



2017 ANNUAL REPORT



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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 1 January to 31 December 2017.

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 103
 GERALDTON WA 6531

Telephone: (08) 9956 2700
 Email: quality@crtafe.wa.edu.au



Our Campuses

Kalgoorlie Campus

34 Cheetham Street,
 Kalgoorlie, WA 6430
 Freecall 1800 465 334

Northam Campus

Lot 1 Hutt Street,
 Northam, WA, 6401
 Freecall 1800 627 256

Merredin Campus

42 Throssel Road,
 Merredin, WA, 6415
 Phone (08) 9081 3555

Moora Campus

242 Berkshire Valley Road,
 Moora, WA, 6510
 Phone (08) 9651 0111



Exmouth Campus

Ningaloo Centre,
 Cnr of Murat Rd & Truscott Cres
 Exmouth, WA 6707
 Phone (08) 9949 2624

Carnarvon Campus

14 Camel Lane,
 Carnarvon, WA, 6701
 Phone (08) 9941 0100

Geraldton Campus (Head Office)

175 Fitzgerald Street
 Geraldton, WA 6530
 Freecall 1800 672 700

Technology Park Campus

Corner Arthur and Deepdale Road,
 Geraldton, WA
 All enquiries to Geraldton Campus

Batavia Coast Maritime Institute

Willcock Drive,
 Separation Point, WA 6530
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Statement of Compliance

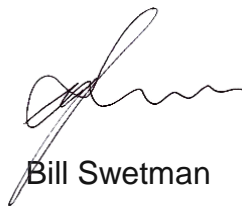
Hon Sue Ellery, MLC
Minister for Education and Training
13th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

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 year ended 31 December 2017.

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 (2016/2017)*.



Mary Woodford
Governing Council Chair
Central Regional TAFE
12 March 2018



Bill Swetman
Managing Director
Central Regional TAFE
12 March 2018

The Year in Review

Message from the Governing Council Chair and Managing Director

This is the second annual report for Central Regional TAFE, having been established in April 2016 as part of significant training sector reforms that resulted in the amalgamation of the Goldfields Institute of Technology, Durack Institute of Technology and CY O'Connor Institute of Technology.

The College continues to establish its identity and strategic directions, while also ensuring the TAFE experience for students is of high quality and training courses provided are what the State and local industry require. Key achievements for 2017 was the development of a new Strategic Plan for 2018-2020, and a College Business Plan.

To build on the work establishing the College in 2016, the 2018 Business Plan identifies ten key strategies:

- Using technology to increase access to training and to drive business systems efficiencies.
- Diversifying delivery models to improve the flexibility and quality of delivery and overcome the challenge of distance between campuses.
- Providing access and choice in training options for remote towns and communities.
- Developing and implementing an infrastructure plan that meets clients' needs, reflects industry standards and makes efficient use of public assets.
- Ensuring effective engagement with stakeholders to respond to changing skill requirements.
- Growing a diversified revenue stream by maximising commercial training opportunities in line with state government priorities.
- Being customer focussed and providing high levels of customer service.
- Increasing staff capacity and capability to respond to changing training demands.
- Ensuring greater access to training and employment for under-represented client groups.
- Ensuring sound governance principles form the cornerstone of operations.

The 2017 reporting period proved to be a challenging year, however the College achieved 97% of its revised training delivery target. The last quarter of 2017 produced a stronger performance in student enrolments when compared to the first three quarters, and this is a pattern the College is focused on continuing in 2018.

Measured against the revised Student Curriculum Hours (SCH) target, the College performed well in Priority Industry Training, General Industry Training, and Foundation Skills and General Education and improved upon our performance in comparison to 2016 training activity

Our performances in specific industries including Construction and Resources, Health, Education and Community Services and Marine, Environmental Science and Hospitality are to be noted, and provide encouraging signs for future training demand in this region.

Student achievement and student outcomes in 2017 continued to be a strength for Central Regional TAFE with a number of students being nominated for training awards.

Kyle Morgan was awarded Vocational Student of the Year at the WA Training Awards and was a finalist at the Australian Training Awards. Benjamin Rowe was the School Based Apprentice winner at the WA Training Awards and a finalist at the Australian Training Awards. Lalida Udomsak was a finalist in the Cultural Diversity Training Award category at the WA Training Awards.

In 2017 our Student Satisfaction and Graduate Achievement rates continued to be above the WA State Average, with the Graduate Achievement rate exceeding the 2017 averages for TAFE Australia and all VET providers in Australia. Similarly, our Student Satisfaction performance again was higher than the WA State average.

In terms of successful partnerships with industry, a highlight of the year was Central Regional TAFE winning the On Ground Coastal Management Award, as part of the WA Coastal Awards for Excellence. This award recognises work protecting and restoring native flora and habitat at the Houtman Abrolhos Islands. Funded by the Federal Government the project was implemented in collaboration with the Northern Agricultural Catchment Council. Other partners included the Department of Primary Industries and Regional Development, the Department of Biodiversity, Conservation and Attractions, Geraldton Senior College, and the WA Museum Geraldton. We would like to take this opportunity to thank all of our industry and community partners, whose on-going support enriches the training experiences of both staff and students, and provides valuable contribution to the regional communities of Central Regional TAFE.

The College continues to partner with WorldSkills Australia to host vocational regional skills competitions. In 2017 two competitions were held at the Geraldton campus, (hairdressing and VET in Schools plumbing), and two automotive competitions at the Kalgoorlie campus (Open and VET in Schools). Several students, and lecturer Adrian Gooneratne, went on to be invited to represent the College at the WorldSkills National Championships 2018, to be held in Melbourne.

During this reporting period a number of upgrades and repurposing projects resulted in the provision of state of the art training facilities and equipment for students including:

- Interactive Student Hub at Geraldton campus
- High Risk Training facility at Kalgoorlie campus
- Nursing facilities at Northam campus

The College continues to explore opportunities for increasing collaborations across its campuses, including the mobilisation of training equipment throughout the region and the use of specialist training staff throughout our training footprint. This results in the College being able to offer regional students a broader range of education and training options than would otherwise be possible.

Other achievements for 2017 included:

- Completion of the review of Aboriginal Training and establishing new directions
- Establishing a contemporary marketing strategy
- Establishing a framework for Staff Recognition Awards
- Review and implementation of a risk management framework

Finally we would like to thank the members of the Governing Council and all our staff for their dedication and hard work in continuing to provide quality opportunities for training and related services to all our students in the region.



Mary Woodford
Governing Council Chair
Central Regional TAFE



Bill Swetman
Managing Director
Central Regional TAFE

Agency Overview

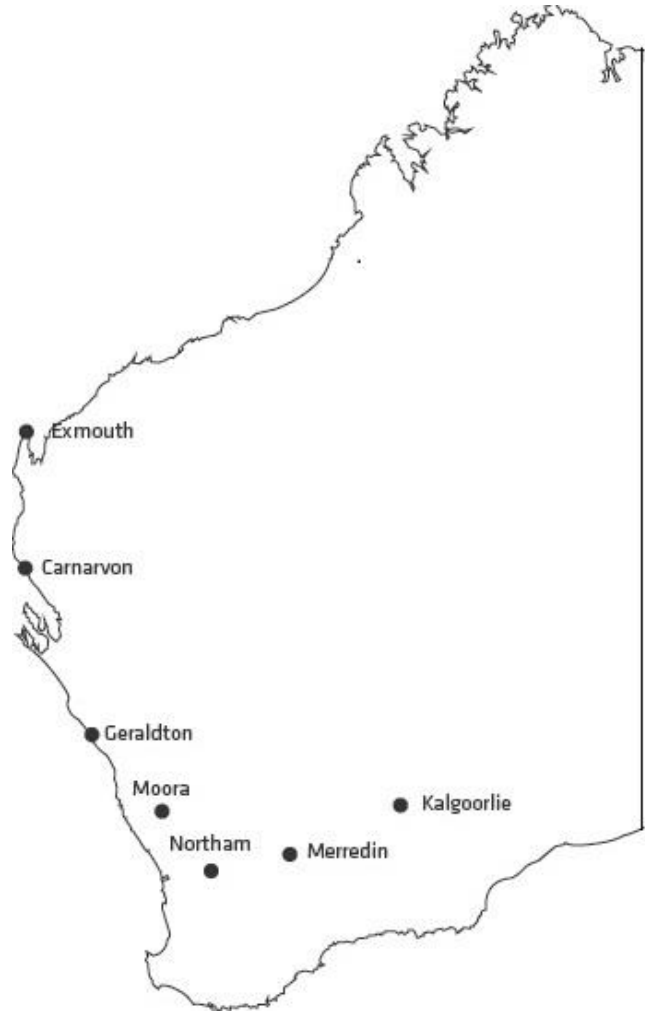
About Us

Central Regional TAFE was established in April 2016 through the amalgamation of three regional state training providers, Durack Institute of Technology (Geraldton campuses, Carnarvon, Exmouth), CY O'Connor Institute (Northam, Merredin and Moora campuses) and Goldfields Institute of Technology (Kalgoorlie campus).

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 a total of nine campuses, located in Geraldton (including Batavia Coast Maritime Institute and Technology Park), Carnarvon, Exmouth, Kalgoorlie, Merredin, Moora and Northam. The College services a geographic area of 1,427,397 square kms, a population of 150,000 people and enrolls approximately 10,000 students each year.

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.



Strategic Plan 2017 - 2019

The Strategic Plan 2017 – 2019 is Central Regional TAFE’s first strategic plan and sets the direction for operations; providing a platform for the College to harness a wide range of opportunities throughout the region. The Strategic Plan reflects the workforce development priorities of the State Government, the WA Labour Plan for Jobs, and the Minister’s TAFE Colleges Statement of Expectations, and is targeted to exploring and delivering opportunity.

It identifies key priorities and goals for Central Regional TAFE, as we strive to provide flexible and innovative education and training, so as to maximise development and employment opportunities for all our stakeholders throughout the College’s regional footprint.

The strategic priorities outlined in the plan aim at building a responsive and sustainable training system with the capacity to respond to existing and emerging issues.

The 2017 - 2019 Strategic Plan is aligned to six TAFE WA sector priorities and objectives, and is underpinned by the following commitments:

- Providing training that addresses the priorities of the State Training Plan, ensuring that effective stakeholder engagement informs and drives our business.
- Increasing access to training for under-represented groups including Aboriginal people, people with a disability and culturally and linguistically diverse people.
- Working collaboratively and collegiately with the Department of Training and Workforce Development (DTWD) and TAFEWA Colleges.
- Providing innovation in flexible, responsive and adaptive teaching and assessment practices.
- Strengthening the College's business systems and processes in line with sector wide priorities.
- Working with the Department to ensure the availability of quality, industry standard training facilities that are effectively used.
- Developing our workforce to ensure they have the skills and capability to provide high quality services.

Each goal has particular focus areas listed and a number of key activities that the College will pursue over the life of the plan. The plan is reviewed annually and adjusted accordingly, together with the College’s annual Business Plan.

Vision, Mission and Values

In 2017 Central Regional TAFE reviewed its existing Strategic Plan and developed a new Strategic Plan 2018 - 2020 which reflects the College’s needs and the needs of the regions it services. The plan was developed in close consultation with staff, students, industry, regional communities, Government agencies, secondary schools, community groups, Aboriginal Education, Employment and Training Committee (AEETC) members, and access and equity groups.

In line with the new Strategic Plan, the College also developed a new Vision, Mission and set of Values to establish a clear direction and objectives for the organisation's medium and long-term future.

Central Regional TAFE commenced implementation of the new Vision, Mission and Values in 2017. The College will continue to put a strong focus on building an inclusive workplace culture and providing clarity and purpose contributing to the success of the organisation. Integration of the new strategic directions into organisational planning will commence in 2018 and continue for the duration of the plan.

Our Vision

Training and skills for jobs and future opportunities.

We are recognised as a leader in providing quality assured, customer focused services and products, and consequently continue to strive for best practice.

Our Mission

To provide quality assured training that responds to industry needs and builds communities and regions.

Industry see Central Regional TAFE as a partner in skilling their employees, apprentices and trainees. They want training to be in their towns and communities, and for Central Regional TAFE to play a significant role in regional development and sustainability. Our mission reflects our commitment to respond to these needs.

Our Values

Our values embody and reflect how we want to work with each other and with our external stakeholders. We are committed to embedding our values throughout the College in order to build a workforce with distinctive capabilities, developing a culture which is aligned to these beliefs.

Collaboration

We work together as a team and communicate openly and honestly with each other

Customer Service

We strive to provide excellence in customer service provision

Diversity

We recognise the differences between people and acknowledge that these differences are a valued asset to our organisation

Innovation

We seek solutions that are imaginative and champion flexible thinking and approaches

Integrity

We are honest, respectful and apply high ethical standards

Quality

We embrace continuous improvement



Executive Summary – A look back at 2017

Some noteworthy and significant events that occurred in 2017 included:

Establishing Client Services and Student Support Services staffing structures

An extensive review was conducted to establish contemporary, consistent and effective staffing structures in place at all Central Regional TAFE campuses. Implementation of the structures will be finalised in 2018.

Post Initial Audit – Training and Accreditation Council

The Training and Accreditation Council (the Council) is responsible for the quality assurance of training delivery and assessment conducted by registered training organisations (RTOs) in Western Australia. The Council is required to audit all new entities within the first 24 months of operation. The College undertook this audit during the period August to November 2017. The Council found the College to be compliant against the Standards for RTOs in March 2018.

Training Effort and Student Population

In 2017 Central Regional TAFE delivered a total of 1,929,043 Student Curriculum Hours (SCH), an increase of 2.8% compared to 2016. The College continues to address priority training and workforce development needs through the provision of flexible and responsive training and assessment.

Courses were delivered in the following areas during 2017:

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

The College is committed to maintaining and growing networks and partnerships with industry to ensure that courses are practical, job-focused and driven by employment outcomes, consistent with the initiatives outlined in the government Plan for Jobs.

In 2017, Central Regional TAFE enrolled 8,621 students for a total of 10,264 course enrolments.

Of the total student population enrolled in 2017:

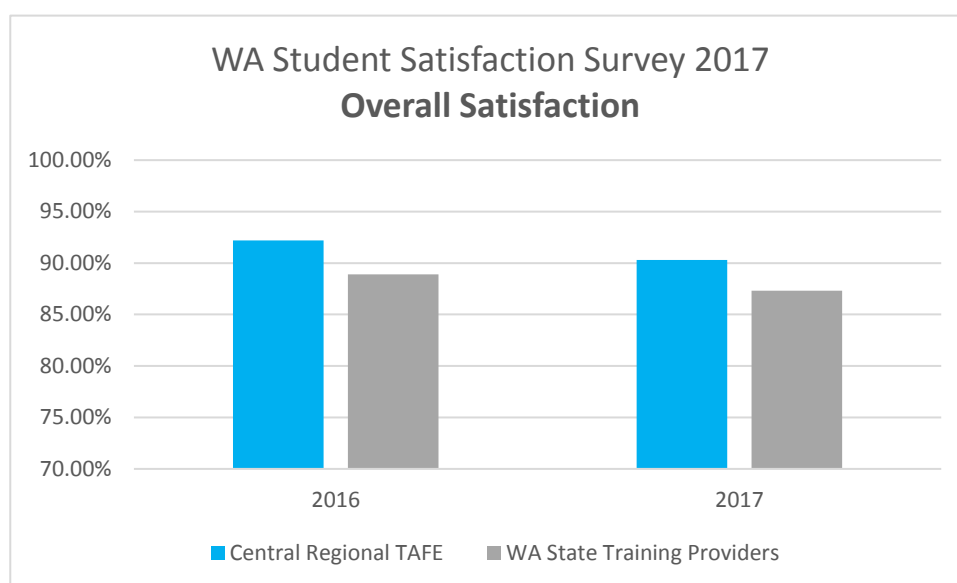
- 37.9% were aged between 15-24 years of age
- 51.9% were in a Certificate III or above qualification
- 11.8% were in an apprenticeship or traineeship program
- 10.6% identified as Aboriginal and/or Torres Strait Islander descent
- 5.5% identified with a Disability

Client Satisfaction

Student Satisfaction Survey

The WA Student Satisfaction Survey is conducted 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.

Results from the survey illustrate a slight decrease in overall satisfaction with the training in 2017, however, consistent with previous trends, the College continues to exceed the state average for student satisfaction.



Source: 2017 WA Student Satisfaction Survey, conducted by Patterson Market Research on behalf of the Department of Training and Workforce Development.

Student Outcomes Survey

The Student Outcomes Survey provides information on the outcomes of graduates who completed their vocational education and training (VET) in Australia during 2016 and were awarded a qualification.

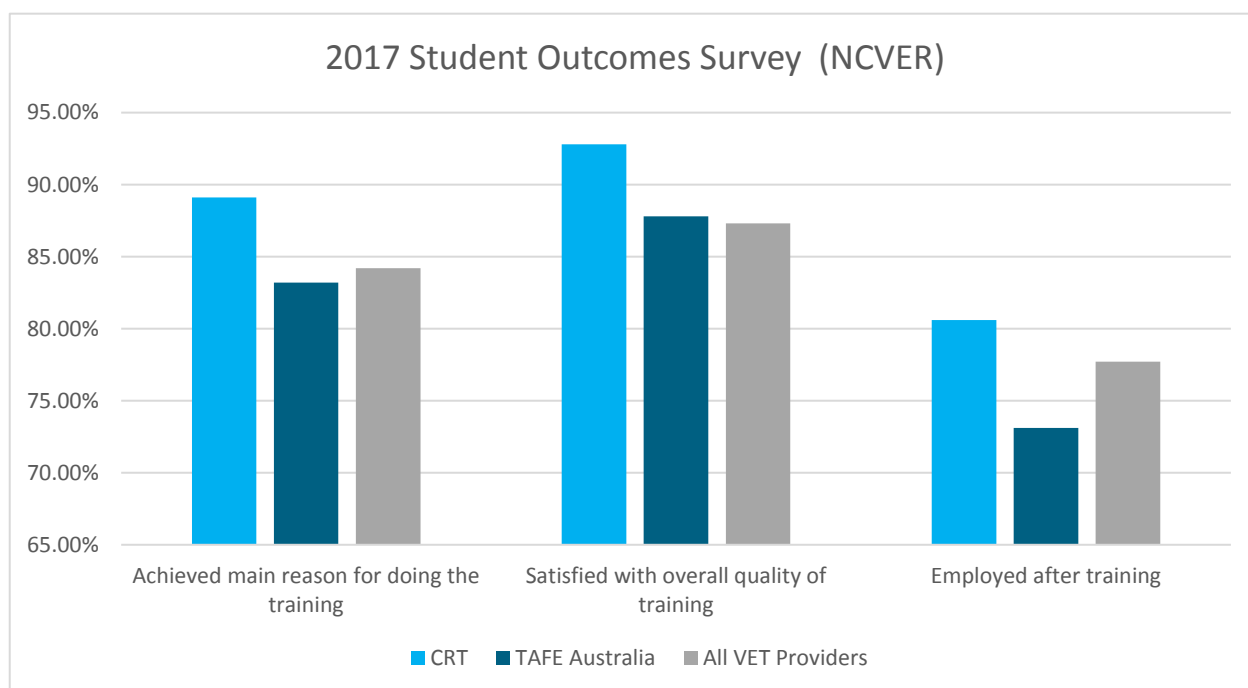
The survey is carried out annually, with training provider specific data being produced biennially.

Information is presented on graduates' reasons for training, employment outcomes, further study outcomes and satisfaction with training.

The following chart is a snapshot of student responses to key questions:

- Achieved main reason for doing the training
- Satisfied with the overall quality of the training
- Employed after training

With reference to the data below, Central Regional TAFE graduates scored significantly higher than 'TAFE Australia' and 'All VET Providers' in these three questions.



Source: 2017 Student Outcomes Survey, National Centre for Vocational Education Research (NCVER).

For specific details regarding student satisfaction and graduate outcomes, refer to the Key Performance Indicators commencing on [page 100](#).

Operational Structure

Enabling Legislation

Central Regional TAFE is a Statutory Authority established through Western Australian legislation - 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 until 17 March 2017)

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.

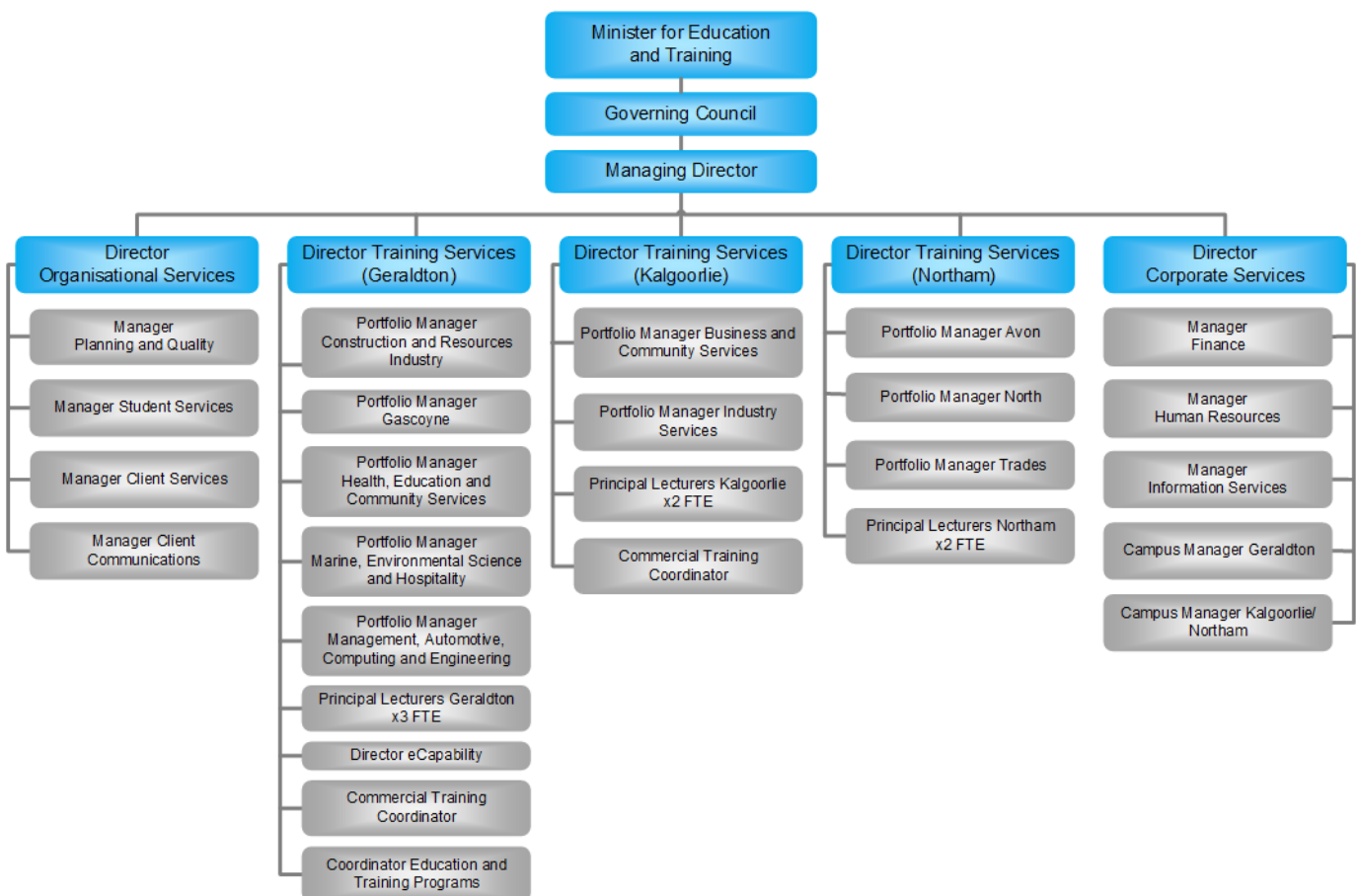
Organisational Structure

The following organisational chart illustrates Central Regional TAFE’s directorates and subsequent functional areas in 2017.

The Directors of Training Services are located at the three main College campuses and oversee training management at their respective campuses.

Organisational Chart

For the reporting period 1 January to 31 December 2017



Governing Council

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 Corporate Executive, and the Finance, Audit and Risk Management Committee, which is a sub-committee of the Governing Council.

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 2017 were:

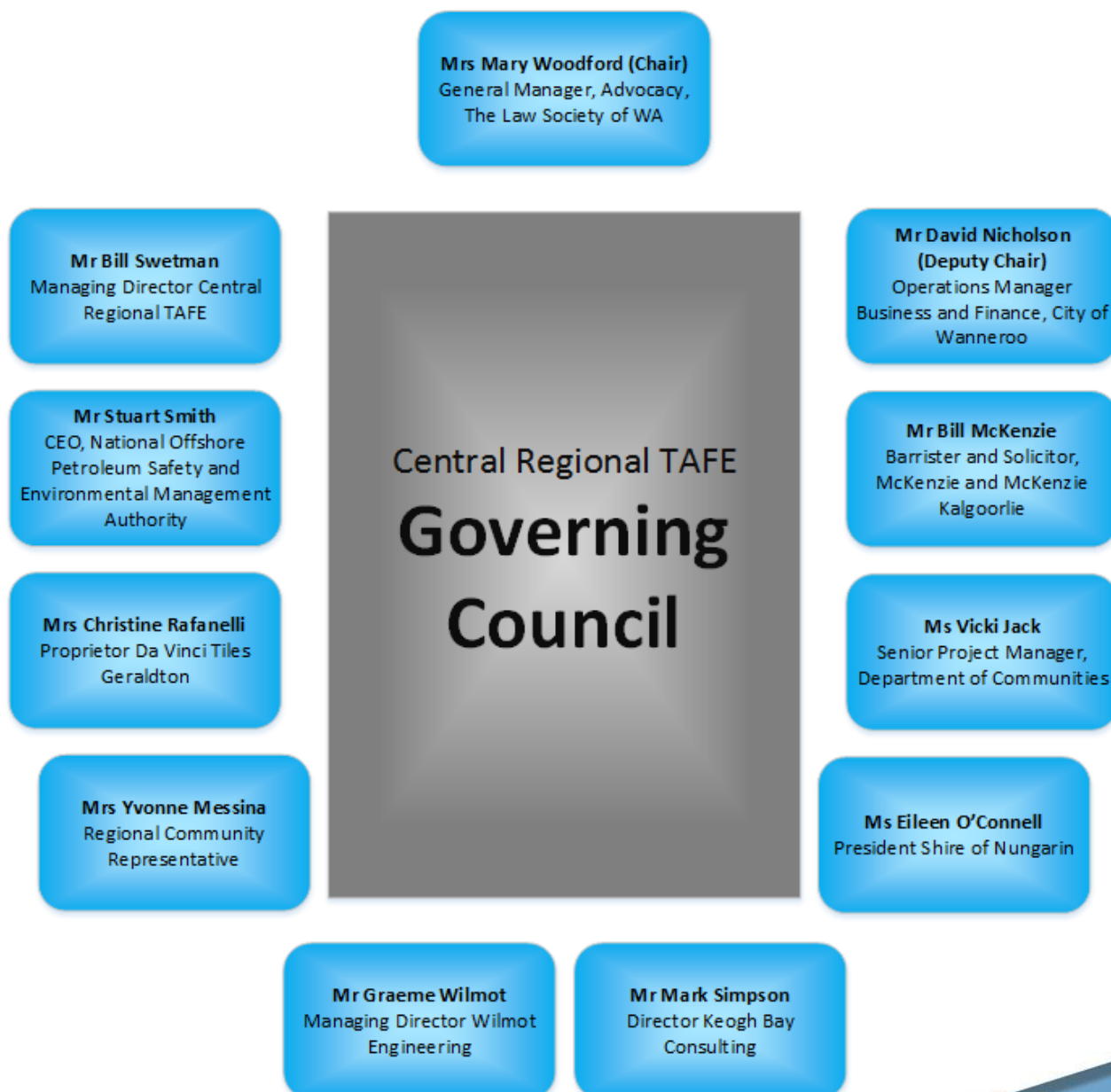




Photo: Central Regional TAFE Governing Council members (L-R) Bill Swetman, Managing Director; Graeme Wilmot; Yvonne Messina; David Nicholson (Deputy Chair); Christine Rafanelli; Bill McKenzie; Mary Woodford (Chair); Stuart Smith; Eileen O’Connell; Mark Simpson (Absent: Vicki Jack)

Corporate Executive

Central Regional TAFE’s Corporate Executive consists of the Managing Director 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 2017:



Mr Bill Swetman
Managing Director



Mr Tim McLachlan
A/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 Ty Theodore
Director Training Services
(Kalgoorlie)

*Tim McLachlan was acting in the Director Corporate Services role from April to December 2017 while the incumbent David Cohen was on long service leave.

Governance Structure

In 2017 the College reviewed the Governance Frameworks previously in place. As a result, a new internal Governance and Management Committee Framework was implemented and Terms of Reference for each committee established. This key decision making framework was established to monitor achievement of the organisation’s strategic directions whilst effectively managing risks. It also aims at increasing and promoting communication and information sharing with staff across the College.

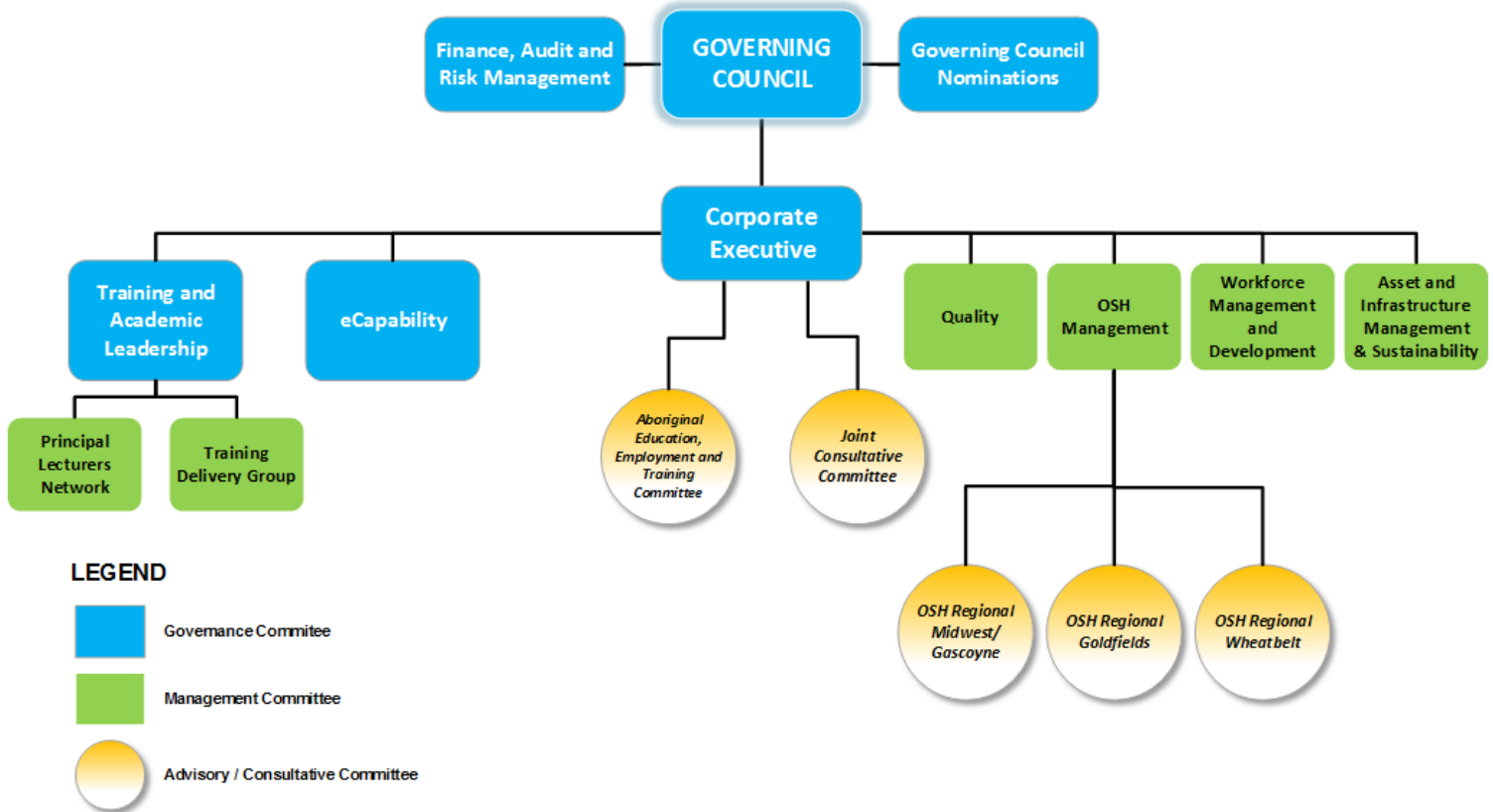
The framework consists of six Governance Committees, six Management Committees and five Advisory/Consultative Committees.

Governance Committees are decision-making committees which focus on achieving the strategic directions of the College, whilst identifying and managing strategic risks. The committees are underpinned by sustainability principles, research and continuous improvement.

Management Committees focus on providing a consultative forum that effectively address specific operational matters and activities related to the relevant committee’s core focus area.

Advisory and Consultative Committees focus on providing advice and recommendations to the relevant overarching committee.

Governance and Management Committees Framework



Risk Management

Central Regional TAFE recognises that risk is inherent in all business activities. The Risk Management policy describes the College's commitment to managing these risks using risk management processes to ensure that objectives are achieved whilst minimising any adverse impact on the College's operations. The identification and management of risk is seen as an integral part of College planning, review and management practices. A risk management framework is in place that clearly articulates processes and procedures of analysing, assessing and remediating risks.

Administered Legislation

The Minister for Education and Training administers 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
- Industrial Relations Act 1979
- Industrial Training Act 1975
- Legal Deposit Act 2012
- Minimum Conditions of Employment Act 1993
- 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

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 planned 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.

outcome based management framework	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>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
	<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>		

Changes to Outcome Based Management Framework

Central Regional TAFE’s Outcome Based Management Framework did not change during 2017.

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. These also align to the State Training priorities and Government Goals.

Agency Performance

Report on Operations

Actual Results versus Budget Targets

Summary of Financial Targets

Indicators	2017 Target	2017 Actual	Variation
Total cost of services (Source: Statement of Comprehensive Income)	\$61,858,884	\$63,448,191	\$1,589,307
Reason for Significant Variation			
Asset revaluation decrements on land and buildings were recognised as a result of the annual Landgate valuation. The College has no surplus asset revaluation increments in the balance sheet, therefore any decrement must be expensed.			
Net cost of services (Source: Statement of Comprehensive Income)	\$47,630,406	\$52,097,267	\$4,466,861
Reason for Significant Variation			
Student and state revenue has declined as a result of the underachievement of the estimated profile student curriculum hours (SCH) for training and delivery. Other revenue has decreased after a new rental agreement between the College and Eastern Goldfields College regarding the reimbursement of utilities and co-location charges of \$1m.			
Total equity (Source: Statement of Financial Position)	\$131,240,422	\$117,453,895	\$(13,786,527)
Reason for Significant Variation			
A number of factors need to be considered regarding the \$17m variance for property, plant and equipment. Accumulated deficit for 2017 of \$9.5m includes the asset revaluation decrement of \$4.9m.			
Net increase/ (decrease) in cash held (Source: Statement of Cash Flows)	\$1,681,842	\$5,298,138	\$3,616,296
Reason for Significant Variation			
Employee benefits expense actual expenses underspent as a result of a reduction of 34 FTEs (full time equivalent employees). Purchases of assets were \$2.3m lower than expected.			

Further details are provided in the Financial Statements commencing on [page 50](#)

Summary of Key Performance Indicators

key performance indicators

Key Effectiveness Indicators	2017 Estimate	2017 Actual	Variation
Student Satisfaction			
Overall Student Satisfaction (Source: WA Student Satisfaction Survey)	93.0%	90.3%	2.7% ↓
Reason for Significant Variation			
No significant variation. The College exceeded the WA state average of 87.3%.			
Graduate Achievement Rate			
Achieved main reason for doing course.	91.0%	89.1%	1.9% ↓
Overall quality of training. (Source: Student Outcomes Survey NCVET)	NA	92.8%	
Reason for Significant Variation			
No significant variation. The College exceeded the 2017 averages for TAFE Australia (87.8%) and all VET Providers in Australia (87.3%).			
Graduate Destination Rate			
Employed	89%	80.6%	8.4% ↓
Unemployed	NA	13.5%	
Not in Labour Force (Source: Student Outcomes Survey NCVET)	NA	5.9%	
Reason for Significant Variation			
The 2017 estimate for the graduate achievement rate was slightly lower than expected, however it exceeds the 2017 averages for TAFE Australia (73.1%) and all VET Providers in Australia (77.7%). National Economy is flat (unemployment levels/figures have increased), downturn in Resources Sector which has flowed on to the regions.			
Achievement of Profile Delivery			
	2,093,962	1,929,043	311,249 ↓
	SCH	SCH	SCH
% of Profile Achieved		86.1%	
Reason for Significant Variation			
The original estimate was revised as a result of discussions with the Department of Training and Workforce Development and the College and the Delivery Performance Agreement was adjusted accordingly. The College achieved 97.2% of its revised target.			

Further details are provided in the Key Performance Indicators commencing on [page 100](#)

Achievement against Strategic Directions

The following examples highlight the achievements of the College in accordance with its strategic directions defined in the Strategic Plan 2017 – 2019, and in conjunction with the WA Labor Plan for Jobs.

During 2017, Central Regional TAFE set particular focus on the following priorities outlined in the Business Plan 2017:

Implementing an organisational structure that reflects current State Government reforms, inclusive of the current economic and training climate.

The 2017 year was the first full year of operation for Central Regional TAFE. A major focus therefore was consolidating the three former Institutes into a single College and building a consistent corporate culture across the various regions. Not to underestimate the impact of the merger, especially across such a large geographical area, communication was considered critical to the success of the new organisation. Team meetings, information sharing and discussions were undertaken with staff at all locations.

Contributing to the operations of the College, the internal Governance Framework was implemented. This included the establishment of Governance and Management Committees with representation from all campuses.

To ensure procedures were uniform across the new organisation, policy reviews were conducted resulting in consistency of processes.

Staff participated in professional development and team-building activities to support adjustment in the new environment.

Investigation, development and implementation of technology enhanced learning.

The College's eCapability Committee oversees a range of projects and organisational strategies aimed at supporting training delivery and business processes through the use of technology. Development of a range of online training programs continued in 2017, with an increasing range of courses being either fully or partially available online. Development of tools to assist in delivery and assessment in a variety of training locations also continued; for example, use of iPads by lecturers and students to collect and record assessments in the workplace.

Other technology available to students includes:

- The use of Blackboard as the online learning management system for synchronous and asynchronous learning which enhances students' accessibility and participation in the qualifications.
- Social media platforms such as Facebook to engage students in peer networking whilst facilitating responsible online behaviour.
- Patient simulation manikin in the simulated nursing ward for the provision of authentic real life scenarios.
- Online communication tools such as Skype and Zoom to provide online tutorial and ongoing mentoring to students.

A working group, under the eCapability Committee, will develop a new across-College Technology Enhanced Learning Strategy in 2018, making use of plans and strategies used by the three former Institutes, and incorporating new approaches and best practice emerging from the rapidly developing field.

Actively engaging employers of apprentices and trainees in the training system.

The College has continued to engage with employers to ensure that the suite of programs offered are relevant, flexible and provide a quality outcome. An integral component of this engagement was the assistance provided in facilitating the State Training Board's consultation with industry stakeholders. This process will enable the College to identify future training needs specific to the regional industries and communities serviced.

In 2017 the College serviced Apprentices and Trainees from over 450 individual employers across the Goldfields, Wheatbelt, Gascoyne and Midwest regions. An example of the benefits of proactively working with employers has been the expansion of the partnership with BHP Billiton Iron Ore to cover Traineeships in Surface Extraction Operations at its Pilbara mine sites. This initiative will assist BHP's plans to double its number of Apprentices and Traineeships in 2018.

Lecturers from the College were also part of a project team with NBN Co that developed the format for a Telecommunications competition for WorldSkills. The competition will be piloted in Western Australia in early 2018 before being launched nationally.

Shires, Community Resource Centres and local businesses continue to provide industry input into the planning and organising of learning materials and assessments. Their industry expertise was sought in validation and in the development of training and assessment strategies. Lecturers continue to maintain their industry currency through the strong professional network with employers, including return to industry work placements.

Funding grants were utilised by lecturers to provide scholarships for apprentices and trainees in local government.

Through the Employer Satisfaction Survey valuable feedback was obtained and acted upon as part of the continuous improvement process.

Increasing international student enrolments.

Central Regional TAFE continued to pursue opportunities to attract international students in key industry areas. In 2017 the College participated with TAFE International WA in an internal audit to ensure compliance with the Standards for RTOs and has implemented improvements to systems and processes to ensure international students enjoy a high quality training experience at the College.

Support strategies indicated in Central Regional TAFE's 2017 Aboriginal Training Plan and implement a new Disabilities Access and Inclusion Plan for the College.

Central Regional TAFE created a new Disability Access and Inclusion Plan which was approved by the Disability Services Commission (now Department of Communities, Disability Services), in May 2017. The plan was implemented across the College, keeping in mind the different needs of our diverse regions. A total of 50 initiatives were progressed to ensure access to employment and education, as well as access to campuses and information provided by staff or made available through Central Regional TAFE's website.

The College recognises the diversity of issues regarding disability and prides itself on being flexible and creative in finding solutions towards appropriate support strategies. For specific information on the College's progress in 2017 refer to the Disability Access and Inclusion Plan Outcomes section of this report.

Central Regional TAFE continued to identify, develop and implement strategies and initiatives in 2017 with the aim of increasing access to training opportunities for

Aboriginal clients, and for Aboriginal students to progress through to higher levels of study including Certificate IV and above.

To coordinate Aboriginal support programs and monitor Aboriginal students' study progress, the College appointed an Aboriginal Student Services Co-ordinator (Geraldton) in semester two. A further appointment of an Aboriginal Student Services Officer was made late in 2017 for commencement in early 2018.

To increase participation of Aboriginal students in training, the College developed targeted promotional materials listing relevant courses from employment growth areas offering designated places for Aboriginal students. Aboriginal Student Services staff worked closely with relevant training area staff and prospective clients to inform and support the students through the designated places process. Additionally, orientation sessions specific to Aboriginal students were conducted and on-going marketing of recognition of prior learning opportunities were promoted to external client groups and individuals.

The College saw an increase in the number of Aboriginal students accessing scholarship opportunities in 2017. Two Aboriginal mentors and two tutors were engaged during the year to assist Aboriginal students with their study requirements under the Aboriginal Tutoring and Mentoring Assistance Program (ATMAP). The College also issued on-going referrals to Aboriginal Workforce Development Centres (AWDC) and employment agencies with view to facilitating training outcomes to meaningful employment.

As part of a new initiative to promote engagement with the Aboriginal community, an Aboriginal elder attended the Geraldton campus several times during the year. The aim of this initiative is to provide advice, support and guidance to Aboriginal students and staff in general. The 'Elder in Residence' played a key part during National Aboriginal and Islanders Day Observance Committee (NAIDOC) week including performance of a Welcome to Country. The College plans to regularly engage two 'Elders in Residence' at the Geraldton campus in 2018.

In collaboration with the Department of Training and Workforce Development, develop a contemporary marketing strategy that reflects changes in the training and employment sectors.

Central Regional TAFE worked collaboratively with the Department of Training and Workforce Development and the other TAFE Colleges to strategise the most effective ways to establish a TAFE presence across Western Australia by streamline marketing processes.

The College's 2017 Marketing Plan 'Building Brand Awareness' continued to focus on building our brand 'Central Regional TAFE'. The Plan sought to achieve this through strengthening and expanding on the presence and reputation set by each of the former Institutes prior to the merger.

'Building Brand Awareness' encompassed not only communicating and exposing our brand, but included strategies to build relationships and maintain client retention and loyalty; a process of creating value to clients and helping develop a positive impression of the College. Ultimately, the Plan sought to leverage the immense potential in our organisation through marketing the positive and widespread impact we have on the lives of individuals and whole communities throughout the Midwest, Gascoyne, Goldfields and Wheatbelt regions.

Professionally developing and retaining staff.

Due to the distinctiveness of the three former Institutes, it was essential that professional development was provided to staff throughout the year to ensure a consistent approach to operations.

The following online induction modules were established in 2017 and implemented across the College:

- Human Resources Induction
- OSH Induction
- Accountable and Ethical Decision Making (AEDM)
- Record Awareness Training
- OSH for Managers and Supervisors
- Injury Management and Workers Compensation for Managers and Supervisors
- Microsoft Office Applications

Due to the wide-spread locations of the College campuses, various induction components which were previously facilitated face to face, have now been incorporated into the Central Regional TAFE's Staff eLearning System, ELMO.

As part of the updated lecturing qualification and industry currency requirements under the Standards for RTOs 2015, the College reviewed and implemented relevant policies and procedures. A proposal for lecturers to update to the new TAE40116 Certificate IV in Training and Assessment was developed for implementation in 2018.

The College also dedicated a week of professional development for lecturing and non-teaching staff, with a focus on preparing for the compliance audit required by the Training Accreditation Council in August 2017.

Central Regional TAFE recognises staff retention as an important factor contributing to the success of the organisation. To assist with staff retention, the College developed a proposal for Staff Recognition Awards which will be implemented in the beginning of 2018. The Staff Recognition program aims at establishing and maintaining a culture of empowerment and appreciation through acknowledging outstanding achievements and motivating employees.

Continue to establish formal agreements with universities and other education and training providers, to provide pathways for regional students accessing higher education qualifications.

Proactive approaches to establishing partnerships and articulation pathways to higher education was initiated and facilitated through numerous meetings and discussions.

In 2017 Central Regional TAFE launched the first year of the Bachelor of Environmental Science, in partnership with the Geraldton Universities Centre and Central Queensland University. The course offers an advanced standing pathway to the Degree from the Diploma of Conservation and Land Management or the Diploma Environmental Monitoring and Technology; both offered by Central Regional TAFE and providing a valuable opportunity for access to higher education in the region. A number of the subjects are delivered utilising facilities at the Batavia Coast Maritime Institute.

Delivery of the Bachelor of Agricultural Business Management, in partnership with Charles Sturt University was ongoing in 2017; the program was in its fourth year of delivery at the Muresk Institute. In mid-2017 the Minister for Education and Training announced no further state government funding would be provided to support the delivery of the program beyond supporting all existing students to complete their course by mid-2020. Central Regional TAFE and Charles Sturt University are committed to ensuring students have the opportunity to complete their degree in full, on site at Muresk Institute, and the two organisations are working closely to ensure a quality learning experience for the students.

Other noteworthy achievements in 2017

Success in partnership with the Wiluna Remote Community School

After a significant community effort, the Wiluna Remote Community School (WRCS) opened a Vocational Education Training Centre in June 2017. The College provided support for the centre and are currently training students in Automotive and Conservation and Land Management programs. Central Regional TAFE lecturers have been delivering on-site programs tailored to suit the needs of the students and their desired employment pathways. The re-engagement with the Wiluna community is a very positive trend for the College.



CentraNET

To facilitate communication and information sharing across all Central Regional TAFE campuses, a working group developed and implemented a new intranet for the College, called CentraNET. The redesign of the existing intranet focused on content and services to enable staff easily locate the information they are seeking.

CentraNET aims to be a key source of information and will continue to assist harmonise activities across the organisation. In the development of CentraNET, extensive review of the content and analysis of staff navigation, aimed to identify the crucial elements required to produce a high functioning and engaging platform for our staff.

Key features of CentraNET include:

- Effective search engine that returns information required and uses a feature which tracks and reports website traffic.
- Increase in information to support lecturing staff and staff commencing employment with Central Regional TAFE.
- Campus calendars of events to provide useful information to support customer service activity.
- Social media feed to highlight marketing activity and raise staff awareness of external social media communications.
- Staff directory providing contact details for staff across all campuses.

- Focus on news banner graphics to distribute news items and limit internal email traffic.
- Technology enabled approach to providing information about staff, in particular, automated flow-through of system updates.

Student Management System (SMS)

The Student Business Process Reform Project (SBPRP) will deliver a new student management solution for TAFE Colleges and the Department of Training and Workforce Development. The Student Management System (SMS) involves significant changes to business processes, which the College has been preparing for throughout 2017.

The SMS aims at improving the student experience whilst standardising and providing efficient student business processes across the TAFE Sector. It will be a cost effective student management solution and will improve data quality for planning and reporting, as well as improve compliance and the College's ability to meet strategic objectives.

The SMS is planned to be implemented across Central Regional TAFE in semester one 2018, in preparation for Semester 2 enrolments, and will enable demand forecasting to better align delivery with state workforce requirements.

Facility and Equipment Upgrades

To support Central Regional TAFE's commitment in providing quality training, a number of ageing facilities were revitalised and training equipment updated to ensure students learn in practical and industry relevant environments. 2017 saw the upgrade and repurposing of several facilities, providing state-of-the-art learning areas and equipment for students.

Some of these include:

- Completion of the Interactive Student Hub including the refurbishment of the Café and Library at the Geraldton Campus
- Completion of the High Risk Training area at the Kalgoorlie Campus
- Continual improvements to the Goldfields Learning Centre
- Successful relocation of the Exmouth Campus to the Ningaloo Centre on Murat Road
- Crèche refurbishment at the Carnarvon Campus
- Upgrade of Nursing and Aged Care facilities at Northam
- Re-locating the Art and Design training program
- New portable CNC Cutting Machine for the Goldfields region.



"This is a testament to the TAFE's continual commitment to upgrade our equipment and facilities for our students, keeping them at industry standards" – Mitch Brennan, CRT Portfolio Manager Industry Services

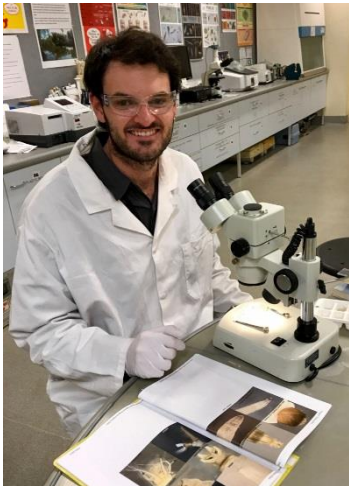
Photo: New CNC Cutting Machine (L-R) Mark Normandale, CRT Metal Fabrication Lecturer, Greg Shead and Stephen Deacon, Area Managers-CLGweld/ESAB, Jason Toko, Account Manager Heatleys Kalgoorlie

Awards and Recognitions

Student Achievements and Awards

Our organisation’s success is measured by the success of our students. 2017 saw some significant achievements by our students which the College is very proud of.

WA Training Awards



Kyle Morgan

**Winner Vocational Student of the Year, WA Training Awards
Finalist at Australian Training Awards**

Diploma of Environmental Monitoring and Technology; Diploma of Laboratory Technology (Midwest)

“The awards process has put me in scenarios that I would have never experienced otherwise and provided unforgettable situations. It has given me opportunities for personal growth and opened possibilities for my future. I’m very proud of myself and where I’ve come from to be in this position.” – Kyle Morgan

Photo: Kyle Morgan

Benjamin Rowe

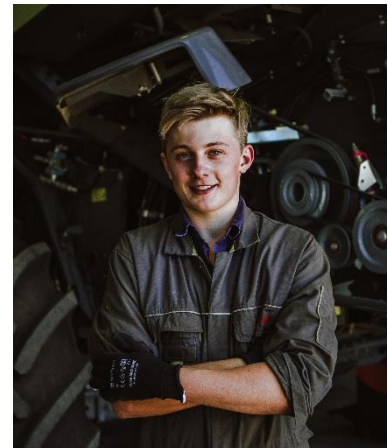
Winner School-based Apprentice of the Year, WA Training Awards

Finalist at Australian Training Awards

Certificate II in Automotive Servicing Technology (Midwest)

“Winning the award came as a complete surprise. It is a really big deal for me because it is probably my biggest achievement to date.” Benjamin Rowe

Photo: Benjamin Rowe



Lalida Udomsak

Finalist, Cultural Diversity Training Award, WA Training Awards

Course in Initial General Education for Adults (Wheatbelt)

Photo: CRT Director Training Northam, Delia Pascua-McGlew (left), Lalida Udomsak (right)

Central Regional TAFE Major Awards

In March 2017, Central Regional TAFE held Student Graduation and Awards Nights at the three major campuses in Geraldton, Kalgoorlie and Northam, as well as in Carnarvon and Exmouth. Outstanding students were presented with a Major Award, sponsored by local businesses and Central Regional TAFE, at their respective campus ceremonies.

Aboriginal and Torres Strait Islander Student of the Year

- **Loretta Lennon**, Certificate II in Conservation and Land Management (Goldfields), sponsored by Central Regional TAFE
- **Lynette Garlett**, Certificate III in Aged Care (Wheatbelt), sponsored by the Shire of Northam
- **Heidi Rosenthal**, Diploma of Community Services (Midwest), sponsored by Rio Tinto
- **Tony Dutton**, Certificate II in Automotive and Certificate II in Engineering (Gascoyne), sponsored by the Shire of Carnarvon

Apprentice of the Year

- **Christopher Pickett**, Certificate III Engineering Mechanical Trade (Plant Mechanic) (Goldfields), sponsored by Central Regional TAFE
- **Lachlan Crane**, Certificate III in Engineering Fabrication (Wheatbelt), sponsored by Central Regional TAFE
- **Quinn Lefroy**, Certificate III in Plumbing and Gasfitting (Midwest), sponsored by ATC Midwest

Culturally and Linguistically Diverse Student of the Year

- **Lalida Udomsak**, Course in Initial General Education for Adults (Wheatbelt), sponsored by Linley Valley Pork

Trainee of the Year

- **Aaliyah-Chynna Tuhakaraina**, Certificate III in Business (Goldfields), sponsored by Central Regional TAFE
- **Samantha Aurisch-Pike**, Certificate III in Business Administration (Wheatbelt), sponsored by the Shire of Northam
- **Gregor Pettigrew**, Certificate IV in Business (Midwest), sponsored by Skill Hire

Vocational Student of the Year

- **Joanna Scott**, Certificate III in Commercial Cookery (Goldfields), sponsored by Central Regional TAFE
- **Leonie Whisson**, Certificate IV in Community Services Work (Wheatbelt), sponsored by Central Regional TAFE
- **Kyle Morgan**, Diploma of Environmental Monitoring and Technology / Diploma of Laboratory Techniques (Midwest), sponsored by Midwest Chamber of Commerce

- **Akosita Tuipulotu**, Certificate III in Business / Certificate III in Tourism (Gascoyne), sponsored by Gascoyne Development Commission
- **Anna Williams**, Certificate III in Business Administration (Exmouth), sponsored by the Shire of Exmouth

James Dawson Award

- **Troy Fail**, Certificate III in Retail Operations (Wheatbelt), sponsored by Avivo
- **Sharon Diver**, Certificate III in Education Support (Wheatbelt), sponsored by Avivo

Art Student of the Year

- **Helen Jessop**, Certificate II in Visual Arts (Gascoyne), sponsored by Exmouth IGA

Secondary Student of the Year

- **Teah Lord**, Certificate III in Business / Certificate III in Business Administration (Gascoyne), sponsored by Exmouth IGA

Other Achievements

Central Regional TAFE Batavia Coast Maritime Institute (BCMI)

Winner 'On-ground Coastal Management', WA Coastal Awards for Excellence

In recognition of work protecting and restoring native flora and habitat at the Houtman Abrolhos Islands.

Funded by the Federal Government, the project was implemented by Central Regional TAFE in collaboration with the Northern Agricultural Catchments Council. Other project partners included the Department of Primary Industries and Regional Development, the Department of Biodiversity, Conservation and Attractions, Geraldton Senior College and the WA Museum Geraldton.

The project spanned four years and included involvement from over 600 community volunteers, students and stakeholders supporting the restoration project across 42 remote islands.



"This project was a great opportunity for students to receive the theory in the classroom and then step out and receive real life practical experience. They also had many opportunities to network with project partners and those in the industry. The project was successful due to the outstanding collaboration between several project partners and stakeholders." – Maryke Gray, CRT Abrolhos Project Manager

Photo: Samantha Courtney, Science and Environmental Technician CRT, Maryke Gray Abrolhos CRT Project Manager, Rita Saffioti Minister for Transport Planning and Lands

WorldSkills Australia

Held around the country every two years, regional WorldSkills competitions give young locals the opportunity to compete in their trade and potentially take their skills to a national and international level. Regional medallists may be selected to progress and represent TeamWA at the following year's WorldSkills Australia National Championship in Sydney. A select group of national winners are invited to form Team Australia and compete in the WorldSkills international competition.

Central Regional TAFE was proud to hold four WorldSkills competitions in 2017. Two Automotive competitions – Vocational Education and Training in Schools (VETiS) and Open – were held at the Kalgoorlie campus. The Geraldton campus hosted a Hairdressing competition and a VETiS Plumbing competition, which was a first for WA.

Participants were able to showcase their skills against others in their field by completing a series of projects and tasks throughout the day. Students Travis Watts, Liam Conway, Isabelle Croswell and lecturer Adrian Gooneratne have been invited to represent Central Regional TAFE at the National Championship in 2018.

Lecturers from Central Regional TAFE were part of a project team with NBN Co that developed the format for a WorldSkills Telecommunications competition that will be piloted in Western Australia in 2018 before being launched nationally.



Central Regional TAFE 2017 World Skills Competitors

Photo (top): Hairdressing MidWest: (L-R) Cheyanne Crudeli, Katherine Tapscott, Isabelle Croswell, Michele Edwards (Lecturer)

Photo (bottom): VETiS Plumbing MidWest: (L-R) Luke Spooner, Jai Jackson, Bradley Roworth, Nathan Cockman, Callan Harvey, Oska Thomas, Jack Cassin

Photo (right): Automotive Open Goldfields: Sean French (left), Travis Watts (right)

Significant Issues Impacting the Agency

Current and Emerging Issues and Trends

Central Regional TAFE's particular issues and challenges are largely framed by the vast region it services in that the location of its seven key campuses are very distant from each other, and industries to be serviced within each region are very different requiring specialist resourcing. The College will also need to manage training demand within a reduced resource framework, and will need to carefully monitor performance in this regard. We are also still adjusting to the impacts from the TAFEWA training reform, and it is envisaged that the cultural change required to effectively implement the changes will span a number of years.

Training Sector Reform

Operationalising the impacts of the TAFEWA reform continue to be a challenge, particularly in centralising and streamlining policy, procedure and processes and in functional areas such as human resources and finance. The College has undertaken functional reviews of Aboriginal training services, student support services, and client administrative services; all requiring embedding in 2018. A full review of training services to better align to the State Training Plan, the Department of Training and Workforce Development planning and outcomes achieved to date will see flow-on changes in courses offered, changing mix of lecturing staff, focus on quality assurance, and efficiencies in both course management and resourcing.

Economy

Also impacting training is the currently subdued economy; though there are signs of increased activity, particularly in the mining and resources industry in a number of the regional areas. We expect that training demand in the health and community services industries will continue to grow. Early indications suggest that increases in apprentice training may well eventuate into 2018.

Course Fees

Notwithstanding a welcome freeze on TAFE fees, there are still some courses that are generally considered out of reach for those people bracketed into a lower socio economic demographic. Positive changes to the concessional rate will, however, assist a healthy proportion of the College's students. The College employs a number of strategies to assist students into courses, including: flexible fee repayment plans and working closely with external agencies to provide wrap around support services.

Sustainable Business Model

A significant challenge for the college into 2018 is to establish a sustainable business model. The impacts of the training reform, sector wide efficiencies, increasing costs, lower than anticipated enrolments and flow-on resourcing limitations will require the College to explore strategies to build a sustainable business model. There are, however, encouraging signs that the demand for training may be increasing.

Jobs and Skills Centres

In 2018 Central Regional TAFE and other TAFEWA Colleges, led by the Department of Training and Workforce Development, will plan and implement 'one stop shop' Jobs and Skills Centres to be located on TAFE College sites.

For the College this will mean main centres at Geraldton, Northam and Kalgoorlie, with outreach services to other regional towns as required. Services provided by Jobs and Skills Centres include career and employment advice, targeted support for Aboriginal people seeking employment, and providing employers, apprentices and trainees with a single point of contact around their training needs.

Student Management System

A significant change to the management of student administration processes will be implemented in 2018, with the rollout of the new TAFEWA Student Management System. The system will support the operations of the five TAFEWA Colleges in the public training sector in areas such as admissions, enrolment, curriculum planning, and student progression, resulting and course completion.

Training in Priority Areas

In the broad context of meeting the training and workforce development needs of the region, Central Regional TAFE's planned 2017 publically funded and commercial training plans support the state training priorities. In particular, building, attracting and retaining a skilled workforce that is flexible, diverse and responsive to the changes in labour market, economic and social conditions. The College is aligning delivery with the priority areas:

- Employment Based Training
- Priority Industry Qualifications
- Literacy and Numeracy support

In addition, Central Regional TAFE is continuing to meet the needs of a broad range of students through the provision of General Institutional Training.

Changes in Written Law

There were no changes in any written law that affected Central Regional TAFE.

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 TAFE 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)
Nil				

Capital Projects Completed

Project details	Completion date	Total cost of project ('000)	Significant Cost Variance Comments
Interactive Student Hub	12/5/2017	\$2,850	N/A
Nursing and Aged Care Training Facility	13/11/2017	\$668	N/A

The Interactive Student Hub (The Hub) is a new facility at the Geraldton Campus that now links the existing student service areas (Student Services and the Library) with the main student recreation area, the Me-N-U Café and the surrounding outdoors student amenities.

This project was 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 provides 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 Me-N-U Café. The Hub facilitates group study, private work, campus events and aims at being a central meeting place. 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.



In addition to improving the learning experience of students, the Hub offers opportunities for public access, enabling industry and the broader community to view and experience this contemporary learning environment.

The Hub was completed in two stages throughout 2017. The Me-N-U Café refurbishment was completed on 31 January 2017, the student hub, library refurbishment and outdoor student amenities were handed over to the College on 12 May 2017.

More than 500 students a day are now making use of the modernised café, library and social space. The upgraded Library also includes a “Cibatek” facility which provides students with 24 hour access to computing facilities and a high speed quality WiFi connection.

As a testament to the quality of the final completed construction project, Crothers Construction were awarded the 2017 Master Builders Association Midwest Award for Commercial Alter, Adds and Restorations - \$1,000,000 to \$2,500,000.

The Hub was officially opened by the Hon Alannah MacTiernan MLC on 26 October 2017.



The Northam Campus Nursing and Aged Care Facility project was completed on 13 November 2017. This facility was remodelled to better facilitate training already being provided in the region and to bring the facility to a professional simulated environment.



The project was funded by the Department of Training and Workforce Development, through the remedial works program at a total of \$668,000.

In conjunction with this project, soft and hard landscaping works were undertaken, providing better access and flow throughout the campus.



These works included the installation of new paved areas, the planting of additional trees and shrubs, upgrade of the café outdoor furniture, the creation of an interactive classroom space and access improvements from the café to the library.

Future enhancements to the area include rebranding to the College Me-N-U Café brand in 2018.



The improvements to these amenities will increase student, staff and visitor utilisation and it is envisaged that this will contribute to further increases in student satisfaction of the campus facilities.

In addition, improvements to the Northam campus included removal of an old administration building contaminated with asbestos.

Further remediation to the campus will occur over the next few years as part of the College's annual maintenance schedule.

Employment and Industrial Relations

Staff Profile

Central Regional TAFE employs a diverse range of staff in lecturing, administration and support roles to deliver a wide range of Vocational and Educational Training programmes to local business and the community across a broad geographical area. The composition of the workforce is as follows:

FTE and Headcount – Quarter Sept 2017		
FTE	Average FTE	Head Count
338	337	413

Category	Headcount (as at 31 Dec 2017)	
	2016	2017
Full time Permanent	211	200
Full time Contract	85	63
Part Time Measured on FTE Basis	42.16	36.52
On Secondment	1	1

Note: The information above is based on the CRT staff profile as at 31 December each year, as reported to the OAG.

Employee Work Location	FTE	Headcount
Gascoyne	13	16
Goldfields	67	220
Midwest	177	98
Wheatbelt	81	79
Total	338	413

Note: The information above is based on the September Quarter, 2017, Minimum Obligatory Reporting Requirements.

Industrial Relations

No major industrial relations claims are reportable for 2017 and there were no matters referred to the Industrial Relations Commission or similar jurisdictions.

Workers Compensation

Central Regional TAFE has ten (10) active workers' compensation claims.

Claim Year	Number of Active Claims
2017	4
2016	1
2015	4
2014	1

Personal Expenditure

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 1 January to 31 December 2017.

Details of Transaction	Amount
Number of instances of personal use expenditure	9
Aggregate amount of personal use expenditure	\$227.19
Aggregate amount of personal use expenditure settled by the due date	\$227.19
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 \$9,150.64 (incl GST) for the period 1 January to 31 December 2017 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 2017 was as follows:

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chairperson	Mary Woodford	Annual	12 months	\$24,819
Deputy Chair	David Nicholson	Not eligible	12 months	\$0
Managing Director	Bill Swetman	Not eligible	12 months	\$0
Member	Vicki Jack	Not eligible	12 months	\$0
Ex Member	Graham Lane	Per meeting	6 months	\$3,085
Member	Bill McKenzie	Per meeting	12 months	\$3,430
Member	Yvonne Messina	Per meeting	6 months	\$2,988
Member	Eileen O'Connell	Per meeting	12 months	\$7,811
Ex Member	Holly Phillips	Per meeting	6 months	\$5,305
Member	Christine Rafanelli	Per meeting	12 months	\$5,952
Member	Mark Simpson	Per meeting	6 months	\$1,068
Member	Stuart Smith	Not eligible	12 months	\$0
Member	Graeme Wilmot	Per meeting	6 months	\$1,941
Total				\$56,399

Public Interest Disclosures

The Public Interest Disclosure Act 2003 (PID Act) enables people to make disclosures about wrongdoing within the WA public sector, local government and public universities and offers protection for doing so.

The College recognises the value and importance of contributions of staff to enhance administrative and management practices and strongly supports disclosures being made about corrupt or improper conduct.

In accordance with the Act, Central Regional TAFE has an appointed Public Interest Disclosure Officer. No public interest disclosures were received in 2017.

Other Legal Requirements

Advertising Expenditure

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:

- Total expenditure for 2017 was \$267,742.17
- 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 Australia	51,323.82
	Appealing Signs	\$945.00
	Carat Advertising Media Services Pty Ltd	\$188,965.78
	Cundedin Community Resource Centre	\$236.36
	Dowerin Community Resource Centre	\$150.00
	Email Media	\$225.00
	Everything Geraldton	\$500.00
	Exhibition Skills	\$3,896.71
	Facebook	\$6,454.23
	Fairfax Media	\$1,263.64
	Green Man Media	\$325.00
	Joblink Midwest	\$35.00
	Kellerberrin Pipeline Newspaper	\$92.00
	Kondinin Community Resource Centre	\$106.37
	Koorda Community Resource Centre	\$90.91
	Market Creations	\$423.00
	Marsh Advertising	\$995.45
	Master Builders	\$500.00
	Merredin Community Resource Centre	\$1,354.55
	Midwest CCI	\$681.82
	Mingenew Lions	\$477.55
	Non Stop Adz	\$1,466.54
	Public Sector Commission	\$3,641.06
	Sensis Pty	\$1,568.37
	Shire of Trayning	\$36.18
	Shire Of Yilgarn	\$64.59
	The Fence Post	\$20.00
	The Gimlet newspaper	\$29.00
	Vissign Australia	\$757.60
	WA Newspapers	\$1,026.64
	Westonia Community Resource Centre	\$90.00
TOTAL		\$267,742.17

Disability Access and Inclusion Plan Outcomes

Central Regional TAFE is dedicated to ensuring all students have appropriate access to our facilities and services, and are provided with opportunities to participate in all aspects of training and the college experience.

Students who disclose disability, medical conditions or learning difficulties that may impact their learning are supported by the Student Services team, including the Access and Equity Officer, and Equity and Access Inclusion Officer. This team provides a point of contact for students, disability service agencies, disability employment providers and staff. Central Regional TAFE recognises that all staff are responsible for providing a learning program and environment that facilitates participation for all students. The Student Services Team advises staff on appropriate support strategies, including reasonable adjustment, accommodation and assistive technologies, to assist students with disability.

Specific initiatives and programs continued in 2017 to support the Disability Access and Inclusion Plan (DAIP) are listed below.

Outcome 1: All people have the same opportunities to access services and events organised by Central Regional TAFE.

- Central Regional TAFE offered students with disability accredited training in various courses. These included customised programs or existing qualifications in industry areas such as Access to Training and Employment, Leadership Development, Animal Studies, Automotive Services, Retail Services, and more. Courses were made accessible to people who would otherwise not be able to access education and training in a post-secondary environment, using the principle of reasonable adjustment and accommodation. These classes also promote pathways to further education, training and employment.
- Classroom and on-campus pastoral care and support was provided to assist students to complete and participate in training.
- Individualised support for students with disability was generated through case management.
- Access and inclusion principles were continually applied to services and events organised by Central Regional TAFE, including provision of accessible venues for key events such as, but not confined to; Student Graduation, National Aboriginal and Islander Day Observance Committee (NAIDOC) week, International Day of People with Disability events, Art Exhibitions and other on-campus community events (e.g. Health Expos).
- An Accessible Events Checklist and consultation with relevant parties ensured events were accessible to all participants.
- The Student Services Team provide support on enrolment days to assist potential new and existing students prior to enrolment, as well as liaise with the student support persons such as parents, guardians, spouses and agency staff.
- Students were provided with disability avenues and assistance in completing the 2017 WA Student Survey, providing the students with the opportunity for feedback, as well as assisting Central Regional TAFE with its continuous improvement processes.

- Customised tours introducing students with disability from local high schools to college industry areas (e.g. hospitality, automotive, IT, etc.) were offered, with interactive practical demonstrations provided. This was in line with the government initiative for transitioning students from high school to TAFE through the National Disability Coordination Officer program.
- Ongoing regular contact with key disability and employment agencies, the Department of Communities, the Department of Education, people with disability, their parents and carers was promoted to ensure there was awareness of the programs and services provided by Central Regional TAFE, and to enable informed choices about training and education for people with disability.
- ‘Inclusive Spaces’, an event highlighting strategies, resources and technologies to help students with sensory processing issues, was held at the Northam campus to celebrate International Day of People with Disability. This event was attended by students, staff and community members. Students from the Living Well Class (Certificate I in Retail Services) ran a stall in conjunction with this event, selling products they had made throughout the year, and donating the money to Riding for the Disabled.
- The Geraldton campus provided a visual education awareness program for local students and campus visitors with a slide show highlighting classroom creativity, which was viewed in main pedestrian contact areas such as Student Services, the Student Hub and the Me-N-U Café.



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

- Building upgrades and access to campus grounds were continually assessed and implemented. This includes the creation of a student hub at the Northam campus, which ensures easier transition from areas most utilised by students, including the café, library and Student Support Services, ensuring compliance with building regulations. This replicates a similar area at the Geraldton campus.
- The Visual Arts classroom in Northam was relocated back on campus to a larger space near accessible toileting facilities.
- Consultation with students with disability took place at the Northam campus regarding access to facilities and services, including the new student hub. Feedback received through consultation was forwarded to the appropriate managers.

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.

- Central Regional TAFE continued to provide information to clients in clear, concise language and in alternative formats if required. This includes information through the College’s website which conforms to Web Content Accessibility Guidelines (WCAG2.0).

- Principal Lecturers and lecturers continued to adapt projects, training resources, materials and assessments to suit a variety of abilities in consultation with the Access and Equity Officer and the Student Support Services.
- The Student Fact Pack was made available on the College's website and contained information regarding studying at Central Regional TAFE, including links to the DAIP, feedback forms and information on support available to people with disability.
- The College continued to review and research appropriate and necessary equipment and resources to promote accessibility and participation in training, with special attention to new and emerging applications for smart phones, computers and tablets. For example, the College purchased specialised stethoscopes for students with hearing impairments studying Nursing.
- People with barriers, such as a lack of literacy, received assistance from Student Support Services liaising with training areas to provide staff with guidance on reasonable adjustment, including having information read to the students, ascertaining comprehension, and providing assistance with filling out enrolment forms and gaining Unique Student Identifiers (USI).



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

- Through the staff induction process, new lecturers were made aware to incorporate the specific needs of learners with disability into their course delivery planning through a training 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 disability.
- Professional development and training was provided for In-Class Assistants, including orientation and access to off-campus training such as The Daring Way – for people working with clients experiencing mental illness (hosted by Mental Illness Fellowship of WA), and Gift Recognition and A Culture of Gentleness (hosted by WA Individualised Services).
- Appropriate staffing was identified and implemented across the regions and further improvements made for specialised support for people with disability. Additional support services will be put in place in Kalgoorlie during 2018.
- Mental Health First Aid training was offered to staff to improve their skills in identifying and supporting students who are experiencing mental health issues.

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

- Assistance by the Client Services and Student Support Services teams was provided to students wishing to use the feedback process if required.
- Suggestions and concerns may be provided in a variety of formats including submission of a hard copy or electronic feedback form, verbally in person or via telephone, by email, mail or via the College's website. Issues brought forward by students with disability, their parents, carers or agencies, were dealt with regardless of the way in which they were received.
- The student induction program provided information to students on how to provide feedback about Central Regional TAFE's services and performance. This information is also available on the College website.

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

- A focus group of people with intellectual disability assessed the Central Regional TAFE website, commenting on accessibility and ease of use, with feedback forwarded to the College's Marketing team.
- Central Regional TAFE continued to network and create pathways in the local community to seek a broad range of views on disability and access issues.
- Strong interagency partnerships with relevant local service providers and stakeholders continued to create open communication and feedback processes for those who advocate for people with disability in the community.
- Students with a disability were consulted prior to the upgrade of the facilities and services at the Northam campus. This valuable feedback was forwarded to the Campus Manager for consideration when planning improvements to the campus.

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. To achieve this outcome, the following initiatives and strategies are being pursued:

- 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
 - Embedding support and diversity within the organisational culture
 - Education and training for managers.

Compliance with Public Sector Standards and Code of Ethics

Central Regional TAFE is committed to ensuring compliance and best practice in all aspects of the Commissioner's Instructions, Public Sector Standard in Human Resource Management, the Public Sector Code of Ethics and the College's Code of Conduct.

Policies, procedures, guidelines, training and awareness raising are in place to ensure all staff meet these obligations. This includes:

- Easy access and promotion of policies, procedures and guidelines through the College's intranet;
- Guidance provided from supervisors and Human Resources;
- Comprehensive online induction for new staff;
- Discussions between current and new staff at team meetings and open forums;
- Participation by all staff in Accountable and Ethical Decision Making training, Cultural Awareness training and staff professional development;
- Regular review of policies, procedures and guidelines in consultation with managers and staff with updated policies promoted throughout the College.

During 2017, there were no claims made in relation to a Breach of the Public Sector Standards in Human Resource Management. No formal grievances were received. Two disciplinary investigations were undertaken and one formal disciplinary action ensued.

Recordkeeping Plans

All aspects of recordkeeping 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 Information and Records Management Workgroup, 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. A new sector wide Record Keeping System will be provided to all TAFEs in the first part of 2018. The Department of Training and Workforce Development will be the main administrators, with the college Records Managers as local administrators.

Central Regional TAFE adopted the Records Management sector wide policy provided by Department of Training and Workforce Development in 2017. The College also has its own individual policies and procedures in place supporting the operations of the organisation. Policies are communicated to staff through the provision of regular inductions and training, and are available on the College's intranet.

Recordkeeping training program

Online Records Awareness training was made available to staff during 2017 via the newly implemented Staff eLearning System, ELMO. This training is mandatory and is a requirement prior to the launch of the new sector wide electronic records management system. Further training specific to the College's own records management system is provided before granting staff access. A high number of staff received training in 2017 with a small number receiving refresher training

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

Training was delivered to staff at all campuses, using Zoom Video Conferencing where required. This resulted in a continued overall improvement in the registering of records, information sharing and correct usage of the records system.

Efficiency and effectiveness of the recordkeeping training program

The Records Management Coordinator reviews the recordkeeping training regularly and conducts an overall review annually. Feedback from sessions is utilised to evaluate the effectiveness of the training and identify opportunities for improvement.

Records induction program

The records management induction for new staff is 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 recordkeeping at the College is available to staff via the 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, students and visitors to ensure they are able to work in a safe and healthy environment.

Occupational safety and health and injury management - for Managers

Online training sessions in occupational safety and health and injury management 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 consults with employees on occupational safety and health matters through the following framework and systems:

- The OSH Policy Statement outlines 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 Management Committee membership representation consists of management and Safety and Health Representatives from a large cross section of the College and includes participation by Corporate Executive. The Committee takes a consultative and collaborative approach to meeting OSH outcomes and objectives by making recommendations to the Managing Director. Four Management Committee meetings and eight Regional Committee meetings are held per year; the latter within each of the three main regional areas. The responsibilities for these committees is outlined in the Occupational Safety and Health Management Committee Terms of Reference.
- Safety and Health Representatives provide advice and support for workplace safety concerns. Representation covers every work area, including the regional campuses.
- Regular Workplace Inspections are conducted in conjunction with the Safety and Health Representatives and nominated Supervisors to identify hazards and ensure OSH compliance. These are completed a minimum of twice per annum with additional inspections carried out as required in high risk areas.
- Accident/Incident/Near Miss/Hazard Reporting processes are available to all staff, students, visitors and contractors. Each incident report is investigated by a management and Safety and Health 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 or alternative 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, or;
- Re-train for a position within another organisation.

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

Assessment of occupational safety and health management system

The College OSH system is documented and includes 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.

Since the merger of Durack Institute, Goldfields Institute and CY O'Connor Institute into Central Regional TAFE, harmonisation and standardisation of OSH related policy and procedures is ongoing with a plan for independent assessment of the system once the process is finalised.

The following table summarises the College's OSH and Injury Management Performance for 2017:

osh and injury management	Indicator	2016 Results	2017 Results	Results against Target	
				2017 Target	Comment on results
	Number of fatalities	0	0*	0	N/A
	Lost time injury/disease (LTI/D) incidence rate	0	0.29%*	0	1 LTI
	Lost time injury and/or disease severity rate	0	100%*	0	1 LTI was classified as severe
	Percentage of injured workers returned to work within: (i) 13 weeks (ii) 26 weeks	0%	0%*	Greater than or equal to 80%	1 LTI
	Percentage of managers trained in occupational safety, health and injury management responsibilities	77.3%	41.3%	Greater than or equal to 80%	The College determined the change in organisation due to the reform to be a significant risk, therefore in 2017 implemented a new OSH/Injury Management online training module that is relevant to our current organisational environment. Training is online and is expected to exceed the target in 2018.

Source: *RiskCover Workers Compensation Report

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 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of Central Regional TAFE for the year ended 31 December 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Responsibility of the Governing Council for the Financial Statements

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

In preparing the financial statements, the Governing Council is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the TAFE.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by 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 year ended 31 December 2017.

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 year ended 31 December 2017. 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 year ended 31 December 2017.

The Governing Council's Responsibility for the Key Performance Indicators

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

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

Auditor General's Responsibility

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

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

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of Central Regional TAFE for the year ended 31 December 2017 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
9 March 2018

Certification of Financial Statements

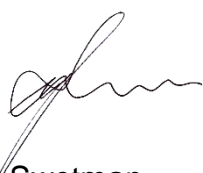
The accompanying financial statements of Central Regional TAFE have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the year ended 31 December 2017 and the financial position as at 31 December 2017.

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

09 March 2018



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

07 March 2018



Albert Wong
Chief Finance Officer
Central Regional TAFE

07 March 2018

DISCLOSURES AND LEGAL COMPLIANCE

Central Regional TAFE		2017	11 April to 31 December 2016
STATEMENT OF COMPREHENSIVE INCOME			
FOR THE YEAR ENDED 31 DECEMBER 2017	Notes	\$	\$
COST OF SERVICES			
Expenses			
Employee benefits expense	6	37,084,428	27,988,467
Supplies and services	8	13,749,345	9,837,885
Depreciation and amortisation expense	9	3,818,095	2,887,670
Grants and subsidies	10	-	15,740
Cost of sales	17	336,500	230,058
Loss on disposal of non-current assets	21	-	3,285
Asset revaluation decrement	11	4,931,686	1,267,452
Other expenses	12	3,528,137	2,930,803
Total cost of services		63,448,191	45,161,360
Income			
Revenue			
Fee for service	14	1,856,563	2,451,118
Student fees and charges	15	6,598,684	4,855,566
Ancillary trading	16	301,926	205,916
Sales	17	446,339	301,828
Commonwealth grants and contributions	18	138,607	102,554
Interest revenue	19	391,224	250,614
Other revenue	20	1,617,581	1,634,642
Total revenue		11,350,924	9,802,238
Total income other than income from State Government		11,350,924	9,802,238
NET COST OF SERVICES		52,097,267	35,359,122
INCOME FROM STATE GOVERNMENT			
Service appropriation	22	41,005,623	29,678,965
Services received free of charge		1,506,089	1,132,610
Total income from State Government		42,511,712	30,811,575
(DEFICIT) FOR THE PERIOD		(9,585,555)	(4,547,547)
OTHER COMPREHENSIVE INCOME			
<u>Items not reclassified subsequently to profit or loss</u>			
Changes in asset revaluation surplus	11	-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE (DEFICIT) FOR THE PERIOD		(9,585,555)	(4,547,547)

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

Central Regional TAFE		2017	11 April to
STATEMENT OF FINANCIAL POSITION			31 December
AS AT 31 DECEMBER 2017	Notes	\$	2016
			\$
ASSETS			
Current Assets			
Cash and cash equivalents	23	9,803,851	15,157,431
Restricted cash and cash equivalents	23,34	-	40,000
Inventories	24	112,177	115,406
Receivables	25	2,446,001	2,712,363
Other current assets	26	380,490	386,242
Total Current Assets		12,742,519	18,411,442
Non-Current Assets			
Restricted cash and cash equivalents	23,34	359,727	264,285
Property, plant and equipment	27	113,630,806	118,695,600
Total Non-Current Assets		113,990,533	118,959,885
TOTAL ASSETS		126,733,052	137,371,327
LIABILITIES			
Current Liabilities			
Payables	30	1,202,261	1,605,465
Provisions	31	4,911,797	4,837,179
Other current liabilities	32	984,522	4,936,016
Total Current Liabilities		7,098,580	11,378,660
Non-Current Liabilities			
Provisions	31	2,180,577	2,463,638
Total Non-Current Liabilities		2,180,577	2,463,638
TOTAL LIABILITIES		9,279,157	13,842,298
NET ASSETS		117,453,895	123,529,029
EQUITY			
Contributed equity	33	131,586,997	128,076,576
Accumulated surplus/(deficit)		(14,133,102)	(4,547,547)
TOTAL EQUITY		117,453,895	123,529,029

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

Central Regional TAFE		2017	11 April to 31 December 2016
STATEMENT OF CASH FLOWS			
FOR THE YEAR ENDED 31 DECEMBER 2017	Notes	\$	\$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation - Department of Training and Workforce Development		36,951,142	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		36,951,142	39,513,192
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(37,142,659)	(28,559,381)
Supplies and services		(12,554,291)	(9,043,296)
Grants and subsidies		-	(15,740)
GST payments on purchases		(1,418,379)	(919,247)
GST payments to taxation authority		(1,601)	-
Other payments		(3,904,629)	(2,812,403)
Receipts			
Fee for service		2,233,597	1,229,494
Student fees and charges		6,640,173	3,871,394
Ancillary trading		301,926	205,916
Commonwealth grants and contributions		138,607	289,034
Interest received		395,361	168,973
GST receipts on sales		285,873	444,323
GST receipts from taxation authority		863,953	541,820
Other receipts		2,088,755	2,519,992
Net cash provided by/(used in) operating activities	34	(42,073,314)	(32,079,121)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(175,966)	(88,866)
Receipts			
Proceeds from sale of non-current physical assets		-	7,068
Net cash provided by/(used in) investing activities		(175,966)	(81,798)
Net increase/(decrease) in cash and cash equivalents		(5,298,138)	7,352,273
Cash and cash equivalents at the beginning of period		15,461,716	8,109,443
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	34	10,163,578	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 YEAR ENDED 31 DECEMBER 2017					
	Notes	Contributed Equity	Reserves	Accumulated Surplus / (Deficit)	Total Equity
		\$	\$	\$	\$
Balance at 11 April 2016	33	-	-	-	-
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
Balance at 1 January 2017		128,076,576	-	(4,547,547)	123,529,029
Surplus/(deficit)		-	-	(9,585,555)	(9,585,555)
Total comprehensive income for the period		-	-	(9,585,555)	(9,585,555)
Transaction with owners in their capacity as owners:					
Contributions by owners		3,510,421	-	-	3,510,421
Total		3,510,421	-	-	3,510,421
Balance at 31 December 2017		131,586,997	-	(14,133,102)	117,453,895

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 year ended 31 December 2017

1. Australian Accounting Standards

a) General

The College's financial statements for the year ended 31 December 2017 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.

b) 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 year ended 31 December 2017.

2. Summary of significant accounting policies

The following accounting policies have been adopted in the preparation of these financial statements. Unless otherwise stated, these policies are consistent with those adopted in the previous year.

a) 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.

b) 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 financial year.

Central Regional TAFE
Notes to the Financial Statements
For the year ended 31 December 2017

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.

c) Reporting entity

The reporting entity comprises the College only.

d) Contributed equity

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

The 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 33 'Equity'.

e) 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.

Central Regional TAFE
Notes to the Financial Statements
For the year ended 31 December 2017

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 22 '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.

f) 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 TI 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 Authority (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.

Central Regional TAFE
Notes to the Financial Statements
For the year ended 31 December 2017

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 27 '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.

g) Impairment of assets

Property, plant and equipment is 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 a specialised 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.

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 29 'Impairment of assets' for the outcome of impairment reviews and testing. See note 2(m) 'Receivables' and note 25 'Receivables' for impairment of receivables.

Central Regional TAFE

Notes to the Financial Statements

For the year ended 31 December 2017

h) 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 35 'Commitments'.

i) 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.

j) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and operating accounts in a Public Bank that are readily convertible to a known amount of cash.

k) Accrued salaries

Accrued salaries (see note 30 'Payables') represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The College considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see note 23 '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. Interest is received on this account.

l) 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 24 'Inventories'.

Central Regional TAFE
Notes to the Financial Statements
For the year ended 31 December 2017

m) 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(i) 'Financial instruments' and note 25 'Receivables'.

n) 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(i) 'Financial instruments' and note 30 'Payables'.

o) 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 31 '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 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.

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.

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.

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.

Central Regional TAFE

Notes to the Financial Statements

For the year ended 31 December 2017

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(p) 'Superannuation expense'.

Central Regional TAFE
Notes to the Financial Statements
For the year ended 31 December 2017

(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 12 'Other expenses' and note 31 'Provisions'.)

p) 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.

q) 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.

r) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year

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 a commercial lease 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 used 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 1 January 2017 that impacted on the College.

Central Regional TAFE
Notes to the Financial Statements
For the year ended 31 December 2017

- AASB 1057 Application of Australian Accounting Standards
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 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]
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 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]
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 Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 & 128]
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. As the College has no joint ventures and associates, the application of the Standard has no financial impact.
- AASB 2015-1 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]
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 College has determined that the application of the Standard has no financial impact.
- AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]
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 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]
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. 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 & AASB 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.

Central Regional TAFE
Notes to the Financial Statements
For the year ended 31 December 2017

b) Future impact of Australian Accounting Standards not yet operative

The College cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. By virtue of a limited exemption, the College has early adopted AASB 2015 7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not for Profit Public Sector Entities. Where applicable, the College plans to apply the following Australian Accounting Standards from their application date.

Operative for reporting periods beginning on/after

AASB 9	<p>Financial Instruments</p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>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 <i>Amendments to Australian Accounting Standards</i>. The College has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 15	<p>Revenue from Contracts with Customers</p> <p>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.</p> <p>The College's income is principally derived from appropriations which will be measured under AASB 1058 Income of Not-for-Profit Entities and will be unaffected by this change. However, the College has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the College has discharged its performance obligations.</p>	1 Jan 2019
AASB 16	<p>Leases</p> <p>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.</p>	1 Jan 2019
AASB 1058	<p>Income of Not-for-Profit Entities</p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The College has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019

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AASB 2010-7	<p>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]</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>Amendments to Australian Accounting Standards Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the College to determine the application or potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-5	<p>Amendments to Australian Accounting Standards arising from AASB 15</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>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014).</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>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]</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. The mandatory effective date (application date) for the Standard has been deferred to 1 January 2018 by AASB 2015-10. The College has determined that the Standard has no financial impact.</p>	1 Jan 2018
AASB 2015-8	<p>Amendments to Australian Accounting Standards – Effective Date of AASB 15</p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 <i>Revenue from Contracts with Customers</i> so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not-For-Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The College has not yet determined the application or the potential impact of AASB 15.</p>	1 Jan 2017

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AASB 2016-2	<p>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</p> <p>This Standard amends AASB 107 <i>Statement of Cash Flows</i> (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.</p>	1 Jan 2018
AASB 2016-3	<p>Amendments to Australian Accounting Standards – Clarifications to AASB 15</p> <p>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.</p>	1 Jan 2017
AASB 2016 - 4	<p>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</p> <p>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 <i>Fair Value Measurement</i>. The College has not yet determined the application or the potential impact. There is no financial impact.</p>	1 Jan 2017
AASB 2016-7	<p>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities. 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.</p>	1 Jan 2017
AASB 2016-8	<p>Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities</p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019
AASB 2017-2	<p>Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle</p> <p>This Standard clarifies the scope of AASB 12 by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. There is no financial impact.</p>	1 Jan 2017

c) Changes in accounting estimates

There have been no changes in accounting estimates for the period from 1 January to 31 December 2017.

	2017 \$	11 April to 31 December 2016 \$
6 Employee benefits expense		
Wages and salaries (a)	33,971,418	25,566,743
Superannuation - defined contribution plans (b)	3,113,010	2,421,724
	<u>37,084,428</u>	<u>27,988,467</u>

(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 12 'Other expenses'.

Employment on-costs liability is included at note 31 'Provisions'.

7 Compensation of Key Management Personnel

The College has determined that key management personnel include Ministers, members, and, senior officers of the Authority. However, the Authority is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances. Total compensation for key management personnel, comprising members and senior officers, of the Authority for the reporting period are presented within the following bands:

Compensation of members of the accountable authority**Compensation Band(\$)**

0 - 10,000	11	4
20,001 - 30,000	1	1
210,001 - 220,000	-	1
280,001 - 290,000	1	-
	<u>13</u>	<u>6</u>

Compensation of senior officers**Compensation Band(\$)**

10,001 - 20,000	1	-
100,001 - 110,000	1	-
120,001 - 130,000	-	4
130,001 - 140,000	1	-
140,001 - 150,000	-	1
160,001 - 170,000	2	-
170,001 - 180,000	1	-
190,001 - 200,000	1	-
	<u>7</u>	<u>5</u>

Short term employee benefits	1,168,421	801,368
Post employments benefits	107,783	84,176
Other long term benefits	34,817	17,505
Total compensation of key Management Personnel	<u>1,307,021</u>	<u>903,049</u>

8 Supplies and services

Consumables and minor equipment	2,009,491	1,317,114
Communication expenses	263,634	258,395
Utilities expenses	1,196,835	842,138
Consultancies and contracted services	5,163,746	3,435,850

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	2017	11 April to 31 December 2016
	\$	\$
Minor works	850,592	1,072,460
Repairs and maintenance	645,838	317,092
Operating lease and hire charges	1,955,594	1,382,633
Travel and passenger transport	495,607	402,150
Advertising and public relations	285,036	250,580
Supplies and services - other	770,449	425,701
Supplies and Services - Professional Development (PD) staff activities	112,523	133,772
	13,749,345	9,837,885
9 Depreciation and amortisation expense		
<i>Depreciation</i>		
Buildings	3,060,969	2,254,506
Motor vehicles, caravans and trailers	140,016	125,214
Plant, furniture and general equipment	545,398	454,298
Computers and communication network	71,712	53,652
Total depreciation and amortisation	3,818,095	2,887,670
10 Grants and subsidies		
<i>Recurrent</i>	-	15,740
Apprentices and trainees (travel, accommodation and other off-the-job assistance)		
11 Asset revaluation decrement		
Land	2,410,000	-
Building	2,521,686	1,267,452
	4,931,686	1,267,452
Asset revaluation decrement (note 27 'Property, plant and equipment')		
12 Other expenses		
Audit fees	170,000	147,500
Building maintenance	1,089,877	959,082
Doubtful debts expense	-	78,363
Employment on-costs	2,056,574	1,624,270
Donations	1,500	4,222
Student prizes and awards	72,774	54,894
Losses and write-offs	137,408	33,435
Other (b)	4	29,037
	3,528,137	2,930,803

(a) Non-current assets held for sale are measured at lower of carrying amount and fair value less selling costs.

(b) Includes rounding expense for monthly BAS (Business Activity Statements).

13 Related Party Transactions

The College is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the College is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to the State.

Related parties of the College include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;

DISCLOSURES AND LEGAL COMPLIANCE

- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with government related entities

Significant transactions include:

- regional accommodation lease payments to Department of Communities \$565,836 (Note 6);
 - transfer of leave liabilities paid to WA Country Health Service \$63,223 (Note 6);
 - salary reimbursement received from Bruce Rock District High School \$58,478 (Note 6);
 - salary reimbursement received from Public Sector Commission \$54,683 (Note 6);
 - superannuation payments to GESB \$2,585,180 (Note 6);
 - lease payment for office occupancy paid to Department of Primary Industries and Regional Development \$23,587 (Note 8);
 - utilities payment for electricity paid to Horizon \$36,804 (Note 8);
 - utilities payment for electricity paid to Synergy \$404,854 (Note 8);
 - utilities payment for water paid to Water Corporation \$301,254 (Note 8);
 - vehicle licence payments to Department of Transport \$29,526 (Note 8);
 - lease rentals payments for accommodation and fleet leasing to State Fleet \$239,780 (Note 8);
 - insurance payments to the Insurance Commission and Riskcover fund \$688,120 (Note 8);
 - routine maintenance and repairs to buildings paid to Department of Finance \$698,766 (Note 12);
 - student enrolment revenue received from Department of Justice \$163,479 (Note 15);
 - Eastern Goldfields College utilities reimbursement revenue from Department of Education \$891,574 (Note 20);
 - payments made to the Department of Training and Workforce Development for unearned training funds \$4,666,399 (Note 22) and Training Business Services \$677,677 (Note 8);
 - payments received from the Department of Training and Workforce Development for displaced employees and voluntary targeted separation scheme (VTSS) for public sector renewal, resources received free of charge, Muresk higher education revenue \$2,312,905 (Note 22);
 - payments received from the Department of Training and Workforce Development for training and delivery \$39,859,838 (Note 22);
 - expense reimbursement for the Northam campus nursing refurbishment received from Department of Training and Workforce Development \$210,727 (Note 27);
- commitments for future lease payments to the Department of Finance \$757,946 (Note 35);
- remuneration for services provided by the Auditor General \$170,000 (Note 40).

Material transactions with related parties

- superannuation payments to GESB (Note 7).

The College had no other material related party transaction with Ministers/senior officers, their close family members, or their controlled (or jointly controlled) entities for disclosure.

	2017 \$	11 April to 31 December 2016 \$
14 Fee for service		
Fee for service - general	1,144,056	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)	68,120	101,070
Adult community education fees	-	-
International division fees	182,606	266,595
Fee for service - other	461,781	483,170
	1,856,563	2,451,118
15 Student fees and charges		
Tuition fees	5,046,150	3,718,053
Resource fees	1,124,088	805,757

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	2017 \$	11 April to 31 December 2016 \$
Other college fees	216,420	122,260
Student fees – recognition of prior learning (RPL) fees & RPL reversal	159,172	184,071
Student fees – Incidental fees & overcharges & reversal	52,854	25,425
	6,598,684	4,855,566
16 Ancillary trading		
Live works (not a trading activity)	264,422	194,651
Contracting and consulting	12,186	-
Other ancillary revenue	25,318	11,265
	301,926	205,916
17 Trading profit/(loss)		
(a) Bookshop:		
Sales	88,156	52,739
Cost of sales:		
Opening inventory	(112,680)	(128,509)
Purchases	(124,294)	(67,557)
	(236,974)	(196,066)
Closing inventory	108,404	112,680
Cost of goods sold	(128,570)	(83,386)
Trading profit(loss) - Bookshop	(40,414)	(30,647)
(b) Cafeteria:		
Sales	356,001	247,802
Cost of sales:		
Opening inventory	(2,726)	(5,854)
Purchases	(208,976)	(143,544)
	(211,702)	(149,398)
Closing inventory	3,772	2,726
Cost of goods sold	(207,930)	(146,672)
Trading profit(loss) – Cafeteria	148,071	101,130
(c) Other trading:		
Sales	2,182	1,287
Trading profit(loss) – Other trading	2,182	1,287
	109,839	71,770
See note 2(l) 'Inventories' and note 24 'Inventories'.		
18 Commonwealth grants and contributions		
Commonwealth specific purpose grants and contributions	138,607	102,554
	138,607	102,554
These grants include Commonwealth Department of Education funding for the Carnarvon crèche.		
19 Interest revenue		
Interest revenue (Commonwealth Bank operating account)	391,224	250,614
	391,224	250,614

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	2017	11 April to 31 December 2016
	\$	\$
20 Other revenue		
Rental and facilities fees	1,217,652	1,370,359
Sponsorship and donations revenue	53,992	44,846
Miscellaneous revenue	345,937	219,437
	1,617,581	1,634,642
21 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 2(f) 'Non-current assets (or disposal groups) classified as held for sale' note 27 'Property, plant and equipment'.		
22 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)	39,859,638	28,520,884
Other recurrent funds	1,145,985	1,158,081
Total State funds	41,005,623	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	1,212,771	955,792
- Marketing and publications	22,415	13,449
- Human resources, and industrial relations support	80,916	79,716
- Other	189,987	83,653
	1,506,089	1,132,610
Total Income from State Government	42,511,712	30,811,575
(a) Service appropriations fund the net cost of services delivered.		
23 Restricted cash and cash equivalents		
<u>Current</u>		
(a) Scholarship for nursing at Northam campus	-	40,000
	-	40,000
<u>Non-current</u>		
Accrued salaries suspense account (27th Pay provision)	359,727	264,285
	359,727	264,285
Total Restricted cash and cash equivalents	359,727	304,285

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	2017	11 April to 31 December 2016
	\$	\$
24 Inventories		
Current		
<u>Inventories held for resale:</u>		
Bookshop (at cost)	108,404	112,680
Cafeteria (at cost)	3,773	2,726
Total	112,177	115,406

See also note 2(l) 'Inventories' and note 17 'Trading profit/(loss)'.

25 Receivables		
Current		
Receivables – trade	1,510,148	1,558,436
Receivables – students	591,431	923,292
Accrued revenue	444,724	537,465
Allowance for impairment of receivables	(421,862)	(452,792)
GST receivable	321,560	145,962
Total Receivables	2,446,001	2,712,363

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period	(452,792)	(374,429)
Doubtful debts expense	(106,437)	(110,751)
Amount written off during the period	137,367	32,388
Balance at end of period	(421,862)	(452,792)

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

See also note 2(m) 'Receivables' and note 39 'Financial instruments'.

26 Other assets		
Current		
Prepayments	380,000	384,218
Other current assets (a)	490	2,024
Total Current	380,490	386,242

(a) Credit card disputed transactions under investigation, rental bonds to be reimbursed at the cessation of the rental period.

27 Property, plant and equipment		
<u>Land</u>		
At fair value (a)	10,971,500	13,350,000
	10,971,500	13,350,000
<u>Buildings</u>		
At fair value (a)	100,387,637	102,340,000
	100,387,637	102,340,000
<u>Motor vehicles, caravans and trailers</u>		
At cost	550,872	550,872
Accumulated depreciation	(265,230)	(125,214)
	285,642	425,658
<u>Plant, furniture and general equipment</u>		
At cost	2,900,914	2,889,066
Accumulated depreciation	(994,894)	(453,717)
	1,906,020	2,435,349

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	2017	11 April to 31
	\$	December 2016
	\$	\$
<u>Computer equipment, communication network</u>		
At cost	205,370	198,245
Accumulated depreciation	(125,363)	(53,652)
	80,007	144,593
	113,630,806	118,695,600

(a) Land and buildings were revalued as at 1 July 2017 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 31 December 2017 and recognised at 31 December 2017. In undertaking the revaluation, fair value was determined by reference to market values for land: \$10,971,500 (2016: \$13,350,000) and buildings: \$100,367,637 (2016: \$102,340,000). For the remaining balance, 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(f) 'Property, plant and equipment'.

Information on fair value measurements is provided in Note 28.

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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	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment, communication network	Total
2017	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	13,350,000	102,340,000	425,658	2,435,349	144,593	118,695,600
Additions	31,500	3,460,755	-	185,606	7,126	3,684,987
Transfers (a)	-	169,537	-	(169,537)	-	-
Disposals	-	-	-	-	-	-
Revaluation increments/(decrements)	(2,410,000)	(2,521,686)	-	-	-	(4,931,686)
Depreciation	-	(3,060,969)	(140,016)	(545,398)	(71,712)	(3,818,095)
Carrying amount at end of period	10,971,500	100,387,637	285,642	1,906,020	80,007	113,630,806

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	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 (a)	-	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 28.

28 Fair value measurements

Assets measured at fair value	Level 1	Level 2	Level 3	Fair Value At end of period
	\$	\$	\$	\$
2017				
Land (Note 27)	-	-	10,971,500	10,971,500
Buildings (Note 27)	-	-	100,387,637	100,387,637
	-	-	111,359,137	111,359,137

Assets measured at fair value	Level 1	Level 2	Level 3	Fair Value At end of period
	\$	\$	\$	\$
11 April to 31 December 2016				
Land (Note 27)	-	-	13,350,000	13,350,000
Buildings (Note 27)	-	-	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 and the previous periods.

Fair value measurements using significant unobservable inputs (Level 3)

	Land	Buildings
	\$	\$
2017		
Fair Value at start of period	13,350,000	102,340,000
Additions	31,500	3,460,755
Revaluation increments/(decrements) recognised in Profit or Loss	(2,410,000)	(2,521,686)
Transfers	-	169,537
Depreciation Expense	-	(3,060,969)
Fair Value at end of period	10,971,500	100,387,637

	Land	Buildings
	\$	\$
11 April to 31 December 2016		
Fair Value at start of period	13,350,000	108,161,028
Additions	-	8,682
Revaluation increments/(decrements) recognised in Profit or Loss	-	(1,267,452)
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 2017 \$000	Fair Value 11 April to 31 December 2016 \$000	Valuation Technique (s)
Land	10,972	13,350	Market approach
Buildings	100,388	102,340	Depreciated Replacement Cost

Reconciliations of the opening and closing balances are provided in Note 27.

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.

29 Impairment of assets

There were no indications of impairment to property, plant and equipment or intangible assets at 31 December 2017.

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.

	2017 \$	11 April to 31 December 2016 \$
30 Payables		
<u>Current</u>		
Trade payables	125,081	516,559
GST payable	-	250
Accrued expenses	824,599	703,617
Accrued salaries and related costs	246,951	385,039
Paid parental leave payable	5,630	-
Total Current	1,202,261	1,605,465

See also note 2(n) 'Payables' and note 39 'Financial Instruments'.

31 Provisions

<u>Current</u>		
<i>Employee benefits provision</i>	2,019,906	2,254,125
Annual leave (a)	2,598,274	2,287,425
Long service leave (b)	38,615	26,562
Deferred Salary Scheme (c)	4,478	3,625
Purchase Leave Scheme (d)	4,661,274	4,571,736
<i>Other provisions</i>		
Employment on-costs (e)	250,523	265,443
	250,523	265,443
Total current	4,911,797	4,837,179

DISCLOSURES AND LEGAL COMPLIANCE

	2017	11 April to 31 December 2016
	\$	\$
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave (b)	2,090,896	2,327,596
	<u>2,090,896</u>	<u>2,327,596</u>
 <i>Other provisions</i>		
Employee on-costs (e)	89,681	136,042
	<u>89,681</u>	<u>136,042</u>
 Total non-current	 <u>2,180,577</u>	 <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	1,361,643	1,512,507
More than 12 months after the end of the reporting period	658,263	741,618
	<u>2,019,906</u>	<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	2,598,274	2,287,425
More than 12 months after the end of the reporting period	2,090,896	2,327,596
	<u>4,689,170</u>	<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	38,615	26,562
	<u>38,615</u>	<u>26,562</u>

(d) Purchased 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. Actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	4,478	3,625
	<u>4,478</u>	<u>3,625</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 12 'Other expenses'.

	250,523	265,443
	<u>250,523</u>	<u>265,443</u>

DISCLOSURES AND LEGAL COMPLIANCE

	2017	11 April to 31 December 2016
	<u>\$</u>	<u>\$</u>
<u>Movements in other provisions</u>		
Movements in each class of provisions during the financial year, other than employee benefits, are set out below.		
<u>Employment on-cost provision</u>		
Carrying amount at start of period	401,485	-
Carrying amount transferred to College	-	403,299
Additional provisions recognised	<u>(61,281)</u>	<u>(1,814)</u>
Carrying amount at end of period	<u>340,204</u>	<u>401,485</u>
32 Other liabilities		
<u>Current</u>		
Income received in advance (a)	359,789	250,115
Grants and advances (Department of Training and Workforce Development refund provision)	606,133	4,663,366
Money/deposits held in trust	18,600	21,545
Other	-	990
Total current	<u>984,522</u>	<u>4,936,016</u>
 (a) Income received in advance comprises:		
State Government Department of Corrective Services - training and delivery at Geraldton, Northam and Kalgoorlie campuses	7,421	240,237
Northam Senior High School	-	9,091
Student fees and charges	333,434	787
Other (scholarships)	<u>18,934</u>	<u>-</u>
	<u>359,789</u>	<u>250,115</u>
33 Equity		
The Western Australian Government holds the equity interest in the College on behalf of the community. Equity represents the residual interest in the net assets of the College. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.		
<u>Contributed equity</u>		
Balance at start of period	128,076,576	-
<u>Contributions by owners</u>		
Contributions by owners	3,510,421	-
<u>Other contributions by owners</u>		
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	<u>3,510,421</u>	<u>131,188,970</u>
<u>Distributions to owners</u>		
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	<u>-</u>	<u>(3,112,394)</u>
Balance at end of period	<u>131,586,997</u>	<u>128,076,576</u>

DISCLOSURES AND LEGAL COMPLIANCE

	2017	11 April to 31
	\$	December 2016
	\$	\$
<u>Reserves</u>		
<i>Asset revaluation surplus</i>		
Balance at start of period	-	-
Balance at start of period	-	-
<u>Accumulated surplus/(deficit)</u>		
Balance at start of period	(4,547,547)	-
Result for the period	(9,585,555)	(4,547,547)
Balance at end of period	(14,133,102)	(4,547,547)
Total Equity at end of period	117,453,895	123,529,029

34 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	4,362	7,481
Cash and cash equivalents	9,799,489	15,149,950
	<u>9,803,851</u>	<u>15,157,431</u>
Restricted cash and cash equivalents (refer to note 23 'Restricted cash and cash equivalents')	-	40,000
Restricted cash and cash equivalents non current (refer to note 23 'Restricted cash and cash equivalents')	359,727	264,285
	<u>10,163,578</u>	<u>15,461,716</u>

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Net cost of services	(52,097,267)	(35,359,122)
<u>Non-cash items:</u>		
Depreciation and amortisation expense (note 9 'Depreciation and amortisation expense')	3,818,095	2,887,670
Doubtful debts expense (note 12 'Other expenses')	(30,930)	110,751
Services received free of charge (Note 22 'Income from State Government')	1,506,089	1,132,610
Adjustment for other non-cash items	131,435	-
Net (gain)/loss on sale of property, plant and equipment (note 21 'Net gain/(loss) on sale of non-current assets')	-	3,285
Losses and write-offs (excludes cash shortages/thefts of money) (note 12 'Other expenses')	137,367	1,047
Asset revaluation decrement (note 27 'Property, plant and equipment')	4,931,686	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)	432,187	339,332
Current inventories	3,230	26,825
Other current assets	5,752	(28,561)
Other non-current assets	-	(188,435)

DISCLOSURES AND LEGAL COMPLIANCE

	2017	11 April to 31
	\$	December 2016
	\$	\$
<u>Increase/(decrease) in liabilities</u>		
Current payables (a)	(403,204)	124,767
Current provisions	74,617	(716,345)
Other current liabilities	105,739	(1,738,439)
Non-current provisions	(283,061)	254,972
Net GST receipts/(payments) (b)	(270,155)	322,637
Change in GST in receivables/payables (c)	(164,894)	(4,895)
Net cash provided by/(used in) operating activities	(42,073,314)	(32,079,121)

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect

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

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

35 Commitments

The commitments below are inclusive of GST.

Other expenditure commitments

Other expenditure commitments [motor vehicles, Exmouth storage, Ningaloo Centre, Carnarvon airport, Merredin workshop] contracted for at the end of the reporting period date but not recognised as liabilities are payable as follows:

Within 1 year	292,304	348,339
Later than 1 year and not later than 5 years	460,800	365,096
Later than 5 years	4,842	-
	757,946	713,435

36 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 College is required to report known and suspected contaminated sites to the Department of Water and Environmental 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.

37 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.

38 Explanatory statement

All variances between estimates (original budget) and actual results for 2017, and between the actual results for 2017 and 2016 are shown below.

Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- 5% and \$903k for the Statements of Comprehensive Income and Cash Flows
- 5% and \$2.7m for the Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2017 Statement of Comprehensive Income	Variance Notes	2017		11 April to 31 December 2016 Actual	Variance Between Estimate and Actual	Variance Between Actual Results for 2017 and 2016
		Actual	Estimate			
		\$	\$	\$	\$	\$
COST OF SERVICES						
<u>Expenses</u>						
Employee benefits expense	1, A	37,084,428	39,529,359	27,988,467	(2,444,931)	9,095,961
Supplies and services	A	13,749,345	13,358,708	9,837,885	390,637	3,911,460
Depreciation and amortisation expense	A	3,818,095	4,543,819	2,887,670	(725,724)	930,425
Grants and subsidies		-	41,500	15,740	(41,500)	(15,740)
Cost of sales		336,500	360,986	230,058	(24,486)	106,442
Loss on disposal of non-current assets		-	12,368	3,285	(12,368)	(3,285)
Asset revaluation decrement	2, B	4,931,686	-	1,267,452	4,931,686	3,664,234
Other expenses		3,528,137	4,012,144	2,930,803	(484,007)	597,334
Total Cost of Services		63,448,191	61,858,884	45,161,360	1,589,307	18,286,831
<u>Income</u>						
Revenue						
Fees for services		1,856,563	2,027,926	2,451,118	(171,363)	(594,555)
Student fees and charges	3, A	6,598,684	7,907,574	4,855,566	(1,308,890)	1,743,118
Ancillary Trading		301,926	323,416	205,916	(21,490)	96,010
Sales		446,339	502,763	301,828	(56,424)	144,511
Commonwealth grants and contributions		138,607	46,060	102,554	92,547	36,053
Interest revenue		391,224	367,945	250,614	23,279	140,610
Other revenue	4	1,617,581	3,052,794	1,634,642	(1,435,213)	(17,061)
Total Revenue		11,350,924	14,228,478	9,802,238	(2,877,554)	1,548,686
Total income other than income from the State Government		11,350,924	14,228,478	9,802,238	(2,877,554)	1,548,686
NET COST OF SERVICES		(52,097,267)	(47,630,406)	(35,359,122)	(4,466,861)	(16,738,145)

DISCLOSURES AND LEGAL COMPLIANCE

FOR THE YEAR ENDED 31 DECEMBER 2017 Statement of Comprehensive Income	Variance Notes	2017		11 April to 31 December 2016 Actual	Variance Between Estimate and Actual	Variance Between Actual Results for 2017 and 2016
		Actual	Estimate			
		\$	\$	\$	\$	\$
INCOME FROM GOVERNMENT						
Service appropriation	A	41,005,623	42,822,309	29,678,965	(1,816,686)	11,326,658
Service received free of charge		1,506,089	1,667,728	1,132,610	(161,639)	373,479
Total Income from State Government		42,511,712	44,490,037	30,811,575	(1,978,325)	11,700,137
SURPLUS/DEFICIT FOR THE PERIOD		(9,585,555)	(3,140,369)	(4,547,547)	(6,445,186)	(5,038,008)
OTHER COMPREHENSIVE INCOME						
Items not classified subsequently to profit or loss						
Changes in asset revaluation surplus	5	-	2,834,193	-	(2,834,193)	-
Total Other Comprehensive Income		-	2,834,193	-	(2,834,193)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(9,585,555)	(306,176)	(4,547,547)	(9,279,379)	(5,038,008)

FOR THE YEAR ENDED 31 DECEMBER 2017 Statement of Financial Position	Variance Notes	2017		11 April to 31 December 2016 Actual	Variance Between Estimate and Actual	Variance Between Actual Results for 2017 and 2016
		Actual	Estimate			
		\$	\$	\$	\$	\$
ASSETS						
Current Assets						
Cash and cash equivalents	6	9,803,851	8,265,698	15,157,431	1,538,153	(5,353,580)
Restricted cash and cash equivalents		-	40,000	40,000	(40,000)	(40,000)
Inventories		112,177	144,791	115,406	(32,614)	(3,229)
Receivables		2,446,001	2,143,844	2,712,363	302,157	(266,362)
Other current assets		380,490	360,855	386,242	19,635	(5,752)
Total Current Assets		12,742,519	10,955,188	18,411,422	1,787,331	(5,668,923)

DISCLOSURES AND LEGAL COMPLIANCE

FOR THE YEAR ENDED 31 DECEMBER 2017 Statement of Financial Position	Variance Notes	2017		11 April to 31 December 2016 Actual	Variance Between Estimate and Actual	Variance Between Actual Results for 2017 and 2016
		Actual	Estimate			
		\$	\$	\$	\$	\$
Non-Current Assets						
Restricted cash and cash equivalents		359,727	389,196	264,285	(29,469)	95,442
Property, plant and equipment	7	113,630,806	131,390,154	118,695,600	(17,759,348)	(5,064,794)
Total Non-Current Assets		113,990,533	131,779,350	118,959,885	(17,788,817)	(4,969,352)
TOTAL ASSETS		126,733,052	142,734,538	137,371,327	(16,001,486)	(10,638,275)
LIABILITIES						
Current Liabilities						
Payables		1,202,261	366,056	1,605,465	836,205	(403,204)
Provisions	8	4,911,797	6,647,281	4,837,179	(1,735,484)	74,618
Other current liabilities	9, C	984,522	2,075,779	4,936,016	(1,091,257)	(3,951,494)
Total Current Liabilities		7,098,580	9,089,116	11,378,660	(1,990,536)	(4,280,080)
Non-Current Liabilities						
Provisions		2,180,577	2,405,000	2,463,638	(224,423)	(283,061)
Total Non-Current Liabilities		2,180,577	2,405,000	2,463,638	(224,423)	(283,061)
TOTAL LIABILITIES		9,279,157	11,494,116	13,842,298	(2,214,959)	(4,563,141)
NET ASSETS		117,453,895	131,240,422	123,529,029	(13,786,527)	(6,075,134)
EQUITY						
Contributed equity		131,586,997	130,715,698	128,076,576	871,299	3,510,421
Reserves	2	-	5,568,260	-	(5,568,260)	-
Accumulated surplus/(deficit)	10, D	(14,133,102)	(5,043,536)	(4,547,547)	(9,089,566)	(9,585,555)
TOTAL EQUITY		117,453,895	131,240,422	123,529,029	(13,786,527)	(6,075,134)

DISCLOSURES AND LEGAL COMPLIANCE

FOR THE YEAR ENDED 31 DECEMBER 2017 Statement of Cash Flows	Variance Notes	2017		11 April to 31 December 2016 Actual	Variance Between Estimate and Actual	Variance Between Actual Results for 2017 and 2016
		Actual	Estimate			
		\$	\$	\$	\$	\$
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation	3, A	36,951,142	42,813,000	34,341,743	(5,861,858)	2,609,399
Special purpose grant/cash transferred from DTWD		-	9,309	-	(9,309)	-
Establishment of College funds across the training sector as part of the Training Sector Reform Project	E	-	-	5,171,449	-	(5,171,449)
Net cash provided by State Government		36,951,142	42,822,309	39,512,192	(5,871,167)	(2,562,050)
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	1, A	(37,142,659)	(39,523,527)	(28,559,381)	2,380,868	(8,583,278)
Supplies and services	A	(12,554,291)	(12,656,041)	(9,043,296)	101,750	(3,510,995)
Grants and subsidies		-	(41,500)	(15,740)	41,500	15,740
GST payments on purchases		(1,418,379)	(1,072,598)	(919,247)	(345,781)	(499,132)
GST payments on taxation authority		(1,601)	-	-	(1,601)	(1,601)
Other payments	A	(3,904,629)	(4,365,459)	(2,812,403)	460,830	(1,092,226)
		(55,021,559)	(57,659,125)	(41,350,067)	2,637,566	(1,076,486)
Receipts						
Fees for services	A	2,233,597	2,012,089	1,229,494	221,508	1,004,103
Student fees and charges	3, A	6,640,173	7,896,061	3,871,394	(1,255,888)	2,768,779
Ancillary trading		301,926	323,416	205,916	(21,490)	96,010
Commonwealth grants and contributions		138,607	46,060	289,034	92,547	(150,427)
Interest received		395,361	367,945	168,973	27,416	226,388
GST receipts on sales		285,873	432,619	444,323	(146,746)	(158,450)
GST receipts from taxation authority		863,953	577,274	541,820	286,679	322,133
Other receipts	4	2,088,755	3,546,234	2,519,992	(1,457,479)	(431,237)
Net cash provided by/(used in) operating activities		(42,073,314)	(42,457,427)	(32,079,121)	384,113	2,600,813

DISCLOSURES AND LEGAL COMPLIANCE

FOR THE YEAR ENDED 31 DECEMBER 2017 Statement of Cash Flows	Variance Notes	2017		11 April to 31 December 2016 Actual	Variance Between Estimate and Actual	Variance Between Actual Results for 2017 and 2016
		Actual	Estimate			
		\$	\$	\$	\$	\$
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets	7	(175,966)	(2,051,000)	(88,866)	1,875,034	(87,100)
Receipts						
Proceeds from sale of non-current assets		-	4,276	7,068	(4,276)	(7,068)
Net cash provided by/(used in) investing activities		(175,966)	(2,046,724)	(81,798)	1,870,758	(94,168)
Net increase/(decrease) in cash and cash equivalents		(5,298,138)	(1,681,842)	7,352,273	(3,616,296)	(12,650,411)
Cash and cash equivalents at the beginning of the period		15,461,716	10,376,736	8,109,443	5,084,980	7,352,273
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		10,163,578	8,694,894	15,461,716	1,468,684	(5,298,138)

Significant variance between estimated and actual result for 2017

- 1) Employee benefits expense actual expenses underspent as a result of a reduction of 34 FTEs (full time equivalent employees). In addition, the College has paid \$0.445m for the Voluntary Targeted Separation Scheme.
- 2) Asset revaluation decrements on land and buildings were recognised as a result of the annual Landgate valuation. The College has no surplus asset revaluation increments in the balance sheet, therefore any decrement must be expensed.
- 3) Student and state revenue has declined as a result of the underachievement of the estimated profile student curriculum hours (SCH) for training and delivery.
- 4) Other revenue has decreased after a new rental agreement between the College and Eastern Goldfields College regarding the reimbursement of utilities and co-location charges of \$1m.
- 5) A Landgate asset revaluation increment was estimated, however a \$4.9m decrement was reported instead. Refer to (2).
- 6) Cash reserves were \$1.5m more than the expected drawdown as a result of stringent procurement practises.
- 7) A number of factors need to be considered regarding the \$17m variance for property, plant and equipment. Wiluna buildings \$2.4m were transferred to the Department of Education after the estimates were approved; \$5.6m asset revaluation increments were considered rather than a \$4.9m decrement. Purchases of assets were \$2.3m lower than expected.
- 8) Actuals lower than the budgeted provision as a result of a combination of the Training Sector Reform Project voluntary severance scheme, natural attrition of employee numbers and employees taking their leave entitlements.
- 9) VET fee help unearned revenue was less than estimated in other current liabilities.
- 10) Accumulated deficit for 2017 of \$9.5m includes the asset revaluation decrement of \$4.9m.

Significant variance between actual results for 2017 and 2016

- A) Actuals for full year of 2017 compared to actuals for 8 months in 2016.
- B) Asset revaluation decrements on land and buildings were recognised as a result of the annual Landgate valuation. The College has no surplus asset revaluation increments in the balance sheet, therefore any decrement must be expensed.
- C) Current liability for 2016 includes a \$4.6m unearned revenue refund to the Department of Training and Workforce Development for undelivered student curriculum hours.
- D) Accumulated deficit for 2017 of \$9.5m includes the asset revaluation decrement of \$4.9m.
- E) An injection of \$5.1m as a cash redistribution as a result of the Training Sector Reform Project in 2016.

39 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 39(c) 'Financial instruments disclosures' and note 25 '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 39(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 :

	2017	11 April to 31
	\$	December 2016
	\$	\$
<u>Financial Assets</u>		
Cash and cash equivalents	9,803,851	15,157,431
Restricted cash and cash equivalents	359,727	304,285
Receivables (a)	2,124,441	2,566,401
<u>Financial Liabilities</u>		
Payables	1,202,261	1,605,215

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

(c) Financial instrument disclosures***Credit 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 not impaired and impaired financial.

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	
	\$	\$	\$	\$	\$	\$	\$	
Financial Assets								
2017								
Cash and cash equivalents	9,803,851	9,803,851	-	-	-	-	-	
Restricted cash and cash equivalents	359,727	359,727	-	-	-	-	-	
Receivables (a)	2,124,441	444,724	194,530	222,103	1,684,946	-	421,862	
	12,288,019	10,608,302	194,530	222,103	1,684,946	-	421,862	
11 April to 31 December 2016								
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	
	18,028,117	15,999,181	556,017	241,038	1,684,673	-	452,792	

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

DISCLOSURES AND LEGAL COMPLIANCE

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
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2017											
<u>Financial Assets</u>											
Cash and cash equivalents	1.88%	9,803,851	-	9,799,489	4,362	9,803,851	9,808,851	-	-	-	-
Restricted cash and cash equivalents	1.88%	359,727	-	359,727	-	359,727	359,727	-	-	-	-
Receivables (a)	nil	2,124,441	-	-	2,124,441	-	-	2,124,441	-	-	-
		12,288,019	-	10,159,216	2,128,803	10,163,578	10,163,578	-	2,124,441	-	-
<u>Financial Liabilities</u>											
Payables	nil	1,202,261	-	-	1,202,261	1,202,261	1,202,261	-	-	-	-
		1,202,261	-	-	1,202,261	1,202,261	1,202,261	-	-	-	-
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	-	-	-
		18,028,117	-	15,454,235	2,573,882	18,028,117	15,461,716	-	2,566,401	-	-
<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.

	-100 Basis Points			+100 Basis Points	
	Carrying	Surplus	Equity	Surplus	Equity
Financial Assets	\$	\$	\$	\$	\$
2017					
Cash and cash equivalents	9,799,489	(97,995)	(97,995)	97,995	97,995
Restricted cash and cash equivalents	359,727	(3,597)	(3,597)	3,597	3,597
Total Increase/(Decrease)	10,159,216	(101,592)	(101,592)	101,592	101,592
11 April to 31 December 2016					
Cash and cash equivalents	15,149,950	(151,500)	(151,500)	151,500	151,500
Restricted cash and cash equivalents	304,285	(3,043)	(3,043)	3,043	3,043
Total Increase/(Decrease)	15,454,235	(154,543)	(154,543)	154,543	154,543

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.

40 Remuneration of auditor

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

	2017	11 April to 31 December 2016
	\$	\$
Auditing the accounts, financial statements and key performance indicators	170,000	147,500

41 Related bodies

The College has no related bodies.

42 Affiliated bodies

The College has no affiliated bodies.

43 Supplementary financial information(a) Write-Offs

Public property written-off by the Executive Council during the financial year

Bad debts	137,367	32,388
Inventory	-	1,065
Other (write off debtor small balances)	41	(18)
	137,408	33,435

44 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 2018 year are hereby included in the 2017 Annual Report. These estimates do not form part of the 2017 financial statements and are not subject to audit.

Central Regional TAFE 2018 S40 SUBMISSION	2018 Estimate
Statement of Comprehensive Income	\$
COST OF SERVICES	
Expenses	
Employee benefits expense	36,069,923
Supplies and services	10,919,434
Depreciation and amortisation expense	3,900,385
Grants and subsidies	10,133
Loss on disposal of non-current assets	(1,864)
Cost of sales	327,134
Other expenses	3,746,847
Total Cost of Services	54,971,992
Income	
Revenue	
Fee for service	1,636,703
Student charges and fees	6,337,203
Ancillary trading	293,310
Sales	459,283
Commonwealth grants and contributions	137,506
Interest revenue	423,532
Other revenue	1,541,004
Total Revenue	10,828,541
Total income other than income from State Government	10,828,541
NET COST OF SERVICES	(44,143,451)
INCOME FROM STATE GOVERNMENT	
State funds	40,023,252
Resources received free of charge	1,391,908
Total income from State Government	41,415,160
SURPLUS (DEFICIT) FOR THE PERIOD	(2,728,291)
OTHER COMPREHENSIVE INCOME	
Changes in asset revaluation reserve	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(2,728,291)

Central Regional TAFE 2018 S40 SUBMISSION Statement of Financial Position	2018 Estimate \$
ASSETS	
Current Assets	
Cash and cash equivalents	11,821,749
Restricted cash and cash equivalents	76,000
Inventories	99,951
Receivables	1,158,764
Other current assets	303,804
Total Current Assets	13,459,908
Non-Current Assets	
Restricted cash and cash equivalents	526,711
Property, plant and equipment	120,027,734
Total Non-Current Assets	120,554,445
TOTAL ASSETS	134,014,353
LIABILITIES	
Current Liabilities	
Payables	1,611,528
Amounts due to the Treasurer	1
Provisions	4,560,500
Other current liabilities	276,887
Total Current Liabilities	6,448,915
Non-Current Liabilities	
Provisions	2,277,070
Total Non-Current Liabilities	2,277,070
TOTAL LIABILITIES	8,725,985
NET ASSETS	125,288,368
EQUITY	
Contributed Equity	134,581,577
Accumulated surplus/(deficiency)	(9,293,209)
TOTAL EQUITY	125,288,368

Central Regional TAFE 2018 S40 SUBMISSION Statement of Cash Flows	2018 Estimate \$
CASH FLOWS FROM STATE GOVERNMENT	
State funds	36,273,252
Net cash provided by State Government	36,273,252
Utilised as follows:	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Payments	
Employee benefits	(36,007,923)
Supplies and services	(9,202,536)
Grants and subsidies	(10,133)
GST payments on purchases	(1,316,566)
Other payments	(3,819,643)
Operating Receipts	
Fee for service	1,646,703
Student fees and charges	6,322,270
Ancillary trading	293,310
Commonwealth grants and contributions	137,506
Interest received	423,532
GST receipts on sales	607,786
GST receipts from taxation authority	748,780
Other receipts	1,845,852
Net cash provided by/(used in) operating activities	(38,331,062)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of non-current physical assets	1,864
Purchase of non-current physical assets	(1,868,359)
Net cash provided by/(used in) investing activities	(1,866,495)
Net increase/(decrease) in cash held and cash equivalents	(3,924,305)
Cash and cash equivalents at the beginning of the period	16,348,765
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12,424,460

Central Regional TAFE 2018 S40 SUBMISSION Statement of Changes in Equity	2018 Estimate \$
Balance of equity at start of period	126,016,660
CONTRIBUTED EQUITY	
Balance at start of period	132,581,577
Other contributions by owners	2,000,000
Balance at end of period	134,581,577
RESERVES	
Asset Revaluation Reserve	
Balance at start of period	0
Restated balance at start of period	0
Gains/(losses) from asset revaluation	0
Balance at end of period	0
ACCUMULATED SURPLUS (RETAINED EARNINGS)	
Balance at start of period	(6,564,917)
Restated balance at start of period	(6,564,917)
Surplus/(deficit) or profit/(loss) for the period	(2,728,292)
Gains/(losses) recognised directly in equity	0
Balance at end of period	(9,293,209)
Balance of equity at end of period	125,288,368
Total income and expense for the period	(2,728,292)

Key Performance Indicators

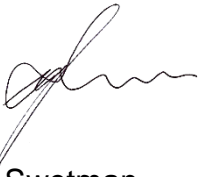
Certification of Key Performance Indicators

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 year ended 31 December 2017.



Mary Woodford
Governing Council Chair
Central Regional TAFE

09 March 2018



Bill Swetman
Managing Director
Member of Governing Council
Central Regional TAFE

07 March 2018

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.

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 2017, 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 Actual	2017 Target	2017 Actual
Central Regional TAFE	92.2%	93.0%	90.3%
Western Australia	88.9%	N/A	87.3%

Source: Patterson Research Group, Student Satisfaction Survey 2017

Derivation:

The total population for Central Regional TAFE was 4,437 students and 1,091 responses were received. This represents a response rate of 24.6%. The College's relative confidence interval was $\pm 1.5\%$ at the 95% confidence level.

The total population for the whole of Western Australia was 44,797 students and 11,964 responses were received. This represents a response rate of 26.7%. The whole of Western Australia's relative confidence interval was $\pm 0.5\%$ at the 95% confidence level.

Notes: These figures are representative for the whole of 2017.

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

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).

Graduate achievement is a question in the Student Outcomes Survey and measures the extent to which the College graduates have wholly or partly achieved their main reason for undertaking their course. The measure shows the proportion of graduates who indicated they had fully achieved or partly achieved their main reason for doing the training. The question has four response options 'Yes', 'No', 'Partly' or 'Don't know yet'.

Table Two: Graduate Achievement

	2017 Target	2017 Actual
Central Regional TAFE	91.0%	89.1%
TAFE Australia	N/A	83.2%
All VET providers Australia	N/A	84.2%

Source: 2017 Student Outcomes Survey, National Centre for Vocational Education Research (NCVER)

Derivation:

The total population of Central Regional TAFE graduates is 1,400 and 520 valid responses were received. The College's relative confidence interval was $\pm 2.2\%$ at the 95% confidence level.

The total population of TAFE Australia graduates is 144,487 and 46,323 valid responses were received. The TAFE Australia relative confidence interval was $\pm 0.3\%$ at the 95% confidence level.

The total population of All VET providers Australia graduates is 464,637 and 133,746 valid responses were received. The All VET providers Australia relative confidence interval was $\pm 0.2\%$ at the 95% confidence level.

Notes: The Student Outcomes Survey is conducted at a College level every second year.

Key Effectiveness Indicator 1.3: Graduate Destination Rate

Graduation destination data is also taken from the Student Outcome Survey and measures the proportion of graduates in employment. This measure shows the extent to which the organisation is providing relevant, quality training that enhances student employability. Graduate employment status measures who was employed, unemployed or not in the labour force.

Table Three: Graduate Employment Outcomes

	2017 Target	2017 Actual
Graduates Employed		
Central Regional TAFE	89.0%	80.6%
TAFE Australia	N/A	73.1%
All VET providers Australia	N/A	77.7%
Graduates Unemployed		
Central Regional TAFE	N/A	13.5%
TAFE Australia	N/A	16.5%
All VET providers Australia	N/A	14.4%
Graduates Not in Labour Force		
Central Regional TAFE	N/A	5.9%
TAFE Australia	N/A	10.4%
All VET providers Australia	N/A	7.9%

Source: 2017 Student Outcomes Survey, National Centre for Vocational Education Research (NCVER)

Derivation:

The total population of Central Regional TAFE graduates is 1,400 and 520 valid responses were received. The College's relative sampling error at the 95% confidence interval was as follows:

- Graduates Employed \pm 2.8%
- Graduates Unemployed \pm 2.4%
- Graduates Not in Labour Force \pm 1.7%.

The total population of TAFE Australia graduates is 144,487 and 46,323 valid responses were received. The TAFE Australia relative sampling error at the 95% confidence interval was as follows:

- Graduates Employed \pm 0.4%
- Graduates Unemployed \pm 0.3%
- Graduates Not in Labour Force \pm 0.2%.

The total population of All VET providers Australia graduates is 464,637 and 133,746 valid responses were received. The All VET providers Australia relative sampling error at the 95% confidence interval was as follows:

- Graduates Employed \pm 0.2%
- Graduates Unemployed \pm 0.2%
- Graduates Not in Labour Force \pm 0.1%.

Notes: The Student Outcomes Survey is conducted at a College level every second 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.

Table Four: Achievement of 2017 Profile, Estimated Vs Achieved SCH

	Target SCH	Achieved SCH	% Achieved
2016	2,283,668	1,876,357	82.2%
	Target SCH	Achieved SCH	% Achieved
2017	2,240,292	1,929,043	86.1%

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 Target SCH contained within the DPA (first agreement).

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 Five.

Central Regional TAFE renegotiated its Delivery and Performance Agreement through the September Addendum and subsequently reduced its profile to 1,985,046 SCH to meet anticipated reductions in student demand.

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 Five: Achievement of 2017 Profile by the State Australian and New Zealand Standard Classification of Occupation Groups

ANZSCO Group		2017 Target SCH	2017 Actual SCH
1	MANAGERS	85,420	38,486
11	Chief Executives, General Managers and Legislators	27,700	15,440
12	Farmers and Farm Managers	32,140	17,848
13	Specialist Managers	17,580	2,060
14	Hospitality, Retail and Service Managers	8,000	3,138
2	PROFESSIONALS	159,030	115,175
21	Arts and Media Professionals	28,500	22,896
22	Business, Human Resource and Marketing Professionals	2,000	1,510
23	Design, Engineering, Science and Transport Professionals	98,130	70,764
24	Education Professionals	25,500	8,435
26	ICT Professionals	7,900	9,620
27	Legal, Social and Welfare Professionals	-	1,950

DISCLOSURES AND LEGAL COMPLIANCE

ANZSCO Group		2017 Target SCH	2017 Actual SCH
3	TECHNICIANS AND TRADES WORKERS	374,870	315,013
31	Engineering, ICT and Science Technicians	69,420	40,234
32	Automotive and Engineering Trades Workers	133,713	116,169
33	Construction Trades Workers	59,331	37,066
34	Electrotechnology and Telecommunications Trades Workers	40,660	34,131
35	Food Trades Workers	36,956	32,474
36	Skilled Animal and Horticultural Workers	19,290	38,334
39	Other Technicians and Trades Workers	15,500	16,605
4	COMMUNITY AND PERSONAL SERVICE WORKERS	466,000	451,526
41	Health and Welfare Support Workers	158,985	197,854
42	Carers and Aides	195,975	174,079
43	Hospitality Workers	13,980	16,708
44	Protective Service Workers	10,000	871
45	Sports and Personal Service Workers	87,060	62,014
5	CLERICAL AND ADMINISTRATIVE WORKERS	254,266	154,245
51	Office Managers and Program Administrators	38,920	16,990
52	Personal Assistants and Secretaries	2,500	75,880
53	General Clerical Workers	136,226	-
54	Inquiry Clerks and Receptionists	14,940	-
55	Numerical Clerks	25,680	23,905
59	Other Clerical and Administrative Workers	36,000	37,470
6	SALES WORKERS	10,700	9,050
61	Sales Representatives and Agents	200	-
62	Sales Assistants and Salespersons	10,500	9,050
7	MACHINERY OPERATORS AND DRIVERS	317,780	330,246
71	Machine and Stationary Plant Operators	175,380	136,319
72	Mobile Plant Operators	114,400	183,472
73	Road and Rail Drivers	25,000	10,455
74	Storepersons	3,000	-
8	LABOURERS	285,986	258,233
82	Construction and Mining Labourers	54,194	65,324
83	Factory Process Workers	35,866	30,842
84	Farm, Forestry and Garden Workers	54,090	60,810
85	Food Preparation Assistants	17,778	10,875
89	Other Labourers	124,058	90,382
G	GENERAL EDUCATION	286,240	257,069
GB	Adult Literacy/ESL	156,600	139,735
GE	Targeted Courses	129,640	117,334
Total SCH		2,240,292	1,929,043

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

Notes:

- i SCH achievement is based on the Original DPA and not on variations agreed to in 2017.
- ii During 2017 Central Regional TAFE negotiated two addenda to the DPA (in May and September). Through the September Addenda the final target negotiated with the Department of Training and Workforce Development for 2017 was 1,985,046 SCH. The percentage achieved against this revised target was 97.2%

Efficiency Indicator

The efficiency indicator is a measure that shows the average cost of training delivery per student curriculum hour (SCH).

Key Efficiency Indicator 1.1: Overall cost per SCH

The overall cost per SCH demonstrates the efficiency with which the College manages its resources to enable the provision of vocational education and training services to meet community and industry needs.

The aggregate unit cost is calculated by determining the total cost of services, as reported in the College's 2017 Financial Statements, and dividing by the actual SCH delivered for profile and non-profile, excluding credit transfers, exam only and continuing students.

Table Six: Cost per Student Curriculum Hours (\$/SCH)

	2017 Target	2017 Actual
\$ per SCH	\$25.82	\$30.30

Source: Financial Statements and the College Management Information System (CMIS).

Notes:

- i In recognition of the partial year reporting period and the unavailability of campus-level data, the Under Treasurer approved a partial exemption from reporting against this KPI in 2016.
- ii The leading cause of the overrun was the shortfall in SCH delivered, due to few student enrolments than expected, and also a \$4.93m Land and Buildings revaluation decrement expense.