



**South  
Metropolitan**

*We're working for  
Western Australia.*



## **SOUTH METROPOLITAN TAFE 2021 ANNUAL REPORT**

*Skilling Western Australians  
for a smart future*



## 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 2021.

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 AM**  
Chair of Governing Council

16 March 2022



**Terry Durant**  
Managing Director

16 March 2022

## Acknowledgement

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

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

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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.



### South Metropolitan TAFE

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This publication is available in alternative formats upon request.

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## OVERVIEW OF THE AGENCY

# Message from the Chair and Managing Director

*Kaya and Wandju*

## Welcome to South Metropolitan TAFE's (SM TAFE) 2021 Annual Report

This year marked our busiest year to date, with Western Australians grasping the opportunity to get skilled up. Supported by government stimulus programs, including the Lower Fees, Local Skills initiative, SM TAFE delivered just over 8.4 million student curriculum hours of government funded training, and trained 28,000 students.

Record apprenticeship growth has pointed to strong economic activity in WA, and we are proud of the volume of training we have been able to provide among the backdrop of the COVID-19 pandemic – a resounding endorsement of the value of TAFE to our economic and community wellbeing.

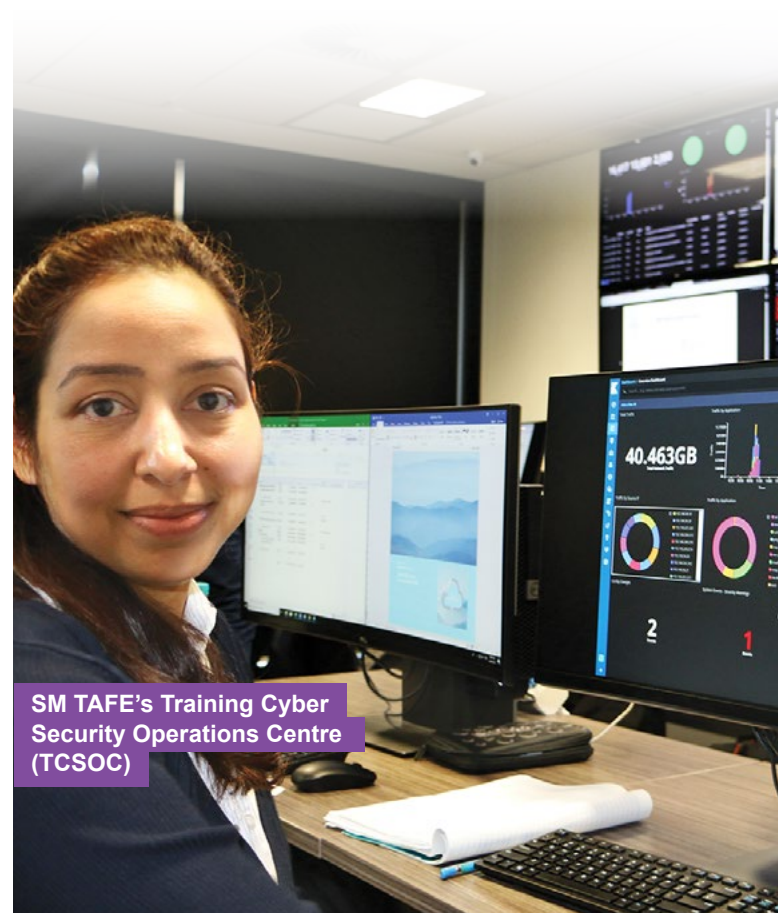
The fortunate position of Western Australia in 2021 ensured that delivery was largely unaffected by COVID-19 restrictions, enabling our community to upskill during a time of great economic and social upheaval globally. This included graduating our largest cohort of nurses who will go on to support our state as we enter a critical time in our fight against COVID-19.

With the growth of defence industry in WA, we were pleased to have launched the innovative Defence Industries Pathways Program in partnership with the Department of Defence. This Australian Government program saw the first rounds of trainees commence in mid-2021, attracting new talent to the sector and enabling them to experience the range of exciting career opportunities available in the defence industry. We look forward to seeing the continued growth and success of this program in 2022.

Our strategic partnerships continue to be a key focus as we work towards our vision of being a leading provider of future skills. In 2021, SM TAFE launched the National Vocational Skills Gap Assessment and Workforce Development Plan to industry, developed as part of ongoing

involvement with the Future Batteries Industry Cooperative Research Centre. The plan is Australia's first comprehensive review of the skills required to support a robust future battery industry, and will serve as a blueprint to guide the training needed to support this significant emerging industry.

With the SM TAFE led TAFEcyber project reaching completion this year, it was a pleasure to see the initiative recognised for its innovative educational outcomes by being awarded the Australian Information Security Association (AISA) Educator of the Year Award. The leadership shown by SM TAFE places Western Australia in a strong position to ensure we are able to skill critically needed workers in cyber security.



SM TAFE's Training Cyber Security Operations Centre (TCSOC)

**Our students continue to demonstrate excellence, and SM TAFE students received recognition locally and nationally for their skills. This year's WorldSkills event saw many of our students recognised for this excellence. Sixteen medals were won by Perth South competitors, earning the Evatt Shield for best performing region – a point of pride for South Metropolitan TAFE as the largest provider of training in the region.**

With training playing a key role in the State's COVID-19 recovery plan, SM TAFE has been able to support industries across the state to upskill their workforces and support our community to train for new jobs or re-enter the workforce. The 2021 pilot of the Maintenance Associate Diversity Pathway Program with BHP has proven to be a successful and unique training program aimed at increasing gender diversity and Aboriginal representation in the organisation's Pilbara workforce. Targeted training programs aimed at improving the diversity of workforces in Western Australia are at the heart of SM TAFE's role in the community, and are partnerships that we will continue to nurture.



**Elizabeth Carr AM**  
Chair of Governing Council



**Terry Durant**  
Managing Director

We acknowledge the enormous effort of our staff following our busiest year to date. SM TAFE would not be able deliver the training that we do without our staff and their commitment to our students. This year has again highlighted a strong culture of agility and innovation – two of our core college values consistently demonstrated by the SM TAFE community.

We would like to thank our students, industry partners, and fellow Board members for their support, commitment, and professionalism over the course of this year who have all contributed to the positive results that have been achieved. Finally, we extend our appreciation to the Minister for Education and Training, the Hon. Suzanne Ellery MLC, for her support throughout 2021.

As we prepare for a new year in a changing pandemic landscape, we look forward to seeing the contribution of our 2021 graduates to our state's health, community and economic outcomes.

## Executive summary

SM TAFE DELIVERED  
**OVER 8.4 MILLION**  
GOVERNMENT FUNDED  
CURRICULUM HOURS



PROVIDED TRAINING  
**TO OVER 28,000**  
STUDENTS



ENGAGED **3,807**  
**NEW APPRENTICES**  
IN 2021, A **78% INCREASE** FROM  
2020 NEW COMMENCEMENTS

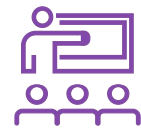


ACHIEVED A **91.6%**  
**STUDENT SATISFACTION**  
IN THE 2021 LEARNER  
QUESTIONNAIRE

**LOWER FEES**  
**LOCAL SKILLS**

DELIVERED SKILLS  
**TO OVER 8,657 STUDENTS**  
ENROLLED IN **LOWER FEES,**  
**LOCAL SKILLS** QUALIFICATIONS

DELIVERED VOCATIONAL  
EDUCATIONAL AND  
TRAINING TO  
**3,465 SECONDARY**  
**SCHOOL STUDENTS**  
(VETdSS)



PROVIDED **OVER 17,000**  
**JOBS & SKILLS CENTRE SERVICES**  
TO JOBSEEKERS, UPSKILLERS  
AND CAREER CHANGERS



**95.3% OF SURVEYED**  
**EMPLOYERS** WERE  
SATISFIED OVERALL WITH  
SM TAFE'S TRAINING

# About South Metropolitan TAFE

## Establishment

SM TAFE is established under the *Vocational Education and Training Act 1996*. We exist to provide skills, training and education to our community, businesses and industry.

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

SM TAFE works with leaders in industry to provide Western Australians with the skills and capabilities for a smart future. Working collaboratively with industry, 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.

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 current and emerging workforce needs.
- Strengthening our communities through lifelong learning opportunities for all Western Australians.

## Operational structure

### Responsible Minister

In 2021, SM TAFE was responsible to the Minister for Education and Training, the Honourable Suzanne Ellery MLC.

### Enabling Legislation

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

## Accountable authority

SM TAFE is a statutory authority governed by a Governing Council. The Governing Council is directly accountable to the public and the Minister for Education and Training.

Ms Elizabeth Carr AM is the Chair of the Governing Council.

## Agency Structure

In 2021, SM TAFE had 1,392 contract, casual and permanent employees based across twelve campuses in the southern metropolitan region of Perth. SM TAFE is led by the Managing Director and supported by the Corporate Executive which is comprised of four General Managers and four Executive Directors spanning Training Services, Corporate Services, Organisational Services and Strategic Partnerships.

SM TAFE's services in 2021 were delivered through five key business areas:

1. **Training Services:** Responsible for delivery of training across three key training directorates, including AMEP, Access, Community & Health; Construction, Commerce and Hospitality; and Engineering, Transport and Defence.
2. **Corporate Services:** Responsible for finance, human resources, procurement and risk, information and communication technology, records management, and facilities.
3. **Organisational Services:** Responsible for planning and reporting, student experience and academic systems, client services, marketing and communications, and quality and development.
4. **Strategic Partnerships:** Responsible for industry engagement, developing commercial opportunities and supporting international partnerships.
5. **Jobs and Skills Centres:** Responsible for delivering contracted services in partnership with the Department of Training and Workforce Development, including career and training advice, community engagement, employer engagement, and job readiness services.

# Organisational structure

**Minister for Education and Training**  
Hon. Suzanne Ellery MLC

**South Metropolitan TAFE Governing Council Chair**  
Elizabeth Carr AM

**Managing Director**  
Terry Durant

**General Manager Corporate Services**  
Annette Keller

**General Manager Organisational Services**  
Melanie Sorensen

**General Manager Training Services I**  
Blair Marsh

**General Manager Training Services II**  
Brenda Micale

**Director Human Resources and Integrity**  
Mark Taylor

**Director Planning and Reporting**  
Daniel Ronzan

**Executive Director Construction, Commerce and Hospitality**  
Julia Burns

**Executive Director Engineering, Transport and Defence**  
Jonathon Maile

**Director Finance**  
Hamulinda Simuchoba

**Director Quality and Development**  
Jamie Drew

**Executive Director Access, Community and Health**  
Carole Little

**Executive Director Strategic Partnerships**  
Kim Wood

**Director Information Services**  
Shu Wing Chan

**Director Client Services**  
Emma Solbakke

**Director Facilities**  
Glen Robinson

**Director Student Systems and Administration**  
Melina Kawecki





## Governing Council



Chair  
**Elizabeth Carr AM**

Elizabeth Carr AM 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 also chairs St Mary's Anglican Girls School (WA), St Catherine's Aged Care Services (NSW) Department of Communities Audit and Risk Committee (WA), and the Murrumbidgee Local Health District Audit and Risk Committee (NSW). She is President of the Harvard Club of Australia, Deputy Chair of the Kokoda Track Foundation (National), a Director of Insurance and Care (NSW), and on the Audit and Risk Committee for Trustees and Guardians (NSW). She is a facilitator for the Australian Institute of Company Directors NFP Programs. 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  
**Deborah Hamblin**

Deborah Hamblin is the Mayor of the City of Rockingham. Her career has focused on education, working for Murdoch University from 1978 to 2016. She has promoted the importance of education in the region while on Council and has focussed on its value in building a resilient community.

Deb is passionate about the City of Rockingham and was elected in May 2005 as a Councillor, contributing in the role as Deputy Mayor for eight years and was elected by the community as Mayor in 2021.

She value adds to her community as a Board member of Rockingham Senior High School and Warnbro Community College. Mayor Hamblin has been a member of a variety of management boards and is a valuable contributor to SM TAFE's Governing Council.

In her Council role she has been a Commissioner on the WA Grants Commission, the Vice Chair of the Library Board of Western Australia, a Deputy State Councillor and a member of the Joint Development Assessment Panel.

She is a proud patron of Rockingham Regional Arts and a number of other organisations.

She holds a bachelor's degree from Murdoch University and a post graduate qualification from Curtin University.



**Brian Delamont**

Brian Delamont was born and raised in Bowral, NSW, from where he joined the Royal Australian Navy, graduating from the Naval College with a Diploma of Applied Science. He also holds a Master of Business Administration.

Brian specialised in information technology, responsible for managing warship communications and data exchange networks. He has lived and worked in Australia, Malaysia, and the United States, and was seconded to the US military in Florida with responsibility for designing US communications and collaborative networks. In 2011 he led a team of US engineers to Afghanistan fielding the new network linking the regional commands with combat outposts, for which he was awarded the United States Joint Service Commendation.



**Dr Elena Limnios**

Elena Limnios 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**  
FCPA FAICD

Erica Haddon is an experienced chair, non-executive director, and executive. In addition to being both a member of the Governing Council of South Metropolitan TAFE and the Chair of the Finance, Audit and Risk Management Committee, Erica holds non-executive chair roles at Uniting WA, MNG Survey and AusVet, is a member of the CPA Australia WA Divisional Council, and Founder and Director of Navigating Innovation, her own advisory business.

Throughout her career, Erica has honed skills in strategy, innovation, transformational change and the connection of profit and purpose. Erica has worked for RAC WA, Wesfarmers Energy (Wesfarmers Limited) and Argyle Diamonds (Rio Tinto Limited).

Erica has been a Certified Practising Accountant for over 20 years and has completed the Advanced Management Program at Harvard Business School.

**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.

**Kelly Townson**

Kelly Townson has served on the South Metropolitan TAFE Governing Council since 2018. She 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 higher education and training, tourism, manufacturing, FMCG and financial services.

Kelly has prior TAFE sector experience having held appointments as Chief Commercial Officer at Bendigo Kangan Institute, as Executive Director Training at Challenger Institute of Technology and as General Manager Training Services at South Metropolitan TAFE. She currently is the General Manager of Marketing for Crown Resorts in Perth. Kelly also presently serves on the Board of the Perth Football Club and is a member of the marketing advisory committee for the Western Australian Football Commission.

Kelly holds a Masters in Information Management and eMarketing from the University of Western Australia and a Bachelors in Management and Marketing from Curtin University. She is a Certified Practicing Marketer and Fellow of Australian Marketing Institute. She is a Fellow of the Australian Institute of Management, and she is a member and graduate of the Australian Institute of Company Directors.

**Nigel Grazia**

Nigel Grazia has extensive public and private sector experience, recently completing an assignment as Deputy Director General with 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.

He also worked for 21 years in the oil and gas industry, 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. Nigel 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.

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

**Dr Paola Chivers**

Paola Chivers is a Health Researcher and Biostatistician, working privately for DATAr Consulting. She holds Adjunct positions with The University of Notre Dame Australia and Edith Cowan University. Paola is the co-lead and Chair of the Western Australian Bone Research Collaboration and is on the statistical editorial board of the international journal Clinical Oral Implants Research.

Paola has over 25 years' experience as a teacher, academic and trainer in health and disability fields. Over her career she has worked for not-for-profits, government, and private organisations, and taught at primary, secondary, TAFE and university levels. Previously Paola served three terms on the Willetton Senior High School Board, the last two terms as Vice-Chair and Chair respectively and sat on both the Finance and Partnerships Committees. Paola has also been a member of the WA Country Health Service Human Research Ethics Committee and Notre Dame's school research committee.

Paola has a long history of philanthropic work within the disability and education sectors including governance and committee representation. Paola continues to be an active partner in the CSIRO STEM Professionals in Schools program and is providing her expertise to the Australian Red Cross in Research and Strategy and is on assignment with the Australian Volunteers International.

Paola holds a BSc (Hons) from UWA, Graduate Diploma in Further Education and Training from USQ, and a PhD from Notre Dame.



**Rhys Williams**

In October 2021, Mayor Rhys Williams was elected by the Mandurah community for a second term, receiving 85% of the community vote. In his role as Mayor, Rhys has made a strong commitment to economic diversification, community wellbeing and addressing youth unemployment.

Prior to this role, Rhys ran a successful youth development charity which he founded when he was 17 and worked on projects in more than 100 communities across Australia and abroad. In 2015, Rhys received the Young West Australian of the Year award in recognition of this work.

Rhys is a board director of the South Metropolitan TAFE and the Peel Development Commission, and is a former Chairman of the Mandurah Performing Arts Centre and several non-profit organisations. He is currently completing a Master's in Development Studies at Murdoch University.



**Terry Durant**

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

## 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) Act 2004*

## Partners in Education and Skills

### Aboriginal Employment, Education and Training Committee (AEETC)

SM TAFE has an active and engaged AEETC comprised of Aboriginal community members from across local businesses and industry. The AEETC plays an important role in developing and monitoring the college's Aboriginal Training Plan (ATP). The ATP is built on a foundation of three key areas - attraction, retention, and transition to work. In 2021, the Chair of the AEETC was Mr Andrew Yarran and the committee held two meetings.

### Industry Advisory Committees

SM TAFE has Industry Advisory Committees representing SM TAFE's diverse range of qualifications and specialities, across industry areas such as community services, construction, health and beauty, and children's services. SM TAFE's advisory committees are comprised of members from across local industry and businesses who provide a direct source of feedback on the quality of graduates and the expectations of industry. They help us to deliver contemporary, industry relevant training.

In 2021, SM TAFE had 23 Industry Advisory Committees.

### Australian Centre for Energy and Process Training (ACEPT) Industry Advisory Board

SM TAFE's Australian Centre for Energy and Process Training (ACEPT) is located at the Munster Campus. It is a world-class, specialist training facility aligned with training requirements of the oil and gas, processing, and resources industries. The ACEPT Industry Advisory board is comprised of representatives from across major employers including Woodside, Inpex, Santos, Alcoa, Chevron and Shell.

In 2021, Kory Judd was the Chair of the ACEPT Industry Advisory Board, and three meetings were held.



SM TAFE's  
Munster campus

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

## Changes to Outcome Based Management Framework

There was no change to SM TAFE's Outcome Based Management Framework in 2021.

## 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 Department of Training and Workforce Development (DTWD). The college reports to DTWD for outcomes under that agreement.

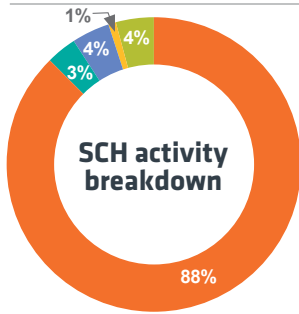
AGENCY PERFORMANCE

# 2021 Key College Statistics

Total number of unique students:  
**28,843**

Total Student Curriculum Hours (all sources)  
**9,635,322**

Total government funded student curriculum hours  
**8,430,675**



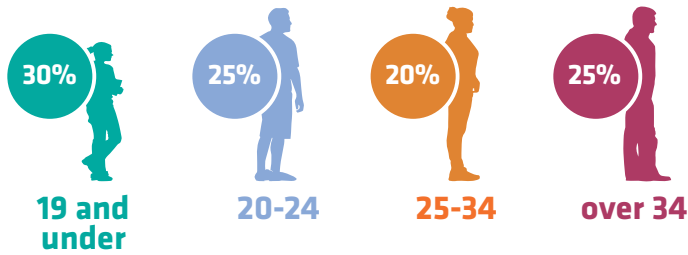
- Profile: (88%)
- International fee for service: (3%)
- Domestic fee for service: (4%)
- State funded delivery (Auspice): (1%)
- Commonwealth funded delivery: (4%)

**Female: 11,393 (39.5%)**

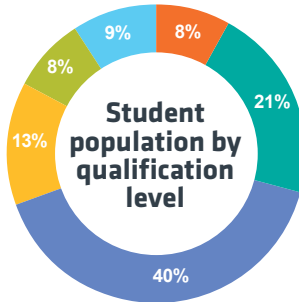
**Male: 17,306 (60%)**

**Indeterminate/Intersex/Unspecified: 144 (<1%)**

Student age group breakdown



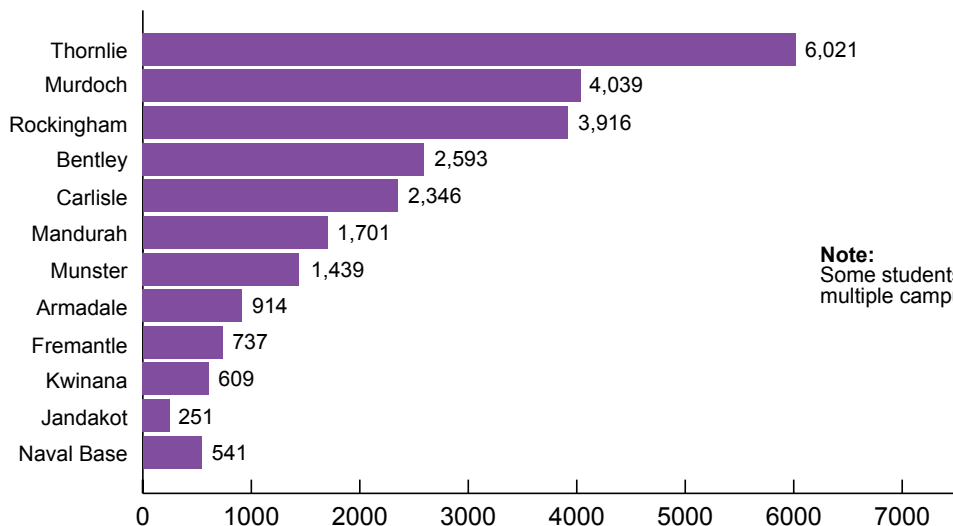
**Offshore and international students**  
**794**



- Certificate I and below: (8%)
- Certificate II: (21%)
- Certificate III: (40%)
- Certificate IV: (13%)
- Skill Sets: (8%)
- Diploma and above: (9%)



Student population by SM TAFE campus



**Note:**  
Some students study at multiple campuses





## Collaboration and Partnerships

Relationships with industry are critical to ensuring we can deliver work-ready graduates with the skills for today and tomorrow.

### Outcomes for the resources sector

A collaborative relationship with Shell Australia saw the development of a \$1 million partnership between SM TAFE and Shell Australia to deliver state-of-the-art training equipment with a new steam electrical generator trainer to be installed at Munster campus. The new equipment will support training in the oil and gas sector, as well as having training applications across other industries including manufacturing, maritime and defence training.

### Diversity programs

During 2021, SM TAFE partnered with BHP to design a program to train maintenance associates to work at BHP villages in the Pilbara region. A tailored 'work ready' Maintenance Associate Diversity Pathway Program was developed and delivered with the aim to increase Aboriginal and female talent within BHP and provide participants with a qualification outcome - the Certificate II in Construction Pathways (Building Maintenance). The successful outcomes of the program in 2021 will see the continuation of the initiative in 2022.

### Westfield fashion collaboration

A collaboration with Westfield saw Diploma of Fashion students apply their skills in merchandising design across major shopping centres in WA. The partnership with Westfield provided visual merchandising students with the opportunity to work on an end-to-end project from brief and conceptualisation to display. The collaboration enhanced the student learning experience within the visual merchandising space and allowed student talent to be seen by a broader audience.

### Skilling in child care

A collaborative partnership with other WA TAFE Colleges resulted in the development of a new suite of resources and assessment tools for training in early childhood and education support. The project enabled colleges to pool expertise and work towards a consistent approach to delivering training in these highly regulated, critical sectors.

A new qualification in childcare delivered to students at Halls Head Senior High School resulted in a 98% completion rate, with strong collaboration resulting in positive outcomes, while attracting new entrants to the childcare workforce.



SM TAFE's 2021 training partnership with BHP



## Innovative Learning and Future Skills

Future skills are key to ensuring our students are equipped with the skills to work in a technology rich and innovative economy.

### Maritime training investment

Funding of \$2 million from the WA State Government supported the upgrade of SM TAFE's maritime training capability with state-of-the-art simulation technology. The upgrade will support students by expanding job opportunities, providing the advanced skills required for border patrol, naval defence and the oil and gas industries. Growing economic activity in aviation and maritime is resulting in local employment opportunities, highlighting the importance of contemporary training facilities in WA to support this industry.

### Women in defence Industry

The inaugural Women in Defence Industry scholarship program was piloted, with 27 scholarships awarded in 2021 to encourage women to take up a career in the defence industry. Scholarship recipients received career advice, mentoring and pathways to employment. SM TAFE's relationship with the defence industry and expertise in defence-related training provides scholarship recipients with the opportunity to build a long-term stable career in defence.

### TAFE v TAFE Cyber Challenge

The SM TAFE led TAFEcyber consortium launched the inaugural TAFE v TAFE Cyber Challenger, where TAFE colleges across the country interconnected Training Cyber Security Operations Centres (TCSOC) and competed in a national cyber security competition. The innovative competition was organised by SM TAFE and highlighted TAFE cyber training capability nationally. TAFEcyber is an Australian based consortium focusing on supporting the fast-growing cyber security industry through education and training.

### UNdefined Graduate Fashion Show

SM TAFE's fashion students presented their creative collections at the 2021 UNdefined Graduate Fashion Show. With a focus on sustainable practice, conscious design and artisan techniques. The collections of graduates included zero-waste pattern cutting, sustainable dye processes and the transformation of vintage and recycled textiles. Building on a long history of cutting-edge fashion training, the show was a celebration of resilience in what had been a particularly challenging and uncertain time for fashion and the creative industries.

### Aerospace outcomes

SM TAFE achieved approval as a Part 147 Maintenance Training Organisation from the Civil Aviation Safety Authority (CASA). SM TAFE is the only government Registered Training Organisation (RTO) in Western Australia to obtain this status which will support the development and growth of the aviation and aerospace industries in Australia.

### Investment in skills for landscaping

A \$63,500 investment to modernise sports turf training machinery will ensure local training in turf management aligns with best practice and emerging training requirements.

SM TAFE Landscape Design student Zoe Tucker was recognised locally and nationally for her excellence in this field, including winning the WA Vocational Student of the Year award and runner up in the Australian Training Awards. Sport Turf Apprentice Josh Kennedy was the recipient of national Australian Sports Turf Graduate Award.



## Commitment to Community

We support a strong economy and community by ensuring our training is accessible to all and addresses the skilling needs of our state.

### Diversity in defence

The Defence, Mechanic and Fabrication Portfolio successfully graduated the first Women in Engineering cohort in partnership with the Kwinana Industry Council. All participants achieved employment outcomes, with the program serving as an opportunity to support women to gain apprenticeships in the male-dominated metal trades industry, as well as increasing diversity in key industries across defence and fabrication.

### Meeting skills shortages and training demand

The Construction East portfolio supported the significant demand for civil construction skills through the delivery of the Infrastructure Ready Skill Set. The demand for skills across the construction sector resulted in a 20 percent increase in delivery and a significant increase in Employment Based Training (apprenticeships) reflecting current activity in the sector. Despite the increase in demand, the portfolio was able to accommodate the influx of students. Continued growth in this area is expected into 2023, with the college focussing on accommodating growth and developing new learning resources that respond to the training expectations of industry.

### Hospitality and Tourism

The Hospitality and Tourism portfolio teamed up with Tourism WA and the Peel Development Commission to launch the Peel Hospitality Job Connect program. Linking with external stakeholders in the region, the project is supporting people in the community to gain work in hospitality. The program is assisting people to gain experience and confidence, engage in training, and enter the workforce.

### Community care outcomes

The Community Services portfolio engaged a number of organisations in the Enterprise Training Program (ETP) funded by the Department of Training and Workforce Development. The program supports the training of existing workers in enterprises by assisting them to respond to current skill gaps and future workforce needs, while also providing further training to staff to meet requirements arising from the Royal Commission into Aged Care Quality and Safety. Over 2021, 55 students from three organisations engaged in the program, with flexible delivery offered to maximise student outcomes.

SM TAFE welcomed Terry Healy MLA to officially open the purpose designed Rockingham NDIS Training Facility. The state-of-the-art centre was built to cater for an increased demand in students seeking to train for jobs in the disability and aged care sectors, and provides the opportunity for students to experience a range of real-life scenarios using current practices and equipment.

### Supporting mature aged job seekers

The Foundation Skills Portfolio continued to achieve excellent outcomes with the Career Transition Assistance Program, a Commonwealth Government program delivered by SM TAFE to mature-age job seekers. SM TAFE achieved the highest number of job placements within a single employment region during 2021 and supported members of the community to gain the skills and confidence to re-enter the workforce or transition into new training opportunities.

## People and Culture

Nurturing a workplace culture that reflects our values and promotes diversity and inclusion is key to our success.

### Aboriginal Employment Program

In 2021, six new staff members were appointed to various roles across the college as part of the college's Aboriginal Employment Program. To support positive program outcomes, a customised induction program was developed in addition to the development of Aboriginal Employee Network Meetings to allow employees to meet, interact and develop a sense of community within the college. Following the success of the program, SM TAFE also completed a second recruitment process for a new program cohort during the year.

### A Safe Working Culture

SM TAFE was awarded a Gold Certificate of Achievement under the WorkSafe Plan assessment process, which rates occupational safety and health management (OSH) systems. The award reflects high OSH standards and a commitment by SM TAFE staff to embrace a safety culture.

An OSH Staff Survey conducted in 2021 and completed by 269 respondents reflected a positive OSH environment at SM TAFE. Over 85% of respondents indicated they were comfortable raising OSH issues with their manager.

### Professional Development

During 2021, over 1,000 employees engaged in approximately 9,000 hours of internal and external professional development activities. The Learning and Development team delivered a total of 189 workshops to staff across topics such as digital foundations and teaching concepts and strategies.

A suite of new training programs for staff on topics such as positive classroom behaviour and instructional intelligence were developed and rolled out, as well as SM TAFE's first online induction program.

### Staff Engagement Survey

857 employees engaged in the 2021 staff engagement survey. The survey indicated a general increase in satisfaction from the last staff survey conducted in 2018, but also highlighted opportunities for improvement in areas such as the staff performance appraisal process.



## Jobs and Skills Centres

SM TAFE has four Jobs and Skills Centres (JSCs) located at Armadale, Mandurah, Rockingham and Thornlie. The Jobs and Skills Centres support the local community by providing course, career and employment advice. They also support industry by providing recruitment assistance, workforce training solutions and resources and advice on Aboriginal employment and retention strategies. Each year the JSCs support employment expos across Perth, and focus on community outreach to widen access to the services of the centres.



DELIVERED **284**  
EMPLOYER SEMINARS AND  
EMPLOYABILITY WORKSHOPS



PROVIDED **JSC SERVICES**  
TO **6,646** CLIENTS



ENGAGED WITH **1,119** LOCAL  
BUSINESSES, ORGANISATIONS  
AND NOT-FOR-PROFITS

## Engaging with secondary schools

SM TAFE launched an inaugural series of VET Delivered to Secondary Students (VETDSS) breakfast forum events. School representatives from across the larger Perth region engaged in discussions to help inform the direction of future VETDSS programs at SM TAFE, as well as strengthen partnerships with schools. SM TAFE hosts the largest VETDSS program in the state, and in 2021, 3465 secondary school students engaged in VET qualifications, increasing by approximately 20% on 2020.

## Supporting our youth

The JSCs supported youth-oriented programs and initiatives by providing workshops focussed on resumes and cover letters, and employability and interview skills. Organisations engaged included the Ngalang Kadjin Moorditj Program at Lynwood Youth Hub, the City of Mandurah 'Job Connectors' program at the Billy Dower Youth Centre, and the Waalitj Foundation Deadly Sista Girlz program.

## Supporting new futures

The JSCs aim to support community members who face barriers to employment. Boronia Prison engaged with the Thornlie JSC to obtain support for pre-release prisoners with the ultimate aim of reducing recidivism. Services delivered included job search, application and interview skills, as well as supporting clients to transition to further training and employment upon release.

## Shape your Future Youth Careers Expo

The Rockingham JSC successfully delivered the Shape your Future Youth Careers Expo in May for the City of Rockingham. The JSC hosted this Expo in partnership with the City of Rockingham, with over 58 exhibitors and 150 job vacancies available on the day.

## Infrastructure skill set shapes entirely new career path

A three-week course with a one-week work placement set one young South Metropolitan TAFE student's life on a career-defining new trajectory.

Max Houlahan, 18, had completed year 11 and tried his hand at various trade-related studies, including bricklaying and motor trimming, but found his true calling in the construction industry when completing the Infrastructure Ready Skill Set at SM TAFE's Thornlie campus.

Mr Houlahan's employment success was forged after he visited and received valuable advice from the Jobs and Skills Centre in Rockingham when looking to move beyond a casual retail role into an industry in which he had a more passionate interest.



Max Houlahan completed the Infrastructure Ready Skill Set at SM TAFE Thornlie campus

## Strategic Projects

### TAFECyber project recognised nationally

The SM TAFE led TAFECyber project has been recognised for its innovative achievements by being awarded the Australian Information Security Association (AISA) Educator of the Year Award. TAFECyber is a consortium of ten TAFE colleges and focuses on skilling the fast-growing cyber security workforce through education and training. The consortium includes SM TAFE as the project lead, Box Hill Institute, Canberra Institute, Queensland TAFE, TAFE SA, TAFE NSW, North Metropolitan TAFE, Chisholm Institute, Melbourne Polytechnic and Victoria University.

### SM TAFE project features in World's Best Practice Guide in Professional and Technical Education

SM TAFE was proud to be featured in the World Federation of Colleges and Polytechnics' Best Practice Guide in Professional and Technical Education for our Pathways to Skills and Jobs in the 21st Century project. The Best Practice Guide features award winning institutions, individuals and projects engaged in professional and technical education from around the world. The publication highlighted the work achieved between SM TAFE and Rio Tinto, which has seen the development of three pioneering, Australian-first qualifications in automation.

### Vocational Skills Gap Assessment and Workforce Development Plan

Working as part of the Future Battery Industries Cooperative Research Centre, SM TAFE launched the National Vocational Skills Gap Assessment and Workforce Development Plan, which was developed by the college after extensive industry consultation to understand the skilling needs of the future battery workforce. The research findings and proposed workforce development plan will help guide Australia's vocational training for future battery industries, including at WA TAFE colleges.

The plan was launched in December 2021 with industry partners at Munster campus.

### Defence Industry Pathways Program

The Defence Industry Pathways Program, funded by the Australian Government, was launched by the Federal Minister for Defence Industry, the Honourable Melissa Price, MP in 2021 in response to the increasing need to build a pipeline of skilled talent for the maritime Defence industry. The Defence Industry Pathway Program, developed in partnership the State's maritime defence industry, is a "taster" course designed to set participants on a path to a career in defence. In 2021 there were three intakes of trainees across 19 employers in WA.



New mural at Rockingham campus by local artist Jade Dolman



# Reconciliation Action Plan Achievements

SM TAFE's RAP sets the foundations of our RAP Working Group's (RWG) strategies and priorities.

## Cultural Safe Spaces Project

As part of SM TAFE's cultural safe spaces project, ten meeting rooms were renamed across the college, with the names reflecting local flora and fauna in Noongar language. Beautiful artwork accompanied the new signage by WA Aboriginal artist, Justin Martin. Some of the artwork has also been utilised to reinvigorate customer service centres across the college.

A new mural by local artist Jade Dolman was painted at Rockingham campus, transforming a tired space into a vibrant representation of modern Aboriginal art.

To enhance the Bentley Bush Tucker Kitchen Garden created in 2020, carpentry students honed their creative skills by crafting beautiful bespoke benches to enhance the use of the space for staff and students. The aim of the garden is to create a relaxing space for students and staff that also provides a value learning opportunity for hospitality students to understand and promote modern Australian flavours.

## NAIDOC Week – Heal Country

SM TAFE held its annual NAIDOC celebration at Thornlie campus, bringing together internal and external stakeholders in a celebration of Aboriginal and Torres Strait Islander People. NAIDOC week is an important annual event in the college's calendar, with the 2021 event featuring Gina Williams and Guy Ghouse, who celebrate story and Noongar language through their music.

SM TAFE was honoured to have former SM TAFE student and artist Chloe Calyon from Kyooya Designs unveil an interactive NAIDOC art installation.

## Refurbished Kadadjiny Mia Aboriginal Training Resource Centre

The Kadadjiny Mia Aboriginal Training Resource Centre based at Rockingham campus was refurbished as part of the RWG Cultural Safe Spaces initiative. The aim of this program is to ensure that SM TAFE has safe spaces that support Aboriginal people while at SM TAFE and encourage greater understanding, respect and celebration of Aboriginal culture.

Chloe Calyon from Kyooya Designs was also engaged to develop new logos for both the Kadadjiny Mia (Rockingham) and Koorra Marr (Thornlie) Aboriginal Training Resource Centres.

## Aboriginal Student Support

SM TAFE has a dedicated Aboriginal Student Support team working across all campuses to provide support to those students who disclose as Aboriginal or Torres Strait Islanders.

In 2021, 1765 hours of student support has been delivered across 514 sessions for 124 Aboriginal students. These sessions were delivered both on campus (296 sessions) and online (218 sessions).

Pastoral care services have been promoted to all students in this cohort, however uptake has not been strong.

## Stakeholder feedback

SM TAFE collects and analyses feedback from stakeholders through a range of mechanisms, including actively surveying students and employers about their experience with the college. Customer comments (complaints and compliments) are also received through our feedback form and via other sources.

### Learner and Employer Questionnaire



**95.3% OF SURVEYED EMPLOYERS** WERE SATISFIED OVERALL WITH SM TAFE'S TRAINING



**91.6% OF SURVEYED STUDENTS** WERE SATISFIED OVERALL WITH SM TAFE'S TRAINING

SM TAFE measures learner and employer satisfaction as a component of its Key Performance Indicator (KPI) Framework and as a requirement of compliance with the Standards for Registered Training Organisations (2015).

SM TAFE has approximately 320 qualifications on its scope of registration. The college aims to survey each qualification on its scope at least once during a three-year period. This will result in approximately 100 qualifications to be surveyed each year. Qualifications are also selected based on a risk assessment as identified by the Quality and Development Directorate as part of our Internal Quality Audit Strategy or as suggested by portfolio managers.

#### Learner Questionnaire (LQ)

3,463 completed LQ responses were received in 2021, representing an 18.1% response rate. 107 additional responses were received to an adapted LQ survey for English as an additional language (EAL) students. SM TAFE scored 91.6% for the scale 'Overall Satisfaction' in the 2021 LQ survey, exceeding the college's KPI of 85%.



**TRAINERS HAD AN EXCELLENT KNOWLEDGE OF THE SUBJECT CONTENT** **94.3%**



**I DEVELOPED THE SKILLS EXPECTED FROM THIS TRAINING** **96.0%**



**I IDENTIFIED WAYS TO BUILD MY CURRENT KNOWLEDGE AND SKILLS** **97.2%**

### Employer Questionnaire (EQ)

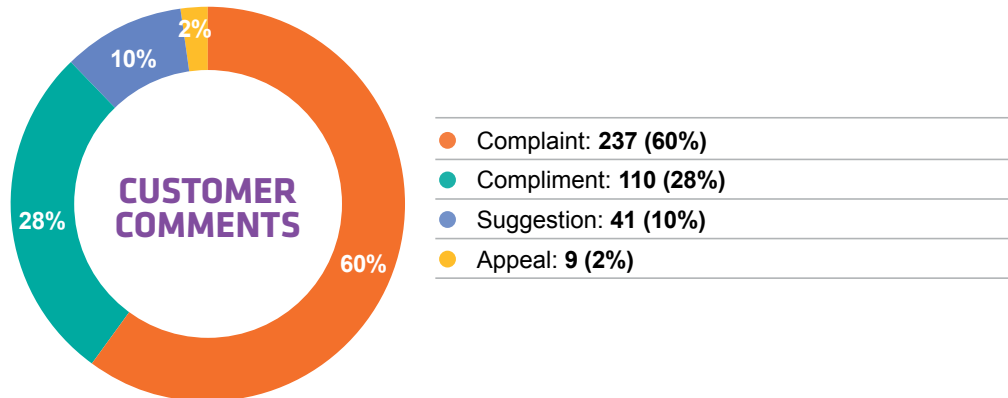
572 survey responses were received during 2021 from a total of 3,820 unique employers contacted representing a response rate of 15%. SM TAFE scored 95.3% for the scale 'Overall Satisfaction' in the 2021 EQ survey, exceeding the college's KPI of 80% with an increase of 3.2% compared with 2020 results.



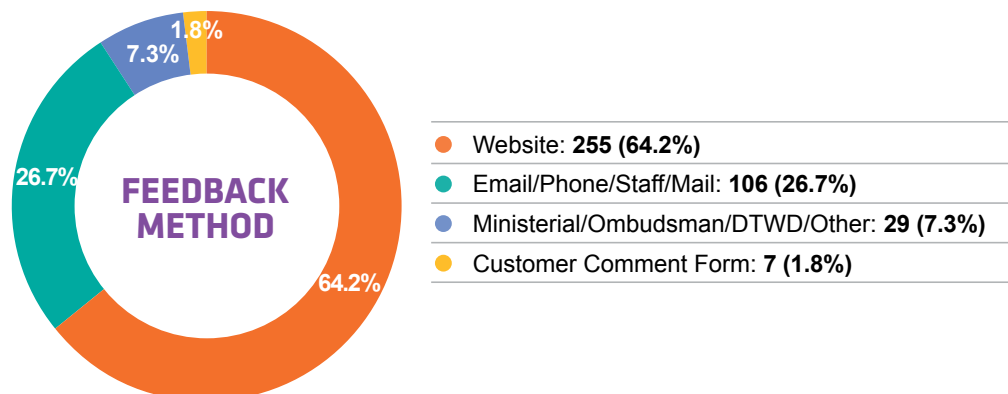
### Customer Comments

The College's Complaints and Feedback Policy is focused on encouraging feedback from all stakeholders (students, employers, staff and third parties). Customers can lodge feedback (complaints, compliments, suggestions, and academic appeals) online via the college's website, in person, over the telephone or email to a college staff member, or by post.

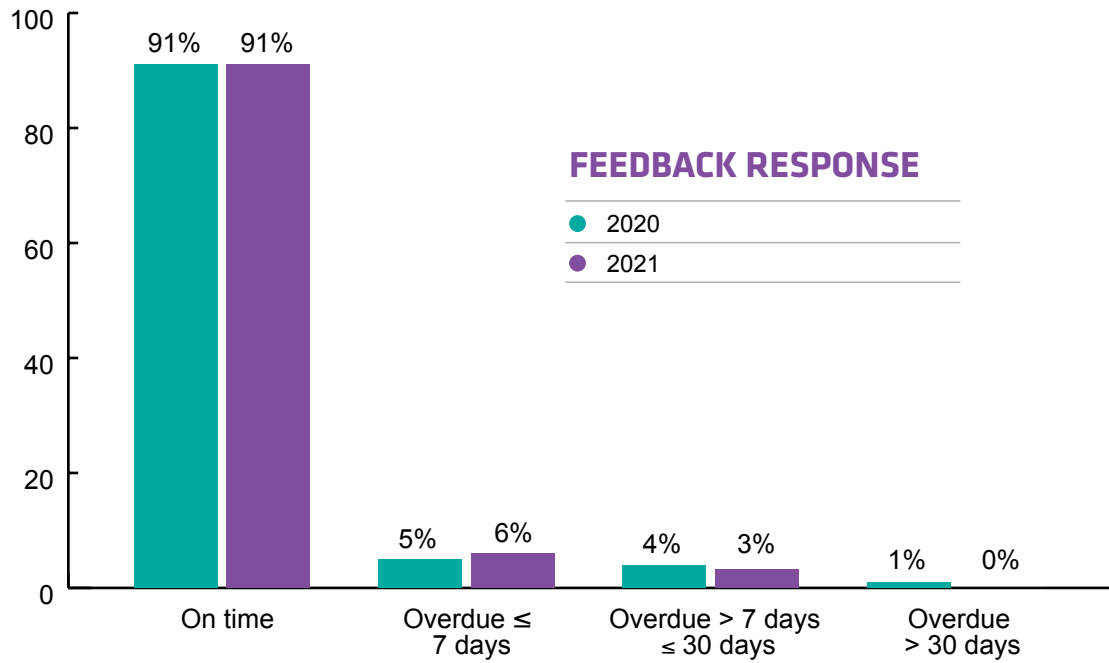
SM TAFE received 397 comments during 2021 which represents a 23.3% increase in the total number of customer comments compared with 2020.



The most frequent compliments received during 2021 related to Staff Behaviour/Support (n=57, 52% of total compliments), an increase from 21 compliments received in 2020 for this category. Compliments received by the Jobs and Skills Centres accounted for 29 of the 110.



SM TAFE aims to respond to customer feedback within ten days. In 2021, SM TAFE achieved this target with 91% of feedback received. All feedback in 2021 was actioned within 30 days of receipt.



## COMPLIANCE

## 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 2021 and the financial position as at 31 December 2021.

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**  
Chair of Governing Council

2 March 2022



**Terry Durant**  
Managing Director

2 March 2022



**Hamulinda Simuchoba CPA**  
Director Finance (CFO)

2 March 2022



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2021 SOUTH METROPOLITAN TAFE

To the Parliament of Western Australia

## Report on the audit of the financial statements

### Opinion

I have audited the financial statements of the South Metropolitan TAFE (TAFE) which comprise:

- the Statement of Financial Position at 31 December 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the South Metropolitan TAFE for the year ended 31 December 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

## Responsibilities of the Governing Council for the financial statements

The Governing Council is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it 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 entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- 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 responsibilities 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at

[https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## Report on the audit of controls

### Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the 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 the 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 2021.

### 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 were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an 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 in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance 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 audit of the key performance indicators

### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the South Metropolitan TAFE for the year ended 31 December 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the South 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 2021.

### The Governing Council's responsibilities 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 it 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 responsibilities

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 entity'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.

### Other information

The Governing Council is responsible for the other information. The other information is the information in the entity's annual report for the year ended 31 December 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

### Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, controls and key performance indicators of the South Metropolitan TAFE for the year ended 31 December 2021 included on the TAFE's website. The TAFE's management is responsible for the integrity of the TAFE's website. This audit does not provide assurance on the integrity of the TAFE's website. The auditor's report refers only to the financial statements, controls 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, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.



Caroline Spencer  
Auditor General for Western Australia  
Perth, Western Australia  
4 March 2022

South Metropolitan TAFE		2021	2020
STATEMENT OF COMPREHENSIVE INCOME			
FOR THE YEAR ENDED 31 DECEMBER 2021			
	Notes	\$	\$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	2.1(a)	129,543,718	125,349,639
Supplies and services	2.3	31,247,311	30,595,561
Grants and subsidies	2.2	1,024,284	260,069
Finance costs	6.3	505,289	277,033
Asset revaluation decrement	2.3	-	1,359,709
Other expenses	2.3	12,025,636	11,967,656
Cost of sales	3.3	309,751	256,539
Loss on disposal of non-current assets	3.7	26,743	301,633
Loss on disposal of lease arrangements	3.7	6,696	763
Depreciation and amortisation expense	4.1.1, 4.3.1	9,592,835	9,627,668
<b>Total cost of services</b>		<b>184,282,263</b>	<b>179,996,272</b>
<b>Income</b>			
Fee for service	3.2	18,675,407	21,259,531
Student fees and charges	3.2	18,007,896	20,023,832
Ancillary trading	3.2	1,231,478	895,778
Sales	3.3	494,142	383,521
Commonwealth grants and contributions	3.4	884,810	-
Interest revenue	3.5	173,474	266,544
Other revenue	3.6	2,192,987	1,376,336
<b>Total income</b>		<b>41,660,194</b>	<b>44,205,541</b>
<b>Gains</b>			
Gain arising from revaluation of land	3.7	350,000	-
Gain arising from revaluation of buildings	3.7	1,359,709	-
<b>Total gains</b>		<b>1,709,709</b>	<b>-</b>
<b>Total income other than income from State Government</b>		<b>43,369,904</b>	<b>44,205,541</b>
<b>NET COST OF SERVICES</b>		<b>140,912,359</b>	<b>135,790,730</b>
<b>Income from State Government</b>			
Grants and subsidies	3.1	131,035,741	115,009,584
Resources Received	3.1	5,978,652	6,900,959
Income from other public sector entities	3.1	127,953	-
<b>Total income from State Government</b>	3.1	<b>137,142,346</b>	<b>121,910,543</b>
<b>DEFICIT FOR THE PERIOD</b>		<b>(3,770,013)</b>	<b>(13,880,187)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus	8.8	21,517,766	(34,463)
<b>Total other comprehensive income</b>		<b>21,517,766</b>	<b>(34,463)</b>
<b>TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD</b>		<b>17,747,753</b>	<b>(13,914,649)</b>

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 2021		2021	2020
	Notes	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.1	39,953,597	33,247,873
Restricted cash and cash equivalents	6.1	848,872	501,480
Receivables	5.1	5,188,866	6,697,439
Other current assets	5.2	815,325	1,060,197
<b>Total Current Assets</b>		<b>46,806,660</b>	<b>41,506,988</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	6.1	3,182,910	2,255,977
Property, plant and equipment	4.1	301,045,448	296,986,347
Right-of-use assets	4.2	14,888,566	6,143,743
Intangible assets	4.3	505,961	337,165
<b>Total Non-Current Assets</b>		<b>319,622,885</b>	<b>305,723,232</b>
<b>TOTAL ASSETS</b>		<b>366,429,546</b>	<b>347,230,221</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5.3	4,505,216	4,298,326
Lease liabilities	6.2	1,045,533	585,230
Employee related provisions	2.1(b)	25,517,616	24,079,077
Other current liabilities	5.4	6,131,462	5,139,465
<b>Total Current Liabilities</b>		<b>37,199,826</b>	<b>34,102,098</b>
<b>Non-Current Liabilities</b>			
Payables	5.3	-	-
Lease liabilities	6.2	13,697,280	5,567,649
Employee related provisions	2.1(b)	5,306,776	4,478,876
Other non current liabilities	5.4	634,136	221,255
<b>Total Non-Current Liabilities</b>		<b>19,638,191</b>	<b>10,267,780</b>
<b>TOTAL LIABILITIES</b>		<b>56,838,017</b>	<b>44,369,879</b>
<b>NET ASSETS</b>		<b>309,591,529</b>	<b>302,860,342</b>
<b>EQUITY</b>			
Contributed equity	8.8	339,492,743	350,509,310
Reserves	8.8	21,901,007	383,240
Accumulated deficit		(51,802,221)	(48,032,208)
<b>TOTAL EQUITY</b>		<b>309,591,529</b>	<b>302,860,342</b>

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

South Metropolitan TAFE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021					
	Notes	Contributed Equity	Reserves	Accumulated Surplus / (Deficit)	Total Equity
		\$	\$	\$	\$
<b>Balance at 1 January 2020</b>		347,288,907	417,703	(34,152,021)	313,554,589
Deficit		-	-	(13,880,187)	(13,880,187)
Other comprehensive income	8.8	-	(34,463)	-	(34,463)
<b>Distributions to owners</b>		-	(34,463)	(13,880,187)	(13,914,649)
Transactions with owners in their capacity as owners:	8.8				
Other contributions by owners		4,136,403	-	-	4,136,403
Distributions to owners		(916,000)	-	-	(916,000)
<b>Total</b>		3,220,403	-	-	3,220,403
<b>Balance at 31 December 2020</b>		<b>350,509,310</b>	<b>383,240</b>	<b>(48,032,208)</b>	<b>302,860,342</b>
<b>Balance at 1 January 2021</b>		350,509,310	383,240	(48,032,208)	302,860,342
Deficit		-	-	(3,770,013)	(3,770,013)
Other comprehensive income	8.8	-	21,517,766	-	21,517,766
<b>Total comprehensive income for the period</b>		-	21,517,766	(3,770,013)	17,747,753
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		1,600,000	-	-	1,600,000
Other contributions by owners		4,133,433	-	-	4,133,433
Distributions to owners		(16,750,000)	-	-	(16,750,000)
<b>Total</b>		(11,016,567)	-	-	(11,016,567)
<b>Balance at 31 December 2021</b>		<b>339,492,743</b>	<b>21,901,007</b>	<b>(51,802,221)</b>	<b>309,591,528</b>

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 2021		2021	2020
	Notes	\$	\$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Grants and subsidies - Department of Training and Workforce Development		130,227,418	108,700,443
Capital appropriation - Department of Training and Workforce Development		1,600,000	-
Funds from other public sector entities		800,000	-
<b>Total Net cash provided by State Government</b>		<b>132,627,418</b>	<b>108,700,443</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits expense		(127,174,132)	(122,963,874)
Supplies and services		(25,586,914)	(23,718,639)
Finance costs		(505,289)	(275,945)
Grants and subsidies		(768,983)	(260,069)
GST payments on purchases		(2,959,401)	(2,718,400)
Other payments		(11,648,252)	(11,671,665)
<b>Receipts</b>			
Fee for service		20,616,135	25,985,005
Student fees and charges		18,378,429	20,224,751
Ancillary trading		1,415,869	1,022,759
Commonwealth grants and contributions		1,381,973	-
Interest received		176,355	355,966
GST receipts on sales		845,678	589,092
GST receipts from taxation authority		2,160,563	2,073,410
Other receipts		2,037,744	1,549,545
<b>Net cash used in operating activities</b>		<b>(121,630,225)</b>	<b>(109,808,064)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current assets		(1,996,640)	(1,737,963)
<b>Receipts</b>			
Proceeds from sale of non-current assets		16,778	-
<b>Net cash used in investing activities</b>		<b>(1,979,862)</b>	<b>(1,737,963)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Principal elements of lease payments		(1,037,280)	(701,359)
<b>Net cash used in financing activities</b>		<b>(1,037,280)</b>	<b>(701,359)</b>
Net increase (decrease) in cash and cash equivalents		7,980,051	(3,546,943)
Cash and cash equivalents at the beginning of period		36,005,329	39,552,272
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	6.1	<b>43,985,380</b>	<b>36,005,329</b>

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 2021

### 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 2nd March 2022.

#### 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 AASs 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 using the 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.

#### Going concern basis of preparation

SM TAFE's financial position has not been materially impacted by the COVID-19 pandemic during 2021 and nor is it anticipated to in 2022.

#### Judgements and estimates

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

#### Contributed equity

Accounting 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.

### 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
Employee benefits expense	2.1(a)
Employee related provisions	2.1(b)
Grants and subsidies	2.2
Supplies and services	2.3
Asset revaluation decrement	2.3
Other expenditure	2.3

## NOTES TO THE FINANCIAL STATEMENTS

**2.1(a) Employee benefits expense**

	<b>2021</b>	<b>2020</b>
Employee benefits	118,292,256	114,610,316
Termination benefits	10,372	14,250
Superannuation - defined contribution plans	11,241,090	10,725,073
<b>Total employee benefits expenses</b>	<b>129,543,718</b>	<b>125,349,639</b>
Add: AASB 16 Non-monetary benefits		
Provision of vehicle benefits	227,057	198,386
Less: Employee contributions	(57,992)	(59,085)
<b>Net employee benefits expenses</b>	<b>129,712,783</b>	<b>125,488,940</b>

**Employee benefits:** include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for employees.

**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.

**AASB 16 Non-monetary benefits:** non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of Vehicle and Housing benefits are measured at the cost incurred by the SM TAFE.

**Employee Contributions:** this line item includes Contributions made to TAFE by employees towards employee benefits that have been provided by SM TAFE. This includes both AASB-16 and non-AASB 16 employee contributions.

**2.1(b) Employee related provisions**

	<b>2021</b>	<b>2020</b>
<b>Current</b>		
<u>Employee benefits provision</u>		
Annual leave	5,384,556	4,971,617
Long service leave	18,053,519	17,259,811
Deferred salary scheme	598,168	446,154
Purchased leave	6,422	2,491
	24,042,663	22,680,073
<u>Other provisions</u>		
Employment on-costs	1,474,952	1,399,004
<b>Total current employee related provisions</b>	<b>25,517,616</b>	<b>24,079,077</b>
<b>Non-current</b>		
<u>Employee benefits provision</u>		
Long service leave	4,992,711	4,213,808
	4,992,711	4,213,808
<u>Other provisions</u>		
Employment on-costs	314,065	265,068
<b>Total non-current employee related provisions</b>	<b>5,306,776</b>	<b>4,478,876</b>
<b>Total employee related provisions</b>	<b>30,824,391</b>	<b>28,557,953</b>



## NOTES TO THE FINANCIAL STATEMENTS

Provision is made for benefits accruing to employees in respect of 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.

**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.

**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 are 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.

**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.

**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.

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

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

**Employment on-costs provisions**

Carrying amount at start of period  
Additional / (reversals of) provisions recognised  
**Total Carrying amount at end of period**

	2021	2020
	1,664,072	1,569,159
	124,945	94,913
	<b>1,789,017</b>	<b>1,664,072</b>

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

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

Several estimates and assumptions are used in calculating 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.

## NOTES TO THE FINANCIAL STATEMENTS

**2.2 Grants and subsidies**Recurrent

Scholarships for students

**Total grants and subsidies**

	2021	2020
Scholarships for students	1,024,284	260,069
<b>Total grants and subsidies</b>	<b>1,024,284</b>	<b>260,069</b>

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****Supplies and services**

Consumables and minor equipment

Communication expenses

Utilities expenses

Consultancies and contracted services

Minor works

Repairs and maintenance

Rental Cost

Travel and passenger transport

Advertising and public relations

Staff professional development activities

Software licence expense

Insurance expense

Supplies and services - other

**Total supplies and services expenses****Other expenses**

Audit fees

Building maintenance

Expected credit losses expense

Employment on-costs

Student prizes and awards

Losses and write-offs

Refunds of revenue (prior year)

**Total other expenses****Asset revaluation decrement**

Asset revaluation decrement

**Total asset revaluation decrement****Total other expenditure**

	2021	2020
Consumables and minor equipment	8,014,016	6,463,018
Communication expenses	567,435	592,489
Utilities expenses	2,948,250	2,707,591
Consultancies and contracted services	16,289,222	17,225,317
Minor works	202,273	265,613
Repairs and maintenance	806,158	571,650
Rental Cost	218,977	207,434
Travel and passenger transport	62,582	100,319
Advertising and public relations	165,026	314,349
Staff professional development activities	148,384	153,538
Software licence expense	771,092	1,092,202
Insurance expense	717,970	709,216
Supplies and services - other	335,927	192,824
<b>Total supplies and services expenses</b>	<b>31,247,311</b>	<b>30,595,561</b>
<b>Other expenses</b>		
Audit fees	180,000	176,572
Building maintenance	3,307,786	3,190,660
Expected credit losses expense	74,474	346,993
Employment on-costs	8,253,627	8,163,188
Student prizes and awards	500	1,500
Losses and write-offs	2,469	560
Refunds of revenue (prior year)	206,780	88,184
<b>Total other expenses</b>	<b>12,025,636</b>	<b>11,967,656</b>
<b>Asset revaluation decrement</b>		
Asset revaluation decrement	-	1,359,709
<b>Total asset revaluation decrement</b>	<b>-</b>	<b>1,359,709</b>
<b>Total other expenditure</b>	<b>43,272,946</b>	<b>43,922,927</b>

**Supplies and services expenses** 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.

**Rental expenses include:**

- i) Short-term leases with a lease term of 12 months or less;
- ii) Low-value leases with an underlying value of \$5,000 or less; and
- iii) Variable lease payments, recognised in the period in which the event or condition that triggers those payments occurs.

**Repairs, maintenance and minor works** 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 operating expenses** generally represent the day-to-day running costs incurred in normal operations.

## NOTES TO THE FINANCIAL STATEMENTS

**Expected credit losses** is an allowance of trade receivables and 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. Please refer to note 5.1 Receivables.

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

**Asset Revaluation:**

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

**3 Our 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
Income from State Government	3.1
User charges and fees	3.2
Trading profit	3.3
Commonwealth grants and contributions	3.4
Interest revenue	3.5
Other revenue	3.6
Gains/(Losses)	3.7

**3.1 Income from State Government**

	2021	2020
Grants and subsidies received during the period:		
Delivery and Performance Agreement (DPA)	123,862,459	107,116,604
Non-DPA Grants from Department of Training and Workforce Development (DTWD)	2,736,367	2,730,618
Fee for service - Government (other than DTWD)	285,906	452,557
International Division Fees - State Government	4,151,008	4,709,805
Total Grants and Subsidies	<u>131,035,741</u>	<u>115,009,584</u>
Resources received free of charge from other State Government agencies during the period:		
Department of Training and Workforce Development		
- Corporate systems support	3,828,629	3,700,126
- Marketing and publications	204,438	6,913
- Human resources and industrial relations support	82,446	87,742
- Other	1,863,139	3,106,178
Total Resources Received	<u>5,978,652</u>	<u>6,900,959</u>
Income from other public sector entities:		
Department of jobs, Tourism, Science and Innovation	127,953	-
Total Income from Other Public Sector Entities	<u>127,953</u>	<u>-</u>
<b>Total income from State Government</b>	<b><u>137,142,346</u></b>	<b><u>121,910,543</u></b>

**Grants and subsidies** is recognised as income 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).

**Resources received** free of charge or for nominal cost are recognised as income (and assets or expenses) equivalent to the fair value of the assets, or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

**Income from other public sector entities** is recognised as income when SM TAFE has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the SM TAFE receives the funds.

## NOTES TO THE FINANCIAL STATEMENTS

**3.2 User charges and fees**

	2021	2020
<b>Fee for service</b>		
Fee for service - General	8,733,338	10,555,411
Fee for service - Government (CW Government from 2021)	9,501,156	10,153,235
International fees	440,913	550,884
<b>Total fee for service</b>	<b>18,675,407</b>	<b>21,259,531</b>
<b>Student fees and charges</b>		
Tuition fees	10,752,891	13,617,139
Enrolment and resource fees	6,525,000	5,625,475
Recognition of prior learning (RPL) fees	263,293	393,398
Other College fees	466,711	387,820
<b>Total student fees and charges</b>	<b>18,007,896</b>	<b>20,023,832</b>
<b>Ancillary trading</b>		
Liveworks (not a trading activity)	1,182,817	834,633
Contracting & consulting revenue	182	-
Other ancillary revenue	48,479	61,144
<b>Total ancillary trading</b>	<b>1,231,478</b>	<b>895,778</b>
<b>Total user charges and fees</b>	<b>37,914,780</b>	<b>42,179,140</b>

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**

	2021	2020
<b>Cafeteria (non-training related)</b>		
Sales	494,142	383,521
Cost of Sales:		
Opening Inventory	-	-
Purchases	(309,751)	(256,539)
	(309,751)	(256,539)
Closing Inventory	-	-
Cost of Goods Sold	(309,751)	(256,539)
<b>Total trading profit - Cafeteria (non-training related)</b>	<b>184,391</b>	<b>126,981</b>
<b>Total Trading profit</b>	<b>184,391</b>	<b>126,981</b>

**Sales**

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

**3.4 Commonwealth grants and contributions**

	2021	2020
Commonwealth specific purpose grants and contributions	884,810	-
	<b>884,810</b>	-

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

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

**3.5 Interest revenue**

	2021	2020
Interest revenue	173,474	266,544

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

## NOTES TO THE FINANCIAL STATEMENTS

**3.6 Other revenue**

	<b>2021</b>	<b>2020</b>
2.1(a) Employee contributions	57,992	59,085
Rental and facilities fees	303,158	176,329
Copyright and royalties revenue	9,091	-
Sponsorship and donations revenue	55,268	49,998
Recoups from external organisations	413,399	437,431
RiskCover performance adjustment and insurance recoveries	788,366	279,626
Prior year revenue	157,372	250,623
Miscellaneous revenue	408,341	123,243
<b>Total other revenue</b>	<b>2,192,987</b>	<b>1,376,336</b>

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

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

**3.7 Gains/(Losses)**

	<b>2021</b>	<b>2020</b>
<u>Net proceeds from disposal of non-current assets</u>		
Plant, furniture and general equipment	16,778	-
<b>Total proceeds from disposal of non-current assets</b>	<b>16,778</b>	<b>-</b>
<u>Carrying amount of non-current assets disposed</u>		
Buildings	-	(256,493)
Motor vehicles, caravans and trailers	(2,068)	(11,860)
Plant, furniture and general equipment	(41,453)	(33,280)
<b>Net losses</b>	<b>(26,743)</b>	<b>(301,633)</b>
<u>Other gains/(loss)</u>		
Loss arising from lease arrangements	(6,696)	(763)
Gain arising from revaluation of land	350,000	-
Gain arising from revaluation of buildings	1,359,709	-
<b>Other gains/(losses)</b>	<b>1,703,013</b>	<b>(763)</b>
<b>Total gains/(losses)</b>	<b>1,676,269</b>	<b>(302,396)</b>

**Realised and unrealised gains** are usually recognised on a net basis.

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
Property, plant and equipment	4.1
Right-of-use assets	4.2
Intangible assets	4.3
Total key assets	

## NOTES TO THE FINANCIAL STATEMENTS

## 4.1 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 2021											
<b>1 January 2021</b>											
Gross carrying amount	82,720,000	201,159,930	79,893	414,096	10,564,146	12,756,057	6,746,508	535,000	1,513,951	1,875,516	318,365,097
Accumulated depreciation	-	-	-	(270,087)	(8,928,499)	(6,956,447)	(4,496,510)	-	(727,207)	-	(21,378,750)
<b>Carrying amount at start of period</b>	<b>82,720,000</b>	<b>201,159,930</b>	<b>79,893</b>	<b>144,009</b>	<b>1,635,647</b>	<b>5,799,610</b>	<b>2,249,998</b>	<b>535,000</b>	<b>786,743</b>	<b>1,875,516</b>	<b>296,986,347</b>
Additions	-	-	1,219,309	-	-	247,169	426,040	-	144,241	11,562	2,048,321
Transfers between asset classes	-	-	(141,663)	-	-	141,663	-	-	-	-	-
Transfers (to)/from other entities	(15,927,479)	1,169,500	1,189,191	-	-	625,521	10,000	-	-	-	(12,933,267)
Other disposals	-	-	-	(2,068)	-	(87,870)	-	-	-	-	(89,938)
Revaluation increments	350,000	22,877,476	-	-	-	-	-	-	-	-	23,227,476
Depreciation	-	(5,042,986)	-	(35,809)	(89,239)	(1,834,098)	(932,750)	(69,550)	(189,058)	-	(8,193,490)
<b>Carrying amount 31 December 2021</b>	<b>67,142,521</b>	<b>220,163,920</b>	<b>2,346,730</b>	<b>106,132</b>	<b>1,546,408</b>	<b>4,891,994</b>	<b>1,753,288</b>	<b>465,450</b>	<b>741,927</b>	<b>1,887,078</b>	<b>301,045,448</b>
Gross carrying amount	67,142,521	220,163,920	2,346,730	392,650	10,564,146	13,547,533	7,158,404	535,000	1,658,192	1,887,078	325,396,174
Accumulated depreciation	-	-	-	(286,517)	(9,017,738)	(8,655,538)	(5,405,117)	(69,550)	(916,265)	-	(24,350,726)

The Department of Planning Land and Heritage (DPLH) is the only Department 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.

## NOTES TO THE FINANCIAL STATEMENTS

**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).

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.

Marine craft are valued every 3 years by professional valuer. The last valuation occurred as at 30/11/2020 and was undertaken by Maritime Engineers Pty Ltd.

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. The last valuation occurred as at 30/09/2019.

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 (Landgate) 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 2021 by the Western Australian Land Information Authority (Landgate). The valuations were performed during the year ended 31 December 2021 and recognised at 31 December 2021. In undertaking the revaluation, fair value was determined by reference to market values for land: \$13,800,000 (2020: \$16,400,000).

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).

**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.

## NOTES TO THE FINANCIAL STATEMENTS

#### 4.1.1 Depreciation and impairment Charge for the period

	2021	2020
<b>Depreciation</b>		
Buildings	5,042,986	5,134,628
Leasehold improvements - buildings	89,239	89,239
Motor vehicles, caravans and trailers	35,809	36,758
Plant, furniture and general equipment	1,834,098	1,748,310
Computers and communication network	932,750	1,267,845
Marine craft	69,550	73,254
Library Collection	189,058	317,177
Right-of-use assets	1,251,440	854,059
<b>Total depreciation for the period</b>	<b>9,444,930</b>	<b>9,521,270</b>

As at 31 December 2021 there were no indications of impairment to property, plant and equipment.

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

Under the College capitalisation policy, like computer equipment items, less than the capitalisation threshold are 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 capital 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.



## NOTES TO THE FINANCIAL STATEMENTS

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 Right-of-use assets

	2021	2020
Land	718,293	749,328
Buildings	13,510,767	4,881,177
Vehicles	659,506	513,239
<b>Net Carrying Amount:</b>	<b>14,888,566</b>	<b>6,143,743</b>

Additions to right-of-use assets during the 2021 financial year were \$9,194,713 (2020: \$305,067)

#### Initial recognition

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.

This includes all leased assets other than investment property, which are measured in accordance with AASB 140 'Investment Property'.

SM TAFE has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

#### Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

#### Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to SM TAFE at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1

The following amounts relating to leases have been recognised in the statement of comprehensive income:

		2021	2020
Land		41,951	44,296
Buildings		1,011,945	633,676
Vehicles		197,545	176,087
<b>Total right-of-use asset depreciation</b>		<b>1,251,440</b>	<b>854,059</b>
Lease interest expense	6.3	505,289	277,033
Loss arising from leasing arrangements	3.7	(6,696)	(763)

The total cash outflow for lease in 2021 was \$1,542,569 (2020: \$977,304)

SM TAFE has leases for vehicles and office accommodation.

SM TAFE recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.2.

## NOTES TO THE FINANCIAL STATEMENTS

**4.3 Intangible assets**

	Computer software and licences
<b>Year ended 31 December 2021</b>	
<b>1 January 2021</b>	
Cost	865,006
Accumulated amortisation	(527,840)
<b>Carrying amount at start of period</b>	<b>337,165</b>
Transfer from other entities	316,700
Amortisation expense	(147,904)
<b>Carrying amount at 31 December 2021</b>	<b>505,961</b>

**Initial recognition**

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, 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:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefit;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- 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.

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 above), are capitalised.

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

**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.

**4.3.1 Amortisation****Charge for the period**

	2021	2020
<u>Amortisation</u>		
Computer Software	147,904	106,397
<b>Total amortisation for the period</b>	<b>147,904</b>	<b>106,397</b>

As at 31 December 2021 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. At the end of the reporting period there were no intangible assets not yet available for use.

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 <sup>(a)</sup> 3 to 5 years

<sup>(a)</sup> 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 4.1.1.

## NOTES TO THE FINANCIAL STATEMENTS

**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
Receivables	5.1
Other assets	5.2
Payables	5.3
Other liabilities	5.4

**5.1 Receivables**

	2021	2020
<b>Current</b>		
Receivables - Trade	687,497	1,200,015
Receivables - Students	2,084,096	2,845,602
Allowance for impairment of receivables	(328,856)	(267,306)
Accrued revenue	2,371,349	2,541,092
GST receivable	374,780	378,036
<b>Total current</b>	<b>5,188,866</b>	<b>6,697,439</b>
<b>Balance at end of period</b>	<b>5,188,866</b>	<b>6,697,439</b>

**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**

	2021	2020
<b>Current</b>		
Prepayments	774,855	1,063,557
Other	40,470	(3,360)
<b>Total current</b>	<b>815,325</b>	<b>1,060,197</b>
<b>Balance at end of period</b>	<b>815,325</b>	<b>1,060,197</b>

Other 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**

	2021	2020
<b>Current</b>		
Trade payables	56,846	69,160
Accrued expenses	1,832,631	1,904,427
Accrued salaries and related costs	2,602,142	2,320,518
Paid parental leave payable	13,597	4,222
<b>Total current</b>	<b>4,505,216</b>	<b>4,298,327</b>
<b>Balance at end of period</b>	<b>4,505,216</b>	<b>4,298,327</b>

**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**

	2021	2020
<b>Current</b>		
Income received in advance <sup>(a)</sup>	5,960,399	3,967,700
Grants and advances other	92,567	30,000
Monies/deposits held in trust	78,497	233,740
Delivery and Performance Agreement Refund due to DTWD	-	870,890
Provision for restoration costs	-	37,135
<b>Total current</b>	<b>6,131,462</b>	<b>5,139,465</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2021	2020
<b>Non-current</b>		
Provision for restoration costs	634,136	221,255
<b>Total non-current</b>	<b>634,136</b>	<b>223,275</b>
<b>Balance at end of period</b>	<b>6,765,598</b>	<b>5,362,740</b>

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

## 6 Financing

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

	Notes
Cash and cash equivalents	6.1
Lease liabilities	6.2
Finance costs	6.3
Capital commitments	6.4

### 6.1 Cash and cash equivalents

	2021	2020
<b>Current</b>		
Cash and cash equivalents		
Cash On Hand	13,300	18,310
Cash At Bank	39,940,297	33,229,563
<b>Total cash and cash equivalents</b>	<b>39,953,597</b>	<b>33,247,873</b>
Restricted cash and cash equivalents current		
Capital works grants received from DTWD	771,314	268,495
Australian Cyber Security Project	77,558	232,985
	848,872	501,480
<b>Total current</b>	<b>40,802,470</b>	<b>33,749,352</b>
<b>Non-current</b>		
Restricted cash and cash equivalents non-current		
Restricted cash 27th pay <sup>(a)</sup>	3,182,910	2,255,977
<b>Total non-current</b>	<b>3,182,910</b>	<b>2,255,977</b>
<b>Balance at end of period</b>	<b>43,985,380</b>	<b>36,005,329</b>

<sup>(a)</sup> 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 Lease liabilities

	2021	2020
Current	1,045,533	585,230
Non-current	13,697,280	5,567,649
<b>Balance at end of period</b>	<b>14,742,812</b>	<b>6,152,879</b>

#### Initial measurement

SM TAFE measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, SM TAFE uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by SM TAFE as part of the present value calculation of lease liability include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options (where these are reasonably certain to be exercised);
- payments for penalties for terminating a lease, where the lease term reflects SM TAFE exercising an option to terminate the lease.

## NOTES TO THE FINANCIAL STATEMENTS

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.

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

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales, are recognised by SM TAFE in profit or loss in the period in which the condition that triggers those payments occurs.

This section should be read in conjunction with note 4.2 Right-of-use assets.

### Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

### Assets pledged as security

Assets pledged as security

The carrying amounts of non-current assets pledged as security are:

Right-of-use asset Land

Right-of-use asset Buildings

Right-of-use asset Vehicles

**Total assets pledged as security**

	2021	2020
	718,293	749,327
	13,510,767	4,881,177
	659,506	513,239
	<b>14,888,566</b>	<b>6,143,743</b>

SM TAFE has secured the right-of-use assets against the related lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

### 6.3 Finance costs

#### Finance costs

Lease interest expense

**Finance costs expensed**

	2021	2020
	505,289	277,033
	<b>505,289</b>	<b>277,033</b>

Finance cost includes the interest component of lease liability repayments.

### 6.4 Capital commitments

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

Within 1 year

**Balance at end of period**

	2021	2020
	5,081	8,400
	<b>5,081</b>	<b>8,400</b>

The totals presented for capital commitments are GST inclusive.

## 7 Financial Instruments 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

## NOTES TO THE FINANCIAL STATEMENTS

**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:

	2021	2020
<b>Financial assets</b>		
Cash and cash equivalents	39,953,597	33,247,873
Restricted cash and cash equivalents	4,031,782	2,757,457
Financial assets at amortised cost <sup>(a)</sup>	4,814,086	6,319,403
<b>Total financial assets</b>	<b>48,799,466</b>	<b>42,324,732</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost <sup>(b)</sup>	19,326,525	11,555,835
<b>Total financial liabilities</b>	<b>19,326,525</b>	<b>11,555,835</b>

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

<sup>(b)</sup> The amount of Financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable)

**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**

Under the Long Service Leave Act 1958 (LSL Act) casual employees who have been employed for more than 10 years and meet continuous service requirements may be entitled to long service leave. Whilst a provision for casual employees who are currently still employed by South Metropolitan TAFE and who meet the criteria has been recognised in the financial statements, the amount of the obligation for those casual employees who are no longer employed by South Metropolitan TAFE cannot be measured with sufficient reliability at reporting date. We are currently assessing the impact of the LSL Act for those casual employees.

**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
Key management personnel	8.2
Related parties	8.3
Related bodies	8.4
Affiliated bodies	8.5
Remuneration of auditors	8.6
Non-current assets classified as held for transfer	8.7
Equity	8.8
Supplementary financial information	8.9
Explanatory statement (controlled operations)	8.10

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

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

**8.2 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 key management personnel of SM TAFE for the reporting period are presented within the following bands:

## NOTES TO THE FINANCIAL STATEMENTS

Compensation of the accountable authority (\$)	<b>2021</b>	<b>2020</b>
Compensation Band (\$)		
270,001 - 280,000	-	1
260,001 - 270,000	1	-
20,001 - 30,000	1	1
0 - 10,000	11	8
Compensation of the senior officers (\$)	<b>2021</b>	<b>2020</b>
Compensation Band (\$)		
190,000 - 200,000	5	3
180,001 - 190,000	1	2
170,001 - 180,000	1	1
160,001 - 170,000	-	1
150,001 - 160,000	2	3
140,001 - 150,000	1	-
130,001 - 140,000	1	2
60,001 - 70,000	1	-
50,001 - 60,000	-	1
30,001 - 40,000	-	1
Total compensation of accountable authority	316,755	318,848
Total compensation of senior officers	1,998,005	2,116,767
<b>Total compensation of key management personnel</b>	<b>2,314,760</b>	<b>2,435,615</b>

Total compensation includes the superannuation expense incurred by SM TAFE in respect of key management personnel.

### 8.3 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.

### 8.4 Related bodies

SM TAFE has no related bodies.

### 8.5 Affiliated bodies

SM TAFE has no affiliated bodies.

### 8.6 Remuneration of auditors

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

	<b>2021</b>	<b>2020</b>
Auditing the accounts, financial statements, controls and key performance indicators	180,000	176,500

### 8.7 Non-current assets classified as held for transfer

SM TAFE has no non-current assets classified as held for transfer.

## NOTES TO THE FINANCIAL STATEMENTS

**8.8 Equity****Contributed equity**

Balance at start of period

2021	2020
350,509,310	347,288,907

*Contributions by owners*

Capital appropriation

1,600,000 -

Transfer of assets from Department of Training and Workforce Development

4,133,433 4,136,403

**Total contributions by owners****356,242,743 351,425,310***Distributions to owners*

Transfer of assets to Department of Training and Workforce Development

(16,750,000) (916,000)

**Total distributions to owners****(16,750,000) (916,000)****Balance at the end of period****339,492,743 350,509,310****Asset revaluation surplus**

Balance at start of period

383,240 417,703

Net revaluation increments / (decrements)

Buildings

21,517,766 (234,542)

Marine craft

- 200,079

**Balance at end of period****21,901,007 383,240****8.9 Supplementary financial information****(a) Write-offs**

During the financial year, \$12,923 (2020: \$511,164) of debts due to SM TAFE were written off and \$257,651 (2020: Nil) of custodial assets were written off the asset register under the authority of:

	2021	2020
The accountable authority	270,574	511,164
	<b>270,574</b>	<b>511,164</b>

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

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

2,469 559

Amounts recovered

- -

**2,469 559****(c) Gifts of public property**

Gifts of public property provided by SM TAFE

- -

**- -**



**8.10 Explanatory statement (controlled operations)**

All variances between estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances, which are generally greater than 10% and 1% of Total Cost of Services for the Statement of Comprehensive Income and Statement of Cash flows, and are greater than 10% and 1% of Total Assets for the Statement of Financial Position.

**8.10.1 Statement of Comprehensive Income Variances**

	Variance Note	Estimate 2021	Actual 2021	Actual 2020	Variance between estimate and actual	Variance between actual results for 2021 and 2020
		\$	\$	\$	\$	\$
<b>Expenses</b>						
Employee benefits expense		126,221,809	129,543,718	125,349,639	3,321,909	4,194,079
Grants and subsidies		458,171	1,024,284	260,069	566,113	764,215
Finance costs		-	505,289	277,033	505,289	228,256
Supplies and services		29,706,104	31,247,311	30,595,561	1,541,207	651,749
Asset revaluation decrement		-	-	1,359,709	-	(1,359,709)
Other expenses		11,892,205	12,025,636	11,967,656	133,431	57,979
Cost of sales		207,594	309,751	256,539	102,157	53,212
Loss on disposal of non-current assets		-	26,743	301,633	26,743	(274,890)
Loss on disposal of lease arrangements		-	6,696	763	6,696	5,934
Depreciation and amortisation expense		9,350,800	9,592,835	9,627,668	242,035	(34,833)
<b>Total cost of services</b>		<b>177,836,683</b>	<b>184,282,263</b>	<b>179,996,272</b>	<b>6,445,580</b>	<b>4,285,991</b>
<b>Income</b>						
Fee for service	1, (a)	20,874,904	18,675,407	21,259,531	(2,199,497)	(2,584,124)
Student fees and charges	(b)	19,815,626	18,007,896	20,023,832	(1,807,730)	(2,015,936)
Ancillary trading		1,284,996	1,231,478	895,778	(53,518)	335,700
Sales		365,179	494,142	383,521	128,963	110,622
Commonwealth grants and Contributions		-	884,810	-	884,810	884,810
Interest revenue		576,127	173,474	266,544	(402,653)	(93,070)
Other revenue		3,196,004	2,192,987	1,376,336	(1,003,017)	816,651
<b>Total revenue</b>		<b>46,112,836</b>	<b>41,660,194</b>	<b>44,205,541</b>	<b>(4,452,642)</b>	<b>(2,545,347)</b>
<b>Gains</b>						
Other gains		-	1,709,709	-	1,709,709	1,709,709
<b>Total gains</b>		<b>-</b>	<b>1,709,709</b>	<b>-</b>	<b>1,709,709</b>	<b>1,709,709</b>
<b>Total income other than income from State Government</b>		<b>46,112,836</b>	<b>43,369,904</b>	<b>44,205,541</b>	<b>(2,742,932)</b>	<b>(835,638)</b>
<b>NET COST OF SERVICES</b>		<b>131,723,847</b>	<b>140,912,359</b>	<b>135,790,730</b>	<b>9,188,512</b>	<b>5,121,629</b>
<b>Income from State Government</b>						
Grants and subsidies	2, (c)	116,602,277	131,035,741	115,009,584	14,433,464	16,026,157
Resource Received		4,300,757	5,978,652	6,900,959	1,677,895	(922,307)
Income from other public sector entities		-	127,953	-	127,953	127,953
<b>Total income from State Government</b>		<b>120,903,034</b>	<b>137,142,346</b>	<b>121,910,543</b>	<b>16,239,312</b>	<b>15,231,803</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(10,820,813)</b>	<b>(3,770,013)</b>	<b>(13,880,187)</b>	<b>7,050,800</b>	<b>10,110,174</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation surplus	(d)	-	21,517,766	(34,463)	21,517,766	21,552,229
<b>Total other comprehensive income</b>		<b>-</b>	<b>21,517,766</b>	<b>(34,463)</b>	<b>21,517,766</b>	<b>21,552,229</b>
<b>TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD</b>		<b>(10,820,813)</b>	<b>17,747,753</b>	<b>(13,914,649)</b>	<b>28,568,566</b>	<b>31,662,403</b>

**Major Estimate and Actual (2021) Variance Narratives**

- 1) Fee for Service income reduced by \$2.2 million (11%) as at the time of s40 planning the increase in AMEP funding had not yet been announced.
- 2) Grants and Subsidies income exceeded budget by \$14.4 million (12%) as reduced fee programs increased student demand, and DTWD agreed to fund this increased SCH activity.

**Major Actual 2021 and Comparative (2020) Variance Narratives**

- a) Fee for Service income reduced by \$2.6 million (12%) due to reduced ATSC Navy contract activity from 2020 to 2021, combined with a general reduction in commercial activity due to the on-going impact of Covid-19.
- b) Student fees and charges fell by \$2.0 million (10%), due to the Lower Fees Local Skills program that lowered student fees.
- c) Grants and Subsidies income increased by \$16.0 million (14%), as reduced fee programs increased student demand. This increased Grants and Subsidies because the primary grant funding comes through the DPA agreement, which is paid based on delivery to students.
- d) The variance is due to a significant buildings revaluation increment in 2021.

## 8.10.2 Statement of Financial Position Variances

Variance Note	Estimate 2021	Actual 2021	Actual 2020	Variance between estimate and actual	Variance between actual results for 2021 and 2020
	\$	\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	31,601,769	39,953,597	33,247,873	8,351,828	6,705,725
Restricted cash and cash equivalents	177,567	848,872	501,480	671,305	347,393
Receivables	3,751,338	5,188,866	6,697,439	1,437,528	(1,508,573)
Inventories	505	-	-	(505)	-
Other current assets	866,238	815,325	1,060,197	(50,913)	(244,873)
Non-current assets classified as held for transfer	950,074	-	-	(950,074)	-
<b>Total Current Assets</b>	<b>37,347,491</b>	<b>46,806,660</b>	<b>41,506,988</b>	<b>9,459,169</b>	<b>5,299,672</b>
<b>Non-Current Assets</b>					
Restricted cash and cash equivalents	2,066,895	3,182,910	2,255,977	1,116,015	926,933
Property, plant and equipment	295,385,322	301,045,448	296,986,347	5,660,126	4,059,101
Right of Use Assets	3, (e) 6,400,269	14,888,566	6,143,743	8,488,297	8,744,823
Intangible assets	71,079	505,961	337,165	434,882	168,796
<b>Total Non-Current Assets</b>	<b>303,923,565</b>	<b>319,622,885</b>	<b>305,723,232</b>	<b>15,699,320</b>	<b>13,899,653</b>
<b>TOTAL ASSETS</b>	<b>341,271,056</b>	<b>366,429,546</b>	<b>347,230,221</b>	<b>25,158,490</b>	<b>19,199,325</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Payables	5,111,756	4,505,216	4,298,326	(606,540)	206,889
Lease Liabilities	666,800	1,045,533	585,230	378,733	460,303
Employee related provisions	22,289,382	25,517,616	24,079,077	3,228,234	1,438,539
Other current liabilities	5,136,470	6,131,462	5,139,465	994,992	991,997
<b>Total Current Liabilities</b>	<b>33,204,408</b>	<b>37,199,826</b>	<b>34,102,098</b>	<b>3,995,418</b>	<b>3,097,728</b>
<b>Non-Current Liabilities</b>					
Lease liabilities	4, (f) 5,881,440	13,697,280	5,567,649	7,815,840	8,129,631
Employee related provisions	4,573,483	5,306,776	4,478,876	733,293	827,899
Other non current liabilities	-	634,136	221,255	634,136	412,881
<b>Total Non-Current Liabilities</b>	<b>10,454,923</b>	<b>19,638,191</b>	<b>10,267,780</b>	<b>9,183,268</b>	<b>9,370,411</b>
<b>TOTAL LIABILITIES</b>	<b>43,659,331</b>	<b>56,838,017</b>	<b>44,369,879</b>	<b>13,178,686</b>	<b>12,468,138</b>
<b>NET ASSETS</b>	<b>297,611,725</b>	<b>309,591,529</b>	<b>302,860,342</b>	<b>11,979,804</b>	<b>6,731,187</b>
<b>EQUITY</b>					
Contributed equity	354,227,665	339,492,743	350,509,310	(14,734,922)	(11,016,567)
Reserves	417,703	21,901,007	383,240	21,483,304	21,517,766
Accumulated surplus / (deficit)	(57,033,643)	(51,802,221)	(48,032,208)	5,231,422	(3,770,013)
<b>TOTAL EQUITY</b>	<b>297,611,725</b>	<b>309,591,529</b>	<b>302,860,342</b>	<b>11,979,804</b>	<b>6,731,187</b>

## Major Estimate and Actual (2021) Variance Narratives

- 3) A lease for the Maritime Campus building in Fremantle was signed in January 2021 adding \$8M to Right of Use Assets.  
4) A lease for the Maritime Campus building in Fremantle was signed in January 2021 adding \$8M to Lease Liabilities.

## Major Actual 2021 and Comparative (2020) Variance Narratives

- e) A lease for the Maritime Campus building in Fremantle was signed in January 2021 adding \$8M to Right of Use Assets.  
f) A lease for the Maritime Campus building in Fremantle was signed in January 2021 adding \$8M to Lease Liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

## 8.10.3 Statement of Cash Flows Variances

Variance Note	Estimate 2021	Actual 2021	Actual 2020	Variance between estimate and actual \$	Variance between actual results for 2021 and 2020 \$
	\$	\$	\$		
<b>CASH FLOWS FROM STATE GOVERNMENT</b>					
Grants and subsidies - DTWD 5, (g)	116,602,277	130,227,418	108,700,443	13,625,141	21,526,975
Capital appropriation - DTWD	-	1,600,000	-	1,600,000	1,600,000
Funds from other public sector entities	-	800,000	-	800,000	800,000
<b>Total Net cash provided by State Government</b>	<b>116,602,277</b>	<b>132,627,418</b>	<b>108,700,443</b>	<b>16,025,141</b>	<b>23,926,975</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Payments</b>					
Employee benefits expense	(123,221,809)	(127,174,132)	(122,963,874)	(3,952,323)	(4,210,258)
Supplies and services	(25,376,546)	(25,586,914)	(23,718,639)	(210,368)	(1,868,275)
Finance Cost	-	(505,289)	(275,945)	(505,289)	(229,344)
Grants and subsidies	(458,171)	(768,983)	(260,069)	(310,812)	(508,914)
GST payments on purchases 6	-	(2,959,401)	(2,718,400)	(2,959,401)	(241,001)
GST payments to taxation authority	(3,341)	-	-	3,341	-
Other payments 7	(9,513,172)	(11,648,252)	(11,671,665)	(2,135,080)	23,413
<b>Receipts</b>					
Fee for service 8, (h)	12,096,493	20,616,135	25,985,005	8,519,642	(5,368,870)
Student fees and charges 9	24,948,642	18,378,429	20,224,751	(6,570,213)	(1,846,322)
Ancillary trading	1,624,226	1,415,869	1,022,759	(208,357)	393,110
Commonwealth grants and contributions	-	1,381,973	-	1,381,973	1,381,973
Interest received	573,698	176,355	355,966	(397,343)	(179,611)
GST receipts on sales	-	845,678	589,092	845,678	256,586
GST receipts from taxation authority 10	-	2,160,563	2,073,410	2,160,563	87,153
Other receipts	3,245,251	2,037,744	1,549,545	(1,207,507)	488,199
<b>Net cash used in operating activities</b>	<b>(116,084,729)</b>	<b>(121,630,225)</b>	<b>(109,808,064)</b>	<b>(5,545,496)</b>	<b>(11,822,161)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Payments</b>					
Purchase of non-current physical assets	(2,630,000)	(1,996,640)	(1,737,963)	633,360	(258,677)
<b>Receipts</b>					
Proceeds from sale of non-current physical assets	-	16,778	-	16,778	16,778
<b>Net cash used by investing activities</b>	<b>(2,630,000)</b>	<b>(1,979,862)</b>	<b>(1,737,963)</b>	<b>650,138</b>	<b>(241,899)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Payments</b>					
Principal elements of lease	-	(1,037,280)	(701,359)	(1,037,280)	(335,921)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(1,037,280)</b>	<b>(701,359)</b>	<b>(1,037,280)</b>	<b>(335,921)</b>
Net increase (decrease) in cash and cash equivalents	(2,112,452)	7,980,051	(3,546,943)	10,092,503	11,526,994
Cash and cash equivalents at the beginning of period	35,958,683	36,005,329	39,552,272	46,646	(3,546,943)
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>33,846,231</b>	<b>43,985,380</b>	<b>36,005,329</b>	<b>10,139,149</b>	<b>7,980,051</b>

## Major Estimate and Actual (2021) Variance Narratives

- Grants and Subsidies cashflow exceeded budget by \$13.6 million (12%) as programs to reduce student fees were enacted, leading to increased student demand, and DTWD agreed to fund the college's increased delivery of teaching to these students.
- GST payments on purchases was not estimated as part of the section 40 estimates process.
- Other payments exceeded budget by \$2.0 million (22%) as the budget for Repairs and Maintenance is based on funding provided by DTWD, and is consistently around \$1.9 million short of the actual Repair and Maintenance requirements.
- TAFE college Own Source Revenue (OSR) impact adjustments as requested by WA Treasury were misapplied to the Fee for Service category instead of the Student Fees and Charges category.
- TAFE college Own Source Revenue (OSR) impact adjustments as requested by WA Treasury were misapplied to the Fee for Service category instead of the Student Fees and Charges category.
- GST receipts from taxation authority was not estimated as part of the section 40 estimates process.

## Major Actual 2021 and Comparative (2020) Variance Narratives

- Grants and Subsidies cashflow exceeded the previous year by \$21.5 million (20%) as programs reducing student fees led to increased demand, and DTWD agreed to fund this increased delivery to students.
- Reduced ATSC Navy contract training activity from 2020 to 2021, combined with general reduced commercial activity due to on-going effect of Covid-19.

## COMPLIANCE

# 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 2021.



**Elizabeth Carr AM**  
Chair of Governing Council

2 March 2022



**Blair Marsh**  
A/Managing Director

2 March 2022

## South Metropolitan TAFE 2021 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 2021 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 2021 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 2021 *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**

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Target	2021 Actual	Target Variance
South Metropolitan TAFE	87.1%	87.8%	87.7%	86.8%	>85%	85.5%	0.5%
All WA TAFEs & WAAPA	87.3%	88.2%	87.5%	87.6%	n/a	87.3%	n/a

Source: Department of Training and Workforce Development, 2021 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 six 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 2021, of the 17,248 South Metropolitan TAFE students contacted, there were 3,787 usable returns representing a response rate of 22.0%. South Metropolitan TAFE's standard error for 2021 was 0.5%, with a relative sampling error of +/- 1.0% at the 95% level of confidence.

The 2021 target overall student satisfaction at South Metropolitan TAFE was met with 85.5% of respondents claiming to be either satisfied or very satisfied. This is lower than the level of student satisfaction reported in 2020 (86.8%).

#### Student Outcomes Survey

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

## South Metropolitan TAFE 2021 KEY PERFORMANCE INDICATORS

Out of scope of the survey are:

- international students
- students who undertook recreational, leisure or personal enrichment (short) courses
- students under 15 years of age
- students from correctional facilities.

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 NCVET *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 Actual	2020 Actual	2021 Target	2021 Actual	Target Variance
South Metropolitan TAFE	81.0%	79.5%	76.8%	78.6%	80.0%	82.5%	2.5%
TAFE Western Australia	n/a	79.7%	78.8%	79.5%	n/a	83.7%	n/a
TAFE Australia	83.2%	82.1%	81.9%	81.8%	n/a	83.8%	n/a
All VET providers Australia	84.2%	84.2%	83.9%	83.6%	n/a	85.0%	n/a

In 2021, of the 6,793 South Metropolitan TAFE graduates asked, there were 2,167 usable returns representing a response rate of 31.9%. South Metropolitan TAFE’s relative sampling error for this result was +/- 1.4% at the 95% level of confidence.

The 2021 South Metropolitan TAFE’s target for graduate achievement was above target, with 82.5% of respondents claiming to have achieved their main reason for doing the training. This represents a statistically significant increase compared to 2020 survey results and can be attributed to the strong Western Australian labour market and training environment which presented greater opportunities for graduates to achieve their main reason for training through employment or further study outcomes.

### 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 Actual	2020 Actual	2021 Target	2021 Actual	Variance
South Metropolitan TAFE	73.2%	68.4%	66.3%	59.3%	>75%	68.1%	-6.9%
TAFE Western Australia	n/a	68.5%	67.3%	60.3%	n/a	68.5%	n/a
TAFE Australia	73.1%	72.4%	71.3%	65.7%	n/a	70.3%	n/a
All VET providers Australia	77.7%	77.3%	76.6%	68.6%	n/a	72.1%	n/a

## South Metropolitan TAFE 2021 KEY PERFORMANCE INDICATORS

In 2021, of the 6,793 South Metropolitan TAFE graduates contacted, there were 2,167 usable returns representing a response rate of 31.9%. South Metropolitan TAFE's relative sampling error for this result was +/- 1.7% at the 95% level of confidence.

The 2021 target for graduate destination rate (employed) was not met, with 68.1% of respondents claiming to be employed after training. This rate represents a statistically significant increase compared to the 2020 survey results and can be attributed to Western Australia's strong economy and low unemployment rate. SM TAFE's performance against this KPI is consistent with the TAFE Western Australia result.

### 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 2021, the final amended profile SCH target was 8,450,000 SCH.

**Table 4: Profile Achievement (DPA)**

	Actual Achievement 2017	Actual Achievement 2018	Actual Achievement 2019	Actual Achievement 2020	Actual Achievement 2021
Profile Achievement % (DPA Original)	101.7%	102.2%	97.2%	101.7%	103.3%

The Profile delivered by South Metropolitan TAFE was above the original planned target of 8,162,800 SCH by 267,875 SCH, resulting in an overall achievement of 103.3%.

South Metropolitan TAFE's profile delivery by ANZSCO (Australia and New Zealand Standard Classification of Occupations) levels for 2021 are provided in Table 5.

As per the data presented in Table 5, in 2021, the following ANZSCO sub groups constituted over 51% of total SCH achievement: Automotive and Engineering Trades Workers (15%); General Education (12%); Carers and Aides (9%); Health and Welfare Support Workers (9%); and Engineering, ICT and Science Technicians (7%).

The ANZSCO levels that were significantly above target (more than 50,000 SCH of positive variance) were: Automotive and Engineering Trades Workers and Health and Welfare Support Workers.

The ANZSCO levels that were significantly below target (more than 50,000 SCH of negative variance) was: Sports and Personal Service Workers.

## South Metropolitan TAFE 2021 KEY PERFORMANCE INDICATORS

Table 5: Achievement of 2021 Profile Delivery (DPA) by ANZSCO sub groups

ANZSCO Major Group Title	ANZSCO Sub Group Title	2021 Census Actual	2021 Target Planned	2021 Target Achievement
<b>1. Managers</b>	11 – Chief Executives, General Managers and Legislators	5,260	8,520	61.7%
	12 – Farmers and Farm Managers	5,150	7,465	69.0%
	13 – Specialist Managers	48,873	34,098	143.3%
	14 – Hospitality, Retail and Service Managers	113,233	114,962	98.5%
<b>2. Professionals</b>	21 – Arts and Media Professionals	1,960	910	215.4%
	22 – Business, Human Resource and Marketing Professionals	12,165	17,130	71.0%
	23 – Design, Engineering, Science and Transport Professionals	216,763	226,778	95.6%
	24 – Education Professionals	53,875	44,500	121.1%
	26 – ICT Professionals	365,625	354,320	103.2%
	27 – Legal, Social and Welfare Professionals	20,580	-	0.0%
<b>3. Technicians and Trades Workers</b>	31 – Engineering, ICT and Science Technicians	571,014	612,314	93.3%
	32 – Automotive and Engineering Trades Workers	1,236,806	945,705	130.8%
	33 – Construction Trades Workers	214,452	209,404	102.4%
	34 – Electro-technology and Telecommunications Trades Workers	240,809	221,820	108.6%
	35 – Food Trades Workers	251,741	283,510	88.8%
	36 – Skilled Animal and Horticultural Workers	391,594	349,132	112.2%
	39 – Other Technicians and Trades Workers	258,018	212,242	121.6%
<b>4. Community and Personal Service Workers</b>	41 – Health and Welfare Support Workers	731,276	659,636	110.9%
	42 – Carers and Aides	771,013	819,800	94.0%
	43 – Hospitality Workers	61,980	100,434	61.7%
	44 – Protective Service Workers	-	2,962	0.0%
	45 – Sports and Personal Service Workers	244,824	338,399	72.3%
<b>5. Clerical and Administrative Workers</b>	51 – Office Managers and Program Administrators	52,910	35,400	149.5%
	53 – General Clerical Workers	124,415	142,848	87.1%
	54 – Inquiry Clerks and Receptionists	32,150	32,100	100.2%
	55 – Numerical Clerks	103,815	123,235	84.2%
	59 – Other Clerical and Administrative Workers	137,779	110,705	124.5%
<b>7. Machinery Operators and Drivers</b>	71 – Machine and Stationary Plant Operators	86,495	54,198	159.6%
	72 – Mobile Plant Operators	5,214	10,087	51.7%
	74 – Store-persons	13,785	12,605	109.4%



## South Metropolitan TAFE 2021 KEY PERFORMANCE INDICATORS

<b>8. Labourers</b>	82 – Construction and Mining Labourers	107,176	98,647	108.6%
	83 – Factory Process Workers	136,589	182,776	74.7%
	84 – Farm, Forestry and Garden Workers	122,214	136,969	89.2%
	85 – Food Preparation Assistants	30,830	30,920	99.7%
	89 – Other Labourers	419,537	397,606	105.5%
<b>G. General Education</b>	GB – General Education	1,013,235	1,051,879	96.3%
	GE – General Education	227,520	178,784	127.3%
<b>TOTAL</b>		<b>8,430,675</b>	<b>8,162,800</b>	<b>103.3%</b>

### 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 2021 Financial Statements.

**Table 6 – Delivery Cost per SCH**

	2017	2018	2019	2020	2021
Actual Cost per SCH	\$18.43	\$17.70	\$19.69	\$20.15	\$19.13
Target Cost per SCH	\$16.16	\$17.80	\$17.91	\$18.58	\$18.40
Variance	\$2.27	-\$0.10	\$1.78	\$1.57	\$ 0.73

*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 2021 was 1,204,647 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 2021 actual unit cost of delivery is not within the target specified in the 2021 Section 40 Estimates due to the greater than expected impact of the COVID 19 pandemic on SM TAFE. The actual Student Curriculum Hours (SCH) delivered relating to Fee for Service revenue was lower than the estimated SCH in the 2021 S40 estimates, resulting in a higher delivery cost per SCH compared to the target.

## 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.

In 2021, the Minister for Education and Training issued the *Colleges Direction 2021* under section 11 of the *Vocational Education and Training Act 1996*. The *Colleges Direction 2021* replaces the *Colleges Direction 1997*. The text of the direction is provided in full below.

## Employment

Subject to the *Public Sector Management Act 1994*, any decision of a college in the exercise of the function conferred on it by section 47 of the *Vocational Education and Training Act 1996* ("the Act") is the responsibility of the managing director of the college.

## Co-ordination of labour relations

For the purpose of coordinating and facilitating the exercise by colleges of the function conferred by section 47 of the Act and to the extent that the exercise of the function has or may have implications for industrial or labour relations in the wider context of the TAFE system, or public sector generally, the governing council and managing director of a college are to ensure that the exercise of the function is coordinated through the Department.

## Fees and charges

1. The *Vocational Education and Training (Colleges) Regulations 1996* make provision for a college to determine fees or charges that are payable for any particular vocational education or training, or related service supplied by a college not being a service for which a fee is prescribed by the regulations.
2. A fee or charge imposed under that regulation:
  - is to conform with the "VET Fees and Charges Policy" issued each year by the Department;
  - if it relates to materials supplied, is to not to exceed the cost of the materials; and
  - any determination fixing the fees or charges is to be published on the college's website.

## 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 Education and Training.

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)

## Annual Estimates

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

## Capital Works

SM TAFE's capital works program consists of projects funded by the Department of Training and Workforce Development and through internal revenue allocations. Details of major capital works that are ongoing and completed in 2021 are outlined below.

### Completed Capital Works

#### **Bentley Campus Upgrade - Fire Services**

Fire-fighting services were upgraded at Bentley campus at a cost of \$1.5M. The project included the installation of storage tanks and booster pumps as well as the replacement of fire-fighting infrastructure.

#### **Carlisle Campus Upgrade - E Block Cladding Replacement**

Work was completed at Carlisle campus' E Block to repair elements of the building affected by weathering and white ant attack. With a budget of \$1.05M the work included a full repaint of the exterior.

#### **Carlisle Campus Upgrade - Roof Replacement**

Roof maintenance at the Carlisle campus automotive trades workshops was completed with a budget of \$500k. The project included the replacement of badly deteriorated roof sheeting and box gutters.

### Ongoing Capital Works

#### **Mandurah Hospitality, Hairdressing and Beauty Training Centre**

Construction of the new Hospitality, Hairdressing and Beauty Training Centre at Mandurah Campus is underway. With a budget of \$16.87M, the new centre will accommodate a training restaurant, production kitchen, two training kitchens, hairdressing and beauty rooms, plus a student zone. The project is expected to be completed by late 2022.

### Capital Works in Planning

#### **New Armadale Campus**

A budget of \$22.6M has been allocated for the development of a new state-of-the-art Armadale campus. Design and documentation has been completed and the tender process is expected to commence in early 2022, with anticipated completion in 2024.

#### **Fremantle Workshop Restoration - Internal Works**

With external restoration work now completed, internal work will shortly commence on heritage listed workshops at Fremantle campus. With a budget of \$1.5M, the project will involve the repair and replacement of deteriorated building fabric, including structural elements and internal cladding.

#### **Thornlie Campus Student Facilities**

Planning is underway to improve general student facilities at Thornlie campus. The project will include a student study and recreation zone, a new library and general classrooms.

## 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 SM TAFE 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 Commissioner's Instruction No. 8 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	2021 RESULT
Public Sector Standards in Human Resource Management	0
WA Code of Ethics	7
SM TAFE Code of Conduct	7

### 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 those employed on a casual basis, can access up to an additional 10 days, non-cumulative paid leave per calendar year. All employees are reminded of this form of leave at an annual workplace information session attended by all staff.

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

### Integrity Awareness Sessions

SM TAFE conducts compulsory Integrity Awareness Sessions annually for all staff. The sessions are designed to be an engaging refresher of the key messages contained within Accountable and Ethical Decision Making training, which is a requirement for public sector employees. During 2021, five face-to-face Integrity Awareness Sessions were delivered.

The session was also offered online for the first time in 2021 to improve accessibility.

## 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 2021, SM TAFE employed 1,136 Full Time Equivalent (FTE) staff. SM TAFE's staffing levels by employment category for 2021 is presented below.

		2021			2020			2019		
		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	103	44	147	90	90	19	75	17	92
	Permanent	444	111	555	459	100	560	436	133	569
GOSAC	Contract	48	16	64	46	13	59	39	12	51
	Permanent	313	57	370	324	55	379	335	78	413
<b>Total</b>		<b>908</b>	<b>228</b>	<b>1,136</b>	<b>919</b>	<b>187</b>	<b>1,106</b>	<b>885</b>	<b>240</b>	<b>1,125</b>

## 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*.

### Aboriginal Employment Program

In 2021, SM TAFE successfully recruited ten new Aboriginal staff members to undertake the role of Business Support Officer as part of the College's Aboriginal Employment Program. This initiative sits under our Reconciliation Plan (RAP) to provide genuine employment outcomes for Aboriginal people across the College.

These new recruits have been employed throughout various areas of the College with the opportunity to rotate through suitable work locations to experience the different types of roles offered across the College. A customised induction program and professional development opportunities have been made available as well as ongoing mentoring by senior Aboriginal employees and Human Resources. As a result, several have successfully applied for promotional opportunities available in the College.

The introduction of quarterly Aboriginal Employee Network meetings allows staff to interact and develop a sense of community within the College and allows Aboriginal staff to comment and provide feedback on policies and programs that impact employment outcomes that are designed to support them.

## Inclusive Employment Program

South Metropolitan TAFE has a successful Inclusive Employment Program which currently employs eleven staff recruited via a specialist disability employment agency. The program is designed to provide positive employment outcomes for people with disabilities. In 2021, four staff had their employment status converted to permanency with the remaining employees receiving contract extensions.

## Workforce Diversity and Representation

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	2%	2.7%
People with culturally diverse background representation	19%	14.8%
People with disability representation	3%	1.5%

## 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, four officers inadvertently used a corporate credit card for personal use, to the value of \$2,064.39

This amount has been repaid in full by the officers concerned. The details as required by Treasurer's Instruction 903 (15) (ii) are set out below.

UNAUTHORISED USE OF PURCHASING CARDS	\$
Aggregate amount of personal use expenditure for the reporting period	\$2,064.39
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	\$1,950.50
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	\$113.89
Aggregate amount of personal use expenditure outstanding at balance date	Nil

## Governing Council Remuneration

The Governing Council are the accountable authority of SM TAFE. The individual and aggregate cost of remunerating Governing Council members in 2021 was as follows:

POSITION	NAME	TYPE OF REMUNERATION	PERIOD OF MEMBERSHIP	No. OF MEETINGS	\$
Chair	Elizabeth Carr AM	Annual salary	12 months	7	\$22,665.24
Deputy Chair	Deborah Hamblin	Per meeting	12 months	4	\$1772.00
Member	Dr Elena Limnios	Per meeting	12 months	5	\$2304.00
Member	Erica Haddon	Per meeting	12 months	7	\$3309.00
Member	Julian Coyne	Per meeting	12 months	6	\$2304.00
Member	Kelly Towson	Per meeting	12 months	7	\$3102.00
Member	Lina Dickins	Per meeting	12 months	3	\$1152.00
Member	Niegel Grazia	Per meeting	12 months	6	\$1950.00
Member	Zaneta Mascarenhas	Per meeting	12 months	3	\$1152.00
Member	Captain Brian Delamont	Per meeting	12 months	7	\$2688.00
Member	Rhys Williams	Per meeting	6 months	3	\$1152.00
Member	Paola Chivers	Per meeting	6 months	4	\$384.00
<b>Total payments</b>					<b>\$43,934.24</b>

**NB:** Figures are not inclusive of superannuation entitlements.

# Other Legal Requirements

## 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 2021 in relation to advertising, market research, polling, direct mail and media advertising organisations.

Expenditure was incurred in the following areas:

EXPENDITURE	ORGANISATION	AMOUNT	TOTAL
Advertising agencies	Rare Pty Ltd	\$64,292.11*	\$64,292.11
Market research organisations	-	-	-
Polling organisations	-	-	-
Direct mail organisations	Emailme Campaign Monitor	\$322.98 \$2,927.51	\$3,250.49
Media advertising agencies	Carat (Mitchell Communication) Facebook Initiative Media	\$2,583.63 \$15,585.90 \$8,262.30	\$26,431.83
			\$93,974.43

\* State-wide Defence Industries Advertising Campaign.  
Funded by the Department of Training Workforce Development.

## Recordkeeping Plan

Under the *State Records Act 2000*, all government agencies are required to have a record keeping plan. SM TAFE has an approved record keeping plan in place 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. A review of the plan will begin in 2022 with a view to submission to the State Records Office in 2023.

As prescribed by the State Records Commission, a compliant recordkeeping system is to be evaluated not less than once in every five years. In late 2020, an audit was undertaken of the SM TAFE recordkeeping system and recommendations made include an investigation into an automated system for capturing records across SM TAFE and development of refresher training for existing staff. A way forward in terms of automation will be investigated in 2022 as well as development of a refresher training module.

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



## Freedom of Information

SM TAFE received one FOI application during 2021. One FOI application was submitted and then withdrawn.

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 2021.

## Disability Access and Inclusion Plan Outcomes 2021

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

- Support arrangements were introduced for students with primary carer responsibilities to assist them in performing their caring responsibilities without compromising their studies.
- SM TAFE participated in the online 'Pathways to Tertiary' conference, which was focussed on providing secondary school students with a disability and their parents an opportunity to connect with disability practitioners across the Australian tertiary education sector.
- The introduction of student mental health awareness sessions were rolled out to equip students with information and strategies to help them manage their mental health alongside their studies.

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

- Modifications to Thornlie campus were made with three automatic doors installed in three accessible bathrooms.
- Modifications to Rockingham Campus were made, with a new fit-out to an existing universal access toilet.
- Modifications were made to Armadale campus with the removal of swing doors which had previously impeded wheelchair access.

### 3. 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

- 'Speech to text' technology for deaf students was introduced to ensure that they are not disadvantaged if AUSLAN interpreters cannot be sourced.
- SM TAFE continued to offer virtual study support sessions via Zoom in addition to in-person delivery, to maximise access of this service to SM TAFE's diverse student body.

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

- SM TAFE participated in a highly successful cross sector VET accessibility project, which culminated in the creation of a non-accredited professional development resource for educators. The resources will assist educators to understand their roles and responsibilities when implementing student support access plans.
- An introductory course in AUSLAN was offered to all Student Support Advisors as part of an ongoing effort to improve the level of service delivery to deaf and hard of hearing students.
- A new orientation resource was introduced for casual support assistants to assist them in understanding the vocational training environment, their responsibilities as staff and the boundaries of service delivery.

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

- Student Support Services staff continued to offer assistance to students with alternatives to the online complaints process. This service is available on request.
- Student Support Services continued to engage with students via monthly social media posts which provide a platform for questions, comments and further discussion.

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

- Continued engagement with the wider disability sector ensured SM TAFE's support team were able to maintain currency with sector trends and emerging issues in the disability arena. Engagement with the sector is seen as key to ensuring that SM TAFE's training and support services continue to reflect contemporary best practice in disability support.
- SM TAFE provided a submission of feedback and recommendations to the 2020 Review of the Disability Standards for Education 2005.

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

- Online mandatory Disability Awareness Training was introduced to SM TAFE's staff induction, with the aim of raising awareness of disability issues, and driving a culture committed to access and inclusion.
- The rollout of the Inclusive Employment Strategy continued with the aim of facilitating employment opportunities at SM TAFE for people with disability.

# Disclosures and Legal Compliance

## 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 2021, eight committees represented the major campuses. They were comprised of 78 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 provides up to date policies and procedures which cover the entire organisation.

During the year an independent audit was undertaken to assess the organisation against the WorkSafe Plan to ensure the college's safety strategy meets industry best practice standards. In December 2021 SM TAFE qualified for the WorkSafe Plan Gold Certificate of Achievement. This award is the culmination of the hard work and efforts by Safety and Health Representatives and each OSH Campus Committee. It recognises the high standards and commitment of all staff to embrace safety to ensure that best safety practices are followed across all SM TAFE sites.

## Progress in achieving the targets of the national strategic plan for asbestos awareness and management 2019-2023

SM TAFE is committed towards achieving the relevant targets identified in the National Strategic Plan for Asbestos Awareness and Management 2019-2023.

SM TAFE has developed an Asbestos Management Plan to manage any asbestos containing materials (ACM) and products on all its campuses and sites. This plan identifies procedures for providing information, identification of ACMs, and recording data relating to location, exposure and treatment of ACMs. Its implementation will minimise any potential health risk to all persons on SM TAFE sites arising from the presence of ACMs, particularly in respect to maintenance and repair activities.

Information regarding awareness of the health risks of ACMs is available on the SM TAFE intranet and forms part of the staff induction process. Online asbestos awareness training is also available.

The identification of ACM on all SM TAFE sites was undertaken by a qualified professional and this information is recorded in the Asbestos Register. Notices are displayed on buildings as means of alerting staff, students and contractors of the potential risk of exposure.

Asbestos Registers are available at all sites and is the instrument by which people can obtain information on the location, type and condition of ACMs and is the initial reference point for contractors prior to carrying out works.

The Asbestos Register is updated annually to ensure all ACM is intact and serviceable and not likely to present a potential risk to the health of staff, students or contractors as a result of disturbance or breakage.

Although there is no immediate plan for a major asbestos removal program, gradual removal program is desirable as required. ACMs will be left in-situ provided they do not present a health risk and remain functional in terms of the purpose for which they were designed. Where ACMs are no longer functional and/or have the potential to create a health risk, they will be replaced with a non-asbestos product. Removal is conducted in a controlled manner and under contractual arrangements using professionals and conducted with minimal interruption to college activities. All works are carried out in accordance with safety work practices.

MEASURE	ACTUAL RESULTS			RESULTS AGAINST TARGETS	
	2019	2020	2021	TARGET	COMMENT ON RESULT
Number of fatalities	0	0	0	Zero (0)	Target achieved
Lost time injury and disease incidence rate	0.51	0.25	0.61	Zero (0) or 10% reduction on previous year.	Target not achieved. Unusually high number of claims lodged during 2021
Lost time injury and severity rate	0	0	30	Zero (0) or 10% reduction on the previous year	Target not achieved
Percentage of injured workers returned to work within 13 weeks	100%	100%	88%	Greater than or equal to 80% return to work within 13 weeks	Target achieved
Percentage of injured workers returned to work within 26 weeks	100%	100%	94%	Greater than or equal to 80% return to work within 26 weeks	Target achieved
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	80%	90%	90%	Greater than or equal to 80%	Target achieved

**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 2022

In accordance with section 40 of the *Financial Management Act 2006* and Treasurer's Instruction 953 the annual estimates for the 2022 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 2022 S40 SUBMISSION Statement of Comprehensive Income	
	2022 Budget Estimate \$
<b>COST OF SERVICES</b>	
<b>Expenses</b>	
Employee benefits expense	128,095,392
Supplies and services	37,067,690
Depreciation and amortisation expense	9,684,796
Finance costs	477,370
Grants and subsidies	300,993
Loss on disposal of non-current assets	0
Loss on disposal of lease arrangements	
Cost of sales	259,400
Revaluation decrement	0
Other expenses	13,681,020
<b>Total Cost of Services</b>	<b>189,566,661</b>
<b>Income</b>	
<b>Revenue</b>	
Fee for service	22,847,027
Student charges and fees	17,869,051
Ancillary trading	1,189,006
Sales	461,628
Commonwealth grants and contributions	4,487,659
Interest revenue	208,411
Other revenue	1,366,883
<b>Total Revenue</b>	<b>48,429,666</b>
<b>Gains</b>	
Gain on disposal of non-current assets	0
Gain from disposal of lease arrangements	0
Other gains (Asset Revaluation Increment)	0
<b>Total Gains</b>	<b>0</b>
<b>Total income other than income from State Government</b>	<b>48,429,666</b>
<b>NET COST OF SERVICES</b>	<b>(141,136,995)</b>
<b>INCOME FROM STATE GOVERNMENT</b>	
State funds	128,005,372
Assets assumed/(transferred)	0
Resources received free of charge	4,369,569
Royalties for regions	
<b>Total income from State Government</b>	<b>132,374,941</b>
<b>SURPLUS (DEFICIT) FOR THE PERIOD</b>	<b>(8,762,054)</b>
<b>OTHER COMPREHENSIVE INCOME</b>	
Changes in asset revaluation reserve	0
Gains/(losses) recognised directly in equity	0
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(8,762,054)</b>

**South Metropolitan TAFE  
2022 S40 SUBMISSION  
STATEMENT OF FINANCIAL POSITION**

	2022
	Budget Estimate \$
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	33,582,101
Restricted cash and cash equivalents	401,481
Inventories	453
Receivables	5,789,983
Other current assets	690,895
Other financial assets	0
Non-current assets classified as held for sale	0
<b>Total Current Assets</b>	<b>40,464,913</b>
<b>Non-Current Assets</b>	
Restricted cash and cash equivalents	2,610,402
Inventories	0
Receivables	0
Property, plant and equipment	294,426,530
Right of use assets	6,143,743
Intangible assets	337,165
Other non-current assets	0
	0
<b>Total Non-Current Assets</b>	<b>303,517,839</b>
<b>TOTAL ASSETS</b>	<b>343,982,752</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Payables	5,898,327
Lease liabilities	585,229
Borrowings	0
Amounts due to the Treasurer	0
Provisions	24,079,077
Other current liabilities	6,238,279
Liabilities directly associated with non-current assets classified as held for sale	0
<b>Total Current Liabilities</b>	<b>36,800,912</b>
<b>Non-Current Liabilities</b>	
Payables	0
Lease liabilities	5,567,649
Borrowings	0
Provisions	4,478,877
Other non-current liabilities	221,255
<b>Total Non-Current Liabilities</b>	<b>10,267,781</b>
<b>TOTAL LIABILITIES</b>	<b>47,068,693</b>
<b>NET ASSETS</b>	<b>296,914,060</b>
<b>EQUITY</b>	
Contributed Equity	361,887,479
Reserves	383,240
Changes in Accounting Policy	0
Accumulated surplus/(deficiency)	(65,356,660)
<b>TOTAL EQUITY</b>	<b>296,914,060</b>

**South Metropolitan TAFE  
2022 S40 SUBMISSION  
STATEMENT OF CHANGES IN EQUITY**

	<b>2022 Budget Target \$</b>
<b>Balance of equity at start of period</b>	<b>299,782,863</b>
<b>CONTRIBUTED EQUITY</b>	
Balance at start of period	355,994,228
Capital contribution	0
Other contributions by owners	5,893,250
Distributions to owners	0
Distributions to owners	
Balance at end of period	<b>361,887,478</b>
<b>RESERVES</b>	
<b>Asset Revaluation Reserve</b>	
Balance at start of period	417,704
Changes in accounting policy or correction of prior period errors	0
Restated balance at start of period	<b>417,704</b>
Other comprehensive income	0
Gains/(losses) from asset revaluation	0
Balance at end of period	<b>417,704</b>
<b>ACCUMULATED SURPLUS (RETAINED EARNINGS)</b>	
Balance at start of period	(56,629,069)
Changes in accounting policy or correction of prior period errors	0
Restated balance at start of period	<b>(56,629,069)</b>
Surplus/(deficit) or profit/(loss) for the period	(8,762,054)
Gains/(losses) recognised directly in equity	
Balance at end of period	<b>(65,391,123)</b>
<b>Balance of equity at end of period</b>	<b>296,914,060</b>
<b>Total income and expense for the period</b>	<b>(8,762,054)</b>



**South Metropolitan TAFE  
2022 S40 SUBMISSION  
STATEMENT OF CASH FLOWS**

<b>South Metropolitan TAFE 2022 S40 SUBMISSION STATEMENT OF CASHFLOWS</b>	<b>2022 Budget Target \$</b>
<b>CASH FLOWS FROM STATE GOVERNMENT</b>	
State funds	128,005,372
Capital contributions	0
Special purpose grant/cash transferred from DTWD	0
Royalties for Regions	0
<b>Net cash provided by State Government</b>	<b>128,005,372</b>
<b>Utilised as follows:</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
<b>Operating Payments</b>	
Employee benefits	(125,095,392)
Supplies and services	(32,669,319)
Finance costs	(477,370)
Grants and subsidies	(300,993)
GST payments on purchases	0
GST payments to taxation authority	(3,341)
Cost of goods sold	(51,806)
Other payments	(11,301,987)
<b>Operating Receipts</b>	
Fee for service	11,351,514
Student fees and charges	25,719,168
Ancillary trading	1,189,006
Commonwealth grants and contributions	4,487,659
Interest received	205,982
GST receipts on sales	0
GST receipts from taxation authority	0
Sale of Goods	435,679
Other receipts	1,416,130
<b>Net cash provided by/(used in) operating activities</b>	<b>(125,095,070)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
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
<b>Net cash provided by/(used in) investing activities</b>	<b>(2,630,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from borrowings	0
Repayment of borrowings	0
Other proceeds	0
Other repayments	0
Finance lease repayment of principal	0
<b>Net cash provided by/(used in) financing activities</b>	<b>0</b>
<b>Net increase/(decrease) in cash held and cash equivalents</b>	<b>280,302</b>
Cash and cash equivalents at the beginning of the period	36,313,682
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>36,593,984</b>

