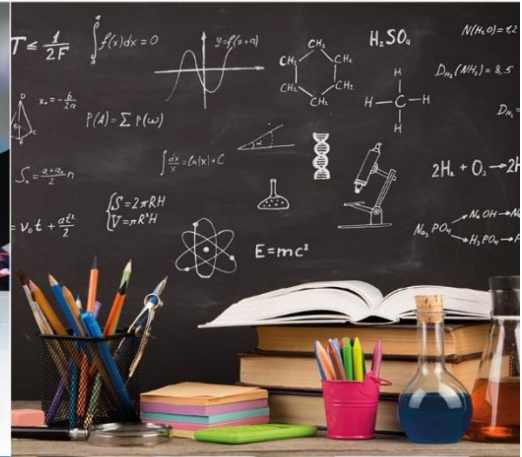




Government of Western Australia
Central Regional TAFE

ANNUAL REPORT

11 April 2016 - 31 December 2016



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About this Annual Report

This Annual Report presents easy to read information on the operational, financial and service performance of Central Regional TAFE for the period 11 April to 31 December 2016.

As part of our continuous improvement approach we welcome any feedback on this report or suggestions on how we can enhance the information we provide. This Annual Report is also available in alternative formats upon request.

Enquiries and feedback may be directed to:

Manager Planning and Quality
Locked Bag 22
KALGOORLIE WA 6433

Telephone: (08) 9088 6702
Email: quality@crtafe.wa.edu.au

Contact Us

Toll Free: 1800 672 700

Visit our website

<http://www.centralregionaltafe.wa.edu.au>

Mid West & Gascoyne

Geraldton

Fitzgerald Street GERALDTON WA 6531
Locked Bag 103 GERALDTON WA 6531
Telephone: (08) 9956 2700
Fax: (08) 9921 7705
Email: info@crtafe.wa.edu.au

Technology Park Campus

Cnr Deepdale Road and Arthur Road
Locked Bag 103 GERALDTON WA 6531
Telephone: (08) 9956 2700
Email: TechnologyParkCampus@crtafe.wa.edu.au

Batavia Coast Maritime Institute

Willcock Drive GERALDTON WA 6530
Locked Bag 103 GERALDTON WA 6531
Telephone: (08) 9956 2170
Email: bcmi@crtafe.wa.edu.au

Exmouth

5 Pellew Street EXMOUTH WA 6707
PO Box 32 EXMOUTH WA 6707
Telephone: (08) 9949 2624
Email: exmouth@crtafe.wa.edu.au

Carnarvon

14 Camel Lane CARNARVON WA 6701
PO Box 961 CARNARVON WA 6701
Telephone: (08) 9941 0100
Fax: (08) 9941 0170
Email: carnarvon@crtafe.wa.edu.au

Wheatbelt

Northam

Lot 1 Hutt Street, NORTHAM WA 6401

PO Box 498, NORTHAM WA 6401

Telephone: (08) 9622 6777

Fax: (08) 9622 6890

Email: info@crtafe.wa.edu.au

Moora

242 Berkshire Valley Road

MOORA WA 6510

PO Box 329, MOORA WA 6510

Telephone: (08) 9651 0111

Fax: (08) 9651 0190

Email: moora@crtafe.wa.edu.au

Merredin

42 Throssell Road, MERREDIN WA 6415

PO Box 542, MERREDIN WA 6415

Telephone: (08) 9081 3555

Fax: (08) 9081 3590

Email: merredin@crtafe.wa.edu.au

Goldfields

Kalgoorlie

34 Cheetham Street

KALGOORLIE WA 6430

Locked Bag 22, KALGOORLIE WA 6433

Telephone: 1800 465 334

Email: info@crtafe.wa.edu.au



Statement of Compliance

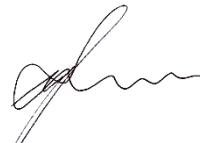
Hon Sue Ellery, MLC
Minister for Education and Training
13th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

In accordance with section 54 of the *Vocational Education and Training Act 1996* and section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report for Central Regional TAFE for the period 11 April to 31 December 2016.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and the Public Sector Commission's *Annual Reporting Framework (2015/2016)*.



Mary Woodford
Chairperson of Governing Council
Central Regional TAFE
21 March 2017



Bill Swetman
Managing Director
Central Regional TAFE
21 March 2017

A Message from the Governing Council Chair and Managing Director

We are pleased to present Central Regional TAFE's 2016 Annual Report.

The 2016 reporting period commenced with the implementation of the Government's Taskforce Reform recommendations being implemented across Western Australia. This resulted in a new TAFE being created with the amalgamation of the Midwest, Gascoyne (Durack Institute), Wheatbelt (CY O'Connor) and Goldfields (Goldfields Institute) regions into one legal entity under the Vocational Education and Training Act 1996 (WA) - Central Regional TAFE. The main campuses remain located at Kalgoorlie, Northam and Geraldton with smaller campuses at Carnarvon, Exmouth, Moora and Merredin. The iconic Batavia Coast Maritime Institute, also forms part of Central Regional TAFE and is located on the coastline in Geraldton. Technology Park, a new, smaller campus located next to the eastern transport corridor of Geraldton, is also a part of our training footprint.

Overseeing the governance of Central Regional TAFE is a Governing Council that was appointed on 11 April 2016. Since being appointed the Council has finalised the 2017-2019 Strategic Plan, thereby setting the directions of the new TAFE to harness a wide range of opportunities throughout the region including broadening the range of training courses and more efficient infrastructure planning.

A review of organisational structures was a key component of the reform of the WA VET sector and by December 2016 the College was able to establish the initial structure, with ongoing review and monitoring of operations and staffing to continue in 2017.

While optimistic about the reforms, there have been challenges and these will impact on the next reporting period.

Achieving our contracted training targets proved challenging in 2016 with 82.2% achieved overall. However there were positive results for Employment Based Training (98.4% achieved) and Priority Industry Training (94.0% achieved), which is indicative of the need in Western Australia for training to increase qualifications in these areas.

Achieving delivery targets and addressing the training needs of our client base throughout our geographic footprint has been challenging. The downturn and shift in the economic climate, increases in TAFE course fees, and changes in Federal policy for the unemployed have all impacted upon access to training for our clients. However, the State Government decision to cap fees in 2017 and to significantly increase the fee reduction for Concession Card holders should encourage more enrolment activity into the future. Similarly, despite concerns nationally with the VET Fee Help program, it continues to be a positive support mechanism for students enrolling in diploma and above qualifications.

Another challenge the Governing Council and management are conscious of for all areas of operation, especially training, is overcoming the tyranny of distance between geographic locations. A particular emphasis will be on increasing growth in flexible and online training courses, and increased mobility and collaboration of staff, to ensure training opportunities expand efficiently and effectively to meet student needs.

During this reporting period the training areas that performed well included nursing (preparatory and Diploma), commercial cookery, beauty therapy, education support, civil construction, early childhood education and care, conservation and land management, electro technology, engineering and rural operations.

2016 was also a successful year for student outcomes, with 92.2% of students satisfied with the training provision and general operations that Central Regional TAFE provided. Students at Central Regional TAFE were among the winners and finalists at the 2016 WA Training Awards, with Jasmin Porter winning the WA Cultural Diversity Training award and Natalie Robinson, the WA International Student of the Year award. Central Regional TAFE was also a finalist in the WA Large Training Provider of the Year award.

The College continues to work in collaboration with other partners to bring training opportunities to the region, including, other TAFE Colleges, secondary schools, Aboriginal communities and agencies, universities, local government, the resources sector, and health and community services industries. A review of 2016 training provision will see a shift in training focus in 2017 for Central Regional TAFE, with areas such as agriculture, aged care, community care, health, early childhood care and foundation skills expected to grow, in line with economic forecasts as to where future job opportunities will be.

The major capital works undertaken in 2016 included the \$2.85 million Student Hub facility at the Geraldton campus. The “Hub” will provide an essential expansion to core library facilities and a dynamic, flexible and collegiate learning environment, including a significant upgrade to the existing College Café. It is expected that the café upgrade will be completed by the end of January 2017 and the “Hub” by the end of April 2017. In 2017 the College is looking forward to refurbishment of the aged care and nursing training facilities at the Northam campus. Further consultation will also be undertaken to progress a business case for the potential development of a Hard Rock Processing training facility at Kalgoorlie campus.

We would like to thank all Governing Council members, including those of the former Institutes, for their contribution to the transition to the new TAFE College. Their knowledge in sound governance, commitment to regional training and broad scope of expertise has been invaluable. Finally, we extend a special acknowledgment and thank you to all our staff, students, and community and industry stakeholders for their support and “can do” attitude throughout 2016.



Mary Woodford
Governing Council Chair
Central Regional TAFE



Bill Swetman
Managing Director
Central Regional TAFE

Agency Overview

About Us

On 11 April 2016 Durack Institute of Technology, Goldfields Institute of Technology (Kalgoorlie Campus) and the CY O'Connor Institute (Northam, Merredin and Moora campuses) formed Central Regional TAFE.

The amalgamation offers our clients an increased and extensive range of nationally recognised qualifications ranging from Certificate I through to Advanced Diploma in a wide range of industry areas. We have campuses located in Geraldton (including Batavia Coast Maritime Institute and Technology Park), Carnarvon, Exmouth, Kalgoorlie, Merredin, Moora and Northam.

Central Regional TAFE plays an important role in addressing industry's need for an appropriately skilled workforce by delivering training that allows regional people to maximise their employment opportunities. As a result, we have considerable experience in the provision of accredited and non-accredited training solutions to meet the future needs of the labour force. Central Regional TAFE puts strong emphasis on ongoing consultation with industry and the community and prides itself on having developed strong partnerships with our local employers.



Note: CRT's Wiluna campus was formally handed over to the Department of Education on 1 November 2016.



Executive Summary

Training Effort

The College offers a range of training courses from Certificate I to Advanced Diploma levels in various industries. It also offers a range of customised fee-for-service training courses. In partnership with Charles Sturt University, the College also offers the Bachelor of Agricultural Business Management degree through the Muresk Institute.

In 2016, the College delivered courses in the following areas:

- Aerospace, Maritime and Logistics
- Agriculture, Animal, Science and the Environment
- Automotive
- Building and Construction
- Business and Finance
- Creative Industries
- Education and Community Services
- Engineering and Mining
- English, Language and Foundation Studies
- Health, Beauty and Fitness
- Hospitality, Tourism and Events
- Information, Digital Media and Technology

The College's partnerships with industry ensure that courses are practical, job-focused and driven by employment outcomes.



Student Population

In 2016, the College enrolled 9,064 students for a total of 10,264 course enrolments.

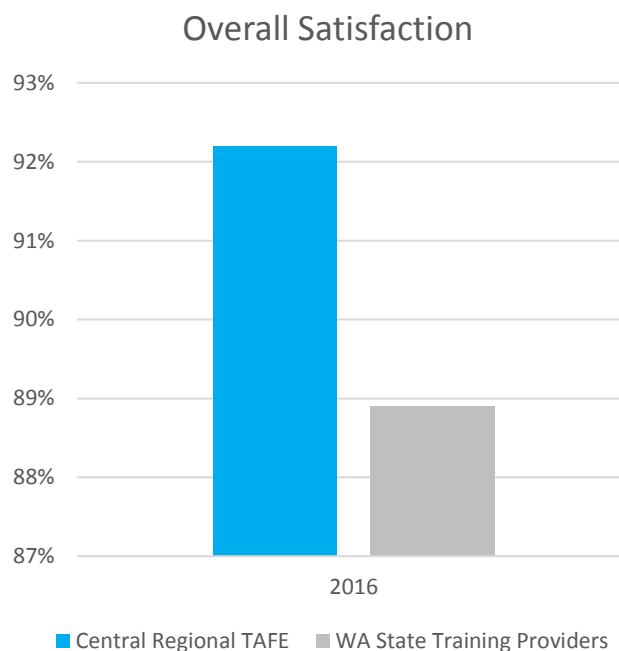
Of the total student population enrolled in 2016:

- 42% were aged between 15-24 years of age.
- 53% were in a Certificate III or above qualification.
- 14% were in an apprenticeship or traineeship program.
- 11% identified as Aboriginal and/or Torres Strait Islander descent.
- 6% identified with a Disability.

Client Satisfaction

Despite the challenges that came with the amalgamation of the three former Institutes to form Central Regional TAFE, the new College exceeded the state average for overall satisfaction in the WA Student Survey.

The following chart indicates the percentage of students responding as either “very satisfied” or “satisfied”.



Source: 2016 WA Student Satisfaction Survey, conducted by Patterson Market Research on behalf of the Department of Training and Workforce Development.

Operational Structure

Enabling Legislation

Central Regional TAFE is a Statutory Authority established under section 35 of the *Vocational Education and Training Act 1996*.

Responsible Minister

Hon Sue Ellery, MLC
Minister for Education and Training; Leader of the Legislative Council

Hon Liza Harvey, MLA (Minister responsible during 2016 reporting period)
Deputy Premier; Minister for Police; Road Safety; Training and Workforce Development; Women's Interests

Accountable Authorities

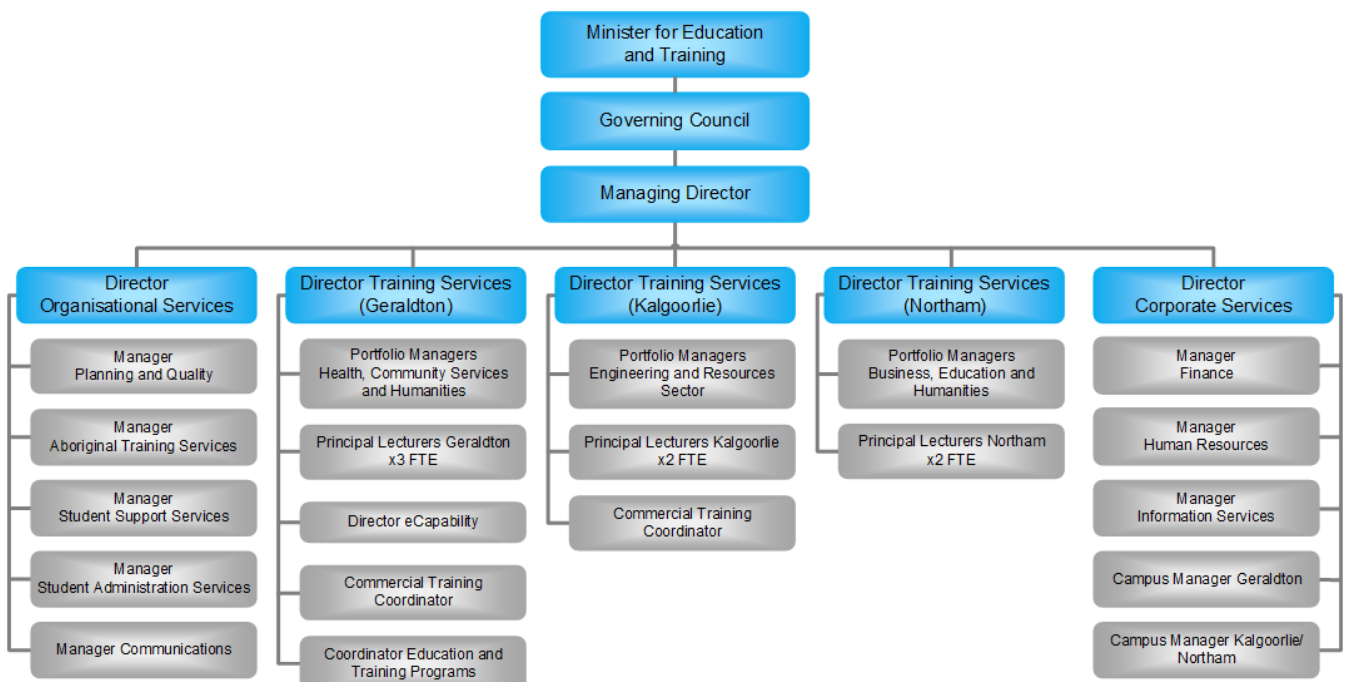
The Accountable Authority for Central Regional TAFE is the Governing Council. The Managing Director is the Chief Executive Officer who is supported by a Corporate Executive.

Organisational Structure

The following organisational chart illustrates Central Regional TAFE's directorates and subsequent functional areas for the reporting period 11 April to 31 December 2016. The Directors of Training Services are located at the three main College campuses and share training management responsibility across the delivery portfolios by industry area.

Organisational Chart

For the reporting period 11 April to 31 December 2016



Governing Council

At Central Regional TAFE, our vision is to provide training opportunities that contribute to the development of individuals, enterprises and communities. The College's Governing Council members have the opportunity to contribute to the successful future of the individuals and businesses that the College services.

The Governing Council is the highest level of decision making at Central Regional TAFE and oversees the organisation's strategic operations and business affairs, in accordance with the Vocational Education and Training Act 1996 – Section 42. The Council is provided advice by the Corporate Executive, and the Governing Council sub-committee, the Finance, Audit and Risk Management Committee.

Membership of the Governing Council is a ministerial appointment, as a result of the members' expertise in a range of industries and specialties, oftentimes gained in the private sector. As members of public sector boards and committees it is imperative that the Governing Council members ensure that business decisions are made in the public's best interest.

Governing Council members as at 31 December 2016 were:

Mrs Mary Woodford (Chair)

General Manager, Advocacy
Law Society of WA

Mr Bill McKenzie

Barrister and Solicitor, McKenzie and
McKenzie Kalgoorlie

Mr David Nicholson (Deputy Chair)

Operations Manager Business and
Finance, City of Wanneroo

Ms Holly Phillips

Manager Eastern Region, Chamber of
Minerals and Energy of WA

Ms Eileen O'Connell

President Shire of Nungarin

Ms Vicki Jack

Principal Beaconsfield Primary School

Mr Graham Lane

Director and Shareholder Dataline
Visual Link Pty Ltd

Mr Stuart Smith

CEO, National Offshore Petroleum Safety
and Environmental Management Authority

Mrs Christine Rafanelli

Proprietor Da Vinci Tiles Geraldton

Mr Bill Swetman

Managing Director
Central Regional TAFE



Central Regional TAFE's Governing Council members at their August meeting in Kalgoorlie

Corporate Executive

Central Regional TAFE's Corporate Executive consists of the Managing Director, Bill Swetman and five Directors. Corporate Executive has overall responsibility for the day-to-day effective and efficient operations of the College.

Corporate Executive consisted of the following members as at 31 December 2016:



Mr Bill Swetman
Managing Director



Mr David Cohen
Director Corporate Services



Mr Steve Cooper
Director Organisational
Services



Ms Joanne Payne
Director Training Services
(Geraldton)



Ms Delia Pascua McGlew
Director Training Services
(Northam)



Mr Tyron Theodore
Director Training Services
(Kalgoorlie)

The roles of Central Regional TAFE's directorates are as follows:

Training Directorate

The Training directorate develops and delivers a range of training and assessment programs that are designed to meet the needs of clients and the workforce development needs of the region's employers. There are three Directors of Training Services who oversee the delivery portfolios from Geraldton, Kalgoorlie and Northam by industry areas across all College locations.

Organisational Services Directorate

The Organisational Services directorate provides a range of services that engage and support clients, industry and the community throughout the Mid West, Gascoyne, Wheatbelt and Goldfields regions. The directorate also provides organisational development support through a range of strategic planning and performance management services, and maintains the organisation's quality culture.

Corporate Services Directorate

The Corporate Services directorate develops and implements systems and processes that support the business and administrative environment of the College, ensuring the organisation fulfils its statutory requirements and develops the capacity of Central Regional TAFE's workforce.

Administered Legislation

The Minister for Education and Training administers the *Vocational Education and Training Act 1996* (the Act).

However, during the 2016 reporting period, the Minister for Training and Workforce Development was responsible for the administration of the *Vocational Education and Training Act 1996* (the Act).

Other Key Legislation

In the performance of its functions, Central Regional TAFE complies with the following relevant legislation:

State Legislation

- Auditor General Act 2006
- Building Act 2011
- Corruption and Crime Commission Act 2003
- Disability Services Act 1993
- Education Act 2004
- Electoral Act 1907
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Freedom of Information Act 1992
- Government Employees Superannuation Act 1987
- Occupational Safety and Health Act 1984
- Public and Bank Holidays Act 1972
- Public Interest Disclosure Act 2013
- Public Sector Management Act 1994
- 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

- Industrial Relations Act 1979
- Industrial Training Act 1975
- Legal Deposit Act 2012
- Minimum Conditions of Employment Act 1993

Commonwealth Legislation

- Copyright Act 1968
- A New Tax System (Goods And Services Tax) Act 1999
- Constitution Act 1889
- Fringe Benefits Tax Act 1986, Commonwealth
- Privacy Act 1988
- Racial Discrimination Act 1975
- Sex Discrimination Act 1984
- Skilling Australia's Workforce Act 2005
- Fair Work Act 2009

Performance Management Framework

Outcome Based Management Framework

Government goals are supported at agency level by specific desired outcomes. Agencies deliver services to achieve these outcomes, which ultimately contribute to meeting the higher level government goals. The following illustrates the relationship between Central Regional TAFE's outcomes and the most appropriate government goals.

Government Goal	Desired Outcome	Central Regional TAFE Services (agency level)
<p>Results-based Service Delivery</p> <p>Greater focus on achieving results in key service delivery areas for the benefit of all West Australians</p> <p>Stronger focus in the regions</p> <p>Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas</p>	<p>The provision of vocational education and training services to meet the community and industry training needs</p>	<ul style="list-style-type: none"> • Deliver nationally recognised qualification training programs • Apprenticeship and Traineeship training • Deliver flexible training in a variety of settings and provide a range of delivery modes • Provide learning pathways that offer opportunities for achievement at higher AQF levels • Provide Commercial training - customised training and short courses

Changes to Outcome Based Management Framework

In recognition of the partial year reporting period and the unavailability of campus-level data, a partial exemption for the TAFE Colleges from the following requirements under Treasurer's Instruction 904 was approved:

- disclosure of budget targets for all KPIs; and
- reporting against key efficiency indicator 1.1 – overall cost per student curriculum hour.

Shared Responsibilities with Other Agencies

Central Regional TAFE receives an annual funding allocation from the State Government through a resource agreement (Delivery and Performance Agreement) with the Department of Training and Workforce Development. The College reports to the Department on outcomes under that agreement.



Agency Performance

Report on Operations

Actual Results versus Budget Targets

Summary of Financial Targets

Indicators	2016 Target	2016 Actual	Variation
Total cost of services (Source: Statement of Comprehensive Income)	\$44,213,877	\$45,161,360	\$947,483
Reason for Significant Variation			
Revaluation decrements on buildings was recognised as a result of valuation by Landgate but has to be expensed due to no opening balance to offset.			
Net cost of services (Source: Statement of Comprehensive Income)	\$33,262,201	\$35,359,122	\$(1,149,438)
Reason for Significant Variation			
Student fees reduced due to lower number of anticipated enrolments.			
Total equity (Source: Statement of Financial Position)	\$130,406,793	\$123,529,029	\$(6,877,764)
Reason for Significant Variation			
Variance is due to transfer of \$2.4m for Wiluna building to the Department of Education and \$4.5m operating deficit for 2016.			
Net increase/ (decrease) in cash held (Source: Statement of Cash Flows)	\$1,296,016	\$7,352,174	\$6,056,258
Reason for Significant Variation			
\$5.1m cash redistribution as a result of the Training Sector Reform Project.			

Further details are provided in the Financial Statements commencing on [page 37](#).

Summary of Key Performance Indicators

Key Effectiveness Indicators	2016 Estimate	2016 Actual	Variation
Overall Student Satisfaction (Source: WA Student Satisfaction Survey)	89.0%	92.2%	3.2%
Reason for Significant Variation			
The overall student satisfaction with training and services provided by Central Regional TAFE in 2016 was 3.2% higher than expected.			
Graduate Achievement Rate Achieved main reason for doing course. Overall quality of training. (Source: Student Outcomes Survey NCVER)	N/A	N/A	N/A
Reason for Significant Variation			
The Student Outcomes Survey conducted by the National Centre for Vocational Education and Research (NCVER) is carried out biennially at College level. In 2016 there was no TAFE-level data available for Central Regional TAFE.			
Graduate Destination Rate Employed Unemployed Not in Labour Force (Source: Student Outcomes Survey NCVER)	N/A	N/A	N/A
Reason for Significant Variation			
The Student Outcomes Survey conducted by the National Centre for Vocational Education and Research (NCVER) is carried out biennially at College level. In 2016 there was no TAFE-level data available for Central Regional TAFE.			
Achievement of Profile	2,283,668 SCH	1,876,357 SCH	407,311 SCH
% of Profile Achieved		82.2%	
Reason for Significant Variation			
The new College experienced a downturn in training in most areas in 2016 and attainment of planned profile delivery was impacted by several factors including the public sector recruitment freeze, student fees and a decrease in apprenticeship and traineeship delivery which has been in line with a general decrease across the sector.			

Awards and Recognitions

Student Achievements

Central Regional TAFE recognises the importance of celebrating the success of its students, as student achievements reflect the success of the College. Outstanding students who have shown great dedication and commitment to their training went on to take part in the WA Training Awards 2016.

Jasmin Porter

Winner of the WA Cultural Diversity Training Award 2016

Natalie Robinson

Winner of the WA International Student of the Year 2016 Award

Wayne Goedecke

Finalist of the WA Apprentice of the Year 2016 Award

Kathleen Nelly

Finalist of the WA Aboriginal and Torres Strait Islander Student of the Year 2016 Award

Kelsey Nicholas

Finalist of the WA Aboriginal and Torres Strait Islander Student of the Year 2016 Award

Cristina Mico

Finalist of the WA Cultural Diversity Training Award 2016

Other Achievements

Throughout the 2016 reporting period, Central Regional TAFE's commitment to quality training and services were recognised through a variety of accolades including:

[WA Training Awards 2016](#)

Central Regional TAFE was a finalist in the Large Training Provider of the Year Award.

Alice James, Lecturer Conservation and Land Management, was one of the finalists in the WA Trainer of the Year category.

[The Gold Plate Awards 2016](#)

The Zeewijk Training Restaurant was a finalist in the Restaurant within a Training Establishment category of the prestigious Gold Plate Awards.

Significant Issues impacting the Agency

Current and Emerging Issues and Trends

TAFEWA Reforms

2016 saw the reform recommendations of the Seares Review of the WA VET Sector continue to be implemented through the Training Sector Reform Project. The reform process has been a challenge for the college and it is anticipated that further refinement will be required for 2017. Covering four regions, the Mid West, Gascoyne, Wheatbelt and Goldfields, the formation of Central Regional TAFE from three former Institutes has required a realignment of staffing, resourcing and policy frameworks

In 2017 Central Regional TAFE is looking forward to the challenges ahead through streamlining and consolidating its operations across all nine campuses, particularly in areas such as governance, risk management, quality assurance and ensuring consistent policy and process application. Particularly exciting is the opportunity to offer new courses across our geographic footprint; some 220 courses for approximately 10,000 students.



Job Agency Providers

A continuing challenge is to work with Job Agency Providers to attract training for people that have registered for unemployment benefits, noting that the policy and focus of agencies is a jobs first approach, with training provided for their clients only when a job outcome has been secured. This shift in federal government policy is proving particularly difficult in remote locations where employment opportunities are very limited and people are not always able to relocate to gain employment. This situation is amplified in Aboriginal communities.

Historically the training provided to clients of Job Agency Providers has been significant, however without a shift in federal policy, demand is likely to continue to be marginal.

Course Fees

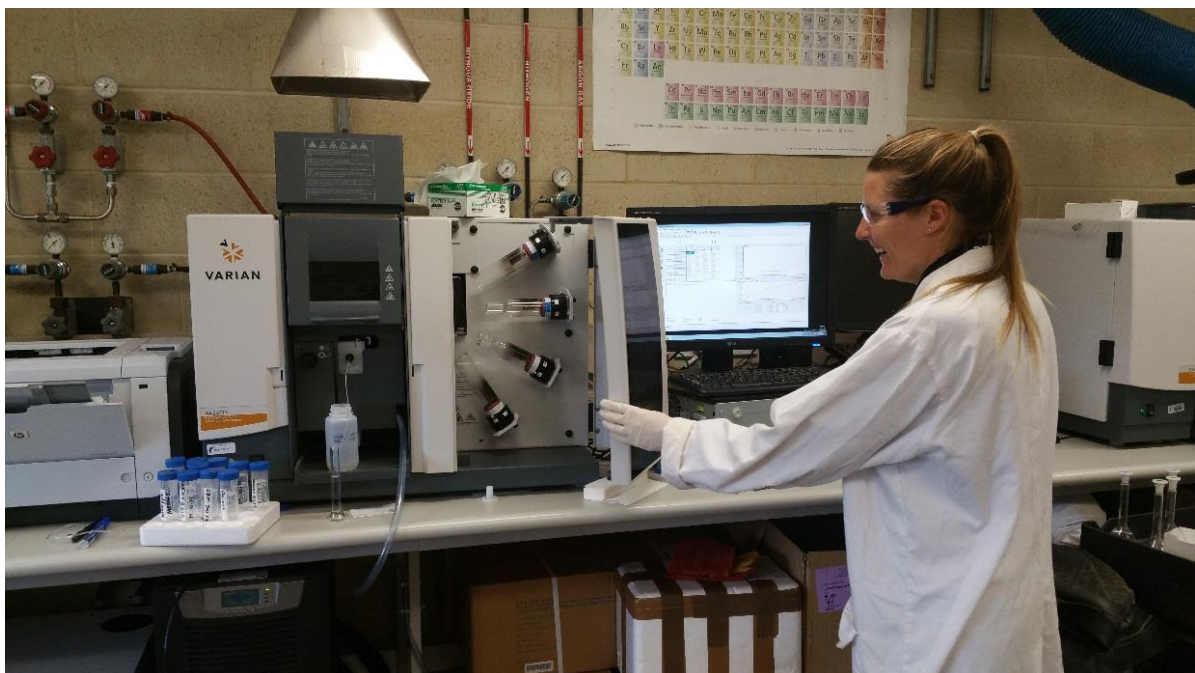
The increase in course fees over previous years has, unfortunately, contributed to student enrolments being lower than expected, particularly for courses where no concessions have been provided. In 2016 the College revised its Fee Payment Plans to provide more flexibility in payment options for students, and worked very closely with community agencies to provide support and counselling services.

It is pleasing to see that there is minimal increase in course fees in 2017 and the benefit to concession holders has been increased to 70%. We are confident this will be of benefit to those most in need. The VET Student Loan assistance program continues to be a success. This is very important in regional areas where students traditionally do not have the same access to higher education options, preferring to opt for either direct employment or TAFE training.

Changing Economy

The shift from mine construction to production has had a significant impact on the WA economy, and this realignment has also impacted the training sector, particularly in providing courses at a localised level for staffing job demand. An ageing population also provides significant, additional job opportunities. Central Regional TAFE is working with the Department of Training and Workforce Development and local industries to identify where shifts have occurred, and to adjust training provision accordingly.

Jobs growth is expected in health care and social assistance, construction, retail, tourism, agriculture and professional services, and around innovation arising from the resources sector linked to high tech industries. A full review of course provision by Central Regional TAFE in 2016 is designed to target 2017 course offerings that are linked closely to industry growth areas. In many instances this has seen a reduction or removal of courses that do not fulfil this criteria.



Disclosures and Legal Compliance

Ministerial Directives

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

No such directives were issued to Central Regional TAFE.

Other Financial Disclosures

Pricing Policy

Central Regional TAFE adheres to the Department of Training and Workforce Development's Fee Policy for all non-commercial enrolments. All commercial enrolments are charged out after a full costing is completed by the College utilising the costing template in accordance with *Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector* published by Treasury.

Capital Works

Capital Projects Incomplete

Project details	Expected completion date	Estimated cost to complete project ('000)	Estimated total cost of project ('000)	Explanation of Variation (only required if there is a significant variation)
Interactive Student Hub	21/04/2017	\$2,850	\$2,850	N/A

The Interactive Student Hub (The Hub) is a new facility at the Geraldton Campus that will link the existing student service areas (Client Services and the Library) with the main student recreation area, the Canteen/Café and the surrounding outdoors student amenities.

This project will be funded through the State Government's Royalties for Regions program (\$2 million), Central Regional TAFE (\$780,000) and the Department of Training and Workforce Development (\$70,000).

The Hub will provide an essential expansion to core Library functions and will be



a dynamic, flexible and collegiate learning environment which will leverage from the activity of the Canteen/Café. The Hub will facilitate group study, private work, campus events and generally be a central meeting place. The concept of The Hub is part of a wider campus strategy to promote shared learning experiences, socialisation and positive engagement of student and staff in campus life.

The Hub building contract was awarded on 14 October 2016 and is currently under construction. The Café refurbishment is due for completion on 30 January 2017, and the student hub, library refurbishment and outdoor student amenities are due to be handed over on 21 April 2017.



Interactive Student Hub Concept Design

Capital Projects Completed

Project details	Completion date	Total cost of project ('000)	Significant Cost Variance Comments
No projects were completed in 2016	N/A	N/A	N/A

Employment and Industrial Relations

Staff Profile

Central Regional TAFE employs staff in lecturing and non-lecturing support roles. Non-lecturing roles include a diverse range of positions in areas such as corporate services, student administration, and commercially funded roles such as canteen and student accommodation. The average number of full-time equivalent (FTE) staff employed during 2016 is detailed below:

Category	2016
Permanent (headcount)	246
Contract (headcount)	130
Casual (headcount)	46
Total Headcount	422
Full Time Equivalent (FTE)	335.5

Employee Work Location	2016 (FTE)
Gascoyne	17
Goldfields	72.7
Mid West	169.7
Wheatbelt	76.1
Total	335.5

Note: Central Regional TAFE was established on the 11 April 2016; the information above is based on the September Quarter, 2016, Minimum Obligatory Reporting Requirements (MOIR).

Industrial Relations

Significant workplace and workforce changes occurred during 2016 as a result of the TAFE Sector Reform Project and the establishment of Central Regional TAFE. The College has worked closely with Union Delegates, Representatives, the local Joint Consultative Committee and the Department of Training and Workforce Development throughout this process. There were no major industrial relations claims reportable for 2016.

Workers Compensation

Seven (7) Workers Compensation claims for Central Regional TAFE are currently active. One (1) claim was made during 2016. The remainder of the claims are carried over from prior years: 2014 (1 claim) and 2015 (5 claims).

Unauthorised Use of Credit Cards

In accordance with the requirements of the Treasurer's Instruction 903(13)(iv) on disclosure of unauthorised use of credit cards, the following transactions occurred for the reporting period 11 April to 31 December 2016.

Details of Transaction	Amount
Number of instances of personal use expenditure	1
Aggregate amount of personal use expenditure	\$25.45
Aggregate amount of personal use expenditure settled by the due date	\$25.45
Aggregate amount of personal use expenditure settled after the period due date	NIL
Aggregate amount of personal use expenditure outstanding at the end of the reporting period	NIL
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	NIL

Governance Disclosures

Declaration of Interests

In accordance with the requirements of the Treasurer's Instruction 903(14) on disclosure of interest of senior officers:

- No senior officer has had any shareholding in the College; and
- To the best of our knowledge, no senior officer has any interest in contracts made or proposed with the College.

Public Liability Insurance

Central Regional TAFE has paid \$6,642.39 (incl GST) for the period 11 April to 31 December 2016 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.

Board and Committee Remuneration

The individual and aggregate cost of remunerating Governing Council members at Central Regional TAFE in 2016 (11 April to 31 December) was as follows:

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chairperson	Mary Woodford	Annual	8.5 months	\$16,977
Deputy Chair	David Nicholson	Per meeting	8.5 months	\$0.00
Managing Director	Bill Swetman	Not eligible	8.5 months	\$0.00
Member	Eileen O'Connell	Per meeting	8.5 months	\$4,955
Member	Christine Rafanelli	Per meeting	8.5 months	\$5,696
Member	Graham Lane	Per meeting	8.5 months	\$5,021
Member	Bill McKenzie	Per meeting	8.5 months	\$4,249
Member	Holly Philips	Per meeting	8.5 months	\$0.00
Member	Vicki Jack	Not eligible	8.5 months	\$0.00
Member	Stuart Smith	Per meeting	1 month	\$0.00

Other Legal Requirements

Advertising

In accordance with s175ZE of the *Electoral Act 1907*, the College incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

1. Total expenditure for 2016 was \$176,821.28
2. Expenditure was incurred in the following areas:

Area of Expenditure	Organisation	Amount
Advertising Agencies		Nil
Market Research		Nil
Polling		Nil
Direct Mail		Nil
Media Advertising	Adcorp Total	\$1,323.69
	Bruce Rock Community Resource Centre	\$160.00
	Carat Advertising Media Services Pty	\$113,429.02
	Cunderdin Community Directory	\$91.91
	Email Media	\$525.00
	Examiner Newspaper	\$1,000.00
	Executive Media Pty Ltd	\$2,495.00
	Facebook	\$3,322.11
	Farm Weekly	\$3,091.21
	Geraldton Newspapers	\$200.00
	Hootsuite Media Inc.	\$163.71
	Kellerberrin Pipeline	\$46.00
	Master Builders Association of WA	\$600.00
	Mid West Chamber of Commerce	\$163.64
	Morawa Community Scene Newspaper	\$61.82
	Non Stop Adz	\$441.55
	Onsite Filming	\$350.00
	Optimum Media	\$13,609.28
	Orana Cinemas	\$1,481.81
	Sensis Pty Ltd	\$1,104.00
	South Metropolitan TAFE	\$32,989.00
	The West Australian	\$26.16
	Twitter	\$148.37
TOTAL		\$176,821.28

Disability Access and Inclusion Plan Outcomes

Central Regional TAFE continues to ensure that all students have appropriate access to all of our facilities and services, and are provided with the opportunity to participate in all aspects of training.

Students disclosing medical conditions, a disability or a learning difficulty that may impact their learning are supported by the Student Support Services team, including the Access and Equity Officer. Whilst all staff are responsible for providing a learning program and environment that facilitates participation for all students, the team provides a point of contact for students, disability service agencies and staff, and advises staff on appropriate support strategies to assist students with disabilities.

Specific initiatives taken in 2016 to act in accordance with the seven outcomes of the Disability Access and Inclusion Plan are provided below.

Outcome 1: People with disability have the same opportunities as other people to access the services of, and any events organised, by Central Regional TAFE.

- Central Regional TAFE offered students with disability accredited training in various courses including the Certificate I in Industrial Skills, Certificates in Gaining Access to Training and Employment, Certificates in Leadership Development, Certificate II in Automotive Services, etc. The courses were tailored to meet the needs of these students, including students who have limited written language skills. The courses made learning accessible to a group of people who would otherwise not be able to access education and training in a post-secondary environment, using the principles of reasonable adjustment and accommodation. They also promote pathways to further education, training and employment.
- Mentors were provided to support students completing training delivered by Central Regional TAFE throughout the eight training portfolios.
- Individualised support for students with disabilities was generated through case management.
- The Student Support Services Team and Access and Equity Officer worked together to support students with a disability.
- Equal access and inclusion principles were continually applied to services and events organised by Central Regional TAFE, including provision of an accessible venue for key events such as the student graduation; and continuation of the use of an Event Access Checklist.
- The Student Support Services Team was available on enrolment days to assist potential new and existing students to enrol, as well as liaise with the student's supports.



- On campus students with disability were given assistance to fill out the 2016 WA Student Survey. Feedback from the students and their support on the accessibility of the hard copy and online copy of this survey was provided to the Department of Training and Workforce Development.

Outcome 2: People with disability have the same opportunities as other people to access the buildings and other facilities of Central Regional TAFE.

- Ongoing consultation was provided with the campus Occupational Safety and Health Coordinator in planning and implementation of activities and access to buildings.
- At the Northam campus, the Access and Equity Office and the Aboriginal Coordinator's Office were combined and moved to a larger, more accessible office in the student hub, allowing students easier access to these services, especially on a drop in basis. In addition, the new office has sufficient room for wheelchair and mobility device users to navigate the area easily, as well as having accessible toileting facilities nearby.
- Building upgrades and access to campus grounds have continually been assessed and implemented.
- A leased building used for Visual Arts had become inaccessible to wheelchair users due to new works undertaken by the Northam Shire. Central Regional TAFE raised the issue with the shire and accessible curbing and a path were installed as a result.
- Central Regional TAFE continued to ensure that feedback forms were available at all College events to enable participants to comment on accessibility and other issues.

Outcome 3: People with disability receive information from Central Regional TAFE in a format that will enable them to access the information as readily as other people are able to access it.

- A notation regarding availability of documents in alternative format is displayed on the College's website.
- Central Regional TAFE continued to provide information in clear, concise language and in alternative formats.
- Principal Lecturers and lecturers continued to adapt projects, training resources and materials to suit a variety of abilities in consultation with the Access and Equity Officer



and Student Support Services Team. This included the use of Open Dyslexic font and the use of coloured paper, as well as other appropriate methods.

- Central Regional TAFE continued to maintain partnerships with the WA Deaf Society to assess students and provide Auslan interpreting services when required.
- Individually specialised equipment was purchased when required.
- The new Central Regional TAFE website conforms to Web Content Accessibility Guidelines (WCAG 2.0).
- The College continued to review and research appropriate and necessary equipment and resources to promote accessibility and participation, with special attention to new and emerging apps for mobiles, computers and tablets.

Outcome 4: People with disability receive the same level and quality of service from the staff of Central Regional TAFE as other people receive from the staff of Central Regional TAFE.

- During staff inductions, new lecturers were made aware of the need to incorporate the specific needs of learners with disabilities into their course delivery planning through a learning and assessment strategy.
- Central Regional TAFE continued to provide professional development and ongoing support for staff to improve their skills in working with people with disabilities. This included an Invisible Disability PD session offered to Wheatbelt staff and made available to all staff on the College's intranet.
- Professional development and training was provided for In-Class Assistants, including orientation, and access to on line training such as the Intellectual Disability Mental Health e-Learning facility (University of NSW).
- Mental Health First Aid was offered to staff members, with a number of staff certified as 'Standard Mental Health First Aiders'.
- A number of staff members completed the ASIST (Applied Suicide Intervention Skills Training).
- The College continued recruitment of In-Class Assistants to ensure a diverse workforce able to adequately support students with disability.



Outcome 5: People with disability have the same opportunities as other people to make complaints to Central Regional TAFE.

- The College continued to review its complaints management process and make changes to policies and procedures where required to streamline the processes involved.

- Assistance was provided to students through the feedback process by the Customer Services and Student Services teams whenever needed.
- Any issues brought forward by students with disabilities, their parents, carers or agencies, were dealt with regardless of the way in which they were received. Complaints can be made in a variety of formats including using the College's feedback form, verbally in person or via telephone, by email or mail.
- The student induction program provided information to students on how to make a complaint about Central Regional TAFE's services or performance.

Outcome 6: People with disability have the same opportunities as other people to participate in any public consultation by Central Regional TAFE.

- The College continued to network and create pathways in the local community to seek a broad range of views on disability and access issues.
- The commitment to interagency partnerships with relevant local service providers and stakeholders has created open communication and feedback processes for those who advocate for people with a disability in the community.
- Initial consultations were held with students with disabilities regarding the look and layout of the draft Central Regional TAFE Disability Access and Inclusion Plan.



Outcome 7: People with disability have the same opportunities as other people to obtain and maintain employment with Central Regional TAFE.

Central Regional TAFE abides by all recruitment and employment policies, procedures and guidelines and is committed to Equal Employment Opportunity. We are committed to ensuring that all people are able to access the full range of resources, services and facilities. This was implemented through the following initiatives and strategies:

- Obtaining employment – Identifying the barriers to obtaining employment and implementing mechanisms to remove those barriers. Initiatives include:
 - Encouraging applicants with disability to apply
 - Systems and processes that are inclusive and supportive
 - Education and training for those involved in the process to support applicants with a disability.
- Maintaining employment – Identifying strategies to support reasonable adjustments for people with disability. Strategies include:
 - Education and training for all staff to be inclusive and aware
 - Embed support and diversity within the organisational culture
 - Education and training for managers.

Compliance with Public Sector Standards and Code of Ethics

The following Standards form an integral part of Central Regional TAFE's operations:

- Public Sector Standards in Human Resource Management,
- Public Sector Standards Code of Ethics and
- Central Regional TAFE's Staff Code of Conduct.

The College is committed to ensuring compliance and best practice in all aspects of these standards and ethical codes. Central Regional TAFE ensures staff awareness of these codes through the induction of new staff and encouraging discussion and communication between current and new staff at team meetings and open forums. All staff are required to participate in Accountable and Ethical Decision Making training, Cultural Awareness Training and staff professional development. This training promotes compliance and raises awareness of the Public Sector Standards in Human Resource Management, Commissioner's Instructions and Ethical Codes.

The current policies and procedures relating to the Public Sector Standards in Human Resource Management can be easily accessed by all staff through the intranet or via communication with their supervisor or Human Resources section.



Human Resources policies are regularly reviewed in consultation with managers and staff with updated policies promoted throughout the College.

There were nil requests for a review against the Standards for Human Resource Management during the reporting period.

Recordkeeping Plans

All aspects of the recordkeeping system at Central Regional TAFE are regularly reviewed and evaluated to ensure continual improvement and compliance. Central Regional TAFE, as part of the State Training Providers Records Management Network, continues to monitor and maintain recordkeeping key performance indicators and best practice.

A records business plan is monitored and reviewed on a regular basis to ensure effectiveness and efficiency whilst providing a quality recordkeeping system. Central Regional TAFE has records management policies and procedures in place, and these are communicated to staff through provision of regular training and induction sessions for all staff. All staff have access to recordkeeping information via our Records section.

Recordkeeping training program

A records awareness training program was carried out throughout 2016. A high number of staff attended the records awareness and induction training session including some records refresher training. Feedback from all sessions was utilised to evaluate the effectiveness of the training and to identify opportunities for continuous improvement.

To align with Central Regional TAFE's paper saving strategy, Records staff will continue to place all recordkeeping training information and instructions on the staff intranet.

Training was delivered to staff at all campuses. This resulted in a continued overall improvement in the uptake and correct usage of the records system.

The efficiency and effectiveness of the recordkeeping training program

Recordkeeping training is reviewed regularly by the Records team, particularly after each training session and an overall review is made on an annual basis. Amendments are made to the training when and where required.

The organisation's induction program

The records management induction for new staff is fully integrated into Central Regional TAFE's formalised induction program. The program addresses employees' roles and responsibilities with regards to compliance, mail management, file management, archival management and overall records management. All information relevant to record keeping at Central Regional TAFE is available to staff via the College's intranet or through the Records staff.



Government Policy Requirements

Occupational Safety, Health and Injury Management

Statement of commitment to occupational safety and health, and injury management

Central Regional TAFE recognises and accepts its statutory obligations under the Western Australian *Occupational Safety and Health Act 1984*. The College is committed to providing a safe and healthy environment for all employees, students, volunteers, visitors and contractors ensuring they are not exposed to hazards which may result in injury or harm to their health. The College is committed to maximising opportunities for continuous improvement and reviewing its safety performance.

Central Regional TAFE managers are responsible for the implementation of the Occupational Safety and Health (OSH) Policy within their workplace and organisational area. This responsibility includes:

- Integrating OSH into all aspects of work practices.
- Planning, developing, implementing and monitoring safe systems of work to maximise opportunities for continuous improvement in safety performance.
- Managing risks as far as practicable within the working environment.
- Providing adequate information, training and supervision for all staff, contractors and visitors to ensure they are able to work in a safe and healthy environment.



Occupational Safety and Health - for Managers

Training sessions in Occupational Safety and Health for managers and supervisors were provided to update legislative knowledge, provide examples of best practice and outline the responsibilities for ensuring and promoting a safe workplace.

Formal mechanism for consultation with employees on occupational safety and health matters

The College actively seeks consultation with employees on occupational safety and health matters through the following systems:

- OSH Policy Statement – outlining management and staff commitment to consult and cooperate on OSH matters and support and promote OSH in the workplace. This policy statement includes first aid support for all staff, students, visitors and contractors; and injury management support with return to work programs. This policy is reviewed annually.
- OSH Committee – membership representation consists of management and OSH Representatives from a large cross section of the College and includes participation by Corporate Executive. The Committee takes a consultative and collaborative approach to meet its outcomes and objectives by making

recommendations to the Managing Director. Eight regional meetings are held each year with management meetings totalling four per year.

- Elected OSH Representatives – provide advice and support for workplace safety concerns. Representation covers every work area, including the regional campuses.



Representation covers every work area, including the regional campuses.

- Regular Workplace Inspections – conducted in conjunction with the elected OSH Representative and nominated Supervisor to identify hazards and ensure compliance.
- Accident/Incident/Near Miss/Hazard Reporting processes are available to all staff, students, visitors and contractors. Each report is investigated by a

management and OSH Representative/s; then tabled at the OSH Committee meetings where outcomes are ratified and communicated.

- OSH Working Groups – formed when necessary to research, examine and recommend new systems and procedures.
- OSH Training – a range of training opportunities are provided for staff throughout the year.

Statement of compliance with injury management requirements of the *Workers' Compensation and Injury Management Act 1981*

The College is committed to injury management support to all workers who sustain a work related injury or illness, including a safe return to meaningful work.

The Policy for Injury Management and Workers Compensation is supported by an injury management system that provides guidelines and aims to assist the injured worker to:

- Return to the same position, or modified position/role,
- Deploy to another position within the organisation where unable to return to the same position,
- Re-train for a position within another organisation.

Injury management continues until a full return to work has been achieved or is no longer a realistic goal, guided by a return to work plan developed in consultation with the injured employee, the treating medical practitioner, the College, the insurer and a vocational rehabilitation service provider.

Assessment of occupational safety and health management system

The College OSH system is documented comprising policies, procedures and plans that are available to all employees through the College Intranet. These documents provide employees and managers guidance and resources which clearly identify OSH



responsibilities and how these responsibilities are implemented and managed.

With the merger of Durack Institute, Goldfields Institute and CY O'Connor Institute into Central Regional TAFE, review and consolidation of OSH related policy and procedures is ongoing with a plan to finalise an assessment of the system once this process is completed.

The following table summarises the College's OSH and Injury Management Performance for 2016:

Indicator	Results against Target		
	2016 Target	2016 Results	Comment on results
Number of fatalities	0	0	N/A
Lost time injury/disease (LTI/D) incidence rate	0 or 10% reduction (actual target can be stated)	0	N/A
Lost time injury and/or disease severity rate	0 or 10% reduction (actual target can be stated)	0	N/A
Percentage of injured workers returned to work within: (i) 13 weeks (ii) 26 weeks	Actual result to be stated Greater than or equal to 80%	0	N/A
Percentage of managers trained in occupational safety, health and injury management responsibilities	Greater than or equal to 80%	77.3%	With the merger of the three former Institutes, a reduction in management staff has led to a decline in the percentage of trained managers. Since the merger, development work has continued on an online training program to be implemented in 2017.

Financial Statements

Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

CENTRAL REGIONAL TAFE

Report on the Financial Statements

Opinion

I have audited the financial statements of Central Regional TAFE which comprise the Statement of Financial Position as at 31 December 2016, the Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the period 11 April to 31 December 2016, 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 Central Regional TAFE for the period 11 April to 31 December 2016 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 TAFE's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governing Council.
- Conclude on the appropriateness of the Governing Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the TAFE's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by Central 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 Central 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 period 11 April to 31 December 2016.

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 Central Regional TAFE for the period 11 April to 31 December 2016. 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 Central Regional TAFE are relevant and appropriate to assist users to assess the TAFE's performance and fairly represent indicated performance for the period 11 April to 31 December 2016.

Matters of Significance

Under Treasurer's Exemption

As stated in the key performance indicators, Central Regional TAFE received an exemption from the Under Treasurer from the requirements under Treasurer's Instruction 904 *Key Performance Indicators* to disclose budget targets for the key performance indicators and to report against Key Efficiency Indicator 'Overall Cost Per Student Curriculum Hour'. The exemption was approved because of the partial year reporting period and the unavailability of campus level data. Consequently, this information has not been reported. My opinion is not modified in respect of this matter.

Profile Achievement

I also draw your attention to the notes to the key effectiveness indicator 'Achievement of Profile Delivery' which explain that the two amounts used to calculate the indicator were based on actual SCH and planned SCH for the full year. Using full year data to calculate this indicator for the reporting period 11 April to 31 December 2016 does not materially affect the accuracy of the indicator. My opinion is not modified in respect of this matter.

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 TAFE'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 audit 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 Central Regional TAFE for the period 11 April to 31 December 2016 included on the TAFE's website. The TAFE's management is responsible for the integrity of the TAFE's website. This audit does not provide assurance on the integrity of the TAFE's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
23 March 2017

Certification of Financial Statements

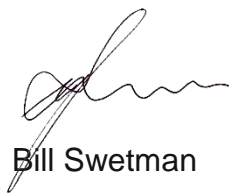
The accompanying financial statements of the Central Regional TAFE have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the period 11 April to 31 December 2016 and the financial position as at 31 December 2016.

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



Mary Woodford
Chairperson of Governing Council
Central Regional TAFE

21 March 2017



Bill Swetman
Managing Director
(Member of Governing Council)
Central Regional TAFE

21 March 2017



Albert Wong
Chief Finance Officer
Central Regional TAFE

21 March 2017

Central Regional TAFE		11 April to 31
STATEMENT OF COMPREHENSIVE INCOME		December 2016
FOR THE PERIOD 11 APRIL TO 31 DECEMBER 2016	Notes	\$
COST OF SERVICES		
Expenses		
Employee benefits expense	6	27,988,467
Supplies and services	7	9,985,385
Depreciation and amortisation expense	8	2,887,670
Grants and subsidies	9	15,740
Cost of sales	14	230,058
Loss on disposal of non-current assets	18	3,285
Asset revaluation decrement	10	1,267,452
Other expenses	10a	2,783,303
Total cost of services		45,161,360
Income		
Revenue		
Fee for service	11	2,451,118
Student fees and charges	12	4,855,566
Ancillary trading	13	205,916
Sales	14	301,828
Commonwealth grants and contributions	15	102,554
Interest revenue	16	250,614
Other revenue	17	1,634,642
Total revenue		9,802,238
Total income other than income from State Government		9,802,238
NET COST OF SERVICES		35,359,122
INCOME FROM STATE GOVERNMENT		19
Service appropriation		29,678,965
Services received free of charge		1,132,610
Total income from State Government		30,811,575
SURPLUS/(DEFICIT) FOR THE PERIOD		(4,547,547)

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

Central Regional TAFE		11 April to 31
STATEMENT OF FINANCIAL POSITION		December 2016
AS AT 31 DECEMBER 2016	Notes	\$
ASSETS		
Current Assets		
Cash and cash equivalents	31	15,157,431
Restricted cash and cash equivalents	20, 31	40,000
Inventories	21	115,406
Receivables	22	2,712,363
Other current assets	23	386,242
Total Current Assets		18,411,442
Non-Current Assets		
Property, plant and equipment	24	118,695,600
Restricted cash and cash equivalents	20	264,285
Total Non-Current Assets		118,959,885
TOTAL ASSETS		137,371,327
LIABILITIES		
Current Liabilities		
Payables	27	1,605,465
Provisions	28	4,837,179
Other current liabilities	29	4,936,016
Total Current Liabilities		11,378,660
Non-Current Liabilities		
Provisions	28	2,463,638
Total Non-Current Liabilities		2,463,638
TOTAL LIABILITIES		13,842,298
NET ASSETS		123,529,029
EQUITY		
Contributed equity	30	128,076,576
Accumulated surplus/(deficit)		(4,547,547)
TOTAL EQUITY		123,529,029

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

Central Regional TAFE		11 April to 31
STATEMENT OF CASH FLOWS		December 2016
FOR THE PERIOD 11 APRIL TO 31 DECEMBER 2016	Notes	\$
CASH FLOWS FROM STATE GOVERNMENT		
Service appropriation - Department of Training and Workforce Development		34,341,743
Establishment of College funds across the training sector as part of the Training Sector Reform Project		5,171,449
Net cash provided by State Government		39,513,192
Utilised as follows:		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee benefits		(28,559,381)
Supplies and services		(9,043,296)
Grants and subsidies		(15,740)
GST payments on purchases		(919,247)
Other payments		(2,812,403)
Receipts		
Fee for service		1,229,494
Student fees and charges		3,871,394
Ancillary trading		205,916
Commonwealth grants and contributions		289,034
Interest received		168,973
GST receipts on sales		444,323
GST receipts from taxation authority		541,820
Other receipts		2,519,992
Net cash provided by/(used in) operating activities	31	(32,079,121)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments		
Purchase of non-current physical assets		(88,866)
Receipts		
Proceeds from sale of non-current physical assets		7,068
Net cash provided by/(used in) investing activities		(81,798)
Net increase/(decrease) in cash and cash equivalents		7,352,273
Cash and cash equivalents at the beginning of period		8,109,443
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	31	15,461,716

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

Central Regional TAFE					
STATEMENT OF CHANGES IN EQUITY					
FOR THE PERIOD 11 APRIL TO 31 DECEMBER 2016					
	Notes	Contributed Equity	Reserves	Accumulated Surplus / (Deficit)	Total Equity
		\$	\$	\$	\$
Balance at 11 April 2016	30	0	0	0	0
Surplus/(deficit)		-	-	(4,547,547)	(4,547,547)
Total comprehensive income for the period		-	-	(4,547,547)	(4,547,547)
Transaction with owners in their capacity as owners:					
Transfer of net assets from other agencies		126,017,521	-	-	126,017,521
Establishment of College funds across the training sector as part of the Training Sector Reform Project		5,171,449	-	-	5,171,449
Distribution to owners		(3,112,394)	-	-	(3,112,394)
Total		128,076,576	-	-	128,076,576
Balance at 31 December 2016		128,076,576	-	(4,547,547)	123,529,029

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

Central Regional TAFE

Notes to the Financial Statements

For the period 11 April to 31 December 2016

1. Australian Accounting Standards

General

The College's financial statements for the period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The College has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The College cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction (TI) 1101 '*Application of Australian Accounting Standards and Other Pronouncements*'.

There has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the College for the reporting period from 11 April to 31 December 2016.

2. Summary of significant accounting policies

The following accounting policies have been adopted in the preparation of these financial statements.

General statement

The College is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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.

(a) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land and buildings which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars (\$).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the College's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The financial statements have been prepared on a going concern basis which assumes that the College will be able to generate sufficient positive cash flows to meet its financial obligations and realise its assets and extinguish its liabilities in the normal course of business

(b) Reporting entity

The reporting entity comprises the College only.

(c) 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 T1 955 '*Contributions by Owners Made to Wholly Owned Public Sector Entities*' and have been credited directly to Contributed Equity.

The transfers 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. See note 30 'Equity'.

(d) Income

Revenue recognition

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

The majority of operating revenue of the College represents revenue earned from student fees and charges, fee for service, ancillary services, trading activities and Commonwealth grants and contributions.

The following specific recognition criteria must also be met before revenue is recognised for the major business activities as follows:

Sale of goods

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.

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the College obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the College gains control of the appropriated funds. The College gains control of appropriated funds at the time those funds are deposited to the bank account.

State funds

The funds received from the Department of Training and Workforce Development in respect of the delivery of services forming part of the Delivery Performance Agreement are included in State funds, disclosed under 'Income from State Government'. They are the result of training successfully tendered for under competitive tendering arrangements. This revenue is recognised at nominal value in the period in which the College meets the terms of the Agreement. See note 19 'Income from State Government'.

Gains

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

(e) Property, plant and equipment*Capitalisation/expensing of assets*

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Where applicable in accordance with T1 1101, the capitalisation threshold has been applied to the aggregate value of a group or network of assets where the cost of individual item may be below the threshold but collectively the cost of the items in the group or network exceeds the threshold. 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).

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land and buildings and historical cost for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation (buildings only) and accumulated impairment losses.

All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

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.

In the absence of market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings 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 and the accumulated depreciation are restated proportionately. Fair value for restricted use land 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).

Land and buildings are independently valued annually by the Western Australian Land Information College (Valuation Services) 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.

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 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. Refer to note 24 'Property, plant and equipment' for further information on revaluations.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets on a class of assets basis.

Depreciation

All non-current assets 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.

Depreciation is calculated using the straight line method, using rates which are reviewed annually.

Estimated useful lives for each class of depreciable asset are:

Buildings	40 years
Motor vehicles, caravans and trailers	3 to 23 years
Plant, furniture and general equipment	3 to 28 years
Computing, communications and software ^(a)	1 to 15 years
Marine craft	7 to 10 years

^(a) Software that is integral to the operation of related hardware.

Land is not depreciated.

(f) Impairment of assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. 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 recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the College is a not-for-profit entity, unless asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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 consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

See note 26 'Impairment of assets' for the outcome of impairment reviews and testing. See note 2(l) 'Receivables' and note 22 'Receivables' for impairment of receivables.

(g) Leases

The College has entered into operating lease arrangements for photocopiers, printers, motor vehicles and buildings. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased assets. See Note 32 'Commitments'.

(h) Financial instruments

In addition to cash, the College has two categories of financial instruments:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial assets

- Cash and cash equivalents

- Restricted cash and cash equivalents
- Receivables

Financial liabilities

- Payables and other current liabilities

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(i) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents include restricted cash and cash equivalents including cash on hand.

(j) Accrued salaries

Accrued salaries (see note 27 'Payables') represent the amount due to staff but unpaid at the end of the reporting period, as the end of the last pay period for that reporting period does not coincide with the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The College considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see note 20 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of ten financial years to largely meet the additional cash outlay in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to 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.

See note 21 'Inventories'.

(l) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the College will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

See note 2(h) 'Financial instruments' and note 22 'Receivables'.

(m) Payables

Payables are recognised when the College 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. See note 2(h) 'Financial instruments' and note 27 'Payables'.

(n) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. See note 28 'Provisions'.

(i) Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

Annual leave that is expected to be settled wholly within 12 months after the end of the reporting period is considered to be a 'short term employee benefit'. The annual leave liability is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are 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.

The provision for annual leave is classified as a current liability as the College does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

Long service leave is not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are 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.

Unconditional long service leave provisions are classified as current liabilities as the College 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 the College has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Deferred Leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional twelve months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.

Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Superannuation

The Government Employees Superannuation Board (GESB) and other funds 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.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The College makes contributions to GESB or other funds providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the College's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for College purposes because the concurrent contributions (defined contributions) made by the College to GESB extinguishes the College's obligations to the related superannuation liability.

The College has no liabilities under the Pension Scheme or the GSS. 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 the College to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share. See also note 2(q) 'Superannuation expense'.

(ii) Provisions - other

Employment on-costs

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 'Other expenses' and are not included as part of the College's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. (See note 10a 'Other expenses' and note 28 'Provisions'.)

(o) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), the GESB Super Scheme (GESBS) and other superannuation funds.

(p) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost that the College would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(q) Comparative figures

As this is the first reporting period for Central Regional TAFE, which was established effective from 11 April 2016, there are no comparative figures to disclose.

3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The College evaluates these judgements regularly.

Operating Lease Commitments

The College has entered into multiple operating leases and has determined that the lessor retains substantially all the significant risks and rewards incidental to ownership of the property. Accordingly, the lease has been classified as an operating lease.

4. Key sources of estimation uncertainty

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 reporting period.

Long Service Leave

Several estimations and assumptions in calculating the College's long service leave provision 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.

5. Disclosure of changes in accounting policy and estimates

(a) Initial application of an Australian Accounting Standard

The College has applied the following Australian Accounting Standards effective or adopted, for annual reporting periods beginning on or after 11 April 2016 that impacted on the College.

AASB 1057	<i>Application of Australian Accounting Standards</i> This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.
AASB 2014-3	<i>Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]</i> The College establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.
AASB 2014-4	<i>Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i> The adoption of this Standard has no financial impact for the College as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.
AASB 2014-9	<i>Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i> This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The College needs to determine whether to adopt the accounting policy choice.
AASB 2015-1	<i>Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]</i> These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Standard has no financial impact for the College.
AASB 2015-2	<i>Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i> This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.

AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.

AASB 2015-10 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 & 128*

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. There is no financial impact.

(b) Future impact of Australian Accounting Standards not yet operative

AASB 108.30, 31 The College cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the College has not applied early any of the following Australian Accounting Standards that have been issued that may impact the College. Where applicable, the College plans to apply these Australian Accounting Standards from their application date.

Operative for reporting periods beginning on/after

AASB 9	<i>Financial Instruments</i>	1 Jan 2018
	This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.	
	The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9, and, AASB 2014-1 Amendments to Australian Accounting Standards. The College has not yet determined the application or the potential impact of the Standard.	

AASB 15	<i>Revenue from Contracts with Customers</i>	1 Jan 2019
	This Standard establishes the principles that the College shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The College has not yet determined the application or the potential impact of the Standard.	
	The AASB has made tentative decision to defer the effective date of AASB 15 and AASB 10XX for not-for-profit entities from annual reporting periods beginning on or after 1 January 2018 to 1 January 2019.	

AASB 16	<i>Leases</i>	1 Jan 2019
	This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The College has not yet determined the application or the potential impact of the Standard	

AASB 1058	<i>Income of Not-for-Profit Entities</i>	1 Jan 2019
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	<p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. The College has not yet determined the application or the potential impact of this recently issued Standard.</p>	
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The College has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed to determine the application or potential impact.</p>	1 Jan 2018
AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The College has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The College has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-10	<p><i>Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]</i></p> <p>This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.</p> <p>The mandatory application date of this Standard has been amended by AASB 2015-10 to 1 January 2018. The College has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2015-6	<p><i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i></p>	1 Jul 2016

The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. The College will be required to make related party disclosures, though there is no financial impact.

AASB 2015-8	<i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	1 Jan 2017
	The Standard amends the mandatory effective date of AASB 15, consequential amendments originally set out in AASB 2014-5, and, Interpretation 1052 Tax Consolidation Accounting. There is no financial impact.	
AASB 2016-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 Jan 2017
	This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.	
AASB 2016-3	<i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 Jan 2018
	This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The College has not yet determined the application or the potential impact.	
AASB 2016-4	<i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	1 Jan 2017
	This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement. The College has not yet determined the application or the potential impact.	
AASB 2016-7	<i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	1 Jan 2017
	This Standard amends the mandatory effective date of AASB 15 for not-for-profit entities so that AASB 15 is required to be applied by such entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018. There is no financial impact.	
AASB 2016-8	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	1 Jan 2019
	This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. There is no financial impact.	

(c) Changes in accounting estimates

There have been no changes in accounting estimates for the period from 11 April to 31 December 2016.

11 April to 31 December 2016

\$

6	Employee benefits expense	
	Wages and salaries (a)	25,566,743
	Superannuation - defined contribution plans (b)	2,421,724
		27,988,467
	 (a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.	
	(b) Defined contribution plans include West State, and Gold State and GESB and other eligible funds.	
	Employment on-costs expenses, such as workers' compensation insurance, are included at note 10a 'Other expenses'.	
	Employment on-costs liability is included at note 28 'Provisions'.	
7	Supplies and services	
	Consumables and minor equipment	1,317,114
	Communication expenses	258,395
	Utilities expenses	842,138
	Consultancies and contracted services	3,583,350
	Minor works	1,072,460
	Repairs and maintenance	317,092
	Operating lease and hire charges	1,382,633
	Travel and passenger transport	402,150
	Advertising and public relations	250,580
	Supplies and services - other	425,701
	Supplies and Services - Professional Development (PD) staff activities	133,772
		9,985,385
8	Depreciation and amortisation expense	
	<i>Depreciation</i>	
	Buildings	2,254,506
	Motor vehicles, caravans and trailers	125,214
	Plant, furniture and general equipment	454,298
	Computers and communication network	53,652
	Total depreciation	2,887,670
9	Grants and subsidies	
	<i>Recurrent</i>	
	Apprentices and trainees (travel, accommodation and other off-the-job assistance)	15,740
		15,740
10	Asset revaluation decrement	
	Buildings	1,267,452
		1,267,452
10a	Other expenses	
	Building maintenance	959,082
	Doubtful debts expense	78,363
	Employment on-costs	1,624,270
	Donations	4,222
	Student prizes and awards	54,894
	Losses and write-offs	33,435
	Other	29,037
		2,783,303

11 April to 31 December 2016

\$

11 Fee for service	
Fee for service - general	1,271,538
Fee for service - Department of Training and Workforce Development	328,745
Fee for service - Government (other than Department of Training and Workforce Development)	101,070
International division fees	266,595
Fee for service - other	483,170
	2,451,118
12 Student fees and charges	
Tuition fees	3,718,053
Resource fees	805,757
Other college fees	122,260
Student Fees - Recognition of Prior Learning (RPL) fees	184,071
Student Fees - Incidental fees	25,425
	4,855,566
13 Ancillary trading	
Live works (not a trading activity)	194,651
Other ancillary revenue	11,265
	205,916
14 Trading profit/(loss)	
(a) Bookshop:	
Sales	52,739
Cost of sales:	
Opening inventory	(128,509)
Purchases	(67,557)
	(196,066)
Closing inventory	112,680
Cost of goods sold	(83,386)
Trading profit/(loss) - Bookshop	(30,647)
(b) Cafeteria (non-training related)	
Sales	247,802
Cost of sales:	
Opening inventory	(5,854)
Purchases	(143,544)
	(149,398)
Closing inventory	2,726
Cost of goods sold	(146,672)
Trading profit/(loss) - Cafeteria	101,130
(c) Other trading	
Sales	1,287
Trading profit/(loss) - Other trading	1,287
	71,770
See note 2(k) 'Inventories' and note 21 'Inventories'.	
15 Commonwealth grants and contributions	
Commonwealth specific purpose grants and contributions (a)	102,554
	102,554
(a) These grants include Commonwealth Department of Education Carnarvon crèche.	

11 April to 31 December 2016

\$

16 Interest revenue	
Interest revenue (Commonwealth Bank operating account)	250,614
	250,614
17 Other revenue	
Rental and facilities fees	1,370,359
Sponsorship and donations revenue	44,846
Miscellaneous revenue	219,437
	1,634,642
18 Net gain/(loss) on disposal of non-current assets	
<u>Net proceeds from disposal of non-current assets</u>	
Plant, furniture and general equipment	7,068
Total proceeds from disposal of non-current assets	7,068
<u>Carrying amount of non-current assets disposed</u>	
Buildings	(7,940)
Plant, furniture and general equipment	(2,413)
Total cost of disposal of non-current assets	(10,353)
Net gain/(loss)	(3,285)
See note 24 'Property, plant and equipment'.	
19 Income from State Government	
<u>Appropriation received during the year:</u>	
<u>Service appropriation ^(a) (State funds received from Department of Training and Workforce Development):</u>	
Delivery and Performance Agreement (DPA)	28,520,884
Other recurrent funds	1,158,081
Total State funds	29,678,965
<u>Services received free of charge from other State government agencies during the financial period:</u>	
Department of Training and Workforce Development	
- Corporate systems support	955,792
- Marketing and publications	13,449
- Human resources, and industrial relations support	79,716
- Other	83,653
	1,132,610
Total income from State Government	30,811,575
(a) Service appropriations fund the net cost of services delivered.	
20 Restricted cash and cash equivalents	
<u>Current</u>	
Scholarship for nursing at Northam campus	40,000
	40,000
<u>Non-Current</u>	
Accrued salaries suspense account (27th Pay provision)	264,285
	264,285
Total Restricted cash and cash equivalents	304,285

11 April to 31 December 2016

\$

21 Inventories	
Current	
<u>Inventories held for resale:</u>	
Bookshop (at cost)	112,680
Cafeteria (at cost)	2,726
Total	<u>115,406</u>

See also note 2(k) 'Inventories' and note 14 'Trading profit/(loss)'.

22 Receivables	
Current	
Receivables - trade	1,558,436
Receivables - students	923,292
Accrued revenue	537,465
Allowance for impairment of receivables	(452,792)
GST receivable	145,962
Total current	<u>2,712,363</u>

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period	(347,429)
Doubtful debts expense	(110,751)
Amount written off during the period	32,388
Balance at end of period	<u>(452,792)</u>

The College does not hold any collateral or other credit enhancements as security for receivables.

See also note 2(l) 'Receivables' and note 36 'Financial instruments'.

23 Other assets	
Current	
Prepayments	384,218
Other current assets	2,024
Total current	<u>386,242</u>

24 Property, plant and equipment	
<u>Land</u>	
At fair value (a)	<u>13,350,000</u>
	<u>13,350,000</u>
<u>Buildings</u>	
At fair value (a)	<u>102,340,000</u>
	<u>102,340,000</u>
<u>Motor vehicles, caravans and trailers</u>	
At cost	550,872
Accumulated depreciation	(125,214)
	<u>425,658</u>
<u>Plant, furniture and general equipment</u>	
At cost	2,889,066
Accumulated depreciation	(453,717)
	<u>2,435,349</u>

11 April to 31 December 2016

\$

<u>Computer equipment, communication network</u>	
At cost	198,245
Accumulated depreciation	(53,652)
	<u>144,593</u>
	<u>118,695,600</u>

- (a) Land and buildings were revalued as at 1 July 2016 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 31 December 2016 and recognised at 31 December 2016. In undertaking the revaluation, fair value of buildings was determined on the basis of depreciated replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). See note 2(e) 'Property, plant and equipment'.

Information on fair value measurements is provided in Note 25.

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out in the table below.

	Land	Buildings	Works in Progress	Leasehold improvements	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment, communication network	Marine craft	Total
11 April to 31 December 2016	\$	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	13,350,000	108,161,028	159,959	14,361	557,668	3,063,018	337,130	12,179	125,655,343
Additions	-	8,682	-	-	12,198	62,767	13,900	-	97,547
Transfers	-	69,391	(159,959)	(6,421)	3,450	93,539	-	-	-
Other Disposals	-	(2,377,143)	-	(7,940)	-	(2,413)	-	-	(2,387,496)
Assets Expensed During Period	-	-	-	-	(22,444)	(327,264)	(152,785)	(12,179)	(514,672)
Revaluation increments/(decrements)	-	(1,267,452)	-	-	-	-	-	-	(1,267,452)
Depreciation	-	(2,254,506)	-	-	(125,214)	(454,298)	(53,652)	-	(2,887,670)
Carrying amount at end of period	13,350,000	102,340,000	-	-	425,658	2,435,349	144,593	-	118,695,600

Information on fair value measurements is provided in Note 25.

25 Fair value measurements

Assets measured at fair value:	Level 1	Level 2	Level 3	Fair Value At end of period
	\$	\$	\$	\$
2016				
Land (Note 24)	-	-	13,350,000	13,350,000
Buildings (Note 24)	-	-	102,340,000	102,340,000
	-	-	115,690,000	115,690,000

There were no transfers between Levels 1, 2 or 3 during the current period.

Fair value measurements using significant unobservable inputs (Level 3)

2016	Land \$	Buildings \$
Fair Value at start of period	13,350,000	108,161,028
Revaluation increments/(decrements) recognised in Profit or Loss	-	(1,267,452)
Additions	-	8,682
Transfers	-	69,391
Disposals	-	(2,377,143)
Depreciation Expense	-	(2,254,506)
Fair Value at end of period	13,350,000	102,340,000

Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land and buildings to be categorised within Level 3 where the valuations utilise significant Level 3 inputs on a recurring basis.

Buildings (Level 3 fair values)

Fair value for existing use specialised building is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed economic benefit, expired economic benefit or obsolescence, and optimisation (where applicable) of the asset. Determination of the current replacement cost of such assets held by the College is calculated by reference to gross project size specifications.

Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land).

Information about significant unobservable inputs (Level 3) in fair value measurements

Description	Fair Value 2016 \$000	Valuation Technique(s)
Land	13,350	Market approach
Buildings	102,340	Depreciated replacement cost

Reconciliations of the opening and closing balances are provided in Note 24.

Basis of Valuation

In the absence of market-based evidence due to the specialised nature of the assets, non-financial assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service and the College's enabling legislation.

26 Impairment of assets

There were no indications of impairment to property, plant and equipment or intangible assets at 31 December 2016.

The College held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

27 PayablesCurrent

Trade payables	516,559
GST payable	250
Accrued expenses	703,617
Accrued salaries and related costs	385,039
Total current	1,605,465

See also note 2(m) 'Payables' and note 36 'Financial Instruments'.

28 ProvisionsCurrent*Employee benefits provision*

Annual leave (a)	2,254,125
Long service leave (b)	2,287,425
Deferred Salary Scheme (c)	26,562
Purchased Leave (d)	3,624
	<u>4,571,736</u>

Other provisions

Employment on-costs (e)	265,443
	<u>265,443</u>

Total current

4,837,179

Non-current*Employee benefits provision*

Long service leave (b)	2,327,596
	<u>2,327,596</u>

11 April to 31 December 2016

\$

Other provisions

Employment on-costs (e)	136,042
	<u>136,042</u>
Total non-current	<u>2,463,638</u>

- (a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	1,512,507
More than 12 months after the end of the reporting period	741,618
	<u>2,254,125</u>

- (b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	2,287,425
More than 12 months after the end of the reporting period	2,327,596
	<u>4,615,021</u>

- (c) Deferred salary scheme liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	26,562
	<u>26,562</u>

- (d) Purchased leave salary scheme liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	3,624
	<u>3,624</u>

- (e) 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. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 10a 'Other expenses'.

Movements in other provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

Employment on-cost provision

Carrying amount transferred to College	403,999
Additional provisions recognised	(2,514)
Carrying amount at end of period	<u>401,485</u>

11 April to 31 December 2016

\$

29 Other liabilitiesCurrent

Income received in advance (a)	250,115
Grants and advances (Department of Training & Workforce Development refund provision)	4,663,366
Money/deposits held in trust	21,545
Other	990
Total current	4,936,016

(a) Income received in advance comprises:

State Government Department of Corrective Services - training and delivery at Geraldton, Northam and Kalgoorlie campuses	240,237
Northam Senior High School	9,091
Student fees and charges	787
	250,115

30 Equity

The CY O'Connor Institute, Durack Institute of Technology and Goldfields Institute of Technology amalgamated to form the new Central Regional TAFE, with effect from 11 April 2016.

Schedule of assets and liabilities taken over at 11 April 2016

	CY O'Connor Institute	Durack Institute of Technology	Goldfields Institute of Technology	Total
				\$
Cash Assets	1,419,885	4,078,982	2,463,126	7,961,993
Restricted Cash Assets	61,597	-	45,853	107,450
Receivables	428,426	1,615,484	1,065,974	3,109,884
Inventories	84,949	57,282	-	142,231
Other Current Assets	98,044	222,114	38,111	358,269
Property, Plant and Equipment	15,649,634	68,862,249	41,143,460	125,655,343
Payables	(195,463)	(835,840)	(513,067)	(1,544,370)
Provisions	(2,253,682)	(4,066,345)	(1,442,163)	(7,762,190)
Other Liabilities	(245,633)	(946,873)	(818,583)	(2,011,089)
Total Net Assets	15,047,757	68,987,053	41,982,711	126,017,521

11 April 2016

Net Assets inherited from CY O'Connor Institute	15,047,757
Net Assets inherited from Durack Institute of Technology	68,987,053
Net Assets inherited from Goldfields Institute of Technology	41,982,711
	<u>126,017,521</u>

11 April to 31 December 2016

\$

Contributed equity

Balance at start of period -

Other contributions by owners

Transfer of net assets from other agencies 126,017,521

Establishment of College funds across the training sector as part of the
Training Sector Reform Project 5,171,449**Total contributions by owners 131,188,970****Distributions to owners**Net assets transferred to Government (transfer of Wiluna net assets to
Department of Education) (2,332,394)Net assets transferred to Government (College contribution to Geraldton
campus student hub) (780,000)**Total distributions to owners (3,112,394)****Balance at end of period 128,076,576****Reserves****Asset revaluation surplus**

Balance at start of period -

Balance at end of period -**Accumulated surplus/(deficit)**

Balance at start of period -

Result for the period (4,547,547)

Balance at end of period (4,547,547)**Total Equity at end of period 123,529,029****31 Notes to the Statement of Cash Flows****Reconciliation of cash**

Cash at the end of the financial year, as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on hand 7,481

Cash and cash equivalents 15,149,950

15,157,431Restricted cash and cash equivalents (refer to note 20 'Restricted cash and
cash equivalents') 304,28515,461,716**Reconciliation of net cost of services to net cash flows provided
by/(used in) operating activities**

Net cost of services (35,359,122)

Non-cash items:Depreciation and amortisation expense (note 8 'Depreciation and
amortisation expense) 2,887,670

Doubtful debts expense (note 10a 'Other expenses') 110,751

Resources received free of charge (note 19 'Income from State
Government') 1,132,610

11 April to 31 December 2016

\$

Net (gain)/loss on sale of property, plant and equipment (<i>note 18 'Net gain/(loss) on sale of non-current assets'</i>)	3,285
Losses and write-offs (excludes cash shortages/thefts of money) (<i>note 10a 'Other expenses'</i>)	1,047
Asset revaluation decrement (<i>note 10 'Asset revaluation decrement'</i> and <i>note 24 'Property, plant and equipment'</i>)	1,267,452
Assets expensed during the period (move in property, plant and equipment)	(514,672)
<u>(Increase)/decrease in assets:</u>	
Current receivables ^(a)	339,332
Current inventories	26,825
Other current assets	(28,561)
Other non current assets	(188,435)
<u>Increase/(decrease) in liabilities</u>	
Current payables ^(a)	124,767
Current provisions	(716,345)
Other current liabilities	(1,738,439)
Non-current provisions	254,972
Net GST receipts/(payments) ^(b)	322,637
Change in GST in receivables/payables ^(c)	(4,895)
Net cash provided by/(used in) operating activities	<u>(32,079,121)</u>

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received, i.e. cash transactions

(c) This reverses out the GST in receivables and payables

32 Commitments

Other expenditure commitments

Other expenditure commitments [motor vehicle lease, Exmouth campus lease] contracted for at the end of the reporting period date but not recognised as liabilities are payable as follows:

Within 1 year	348,339
Later than 1 year and not later than 5 years	365,096
	<u>713,435</u>

33 Contingent liabilities and contingent assets

Contingent liabilities

The Governing Council is not aware of any contingent liabilities or contingent assets as at balance date.

Contaminated sites

Under the Contaminated Sites Act 2003, the Institute is required to report known and suspected contaminated sites to the Department of Environment Regulations (DER). In accordance with the Act, DER 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 expenses.

During the period ended 31 December 2012 the former CY O'Connor Institute, which is now part of the College, reported a suspected contaminated site (the Northam Campus) to DER. The site subsequently classified by DER as 'Possibly contaminated and required further investigation'. As at the date of this report, the remediation is being funded through a DER grant and managed through LandCorp. The Department of Training and Workforce Development is paying some remediation costs.

Contingent assets

The Governing Council is not aware of any contingent assets as at balance date.

34 Events occurring after the reporting period

The Governing Council is not aware of any other matters or circumstances that have arisen since the end of the financial year to the date of this report which have significantly affected or may significantly affect the activities of the College, the results of those activities or the state of affairs of the College in the ensuing or any subsequent years.

35 Explanatory statement

Major variances between estimates and actual results for 2016 are shown below.

Major variances are considered to be those greater than 5% and greater than a dollar aggregate, being the lower of \$5 million or the dollar aggregate or, as applicable:

- (i) 2.0% multiplied by Total Cost of Services, when compared with variances for revenues, gains and expense line items. Variances relating to changes in asset revaluation surplus are excluded from the definition of major variance for disclosure purposes; or
 - (ii) 2.0% multiplied by Total Cost of Services, when compared with variances for cash flow line items not substantially explained elsewhere in another narrative disclosure; or
 - (iii) 2.0% multiplied by Total Assets when compared with variances for assets, liabilities, and equity line items. Variances relating to cash assets, receivables, payables, contributed equity and accumulated surplus are excluded from the definition of major variance for disclosure purposes.
- The dollar aggregate calculated from Total Cost of Services and Total Assets is to be based on the estimate for budget and actual comparison.

Statement of Comprehensive Income	Variance Note	11 April to 31 December 2016		Variance between Estimated and Actual
		Actual	Estimate	
		\$	\$	\$
COST OF SERVICE				
<u>Expenses</u>				
Employee benefits expense	1	27,988,467	24,878,179	3,110,288
Supplies and services	2	9,985,385	13,083,434	(3,098,049)
Depreciation and amortisation expenses		2,887,670	2,905,349	(17,679)
Grants and subsidies		15,740	41,025	(25,285)
Cost of sales		230,058	350,469	(120,411)
Loss on disposal of non current assets		3,285	12,368	(9,083)
Asset revaluation decrement	3	1,267,452	-	1,267,452
Other expenses		2,783,303	2,943,053	(159,750)
Total cost of services		45,161,360	44,213,877	947,483
<u>Income</u>				
Revenue				
Fees for services		2,451,118	2,174,099	277,019
Student fees and charges		4,855,566	5,910,939	(1,055,373)
Ancillary Trading		205,916	231,726	(25,810)
Sales		301,828	447,823	(145,995)
Commonwealth grants and contributions		102,554	69,094	33,460
Interest revenue		250,614	351,788	(101,174)
Other revenue		1,634,642	1,766,207	(131,565)
Total Revenue		9,802,238	10,951,676	(1,149,438)
NET COST OF SERVICES		35,359,122	33,262,201	(2,096,921)

DISCLOSURES AND LEGAL COMPLIANCE

INCOME FROM GOVERNMENT				
Service appropriation	4	29,678,965	32,760,826	(3,081,861)
Service received free of charge		1,132,610	1,209,078	(76,468)
Total Income from State Government		30,811,575	33,969,904	(3,158,329)
SURPLUS/ DEFICIT FOR THE PERIOD		(4,547,547)	707,703	(5,255,250)
OTHER COMPREHENSIVE INCOME				
Items not classified subsequently to profit or loss				
Changes in asset revaluation surplus	5	-	401,411	(401,411)
Total Other Comprehensive Income		-	401,411	(401,411)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(4,547,547)	1,109,114	(5,656,661)

Statement of Financial Position	Variance Note	11 April to 31 December 2016		Variance between Estimated and Actual
		Actual	Estimate	
		\$	\$	\$
ASSETS				
Current Assets				
Cash and Cash equivalents	6	15,157,431	11,462,511	3,694,920
Restricted cash and cash equivalents		40,000	74,754	(34,754)
Inventories		115,406	145,545	(30,139)
Receivables		2,712,363	2,235,634	476,729
Other current assets		386,242	817,984	(431,742)
Total Current Assets		18,411,442	14,736,428	3,675,014
Non-Current Assets				
Restricted cash and cash equivalents		264,285	162,253	102,032
Property, plant and equipment	7	118,695,600	127,041,336	(8,345,736)
intangible assets		-	97	(97)
Other non-current assets		-	75,705	(75,705)
TOTAL CURRENT ASSETS		118,959,885	127,279,391	(8,319,506)
TOTAL ASSETS		137,371,327	142,015,819	(4,644,492)

DISCLOSURES AND LEGAL COMPLIANCE

LIABILITIES				
Current Liabilities				
Payables		1,605,465	2,094,525	(489,060)
Provisions		4,837,179	5,827,014	(989,835)
Other current liabilities	8	4,936,016	1,094,003	3,842,013
Total Current Liabilities		11,378,660	9,015,542	2,363,118
Non-Current Liabilities				
Provisions		2,463,638	2,593,484	(129,846)
Total Non-Current Liabilities		2,463,638	2,593,484	(129,846)
TOTAL LIABILITIES		13,842,298	11,609,026	2,233,272
NET ASSETS		123,529,029	130,406,793	(6,877,764)
EQUITY				
Contributed equity	9	128,076,576	91,299,266	36,777,310
Reserves	9	-	27,859,319	(27,859,319)
Accumulated surplus/(deficit)	9	(4,547,547)	11,248,208	(15,795,755)
TOTAL EQUITY		123,529,029	130,406,793	(6,877,764)

Statement of Cash Flows	Variance Note	11 April to 31 December 2016		Variance between Estimated and Actual
		Actual	Estimate	
		\$	\$	\$
CASH FLOWS FROM STATE GOVERNMENT				
Service appropriation		34,341,743	32,753,543	1,588,200
Special purpose grant/cash transferred from DTWD		5,171,449	7,283	5,164,166
Net cash provided by State Government		39,513,192	32,760,826	6,752,366
CASHFLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee benefits	1	(28,559,381)	(24,799,210)	(3,760,171)
Supplies and Services	2	(9,043,296)	(12,472,648)	3,429,352

DISCLOSURES AND LEGAL COMPLIANCE

Grants and subsidies		(15,740)	(41,025)	25,285
GST payments on purchases		(919,247)	(1,106,922)	187,675
Other payments		(2,812,403)	(3,266,326)	453,923
		(41,350,067)	(41,686,131)	336,064
Receipts				
Fees for services	10	1,229,494	2,162,273	(932,779)
Student fees and charges	4	3,871,394	5,367,910	(1,496,516)
Ancillary trading		205,916	231,726	(25,810)
Commonwealth grants and contributions		289,034	71,787	217,247
Interest received		168,973	351,789	(182,816)
GST receipts on sales		444,323	338,729	105,594
GST receipts from taxation authority		541,820	766,750	(224,930)
Other receipts		2,519,992	2,176,081	343,911
		9,270,946	11,467,045	(2,196,099)
Net cash provided by/(used in) operating activities		(32,079,121)	(30,219,086)	(1,860,035)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments				
Purchase of non-current assets		(88,865)	(1,250,000)	1,161,135
Receipts				
Proceeds from sale of non-current assets		7,068	4,276	2,792
Net cash provided by/(used in) investing activities		(81,797)	(1,245,724)	1,163,927
Net increase/(decrease) in cash and cash equivalents		7,352,274	1,296,016	6,056,258
Cash and cash equivalents at the beginning of the period		8,109,443	10,403,502	(2,294,059)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		15,461,716	11,699,518	3,762,198

Variance between estimate and actual

- 1) Actual expenses exceeded the estimates. Savings were achieved through reduction of approximately 50 FTEs. In addition, the College has paid \$0.637m for severance scheme due to training sector reform project.
- 2) Continued implementation of reform initiative to reduce various expenses, including repair and maintenance, consultancy, advertising and student materials.
- 3) Revaluation decrements on buildings was recognised as a result of valuation by Landgate, but has to be expensed due to no opening balance to offset.
- 4) Student fees reduced due to lower number of anticipated enrolments.
- 5) The reduction of revenue was due to achievement of 82% of the 2016 contracted SCH.
- 6) \$5.1m cash redistribution as a result of the Training Sector Reform Project.
- 7) The variance of reduction is due to transfer of \$2.4m for Wiluna building to the Department of Education and Revaluation of decrements \$1.3m and depreciation expenses of \$2.25m.
- 8) The variance in other current liabilities is largely due to \$4.6m as a result of a provision for the refund of DPA.
- 9) Variance is due to transfer of \$2.4m for Wiluna building to the Department of Education and \$4.5m operating deficit for 2016.
- 10) The lower receipt of fee for service than budget was due to a significant portion of fee for services recognised as debtors or accrued income at the end of year.

As the College is a new government agency established in April 2016, there is no reporting of variance between actual results for the 2016 calendar year and for the 2015 calendar year.

36 Financial instruments**(a) Financial risk management objectives and policies**

Financial instruments held by the College are cash and cash equivalents, restricted cash and cash equivalents, loans and receivables, payables, WATC/Bank borrowings and finance leases. The College has limited exposure to financial risks. The College's overall risk management program focuses on managing the risk identified below:

Credit risk

Credit risk arises when there is the possibility of the College's receivables defaulting on their contractual obligations resulting in financial loss to the College.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 36(c) 'Financial instruments disclosures' and note 22 'Receivables'.

Credit risk associated with the College's financial assets is minimal because the College trades only with recognised, creditworthy third parties. The College has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the College's exposure to bad debt is minimal. At the end of the reporting period there are no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the College is unable to meet its financial obligations as they fall due.

The College is exposed to liquidity risk through its trading in the normal course of business.

The College has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the College's income or the value of its holdings of financial instruments. The College does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes). The College's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations.

All borrowings are due to the Western Australian Treasury Corporation (WATC) and are repayable at fixed rates with varying maturities. Other than as detailed in the Interest rate sensitivity analysis table at Note 36(c), the College is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing and it has no borrowings other than WATC borrowings and finance leases (fixed interest rate).

(b) Categories of 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:

	11 April to 31 December 2016
	\$
<u>Financial Assets</u>	
Cash and cash equivalents	15,157,431
Restricted cash and cash equivalents	304,285
Receivables (a)	2,566,401
Loans and advances	386,242
<u>Financial Liabilities</u>	
Payables	1,605,215

(a) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

(c) Financial instrument disclosuresCredit risk

The following table discloses the College's maximum exposure to credit risk and the ageing analysis of financial assets. The College's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the College.

The College does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

Ageing analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired					Impaired Financial Assets
			Up to 1 month	1-3 months	3 months to 1 year	1-5 Years	More than 5 years	
11 April to 31 December 2016	\$	\$	\$	\$	\$	\$	\$	\$
<u>Financial Assets</u>								
Cash and cash equivalents	15,157,431	15,157,431	-	-	-	-	-	-
Restricted cash and cash equivalents	304,285	304,285	-	-	-	-	-	-
Receivables (a)	2,566,401	537,465	556,017	241,038	1,684,673	-	-	452,792
Loans and advances	386,242	386,242	-	-	-	-	-	-
	18,414,359	16,385,423	556,017	241,038	1,684,673	-	-	452,792

(a) The amount of receivables excludes the GST receivables from the ATO (statutory receivable).

Liquidity risk and interest rate exposure

The following table details the College's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

		Interest rate exposure				Maturity dates					
	Weighted Average Effective Interest Rate	Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing	Nominal Amount	Up to 1 month	1-3 months	3 months to 1 year	1-5 Years	More than 5 years
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
11 April to 31 December 2016											
<u>Financial Assets</u>											
Cash and cash equivalents	1.90%	15,157,431	-	15,149,950	7,481	15,157,431	15,157,431	-	-	-	-
Restricted cash and cash equivalents	1.90%	304,285	-	304,285	-	304,285	304,285	-	-	-	-
Receivables (a)	nil	2,566,401	-	2,566,401	-	2,566,401	-	-	2,566,401	-	-
Loans and advances	nil	386,242	-	-	386,242	386,242	-	-	386,242	-	-
		18,414,359	-	18,020,636	393,723	18,414,359	15,461,716	-	2,952,643	-	-
<u>Financial Liabilities</u>											
Payables	nil	1,605,215	-	-	1,605,215	1,605,215	1,605,215	-	-	-	-
		1,605,215	-	-	1,605,215	1,605,215	1,605,215	-	-	-	-

(a) The amount of receivables excludes the GST receivables from the ATO (statutory receivable).

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the College's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying Amount	-100 Basis Points		+100 Basis Points	
		Surplus	Equity	Surplus	Equity
11 April to 31 December 2016	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Restricted cash and cash equivalents	18,020,636	(180,206)	(180,206)	180,206	180,206
Total Increase/(Decrease)	18,020,636	(180,206)	(180,206)	180,206	180,206

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

37 Remuneration of members of the Accountable Authority of Governing Council

Remuneration of members of the College

The number of members of the College whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	<u>11 April to 31 December 2016</u>
\$	
\$0 - \$10,000	4
\$10,001 - \$20,000	1
\$210,000 - \$220,000	1
	\$
Base remuneration and superannuation	216,884
Annual leave and long service leave accruals	7,778
Other benefits	31,772
Total remuneration of the members of the College	256,434

The total remuneration includes the superannuation expense incurred by the College in respect of members of the College.

Remuneration of senior officers

The number of senior officers other than senior officers reported as members of the College, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	<u>11 April to 31 December 2016</u>
\$	
\$120,001 - \$130,000	4
\$140,001 - \$150,000	1
	\$
Base remuneration and superannuation	585,426
Annual leave and long service leave accruals	29,944
Other benefits	31,245
The total remuneration of senior officers	646,616

The total remuneration includes the superannuation expense incurred by the College in respect of senior officers other than senior officers reported as members of the College.

No senior officers are members of the Pension Scheme.

38 Remuneration of auditor

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

	11 April to 31 December 2016
	\$
Auditing the accounts, financial statements and performance indicators	147,500

39 Related bodies

The College has no related bodies.

40 Affiliated bodies

The College has no affiliated bodies.

41 Supplementary financial information

	11 April to 31 December 2016
<u>Write-Offs</u>	\$
Public property written-off by the Executive Council during the financial year	
Bad debts	32,388
Inventory	1,065
Other (write off debtor small balances, banking surplus/deficit)	(18)
	33,435

42 Schedule of income and expenditure by service

The College provides only one service as defined by Treasurer's Instruction 1101 (9) and that is Vocational Education and Training Delivery.

Annual Estimates

In accordance with Treasurer's Instruction 953, the annual estimates for the 2017 year are hereby included in the 2016 Annual Report. These estimates do not form part of the 2016 financial statements and are not subject to audit.

Central Regional TAFE 2017 S40 SUBMISSION Statement of Comprehensive Income	2017 Estimate \$
COST OF SERVICES	
Expenses	
Employee benefits expense	39,529,359
Supplies and services	13,358,708
Depreciation and amortisation expense	4,543,819
Grants and subsidies	41,500
Loss on disposal of non-current assets	12,368
Cost of sales	360,986
Other expenses	4,012,144
Total Cost of Services	61,858,884
Income	
Revenue	
Fee for service	2,027,926
Student charges and fees	7,907,574
Ancillary trading	323,416
Sales	502,763
Commonwealth grants and contributions	46,060
Interest revenue	367,945
Other revenue	3,052,794
Total Revenue	14,228,478
Total income other than income from State Government	14,228,478
NET COST OF SERVICES	(47,630,406)
INCOME FROM STATE GOVERNMENT	
State funds	42,822,309
Resources received free of charge	1,667,728
Total income from State Government	44,490,037
SURPLUS (DEFICIT) FOR THE PERIOD	(3,140,369)
OTHER COMPREHENSIVE INCOME	
Changes in asset revaluation reserve	2,834,193
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(306,176)

Central Regional TAFE 2017 S40 SUBMISSION Statement of Financial Position	2017 Estimate \$
ASSETS	
Current Assets	
Cash and cash equivalents	8,265,698
Restricted cash and cash equivalents	40,000
Inventories	144,792
Receivables	2,143,844
Other current assets	360,855
Total Current Assets	10,955,188
Non-Current Assets	
Restricted cash and cash equivalents	389,196
Property, plant and equipment	131,390,154
Total Non-Current Assets	131,779,349
TOTAL ASSETS	142,734,538
LIABILITIES	
Current Liabilities	
Payables	366,056
Provisions	6,647,281
Other current liabilities as held for sale	2,075,779
Total Current Liabilities	9,089,116
Non-Current Liabilities	
Provisions	2,405,000
Total Non-Current Liabilities	2,405,000
TOTAL LIABILITIES	11,494,116
NET ASSETS	131,240,422
EQUITY	
Contributed Equity	130,715,697
Reserves	5,568,260
Accumulated surplus/(deficiency)	(5,043,536)
TOTAL EQUITY	131,240,422

Central Regional TAFE 2017 S40 SUBMISSION Statement of Cash Flows	2017 Estimate \$
CASH FLOWS FROM STATE GOVERNMENT	
State funds	42,813,000
Special purpose grant/cash transferred from DTWD	9,309
Net cash provided by State Government	42,822,309
Utilised as follows:	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Payments	
Employee benefits	(39,523,527)
Supplies and services	(12,656,041)
Grants and subsidies	(41,500)
GST payments on purchases	(1,072,598)
Other payments	(4,365,459)
Operating Receipts	
Fee for service	2,012,089
Student fees and charges	7,896,061
Ancillary trading	323,416
Commonwealth grants and contributions	46,060
Interest received	367,945
GST receipts on sales	432,619
GST receipts from taxation authority	577,274
Other receipts	3,546,234
Net cash provided by/(used in) operating activities	(42,457,427)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of non-current physical assets	4,276
Purchase of non-current physical assets	(2,051,000)
Net cash provided by/(used in) investing activities	(2,046,724)
Net increase/(decrease) in cash held and cash equivalents	(1,681,842)
Cash and cash equivalents at the beginning of the period	10,376,736
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8,694,894

Central Regional TAFE 2017 S40 SUBMISSION Statement of Changes in Equity	2017 Estimate \$
Balance of equity at start of period	127,541,598
CONTRIBUTED EQUITY	
Balance at start of period	126,710,697
Other contributions by owners	4,005,000
Balance at end of period	130,715,697
RESERVES	
Asset Revaluation Reserve	
Balance at start of period	2,734,068
Restated balance at start of period	2,734,068
Gains/(losses) from asset revaluation	2,834,193
Balance at end of period	5,568,260
ACCUMULATED SURPLUS (RETAINED EARNINGS)	
Balance at start of period	(1,903,167)
Restated balance at start of period	(1,903,167)
Surplus/(deficit) or profit/(loss) for the period	(3,140,369)
Gains/(losses) recognised directly in equity	
Balance at end of period	(5,043,536)
Balance of equity at end of period	131,240,422
Total income and expense for the period	(306,176)

Key Performance Indicators

Certification of Key Performance Indicators

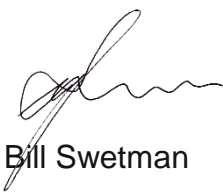
We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Central Regional TAFE's performance, and fairly represent the performance of the Central Regional TAFE for the period 11 April to 31 December 2016.



Mary Woodford

21 March 2017

Chairperson of Governing Council
Central Regional TAFE



Bill Swetman

21 March 2017

Managing Director
Member of Governing Council
Central Regional TAFE

Government Goals

Results-based service delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

Stronger focus on the regions: Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.

Desired Outcome

The provision of vocational education and training services to meet community and industry training needs.

Central Regional TAFE has developed key performance indicators to report performance relating to the effectiveness and efficiency with which the above outcome has been achieved. The College uses these indicators in reviewing its performance and in its ongoing commitment to improve its programs and services.

Partial Exemption

Due to the WA Training Sector Reform in April 2016, the Department of Treasury WA granted all TAFE training colleges a partial exemption under the Treasurer's Instruction 904 exempting the TAFE colleges from:

- Disclosure of budget targets for all key performance indicators.
- Reporting key efficiency indicator 1.1 Overall Cost per SCH.

Accordingly, no targets except for Profile Achievement, and the efficiency indicator have been reported in the Key Performance Indicators for 2016.

Effectiveness Indicators

The effectiveness indicators measure the achievement of vocational education and training in meeting community and industry needs via student and graduate satisfaction, labour force status of graduates and profile achievement.

Key Effectiveness Indicator 1.1: Overall Student Satisfaction

To determine performance against Key Performance Indicator 1.1 (Student Satisfaction), the College has used the WA Student Satisfaction Survey 2016, conducted by Patterson Research Group on behalf of the Western Australian Department of Training and Workforce Development (DTWD).

The aim of the survey is to gain an understanding of students' training requirements and to measure the quality of the delivery of training and services provided by Central Regional TAFE.

The overall student satisfaction rating calculates the number of 'satisfied' and 'very satisfied' respondents. The results provide an overall expression of how satisfied students are with various services provided by the College. Students were asked to respond to the question 'Overall, how satisfied were you with your course?' on a five point scale where one is 'very satisfied' and five is 'very dissatisfied'. Table One shows the proportion of respondents who were either very satisfied or satisfied overall with their course(s).

Table One: Overall Student Satisfaction Rate

	2016 Estimate	2016 Actual
Central Regional TAFE	89.0%	92.2%
Western Australia	N/A	88.9%

Source: Patterson Research Group, Student Satisfaction Survey 2016

Derivation: The total population for Central Regional TAFE was 4,630 students and 1,120 responses were received. This represents a response rate of 24.2%. The College's relative confidence interval was $\pm 1.4\%$ at the 95% confidence level.

The total population for the whole of Western Australia was 47,031 students and 12,060 responses were received. This represents a response rate of 25.6%.

Notes: These figures are representative for the whole of 2016.

The WA Student Satisfaction Survey is an annual survey amongst students who are funded under the National Agreement for Skills and Workforce Development. 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), students who are in a correctional facility and students aged less than 15 years.

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.

Key Effectiveness Indicator 1.2: Graduate Achievement Rate and Key Effectiveness Indicator 1.3: Graduate Destination Rate

To determine performance against Key Performance Indicator 1.2 (Graduate Achievement) and Key Performance 1.3 (Graduate Destination) the College uses the Student Outcomes Survey. The Social Research Centre conducts the annual Student Outcomes Survey on behalf of the National Centre for Vocational Education and Research (NCVER). The aim of the survey is to measure vocational education and training students' employment status, further study and the options of the training undertaken.

Although NCVER conducts the surveys annually, sample sizes only allow provider-level outputs to be produced biennially (in years ending with an odd number). There are no 2016 TAFE-level data available for these measures, these results will be reported next year.

Key Effectiveness Indicator 1.4: Achievement of Profile Delivery

This performance indicator reports the effectiveness of Central Regional TAFE in meeting targets in the Delivery and Performance Agreement (DPA), through which the College is resourced to deliver training purchased by Government. Purchased delivery takes into consideration the needs of the local community, individuals and the workforce development requirements of industry. Through this delivery the College is able to assist clients to achieve their desired training outcomes.

Prior to the Training Sector Reform (enacted 11 April 2016), each of the former State Training Providers (ie Goldfields Institute of Technology, CY O'Connor Institute of Technology and Durack Institute of Technology) had a separate DPA with the Department of Training and Workforce Development (DTWD) for the full year of 2016.

Upon amalgamation, DTWD issued a revised full year DPA for the newly formed Central Regional TAFE. Although this DPA was issued in April 2016, it included targets for 1 January 2016 to 31 December 2016. Therefore Goldfields, CY O'Connor and Durack Institute's maintained separate enrolment systems through 2016. The data from these

systems was then amalgamated at year end to show the combined SCH delivered by the new Central Regional TAFE entity.

Given the nature of this indicator it is not possible to report a partial year result. Profile delivery targets and student curriculum hours 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. Importantly, one snapshot cannot be subtracted from another to produce a part year figure, as the two collections will not include the same records. Nonetheless, since the majority of final outcomes were recorded later in the year, the timing of end of study reporting means that full year 2016 figures do still fairly represent TAFE performance for the reporting period 11 April to 31 December 2016.

Overall Achievement of Profile Delivery

This performance indicator shows the overall percentage of Student Curriculum Hours (SCH) achieved for training purchased by the Department of Training and Workforce Development and summarises the data in Table Two.

Table Three: Achievement of 2016 Profile, Estimated Vs Achieved SCH

	Estimated SCH	Achieved SCH	% Achieved
2016	2,283,668	1,876,357	82.2

Source: Central Regional TAFE Delivery and Performance Agreement (DPA) for the estimated SCH and the College Management Information System (CMIS) for achieved SCH.

Notes:

- i 2016 DPAs for TAFEs were produced on a full-year basis and the above Estimated SCH included profile delivery up to 11 April 2016.
- ii The % Profile Achievement is obtained by dividing the actual DPA SCH Achieved by the Estimated SCH contained within the DPA (first agreement).

Achievement of Profile Delivery by ANZSCO Group

This measure indicates the estimate (ie amount purchased) and actual achievement of Student Curriculum Hours (SCH) by the State Australian and New Zealand Standard Classification of Occupation (ANZSCO) Groups. The classification of these Groups is based on the occupation or outcome the course is intended to serve, and highlights the College's performance in achieving delivery targets.

Table Two: Achievement of 2016 Profile by the State Australian and New Zealand Standard Classification of Occupation Groups

ANZSCO Group		2016 Estimate SCH	2016 Achieved SCH
1	MANAGERS	87,190	61,112
11	Chief Executives, General Managers and Legislators	26,870	21,545
12	Farmers and Farm Managers	37,920	35,657
13	Specialist Managers	22,400	3,910
2	PROFESSIONALS	173,600	147,286
21	Arts and Media Professionals	28,800	17,971
22	Business, Human Resource and Marketing Professionals	2,000	1,120
23	Design, Engineering, Science and Transport Professionals	100,000	96,915
24	Education Professionals	29,900	19,330
26	ICT Professionals	3,400	10,670
27	Legal, Social and Welfare Professionals	9,500	1,280
3	TECHNICIANS AND TRADES WORKERS	400,339	412,444
31	Engineering, ICT and Science Technicians	92,109	68,011
32	Automotive and Engineering Trades Workers	135,533	161,690
33	Construction Trades Workers	54,216	44,973
34	Electrotechnology and Telecommunications Trades Workers	45,624	61,412
35	Food Trades Workers	39,507	32,553
36	Skilled Animal and Horticultural Workers	17,290	22,770
39	Other Technicians and Trades Workers	16,060	21,035
4	COMMUNITY AND PERSONAL SERVICE WORKERS	521,024	460,247
41	Health and Welfare Support Workers	160,102	186,660
42	Carers and Aides	209,283	182,061
43	Hospitality Workers	16,980	16,744
44	Protective Service Workers	20,000	-
45	Sports and Personal Service Workers	114,659	74,782
5	CLERICAL AND ADMINISTRATIVE WORKERS	226,564	145,813
51	Office Managers and Program Administrators	19,500	15,795
52	Personal Assistants and Secretaries	2,500	1,110
53	General Clerical Workers	144,050	81,950
54	Inquiry Clerks and Receptionists	14,964	4,305
55	Numerical Clerks	4,600	15,280
59	Other Clerical and Administrative Workers	40,950	27,373
6	SALES WORKERS	12,955	6,685
61	Sales Representatives and Agents	250	-
62	Sales Assistants and Salespersons	12,705	6,685
7	MACHINERY OPERATORS AND DRIVERS	306,370	199,407
71	Machine and Stationary Plant Operators	169,170	26,412
72	Mobile Plant Operators	107,200	172,185
73	Road and Rail Drivers	30,000	-
74	Storepersons	-	810
8	LABOURERS	288,866	246,131
82	Construction and Mining Labourers	53,063	57,347
83	Factory Process Workers	47,912	28,791
84	Farm, Forestry and Garden Workers	37,400	47,426
85	Food Preparation Assistants	15,748	14,951
89	Other Labourers	134,743	97,616
G	GENERAL EDUCATION	266,760	197,232
GB	Adult Literacy/ESL	158,080	140,295
GE	Targeted Courses	106,680	56,937
Total SCH		2,283,668	1,876,357

Source: Central Regional TAFE Delivery and Performance Agreement (DPA) for the estimated SCH and the College Management Information System (CMIS) for achieved SCH.

Notes:

- i 2016 DPAs for TAFEs were produced on a full-year basis and the above estimated SCH included profile delivery up to 11 April 2016.
- ii During 2016 Central Regional TAFE negotiated one addenda to the DPA. The Occupation Group estimates changed to meet the vocational education and training needs of the community and industry.

Efficiency Indicator

Key Efficiency Indicator 1.1: Overall cost per SCH

This indicator has been exempted from being reported in the current year.