the following practical expedients.

- (a) A single discount rate may be applied to a portfolio of leases with reasonably similar characteristics.
- (b) Agency relies on its assessment of whether leases are onerous applying AASB 137 Provisions, Contingent Liabilities and Contingent Assets immediately before 1 Jan 2019 as an alternative to performing an impairment review, the agency shall adjust the right-of-use asset at the date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application.
- (c) Exclusion of initial direct costs from the measurement of right-of-use asset at the date of initial application.
- (d) Use of hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

AASB 16 takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- a) Right of use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate on 1 January 2019.
- b) Depreciation of right-of-use assets and interest on lease liabilities in the statement of comprehensive income.
- c) The total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the statement of cash flows.

Measurement of lease liabilities

Operating Lease Commitments disclosed as at 31 December 2018	\$'000
Discounted using incremental borrowing rate at date of initial application	4,100
Add: Finance lease liabilities recognised as at 31 December 2018	(1,179)
(Less): Short term leases not recognised as liability	2,921
(Less): Low value leases not recognised as liability	-
Lease liability recognised at 1 January 2019	2,921
Current lease liabilities	228
Non-current lease liabilities	2,693

8.3 Key management personnel

SR TAFE has determined key management personnel to include the Managing Director, 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:

	2019	2018
Compensation of the accountable authority Band (\$)		
250,001 - 260,000	-	1
220,001 - 230,000	1	-
20,001 - 30,000	1	1
0 - 10,000	9	10
Compensation of senior officers (\$)		
180,001 - 190,000	2	-
170,000 - 180,000	2	2
160,001 - 170,000	2	2
150,001 - 160,000	2	-
110,001 - 120,000	1	-
80,001 - 90,000	1	-
	2019	2018
	\$'000	\$'000
Total compensation of accountable authority	281	299
Total compensation of senior officers	736	676
	1,017	975

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);
- 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.

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:

	2019	2018
	\$'000	\$'000
Auditing the accounts, financial statements, controls and key performance indicators	157	170

8.8 Equity**Contributed equity**

Balance at start of period

Contributions by owners

Transfer of building improvements from Department of Training and Workforce Development

Total contributions by owners**Balance at the end of period**

	2019	2018
	\$'000	\$'000
Balance at start of period	106,033	102,713
Transfer of building improvements from Department of Training and Workforce Development	1,731	3,319
Total contributions by owners	107,764	106,032
Balance at the end of period	107,764	106,032

8.9 Supplementary financial information**(a) Write-offs**

During the financial year \$91,348 (2018: 63,579) of debts due to the college and nothing (2018: \$16,828) was written off the asset register under the authority of Accountable Authority.

Executive Council

	2019	2018
	\$'000	\$'000
Executive Council	91	80
	91	80

(b) Losses through theft, defaults and other causes

Losses of public money and public and other property through theft or defaults

Amounts recovered

	2019	2018
	\$'000	\$'000
Losses of public money and public and other property through theft or defaults	-	-
Amounts recovered	-	-

(c) Gifts of public property

Gifts of public property provided by SR TAFE

	2019	2018
	\$'000	\$'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 2019, and between the actual results for 2019 and 2018. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$1.13 million for the Statements of comprehensive income and cash flows, and
- 5% and \$2.12 million for the Statement of financial position.

8.10.1 Statement of Comprehensive Income Variances

Variance Note	Estimate 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2019 and 2018 \$'000
Expenses					
Employee benefits expense (a), 1	37,229	40,441	37,606	3,212	2,835
Grants and subsidies	3	-	2	(3)	(2)
Finance cost	-	96	-	96	96
Supplies and services 2	12,618	13,119	14,645	501	(1,526)
Asset revaluation decrement	-	145	911	145	(766)
Other expenses 3	3,317	3,803	4,879	486	(1,076)
Cost of sales	-	93	56	93	37
Loss on disposal of non-current assets	72	-	171	(72)	(171)
Loss on disposal of lease arrangements	-	-	-	-	-
Depreciation and amortisation expense	3,321	3,694	3,349	373	345
Total cost of services	56,560	61,391	61,619	4,831	(228)
Income					
<i>Revenue</i>					
Fee for service	2,106	2,162	2,181	56	(19)
Student fees and charges	7,392	6,740	7,368	(652)	(628)
Ancillary trading	340	392	382	52	10
Sales	61	111	52	50	59
Commonwealth grants and contributions	79	4	155	(75)	(151)
Interest revenue	400	295	420	(105)	(125)
Other revenue	307	553	461	246	92
Total revenue	10,685	10,257	11,019	(428)	(762)
<i>Gains</i>					
Gain on disposal of non-current assets	-	1	-	1	1
Other gains (b), 4	-	1,498	-	1,498	1,498
Gain on disposal of lease arrangements	-	-	-	-	-
Total gains	-	1,499	-	1,499	1,499
Total income other than income from State Government	10,685	11,756	11,019	1,071	737
NET COST OF SERVICES	45,875	49,635	50,600	3,760	(965)
Income from State Government					
Grants and subsidies	42,847	44,215	43,481	1,368	734
Liabilities assumed	-	-	-	-	-
Assets transferred	-	-	-	-	-
Services received free of charge	1,677	1,796	1,810	119	(14)
Royalties for Regions Fund	-	-	-	-	-
Total income from State Government	44,524	46,011	45,291	1,487	720
SURPLUS/(DEFICIT) FOR THE PERIOD	(1,351)	(3,624)	(5,309)	(2,273)	1,685
OTHER COMPREHENSIVE INCOME					
Items not reclassified subsequently to profit or loss					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD	(1,351)	(3,624)	(5,309)	(2,273)	1,685

Major Estimate and Actual (2019) Variance Narratives

- (a) The actual employee benefits expense for 2019 exceeded the estimate due to an increase of approximately 50 full time equivalent employees during 2019 together with an increase in the award remuneration. The creation of Jobs Skill Centres at Bunbury and Albany campuses required additional staff. Staff were also required to fill vacancies created by extended leave and changes to processes.
- (b) Other gains during 2019 included an increment in the value of the college's buildings recognised as part of Landgate's annual valuation process.

Major Actual 2019 and Comparative (2018) Variance Narratives

- 1) The actual employee benefits expense for 2019 exceeded the estimate due to an increase of approximately 50 full time equivalent employees during 2019 together with an increase in the award remuneration. The creation of Jobs Skill Centres at Bunbury and Albany campuses required additional staff. Staff were also required to fill vacancies created by extended leave and changes to processes. Voluntary severance payment to the value of \$848,450 were paid during 2019.

- 2) Expenditure on Supplies and Services was below that in the 2018 year due to additional expenditure during 2018 for the upgrading of the air conditioning system at Bunbury campus.
- 3) Other expenses during 2018 exceeded those of 2019 due to remedial work on roofing and electrical systems at the Bunbury and Albany campuses.
- 4) Other gains during 2019 included an increment in the value of the college's buildings recognised as part of Landgate's annual valuation process.

8.10.2 Statement of Financial Position Variances

Variance Note	Estimate 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2019 and 2018 \$'000
ASSETS					
Current Assets					
Cash and cash equivalents	13,441	10,402	12,614	(3,039)	(2,212)
Restricted cash and cash equivalents	377	856	401	479	455
Receivables	828	970	746	142	224
Inventories	30	63	29	33	34
Other current assets	281	282	336	1	(54)
Total Current Assets	14,957	12,573	14,126	(2,384)	(1,553)
Non-Current Assets					
Restricted cash and cash equivalents	663	709	534	46	175
Receivables	-	-	-	-	-
Property, plant and equipment	90,363	87,443	87,390	(2,920)	53
Right of Use Assets	-	2,798	-	2,798	2,798
Intangible assets	-	-	-	-	-
Contract assets	-	-	-	-	-
Other non-current assets	-	-	-	-	-
Total Non-Current Assets	91,026	90,950	87,924	(76)	3,026
TOTAL ASSETS	105,983	103,523	102,050	(2,460)	1,473
LIABILITIES					
Current Liabilities					
Payables	818	711	766	(107)	(55)
Lease Liabilities	-	228	-	228	228
Employee related provisions	7,330	7,050	6,927	(280)	123
Contract liabilities	-	-	-	-	-
Other current liabilities	-	811	349	811	462
Total Current Liabilities	8,148	8,800	8,042	652	758
Non-Current Liabilities					
Payables	-	-	-	-	-
Lease liabilities	-	2,644	-	2,644	2,644
Employee related provisions	635	594	630	(41)	(36)
Contract liabilities	-	-	-	-	-
Total Non-Current Liabilities	635	3,238	630	2,603	2,608
TOTAL LIABILITIES	8,783	12,038	8,672	3,255	3,366
NET ASSETS EQUITY					
Contributed equity					
Reserves					
Accumulated surplus / (deficit)	107,836	107,764	106,032	(72)	1,732
TOTAL EQUITY	(10,636)	(16,279)	(12,654)	(5,643)	(3,625)
	97,200	91,485	93,378	(5,715)	(1,893)

Major Estimate and Actual (2019) Variance Narratives

- (c) The 2019 estimated cash reserves were below the actual results mainly due to additional employee benefits expenses. Note (a) above lists the causes of the additional expenditure on employee benefits.
- (d) The value of Property, plant and equipment at the end of 2019 was below the estimated value. This is attributable to asset purchases being under the estimate and other factors that were not apparent when the estimates were made.
- (e) Right of use assets were not included in the estimated figures as the accounting standard AASB 16 was not operative when the estimates were made.
- (f) Lease liabilities were not included in the 2018 figures as the accounting standard AASB 16 was not operative when the estimates were made.

Major Estimate and Actual (2019) Variance Narratives

- 5) Cash balances at the end of 2019 were below 2018 level due to an increase of approximately 50 full time equivalent employees during 2019 together with an increase in the award remuneration. The creation of Jobs Skill Centres at Bunbury and Albany campuses required additional staff. Staff were also required to fill vacancies created by extended leave and changes to processes.
- 6) Right of use assets were not included in the 2018 figures as the accounting standard AASB 16 was not operative during 2018.
- 7) Lease liabilities were not included in the 2018 figures as the accounting standard AASB 16 was not operative during 2018.

8.10.3 Statement of Cash Flows Variances

Variance Note	Estimate 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2019 and 2018 \$'000
CASH FLOWS FROM STATE GOVERNMENT					
Grants and subsidies - DTWD (g), 8	42,847	44,728	41,245	1,881	3,483
Capital appropriation - DTWD	-	-	-	-	-
Royalties for Regions Fund	-	-	-	-	-
Total Net cash provided by State Government	42,847	44,728	41,245	1,881	3,483
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employee benefits (h), 9	(37,229)	(40,317)	(38,014)	(3,088)	(2,303)
Supplies and services 10	(10,941)	(11,361)	(12,943)	(420)	1,582
Finance Cost	-	(96)	-	(96)	(96)
Grants and subsidies	(3)	-	(2)	3	2
GST payments on purchases	(895)	(1,252)	(1,229)	(357)	(23)
Other payments 11	(3,377)	(3,881)	(2,716)	(504)	(1,165)
Receipts					
Fee for service	2,106	2,019	2,263	(87)	(244)
Student fees and charges	7,392	6,757	7,368	(635)	(611)
Ancillary trading	340	392	382	52	10
Commonwealth grants and contributions	79	4	155	(75)	(151)
Interest received	400	295	420	(105)	(125)
GST receipts on sales	40	124	116	84	8
GST receipts from taxation authority	854	1,128	1,113	274	15
Other receipts	356	538	458	182	80
Net cash used in operating activities	(40,878)	(45,650)	(42,629)	(4,772)	(3,021)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments					
Purchase of non-current physical assets	(961)	(404)	(373)	557	(31)
Capital Contribution	-	-	-	-	-
Receipts					
Proceeds from sale of non-current physical assets	-	-	1	-	(1)
Capital Contribution	-	-	285	-	(285)
Net cash provided by investing activities	(961)	(404)	(87)	557	(317)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments					
Other repayments	-	(262)	-	(262)	(262)
Receipts					
Other receipts	-	5	-	5	5
Net cash provided by/(used in) financing activities	-	(257)	-	(257)	(257)
Net decrease in cash and cash equivalents	1,008	(1,583)	(1,471)	(2,591)	(112)
Cash and cash equivalents at the beginning of period	13,473	13,550	15,020	77	(1,470)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	14,481	11,967	13,549	(2,514)	(1,582)

Major Estimate and Actual (2019) Variance Narratives

- (g) Grants and subsidies for 2019 exceeded the estimate due to additional payments for technology upgrades, regulatory compliance changes, additional employment benefit expenses and costs associated with staff restructuring.
- (h) Cash outflows for employee benefits during 2019 exceeded estimates due to an increase of approximately 50 full time equivalent employees during 2019 together with an increase in the award remuneration. The creation of Jobs Skill Centres at Bunbury and Albany campuses required additional staff. Staff were also required to fill vacancies created by extended leave and changes to processes. Voluntary severance payment to the value of \$848,450 were paid during 2019.

Major Actual 2019 and Comparative (2018) Variance Narratives

- 8) Grants and Subsidies for 2019 exceeded the 2018 revenue due to additional payments for technology upgrades, regulatory compliance changes, additional employment benefit expenses and costs associated with staff restructuring.
- 9) Cash outflows for employee benefits during 2019 exceeded estimates due to an increase of approximately 50 full time equivalent employees during 2019 together with an increase in the award remuneration. The creation of Jobs Skill Centres at Bunbury and Albany campuses required additional staff. Staff were also required to fill vacancies created by extended leave and changes to processes.
- 10) Cash outflows for Supplies and Services was below that in the 2018 year due to additional expenditure during 2018 for the upgrading of the air conditioning system at Bunbury campus.
- 11) Cash outflows for other payments during 2019 exceeded those of 2018 due to remedial work on buildings being carried out by DTWD during 2018 and contributed as equity.

2020 FORWARD FINANCIAL ESTIMATES

ANNUAL ESTIMATES

In accordance with Treasurer's Instruction 953, the annual estimates for the 2020 year are hereby included in the 2019 Annual Report. These estimates do not form part of the 2019 financial statements and are not subject to audit.

South Regional TAFE	
STATEMENT OF COMPREHENSIVE INCOME	2020
ESTIMATE FOR THE YEAR ENDED 31 DECEMBER 2020	\$
COST OF SERVICES	
Expenses	
Employee benefits expense	37,328,978
Supplies and services	12,902,973
Depreciation and amortisation expense	3,320,757
Finance costs	-
Grants and subsidies	2,500
Loss on disposal of non-current assets	-
Cost of sales	73,713
Other expenses	<u>3,384,024</u>
Total Cost of Services	<u>57,012,945</u>
Income	
Revenue	
Fee for service	2,122,599
Student charges and fees	7,213,593
Ancillary trading	344,794
Sales	62,606
Commonwealth grants and contributions	78,978
Interest revenue	400,000
Other revenue	<u>312,226</u>
Total Revenue	<u>10,534,796</u>
Gains	
Gain on disposal of non-current assets	-
Other gains	-
Total Gains	<u>-</u>
Total income other than income from State Government	<u>(46,478,149)</u>
NET COST OF SERVICES	
INCOME FROM STATE GOVERNMENT	
State funds	43,335,106
Assets assumed/(transferred)	-
Resources received free of charge	<u>1,691,924</u>
Total income from State Government	<u>45,027,030</u>
SURPLUS (DEFICIT) FOR THE PERIOD	<u>(1,451,119)</u>
OTHER COMPREHENSIVE INCOME	
Changes in asset revaluation reserve	-
Gains/(losses) recognised directly in equity	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(1,451,119)</u>

2020 FORWARD FINANCIAL ESTIMATES

South Regional TAFE STATEMENT OF FINANCIAL POSITION ESTIMATE AS AT 31 DECEMBER 2020	2020 \$
ASSETS	
Current Assets	
Cash and cash equivalents	14,210,093
Restricted cash and cash equivalents	377,200
Inventories	30,000
Receivables	828,000
Other current assets	<u>281,000</u>
Total Current Assets	<u>15,726,293</u>
Non-Current Assets	
Restricted cash and cash equivalents	802,543
Property, plant and equipment	<u>89,503,690</u>
Total Non-Current Assets	<u>90,306,233</u>
TOTAL ASSETS	<u>106,032,526</u>
LIABILITIES	
Current Liabilities	
Payables	818,000
Provisions	<u>7,330,000</u>
Total Current Liabilities	<u>8,148,000</u>
Non-Current Liabilities	
Provisions	<u>635,000</u>
Total Non-Current Liabilities	<u>635,000</u>
TOTAL LIABILITIES	<u>8,783,000</u>
NET ASSETS	<u>97,249,526</u>
EQUITY	
Contributed Equity	109,336,178
Reserves	-
Accumulated surplus/(deficiency)	<u>(12,086,652)</u>
TOTAL EQUITY	<u>97,249,526</u>

2020 FORWARD FINANCIAL ESTIMATES

South Regional TAFE STATEMENT OF CHANGES IN EQUITY ESTIMATE AS AT 31 DECEMBER 2020	2020 \$
Balance of equity at start of period	97,200,645
CONTRIBUTED EQUITY	
Balance at start of period	107,836,178
Capital contribution	-
Other contributions by owners	1,500,000
Distributions to owners	-
Balance at end of period	<u>109,336,178</u>
RESERVES	
Asset Revaluation Reserve	
Balance at start of period	-
Changes in accounting policy or correction of prior period errors	-
Restated balance at start of period	-
Gains/(losses) from asset revaluation	-
Balance at end of period	<u>-</u>
ACCUMULATED SURPLUS (RETAINED EARNINGS)	
Balance at start of period	(10,635,533)
Changes in accounting policy or correction of prior period errors	-
Restated balance at start of period	(10,635,533)
Surplus/(deficit) or profit/(loss) for the period	(1,451,119)
Gains/(losses) recognised directly in equity	-
Balance at end of period	<u>(12,086,652)</u>
Balance of equity at end of period	<u>97,249,526</u>

2020 FORWARD FINANCIAL ESTIMATES

South Regional TAFE	
STATEMENT OF CASH FLOWS	2020
ESTIMATE FOR THE YEAR ENDED 31 DECEMBER 2020	\$
CASH FLOWS FROM STATE GOVERNMENT	
State funds	43,335,106
Net cash provided by State Government	<u>43,335,106</u>
Utilised as follows:	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Payments	
Employee benefits	(37,328,978)
Supplies and services	(11,211,049)
Grants and subsidies	(2,500)
GST payments on purchases	(913,500)
Cost of goods sold	(73,713)
Other payments	(3,370,857)
Operating Receipts	
Fee for service	2,122,599
Student fees and charges	7,213,593
Ancillary trading	344,794
Commonwealth grants and contributions	78,978
Interest received	400,000
GST receipts on sales	41,300
GST receipts from taxation authority	872,200
Sale of Goods	62,606
Other receipts	299,059
Net cash provided by/(used in) operating activities	<u>(41,465,468)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of non-current physical assets	-
Purchase of non-current physical assets	(961,000)
Purchase/Sale of Investments	-
Investments in other current financial assets	-
Net cash provided by/(used in) investing activities	<u>(961,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowings	-
Repayment of borrowings	-
Other proceeds	-
Other repayments	-
Finance lease repayment of principal	-
Net cash provided by/(used in) financing activities	<u>-</u>
Net increase/(decrease) in cash held and cash equivalents	908,638
Cash and cash equivalents at the beginning of the period	<u>14,481,198</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>15,389,836</u>

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 2019.



Professor Bryant Stokes
**Chairperson Governing
Council**

Date: 6 March 2020



Sue Lapham
Acting Managing Director

South Regional TAFE

Date: 6 March 2020

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 TAFE¹ 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 2019 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 2019 for the College Training Profile was 2,500,000(100%); 97.78% 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 2019 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.

¹ 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 2019 actual outcomes achieved against planned delivery based on ANZSCO Group classifications for the period 1 January to 31 December 2019.

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	2019 Achieved	2019 Planned	% Achieved
1 – MANAGERS	42,606	36,210	117.66%
11 – Chief Executives, General Managers and Legislators	10,560	7,560	139.68%
12 – Farmers and Farm Managers	6,990	5,820	120.10%
13 – Specialist Managers	0	0	0
14 – Hospitality, Retail and Service Managers	25,056	22,830	109.75%
2 – PROFESSIONALS	206,669	187,710	110.10%
21 – Arts and Media Professionals	51,939	48,580	106.91%
22 – Business, Human Resources and Marketing Professionals	5,180	2,020	256.44%
23 – Design, Engineering, science and Transport Professionals	69,475	70,140	99.05%
24 – Education Professionals	48,770	37,610	129.67%
25 – Health Professionals	0	0	0
26 – ICT Professionals	31,305	29,360	106.62%
27 – Legal, Social and Welfare Professionals	0	0	0
3 – TECHNICIANS AND TRADES WORKERS	585,925	622,010	94.20%
31 – Engineering, ICT and Science Technicians	130,501	151,690	86.03%
32 – Automotive and Engineering Trades Workers	170,002	189,360	89.78%

33 – Construction Trades Workers	69,244	63,160	109.63%
34 – Electro technology and Telecommunications Trades Workers	38,050	37,000	102.84%
35 – Food Trades Workers	44,502	42,610	104.44%
36 - Skilled Animal and Horticultural Workers	44,577	57,390	77.67%
39 – Other Technicians and Trades Workers	89,049	80,800	110.21%
4 – COMMUNITY AND PERSONAL SERVICE WORKERS	807,200	805,490	100.21%
41 – Health and Welfare Support Workers	194,995	211,200	92.33%
42 – Carers and Aides	433,705	429,500	100.98%
43 – Hospitality Workers	40,075	29,180	137.34%
45 – Sports and Personal Service Workers	138,425	135,610	102.08%
5 – CLERICAL AND ADMINISTRATIVE WORKERS	241,665	248,850	97.11%
51 – Office Managers and Program Administrators	14,905	22,730	65.57%
52 – Personal Assistants and Secretaries	0	0	0
53 – General Clerical Workers	137,095	138,170	99.22%
54 – Inquiry Clerks and Receptionists	0	0	0
55 – Numerical Clerks	89,665	87,950	101.95%
59 – Other Clerical and Administrative Workers	0	0	0
6 – SALES WORKERS	3,940	4,120	95.63%
62 – Sales Assistants and Salespersons	3,940	4,120	95.63%
7 – MACHINERY OPERATORS AND DRIVERS	96,282	67,260	143.15%
71 – Machine and Stationary Plant Operators	61,182	51,710	118.32%
72 – Mobile Plant Operators	35,100	15,550	225.72%

74 – Store persons	0	0	0
8 – LABOURERS	300,317	312,230	96.18%
81 – Cleaners and Laundry Workers	0	0	0
82 – Construction and Mining Labourers	39,792	34,810	114.31%
83 – Factory Process Workers	38,397	45,020	85.29%
84 – Farm, Forestry and Garden Workers	134,478	144,350	93.16%
85 – Food Preparation Assistants	13,973	12,210	114.44%
89 – Other Labourers	73,677	75,840	97.15%
G – General Education	159,987	216,120	74.03%
GB – Adult Literacy/ESL	105,020	97,900	107.27%
GC – Languages	0	0	0
GE – Targeted Courses	54,967	118,220	46.50%
Grand Total	2,444,591	2,500,000	97.78%

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:
 - 31 – Engineering, ICT and Science Technicians
 - 32 – Automotive and Engineering Trades Workers
 - 36 - Skilled Animal and Horticultural Workers
 - 51 – Office Managers and Program Administrators
 - 83 – Factory Process Workers
 - GE – Targeted Courses

- Higher than expected demand in respective ANZSCO groups as follows:
 - 11 – Chief Executives, General Managers and Legislators
 - 12 – Farmers and Farm Managers
 - 22 – Business, Human Resources and Marketing Professionals
 - 24 – Education Professionals

- 39 – Other Technicians and Trades Workers
 - 43 – Hospitality Workers
 - 71 – Machine and Stationary Plant Operators
 - 72 – Mobile Plant Operators
 - 82 – Construction and Mining Labourers
 - 85 – Food Preparation Assistants
- 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 2019 Student Satisfaction survey fieldwork was conducted between September 11th 2019 and November 25th 2019. The usable State population was established as 60,249 with 12,917 usable returns received (response rate of 21.4%). From a usable population of 6,084 at South Regional TAFE, 1,357 usable returns were received (response rate of 22.3%. The standard error for South Regional TAFE was calculated at 0.7% 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 $\pm 0.6\%$).

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.

Student Satisfaction Survey		
2019 Actual	2019 Target	2018 Actual
91.7%	88.0%	90.3%

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 2019 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 34.1%. Response rates for the South Regional TAFE were 38.1% with relative sampling errors of:

- $\pm 3.1\%$, with a 95% confidence level. (for Graduate Achievement Rate)
- $\pm 2.9\%$, 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).

South Regional TAFE Student Outcome Survey Response Rates 2019	
Number of questionnaires distributed	1564
Number of responses received	596
Response Rate	38.1%

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 2019 for Achieved Aim was 87.00%. South Regional TAFE achieved 79.6%.

South Regional TAFE Graduate Achievement Rate			
	2017	2018	2019
South Regional TAFE	86.1%	84.1%	79.6%
Target	87.0%	87.0%	87.0%
Australia	84.2%	84.2%	83.9%

Graduate Destination

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

The target in 2019 for Graduate Destination was 81.00%. South Regional TAFE achieved 75.3%

South Regional TAFE Graduate Achievement Rate			
	Graduates Employed	Not employed	Unemployed
2019	75.3%	24.7%	15.0%

2018	75.1%	24.9%	14.5%
2017	74.5%	25.5%	16.0%
2019 Target	81.0%		
Australia	76.6%	23.4%	14.6%

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

Analysis of results:

- As South Regional TAFE was established in April 2016, trend data is only available for the 2017 - 2019 academic years. Figures for 2019 indicate marginal improvement over 2018 results and outcome is within 1.3% of the national result for all VET providers in Australia.

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 253,298 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 2019 SCH figures were derived from the AVETMISS Survey as extracted from the College's Student Management System (SMS). 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 2019 was \$22.00/SCH. The College achieved \$22.75/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
2019	\$61,390,636	2,697,889	\$22.75	\$22.00

Analysis of results:

- South Regional TAFE was established in April 2016, trend data exists only for the 2017 to 2019 academic years.

Average Cost of SCH is consistent with 2018 results in terms of hours delivered and overall cost.

Ministerial Directives

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

No such directives were issued to South Regional TAFE in 2019.

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 had no capital works that were completed in 2019 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 \$4.3 million), the construction of an NDIS training facility on the Bunbury campus (budget of \$1.5 million) and tenders have closed for the construction of a new campus in Esperance (budget of \$18 million).



Hairdresser Sophie Kinson competes at the WorldSkills regional hairdressing competition at the Bunbury campus.

Employment and Industrial Relations

Staff profile 2019

Staff Profile (FTE)		30 Sept 2017	30 Sept 2018	30 Sept 2019
Lecturing Staff	Permanent	98.38	129.57	159.20
	Contract	74.67	50.75	30.69
	Casual	44.39	18.92	36.79
Support Staff	Permanent	134.35	137.10	153.39
	Contract	13.40	16.31	11.34
	Casual	19.43	8.49	20.36
<i>Taken from data assembled for HR MOIR Quarterly FTE reports for September</i>		384.62	361.14	411.77

Staff development

The college continued its commitment to the professional development of staff in 2019. Over the course of the year, 428 employees have participated in 1083 recorded instances of professional development or training.

In January, 319 staff attended the annual college Welcome Days at the Bunbury and Albany campuses. In that forum, the Managing Director reviewed college progress against the Strategic Plan. Staff were reminded of their obligations as an officer and as a public sector employee, and of the compliance framework applicable at South Regional TAFE. This included a refresher on the Staff Code of Conduct, and information about the authorities prescribed by the delegations manual.

During the year, the college increased its capability to support staff in situations of family and domestic violence (FDV), with 32 managers and key personnel attending FDV first responder training. The college's designated FDV contact officers and OSH consultants also participated in training regarding safety planning. General awareness sessions were made available to all staff at the Albany and Bunbury campuses.

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 during 2019.

Industrial Relations

In accordance with the Western Australian TAFE Lecturers' General Agreement 2017 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.

No claims were brought to the WA Industrial Relations Commission in 2019.

Workers' compensation

Eleven claims were received in the 2019 calendar year. This compares with 11 claims received and accepted in 2018.

Governance Disclosures

Directors Liability insurance

South Regional TAFE paid \$14,460.80 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	12
The aggregate amount of personal use expenditure for the reporting period	\$382.34
The aggregate amount of personal use expenditure settled by the due date	\$237.65
The aggregate amount of personal use expenditure settled after the period required	\$144.69
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	6

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 the subject of disclosures. In accordance with the Act, South Regional 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 2019.

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.

Board and committee remuneration

The following payments were made to governing council members in 2019.

Name	Position	Gross/Actual remuneration \$
Bryant Stokes	Chair	23,536.98
Wendy Giles	Deputy Chair	2,215.00
Susan Bennett-Ng	Member	2,304.00
Nadine Carter	Member	2,304.00
Mark Dowling	Member	1,920.00
Marilyn Hopkins	Member	1,920.00
Peter McCaffrey	Member	768.00
Helen Grzyb	Member	1,152.00
Giuseppina Versace	Member	2,304.00
Benjamin Headlam	Member	1,536.00

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.



Cabinet making apprentice Dylan Radar at the Cabinet Making WorldSkills Regional competition held at the Bunbury campus.

Other legal requirements

Expenditure on advertising, market research, polling and direct mail

Expenditure	Total \$	Organisation	Amount \$
Media Advertising Organisations	192,276.84	Carat (Media Agency) Adcorp	175,431.62 16,845.22
Direct Advertising	36,932.27	Facebook Plantagenet News Denmark Bulletin Great Southern Herald Google WA Newspapers LinkedIn	17,300.27 3,812.63 4,032.00 45.45 11,477.17 209.09 55.66
Directories	3,895.50	Albany Chamber of Commerce and Industry Augusta Community Directory Margaret River Directory Narrogin Directory Collie Chamber of Commerce	771.23 590.50 1,170.13 1,000.00 363.64
TOTAL			233,104.61



As part of a revegetation project at the Albany campus, Eloise Mae Varga and Courtney Carroll plant native species in a former blue gum plantation.

Disability Access and Inclusion Plan Outcomes

Disability Access and Inclusion Plan 2017 – 2021.

South Regional TAFE implements strategies to address the college's Disability Access and Inclusion Plan outcomes to ensure the college's services, facilities and information are accessible and inclusive of the needs of people with disability. In 2019 the college's strategies 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 including webinars Incorporating UDL Principles in Assessment and The Inclusive Classroom.
 - Individualised support, learning resources and equipment were provided to meet the learning needs of students with disability.
 - The college liaised with schools, agencies, and families to support the transition of secondary students with disability to training at the college, and participated in the Pathways to Employment Program (P2E) for students with disability.
 - All college events were held in venues accessible for people with disability.
 - Web counselling was set up for regional campuses to link with counsellors located in Albany and Bunbury.
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 – the textiles classroom was redesigned so that the furniture and equipment layout allowed better access for students with mobility difficulties and visual impairments, and toilet door signs were improved to include Braille signage.
 - At Bunbury campus – a lift has been installed and the Ngala Maya doorway has been widened to ensure access for people who use a wheelchair.
 - 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 was promoted to staff.

- Word skills training on how to structure documents correctly for accessibility was promoted to staff.
 - Software, apps and resources to access learning materials were promoted and provided to staff and students including Read&Write software, Dragon Naturally Speaking, reader pens and Livescribe pens.
 - Ongoing liaison was maintained with community networks, schools and agencies supporting people with disability.
 - South Regional TAFE staff participated in the Future Opportunity Youth Conference, NDIS forums, 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 applying reasonable adjustment, practical strategies for teachers with learners who are Deaf or hard of hearing, how to best support a student with dyslexia, accessible assessment for students with vision impairment, anxiety in young people – practical support strategies for school communities, and SAFETalk.
 - Advice and support were provided for staff on facilitating access and inclusion for students with disability.
 - A disability awareness training e-learning module was embedded in the college induction as recommended training for all staff.
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.
- Students were consulted through surveys provided in hardcopy or online
 - The college 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.
- 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. 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.

A new online induction was launched in 2019. All existing staff were required to complete four core modules including Corporate Induction, Accountable and Ethical Decision Making, OSH Induction, and Records Awareness training. Staff were also required to sign to acknowledge the current Staff Code of Conduct.

The college hosted the Public Sector Commission in Albany. Information sessions and workshops were delivered to staff from South Regional TAFE and other local state and local government entities on Integrity in Recruitment, Misconduct Prevention, and Public Interest Disclosure.

Two breach of standards claims were lodged in 2019 in relation to the Public Sector Standards (Employment Standard). One claim was withdrawn by the applicant, and one claim was dismissed on review by the Public Sector Commission. One matter was addressed as substandard performance under the college's Managing Performance Concerns policy. One matter was addressed under the college disciplinary process, with a finding of a breach of discipline. No formal grievances were lodged by employees in 2019.

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 is represented on the working group.

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 had ceased and these had become read-only legacy datasets. To be compliant with the Overarching Naming Convention in the TAFE Sector Consolidated Recordkeeping Plan, endorsed by the SRC, the South Regional TAFE Document Naming policy was updated and implemented.

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.



Margaret River cookery students and lecturers at the 2019 Gourmet Escape with celebrity chef Pierre Koffman.

Occupational Safety, Health and Injury Management

Statement of Commitment OSH

South Regional TAFE is committed to providing a safe and healthy working and learning environment and maintaining the wellbeing of the college community.

Workplace safety and health is beyond just a legal obligation – it is about making sure staff, contractors and community feel safe and supported at work and when visiting.

Safety and health are the responsibility of everyone, and practices can only be improved when everyone works together. Through effective communication, consultation and cooperation across all levels, the college aims to enlist the support and cooperation of employees, contractors and students in reporting incidents and hazards and helping to develop innovative solutions to eliminate unsafe working conditions and practices.

Statement of Commitment Injury Management

The college will ensure that injured employees will be treated with dignity and respect. It 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, the college 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 OSH 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 (OSH) 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, where members:

- 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 ongoing management of safety and health
- 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

All staff, where relevant, were required to undertake the following mandatory refresher inductions:

- Occupational Safety and Health
- Accountable and Ethical Decision Making
- Records Awareness Training
- Corporate Induction
- Prison Inductions
- Noise Hearing Training
- Domestic and Family Violence Training Program
- OSH for Managers
- Risk assessment using the Chemwatch system
- Fire equipment familiarisation training.

A range of training and awareness program opportunities were provided for all staff. Training was offered in areas including:

- First Responder
- Equal Opportunity Essentials for Managers
- Incident and Hazard Reporting using MYOSH
- Manual Handling
- Emergency Procedures
- Elevated Work Platform licence
- Chainsaw, Skid Steer Loader, Forklift
- First Aid
- OSH for Supervisors
- Diverse WA Cultural Competency
- Induction to the WA Public Sector
- Disability Awareness
- Staff Code of Conduct.

Projects

A range of works projects have been undertaken to address OSH issues.

These include:

All campuses

- Installation of emergency telephones in high-risk areas.

Bunbury campus

- Upgrade of vehicle engine stands in automotive areas
- Modifications to the safety stop systems for the gantry crane
- Upgrade of air-conditioning systems and installation of industrial fans
- Update of storage areas and manual handling aids in hospitality areas
- Installation of raised walkway and platform around carpentry hopper for safe access

Albany

- Harvesting of blue gum plantation to reduce fire hazard
- Carried out tree condition safety report
- Extension of automotive storeroom to reduce hazards
- Construction of lean-to alongside building and construction to store equipment and reduce hazards
- Replacement of fragile roof sheets and upgrade of roof anchor points
- Installation of raised walkway and platform around carpentry hopper for safe access

South West campuses

- Review of asbestos management plan and registers

Great Southern campuses

- Review and update of evacuation maps

Narrogin

- Installation of safety eye wash showers and chemical storage areas in multi-use workshops

Margaret River

- Upgrade of drainage

Collie

- Major renovations and upgrades

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, 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

The OSH Management system is in place and focused internal audits were carried out to track performance against AS/NZS 4801:2001 Occupational Safety and Health (OSH) Management System utilising the WorkSafe Plan Assessment Tool. The major focus of the internal audits was around hazardous substance management, risk management activities and emergency procedures.

Audit identified six non-compliances. As a result, 19 corrective actions were issued around these six areas and a follow-up has shown that 16 of those corrective actions have now been completed and that good processes are now in place at an operational level. The three remaining corrective actions centre on procedural gaps, and strategies have been developed to ensure processes work effectively at an operational level but need to be reviewed mid-2020.

For the internal audit in 2020, the college will audit against AS/NZS 4801:2001 – Occupational Health and Safety Management Systems. However throughout 2020/21, the college will migrate from AS/NZS 4801:2001 to the new International Standard ISO:45001 Occupational Safety and Health Management System. The college is working towards an external audit against ISO:45001 for 2022.



Music students from the Denmark campus played at the Nannup Music Festival in March.

Performance Data Report

Indicator	Actual Results				Results against Target
	2017	2018	2019	Target	Comment on Result
Number of fatalities	0	0	0	0	Achieved
Lost time injury/disease incidence rate	1.58	.76	1.47	Zero (0) or 10% reduction on previous 3 years	Not Achieved
Lost time injury severity rate	20	33	33	Zero (0) or 10% reduction on previous 3 years	Not Achieved
Percentage of injured workers returned to work (i) within 13 weeks	83%	100%	80%	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%	39%	Greater than or equal to 80%	Not Achieved
# Figures are accurate as at time of reporting					