



Government of **Western Australia**
South Metropolitan **TAFE**

*We're working for
Western Australia.*

SOUTH METROPOLITAN TAFE 2019 Annual Report



SKILLING WESTERN AUSTRALIANS
FOR A SMART FUTURE

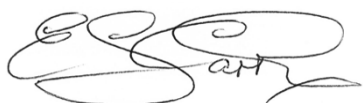
• ARMADALE • BENTLEY • CARLISLE • FREMANTLE • JANDAKOT • KWINANA • MANDURAH
• MUNSTER • MURDOCH • NAVAL BASE • ROCKINGHAM • THORN LIE

Statement of Compliance

To the Hon. Suzanne Ellery MLC, Minister for Education and Training

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for information and presentation to Parliament, the annual report of South Metropolitan TAFE for the period ending 31 December 2019.

This report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and the *Vocational Education and Training Act 1996*.



Elizabeth Carr
Chair of Governing Council
11 March 2020



Terry Durant
Managing Director
11 March 2020

While every effort has been made to assess the contents of this report, it may contain references to, or images, of people who are now deceased. South Metropolitan TAFE regrets any offence this might cause.

The term 'Aboriginal' is intended to include reference to Torres Strait Islanders and Indigenous Australians.

This publication is available in alternative formats upon request.

This publication is available on our website.

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Acknowledgement

We acknowledge the Whadjuk and Gnaala Karla peoples as the traditional custodians of the lands that South Metropolitan TAFE's campuses are situated upon.

We acknowledge the wisdom of Aboriginal Elders past and present, and pay respect to Aboriginal communities of today.

Artwork Acknowledgment

Artwork imagery designed for our Reconciliation Action Plan by artist and South Metropolitan TAFE employee, Nate Stuart.



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FOREWORD

Welcome from the Chair and Managing Director

Wandju

Together with the South Metropolitan TAFE (SM TAFE) Governing Council and Corporate Executive, we are delighted to present our 2019 Annual Report which details the achievements and challenges of the past year.

From our campuses in the heart of the Perth metropolitan area, down to the diverse and expansive Peel region, SM TAFE has delivered training to thousands of Western Australians over the past 12 months. Our large physical footprint and diverse training delivery means SM TAFE plays a vital role in providing training to a significant part of our local workforce. Our responsibility playing a key role in skilling our economy has driven our focus toward future skills and preparing our college to meet the needs of our stakeholders as we move into a new decade.

As part of driving our vision, we developed and launched our new strategic plan, *Skilling Western Australians for a Smart Future*, articulating our strategic priorities to 2022. As we sit on the precipice of significant technological disruption to our workforce and seek to diversify our state's economy to adapt to changing global economies, ensuring our training equips our students with the skills to work with new and evolving technologies is critical.

Therefore, the narrative of our 2019 annual report reflects our foundation work in achieving our vision of becoming a leader in future skills – including our new strategic plan, our partnerships with industry, the development of new qualifications with industry, and launching new facilities such as our Training Cyber Security Operations Centre and our defence-oriented Naval Base campus.

While 2019 presented many new opportunities, we faced challenges across the college in implementing our new Student Management System. Despite immense preparation prior to adopting the system, the journey of the last year has not been without much additional work and unforeseen challenges. We acknowledge the work of our staff in supporting this project.

Our connection to the community continued to be strengthened in 2019, with the work of our Jobs and Skills Centres supporting our engagement with local schools, government and organisations such as Bridging the Gap and SMYL. With *Commitment to Community* a key pillar of our new strategic plan, we look forward to continuing to work closely with community organisations to achieve our goal and support the State Government's *Our Priorities*.

The recently announced *Lower fees, local skills* initiative by the State Government, commencing in 2020, is an exciting opportunity to stimulate skills growth in areas of key industry and community demand. We look forward to working with the Department of Training and Workforce Development in 2020 to increase access to training for members of our local communities.

We would like to extend our thanks to our many industry partners who continue to support us. It is hard to quantify the contribution of our industry partners – through guiding our training areas in the needs of industry, employing apprentices, and providing work-integrated learning environments for our students. However, we do know this support is vital to our success and highlights the strong symbiotic relationship we share with industry.

We would also like to acknowledge our staff, both academic and business, who remain resolutely committed to our students. Our role as a TAFE provider means that beyond simply providing skills and

sharing knowledge that we act as a learning environment committed to supporting our students to thrive in their chosen vocation. Our staff continue to enable us to do this.

Together with our staff, we look forward to harnessing new opportunities and actioning the initiatives of our strategic plan to achieve a diverse and forward-looking organisation.

Lastly, we extend our gratitude to the Minister for Education and Training, the Honourable Sue Ellery MLC and the members of our Governing Council for their support and commitment to the sector over 2019.



Elizabeth Carr AM
Governing Council Chair
11 March 2020



Terry Durant
Managing Director
11 March 2020



Our New Strategic Plan

SM TAFE’s Corporate Executive and Governing Council launched the college’s second strategic plan, *Skilling Western Australians for a Smart Future*, building on the work achieved through our previous plan, *Strategy 2020*. Our new plan outlines a vision for the next three years to become a leader in the vocational sector in delivering future skills. We know that evolving technology, Industry 4.0 and a diversifying economy means that our training needs to keep pace with the skills needed to support our economy. Our plan is committed to positioning SM TAFE as a training provider of choice for future skills.

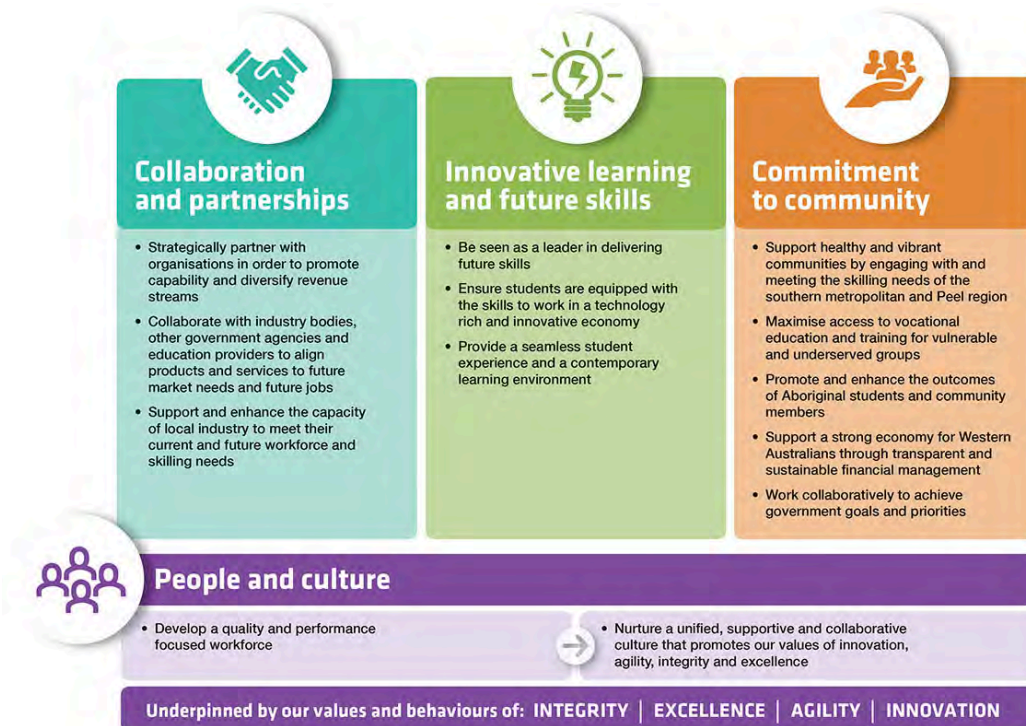


With a focus on four key areas: Innovative Learning and Future Skills, Collaboration and Partnerships, Commitment to Community, and People and Culture, our new strategic plan details key initiatives, priorities and strategies to achieve our vision. In 2020, seven key strategic projects will commence that will underpin progress towards our vision.

Our Vision

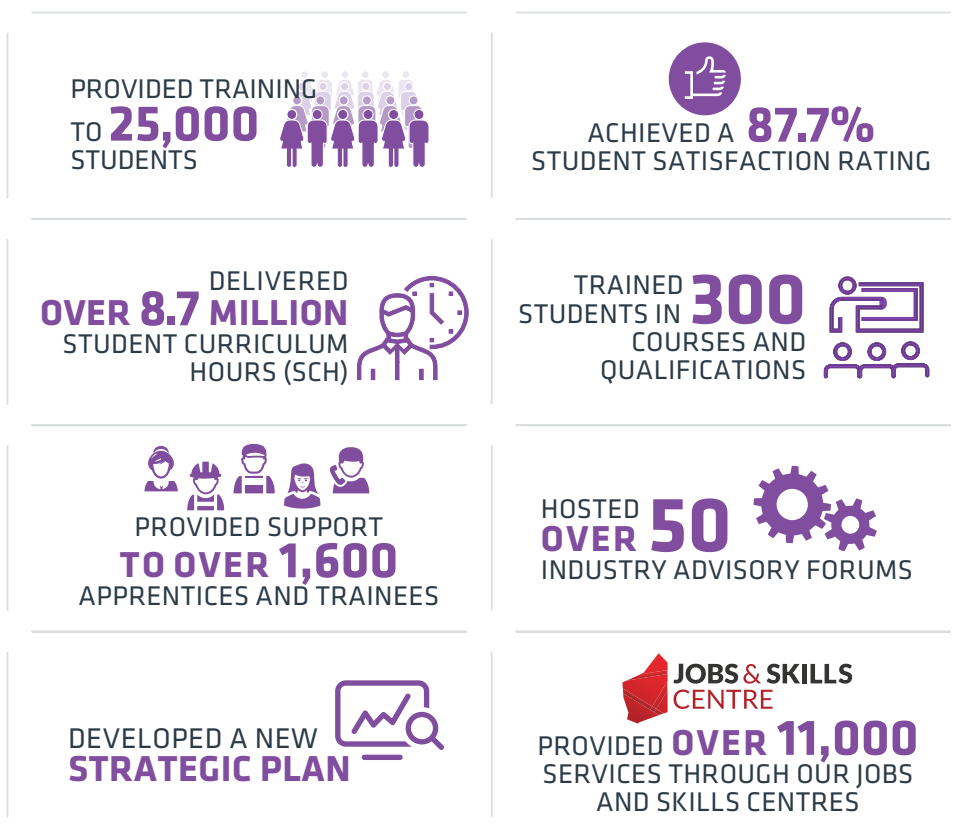
By 2023, South Metropolitan TAFE will be a national leader in delivering skills for future jobs.

We aim to deliver training that will meet the current and emerging needs of industry, and our communities. By working collaboratively with industry, we will deliver courses that reflect an evolving economy and the emerging technologies that will come to reshape our workforces.

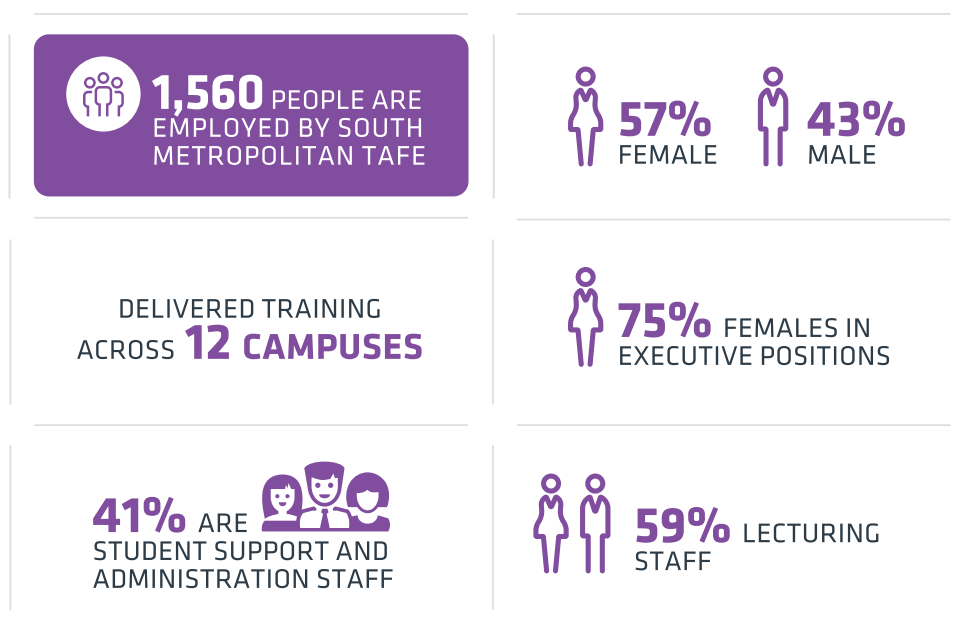


OVERVIEW OF THE AGENCY

Executive Summary



Employment at SM TAFE



N.b: Data as at 31 December 2019

About South Metropolitan TAFE

Establishment

SM TAFE is established under the *Vocational Education and Training Act 1996*. We exist for the purpose of providing skills, training and education to the community, businesses and industry in the southern metropolitan region of Perth, and the WA community generally.

SM TAFE is strongly embedded in our local community, providing courses designed to engage youth and encourage access to education and training for all community members.

Our purpose - *We provide students with skills to enable employment and career development*

SM TAFE is working with leaders in industry to provide Western Australia with the skills and capabilities for a smart future. Working collaboratively with global industries, our partnerships support economic and community development goals to ensure our graduates are ready to work with emerging technologies, engage in our diversifying economy and support our community. TAFE offers more than 300 qualifications, from foundation courses and apprenticeships to diplomas and skill sets, with over 24,000 students across its twelve campuses.

We do this by:

- Providing students with high quality training that equips them with the skills and attributes to thrive.
- Collaborating and working with industry to deliver skills that reflect the current and emerging needs for the workforce.
- Strengthening our communities through lifelong learning opportunities for all Western Australians.

Our Values

Integrity: We are committed to achieving our vision and delivering on our purpose. We work collaboratively and we are ethical and accountable in all our dealings with our students, our partners and ourselves.

Excellence: We are excellent at what we do – we have a quality focus and a quality lens in the services and training delivery that we perform. We exude and execute professionalism in all our dealings.

Agility: We are flexible, inclusive, agile, and easy to do business with. Servicing is done with the customer in mind and at the centre of all our decisions and actions. We are outcomes focussed and we are responsive.

Innovation: We are future focussed. Keeping pace with customers and market needs, we look for solutions and encourage creative thinking and continuous improvement.

AGENCY PERFORMANCE

Year in review

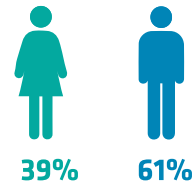
Total number of unique students:
24,770

Total Student Curriculum Hours (SCH) = Profile
7,226,171

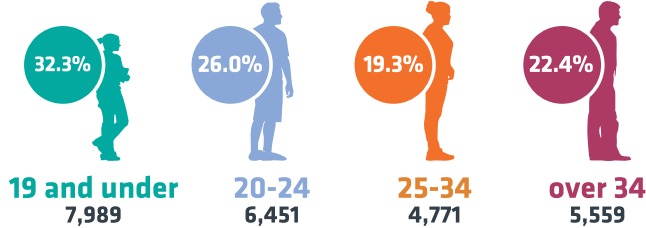
Total Student Curriculum Hours (SCH) = Non-profile
1,560,274



- Profile: 80.3%
- International fee for service: 10.1%
- Domestic fee for service: 3.1%
- State funded delivery: 2.6%
- Commonwealth funded delivery: 3.9%



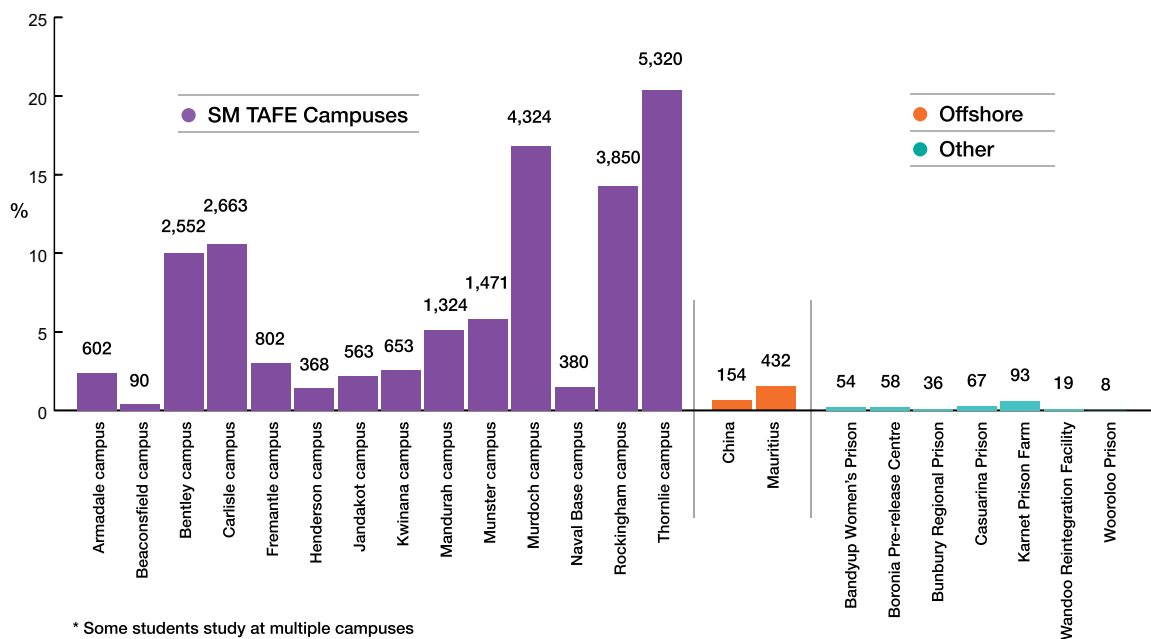
Student age group breakdown



- Certificate I and below: 9,260 (31%)
- Certificate II: 5,990 (20%)
- Certificate III: 10,797 (36%)
- Certificate IV: 3,687 (12%)
- Diploma and above: 2,776 (9%)



Student population by campus



* Some students study at multiple campuses

Training in Priority Areas

Aboriginal and Torres Strait Islanders

During 2019, SM TAFE developed a new Aboriginal Training Plan in consultation with the college's Aboriginal Education, Employment and Training Committee (AEETC). The new plan is focussed on four key areas – Attraction, Retention, Transition to Work, and Consultation and Oversight.

SM TAFE delivered 230,237 Student Curriculum Hours (SCH) to 779 students who identified as Aboriginal and/or Torres Strait Islander.

SM TAFE achieved 92% student satisfaction among Aboriginal students in 2019.

Students with a disability

SM TAFE delivered training to, 1,610 students with a disability. 607 students with a disability completed a Certificate II or above.

During 2019, 652 of students with a disability accessed the college's disability services team for support.

The college's Disability and Inclusion Plan Outcomes (DAIP) highlight initiatives in 2019 to support students with a disability.

SM TAFE achieved 83.6% student satisfaction among students with a disability.

Youth Engagement

SM TAFE delivered training to 14,440 students 5,132,901 aged between 15 to 24 years. This was 89.7% of the Student Curriculum Hour (SCH) benchmark.

In 2019, the college's Jobs and Skills Centres (JSCs) played a significant role in engaging with secondary schools and growing school-based traineeships, with a focus on the Peel region. SM TAFE engaged with several employers including Civmec Construction and Engineering, Pan Pacific and ALLSPEC Engineering to develop work experience pathways with local schools for future trainees and apprentices. Work in attracting youth to vocational careers continued through the JSCs hosting careers forums and jobs fairs, as well as engaging in community youth meetings with the City of Fremantle, City of Cockburn, City of Kwinana and the City of Rockingham to understand employment issues affecting youth in the community. Strategies for engaging youth in the Peel region will be a focus for SM TAFE in 2020.

Responding to ‘Our Priorities’



In 2019, the State Government launched *Our Priorities: Sharing Prosperity*, which articulates 12 priorities to address important issues facing Western Australia. As a government service provider embedded in the community and with our capacity to deliver change through training and education, SM TAFE is well placed to support *Our Priorities*. We do so through direct initiatives such as the development of science, technology, engineering and maths (STEM) based courses and innovative new qualifications —or indirectly, such as offering tailored training to at-risk youth, providing culturally safe spaces to support Aboriginal students, and by working with clients in the justice system, providing skills for employment for life after prison.

In 2020, SM TAFE will continue to support the State Government’s *Our Priorities* by connecting with the community, collaborating with other government agencies, and working with industry.

Key initiatives launched in 2019 that will continue to support *Our Priorities* in 2020 include:

- Piloting the recently launched Diploma of Applied Technologies, providing the skills to work in Industry 4.0 enabled environments.
- Continuing to work with the justice system to support disengaged youth and at-risk community members.
- Rolling out our Mandurah Growth Plan to promote training outcomes in the Peel region, including working collaboratively with the Peel Development Commission and City of Mandurah.
- Working closely to align our plan for STEM with state STEM strategies.
- Supporting the *Lower fees, local skills* program to deliver the skills our community needs.

Training Highlights and Challenges

Engineering, Transport and Defence

Oil and Gas Process Engineering, Defence, Mechanical and Fabrication, Applied Engineering, Light Automotive Technology, Heavy Automotive and Refrigeration and Aerospace, Maritime and Logistics

A significant outcome in 2019 was the opening of the college’s newest campus at Naval Base, becoming a key strategic delivery site for the college. Located within Perth’s defence shipbuilding industry precinct, the campus is also the site of SM TAFE’s WA Defence Industry Workforce Office, which is working in close consultation with defence industry organisations to understand the skilling needs of major national defence programs. The campus provides a range of courses targeted specifically at providing skills required in defence related industries and programs, delivered in a state-of-the-art, purpose-built training facility.

In partnership with the Australian Industry Group, the division scoped the Diploma of Applied Technologies in preparation for the launch of the pilot in 2020. The new diploma describes the skills and knowledge required for individuals to undertake technical roles within Industry 4.0 manufacturing and engineering environments. The qualification brings together key industry initiatives and policies, such as the National Science and Innovation Agenda and the Growth Centres initiatives, into a practical experiential learning environment to address real industry needs. The new diploma was formally launched to industry in November 2019 through an Industry 4.0 forum in partnership with key industry partners, including the University of Western Australia and Siemens.

The college worked with industry partners Honeywell and Emerson to incorporate new operating systems into the college’s Australian Centre for Energy and Process Training (ACEPT) facility based at

Munster campus to enable the expansion of our delivery into new technologies, with a focus on Industry 4.0 and automation. These new systems will enable the college to stay at the forefront of systems training in this area, with unique capability as the only Registered Training Organisation (RTO) with equipment of this nature.

The expansion of the 'Women in Engineering' program, now supported by both Chevron and BHP, was a positive step in further promoting STEM based careers to women and encouraging diversity in the industry. SM TAFE is hoping to expand this program with industry partners with the addition of an Indigenous focused program in 2020.

A key strategic focus for the area in 2020 will be the establishment of Munster Campus as the college's Centre for Excellence in Automation and Industry 4.0, leading the way in future skills in the training sector.

Construction, Hospitality and Commerce

Construction, Creative Industries and Lifestyle, Business and Financial Services, Information Technology, and Hospitality and Culinary Arts

A key achievement for the division was the launch of the college's Training Cyber Security Operations Centre (TSCOC), cementing the college as a premier destination for cyber and information technology training. The launch allows SM TAFE to be the first in the state to deliver a paraprofessional qualification in cyber security, addressing a nationwide cyber security skills shortage. The centre will be available to industry for their own professional development training, enabling the building of these critical skills in businesses across Perth and WA.

To further support the college's strategic focus on cyber security, SM TAFE partnered with AustCyber as the lead agency in the TAFE Cyber Consortium, positioning the college to develop capability and opportunities for collaboration and promote the development of cyber skills in the state. In 2020, the college will focus on the professional development of lecturers to ensure currency with rapidly developing technology in cyber security and 'big data'. The college will also be looking at opportunities to provide short courses in cyber aimed at community and industry.

The division's bricklaying area developed a new relationship with Bandyup Women's Prison (Department of Justice) to deliver the Certificate II in Construction Pathways, a course currently on the State's Skilled Priority Occupation List. The program provided students with the opportunity to work towards a qualification that will result in meaningful employment opportunities and strengthen rehabilitation outcomes. The strong retention rates reflected the value of the course, with 27 participants engaging in the program. Students were engaged in live projects around the prison, which supported their training experience and enhanced prison facilities. SM TAFE lecturer Ray Lamey, who was responsible for leading the program delivery, was awarded the Outstanding External Trainer Award by the Department of Justice. This delivery supports the college's Strategy 2020 – 2022 *Commitment to Community* focus by maximising access to vocational education and training to vulnerable and underserved groups.

The area re-commenced delivery of the Diploma of Building and Construction (Builder's Registration). This course is targeted at students currently working in the industry who wish to upskill their qualifications while maintaining full time employment. SM TAFE has become the only RTO in the state that provides this delivery online to accommodate full-time employees and students in regional areas with limited access to face to face training. This course supports the future shortages in the construction sector that have been predicted by the Master Builders Association.

The area worked with the WA Radiological Council to incorporate laser certification within the Diploma of Beauty Therapy, providing students with in-demand skills to work with rapidly evolving technology in the beauty industry. The addition positions SM TAFE as the only registered training organisation (RTO) in WA to offer laser certification.

Access, Community and Health

Foundation Skills, Children's Services, Adult Migrant English Program, Health, Vet Nursing and Animal Studies, Community Services, and Science and Environment

This year the Leadership and Aboriginal Workforce Development team developed the very successful two-day program *Effective ways to lead, manage and retain an Aboriginal workforce*. The program, which was delivered to staff members from a range of government and non-government agencies, provided participants with practical strategies to create a supportive and culturally secure workplace for Aboriginal employees. The program will be rolled out further in 2020 following positive participant feedback and strong enrolments.

Four student groups graduated from the 'Ready to Go' program delivered in partnership with Sodexo and AtWork Australia. The award-winning program graduated 46 students in 2019, with strong rapport continuing to be developed with partners and key stakeholders. The program supports the college's strategic imperative to increase the participation of Aboriginal adult learners in lifelong learning programs, and support increased levels of literacy and numeracy, community participation, employability, and entry into further education and training.

The children's services team successfully developed the first international qualification in childcare, the Diploma of International Children's Services, in collaboration with North Metropolitan TAFE. The new qualification is guided by the tenets of the United Nations' Convention on the Rights of the Child. The course is designed specifically for an international market, providing SM TAFE with an exciting opportunity to capitalise on the college's capability in children services training in an offshore setting.

The foundation skills team commenced delivery of the Commonwealth Government's Career Transition Assistance (CTA) program, designed to assist mature-age job seekers to build their confidence and skills, empowering them to enter their local labour market. SM TAFE delivered the program from four college campuses – Peel, Rockingham, Thornlie, and Fremantle. Strong outcomes were achieved at the Peel CTA, with 81% of participants being placed either into employment or training pathways. Across the whole program, a placement rate of over 55% was achieved, highlighting the positive outcomes of the program for participants.

The science and environment team partnered with the Turf Growers Association of WA to host the WA Lawn Expo at the college's Murdoch campus. With the campus housing the college's own garden centre, the event was an excellent opportunity for students to engage with industry and test their skills and knowledge on all things lawn and horticulture with members of the public.

Strategic Partnerships

SM TAFE is committed to developing partnerships and collaborations with industry, government and non-government organisations that progress our strategic priorities. The following partnerships, formed or progressed in 2019, support the college's vision to becoming a leader in future skills.

Rio Tinto Automation Qualification – Resource Industry Collaboration

SM TAFE has been leading the sector through our partnership with Rio Tinto Iron Ore for the development of Australia's first qualifications in autonomous and remote operations. 2019 saw significant progress in the collaboration, with the launch of the VET in Secondary Schools pilot program across five secondary schools, and the accreditation of the Certificate IV in Autonomous Control and Remote Operations by the Training Accreditation Council. Input and engagement with the WA VET collaboration with representation from industry, education, training and government continues to support this program, with exciting opportunities to apply this work across different autonomous working environments.

Public Transport Authority

SM TAFE partnered with the Public Transport Authority (PTA) to develop new signals maintenance curriculum specific to the needs of the West Australian rail transport industry. In 2019, SM TAFE worked with the PTA to develop a suite of training and assessment materials. The new curriculum developed by SM TAFE aligns the PTA's curriculum with the state's priority focus and investment in rail infrastructure and is supporting the changing workforce needs of this diverse and evolving organisation.

UWA Industry 4.0 Testlab Partnership

SM TAFE has partnered with the University of Western Australia (UWA), who is one of several universities engaged in the Commonwealth Government's Industry 4.0 Testlabs in Australia program. UWA, who successfully won the Liquefied Natural Gas Industry 4.0 Testlab, has engaged SM TAFE as its vocational partner for the project. The benefit of SM TAFE's collaboration with UWA include the opportunity for early evaluation of the impact of Industry 4.0 on manufacturing and business models, as well as the development of capability within the organisation to work alongside companies and industry in real work applications of Industry 4.0 – a pivotal step in becoming a deliverer of future skills. Early work on this project commenced in 2019 and will continue into 2020.

Future Battery Skilling Strategy

It was recently announced that the Federal Government will provide \$25 million to support a Curtin University led consortium of industry, government and research organisations as part of the Future Batter Industries Cooperative. SM TAFE has been engaged to assess and develop strategies to address current and future skills gaps for the future battery industry. SM TAFE will assess skills gaps for the energy materials, construction, operations, processing and refining industries and develop a skills strategy. The work as part of the consortium will assess SM TAFE to understand skilling needs of the industry as they are emerging.

Jobs and Skills Centres



SM TAFE's Jobs and Skills Centres (JSCs) are responsible for being one-stop shops for free career, training and employment advice and assistance for jobseekers, future students and employers. SM TAFE's JSCs have unique capability to work closely with local industry, employers and job seekers.

Over 2019, the JSCs engaged with hundreds of community members, employers and industry, with outcomes including:

- The JSC collaborating with government agencies and local businesses to host a 'Pop-Up Jobs Shop' at the Mandurah Forum, assisting people in the community who are looking at ways to find secure employment. JSC and job active staff assisted job seekers by providing them with tools and techniques to update their resumes and improve their interview skills. The Pop-Up Jobs Shop was a lead up event to assist job seekers to prepare for the Mandurah Jobs Fair in October 2019.
- The Peel JSC hosted two mini careers expos in 2019 to provide an opportunity for SM TAFE students and local high school students to engage with businesses, employers and SM TAFE lecturers about real and current training and employment opportunities across the Peel region.
- The Aboriginal services team in the JSCs progressed several exciting initiatives, with the standout being the new *Effective Ways to Lead, Manage and Retain an Aboriginal Workforce* employer program, which has received wide, positive feedback from participating employers such as the WA Police and Chevron. The outcomes of the Aboriginal Services team play an important role in supporting the college's Reconciliation Action Plan and Aboriginal Training Plan, working in synergy to support the college's commitment to reconciliation and closing the gap.
- The JSCs worked collaboratively with schools in the south metropolitan region to develop school-based traineeships and pathways into apprenticeships for youth in the area. The role of the JSCs in promoting vocational pathways to school students is vital to support a skilled future workforce.

Reconciliation Action Plan

SM TAFE's current Reconciliation Action Plan (RAP) covers the period May 2018 to April 2020 and outlines strategies and deliverables to work towards reconciliation within the college. The development and implementation of the RAP is guided by the RAP Working Group, consisting of staff from across diverse areas of the college. Over 2019, SM TAFE had the following highlights:

- Implementing 'Acknowledgement to Country' plaques and Whadjuk Noongar Country flags in major conference rooms.
- Issuing all staff with pocket-size 'Acknowledgement to Country' cards to encourage and empower staff to pay their respects through an Acknowledgment to Country at major meetings and events.
- Held tree planting ceremonies during NAIDOC week at all Jobs and Skills Centres.
- Held a NAIDOC event featuring the Madjtil Moorna Choir, Welcome to Country by Elizabeth Hayden, Bindi Bindi Dreaming catering, Irretye Art, and eminent guest speaker Fred Chaney AO.
- Developed Aboriginal Information Booklets tailored for local and international students to provide an understanding of Aboriginal culture, values and traditions.
- Participated in events such as the Deadly Jobs Expo at part of the Town of Bassendean's NAIDOC Family Day.
- Organised RAP Working Group members to attend the 2019 National RAP Conference by RAP Working Group members.
- Held an internal planning session to support the development of the college's next RAP.



GOVERNANCE

Minister

SM TAFE is responsible to the Minister for Education and Training, the Hon. Sue Ellery MLC.

Accountable Authority

SM TAFE is a Governing Council governed statutory authority, where the Governing Council is directly accountable to the public and the Minister for Education and Training, working with collaboratively with the Director General of the Department of Workforce and Training Development (DTWD)

Ms Elizabeth Carr AM is the Chair of SM TAFE's Governing Council.

Enabling Legislation

South Metropolitan TAFE is established as a board governed state training provider under section 35 of the *Vocational Education and Training Act 1996*.

Legislative Environment

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

SM TAFE complies with the following relevant legislation:

Aboriginal and Torres Strait Islander Commission Amendment Act 2005

Commercial Tenancy (Retail Shops) Agreements Act 1985

Corruption and Crime Commission Act 2003

Disability Discrimination Act 1992

Disability Services Act 1993

Education Services for Overseas Students Registration Charges Act 1997

Equal Opportunity Act 1984

Financial Management Act 2006

Freedom of Information Act 1982

Higher Education Support Act 2003

Industrial Relations Act 1979

Library Board of Western Australia Act 1951

Occupational Safety and Health Act 1984

Public Interest Disclosure Act 2003

Public Sector Management Act 1994

School Education Act 1999

State Records Act 2000

State Supply Commission Act 1991

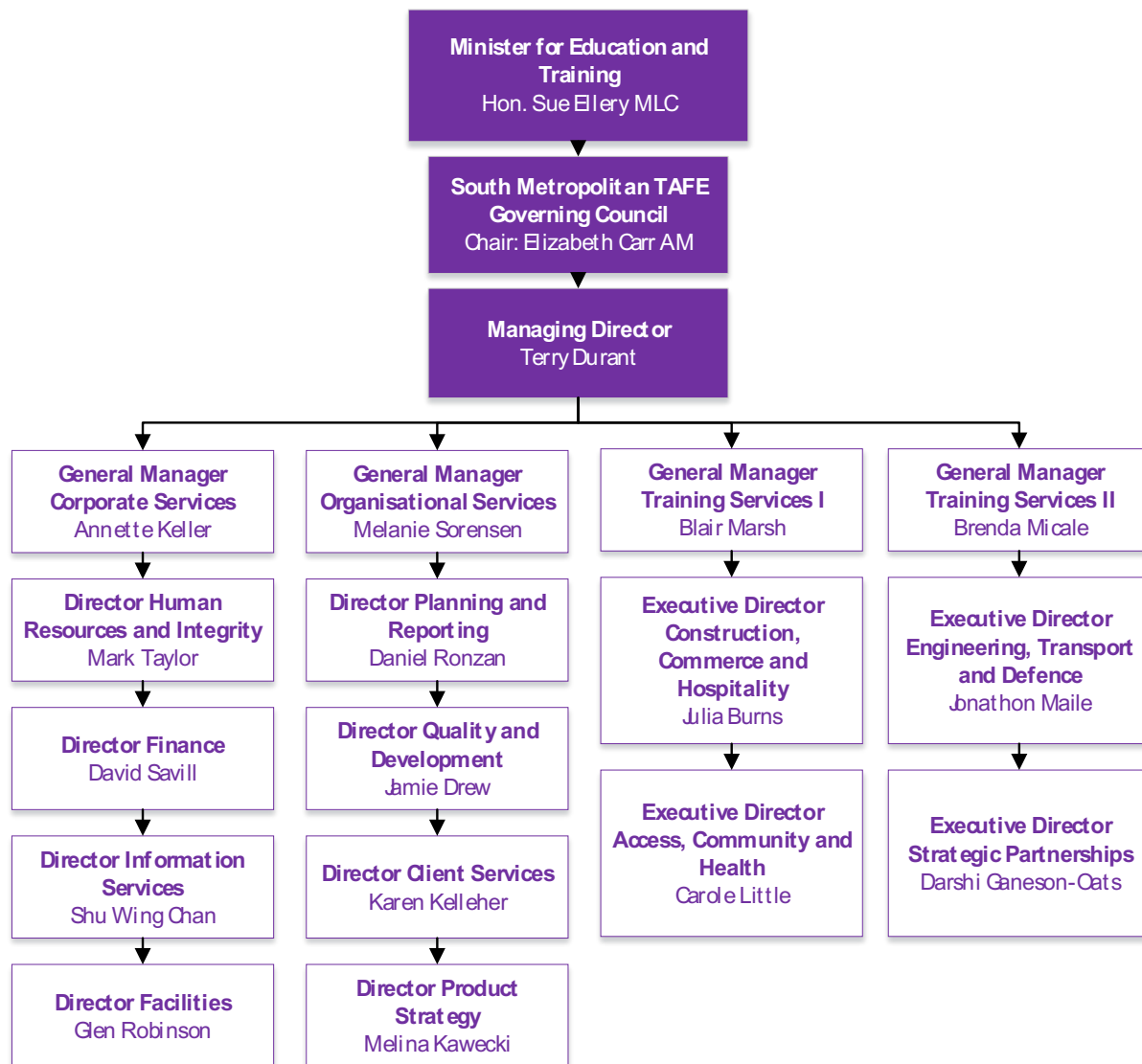
Tertiary Education Quality and Standards Agency Act 2011

Vocational Education and Training Act 1996

Workers Compensation and Injury Management Act 1981

Working with Children (Criminal Record Checking

Our Structure



Performance Management Framework

Outcome Based Management Framework

Government goals are supported at agency level by specific desired outcomes. Agencies deliver services to achieve these outcomes, which ultimately contribute to meeting higher level government goals. The following illustrates the relationship between SM TAFE's services and the broader government goal to which we contributed.

Government Goal	Desired Outcome	SM TAFE Services
Future Jobs and Skills	Grow and diversify the economy, create jobs and support skills development	<ol style="list-style-type: none">1) Provision of a diverse mix of government funded and commercial, fee for service training.2) Delivery of apprenticeships and traineeships.3) Partnerships with industry to build capability and support future workforce skilling requirements.4) Flexible, responsive and nationally accredited training ranging from certificate I to advanced diplomas.5) Delivery of Jobs and Skills Centres that engage with local communities, businesses and industry, providing employment and workforce development services.

Changes to Outcome Based Management Framework

There was no change to SM TAFE's Outcome Based Management Framework in 2019.

Shared Responsibilities with Other Agencies

SM TAFE receives funding from the State Government through an annual resource agreement, the Delivery and Performance Agreement, with the DTWD. The college reports to DTWD for outcomes under that agreement.

South Metropolitan TAFE Governing Council

The *Vocational Education and Training Act 1996* (VET Act) establishes the Governing Council as the governing body of SM TAFE. Members are appointed by Government for their experience and expertise in education and training, industry or community affairs and for their ability to contribute to the strategic direction of the college.

The Governing Council is supported by three sub-committees: The Finance, Audit and Risk Management Committee, the Higher Education Academic Board, and the Nomination and Evaluation Committee.

In 2019, SM TAFE farewelled Deputy Chair Emeritus Professor David Wood. Professor Wood has been an immense source of wisdom and guidance during his time on the Governing Council of both SM TAFE and the former Polytechnic West. SM TAFE extends its sincere gratitude for his contribution to the college and the VET Sector.

In 2019 the Governing Council membership was as follows:



Chair – Elizabeth Carr AM

Elizabeth Carr has been the Chair of the Governing Council since its inception in April 2016. Elizabeth is a full-time non-executive director with a board portfolio covering government, private, education and not-for-profit organisations in Western Australia and New South Wales.

Her background incorporates the private and public sectors. She has worked in senior executive positions for IBM and Macquarie Group and within senior levels of politics and government in NSW, WA, Papua New Guinea and the United States.

She chairs St Mary's Anglican Girls School (WA), St Catherine's Aged Care Services (NSW), and the Department of Family and Community Services Audit and Risk Committee (NSW) and Deputy Chair of the Kokoda Track Foundation (National).

She is a member of The Environmental Protection Authority (WA), Director of Insurance and Care (NSW), on the Audit and Risk Committees for the Urban Growth Development Corporation (NSW) and on the National Council as a WA representative for the Harvard Club of Australia. Elizabeth holds a BA (Hons) from UWA, a master's degree from Harvard University and is a Fellow of the Australian Institute of Company Directors.



Deputy Chair – Emeritus Professor David Wood (resigned October 2019)

Emeritus Professor David Wood is a retired academic who spent much of his professional life at Curtin University as Provost and Senior Deputy Vice-Chancellor, Deputy Vice-Chancellor International, Pro Vice-Chancellor of Humanities and in a number of other positions in the Faculty of Humanities and the School of Built Environment.

His academic discipline is urban and regional planning and he has led numerous research projects in this area, most recently leading CSIRO collaboration clusters that unite university and CSIRO scientists to address real world problems, such as in Australia's coastal zone. David continues to serve Curtin

University as Emeritus Professor in Humanities and as a member of the Humanities Faculty Advisory Council.

Between 2004 and 2010, David served on a number of state boards, including the Coastal Planning and Coordination Council and Ningaloo Sustainable Development Committee, both of which he chaired, and the WA Planning Commission and Heritage Council of Western Australia.

David's earlier roles were in local government where he was Coordinator of the Arthur Head Bicentennial Project, and Joint Head of the Department of Conservation and Restoration and Curator of Restoration at the WA Maritime Museum.

David Wood has a Bachelor of Arts (Monash) and a Postgraduate Diploma in Urban and Regional Planning and doctorate from Curtin University.



Deputy Chair– Deb Hamblin (appointed November 2019)

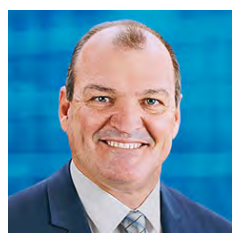
Deborah Hamblin is the Deputy Mayor of the City of Rockingham. She has promoted the importance of education in the region for the past 12 years while on the City of Rockingham Council. She is passionate about the value of education and its importance in developing a strong community. Cr Hamblin has been a member of a variety of management boards and is a valuable contributor to SM TAFE's Governing Council. She holds a bachelor degree from Murdoch University, a post graduate qualification from Curtin University and is an Associate Member of the Australian Library and Information Association.



Kelly Townson

Kelly Townson has over 20 years' experience in strategy development, brand building, partnership development, and change leadership having worked across a diverse portfolio of industry sectors including tourism, higher education and training, FMCG and financial services.

She has private and government sector exposure and previous board experience. She serves on the Board of Cycling Western Australia and currently she is the General Manager of Marketing for Crown Resorts Perth.



Niegel Grazia

Niegel Grazia is currently the Deputy Director General, Industry and Economic Development at the Department of Primary Industries and Regional Development. His contribution to SM TAFE is informed by experiences working with communities, NGOs, the media and governments on remote and complex development projects in Australia and overseas.

Niegel worked in the oil and gas industry for 21 years, including senior corporate and project based roles and for five years as the Australian Petroleum Production and Exploration Association's representative in WA. He has led the corporate affairs function in an ASX top 20 company and has undertaken residential postings in the Pilbara and Kimberley regions. Niegel has formerly served as Governing Council Chair of the Kimberley Training Institute.

Prior appointments also include roles with the Kimberley Development Commission, the Department of Premier and Cabinet and other agencies within the WA public service. He also served for seven

years on the staff of WA State Government ministers across the local government, mines, energy and emergency services portfolios.

Niegel holds a Bachelor of Business from Curtin University and offers proven leadership, communication, advocacy, strategic thinking and problem solving skills.



Nicole Ashby (resigned July 2019)

Nicole Ashby is an Exposure Alchemist who has a unique skill in assisting business owners to gain media exposure to further build their profile, market leadership and authority.

With hundreds of media interviews under her belt, including with The Project, The Today Show, The 7.30 Report, The Australian, BBC radio, ABC radio to mention but a few, Nicole knows what the media want from business owners and how to deliver it for media success.

Having built her former company and first business, FIFO Families, from scratch in 2010 and selling it five years later, Nicole now mentors aspiring business owners to achieve the extraordinary results that they truly seek. A dual Telstra Business of The Year Finalist, Telstra Business of The Year Finalist and dual 40Under40 Winner, Nicole loves nothing more than helping other business owners uncover and tap into their innate potential and to use the power of the media to skyrocket their business growth.



Julian Coyne

Julian Coyne brings entrepreneurship, engineering and technology together. After graduating with honours in computer and mathematical science in 2002 Julian founded his first company Unified – which has since delivered successful technology solutions to major clients including Toyota, Rio Tinto, INPEX, IBM, Microsoft, Landgate, Lotterywest, UWA and State and Federal Government

agencies throughout Australia. Julian has since launched several other successful companies and initiatives, and has been invited to Oxford University, Silicon Valley and Singapore to present and work on the future of technology, industry, academia and government.

Julian presently serves as WA Chairman for the Australian Information Industry Association (AIIA) - Australia's peak body for the technology industry. In 2006 Julian was selected for the Commonwealth Government's inaugural ICT Industry Entrepreneur Accelerator Program, hosted at Macquarie Graduate School of Management (MGSM) in partnership AusIndustry and AIIA. Julian is also a graduate of the Australian Institute of Company Directors (AICD), a Senior Certified Professional with the Australia Computer Society (ACS), a member of the Institute of Electrical and Electronic Engineers (IEEE) and a member of the Commonwealth Club of California.

In addition to serving on the Governing Council of South Metropolitan TAFE, Julian serves as Chairman of the Autism Academy of Software Quality Assurance (AASQA) and Chairman of the Advisory Board for the State Government's Regional New Industries Fund.



Zaneta Mascarenhas

Zaneta Mascarenhas is a passionate, pragmatic, socially minded professional with sustainability, community and engineering skills. She is an engineer, mother and daughter of a fitter and turner. She leads the WA team for Energetics, Australia's leading carbon and energy management consultancy. At Energetics she provides advice to mining, oil and gas and industrial clients.

She was born and brought up in the Goldfields and has worked in the mining and construction sectors; here she has seen the importance for having a recognised vocational qualification.

Zaneta has extensive governance experience having served on the following boards: Curtin University, Professionals Australia, Welfare Rights and Advocacy Service (current), Curtin Student Guild, and National Union of Students.

She has degrees in chemical engineering and chemistry and is studying a Masters in Community Development. Volunteering is important to Zaneta. She worked for the World Bank's Water and Sanitation Program as part of AusAid's Youth Ambassador program and has volunteered in the sustainability and union movements. Today she volunteers with the Vic Park Transition Network and she anticipates joining the Uniting Church WA's Social Justice Commission shortly. Zaneta's diverse work, volunteer and education background allows her to provide unique strategic advice to not-for-profit organisations.



Lina Dickins

Lina Dickins has led training and competency functions for a number of major oil and gas projects in Australia and overseas. In executing these projects, her strategies always promote collaboration with vocational institutes, indigenous employment, and the development of trainees and apprentices.

Lina will bring her experience to drive closer alignments between industry and educational institutions, which she sees as one of the key areas for developing future skills in Australia.



Dr Elena Limnios

Elena is motivated by a passion and understanding of purpose-driven businesses, aligning business models with organisational purpose and strategy for resilient growth. She has consulted, large, multi-billion dollar businesses on strategy, governance models and process restructuring for organisational change. As an Assistant Professor at the UWA Business School she has researched, presented, and published on diverse topics of governance, strategy, finance and stakeholder engagement over more than a decade. Elena is considered an international expert on co-operative and mutual business models, having published and consulted extensively in this area, as well as co-created an Executive Leadership course for mutuals at the level of the AICD course, delivered through the Australian Institute of Management in WA.

Elena is an accredited civil engineer, holds an MBA, a PhD on organisational resilience (UWA) and a post-doctorate on cooperative enterprise. She applies her engineering and management skills through Limnios projects, a project management and development management business with experience in delivering complex residential, commercial and industrial projects in Perth.

Elena is passionate about entrepreneurship and assists start-up and NFP businesses as a Board Member, through pro-bono consulting and advisory roles. She has taught entrepreneurship, small business and marketing at the UWA Business School at undergraduate and postgraduate courses, where she was awarded for Excellence in Teaching in 2015.



Erica Haddon

In addition to serving on the Governing Council of South Metropolitan TAFE, Erica is a non-executive director with Anglicare WA, a large community services organisation. To compliment the pursuit of her non-executive director career, Erica has an advisory business, Navigating Innovation, providing guidance on how to pursue innovation in mature businesses.

Throughout her career Erica has held several senior executive roles and has honed skills in audit and risk, innovation and culture change, and the connection of profit and purpose. Erica has worked for RAC WA, one of Australia's pre-eminent member organisations with over 1 million members; Wesfarmers Energy, a wholly owned Division of Wesfarmers Limited, a top 100 Australian company; Argyle Diamonds and Dampier Salt (both owned by Rio Tinto Limited, a global mining company).

Erica has a Bachelor of Business with a major in economics and finance and is a Certified Practising Accountant. In addition, Erica completed the Harvard Business School Advanced Management Program in 2012, is a fellow of the Australian Institute of Company Directors and a Fellow of Australian Institute of Management.



Terry Durant

Terry Durant is the Managing Director of SM TAFE and is an ex-officio member of the Governing Council.

SIGNIFICANT ISSUES IMPACTING THE AGENCY

CURRENT AND EMERGING ISSUES AND TRENDS

Technological Advancement, Industry 4.0 and Skilling for the Future

As a provider of vocational education and training, meeting the current and emerging needs of industry, which includes adapting to rapidly advancing technologies and 'Industry 4.0', is critical. Through partnerships with organisations such as Rio Tinto, the University of Western Australia, the Australia Industry Group and Curtin University, SM TAFE is working to build strategic capability in this area. Continuing to ensure new and existing courses reflect the evolving skilling needs of workplaces now and into the future will continue to be a pivotal part of SM TAFE's focus to ensure that Western Australian workers can access the training they need to thrive in and enrich our economy.

Building Staff Capability

In order to deliver high quality training and skills in new technologies, SM TAFE must ensure it has a diverse and capable workforce. Recruiting, retaining and upskilling staff to ensure that college has the capacity to deliver consistently high quality, industry relevant training will determine our ability to achieve our strategic vision. *People and Culture* is a key theme of the college's new strategic plan.

Strengthening Skills Report (The Joyce Review)

In 2019, the Commonwealth Government released the *Strengthening Skills: Expert Review of Australia's Vocational Education and Training System* report (the Joyce Review). The report outlines 71 recommendations, and if fully implemented, will influence the existing regulatory and funding environment of registered training organisations and TAFE colleges across Australia, including SM TAFE.

Lower Fees, Local Skills

The State Government's *Lower fees, local skills* program presents the opportunity to stimulate the delivery of training in areas of key jobs growth through the reduction of fees across select qualifications. Managing resources to align with increased demand is a key potential challenge associated with the program. Students will be able to enrol in courses under *Lower fees, local skills* in 2020.

ECONOMIC AND SOCIAL TRENDS

Western Australian Defence Economy

The defence sector will continue to be a focus of the college into 2020 as the college works to prepare for skilling needs associated with key defence projects. SM TAFE will continue to work closely with the Department of Jobs, Tourism, Science and Innovation through the WA Defence Industry Workforce Office. The WA Defence Industry Workforce Office is strategically co-located with the Naval Shipbuilding College at the college's newly established Naval Base campus in the heart of the State's major maritime defence precinct.

Boosting Training in the Peel Region

The college has observed a decline in training activity in the Peel region over recent subsequent academic years. With forecasted population growth, evolving workforce needs and youth unemployment challenges, SM TAFE will be taking targeted measures in 2020 to diversify and promote training offerings with a view to growing skills delivery in the region.

DISCLOSURES AND COMPLIANCE



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

SOUTH METROPOLITAN TAFE

Report on the Financial Statements

Opinion

I have audited the financial statements of South Metropolitan TAFE which comprise the Statement of Financial Position as at 31 December 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of South Metropolitan TAFE for the year ended 31 December 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Emphasis of Matter – Events occurring after the end of the reporting period

Attention is drawn to Note 8.1 of the financial statements that explains any impact from the COVID-19 virus and the related extended travel ban, on overseas student income in the year ending 31 December 2020 remains to be quantified. My opinion is not modified in respect of this matter.

Responsibility of the Governing Council for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

Report on Controls

Opinion

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

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

In my opinion, in all material respects, the controls exercised by South Metropolitan TAFE are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 December 2019.

The Governing Council's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of South Metropolitan TAFE for the year ended 31 December 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of South Metropolitan TAFE are relevant and appropriate to assist users to assess the TAFE's performance and fairly represent indicated performance for the year ended 31 December 2019.

The Governing Council's Responsibility for the Key Performance Indicators

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

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

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of South Metropolitan TAFE for the year ended 31 December 2019 included on the TAFE's website. This audit does not provide assurance on the integrity of the TAFE's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia

9 March 2020

FINANCIAL STATEMENTS

Certification of Financial Statements

The accompanying financial statements of South Metropolitan TAFE have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the period ending 31 December 2019 and the financial position as at 31 December 2019.

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



Elizabeth Carr AM
Governing Council Chair
6 March 2020



Terry Durant
Managing Director
6 March 2020



Annette Keller FCPA
GM Corporate Services
6 March 2020

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

2019

2018

	Notes	\$	\$
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1	119,299,634	114,440,902
Supplies and services	2.3	30,289,050	31,411,904
Grants and subsidies	2.2	367,635	397,297
Finance Cost	6.3	258,443	-
Asset revaluation decrement	2.3	500,000	2,000,000
Other expenses	2.3	12,612,472	11,360,618
Cost of sales	3.3	253,773	234,758
Loss on disposal of non-current assets	3.6	130,381	32,193
Depreciation and amortisation expense	4.1(d), 4.2.1	9,328,435	8,786,480
Total cost of services		173,039,823	168,664,152
Income			
<i>Revenue</i>			
Fee for service	3.2	23,874,702	24,742,929
Student fees and charges	3.2	23,303,887	23,744,365
Ancillary trading	3.2	1,276,749	1,333,504
Sales	3.3	388,980	368,595
Interest revenue	3.4	860,950	1,108,306
Other revenue	3.5	4,218,599	2,178,605
Total revenue		53,923,867	53,476,304
<i>Gains</i>			
Gain arising from changes in fair value - buildings	3.6	5,647,235	2,514,158
Gain on disposal of lease arrangements	3.6	5,332	-
Total gains		5,652,567	2,514,158
Total income other than income from State Government		59,576,434	55,990,462
NET COST OF SERVICES		113,463,389	112,673,690
Income from State Government			
Grants and subsidies	3.1	101,024,799	102,705,370
Services received free of charge	3.1	5,377,200	5,986,296
Total income from State Government	3.1	106,401,999	108,691,666
DEFICIT FOR THE PERIOD		(7,061,390)	(3,982,024)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		357,676	-
Total other comprehensive income		357,676	-
TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD		(6,703,714)	(3,982,024)

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

South Metropolitan TAFE
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

		2019	2018
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	37,562,235	37,923,318
Restricted cash and cash equivalents	6.1	277,566	926,588
Receivables	5.1	4,140,259	4,770,523
Inventories	3.3	-	23,959
Other current assets	5.2	1,035,730	1,023,036
Non-current assets classified as held for distribution to owners	8.8	950,074	950,074
Total Current Assets		43,965,864	45,617,498
Non-Current Assets			
Restricted cash and cash equivalents	6.1	1,712,471	1,279,045
Property, plant and equipment	4.1(a)	301,737,364	317,878,034
Right-of-use assets	4.1(b)	6,400,269	-
Intangible assets	4.2	71,079	31,877
Total Non-Current Assets		309,921,183	319,188,956
TOTAL ASSETS		353,887,047	364,806,454
LIABILITIES			
Current Liabilities			
Payables	5.3	3,611,756	2,768,777
Lease liabilities	6.2	666,801	-
Employee related provisions	2.1	22,289,382	22,118,764
Other current liabilities	5.4	3,309,596	86,569
Total Current Liabilities		29,877,535	24,974,110
Non-Current Liabilities			
Lease liabilities	6.2	5,881,440	-
Employee related provisions	2.1	4,573,483	2,840,136
Total Non-Current Liabilities		10,454,923	2,840,136
TOTAL LIABILITIES		40,332,458	27,814,246
NET ASSETS		313,554,589	336,992,208
EQUITY			
Contributed equity	8.9	347,288,907	364,022,813
Reserves	8.9	417,703	60,026
Accumulated deficit		(34,152,021)	(27,090,631)
TOTAL EQUITY		313,554,589	336,992,208

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

South Metropolitan TAFE STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2019					
	Notes	Contributed Equity	Reserves	Accumulated Deficit	Total Equity
		\$	\$	\$	\$
Balance at 1 January 2018		369,223,643	60,026	(22,449,168)	346,834,501
Changes in accounting policy		-	-	871,096	871,096
Correction of prior period errors		1,530,616	-	(1,530,535)	81
Restated balance at 1 January 2018		370,754,259	60,026	(23,108,607)	347,705,678
Deficit		-	-	(3,982,024)	(3,982,024)
Other comprehensive income	8.9	-	-	-	-
Total comprehensive income for the period		-	-	(3,982,024)	(3,982,024)
Transactions with owners in their capacity as owners:	8.9				
Capital appropriations		1,149,162	-	-	1,149,162
Transfer of assets from other government agencies		4,572,129	-	-	4,572,129
Distributions to owners		(12,452,738)	-	-	(12,452,738)
Total		(6,731,447)	-	-	(6,731,447)
Balance at 31 December 2018		364,022,813	60,026	(27,090,631)	336,992,207
Balance at 1 January 2019		364,022,814	60,026	(27,090,631)	336,992,209
Deficit		-	-	(7,061,390)	(7,061,390)
Other comprehensive income	8.9	-	357,677	-	357,677
Total comprehensive income for the period		-	357,677	(7,061,390)	(6,703,713)
Transactions with owners in their capacity as owners:	8.9				
Capital appropriations		4,501,656	-	-	4,501,656
Distributions to owners		(21,235,563)	-	-	(21,235,563)
Total		(16,733,907)	-	-	(16,733,907)
Balance at 31 December 2019		347,288,907	417,703	(34,152,021)	313,554,589

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

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

2019

2018

	Notes	\$	\$
CASH FLOWS FROM STATE GOVERNMENT			
Grants and subsidies - Department of Training and Workforce Development		103,157,410	99,833,486
Capital appropriation - Department of Training and Workforce Development		117,184	1,147,149
Total Net cash provided by State Government		103,274,594	100,980,635
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(116,834,689)	(113,540,461)
Supplies and services		(25,216,116)	(26,764,777)
Finance Cost		(258,443)	-
Grants and subsidies		(367,635)	(397,297)
GST payments on purchases		(2,939,671)	(2,907,572)
GST payments to taxation authority		(10,429)	-
Other payments		(11,777,810)	(10,527,008)
Receipts			
Fee for service		24,315,828	24,448,817
Student fees and charges		23,886,466	23,018,786
Ancillary trading		1,665,729	1,693,366
Interest received		1,031,433	1,086,068
GST receipts on sales		734,269	629,943
GST receipts from taxation authority		2,118,456	2,140,974
Other receipts		2,912,977	2,138,460
Net cash used in operating activities		(100,739,635)	(98,980,701)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(2,450,401)	(1,370,178)
Receipts			
Proceeds from sale of non-current physical assets		77,600	6,451
Net cash used in investing activities		(2,372,801)	(1,363,727)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(738,837)	-
Net cash used in financing activities		(738,837)	-
Net increase (decrease) in cash and cash equivalents		(576,679)	636,207
Cash and cash equivalents at the beginning of period		40,128,951	39,492,744
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	6.1	39,552,272	40,128,951

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1 Basis of preparation

South Metropolitan TAFE (SM TAFE) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. SM TAFE is a not-for-profit entity (as profit is not its principal objective).

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

These annual financial statements were authorised for issue by the Managing Director of SM TAFE on 06 March 2020.

Statement of compliance

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

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

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

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and historical cost convention. Certain balances will apply a different measurement basis (such as fair value basis). Where this is the case the different measurement basis is disclosed in the associated note.

Judgements and estimates

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

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

AASB 16:

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

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

AASB 15:

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

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

AASB 1058:

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

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

Contributed equity

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

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

2 Use of our funding**Expenses incurred in the delivery of services**

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

	Notes	2019	2018
Employee benefits expense	2.1(a)	119,299,634	114,440,902
Employee related provisions	2.1(b)	26,862,866	24,958,900
Grants and subsidies	2.2	367,635	397,297
Supplies and Services	2.3	30,289,050	31,411,904
Asset revaluation decrement	2.3	500,000	2,000,000
Other expenditure	2.3	12,612,472	11,360,618

2.1(a) Employee benefits expense

	2019	2018
Short-term employee benefits ^(a)	108,820,353	104,173,193
Termination benefits	259,320	409,031
Superannuation - defined contribution plans ^(b)	10,219,961	9,858,678
Total employee benefits expense	119,299,634	114,440,902
Add: AASB 16 Non-monetary benefits ^(c)		
Provision of vehicle benefits	242,279	-
Less: Employee Contributions	(57,022)	-
Net employee benefits expense	119,484,891	114,440,902

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

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

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

Wages and salaries: Employee expense includes all costs related to employment including wages and salaries, fringe benefits tax and leave entitlements.

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when SM TAFE is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

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

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

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

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

2.1(b) Employee related provisions

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

	2019	2018
Current		
<u>Employee benefits provision</u>		
Annual leave ^(a)	4,536,425	4,181,427
Long service leave ^(b)	15,939,910	16,268,715
Deferred salary scheme ^(c)	513,542	349,848
Purchased leave ^(d)	2,031	4,429
	<u>20,991,908</u>	<u>20,804,419</u>
<u>Other provisions</u>		
Employment on-costs ^(e)	1,297,474	1,314,345
Total current employee benefits provisions	<u>22,289,382</u>	<u>22,118,764</u>
Non-current		
<u>Employee benefits provision</u>		
Long service leave ^(b)	4,301,798	2,671,169
	<u>4,301,798</u>	<u>2,671,169</u>
<u>Other provisions</u>		
Employment on-costs ^(e)	271,685	168,967
Total non-current employee benefits provisions	<u>4,573,483</u>	<u>2,840,136</u>
Total employee benefits provisions	<u>26,862,865</u>	<u>24,958,900</u>

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

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

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

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

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

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

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

^(e) **Employment on-costs:** The settlement of annual and long service leave liabilities gives rise to the payment of ☐ employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

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

Employment on-costs provisions	2019	2018
Carrying amount at start of period	1,483,312	1,455,420
Additional / (reversals of) provisions recognised	85,847	27,892
Total Carrying amount at end of period	1,569,159	1,483,312

Key sources of estimation uncertainty - long service leave

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

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

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

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

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

2.2 Grants and subsidies

	2019	2018
<u>Recurrent</u>		
Scholarships for students	367,635	397,297
Total grants and subsidies	367,635	397,297

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

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

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

2.3 Other expenditure

	2019	2018
Supplies and services		
Consumables and minor equipment	6,331,320	6,353,235
Communication expenses	464,586	533,266
Utilities expenses	3,233,139	3,182,411
Consultancies and contracted services	16,140,351	15,630,741
Minor works	453,851	300,451
Repairs and maintenance	518,133	627,150
Rental cost ^(a)	565,582	2,167,843
Travel and passenger transport	217,990	174,765
Advertising and public relations	130,890	142,184
Staff professional development activities	182,774	116,198
Software licence expense	1,089,829	1,143,229
Insurance expense	709,954	716,273
Supplies and services - other	250,651	324,158
Total supplies and services expenses	30,289,050	31,411,904

Other expenses		
Audit fees	176,581	173,000
Building maintenance	3,252,178	2,981,747
Expected credit losses expense	512,020	394,494
Employment on-costs	7,976,742	7,700,700
Donations	1,000	-
Student prizes and awards	1,890	4,001
Losses and write-offs	3,950	130
Refunds of revenue (prior Year)	688,111	106,546
Total other expenses	12,612,472	11,360,618
Asset revaluation decrement		
Land	500,000	2,000,000
Total asset revaluation decrement	500,000	2,000,000

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

Supplies and services:

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

Repairs, maintenance and minor works:

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

Other:

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

The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date. SM TAFE has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Employment on-costs:

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

Asset Revaluation:

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

3 Our funding sources

How we obtain our funding

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

	Notes	2019	2018
Income from State Government	3.1	106,401,999	108,691,666
User charges and fees	3.2	48,455,338	49,820,798
Trading profit	3.3	135,207	133,837
Interest revenue	3.4	860,950	1,108,306
Other revenue	3.5	4,218,599	2,178,605
Gains/(Losses)	3.6	5,522,186	2,481,965

3.1 Income from State Government

	2019	2018
Grants received during the period:		
Grants and Subsidies ^(a)		
Delivery and Performance Agreement (DPA) from Department of Training and Workforce Development (DTWD)	97,454,776	98,256,252
Non-DPA Grants from Department of Training and Workforce Development (DTWD)	3,570,023	4,449,118
	101,024,799	102,705,370

Services received free of charge from other State Government agencies during the period:

DTWD		
- Corporate systems support	3,305,230	3,610,003
- Marketing and publications	34,842	-
- Human resources and industrial relations support	79,033	71,679
- Other	1,958,095	2,304,614
	5,377,200	5,986,296
Total income from State Government	106,401,999	108,691,666

(a) Revenue is recognised when the performance obligations are satisfied.

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

- Cash component; and
- A receivable (asset).

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

3.2 User charges and fees

	2019	2018
Fee for service		
Fee for service - general	10,358,115	8,855,153
Fee for service - Department of Training and Workforce Development (DTWD)	-	32,367
Fee for service - Government (other than DTWD)	7,223,627	7,660,502
International fees	6,282,021	7,865,296
Higher education	10,939	329,611
Total fee for service	23,874,702	24,742,929
Student fees and charges		
Tuition fees	17,368,649	17,491,581
Enrolment and Resource fees	5,363,629	5,388,245
Recognition of prior learning (RPL) fees	337,719	513,885
Incidental fees	-	45,570
Other College fees	233,890	305,084
Total student fees and charges	23,303,887	23,744,365
Ancillary trading		
Liveworks (not a trading activity)	1,206,511	1,281,906
Contracting & Consulting Revenue	5,091	1,127
Other Ancillary Revenue	65,147	50,471
Total ancillary trading	1,276,749	1,333,504
Total User charges and fees	48,455,338	49,820,798

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

Student fees and charges are recognised over time as and when the course is delivered to students.

Revenue from fee for service is recognised over time as and when the service is provided.

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

3.3 Trading profit

	2019	2018
Cafeteria (non-training related)		
Sales	388,980	368,595
Cost of Sales:		
Opening Inventory	-	-
Purchases	(253,773)	(234,758)
	(253,773)	(234,758)
Closing Inventory	-	-
Cost of Goods Sold	(253,773)	(234,758)
Total trading profit - Cafeteria (non-training related)	135,207	133,837
Total Trading profit	135,207	133,837
Closing Inventory comprises:		
Current Inventories		
Non trading activities (at cost)	-	23,959
Total current inventories	-	23,959

Sales

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

Inventories

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

3.4 Interest revenue

	2019	2018
Interest revenue	860,950	1,108,306

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

3.5 Other revenue

	2019	2018
Rental and facilities fees	206,498	258,178
Sponsorship and donations revenue ^(a)	1,292,139	261,446
Recoups from external organisations	479,965	506,231
RiskCover performance adjustment and insurance recoveries	1,375,190	404,072
Prior year revenue	580,753	320,515
Miscellaneous revenue	284,054	428,163
	4,218,599	2,178,605

(a) Includes discovered artwork \$1,122,296 not previously recognised.

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

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

3.6 Gains/(Losses)

	2019	2018
<u>Net proceeds from disposal of non-current assets</u>		
Plant, furniture and general equipment	22,093	6,006
Marine craft	55,507	445
Total proceeds from disposal of non-current assets	77,600	6,451
<u>Carrying amount of non-current assets disposed</u>		
Plant, furniture and general equipment	(116,218)	(2,895)
Computers and communication network	(30,233)	-
Marine craft	(61,530)	(35,749)
Net loss from disposal of non-current assets	(130,381)	(32,193)
<u>Other gains</u>		
Gain arising from lease arrangements	5,332	-
Gain arising from changes in fair value - buildings	5,647,235	2,514,158
Other gains	5,652,567	2,514,158
Net gains	5,522,186	2,481,965

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

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

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

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

	Notes	2019	2018
Property, plant and equipment	4.1(a)	301,737,364	317,878,034
Right-of-use assets	4.1(b)	6,400,269	-
Intangibles	4.2.1	71,079	31,877
		308,208,712	317,909,911

4.1(a) Property, plant and equipment

	Land	Buildings	Work in Progress	Motor vehicles, caravans and trailers	Leasehold improvements	Plant, furniture and general equipment	Computer equipment, communication network	Marine craft	Library collection	Works of art	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 31 December 2019											
1 January 2019											
Gross carrying amount	91,470,000	215,826,929	-	405,246	8,779,359	9,697,869	4,469,225	555,050	1,427,114	659,225	333,290,018
Accumulated depreciation	-	-	-	(199,377)	(8,779,359)	(3,704,223)	(2,463,731)	(82,932)	(182,362)	-	(15,411,984)
Carrying amount at start of period	91,470,000	215,826,929	-	205,870	-	5,993,646	2,005,494	472,118	1,244,752	659,225	317,878,034
Additions	-	869,042	598,677	18,850	1,784,787	2,344,780	1,282,195	45,454	129,426	1,126,766	8,199,977
Transfers (a)	(8,250,000)	(12,985,563)	-	13,000	-	(13,000)	-	-	-	-	(21,235,563)
Other disposals	-	-	-	-	-	(116,218)	(26,879)	(61,531)	-	(3,850)	(208,478)
Revaluation increments/(decrements)	(500,000)	5,881,777	-	-	-	-	-	30,209	-	92,925	5,504,911
Depreciation	-	(5,086,355)	-	(52,093)	(59,900)	(1,629,598)	(1,088,026)	(75,515)	(410,030)	-	(8,401,517)
Carrying amount 31 December 2019	82,720,000	204,505,830	598,677	185,627	1,724,887	6,579,610	2,172,784	410,736	964,148	1,875,066	301,737,364
Gross carrying amount	82,720,000	204,505,830	598,677	420,096	10,564,146	11,815,121	5,450,457	553,650	1,556,540	1,875,066	320,059,584
Accumulated depreciation	-	-	-	(234,469)	(8,839,259)	(5,235,511)	(3,277,673)	(142,914)	(592,392)	-	(18,322,219)

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

Initial recognition

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

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

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

Subsequent measurement

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

Land is carried at fair value.

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

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

Land and buildings were revalued as at 01 July 2019 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 31 December 2019 and recognised at 31 December 2019. In undertaking the revaluation, fair value was determined by reference to market values for land: \$13,500,000 (2018: \$13,500,000).

For the remaining balance, fair value of buildings was determined on the basis of depreciated replacement cost and the fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Revaluation model:

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

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

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

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

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

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

c) Marine craft are valued every 3 years by professional valuer. The last valuation occurred as at 31 December 2017 and was undertaken by Maritime Engineers Pty Ltd.

d) Works of art are revalued every 3 years by an independent artwork valuer to ensure the carrying amount does not differ materially from fair value.

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

	2019	2018
4.1(b) Right -of-use assets		
Land	770,554	-
Buildings	5,225,748	-
Vehicles	403,967	-
Total Right -of-use assets:	6,400,269	-
4.1(c) Depreciation charge of right-of-use assets		
Land	41,739	-
Buildings	625,173	-
Vehicles	225,228	-
Total right-of-use asset depreciation	892,140	-
Lease interest expense (included in 6.3 Finance cost)	258,443	-
The total cash outflow for lease in 2019 was	633,697	-

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

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

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

**4.1(d) Depreciation and impairment
Charge for the period**

	2019	2018
<u>Depreciation</u>		
Buildings	5,086,355	5,473,050
Leasehold improvements - buildings	59,900	432,950
Motor vehicles, caravans and trailers	52,093	71,740
Plant, furniture and general equipment	1,629,598	1,381,563
Computers and communication network	1,088,026	1,086,561
Marine craft	75,515	74,046
Library Collection	410,030	182,363
Right of Use Asset	892,140	-
Total depreciation for the period	9,293,657	8,702,273

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

All surplus assets at 31 December 2019 have either been classified as assets held for sale or written-off.

Please refer to Note 4.2 Intangible assets for guidance in relation to the impairment assessment that has been performed for intangible assets.

Finite useful lives

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

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

Asset	Useful life: years
Building	40 years
Leasehold improvements	1 to 2 years
Motor vehicles, caravans and trailers	1 to 25 years
Plant, furniture and general equipment	1 to 30 years
Computer and communication equipment	1 to 14 years
Marine craft	5 to 8 years

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

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

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

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

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

Impairment

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

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

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

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

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

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

4.2 Intangible assets

	Computer software and licences
Year ended 31 December 2019	
1 January 2019	
Cost	418,543
Accumulated amortisation	<u>(386,666)</u>
Carrying amount at start of period	31,877
Additions	73,980
Amortisation expense	<u>(34,778)</u>
Carrying amount at 31 December 2019	71,079

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) An intention to complete the intangible asset and use or sell it;
- (c) The ability to use or sell the intangible asset;
- (d) The intangible asset will generate probable future economic benefit;
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- (f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

4.2.1 Amortisation and impairment

Charge for the period

	2019	2018
<u>Amortisation</u>		
Computer Software	34,778	84,207
Total amortisation for the period	34,778	84,207

As at 31 December 2019 there were no indications of impairment to intangible assets.

SM TAFE held no goodwill or intangible assets with an indefinite useful life during the reporting period.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by SM TAFE have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Computer software ^(a) 3 to 5 years

^(a) Software that is not integral to the operation of any related hardware.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 4.1(d) Depreciation and impairment.

5 Other assets and liabilities

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

	Notes	2019	2018
Receivables	5.1	4,140,259	4,770,523
Other assets	5.2	1,035,730	1,023,036
Payables	5.3	3,611,756	2,768,777
Other liabilities	5.4	3,309,596	86,569

5.1 Receivables

	2019	2018
Current		
Receivables - Trade	1,972,480	1,513,839
Receivables - Students	1,084,673	1,318,042
Allowance for impairment of receivables	(414,760)	(394,494)
Accrued revenue	1,145,197	2,013,349
GST receivable	352,669	319,764
	4,140,259	4,770,500
Advances:		
Other debtors	-	23
	-	23
Total current	4,140,259	4,770,523
Total receivables	4,140,259	4,770,523

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

5.2 Other assets

	2019	2018
Current		
Prepayments	1,036,373	1,021,583
Other	(643)	1,453
Total current	1,035,730	1,023,036
Balance at end of period	1,035,730	1,023,036

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

5.3 Payables

	2019	2018
Current		
Trade payables	539,539	100,193
Accrued expenses	1,548,674	1,533,943
Accrued salaries and related costs	1,521,321	1,128,742
Paid parental leave payable	2,222	5,899
Total current	3,611,756	2,768,777
Balance at end of period	3,611,756	2,768,777

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

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

5.4 Other liabilities

	2019	2018
Current		
Income received in advance ^(a)	1,261,483	79,621
Monies/deposits held in trust	445	6,948
Delivery and Performance Agreement Refund due to DTWD	2,047,668	-
Balance at end of period	3,309,596	86,569

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

6 Financing

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

	Notes
Cash and cash equivalents	6.1
Leases	6.2
Finance costs	6.3
Commitments	6.4
Non-cancellable operating lease commitments	6.4.1
Capital commitments	6.4.2

6.1 Cash and cash equivalents

	2019	2018
Current		
Cash and cash equivalents		
Cash On Hand	18,210	18,610
Cash At Bank	37,544,025	37,904,708
Total cash and cash equivalents	37,562,235	37,923,318
Restricted cash and cash equivalents current		
Capital works grants received from DTWD	277,566	926,588
Total restricted cash and cash equivalents current	277,566	926,588
Total current	37,839,801	38,849,906
Non-current		
Restricted cash and cash equivalents non-current		
Restricted cash 27th pay ^(a)	1,712,471	1,279,045
Total non-current	1,712,471	1,279,045
Balance at end of period	39,552,272	40,128,951

^(a) Represents an amount set aside for the 27th pay occurring in the year 2025.

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

6.2 Leases

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

6.2.1 Lease liabilities

	2019	2018
Current	666,801	-
Non-current	5,881,440	-
Balance at end of period	6,548,240	-

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

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

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

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

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

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

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

c. Variable Lease payments

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

d. Extension and termination options

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

e. Short-term and low-value leases

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

6.3 Finance costs

Finance costs	2019	2018
Lease interest expense	258,443	-
Finance costs expensed	258,443	-

Finance costs include the interest component of lease liability repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

6.4 Commitments

6.4.1 Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

	2019	2018
Within 1 year	-	1,326,455
Later than 1 year and not later than 5 years	-	3,485,987
Later than 5 years	-	4,007,914
Balance at end of period	-	8,820,356

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

6.4.2 Capital commitments

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

	2019	2018
Within 1 year	-	4,630
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Balance at end of period	-	4,630

The totals presented for capital commitments are GST inclusive.

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

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

7 Risks and Contingencies

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

	Notes
Financial Instruments	7.1
Contingent assets	7.2.1
Contingent liabilities	7.2.2

7.1 Financial Instruments

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

	2019	2018
Financial assets		
Cash and cash equivalents	37,562,235	37,923,318
Restricted cash and cash equivalents	1,990,037	2,205,633
Financial assets at amortised cost ^(a)	3,787,590	4,450,759
Total financial assets	43,339,862	44,579,710
Financial liabilities		
Financial liabilities measured at amortised cost	12,208,110	2,775,725
Total financial liabilities	12,208,110	2,775,725

^(a) The amount excludes GST recoverable from the ATO (statutory receivable).

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

7.2.1 Contingent assets

SM TAFE has no contingent assets.

7.2.2 Contingent liabilities

SM TAFE has no contingent liabilities.

8 Other disclosures

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

	Notes
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related parties	8.4
Related bodies	8.5
Affiliated bodies	8.6
Remuneration of auditors	8.7
Non-current assets classified as held for distribution to owners	8.8
Equity	8.9
Supplementary financial information	8.10
Explanatory statement	8.11

8.1 Events occurring after the end of the reporting period

Subsequent to the reporting period, the impact of the Covid-19 virus and the related travel ban on future overseas student income remains to be quantified. There is no material impact from the event on the 2019 financial position of the TAFE.

There are no other significant events occurring after the reporting period up until the date of this report which are likely to materially affect the TAFE's financial position.

8.2 Initial application of Australian Accounting Standards**(a) AASB 15 Revenue from Contract with Customers and AASB 1058****Income of Not-for-Profit Entities**

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

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

Revenue is recognised by applying the following five steps:

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

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

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

The agency will adopt the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information will be restated under this approach, and the agency will recognise the cumulative effect of initially applying the standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 January 2019).

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

Refer to Note 3.1, 3.2 and 3.3 for the revenue and income accounting policies adopted from 1 January 2019.

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

	Adjustments	1 January 2019
Assets		
Receivables		-
Contract assets	8.2(a)	-
Right of use asset	8.2(b)	<u>8,267,637</u>
Total Assets		<u>8,267,637</u>
Liabilities		
Contract liabilities	8.2(a)	-
Lease liabilities	8.2(b)	<u>(8,267,637)</u>
Total Liabilities		<u>(8,267,637)</u>
Total adjustments on Equity		
Accumulated surplus/(deficit)		<u>-</u>
		<u>-</u>

With these changes, the net impact on retained earnings on 1 Jan 2019 was nil.

AASB 15 Revenue from Contracts with Customers

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

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

For reporting periods that include the date of initial application, the agency shall provide both the following additional disclosures if this Standard is applied retrospectively in accordance with paragraph C3(b):

- The amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 111, AASB 118 and related Interpretations that were in effect before the change; and
- An explanation of the reasons for significant changes identified in the above comparison.

(b) AASB 16 Leases

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

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

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

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

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

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

For leases previously classified as finance leases in 2018, the carrying amount of the lease asset and lease liability immediately before transition has been used as the carrying amount of the right-of-use asset and the lease liability as of 1 January 2019.

Measurement of lease liabilities

Operating Lease Commitments disclosed as at 31 December 2018	8,820,356
Discounted using incremental borrowing rate at date of initial application	8,267,637
Add: Finance lease liabilities recognised as at 31 December 2018	-
(Less): Short term leases not recognised as liability	-
(Less): Low value leases not recognised as liability	-
Lease liability recognised at 1 January 2019	8,267,637
Current lease liabilities	973,613
Non-current lease liabilities	7,294,024

8.3 Key management personnel

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

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

Compensation Band (\$)	2019	2018
330,001 - 340,000	1	-
260,001 - 270,000	-	1
250,001 - 260,000	1	-
200,001 - 210,000	1	1
190,001 - 200,000	1	1
180,001 - 190,000	1	3
170,001 - 180,000	3	1
160,001 - 170,000	2	-
150,001 - 160,000	1	2
140,001 - 150,000	1	1
130,001 - 140,000	-	1
100,001 - 110 000	-	1
80,001 - 90,000	-	1
70,001 - 80,000	-	1
60,001 - 70,000	-	1
20,001 - 30,000	1	1
0 - 10,000	9	8
Total compensation of senior officers	2,380,490	2,353,018

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

8.4 Related parties

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

Related parties of SM TAFE include:

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

Material transactions with other related parties

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

8.5 Related bodies

SM TAFE has no related bodies.

8.6 Affiliated bodies

SM TAFE has no affiliated bodies.

8.7 Remuneration of auditors

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

	2019	2018
Auditing the accounts, financial statements, controls and key performance indicators	176,581	173,000

8.8 Non-current assets classified as held for distribution to owners

	2019	2018
Transfer of the Murray House Cultural Precinct to the City of Melville currently awaiting Ministerial approval.	950,074	950,074

8.9 Equity

	2019	2018
Contributed equity		
Balance at start of period	364,022,814	369,223,643
Correction of prior period error		1,530,616
Restated balance at start of period	364,022,814	370,754,259
<i>Contributions by owners</i>		
Capital appropriation	4,501,656	1,149,162
<i>Transfer of net assets from other agencies</i>		
Transfer of assets from other government agencies	-	4,572,129
Total contributions by owners	368,524,470	376,475,550
<i>Distributions to owners</i>		
<i>Transfer of net assets to other agencies:</i>		
Transfers to other government agencies	(21,235,563)	(12,452,737)
Total distributions to owners	(21,235,563)	(12,452,737)
Balance at the end of period	347,288,907	364,022,813
Asset revaluation surplus		
Balance at start of period	60,026	60,026
Net revaluation increments		
Buildings	234,543	-
Works of art	92,925	-
Marine craft	30,209	-
Balance at end of period	417,703	60,026

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

During the financial year, \$497,600 (2018: \$568,936) of debts due to SM TAFE were written off under the authority of:

The accountable authority

	2019	2018
	497,600	568,936
	497,600	568,936

(b) Losses through theft, defaults and other causes

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

	2019	2018
	100	130
	100	130

8.11 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$3.4 million for the Statements of comprehensive income and cash flows, and
- 5% and \$7.3 million for the Statement of financial position.

8.11.1 Statement of Comprehensive Income Variances

Variance Note	Estimate 2019 \$	Actual 2019 \$	Actual 2018 \$	Variance between estimate and actual \$	Variance between actual results for 2019 and 2018 \$
Expenses					
Employee benefits expense	117,300,000	119,299,634	114,440,902	1,999,634	4,858,733
Grants and subsidies	453,125	367,635	397,297	(85,490)	(29,662)
Finance cost	-	258,443	-	258,443	258,443
Supplies and services	31,391,127	30,289,050	31,584,904	(1,102,077)	(1,295,855)
Asset revaluation decrement	-	500,000	2,000,000	500,000	(1,500,000)
Other expenses	11,000,000	12,612,472	11,187,618	1,612,472	1,424,855
Cost of sales	202,500	253,773	234,758	51,273	19,015
Loss on disposal of non-current assets	-	130,381	32,193	130,381	98,188
Depreciation and amortisation expense	9,207,050	9,328,435	8,786,480	121,385	541,954
Total cost of services	169,553,802	173,039,823	168,664,152	3,486,021	4,375,672
Income					
<i>Revenue</i>					
Fee for service	25,076,674	23,874,702	24,742,929	(1,201,972)	(868,227)
Student fees and charges	26,246,519	23,303,887	23,744,365	(2,942,632)	(440,478)
Ancillary trading	1,520,004	1,276,749	1,333,504	(243,255)	(56,755)
Sales	350,313	388,980	368,595	38,667	20,386
Interest revenue	1,250,000	860,950	1,108,306	(389,050)	(247,356)
Other revenue	3,472,304	4,218,599	2,178,605	746,295	2,039,994
Total revenue	57,915,813	53,923,867	53,476,304	(3,991,947)	447,562
<i>Gains</i>					
Other gains	-	5,647,235	2,514,158	5,647,235	3,133,078
Gain on disposal of lease arrangements	-	5,332	-	5,332	5,332
Total gains	-	5,652,567	2,514,158	5,652,567	3,138,409
Total income other than income from State Government	57,915,813	59,576,434	55,990,462	1,660,620	3,585,972
NET COST OF SERVICES	111,637,988	113,463,389	112,673,690	1,825,401	789,700
Income from State Government					
Grants and subsidies	98,470,000	101,024,799	102,705,370	2,554,799	(1,680,571)
Services received free of charge	4,191,316	5,377,200	5,986,296	1,185,884	(609,095)
Total income from State Government	102,661,316	106,401,999	108,691,666	3,740,683	(2,289,665)
DEFICIT FOR THE PERIOD	(8,976,672)	(7,061,390)	(3,982,024)	1,915,282	(3,079,366)
OTHER COMPREHENSIVE INCOME					
Items not reclassified subsequently to profit or loss					
Changes in asset revaluation surplus	-	357,676	-	357,676	357,676
Total other comprehensive income	-	357,676	-	357,676	357,676
TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD	(8,976,672)	(6,703,714)	(3,982,024)	2,272,958	(2,721,689)

Major Estimate and Actual (2019) Variance Narratives

1) Gain arising from changes in fair value - buildings relates to revaluations for which a budget cannot be set.

8.11.2 Statement of Financial Position Variances

Variance Note	Estimate 2019 \$	Actual 2019 \$	Actual 2018 \$	Variance between estimate and actual \$	Variance between actual results for 2019 and 2018 \$
ASSETS					
Current Assets					
Cash and cash equivalents	37,321,646	37,562,235	37,923,318	240,589	(361,083)
Restricted cash and cash equivalents	2,719,321	277,566	926,588	(2,441,755)	(649,022)
Receivables	1,664,537	4,140,259	4,770,523	2,475,722	(630,265)
Inventories	-	-	23,959	-	(23,959)
Other current assets	458,570	1,035,730	1,023,036	577,160	12,694
Non-current assets classified as held for transfer	950,074	950,074	950,074	-	-
Total Current Assets	43,114,148	43,965,864	45,617,498	851,716	(1,651,634)
Non-Current Assets					
Restricted cash and cash equivalents	1,597,764	1,712,471	1,279,045	114,707	433,426
Property, plant and equipment 2, (a)	329,209,380	301,737,364	317,878,034	(27,472,016)	(16,140,669)
Right of Use Assets	-	6,400,269	-	6,400,269	6,400,269
Intangible assets	81,525	71,079	31,877	(10,447)	39,201
Total Non-Current Assets	330,888,669	309,921,183	319,188,956	(20,967,486)	(9,267,773)
TOTAL ASSETS	374,002,817	353,887,047	364,806,454	(20,115,770)	(10,919,407)
LIABILITIES					
Current Liabilities					
Payables	5,883,669	3,611,756	2,768,777	(2,271,913)	842,980
Lease Liabilities	-	666,801	-	666,801	666,801
Employee related provisions	21,251,000	22,289,382	22,118,764	1,038,382	170,618
Other current liabilities	3,152,779	3,309,596	86,569	156,817	3,223,028
Total Current Liabilities	30,287,448	29,877,535	24,974,110	(409,913)	4,903,426
Non-Current Liabilities					
Lease liabilities	-	5,881,440	-	5,881,440	5,881,440
Employee related provisions	4,321,000	4,573,483	2,840,136	252,483	1,733,347
Total Non-Current Liabilities	4,321,000	10,454,923	2,840,136	6,133,922	7,614,786
TOTAL LIABILITIES	34,608,448	40,332,458	27,814,246	5,724,010	12,518,212
NET ASSETS	339,394,369	313,554,589	336,992,208	(25,839,780)	(23,437,619)
EQUITY					
Contributed equity	378,795,439	347,288,907	364,022,813	(31,506,532)	(16,733,906)
Reserves	60,026	417,703	60,026	357,677	357,676
Accumulated deficit	(39,461,096)	(34,152,021)	(27,090,631)	5,309,075	(7,061,390)
TOTAL EQUITY	339,394,369	313,554,589	336,992,208	(25,839,780)	(23,437,619)

Major Estimate and Actual (2019) Variance Narratives

2) Property, Plant & Equipment is less than estimated due to the transfer of Building and Land relating to Beaconsfield Campus via Contributed Equity, to the Department of Training and Workforce Development that were not budgeted for.

Major Actual 2019 and Comparative (2018) Variance Narratives

(a) Property, Plant & Equipment is less than 2018 due to the transfer of Building and Land assets to the Department of Training and Workforce Development, via Contributed Equity.

8.11.3 Statement of Cash Flows Variances

Variance Note	Estimate 2019 \$	Actual 2019 \$	Actual 2018 \$	Variance between estimate and actual \$	Variance between actual results for 2019 and 2018 \$
CASH FLOWS FROM STATE GOVERNMENT					
Grants and subsidies - DTWD	98,470,000	103,157,410	99,833,486	4,687,410	3,323,924
Capital appropriation - DTWD	-	117,184	1,147,149	117,184	(1,029,965)
Total Net cash provided by State Government	98,470,000	103,274,594	100,980,635	4,804,594	2,293,959
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employee benefits	(113,037,230)	(116,834,689)	(113,540,461)	(3,797,459)	(3,294,228)
Supplies and services	(28,839,138)	(25,216,116)	(26,764,777)	3,623,022	1,548,661
Finance Cost	-	(258,443)	-	(258,443)	(258,443)
Grants and subsidies	(453,125)	(367,635)	(397,297)	85,490	29,662
GST payments on purchases	-	(2,939,671)	(2,907,572)	(2,939,671)	(32,099)
GST payments to taxation authority	-	(10,429)	-	(10,429)	(10,429)
Other payments	(9,169,796)	(11,777,810)	(10,527,008)	(2,608,014)	(1,250,802)
Receipts					
Fee for service	25,281,475	24,315,828	24,448,817	(965,647)	(132,989)
Student fees and charges	25,039,607	23,886,466	23,018,786	(1,153,141)	867,680
Ancillary trading	1,845,004	1,665,729	1,693,366	(179,275)	(27,637)
Interest received	1,275,960	1,031,433	1,086,068	(244,527)	(54,635)
GST receipts on sales	-	734,269	629,943	734,269	104,326
GST receipts from taxation authority	35,707	2,118,456	2,140,974	2,082,749	(22,518)
Other receipts	3,249,763	2,912,977	2,138,460	(336,786)	774,517
Net cash used in operating activities	(94,771,773)	(100,739,635)	(98,980,701)	(5,967,862)	(1,758,934)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments					
Purchase of non-current physical assets	(2,630,000)	(2,450,401)	(1,370,178)	179,599	(1,080,223)
Receipts					
Proceeds from sale of non-current physical assets	-	77,600	6,451	77,600	71,149
Net cash provided by investing activities	(2,630,000)	(2,372,801)	(1,363,727)	257,199	(1,009,074)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments					
Principal elements of lease (2018 – finance lease) payments	-	(738,837)	-	(738,837)	(738,837)
Net cash provided by financing activities	-	(738,837)	-	(738,837)	(738,837)
Net increase in cash and cash equivalents	1,068,227	(576,679)	636,207	(1,644,906)	(1,212,886)
Cash and cash equivalents at the beginning of period	40,570,504	40,128,951	39,492,744	(441,553)	636,207
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	41,638,731	39,552,272	40,128,951	(2,086,459)	(576,679)

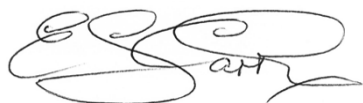
Major Estimate and Actual (2019) Variance Narratives

3) Supplies & Services - several major expenditures were unpaid at year end which, when compared to estimates, results in reduced cash paid for supplies & services in 2019.

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 South Metropolitan TAFE's performance, and fairly represent the performance of South Metropolitan TAFE for the period ending 31 December 2019.



Elizabeth Carr AM
Governing Council Chair
6 March 2020



Terry Durant
Managing Director
6 March 2020

2019 Key Performance Indicators

DESIRED OUTCOME

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

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.

Student Satisfaction Survey

The *Student Satisfaction Survey* is administered annually on behalf of the Department of Training and Workforce Development by a third-party research agency. In 2019 the fieldwork and analysis were conducted by EY Sweeney. The key focus is to attain an understanding of the students' training requirements and measure the quality of the delivery of training and services provided by South Metropolitan TAFE. Students who were enrolled in either the first or second semester of 2019 were invited to complete the survey online via e-mail, SMS, through the WA Student Satisfaction Survey website and via posters on campuses. Students were also able to complete a hard copy questionnaire provided by staff at each of the campuses. A subset of students were called in order to complete the survey using telephone surveying.

KPI 1 – Student Satisfaction

The overall student satisfaction rating is obtained from the 2019 *Student Satisfaction Survey* and measures the extent to which students were satisfied with the training they received from South Metropolitan TAFE. The measure represents the proportion of 'satisfied' and 'very satisfied' (on a five point scale) responses received from students responding to the question 'Overall how satisfied were you with your course?'

Table 1 – Overall Student Satisfaction

	2016 Actual	2017 Actual	2018 Actual	2019 Target	2019 Actual	Target Variance
South Metropolitan TAFE	88.7%	87.1%	87.8%	>85%	87.7%	2.7%
All WA TAFEs & WAAPA	88.9%	87.3%	88.2%	n/a	87.5%	N/A

Source: Department of Training and Workforce Development, 2019 Student Satisfaction Survey.

Notes: 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), Adult community education (ACE) students, students who are in a correctional facility and students aged less than 15 years.

All data described in this report have been weighted back to the total student population based on a combination of gender (male, female), age group (15-19, 20-29, 30-44, 45+), student status (IBS, EBS), and the specific training provider (each of the five colleges plus private providers as one group), resulting in 112 different weighted cell possibilities. Weight cells with a zero count for both the population and survey data were removed.

Percentages are rounded to the nearest whole percentage.

In 2019, of the 14,753 South Metropolitan TAFE students contacted, there were 3,013 usable returns representing a response rate of 20.4%. South Metropolitan TAFE's standard error for 2019 was 0.5%, with a relative sampling error of +/- 1.0% at the 95% level of confidence.

The 2019 target overall student satisfaction at South Metropolitan TAFE was met and exceeded, with 87.7% of respondents claiming to be either satisfied or very satisfied. This is slightly lower than the level of student satisfaction reported in 2018 (87.8%).

Student Outcomes Survey

The *Student Outcomes Survey* is conducted on behalf of the National Centre for Vocational Education Research (NCVER) by Ipsos Public Affairs. The survey measures vocational education and training students' employment levels, further study and opinions on the training undertaken.

Out of scope of the survey are:

- international students
- students who undertook recreational, leisure or personal enrichment (short) courses
- students who undertook VET delivered in schools, where training activity was undertaken as part of a senior secondary certificate
- students under 18 years of age.

2016 comparatives have not been reported as no survey was performed in that year. From 2017, the survey results are reported annually.

KPI 2 – Graduate Achievement

Graduate achievement is a question in the NCVER *Student Outcomes Survey* and measures the extent to which South Metropolitan TAFE graduates have “*Achieved their main reason for doing the training*”. The measure shows the proportion of graduates who indicated they had fully achieved or partly achieved their main reason for doing the training.

Table 2 – Graduate Achievement

	2017 Actual	2018 Actual	2019 Target	2019 Actual	Target Variance
South Metropolitan TAFE	81.0%	79.5%	80.0%	76.8%	-3.2%
TAFE Western Australia	n/a	79.7%	n/a	78.8%	n/a
TAFE Australia	83.2%	82.1%	n/a	81.9%	n/a
All VET providers Australia	84.2%	84.2%	n/a	83.9%	n/a

In 2019, of the 4,897 South Metropolitan TAFE graduates asked, there were 1,572 usable returns representing a response rate of 32.1%. South Metropolitan TAFE’s relative sampling error for this result was +/- 1.8% at the 95% level of confidence.

The 2019 South Metropolitan TAFE’s target for graduate achievement was below target, with 76.8% of respondents claiming to have achieved their main reason for doing the training.

KPI 3 – Graduate Destination

Graduate destination data is also taken from the *Student Outcomes Survey* and measures the proportion of graduates in employment. This measure shows the extent to which the college is providing relevant, quality training that enhances student employability. Graduate employment status measures who was employed, unemployed or not in the labour force, and was obtained by calculating the graduates in each category compared to the total valid responses over the total responses and expressed as a percentage.

Table 3 – Graduate Destination Rate - Employed

	2017 Actual	2018 Actual	2019 Target	2019 Actual	Target Variance
	South Metropolitan TAFE	73.2%	68.4%	>75%	66.3%
TAFE Western Australia	n/a	68.5%	n/a	67.3%	n/a
TAFE Australia	73.1%	72.4%	n/a	71.3%	n/a
All VET providers Australia	77.7%	77.3%	n/a	76.6%	n/a

In 2019, of the 4,897 South Metropolitan TAFE graduates contacted, there were 1,572 usable returns representing a response rate of 32.1%. South Metropolitan TAFE’s relative sampling error for this result was +/- 2.0% at the 95% level of confidence.

The 2019 target for graduate destination rate (employed) was not met, with 66.3% of respondents claiming to be employed after training.

KPI 4 – Achievement of profile delivery (by ANZSCOs)

This achievement of profile delivery indicator reports the effectiveness of South Metropolitan TAFE in meeting its Delivery and Performance Agreement (DPA) targets. The delivery profile is negotiated directly with the Department of Training and Workforce Development and constitutes South Metropolitan TAFE’s profile funded training delivery plan. The delivery profile takes into consideration government priorities, the needs of individuals, industry and the local community.

It should be noted that the KPI reporting is based on the originally negotiated DPA. The Department of Training and Workforce Development allows South Metropolitan TAFE to review and make any modifications to the original DPA targets twice a year. This provides the opportunity to consider any changes in the operating environment and modify the DPA to set realistic targets. In 2019, the final amended profile SCH target was 7,437,000 SCH which was the same as the original DPA target.

Table 4 – Profile Achievement (DPA)

	Actual Achievement 2016	Actual Achievement 2017	Actual Achievement 2018	Actual Achievement 2019
Profile Achievement % (DPA Original)	93.4%	101.7%	102.2%	97.2%

The Profile delivered by South Metropolitan TAFE was below the original planned target of 7,437,000 SCH by 210,829 SCH, resulting in an overall achievement of 97.2%.

South Metropolitan TAFE’s profile delivery by ANZSCO (Australia and New Zealand Standard Classification of Occupations) levels for 2019 are provided in Table 5.

As per the data presented in Table 5, in 2019, the following ANZSCO sub groups constituted over 54% of total SCH achievement: Adult Literacy / ESL (13%); Automotive and Engineering Trades Workers (13%); Carers and Aides (8%); Health and Welfare Support Workers (8%); Engineering, ICT and Science Technicians (7%); and Sports and Personal Service Workers (5%).

Table 5: Achievement of 2019 Profile Delivery (DPA) by ANZSCO sub groups

ANZSCO Major Group Title	ANZSCO Sub Group Title	2019 Census Actual	2019 Target Planned	2019 Target Achievement
1. Managers	11 – Chief Executives, General Managers and Legislators	9,295	9,500	97.8%
	12 – Farmers and Farm Managers	8,265	0	0.0%
	13 – Specialist Managers	37,958	31,704	119.7%
	14 – Hospitality, Retail and Service Managers	115,073	144,398	79.7%
2. Professionals	21 – Arts and Media Professionals	6,115	3,425	178.5%
	22 – Business, Human Resource and Marketing Professionals	22,430	25,350	88.5%
	23 – Design, Engineering, Science and Transport Professionals	186,323	182,374	102.2%
	24 – Education Professionals	36,450	44,800	81.4%
	26 – ICT Professionals	249,930	228,514	109.4%
3. Technicians and Trades Workers	31 – Engineering, ICT and Science Technicians	527,163	541,845	97.3%
	32 – Automotive and Engineering Trades Workers	949,919	916,008	103.7%
	33 – Construction Trades Workers	207,388	241,197	86.0%
	34 – Electrotechnology and Telecommunications Trades Workers	193,059	191,591	100.8%
	35 – Food Trades Workers	237,963	266,174	89.4%
	36 – Skilled Animal and Horticultural Workers	342,909	330,506	103.8%
	39 – Other Technicians and Trades Workers	204,080	249,061	81.9%
4. Community and Personal Service Workers	41 – Health and Welfare Support Workers	543,852	563,369	96.5%
	42 – Carers and Aides	599,408	610,693	98.2%
	43 – Hospitality Workers	48,029	81,002	59.3%
	44 – Protective Service Workers	1,692	0	0.0%
	45 – Sports and Personal Service Workers	380,306	384,125	99.0%
5. Clerical and Administrative Workers	51 – Office Managers and Program Administrators	29,115	42,600	68.3%
	53 – General Clerical Workers	100,360	113,124	88.7%
	54 – Inquiry Clerks and Receptionists	34,180	25,800	132.5%
	55 – Numerical Clerks	128,620	121,600	105.8%
	59 – Other Clerical and Administrative Workers	75,606	82,502	91.6%
6. Sales Workers	62 – Sales Assistants and Salespersons	0	2,500	0.0%
7. Machinery Operators and Drivers	71 – Machine and Stationary Plant Operators	39,322	59,840	65.7%
	72 – Mobile Plant Operators	29,052	25,252	115.0%
	74 – Store-persons	6,170	4,541	135.9%
8. Labourers	82 – Construction and Mining Labourers	76,421	70,881	107.8%
	83 – Factory Process Workers	123,580	152,292	81.1%
	84 – Farm, Forestry and Garden Workers	109,817	113,544	96.7%
	85 – Food Preparation Assistants	17,812	11,955	149.0%
	89 – Other Labourers	357,911	376,033	95.2%
G –General Education	GB – Adult Literacy / ESL	974,845	943,762	103.3%
	GE – Targeted Courses	215,753	245,138	88.0%
TOTAL		7,226,171	7,437,000	97.2%

EFFICIENCY INDICATORS:

The efficiency indicators measure the efficiency with which South Metropolitan TAFE manages its resources to enable the provision of vocational education and training programs.

KPI 5 – Delivery Cost per Student Curriculum Hour (SCH)

The overall cost per SCH shows the aggregate unit cost of delivery output per SCH, based on the delivery costs (total cost of service) as detailed in the 2019 Financial Statements.

Table 6 – Delivery Cost per SCH

	2017	2018	2019
Actual Cost per SCH	\$18.43	\$17.70	\$19.69
Target Cost per SCH	\$16.16	\$17.80	\$17.91
Variance	\$2.27	-\$0.10	\$1.78

*Note: The total delivery cost per SCH is calculated by dividing the total cost of services as defined in the Financial Statements by the total SCH delivered including profile and non-profile delivery.
Non-profile delivery in 2019 was 1,560,274 SCH.*

The reporting of the positive and negative sign in the variance total has been switched in a way that is consistent with the movement between the Actual Cost per SCH and the Target Cost Per SCH

The 2019 actual unit cost of delivery is above the target specified in the 2019 Section 40 Estimates. The increase in cost per SCH can be attributed largely to a short fall in commercial delivery, particularly a reduction in international student delivery.

The 2016 comparatives have not been presented as the college was granted a partial exemption by the Under Treasurer from the reporting of this efficiency indicator for 2016

Ministerial Directives

Treasurer's Instruction 903 (12) requires SM 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 SM TAFE in 2019.

Other Financial Disclosures

Pricing Policies for Services Provided

Under the *Vocational Education and Training Regulations 1996*, the college may determine fees and charges for services, other than for services prescribed by the Minister for Training and Workforce Development.

Fees and charges levied by the college were in accordance with the requirements of the following:

- *Vocational Education and Training Act, 1996*
- *Vocational Education and Training Regulations, 1996*
- *Department of Training and Workforce Development 2019 Fees and Charges Policy*
- Policy Guidelines for Publicly Funded Registered Training Organisations (RTO)

Capital Works

SM TAFE's capital works program is funded by internally generated revenue and State Government contributions. No major capital works programs were completed or commenced in 2019.

Annual Estimates

In accordance with Section 40 of the *Financial Management Act 2006*, South Metropolitan TAFE has submitted Annual Estimates to the Minister at an appropriate time during the financial year, as determined by the Treasurer.

Governance Disclosures

Contracts with Senior Officers

At the date of reporting, no senior officer or Governing Council member, or firms of which senior officers are members, or entities in which senior officers or council members have substantial interest, had any interests in existing or proposed contracts with South Metropolitan TAFE other than normal contracts of employment service.

Unauthorised Use of Credit Cards

Staff members of SM TAFE hold corporate credit cards where their role warrants such usage. During the reporting period, 11 officers inadvertently used a corporate credit card for personal use, to the value of \$362.69

This amount has been repaid in full by the officers concerned.

The details as required by Treasurer's Instruction 903 (iv) are set out below.

Unauthorised use of purchasing cards	Amount
Aggregate amount of personal use expenditure for the reporting period	\$362.69
Aggregate amount of personal use expenditure settled by the due date (within five working days)	\$147.55
Aggregate amount of personal use expenditure settled after the period (after five working days)	\$215.14
Aggregate amount of personal use expenditure outstanding at balance date	\$0

Freedom of Information

SM TAFE received no Freedom of Information (FOI) applications during 2019.

SM TAFE's FOI Information Statement is available on our website.

Declarations of Interest

In accordance with the requirements of Treasurer's Instruction 903 (14), other than normal contracts of employment of service, no senior officers, or entities in which senior officers have any substantial interests, had any interest in existing or proposed contracts with SM TAFE.

Public Interest Disclosures

The *Public Interest Disclosure Act 2003* facilitates the disclosure of information in the public interest about matters of wrongdoing, corruption or improper conduct within the Western Australian public sector. The legislation provides protections for the person raising the disclosure and any person about whom the disclosure is made. During the reporting period, SM TAFE had three Public Interest Disclosure officers.

There were no public interest disclosures during 2019.

Governing Council Remuneration

The Governing Council are the accountable authority of SM TAFE. Over the course of 2019, six formal meetings were held, as well as one full day strategic planning session. The individual and aggregate cost of remunerating Governing Council members in 2019 was as follows:

Position	Name	Type of Remuneration	Period of membership	Gross remuneration
Chair	Elizabeth Carr AM	Annual salary	12 months	\$22,665.24
Deputy Chair	David Wood	Per meeting	10 months	\$2,454
Member	Deborah Hamblin	Per meeting	12 months	\$2,304
Member	Elena Limnios	Per meeting	6 months	\$768
Member	Erica Haddon	Per meeting	6 months	\$1152
Member	Julian Coyne	Per meeting	6 months	\$2,127
Member	Kelly Towson	Per meeting	6 months	\$2,511
Member	Lina Dickins	Per meeting	6 months	\$2,511
Member	Nicole Ashby	Per meeting	6 months	\$1,743
Member	Niegel Grazia	Per meeting	12 months	Does not receive sitting fees
Member	Zaneta Mascarenhas	Per meeting	6 months	\$2,895
Total payments				\$41,130.24

Nb. Figures are not inclusive of superannuation entitlements.

Other Legal Disclosures

Advertising Expenditure

In accordance with Section 175ZE of the *Electoral Act 1907*, the following is a statement of all expenditure incurred by SM TAFE during 2019 in relation to advertising, market research, polling, direct mail and media advertising organisations.

Expenditure was incurred in the following areas:

	Total	Expenditure	Amount
Advertising agencies			Nil
Market research organisations			Nil
Polling organisations			Nil
Direct mail organisations			Nil
Media advertising agencies	\$73,160	Campaign Monitor Carat (Mitchell Communication) Facebook Google Ads LinkedIn	\$4386 \$7131 \$50,469 \$8655 \$2517

Disability Access and Inclusion Plan Outcomes 2019

As required under the *Disability Services Act 1993*, SM TAFE implemented actions throughout 2019 that supported the strategies in our Disability Access and Inclusion Plan (DAIP). Outlined below are outcomes and initiatives to address the agency outcomes to ensure SM TAFE's services, facilities and information are accessible and inclusive.

People with a disability have the same opportunities as other people to access the services of, and any events organised by, a public authority

- Implementation of a new strategy to ensure that all new documents uploaded to the college website are in an accessible format.
- Captioning of video resources as part of a commitment to broadening accessibility.

People with a disability have the same opportunities as other people to access the buildings and other facilities of a public authority

- Establishment of a student support services office at new Naval Base campus in order to ensure service provision for students enrolled there.
- Collaborative work with SM TAFE's facilities area to establish animal friendly areas across the major campuses to support our students who bring assistance animals on campus

People with a disability receive information from a public authority in a format that will enable them to access the information as readily as other people

- SM TAFE staff and students participated in a highly successful cross sector VET accessibility project led by the University of Tasmania highlighting innovation and best practice teaching and learning delivery strategies for students with a disability.
- Compilation of a suite of 'assistance animals on campus' documentation uploaded to the website to provide accessible information for prospective students.

People with a disability receive the same level and quality of service from the staff of a public authority as other people

- Implementation and rollout of a new 'Informed Choices' strategy with the aim of providing targeted information about skill set requirements to prospective students to assist them in appropriate course selection. This compliments informed choices information already available.
- Staff professional development opportunities to broaden understanding of the needs of students with a disability, including the delivery of sessions on mental health first aid, suicide awareness, trauma, psychosis and assistance animals on campus.

People with a disability have the same opportunities as other people to make complaints to a public authority

- Commencement of monthly social media posts in conjunction with marketing on a range of support related topics promoting questions, compliments and further discussion.
- Compilation of a fact sheet for employers of currently enrolled apprentices and trainees containing student support services contact information, self-help resources and referral information to facilitate communication and upfront identification of support needs prior to problems and complaints arising.

People with a disability have the same opportunities as other people to participate in any public consultation by a public authority

- Ongoing general surveying of students, including state student satisfaction surveys, college-based learner surveys and disability support effectiveness surveys. Assistance to complete surveys is provided to students where needed, such as providing hard copy versions.

- The making of student video clips in conjunction with marketing highlighting the experience of students with a disability at SM TAFE.

People with a disability have the same opportunities as other people to obtain and maintain employment with a public authority

- A sector leading inclusive employment strategy that provides direct, ongoing employment for people with disability.
- The numbers of employees with a disclosed disability is monitored in order to inform human resources (HR) strategies and practices.
- The provision of information and support to managers to assist them in employing people with a disability.

Compliance with Public Sector Standards and Ethical Codes

SM TAFE has policies, procedures and guidelines in place to ensure agency obligations are met with respect to the Public Sector Standards in Human Resource Management, the Western Australian Code of Ethics and the Code of Conduct.

These policies and supporting guidelines are actively promoted throughout the college’s intranet site and by the Human Resource Directorate. In addition, SM TAFE continues to provide training for all staff on accountable and ethical decision making in line with the Public Sector Commission Instruction *Codes of Conduct and Integrity Training*.

In accordance with section 31(1) of the *Public Sector Management Act 1994*, SM TAFE provides the following statements regarding compliance with the Public Sector Standards, the Public Sector Code of Ethics and the SM TAFE Code of Conduct.

Compliance Category	2019 Result
Public Sector Standards in Human Resource Management	0
WA Code of Ethics	0
SM TAFE Code of Conduct	0

Integrity Information Sessions

To continually raise awareness and engagement of staff in integrity and conduct matters, SM TAFE has committed to yearly information sessions with staff to provide an opportunity to discuss integrity matters, share experiences and generally continue to raise awareness. In 2019, 12 sessions were held across all of SM TAFE’s campuses, with a total of 797 staff attending these sessions – a 16% increase on 2018 attendance.

Staff Profile

SM TAFE is a large and diverse organisation delivering a large number of specialist and unique vocational education and training services, which requires an equally diverse and high-quality workforce. As at December 31, 2019, SM TAFE employed 1125 Full Time Equivalent (FTE) staff. SM TAFE's staffing levels by employment category for 2019 is presented below.

		2019			2018			2017		
		Full time (FTE)	Part time (FTE)	Total FTE	Full time (FTE)	Part time (FTE)	Total FTE	Full time (FTE)	Part time (FTE)	Total FTE
Lecturer	Contract	75	17	92	44	34	78	160	27	187
	Permanent	436	133	569	352	96	448	331	39	370
GOSAC	Contract	39	12	51	30	19	49	50	7	57
	Permanent	335	78	413	253	81	334	312	51	363
Total		885	240	1125	679	230	909	853	124	977

Equal Employment Opportunity and Diversity

SM TAFE is committed to ensuring a discrimination and harassment free workplace, and to promoting equal employment opportunity for all people. This is an integral part of the college's values and is reflected in our policies, programs and personnel practices such as the Code of Conduct, grievance procedures and recruitment processes.

SM TAFE continues to work to create a workforce that matches the diversity in the Western Australian community. SM TAFE promotes a work environment that is inclusive and free from discrimination in accordance with its obligations under Part IX of the *Equal Opportunity Act 1984*. In 2019, the college developed and implemented an Intranet page which provides information relating to recruitment, employment and working with people with disability.

The table below compares our workforce composition to the public sector workforce in relation to different equity groups. Representation is based on the number of employees who identified themselves as belonging to a diversity group.

	SM TAFE	WA public sector
Aboriginal people representation	1.34%	2.7%
People with culturally diverse background representation	17.36%	13.3%
People with disability representation	2.62%	1.5%

Employee Assistance Program

SM TAFE is committed to maintaining a safe and healthy work environment. As part of this commitment, the college values the importance of the contribution of its staff.

SM TAFE's Employee Assistance Program is available to help staff identify, explore and resolve work or personal problems that may adversely affect their wellbeing, including anxiety, depression,

relationships, conflict with others, coping with change and communication breakdown. This free service is available to all staff and their immediate family.

Family and Domestic Violence

SM TAFE is committed to supporting employees experiencing family and domestic violence by helping them to maintain their employment and participate safely in the workplace. All employees, including casuals, can access up to an additional 10 days, non-cumulative paid leave per calendar year.

SM TAFE has trained Family and Domestic Violence (FDV) officers available to provide information and assistance to staff experiencing FDV.

Recordkeeping Plans

Under the *State Records Act 2000*, all government agencies are required to have a record keeping plan. South Metropolitan TAFE has an approved record keeping plan as prescribed by the *State Records Act 2000*. This consolidated record keeping plan covers the WA TAFE sector as a whole and has been submitted to the State Records Office. The plan was approved by the State Records Commission on August 10, 2018.

South Metropolitan TAFE implemented a new record keeping system in January 2019. As prescribed by the State Records Commission a compliant record keeping system is to be evaluated not less than once in every five years. Current planning is for an audit to be undertaken in 2020 that will include evaluation of the new record keeping system.

Records awareness training remains a key component of SM TAFE's induction process, addressing staff roles and responsibilities in regard to compliance with the Record Keeping Plan. All staff are required to complete records awareness training.

In addition, training is provided to staff regularly either formally or in a 'one on one' setting which looks at the practical aspects of capturing significant business and corporate records. The efficiency and effectiveness of the record keeping training will form part of the forthcoming records management review to ensure that the program continues to meet staff needs and the requirements of the Act.

Government Policy Requirements

Occupational Safety, Health and Injury Management

SM TAFE is committed to promoting a safe workplace that adheres to and promotes the Occupational Safety and Health Act 1984 and the Workers Compensation and Injury Management Act 1981. SM TAFE, as far as practicable, will provide for the safety and health at work of all its employees and others affected by the delivery of its services at all its workplaces. SM TAFE's senior managers and line managers are responsible for verifying that the Code of Practice on Occupational Safety and Health in the Western Australian Public Sector 2007 is adopted and implemented.

Mechanism for consultation

SM TAFE supports the formation of safety and health committees across the organisation. In 2019, eight committees represented the major campuses. They were comprised of 71 elected safety and health representatives as well as management representatives. The committees meet regularly to address local issues, review incident and hazard reports along with reported accidents.

SM TAFE supports its occupational safety and health representatives and the role they undertake. All occupational safety and health representatives are provided with the five-day mandatory training and are registered with WorkSafe WA.

SM TAFE also has an Occupational Safety and Health Standing Committee chaired by the General Manager Corporate Services. This committee ensures matters unable to be addressed at local committee level are given appropriate attention as well as endorsing safety related policies. To facilitate consultation on injury management matters, SM TAFE has dedicated staff within the occupational safety and health team to provide information and assistance.

Compliance with injury management requirements

SM TAFE supports and promotes the injury management requirements of the Workers’ Compensation and Injury Management Act 1981. SM TAFE has worked and will continue to work closely with our insurer and vocational rehabilitation providers to develop and manage return to work strategies that ensure injured employees return to the workplace as quickly and successfully as possible.

In the management of claims, SM TAFE’s aim is to ensure that every opportunity is given to the employee to return to their pre-injury role.

SM TAFE continues to work closely with RiskCover to minimise claims and determine the best course of action to effectively manage claims.

Occupational safety and health management system

SM TAFE is committed to maintaining a high level of safety within the work environment. A robust system of safety committees at both the worksite and senior management level exists across the organisation to ensure safety outcomes are achieved. The SM TAFE occupational safety and health team will continue to ensure uniformity is applied across all sites in the field of safety and as part of this process provide up to date policies and procedures which cover the entire organisation. An independent audit will be undertaken to assess the organisation against the WorkSafe Plan to ensure the college’s safety strategy meets industry best practice standards.

Measure	Actual Results			Results against targets	
	2017	2018	2019	Target	Comment on Result
Number of fatalities	0	0	0	Zero (0)	Target achieved
Lost time injury and/or disease incidence rate	0.96	0.44	0.51	Zero (0) or 10% reduction	Slight increase over 2018
Lost time injury severity rate	18	50	0	Zero (0) or 10% reduction	Target achieved
Percentage of injured workers returned to work within (i) 13 weeks and (ii) 26 weeks	(i) 85% (ii) 100%	(i) 100% (ii) 100%	(i) 100% (ii) 100%	Greater than or equal to 80% return to work within (i) 13 weeks and (ii) 26 weeks	Target achieved
Percentage of managers and supervisors trained in occupational	N/A	50%	80%	Greater than or equal to 80%	Target achieved and training will be ongoing through 2020

safety, health and injury management responsibilities					
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Note:

- **Fatalities:** number of compensated work-related fatalities
- **Lost time injury/disease incidence rate:** The lost time injury/disease incidence rate is the number of lost time injury/disease claims lodged, divided by the number of employees (FTE) and multiplied by 100
- **Lost time injury severity rate:** The lost time injury severity rate is the number of severe injuries (over 60 days lost from work) divided by the number of lost time injury/disease claims multiplied by 100.

Section 40 estimates for 2020

In accordance with section 40 of the *Financial Management Act 2006* and *Treasurer's Instruction 953* the annual estimates for the 2020 financial year are hereby included in the Annual Report. These estimates do not form part of the financial statements and are not subject to audit.

South Metropolitan TAFE 2020 S40 SUBMISSION Statement of Comprehensive Income	
	2020 Budget Estimate \$
COST OF SERVICES	
Expenses	
Employee benefits expense	119,628,066
Supplies and services	31,214,516
Depreciation and amortisation expense	8,503,015
Finance costs	0
Grants and subsidies	456,289
Loss on disposal of non-current assets	0
Cost of sales	205,031
Revaluation decrement	0
Other expenses	11,372,836
Total Cost of Services	171,379,753
Income	
Revenue	
Fee for service	24,802,857
Student charges and fees	22,776,400
Ancillary trading	1,562,793
Sales	359,517
Commonwealth grants and contributions	0
Interest revenue	1,134,014
Other revenue	3,185,128
Total Revenue	53,820,708
Gains	
Gain on disposal of non-current assets	0
Other gains (Asset Revaluation Increment)	0
Total Gains	0
Total income other than income from State Government	53,820,708
NET COST OF SERVICES	(117,559,044)
INCOME FROM STATE GOVERNMENT	
State funds	105,265,903
Assets assumed/(transferred)	0
Resources received free of charge	4,233,029
Royalties for regions	0
Total income from State Government	109,498,932
SURPLUS (DEFICIT) FOR THE PERIOD	(8,060,112)
OTHER COMPREHENSIVE INCOME	
Changes in asset revaluation reserve	0
Gains/(losses) recognised directly in equity	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(8,060,112)

South Metropolitan TAFE
2020 S40 SUBMISSION
STATEMENT OF FINANCIAL POSITION

	2020
	Budget Estimate \$
ASSETS	
Current Assets	
Receivables	4,617,710
Other current assets	1,053,167
Other financial assets	0
Non-current assets classified as held for sale	950,074
Total Current Assets	45,820,442
Non-Current Assets	
Restricted cash and cash equivalents	1,787,893
Inventories	0
Receivables	0
Property, plant and equipment	314,538,771
Intangible assets	31,877
Other non-current assets	0
	0
Total Non-Current Assets	316,358,541
TOTAL ASSETS	362,178,983
LIABILITIES	
Current Liabilities	
Payables	5,471,207
Borrowings	0
Amounts due to the Treasurer	0
Provisions	22,921,359
Other current liabilities	1,364,037
Liabilities directly associated with non-current assets classified as held for sale	0
Total Current Liabilities	29,756,603
Non-Current Liabilities	
Payables	0
Borrowings	0
Provisions	3,300,310
Other non-current liabilities	0
Total Non-Current Liabilities	3,300,310
TOTAL LIABILITIES	33,056,913
NET ASSETS	329,122,070
EQUITY	
Contributed Equity	372,370,111
Reserves	60,026
Changes in Accounting Policy	(659,439)
Accumulated surplus/(deficiency)	(42,648,629)
TOTAL EQUITY	329,122,070

**South Metropolitan TAFE
2020 S40 SUBMISSION
STATEMENT OF CASH FLOWS**

	2020
	Budget Target \$
CASH FLOWS FROM STATE GOVERNMENT	
State funds	105,265,903
Net cash provided by State Government	105,265,903
Utilised as follows:	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Payments	
Employee benefits	(116,628,066)
Supplies and services	(28,443,184)
Finance costs	0
Grants and subsidies	(456,289)
GST payments on purchases	0
GST payments to taxation authority	(4,680)
Cost of goods sold	0
Other payments	(10,056,478)
Operating Receipts	
Fee for service	22,579,902
Student fees and charges	23,812,335
Ancillary trading	1,562,793
Commonwealth grants and contributions	0
Interest received	1,130,612
GST receipts on sales	0
GST receipts from taxation authority	0
Sale of Goods	333,888
Other receipts	3,243,388
Net cash provided by/(used in) operating activities	(102,925,778)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of non-current physical assets	0
Purchase of non-current physical assets	(2,630,000)
Purchase/Sale of Investments	0
Investments in other current financial assets	0
Net cash provided by/(used in) investing activities	(2,630,000)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowings	0
Repayment of borrowings	0
Other proceeds	0
Other repayments	0
Finance lease repayment of principal	0
Net cash provided by/(used in) financing activities	0
Net increase/(decrease) in cash held and cash equivalents	(289,875)
Cash and cash equivalents at the beginning of the period	41,253,021
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	40,963,146



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