



South Metropolitan



# SOUTH METROPOLITAN TAFE 2022 ANNUAL REPORT

Skilling Western Australians  
for a smart future



## Our 2022 student award winners



### **Brittany-Leigh Wragg, Australian and WA Trainee of the Year 2022**

Brittany was one of the first students to study the 52864WA Certificate III in Defence Industry Pathways Program and cited the unwavering support from the team at South Metropolitan TAFE and Programmed Training Services that helped her feel confident about her chosen career pathway. Brittany-Leigh sampled different job roles while undertaking work placement rotations, gained real-life experience, and developed a network of industry contacts. Since graduating, Brittany-Leigh has secured a fitting and machining apprenticeship in the defence industry.



### **Feng Yang, WA Cultural Diversity Training Award 2022**

After moving to Australia from China and studying English at South Metropolitan TAFE, Feng followed his passion and enrolled in SIT30816 Certificate III in Commercial Cookery. Feng wanted to learn more about nutrition and make his daughter proud. Aside from mastering different cuisines, Feng's communication skills improved and he was able to work towards his goal of becoming a chef whilst also volunteering in the local community.



### **Yu-Chien Cho (Eva), WA International Student of the Year 2022**

It was the interactive learning environment in the training restaurant at South Metropolitan TAFE that captured Eva's attention and cemented her decision to study the SIT50422 Diploma of Hospitality Management. Eva's career pathway started in Taiwan, but since moving to Perth, Eva says her oral and written communication skills have improved immensely and she has gained an appreciation of working with students from other cultures. Eva progressed to the SIT60316 Advanced Diploma Hospitality Management which she successfully completed in 2022.



### **Megan Hazelden, WA Apprentice of the Year 2022 and Australian Apprentice of the Year 2022, Finalist**

Growing up on a farm watching her parents work on machinery, Megan knew she wanted to become a mechanic which led her to complete the MEM30205 Certificate III in Engineering – Mechanical Trade (Mechanical Fitter ZA) in 2022. Throughout her apprenticeship, Megan represented women in the industry, presenting at schools and student career nights about career opportunities. Winning South Metropolitan TAFE's Apprentice of the Year 2021 gave her the confidence to encourage women to apply for an apprenticeship in mechanical fitting, and ultimately resulted in her National and State accolades.

# CONTENTS

STATEMENT OF COMPLIANCE	4
ACKNOWLEDGEMENT	5
<b>OVERVIEW OF THE AGENCY</b>	<b>6</b>
MESSAGE FROM THE CHAIR AND MANAGING DIRECTOR	7
EXECUTIVE SUMMARY	9
ABOUT SOUTH METROPOLITAN TAFE	10
GOVERNING COUNCIL	12
PARTNERS IN EDUCATION AND SKILLS	17
PERFORMANCE MANAGEMENT FRAMEWORK	18
<b>AGENCY PERFORMANCE</b>	<b>19</b>
2022 KEY COLLEGE STATISTICS	19
COLLABORATION AND PARTNERSHIPS	20
INNOVATIVE LEARNING AND FUTURE SKILLS	21
COMMITMENT TO COMMUNITY	22
PEOPLE AND CULTURE	23
JOBS AND SKILLS CENTRES	24
STRATEGIC PROJECTS	25
RECONCILIATION ACTION PLAN ACHIEVEMENTS	26
FEEDBACK	27
<b>COMPLIANCE</b>	<b>29</b>
CERTIFICATION OF FINANCIAL STATEMENTS	29
INDEPENDANT AUDITOR'S REPORT	30
FINANCIAL STATEMENTS	35
CERTIFICATION OF KEY PERFORMANCE INDICATORS	62
KEY PERFORMANCE INDICATORS	63
DISCLOSURES AND LEGAL COMPLIANCE	68
• Ministerial Directives	68
• Other Financial Disclosures	68
• Compliance with Public Sector Standards and Ethical Codes	69
• Governance Disclosures	71
• Other Legal Requirements	73
• Workplace Health, Safety and Injury Management	76
SECTION 40 ESTIMATES FOR 2023	79

# STATEMENT OF COMPLIANCE

**To the Hon. Simone McGurk MLA, Minister for Training; Water; Youth.**

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 2022.

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**  
Governing Council Chair

15 March 2023



**Terry Durant**  
Managing Director

15 March 2023

## South Metropolitan TAFE

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This publication is available in alternative formats upon request.



## **Acknowledgement**

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

**We acknowledge the wisdom of Aboriginal Elders past, present and emerging and extend this respect to Aboriginal communities of today. We recognise the rich and diverse culture of Aboriginal and Torres Strait Islander peoples and the valuable contribution this diversity brings to our college and country.**

**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.**

### **Artist Acknowledgement**

Mel Spillman (Woods) is a Noongar Aboriginal Artist living on Whadjuk Country, WA.

Mel was born in Nambour, Gubbi Gubbi Country in Queensland, moving to WA at the age of 10. Mel's Aboriginal family heritage is from Gnowangerup, Goreng Country in Southwest WA.

Raised away from her Aboriginal heritage and not connected to her culture, Mel uses painting as a tool to tell stories and build a connection to her country and culture.



LAUNCHED ONLY LAST YEAR, OUR **DEFENCE INDUSTRY PATHWAY PROGRAM (DIPP)** WAS ALSO HIGHLIGHTED ON THE NATIONAL STAGE WITH ONE OF OUR GRADUATES, BRITTANY-LEIGH WRAGG WINNING AUSTRALIAN TRAINEE OF THE YEAR, AND DIPP TRAINEE JACK MORRIS WINNING THE AUSTRALIAN DEFENCE INDUSTRY NETWORK WA YOUNG ACHIEVER OF THE YEAR AWARD.

# MESSAGE FROM THE CHAIR AND MANAGING DIRECTOR

*Kaya and Wandju*

## *Welcome to South Metropolitan TAFE's 2022 Annual Report*

**Success and recognition were key themes for South Metropolitan TAFE (SM TAFE) during 2022. Our strong capabilities in defence industry training were acknowledged at the Australian Defence Industry Awards in September, with SM TAFE receiving the accolade of Academic Institution of the Year. We continued to support the State Government in building a strong local defence industry workforce by providing increased training opportunities and skilled graduates to take up defence industry job opportunities. Launched only last year, our Defence Industry Pathway Program (DIPP) was also highlighted on the national stage with one of our graduates, Brittany-Leigh Wragg winning Australian Trainee of the Year, and DIPP trainee Jack Morris winning the Australian Defence Industry Network WA Young Achiever of the Year award.**

In September, SM TAFE won the Western Australia Large Training Provider of the year, sharing success with a number of our graduates in the State's Training Awards. SM TAFE students won four of the seven individual student categories – an outstanding achievement. We would like to congratulate all our student winners and graduates across our many industries on their efforts during the year. In October, SM TAFE was awarded second prize at the Bizlink Awards, Employer of the Decade category. A fantastic achievement which demonstrates our place in the community as an inclusive employer that represents the people we serve across the south metropolitan region.

As we continued to support the State's recovery from the impacts of COVID-19, we were also faced with historically low unemployment during 2022. Our academic teams continued to respond to industry and student demand in providing flexible training options with SM TAFE delivering a total of 7,522,754 student curriculum hours of government funded training and trained 26,511 students.

As a provider of education and training, SM TAFE is uniquely positioned to share the message and advance reconciliation within our sphere of influence. In 2022 we continued on our journey of reconciliation with our RAP Working Group leading a number of key projects and initiatives across the college. We were proud to install large scale murals and artwork created by local Aboriginal artists, reflecting the new Noongar names of

our meeting rooms. Our Cultural Safe Spaces initiative and the 'Connecting to Country' and 'Noongar Language' workshops, delivered as part of our Reconciliation Australia Plan program of activity, were eagerly taken up by staff.

Our Jobs and Skills Centre (JSC) services were expanded with the addition of enhanced Aboriginal services at Fremantle JSC, increasing support to Aboriginal jobseekers. SM TAFE and Moorditj Koort Aboriginal Corporation commenced a collaborative partnership focussing on establishing training solutions supporting Moorditj Koort's immediate and future business and workforce needs.

SM TAFE is the state's trusted industry partner for trades training and workforce development. Many apprenticeship pathways experienced a sustained period of high demand, SM TAFE achieved a milestone of 10,000 active apprentices and trainees early in the year and held 41% of WA's market share of apprentices by October. The high rate of satisfaction from employers engaging with SM TAFE is evidence of the high quality, responsive and flexible model of training delivery for industry. 91.6% per cent of employers surveyed indicated overall satisfaction with SM TAFE's training in 2022.

Strategic partnerships with industry continue to be a key focus to build capability and support future workforce skilling requirements. Of significant potential was the development of a workforce strategy and long-term training program with Tianqi Lithium Energy Australia for apprenticeship and traineeship intakes in 2023. Consultation continued with Hofmann Engineering to provide solutions to their workforce strategy and training needs, resulting in a growth in their apprenticeships.

This year has seen a significant State Government capital investment in SM TAFE with the installation of new training equipment and a number of infrastructure projects underway. Construction began on SM TAFE's new Armadale Campus and the extension of our Mandarah campus to include new hospitality, hair and beauty facilities was nearing completion at the end of the 2022, boosting learning opportunities and increasing our student capacity in the region. Four state-of-the-art computer numerical control (CNC) machines were installed at Rockingham campus to further enhance our defence industry training capability. At our Fremantle campus, the maritime simulator suite has been fully upgraded ensuring students are using world class technology to gain the skills needed for border patrol, naval defence and oil and gas industries.

Staff commitment to our students and quality training delivery was clear as we successfully managed the challenges and new opportunities that COVID-19 brought earlier in the year. We acknowledge the contribution that all our staff made in maintaining business continuity through a changing landscape and in ensuring successful outcomes for our students.

SM TAFE continues to be advocates for the important role that TAFE plays in providing education and training opportunities for the disadvantaged members of the community. SM TAFE is committed to providing a learning environment that enables all members of the community to reach their full potential. The recently announced Fee Free TAFE initiative by the Commonwealth Government, commencing in 2023, is an exciting opportunity to stimulate skills growth in areas of key industry and community demand. The funding supports the Free in '23 WA Government initiative designed to reskill and upskill people for work in priority sectors.

We would like to thank our students, industry partners, and fellow governing council members for their support, commitment, and professionalism over the course of this year - all have contributed to the positive results that have been achieved.

Finally, we extend our appreciation to the Minister for Education and Training, the Hon Sue Ellery MLC, for her dedication to the training sector and her support for TAFE and welcome Hon Simone McGurk MLA Minister for Training; Water; Youth.

As we prepare for a new year, we look forward to supporting the State Government in growing and diversifying the economy, creating jobs and supporting skills development through provision of our services, and seeing the contribution of our 2022 graduates to our state's health, community and economic outcomes.



**Elizabeth Carr AM**  
Governing Council Chair

**Terry Durant**  
Managing Director



# EXECUTIVE SUMMARY

SM TAFE delivered over **7.5 million** government funded curriculum hours



Provided training to over **26,500** students



Provided Jobs and Skills services to **10,984** clients



Delivered **240** employer seminars and employability workshops and provided workforce development assistance to **744** employers



Delivered skills to over **5,215** students enrolled in *Lower fees, local skills* qualifications



Delivered VET to **2,516** of secondary school students (VETdSS)



Engaged with over **5,000** local businesses, organisations and not-for-profits



**91.6%** 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 the current and emerging workforce needs.
- Strengthening our communities through lifelong learning opportunities for all Western Australians.

## Operational structure

### Responsible Minister

In 2022, SM TAFE was responsible to the Minister for Education and Training, the Honourable Sue Ellery MLC. On 14 December 2022, the Honourable Simone McGurk MLA took on responsibilities for the portfolio as Minister for Training; Water; Youth.

### 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 Training, Water and Youth.

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

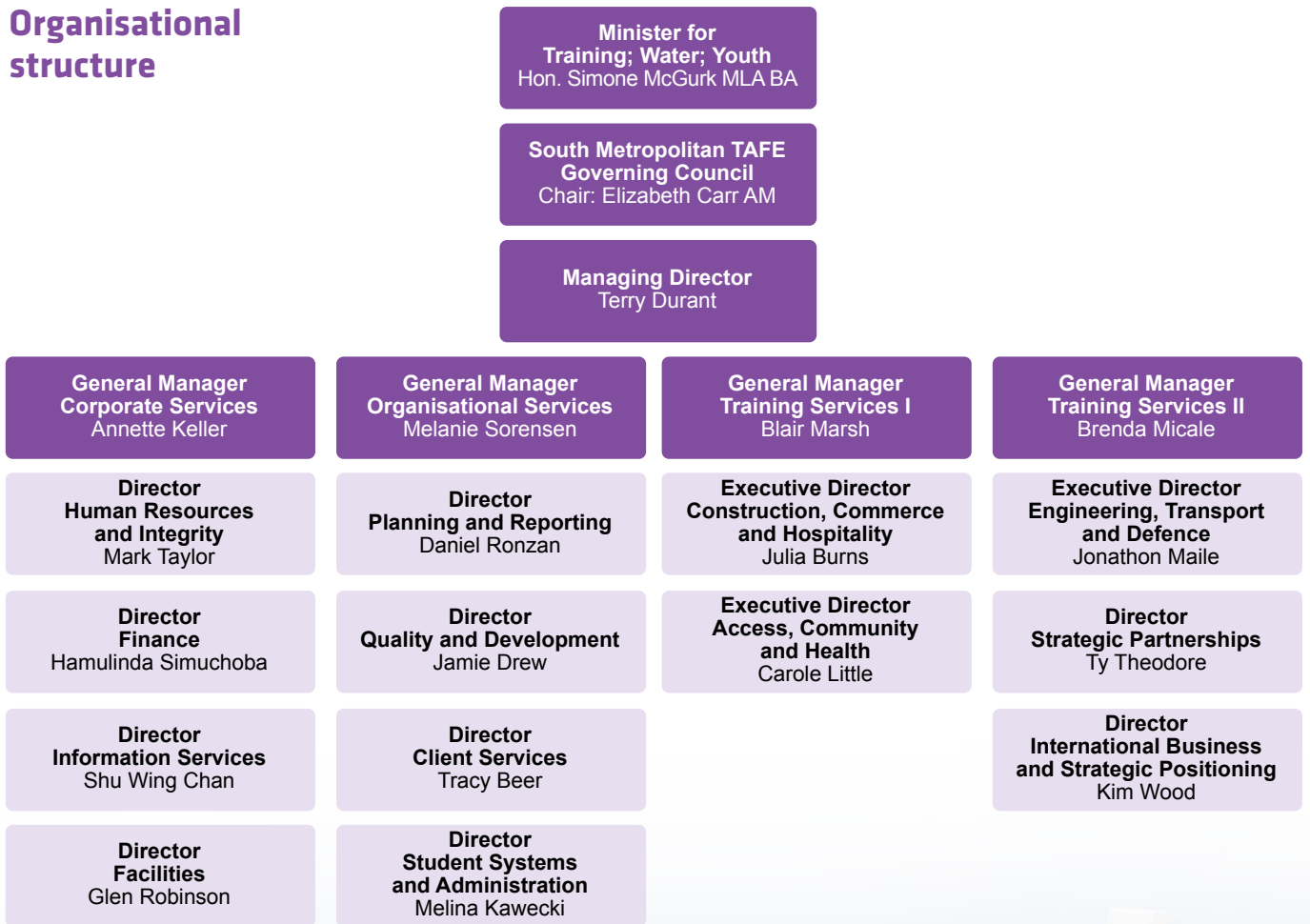
## Agency Structure

In 2022, SM TAFE had 1,173 FTE 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 three Executive Directors spanning Training Services, Corporate Services and Organisational Services.

SM TAFE's services in 2022 were delivered through five key business areas:

1. **TRAINING SERVICES:** Responsible for delivery of training across three key training directorates, including AMEP, Access, Community and 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, client services, student experience and academic systems, 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 (DTWD), including career and training advice, community engagement, employer engagement, and job readiness services.

## Organisational structure



## GOVERNING COUNCIL



**Elizabeth Carr AM**  
*Chair*

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), Waste Authority WA, Department of Communities Audit and Risk Committee (WA), and the Murrumbidgee Local Health District Audit and Risk Committee (NSW). She is the past 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.



**Deborah Hamblin**  
*Deputy Chair*

Deborah (Deb) 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 adds value to her community as a Board member of Rockingham Senior High School. Deb 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 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 Malaysia, and Washington DC and Florida in the United States.

Senior roles in the Navy include Ship Command, Command of HMAS Stirling and Director General of Information Warfare with responsibilities for cyber, satellite communications and secure networks. He has also held leadership roles in regional humanitarian assistance and disaster relief operations.



### Dr Elena Limnios

Elena is an experienced Board Director and Chair, proficient in governance and strategy and a national expert in cooperative and mutual business, commonly quoted by the Business Council of Co-operatives and Mutuals. She is also an owner and founder of Limnios Projects, a project management and development management company in Perth WA.

Elena is proficient in strategy, risk assessment and negotiations. Her strength includes stakeholder engagement across diverse audiences including government at Ministerial level, corporate sector, agricultural sector, education sector, sponsors, media, and as a speaker at industry and academic conferences. Elena's experience as board director and business

consultant spans diverse industries including Education, Infrastructure, and Engineering. She is currently the Chair of Perth NRM and the President of the Hellenic Chamber of Commerce and Industry in WA. Elena has served as a Chair and Board director for other purpose driven organisations, on the UWA Academic Board (2013-2017) and on a National research and education steering committee.

As UWA Business School Assistant Professor for over a decade she led industry funded projects with over 40 institutional and industry partners on governance, strategy, finance and member engagement for member-owned business. She has published and consulted extensively in these areas, including consulting at Board, CFO and CEO levels. She has developed executive and Board leadership courses for member-owned businesses, through the Australian Institute of Management. Her research is quoted at the AICD Signature Directors course.

Elena holds a Masters in Engineering and an MBA, both with High Distinction, a PhD in organisational resilience and sustainability metrics from UWA and a post doctorate in co-operative resilience also from UWA.



### Erica Haddon FCPA FAICD

Erica 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 SM TAFE's Finance, Audit and Risk Management Committee, Erica holds non-executive Chair roles at Uniting WA, MNG Survey and AusVet, is the 2023 President 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 25 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 for industry, academia and government.

Julian is the past 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 Business School in partnership with 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), an affiliate member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a member of the Institute of Electrical and Electronic Engineers (IEEE).

In addition to serving on the Governing Council of South Metropolitan TAFE, Julian serves as past Chairman of the Autism Academy of Software Quality Assurance (AASQA) and previously Chaired the WA 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, is also a member of the marketing advisory committee for the Western Australian Football Commission and a non-executive committee member for the Curtin University Business School Alumni Association.

Kelly holds a Master's in Information Management and eMarketing from the University of Western Australia and a Bachelor's in Management and Marketing from Curtin University. She is a Certified Practising 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.



### A/Professor Paola Chivers

Paola Chivers is a Health Researcher and Biostatistician, working as the Deputy Director for the Institute for Health Research at The University of Notre Dame Australia and privately for DATaR Consulting. She holds an Adjunct position with 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 has provided Research and Strategy expertise to the Australian Red Cross, and guided government policy development while on assignment with Australian Volunteers International. Paola continues to be an active partner in the CSIRO STEM Professionals in Schools program.

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 Peel Development Commission, and 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 Training; Water; Youth 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*
- *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*
- *Work Health and Safety Act 2020*



## 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. The AEETC held three meetings in 2022. Mr Andrew Yarran retired as Chair and Mr Ashley Garlett was appointed the new Chair of the AEETC. SM TAFE would like to thank Mr Yarran for his service.

### Industry Advisory Committees

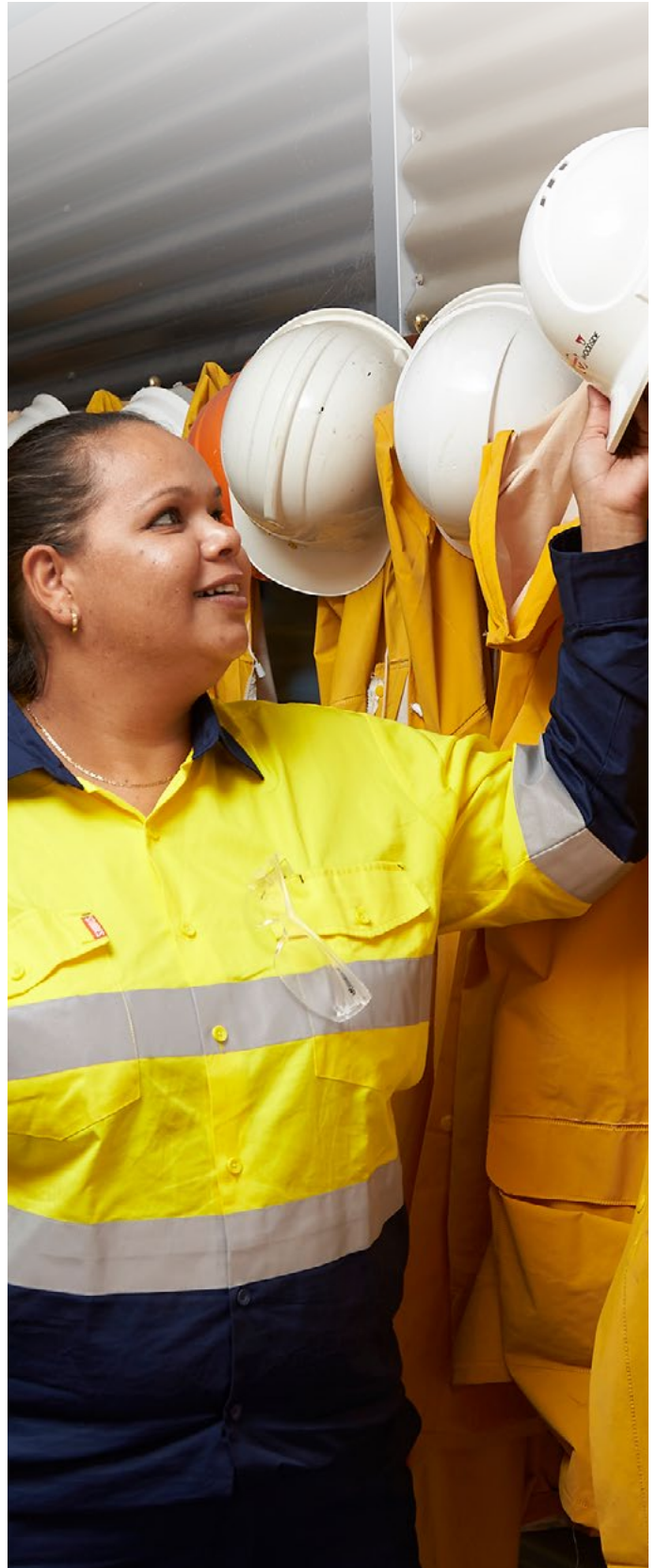
SM TAFE has Industry Advisory Committees representing SM TAFE's diverse range of qualifications and specialities, across industry areas such as community services, construction, health and beauty, and children's services. SM TAFE's advisory committees comprise members from across local industry and businesses 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 2022, 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, Shell, Emerson, Honeywell and APPEA.

In 2022, Kory Judd was the Chair of the ACEPT Industry Advisory Board, and three meetings were held.



# 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 local 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 2022.

## Shared responsibilities with other agencies

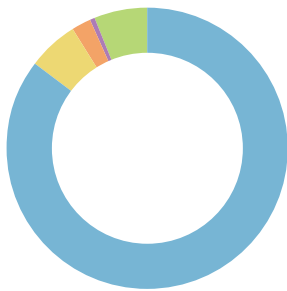
SM TAFE receives funding from the State Government through an annual resource agreement, the Delivery and Performance Agreement, with the DTWD. The college reports to DTWD for outcomes under that agreement.

# 2022 KEY COLLEGE STATISTICS

**Total number of unique students = 26,511**

**Total student curriculum hours (all sources) = 8,827,844**

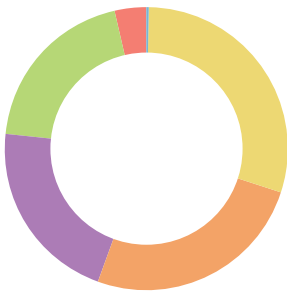
**Total government funded student curriculum hours = 7,522,754**



### Student curriculum hours breakdown

- Profile – 85.2%
- International fee for service – 5.8%
- Commercial Funded Delivery – 2.4%
- State funded delivery – 0.5%
- Commonwealth – 5.9%

**Gender:**  
**Male - 62.6%**  
**Female - 37.0%**  
**Other - <1%**

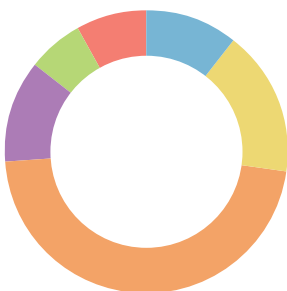


### Student age group breakdown

- Below 15 – 0.5%
- 15 to 19 – 29.6%
- 20 to 24 – 25.6%
- 25 to 34 – 21.0%
- 35 to 54 – 19.6%
- Over 55 – 3.5%



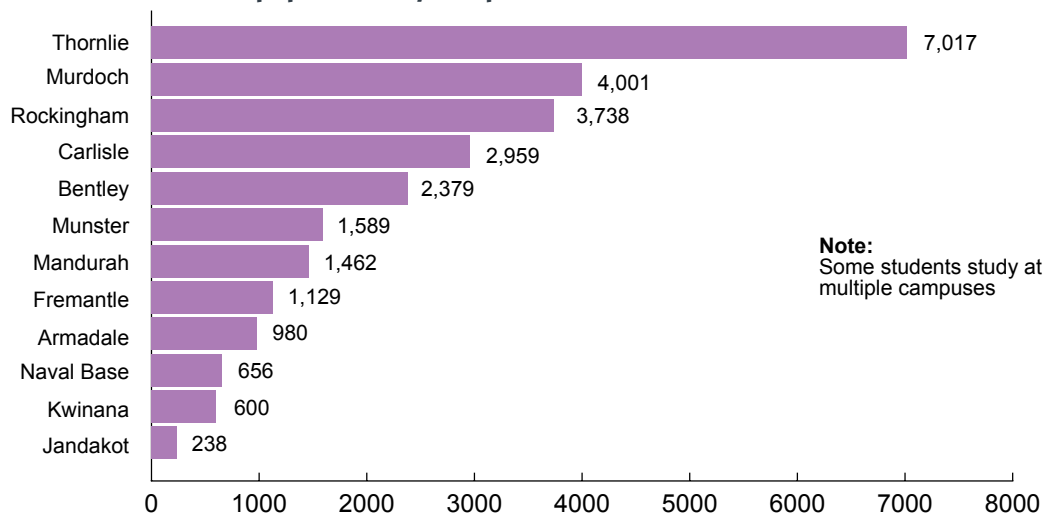
**Offshore and international students - 806**



### Student population by qualification level

- Certificate I and below – 10.8%
- Certificate II – 16.5%
- Certificate III – 46.5%
- Certificate IV – 11.8%
- Skill Sets – 6.2%
- Diploma and above – 8.0%

### Student population by 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.

### Moorditj Koort Aboriginal Corporation

SM TAFE and Moorditj Koort Aboriginal Corporation commenced a collaborative partnership in 2022, signing a Memorandum of Understanding (MoU) to work together on a shared health and wellness vision for Aboriginal and Torres Strait Islander people in the community focussing on establishing training solutions which support Moorditj Koort's immediate and future business and workforce needs. This is the first MoU for SM TAFE with an Aboriginal Corporation. This partnership supports the three key themes from SM TAFE's Reconciliation Action Plan (RAP) of Strengthening Relationships, Elevated Respect and Increasing Opportunities for Aboriginal and Torres Strait Islander peoples.

### Defence Industry Pathways Program extension

Discussions are underway with the Commonwealth Department of Defence to extend the current Defence Industry Pathways Program in mid-2023 beyond the current pilot, with the potential for another 40-50 trainees funded by Defence per year over the next few years. Working collaboratively, it is anticipated that an agreement may be finalised in the first quarter of 2023 with recruitment to commence soon afterwards.

### Sister State Consortium - Zhejiang Province

Internationally, SM TAFE successfully launched the Sister State Western Australian – Zhejiang Higher Vocational Education Consortium in November 2022.

SM TAFE has also signed MoUs with Ningbo Polytechnic China for in-country delivery of Process Plant Technology; and Zhejiang Institute of Economics and Trade for delivery of Hospitality training in 2024.

In addition, the Chinese Sister State virtual Professional Development Program with Zhejiang Province launched with 445 Chinese participants attending online for the first two sessions in November.

### Charles Telfair Graduation Ceremony Mauritius

SM TAFE has been in partnership with Charles Telfair Campus Mauritius for the past 17 years and an astonishing 5,631 TAFE students have graduated over this period. At the awards ceremony in Mauritius, SM TAFE conferred awards were presented to 306 graduates. Two hundred and seventy five students graduated with a Diploma of Business and 31 students with a Diploma of International Children's Services.

### City of Fremantle Fashion Partnership

SM TAFE have partnered with the City of Fremantle to develop a yearly Fremantle Fashion Festival to showcase Fremantle designers, manufacturers and retailers, and SM TAFE's fashion graduates. The launch this year saw the SM TAFE Graduate Fashion Show held at the Fremantle Town Hall and a week-long exhibition in retail outlets of graduates' work from the Fashion Business course. The festival is planned to expand over the coming years and will include a range of events that will highlight SM TAFE Fashion, Fashion Business, Hairdressing and Beauty graduates and strengthen our relationships with the WA Fashion industry.

### BHP Maintenance Diversity Program

SM TAFE successfully delivered the BHP Maintenance Diversity Program to train 16 Aboriginal students to become BHP Maintenance Associates. Fourteen students from the program were immediately offered employment and SM TAFE has been contracted to deliver a second program in 2023.

## INNOVATIVE LEARNING AND FUTURE SKILLS

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



### New Armadale campus

Premier Mark McGowan, Minister Sue Ellery MLC and Minister Tony Buti MLA officially launched the construction of our new campus in Armadale in November 2022. The \$39 million facility will deliver industry-relevant training across a range of areas including IT, childcare, community services, business, education support and general education. The new campus will replace our three current sites and consolidate training into the new facility. The campus will almost double our current student capacity and deliver a vibrant community hub close to shops, cafés, and the Armadale train station.



### Mandurah Hospitality, Hairdressing and Beauty facility

The new training restaurant at Mandurah named 'Saltbush' will provide the Peel region with a state-of-the-art contemporary training venue that will focus on supporting the development of the hospitality and tourism industry in the area. A new Mandurah Industry Advisory

Group has been established with representatives of the Hospitality, Tourism and Events industries and connections have been made with local producers and Murdoch University's Future Food Systems Cooperative Research Centre in Peel. The new facility also includes hairdressing and beauty facilities to improve amenities for these students while staying consistent with the live works theme.

### Launch of the Computer Numerical Control (CNC) machines

Premier Mark McGowan, Minister Sue Ellery MLC and Minister Paul Papalia CSC MLA attended Rockingham Campus in November 2022 for the launch of SM TAFE's new CNC machines.

The CNC machines are industry relevant and defence industry applicable technology for trade and post-trade delivery. The CNC machines provided increased training capability allowing a greater number of students to upskill using state of the art training facilities.

### Commissioning of the new Maritime Simulator

The upgrade to our maritime simulator at our Fremantle campus provides a much-needed boost to the college's Maritime training capability. The \$2.7 million upgrade provides increased functionality with dynamic positioning, Global Maritime Distress and Safety System (GMDSS) simulator technology, full integration between bridge and engineering simulators and will strengthen maritime training outcomes significantly.

### TAFE Cyber Consortium

During 2022, South Metropolitan TAFE continued leadership of the TAFEcyber consortium. This successful model, chaired by SM TAFE, was recognised at the 2022 TAFE Directors Australia Convention as a great example of national collaboration and of TAFEs responding to emerging industries. TAFEcyber is now involved in the development of a new national training product in partnership with the Australian Cyber Security Centre and KPMG.

## 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.

### Expansion of Defence Capability

As part of the WA State Government's \$11 million investment to boost defence industry capabilities and trades workforce, a dedicated Veterans' Transition Consultant was added to the Defence Industry Team at Rockingham Jobs and Skills Centre in July 2022. This role assists veterans with careers, training and employment pathways leading to careers in the WA defence industry and manages the Defence Industry Veterans Employment Scheme (DIVES) Scholarship Program, supporting veterans to take up a career in the defence industry.

### Large Training Provider of the Year and individual awards

SM TAFE was named WA Large Provider of the Year at the 2022 WA Training Awards. Four of our students also won in individual award categories, which is an incredible achievement. Congratulations to commercial cookery student Feng Yang who won the Cultural Diversity Training Award, hospitality student Yu-Chien Cho (Eva) who won International Student of the Year, Defence Industry Pathways Program trainee Brittany-Leigh Wragg who was named the Trainee of the Year and Apprentice of the Year winner, mechanical fitting apprentice Megan Hazelden. These awards are testament to the quality of our training, dedication of our staff, and student endeavours.

### Bizlink

SM TAFE has an Inclusive Employment Program which provides meaningful, ongoing employment for people with disabilities. The College is in partnership with Bizlink (a disability employment service provider) who provide job ready candidates to SM TAFE for placement in roles across our various campuses. Since the program's inception, 14 employees have commenced and each of those 14 are still employed in meaningful roles across the college. SM TAFE was awarded second prize in Employer of the Decade category, which is a fantastic achievement. This award demonstrates our place in the community as an inclusive employer that represents the people we serve across the south metropolitan region.

### Defence Industry Pathways Program individual awards

The Defence Industry Pathways Program (DIPP) trainee Jack Morris won the Australian Defence Industry Network (AIDN) WA Young Achiever of the Year award and fellow trainee, now DIPP graduate, Zoe Gillard was also a finalist in the same category. Both Zoe and Jack have secured employment working in drafting for BAE Systems Australia.

### Australian Defence Industry Awards - Academic Institution of the Year

SM TAFE won the Academic Institution of the Year award at the Australian Defence Industry Awards in September. This national award recognises our defence industry training capabilities and reinforces our commitment to developing a pipeline of skilled talent for the industry. The Defence Industry Pathways Program was a key focus of our award submission, due to its innovative training approach and successful collaboration with the defence industry.

### Australian Training Awards - Trainee of the Year

Brittany-Leigh Wragg won the national Trainee of the Year award in Adelaide in November 2022, after being named Trainee of the Year at the 2022 WA Training awards in October. Brittany is one of the first students to study the Certificate III in Defence Industry Pathways, a program jointly developed by South Metropolitan TAFE and Defence in 2020, and currently supported by Programmed Training Services. Brittany secured an apprenticeship with Hoffman Engineering shortly after completing the program.



## PEOPLE AND CULTURE

### Introduction of webchat and automated customer satisfaction surveys

Enabling webchat via the college website, provided a new and increased level of service to our potential clients enabling our call centre team to answer customer enquiries in real time and helping prospective students with course information during our busy application period.

Automatic, post-contact, customer satisfaction surveys were implemented in the call centre, achieving an average customer satisfaction rating of 4.9 out of 5. These ratings are based on the call centre servicing 80,000 incoming calls, 49,000 emails and social media enquiries and 4,000 webchats year to date.

### Training package transition

Over the past year, approximately 40% of SM TAFE's scope of training delivery has been in transition as Training Packages are reviewed and updated to meet current industry needs.

During the year and as part of our requirements as a Registered Training Organisation, SM TAFE underwent a number of audits by the Training Accreditation Council. The recent strategic monitoring audit of the TAE40116 Certificate IV in Training and Assessment resulted in a fully compliant outcome.

### Implementation of Year 9 taster program

As part of the McGowan Government's WA Jobs Plan, SM TAFE received funding in 2022 to deliver a suite of Career Taster Programs to Year 9 school students. The key objectives focus on earlier access to career information, exposing students to local and future job opportunities, engagement of at-risk students, and experiential and engaging exposure to work and training with an overall view to generate career curiosity. One-day taster experiences were created and 128 programs were scheduled throughout the year with 47 schools. In addition, due to the significant demand from the school sector, a Year 9 Career Open Day was run in November 2022 at Thornlie Campus. Throughout the year SM TAFE provided experiences for more than 2,600 students. The DTWD have provided additional funding to continue the program to 2025.

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

### Instructional Intelligence

During 2022, there has been a significant focus on instructional intelligence and classroom management professional development for our lecturing staff, complementing a wide variety of capability building learning and development options that focus on quality assurance, e-learning and systems. Approximately 1,100 staff have participated in almost 9,000 hours of professional development over the course of the year.

### Wellness and Mental Health

The completion of a memorandum of understanding (MoU) with Mentally Healthy WA enables SM TAFE to access electronic resources from the Act, Belong, Commit campaign and make these available to students on the college website. This initiative forms part of our Wellness strategy and is aimed at providing students with self-help resources to maintain resilience and coping skills if they are experiencing life challenges.

### Implementation of the College Lecturer Industry Placement Program

The Industry Placement Program provides opportunity for lecturers to maintain industry currency through undertaking industry placements, or upskilling in the latest technologies or workplace practices.

### Governance and Risk Management System

The new SM TAFE Governance and Risk Management system was configured and tested ready to 'go live' in December 2022.

## JOBS AND SKILLS CENTRES

SM TAFE has five Jobs and Skills Centres (JSCs) located at Armadale, Fremantle, Mandurah, Rockingham and Thornlie campuses. The JSCs support individuals in the local community with career, training and employment advice and assistance. They also provide employers, business owners and industry with recruitment assistance, workforce training solutions and resources and advice on Aboriginal employment and retention strategies. Each year the JSCs attend careers and employment expos across Perth and focus on community outreach to broaden access to JSC services.

### Fremantle JSC

The Fremantle JSC was established this year to provide Enhanced Aboriginal Engagement, Training and Employment Programs. Supporting Aboriginal people into training, sustainable employment and/or further study, the centre is committed to increasing support for Aboriginal jobseekers.

### Engaging with secondary schools

The JSCs supported secondary students to make future plans, choose study and career pathways, including vocational education and training and university pathways. This support was provided through one-to-one career advice sessions, workshops in schools and campus tours.

The JSCs attended over 69 schools providing 158 presentations and workshops, on SM TAFE course and training pathways, application processes and JSC services. One on One Career Advice Programs were provided to 15 schools across JSC East and South on a weekly basis including mock interviews and individual career appointments.

### Supporting our youth

The JSCs supported youth-oriented events, programs and initiatives in the community by providing workshops focussed on resumes and cover letters, and employability and interview skills. Events included a range of activities, working with local councils, industries and targeting different age groups from year 9 Career Taster Days to Peel Health Hub Outreach and the Zone Kwinana Youth Expo.

### Supporting new futures

The JSCs support community members who face barriers to careers, training and employment. Clients were engaged at community open days and expos, from Boronia, Karnet, Casuarina Prisons and Banksia Hill Detention Centre and at Mandurah Forum and through various employment service provider expos and workshops.

### Support for employers and business

The JSCs have supported a range of employers with recruiting apprentices, trainees and new employees, such as BGC traineeships, Hoffman Engineering, BHP Maintenance Technician Program RAC Traineeships and Mooditj Koort.

### Supporting the Defence Industry

Our dedicated defence industry team based at the Rockingham JSC provided specialist services to promote all defence industry occupations and opportunities, engaged with employers and universities, provided transition assistance to veterans to access scholarships and employment in the defence industry. The defence industry team supported individuals with advice on the best options for training, job seeking and career planning and attended five defence industry events during the year.





# STRATEGIC PROJECTS

## *Skilling Western Australians for a Smart Future*

### Maurice Meade

With an excellent reputation built over nearly 50 years, Maurice Meade recently sought a new training partner with a like-minded focus on quality and service supported by highly dedicated staff. From 2023, the Maurice Meade Academy training salon will partner with SM TAFE as their training provider of choice with SM TAFE providing oversight of the delivery of SHB20216 Certificate II in Salon Assistant and SHB30416 Certificate III in Hairdressing in a third-party arrangement.

### Tianqi Lithium Energy Australia

SM TAFE's partnership with Tianqi Lithium Energy Australia (Tianqi) presents an opportunity with significant potential. In May 2022, Tianqi achieved a significant milestone by producing battery-grade lithium hydroxide. This achievement triggered a workforce development response, and a plan was prepared in consultation with SM TAFE to address pipeline growth annually.

SM TAFE's Strategic Partnerships area have actively engaged with Tianqi to develop a long-term training program with the development of a workforce strategy that outlined a plan for the intake of apprentices and traineeships over a 3-5 year timeframe. Discussions and planning for additional training programs for their existing workforce are ongoing.

### KBR

SM TAFE has a longstanding relationship with KBR to deliver a wide range of specialised trade and post-trade training programs for the Royal Australian Navy (RAN). This collaboration provides training for RAN personnel across specialist courses encompassing hull, propulsion and diesel maintenance, electrical systems and control monitoring and instrumentation utilising SM TAFE purpose-built campus facilities. In 2022 SM TAFE has continued to provide trades training to defence personnel resulting in qualification training for over 150 RAN personnel.

### BHP

BHP have actively engaged SM TAFE for the last few years on innovative training opportunities designed as scholarships which provide solutions to their workforce needs and assist to meet diversity targets. The scholarships create opportunities for women and Aboriginal participants to gain building maintenance skills and secure employment on completion in Maintenance Technician roles with BHP. These programs are delivered annually from our Rockingham campus. BHP and SM TAFE also partnered in 2022 on Fitter Machinist apprenticeship training at BHP's FutureFit Academy.

### Hofmann Engineering

SM TAFE's Strategic Partnerships area continue to consult with Hofmann Engineering and working with the Defence, Mechanical and Fabrication portfolio provide solutions to their training needs and contribute to solutions for their complete workforce strategy.



# RECONCILIATION ACTION PLAN ACHIEVEMENTS

SM TAFE's Reconciliation Action Plan (RAP) sets the foundations of our RAP Working Group's strategies and priorities

## Reconciliation Action Plan – Bentley mural

In 2022 SM TAFE continued with our Cultural Safe Spaces project that has seen the installation of our Bentley Customer Service Centre mural, complimenting the murals at our Rockingham and Murdoch campuses. As with our other murals, the Yonga (Kangaroo) mural at our Bentley campus is the work of local artist Justin Martin.

Our room renaming project also continued in 2022 with a further six rooms renamed (Djinda, Kaarla, Maali, Miyak, Moodjar and Weitj) with local artist Mel Spillman completing the artwork.

A series of Connecting to Country workshops facilitated by Marissa Verma from Bindi Bindi Dreaming ran throughout 2022 and provided staff with a rich experience in gaining a deeper understanding of how Aboriginal people relate to the land, seasons, animals and flora and how Noongar people in the Perth area moved across their land as the seasons changed. In 2022, staff readily engaged with a Noongar language workshop also facilitated by Marissa Verma; this workshop will become a regular part of our cultural learning sessions.

## Reconciliation Week

Reconciliation Week was celebrated with a breakfast at SM TAFE's Bentley Pines restaurant with members of SM TAFE Governing Council, Aboriginal Education and Training Committee attending, along with a number of the college's Aboriginal staff, the RAP Working Group and the Corporate Executive attending.

## NAIDOC 2022 Celebration Event – GET UP! STAND UP! SHOW UP!

This year, SM TAFE held our annual NAIDOC 2022 celebration at Kadadjiny Mia, Rockingham Campus. NAIDOC week is an important annual event in the college's calendar, and celebrates the history, culture and achievements of Aboriginal and Torres Strait Islander people. The NAIDOC theme for the year was Get Up! Stand Up! Show Up! encouraging all of us to champion institutional, structural, collaborative, and cooperative change while celebrating those who have already driven and led change in Aboriginal and Torres Strait Islander communities over generations.

As part of this year's event, Joe Collard, Djoona Managing Director, delivered the moving keynote address and the wonderful Midn Marr dance group provided an interactive dance performance, enjoyed by all. Noongar Radio and local Aboriginal businesses hosted market stalls, which created a festival atmosphere for everyone to enjoy.

We were also honoured to have artist Biara Martin from Myallie Banksia Designs unveil an interactive NAIDOC art installation, Elders from South Coastal Health and Community Services designed and painted plant pots with the Noongar seasons and the Deadly Sista Girlz produced decorative message sticks that complemented these pots.



# 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



**91.6%** of surveyed employers were satisfied overall with SM TAFE's training



**91.8%** 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 326 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 review cycle results 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)

3,008 complete LQ responses were received in 2022, representing an 17.6% response rate. SM TAFE scored 91.8% for the scale 'Overall Satisfaction' in the 2022 LQ survey, exceeding the college's KPI of 85%.



**94.7%**  
Trainers had an excellent knowledge of the subject content



**94.6%**  
I developed the skills expected from this training



**96.2%**  
I identified ways to build on my current knowledge and skills

## Employer Questionnaire (EQ)

556 survey responses were received during 2022 from a total of 3,820 unique employers contacted representing a response rate of 15.0%. SM TAFE scored 91.6% for the scale 'Overall Satisfaction' in the 2022 EQ survey, exceeding the college's KPI of 80%.



95%

**Trainers had good knowledge and experience of the industry**



95.1%

**Agreed that the assessment was at an appropriate standard**

## 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 323 comments during 2022 which represents a 22.91% decrease in the total number of customer comments compared with 2021.



### Customer Comments

- Appeal: **9 (2.8%)**
- Complaint: **191 (59.1%)**
- Compliment: **105 (32.5%)**
- Suggestion: **18 (5.6%)**

## Feedback Response

SM TAFE aims to respond to customer feedback within ten days. In 2022, 94% of 323 customer feedback submission were resolved on time. Only seven responses were not finalised with the ten day timeframe.



### Feedback Response

#### Timelines

- On time: **302 (93.5%)**
- Overdue: **14 (4.33%)**
- Overdue: **> 7 ≤ 30 days**

# 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 2022 and the financial position as at 31 December 2022.

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



**Elizabeth Carr AM**  
Governing Council Chair

15 March 2023



**Terry Durant**  
Managing Director

15 March 2023



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

15 March 2023



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022 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 2022, 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 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), 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 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 (applicable to Tier 2 Entities), 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 the State's financial reporting framework (the overall control objectives).

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 the State's financial reporting framework during the year ended 31 December 2022.

### **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 2022. 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 2022.



### 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 the Governing Council determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

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

### Auditor General's 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 report on financial statements, 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management 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 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, key performance indicators, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

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

This auditor's report relates to the financial statements and key performance indicators of the South Metropolitan TAFE for the year ended 31 December 2022 included in the annual report 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 the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
15 March 2023

# FINANCIAL STATEMENTS

South Metropolitan TAFE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022		2022	2021
	Notes	\$	\$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	2.1(a)	140,967,550	129,543,718
Supplies and services	2.3	34,137,469	31,247,311
Grants and subsidies	2.2	467,894	1,024,284
Finance Cost	6.3	531,902	505,289
Other expenses	2.3	14,241,543	12,025,636
Cost of sales	3.3	338,099	309,751
Loss on disposal of non-current assets	3.7	22,540	26,743
Loss on disposal of lease arrangements	3.7	108	6,696
Depreciation and amortisation expense	4.1.1, 4.3.1	10,803,701	9,592,835
<b>Total cost of services</b>		<b>201,510,805</b>	<b>184,282,263</b>
<b>Income</b>			
Fee for service	3.2	18,999,055	18,675,407
Student fees and charges	3.2	15,064,665	18,007,896
Ancillary trading	3.2	1,129,843	1,231,478
Sales	3.3	496,171	494,142
Commonwealth grants and contributions	3.4	3,004,851	884,810
Interest revenue	3.5	753,239	173,474
Other revenue	3.6	2,165,179	2,192,987
<b>Total revenue</b>		<b>41,613,004</b>	<b>41,660,194</b>
<b>Gains</b>			
Gain arising from changes in fair value - land	3.7	8,900,000	350,000
Gain arising from revaluation of buildings	3.7	-	1,359,709
<b>Total gains</b>		<b>8,900,000</b>	<b>1,709,709</b>
<b>Total income other than income from State Government</b>		<b>50,513,004</b>	<b>43,369,904</b>
<b>NET COST OF SERVICES</b>		<b>150,997,801</b>	<b>140,912,359</b>
<b>Income from State Government</b>			
Grants and subsidies	3.1	137,642,140	131,035,741
Resources Received	3.1	6,305,157	5,978,652
Income from other public sector entities	3.1	688,411	127,953
<b>Total income from State Government</b>	3.1	<b>144,635,708</b>	<b>137,142,346</b>
<b>DEFICIT FOR THE PERIOD</b>		<b>(6,362,093)</b>	<b>(3,770,013)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus	8.8	14,843,373	21,517,766
<b>Total other comprehensive income</b>		<b>14,843,373</b>	<b>21,517,766</b>
<b>TOTAL COMPREHENSIVE SURPLUS FOR THE PERIOD</b>		<b>8,481,279</b>	<b>17,747,753</b>

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

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

South Metropolitan TAFE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022		2022	2021
	Notes	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.1	45,129,496	39,953,597
Restricted cash and cash equivalents	6.1	4,731,353	848,872
Receivables	5.1	5,001,035	5,188,866
Other current assets	5.2	1,000,492	815,325
<b>Total Current Assets</b>		<b>55,862,376</b>	<b>46,806,660</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	6.1	3,652,891	3,182,910
Property, plant and equipment	4.1	325,658,285	301,045,448
Right-of-use assets	4.2	13,644,320	14,888,566
Intangible assets	4.3	352,646	505,961
<b>Total Non-Current Assets</b>		<b>343,308,142</b>	<b>319,622,885</b>
<b>TOTAL ASSETS</b>		<b>399,170,519</b>	<b>366,429,546</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5.3	9,358,205	4,505,216
Lease liabilities	6.2	960,108	1,045,533
Employee related provisions	2.1(b)	27,723,206	25,517,616
Other current liabilities	5.4	13,032,930	6,131,462
<b>Total Current Liabilities</b>		<b>51,074,450</b>	<b>37,199,826</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	6.2	12,788,837	13,697,280
Employee related provisions	2.1(b)	5,775,014	5,306,776
Other non current liabilities	5.4	600,437	634,136
<b>Total Non-Current Liabilities</b>		<b>19,164,289</b>	<b>19,638,191</b>
<b>TOTAL LIABILITIES</b>		<b>70,238,739</b>	<b>56,838,017</b>
<b>NET ASSETS</b>		<b>328,931,780</b>	<b>309,591,529</b>
<b>EQUITY</b>			
Contributed equity	8.8	350,351,715	339,492,743
Reserves	8.8	36,744,379	21,901,007
Accumulated deficit		(58,164,314)	(51,802,221)
<b>TOTAL EQUITY</b>		<b>328,931,780</b>	<b>309,591,529</b>

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

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

**South Metropolitan TAFE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
	Notes	
<b>CASH FLOWS FROM STATE GOVERNMENT</b>		
Grants and subsidies - Department of Training and Workforce Development	144,929,600	130,227,418
Capital appropriation - Department of Training and Workforce Development	<b>4,001,913</b>	<b>1,600,000</b>
Funds from other public sector entities	<b>688,411</b>	<b>800,000</b>
<b>Total Net cash provided by State Government</b>	<b>149,619,924</b>	<b>132,627,418</b>
Utilised as follows:		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Payments</b>		
Employee benefits expense	(132,681,422)	(127,174,132)
Supplies and services	(28,590,451)	(25,586,914)
Finance costs	(531,902)	(505,289)
Grants and subsidies	(467,894)	(768,983)
GST payments on purchases	(3,675,599)	(2,959,401)
GST payments to taxation authority		
Other payments	(14,068,612)	(11,648,252)
<b>Receipts</b>		
Fee for service	18,444,486	20,616,135
Student fees and charges	15,430,285	18,378,429
Ancillary trading	1,287,915	1,415,869
Commonwealth grants and contributions	3,004,851	1,381,973
Interest received	532,083	176,355
GST receipts on sales	957,733	845,678
GST receipts from taxation authority	2,703,146	2,160,563
Other receipts	2,154,737	2,037,744
<b>Net cash used in operating activities</b>	<b>(135,500,644)</b>	<b>(121,630,225)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Payments</b>		
Purchase of non-current physical assets	<b>(3,538,603)</b>	<b>(1,996,640)</b>
<b>Receipts</b>		
Proceeds from sale of non-current physical assets	<b>5,348</b>	<b>16,778</b>
<b>Net cash used in investing activities</b>	<b>(3,533,255)</b>	<b>(1,979,862)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Payments</b>		
Principal elements of lease payments	<b>(1,057,667)</b>	<b>(1,037,280)</b>
<b>Net cash used in financing activities</b>	<b>(1,057,667)</b>	<b>(1,037,280)</b>
Net increase in cash and cash equivalents	<b>9,528,358</b>	<b>7,980,051</b>
Cash and cash equivalents at the beginning of period	43,985,380	36,005,329
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>53,513,740</b>	<b>43,985,380</b>

6.1

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

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

South Metropolitan TAFE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022					
	Notes	Contributed Equity	Reserves	Accumulated Deficit	Total Equity
		\$	\$	\$	\$
<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>
<b>Balance at 1 January 2022</b>		339,492,743	21,901,007	(51,802,221)	309,591,529
Deficit				(6,362,093)	(6,362,093)
Other comprehensive income	8.8	-	14,843,373	-	14,843,373
<b>Total comprehensive income for the period</b>		-	14,843,373	(6,362,093)	8,481,279
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		4,001,913	-	-	4,001,913
Other contributions by owners		6,857,059	-	-	6,857,059
<b>Total</b>		10,858,972	-	-	10,858,972
<b>Balance at 31 December 2022</b>		<b>350,351,715</b>	<b>36,744,379</b>	<b>(58,164,314)</b>	<b>328,931,780</b>

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

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

**South Metropolitan TAFE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**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 15/03/2023

**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) - Simplified Disclosures
- 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 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.

**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

**2.1(a) Employee benefits expense**

	2022	2021
Employee benefits	128,802,080	118,292,256
Termination benefits	19,563	10,372
Superannuation - defined contribution plans	12,145,907	11,241,090
<b>Total employee benefits expenses</b>	<b>140,967,550</b>	<b>129,543,718</b>
Add: AASB 16 Non-monetary benefits		
Provision of vehicle benefits	220,473	227,057
Less: Employee contributions	(57,655)	(57,992)
<b>Net employee benefits expenses</b>	<b>141,130,369</b>	<b>129,712,783</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**

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

	2022	2021
<b>Current</b>		
<u>Employee benefits provision</u>		
Annual leave	5,801,990	5,384,556
Long service leave	19,501,871	18,053,519
Deferred salary scheme	532,174	598,168
Purchased leave	9,312	6,422
	25,845,347	24,042,663
<u>Other provisions</u>		
Employment on-costs	1,877,860	1,474,952
<b>Total current employee related provisions</b>	<b>27,723,206</b>	<b>25,517,616</b>
<b>Non-current</b>		
<u>Employee benefits provision</u>		
Long service leave	5,379,475	4,992,711
	5,379,475	4,992,711
<u>Other provisions</u>		
Employment on-costs	395,539	314,065
<b>Total non-current employee related provisions</b>	<b>5,775,014</b>	<b>5,306,776</b>
<b>Total employee related provisions</b>	<b>33,498,221</b>	<b>30,824,391</b>

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 provisions recognised

**Total Carrying amount at end of period**

	2022	2021
Carrying amount at start of period	1,789,017	1,664,072
Additional provisions recognised	484,382	124,945
<b>Total Carrying amount at end of period</b>	<b>2,273,399</b>	<b>1,789,017</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.

## 2.2 Grants and subsidies

#### Recurrent

Scholarships for students

**Total grants and subsidies**

	2022	2021
Scholarships for students	467,894	1,024,284
<b>Total grants and subsidies</b>	<b>467,894</b>	<b>1,024,284</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

	2022	2021
<b>Supplies and services</b>		
Consumables and minor equipment	8,480,656	8,014,016
Communication expenses	682,823	567,435
Utilities expenses	2,837,171	2,948,250
Consultancies and contracted services	19,014,665	16,289,222
Minor works	91,060	202,273
Repairs and maintenance	-	806,158
Rental Cost	313,803	218,977
Travel and passenger transport	118,490	62,582
Advertising and public relations	173,841	165,026
Staff professional development activities	198,913	148,384
Software licence expense	1,215,582	771,092
Insurance expense	753,535	717,970
Supplies and services - other	256,930	335,927
<b>Total supplies and services expenses</b>	<b>34,137,469</b>	<b>31,247,311</b>
<b>Other expenses</b>		
Audit fees	198,200	180,000
Building maintenance	4,209,325	3,307,786
Expected credit losses expense	169,930	74,474
Employment on-costs	9,121,943	8,253,627
Student prizes and awards	3,931	500
Losses and write-offs	20,240	2,469
Refunds of revenue (prior year)	42,599	206,780
Repairs and Maintenance	475,374	-
<b>Total other expenses</b>	<b>14,241,543</b>	<b>12,025,636</b>
<b>Total other expenditure</b>	<b>48,379,012</b>	<b>43,272,946</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.

**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.

#### 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
Interest revenue	3.5
Other revenue	3.6
Gains/(Losses)	3.7

### 3.1 Income from State Government

Grants and subsidies received during the period:

	2022	2021
Grants and subsidies		
Delivery and Performance Agreement (DPA)	127,105,899	123,862,459
Non-DPA Grants from Department of Training and Workforce Development (DTWD)	6,294,649	2,736,367
Fee for service - Department of Training and Workforce Development (DTWD)	30,582	-
Fee for service - Government (other than DTWD)	176,789	285,906
International Division Fees - State Govt	4,034,221	4,151,008
	<b>137,642,140</b>	<b>131,035,741</b>
Resources received free of charge from other State Government agencies during the period:		
Department of Training and Workforce Development		
- Corporate systems support	4,697,256	3,828,629
- Marketing and publications	108,003	204,438
- Human resources and industrial relations support	86,021	82,446
- Other	1,413,878	1,863,139
Total Resources Received	<b>6,305,157</b>	<b>5,978,652</b>
Income from other public sector entities	688,411	127,953
<b>Total income from State Government</b>	<b>144,635,708</b>	<b>137,142,346</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 the agency has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the Agency receives the funds.

### 3.2 User charges and fees

	2022	2021
<b>Fee for service</b>		
Fee for service - General	7,447,634	8,733,338
Fee for service - Government (CW Government from 2021)	11,128,805	9,501,156
International fees	422,615	440,913
<b>Total fee for service</b>	<b>18,999,055</b>	<b>18,675,407</b>
<b>Student fees and charges</b>		
Tuition fees	8,470,653	10,752,891
Enrolment and resource fees	5,904,995	6,525,000
Recognition of prior learning (RPL) fees	312,630	263,293
Other College fees	376,387	466,711
<b>Total student fees and charges</b>	<b>15,064,665</b>	<b>18,007,896</b>
<b>Ancillary trading</b>		
Liveworks (not a trading activity)	1,026,379	1,182,817
Contracting & consulting revenue	4,964	182
Other ancillary revenue	98,500	48,479
<b>Total ancillary trading</b>	<b>1,129,843</b>	<b>1,231,478</b>
<b>Total user charges and fees</b>	<b>35,193,563</b>	<b>37,914,780</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

	2022	2021
Cafeteria (non-training related)		
Sales	496,171	494,142
Cost of Sales:		

Opening Inventory	-	-
Purchases	(338,099)	(309,751)
	(338,099)	(309,751)
Closing Inventory	-	-
Cost of Goods Sold	(338,099)	(309,751)
<b>Total trading profit - Cafeteria (non-training related)</b>	<b>158,072</b>	<b>184,391</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.

### Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each particular class of inventory, with the majority being measured on a first in first out basis.

Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

### 3.4 Commonwealth grants and contributions

	<b>2022</b>	<b>2021</b>
Commonwealth specific purpose grants and contributions	3,004,851	884,810
	<b>3,004,851</b>	<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

	<b>2022</b>	<b>2021</b>
Interest revenue	753,239	173,474

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

### 3.6 Other revenue

	<b>2022</b>	<b>2021</b>
Employee contributions	57,655	57,992
Rental and facilities fees	274,014	303,158
Copyright and royalties revenue	-	9,091
Sponsorship and donations revenue	30,818	55,268
Recoups from external organisations	357,452	413,399
RiskCover performance adjustment and insurance recoveries	5,441	243,206
Prior year revenue	1,162,916	702,532
Miscellaneous revenue	276,883	408,341
<b>Total other revenue</b>	<b>2,165,179</b>	<b>2,192,987</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>2022</b>	<b>2021</b>
<u>Net proceeds from disposal of non-current assets</u>		
Plant, furniture and general equipment	5,348	16,778
<b>Total proceeds from disposal of non-current assets</b>	<b>5,348</b>	<b>16,778</b>
<u>Carrying amount of non-current assets disposed</u>		
Motor vehicles, caravans and trailers	-	(2,068)
Plant, furniture and general equipment	(19,209)	(41,453)
Computers and communication network	(8,678)	-
<b>Net losses</b>	<b>(22,540)</b>	<b>(26,743)</b>
<u>Other gains/(loss)</u>		
Loss arising from lease arrangements	(108)	(6,696)
Gain arising from changes in fair value - land	8,900,000	350,000
Gain arising from changes in fair value - buildings	-	1,359,709
<b>Other gains/(losses)</b>	<b>8,899,892</b>	<b>1,703,013</b>
<b>Total gains/(losses)</b>	<b>8,877,353</b>	<b>1,676,269</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).

#### **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	

## 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 and communication network	Marine craft	Library collection	Works of art	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 31 December 2022											
<b>1 January 2022</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)
<b>Carrying amount at start of period</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>
Additions	-	-	1,296,660	92,335	-	1,187,932	798,821	-	136,724	12,455	3,524,929
Transfers between asset classes	-	193,791	(2,346,730)	-	-	1,125,991	1,026,948	-	-	-	-
Transfer (to) /from Other Entities	-	2,145,227	1,927,717	-	-	2,642,417	-	-	-	-	6,715,361
Donations	-	-	-	-	-	20,000	-	-	-	-	20,000
Other disposals	-	-	-	-	-	(19,210)	(8,678)	-	-	(700)	(28,588)
Revaluation increments	9,637,479	13,683,427	-	-	-	-	-	-	-	422,467	23,743,373
Impairment losses (a)	-	-	-	-	-	(19,490)	-	-	-	-	(19,490)
Depreciation	-	(5,531,384)	-	(34,929)	(89,239)	(2,253,644)	(1,221,179)	(69,550)	(142,821)	-	(9,342,447)
<b>Carrying amount 31 December 2022</b>	<b>76,780,000</b>	<b>230,654,980</b>	<b>3,224,377</b>	<b>163,538</b>	<b>1,457,169</b>	<b>7,575,992</b>	<b>2,349,199</b>	<b>395,900</b>	<b>735,830</b>	<b>2,321,300</b>	<b>325,658,285</b>
Gross carrying amount	76,780,000	230,654,980	3,224,377	484,985	10,564,146	18,298,627	6,859,820	535,000	1,067,409	2,321,300	350,790,645
Accumulated depreciation	-	-	-	(321,447)	(9,106,977)	(10,703,145)	(4,510,621)	(139,100)	(331,579)	-	(25,112,870)
Accumulated impairment losses	-	-	-	-	-	(19,490)	-	-	-	-	(19,490)

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

**Initial recognition**

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

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

**Subsequent measurement**

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

Land is carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses.

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

**Land and buildings** are independently valued annually by the Western Australian Land Information Authority (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 2022 by the Western Australian Land Information Authority (Landgate). The valuations were performed during the year ended 31 December 2022 and recognised at 31 December 2022. In undertaking the revaluation, fair value was determined by reference to market values for land: \$1,050,000 (2021: \$13,800,000).

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

Revaluation model:

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

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

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

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

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

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

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

d) Works of art are revalued every 3 years by an independent artwork valuer to ensure the carrying amount does not differ materially from fair value. The last valuation occurred as at 05/08/2022.

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

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

	2022	2021
<u>Depreciation</u>		
Buildings	5,531,384	5,042,986
Leasehold improvements - buildings	89,239	89,239
Motor vehicles, caravans and trailers	34,929	35,809
Plant, furniture and general equipment	2,253,644	1,834,098
Computers and communication network	1,221,179	932,750
Marine craft	69,550	69,550
Library Collection	142,521	189,058
Right-of-use assets	1,307,939	1,251,440
<b>Total depreciation for the period</b>	<b>10,650,386</b>	<b>9,444,930</b>
	<b>2022</b>	<b>2021</b>
<u>Impairment</u>		
Plant, furniture and general equipment	19,490	-
<b>Total impairment for the period</b>	<b>19,490</b>	<b>-</b>

All surplus assets at 31 December 2022 have either been classified as assets held for sale or written-off.

Please refer to Note 4.3 Intangible assets for guidance in relation to the impairment assessment that has been performed for intangible assets.

#### Finite useful lives

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

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

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

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

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

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

Under the 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 depreciation rates.

#### Impairment

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

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

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



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

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

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

#### 4.2 Right-of-use assets

	2022	2021
Land	675,670	718,293
Buildings	12,441,750	13,510,767
Vehicles	526,899	659,506
<b>Net Carrying Amount:</b>	<b>13,644,320</b>	<b>14,888,566</b>

Additions to right-of-use assets during the 2022 financial year were \$48,916 (2021: \$9,194,713)

#### 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 ROU assets, 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:

	2022	2021
Land	42,623	41,951
Buildings	1,069,017	1,011,945
Vehicles	196,300	197,545
<b>Total right-of-use asset depreciation</b>	<b>1,307,939</b>	<b>1,251,440</b>
Lease interest expense	531,902	505,289
Gains or losses arising from sale and leaseback transactions	(108)	(6,696)

The total cash outflow for lease in 2022 was \$1,589,569 (2021: \$1,542,569)

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.

### 4.3 Intangible assets

	Computer software and licences
<b>Year ended 31 December 2022</b>	
<b>1 January 2022</b>	
Cost	1,181,706
Accumulated amortisation	(675,745)
<b>Carrying amount at start of period</b>	<b>505,961</b>
Amortisation expense	(153,315)
<b>Carrying amount at 31 December 2022</b>	<b>352,646</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 and impairment

##### Charge for the period

	2022	2021
<u>Amortisation</u>		
Computer Software	153,315	147,904
<b>Total amortisation for the period</b>	<b>153,315</b>	<b>147,904</b>

As at 31 December 2022 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
Licenses	-
Internally developed software	-

<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.

#### 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**

	2022	2021
<b>Current</b>		
Receivables - Trade	1,159,745	687,497
Receivables - Students	1,461,433	2,084,096
Allowance for impairment of receivables	(181,861)	(328,856)
Accrued revenue	2,204,387	2,371,349
GST receivable	311,653	374,780
Workers Compensation due	45,691	-
	5,001,049	5,188,866
Advances:		
Other debtors	(14)	-
	(14)	-
<b>Total current</b>	<b>5,001,035</b>	<b>5,188,866</b>
<b>Balance at end of period</b>	<b>5,001,035</b>	<b>5,188,866</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**

	2022	2021
<b>Current</b>		
Prepayments	992,081	774,855
Other	8,411	40,470
<b>Total current</b>	<b>1,000,492</b>	<b>815,325</b>
<b>Balance at end of period</b>	<b>1,000,492</b>	<b>815,325</b>

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

**5.3 Payables**

	2022	2021
<b>Current</b>		
Trade payables	39,994	56,846
Accrued expenses	1,018,826	1,832,631
Accrued salaries and related costs	8,299,384	2,602,142
Paid parental leave payable	-	13,597
<b>Total current</b>	<b>9,358,205</b>	<b>4,505,216</b>
<b>Balance at end of period</b>	<b>9,358,205</b>	<b>4,505,216</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.

The accrued salaries suspense account (see Note 6.1 Cash and cash equivalents) consists of amounts paid annually from SM TAFE appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26 pay days. No interest is received on this account.

**5.4 Other liabilities**

	2022	2021
<b>Current</b>		
Income received in advance <sup>(a)</sup>	5,988,260	5,960,399
Grants and advances other	317,968	92,567
Monies/deposits held in trust	100,527	78,497
Delivery and Performance Agreement Refund due to DTWD	6,592,477	-
Provision for restoration costs	33,699	-
<b>Total current</b>	<b>13,032,930</b>	<b>6,131,462</b>
<b>Non-current</b>		
Provision for restoration costs	600,437	634,136
<b>Total non-current</b>	<b>600,437</b>	<b>634,136</b>
<b>Balance at end of period</b>	<b>13,633,367</b>	<b>6,765,598</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.

**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
Commitments	6.4

**6.1 Cash and cash equivalents**

	2022	2021
<b>Current</b>		
Cash and cash equivalents		
Cash On Hand	12,150	13,300
Cash At Bank	45,117,346	39,940,297
<b>Total cash and cash equivalents</b>	<b>45,129,496</b>	<b>39,953,597</b>
Restricted cash and cash equivalents current		
Capital works grants received from DTWD	4,632,236	771,314
Australian Cyber Security Project	99,117	77,558
	4,731,353	848,872
<b>Total current</b>	<b>49,860,849</b>	<b>40,802,470</b>
<b>Non-current</b>		
Restricted cash and cash equivalents non-current		
'Restricted cash 27th pay <sup>(a)</sup>	3,652,891	3,182,910
<b>Total non-current</b>	<b>3,652,891</b>	<b>3,182,910</b>
<b>Balance at end of period</b>	<b>53,513,740</b>	<b>43,985,380</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

	2022	2021
Current	960,108	1,045,533
Non-current	12,788,837	13,697,280
Balance at end of period	<u>13,748,946</u>	<u>14,742,812</u>

### 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 the Agency exercising an option to terminate the lease.

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**

	2022	2021
Assets pledged as security		
The carrying amounts of non-current assets pledged as security are:		
Right-of-use asset Land	675,670	718,293
Right-of-use asset Buildings	12,441,750	13,510,767
Right-of-use asset Vehicles	526,899	659,506
<b>Total assets pledged as security</b>	<b>13,644,320</b>	<b>14,888,566</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**

	2022	2021
<b>Finance costs</b>		
Lease interest expense	531,902	505,289
<b>Finance costs expensed</b>	<b>531,902</b>	<b>505,289</b>

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

**6.4 Commitments****6.4.1 Capital commitments**

	2022	2021
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	1,847,137	5,081
<b>Balance at end of period</b>	<b>1,847,137</b>	<b>5,081</b>

The totals presented for capital commitments are GST inclusive.

**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

**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:

	2022	2021
<u>Financial assets</u>		
Cash and cash equivalents	45,129,496	39,953,597
Restricted cash and cash equivalents	8,384,244	4,031,782
Financial assets at amortised cost <sup>(a)</sup>	4,643,705	4,814,086
<b>Total financial assets</b>	<b>58,157,445</b>	<b>48,799,466</b>
<u>Financial liabilities</u>		
Financial liabilities measured at amortised cost <sup>(b)</sup>	29,800,154	19,326,525
<b>Total financial liabilities</b>	<b>29,800,154</b>	<b>19,326,525</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**

A Contingent Liability relates to an industrial relations claim. The matter has yet to be finalised. In addition, there are two other legal proceedings both at varying stages. Due to the nature of the claims and the uncertainty around the likely outcome it is not possible to reliably quantify any potential result.

**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:

Compensation of the accountable authority (\$)	<b>2022</b>	<b>2021</b>
Compensation Band (\$)		
260,001 - 270,000	1	1
20,001 - 30,000	1	1
0 - 10,000	9	11
Compensation of the senior officers (\$)	<b>2022</b>	<b>2021</b>
Compensation Band (\$)		
200,001 - 210,000	2	
190,000 - 200,000	2	5
180,001 - 190,000	3	1
170,001 - 180,000		1
160,001 - 170,000	1	
150,001 - 160,000	2	2
140,001 - 150,000		1
130,001 - 140,000	1	1
60,001 - 70,000		1
50,001 - 60,000	3	
Total compensation of accountable authority	317,576	316,755
Total compensation of senior officers	2,124,662	1,998,005
<b>Total compensation of key management personnel</b>	<b>2,442,238</b>	<b>2,314,760</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**

**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:

	2022	2021
Auditing the accounts, financial statements, controls and key performance indicators	185,000	193,200

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

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

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

	2022	2021
Balance at start of period	339,492,743	350,509,310
<i>Contributions by owners</i>		
Capital appropriation	4,001,913	1,600,000
Transfer of assets from other government agencies	6,857,059	4,133,433
<b>Total contributions by owners</b>	<b>350,351,715</b>	<b>356,242,743</b>
<i>Distributions to owners</i>		
Transfers to other government agencies	-	(16,750,000)
<b>Total distributions to owners</b>	<b>-</b>	<b>(16,750,000)</b>
Transfer of debit balance in contributed equity to accumulated surplus	-	-
<b>Balance at the end of period</b>	<b>350,351,715</b>	<b>339,492,743</b>

**Asset revaluation surplus**

Balance at start of period	21,901,007	383,240
Net revaluation increments		
Land	737,479	-
Buildings	13,683,427	21,517,766
Works of art	422,467	-
<b>Balance at end of period</b>	<b>36,744,379</b>	<b>21,901,007</b>

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

During the financial year, \$316,936 (2021: \$12,923) of debts due to SM TAFE were written off and \$3,509 (2021: \$257,651) was written off the asset register under the authority of:

	2022	2021
The accountable authority	320,445	270,574
	320,445	270,574

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

	2022	2021
Losses of public money and public and other property through theft or defaults	750	2,469
	750	2,469

**(c) Gifts of public property**

	2022	2021
Gifts of public property provided by SM TAFE	-	-
	-	-



**8.10 Explanatory statement (controlled operations)**

All variances between estimates (original budget) and actual results for 2022, and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances, which are generally greater than:

- 10% and 1% of prior year Total Cost of Services for the Statement of Comprehensive Income and Statement of Cash flows
- 10% and 1% of estimated Total Assets for the Statement of Financial Position.

**8.10.1 Statement of Comprehensive Income Variances**

	Variance Note	Estimate 2022	Actual 2022	Actual 2021	Variance between estimate and actual	Variance between actual results for 2022 and 2021
		\$	\$	\$	\$	\$
<b>Expenses</b>						
Employee benefits expense	1	128,095,392	140,967,550	129,543,718	12,872,158	11,423,832
Grants and subsidies		300,993	467,894	1,024,284	166,901	(556,390)
Finance costs		477,370	531,902	505,289	54,532	26,613
Supplies and services		37,067,690	34,137,469	31,247,311	(2,930,221)	2,890,158
Other expenses	(a)	13,681,020	14,241,543	12,025,636	560,523	2,215,907
Cost of sales		259,400	338,099	309,751	78,699	28,347
Loss on disposal of non-current assets		-	22,540	26,743	22,540	(4,204)
Loss on disposal of lease arrangements		-	108	6,696	108	(6,589)
Depreciation and amortisation expense		9,684,796	10,803,701	9,592,835	1,118,905	1,210,867
<b>Total cost of services</b>		<b>189,566,661</b>	<b>201,510,805</b>	<b>184,282,263</b>	<b>11,944,144</b>	<b>17,228,542</b>
<b>Income</b>						
Fee for service		18,438,052	18,999,055	18,675,407	561,003	323,648
Student fees and charges	2, (b)	17,869,051	15,064,665	18,007,896	(2,804,386)	(2,943,231)
Ancillary trading		1,189,006	1,129,843	1,231,478	(59,163)	(101,635)
Sales		461,628	496,171	494,142	34,543	2,028
Commonwealth grants and contributions	(c)	4,487,659	3,004,851	884,810	(1,482,808)	2,120,041
Interest revenue		208,411	753,239	173,474	544,828	579,765
Other revenue		1,359,221	2,165,179	2,192,987	805,958	(27,808)
<b>Total revenue</b>		<b>44,013,028</b>	<b>41,613,004</b>	<b>41,660,194</b>	<b>(2,400,024)</b>	<b>(47,190)</b>
<b>Gains</b>						
Other gains	3, (d)	-	8,900,000	1,709,709	8,900,000	7,190,291
Gain on disposal of lease arrangements		7,662	-	-	(7,662)	-
<b>Total gains</b>		<b>7,662</b>	<b>8,900,000</b>	<b>1,709,709</b>	<b>8,892,338</b>	<b>7,190,291</b>
<b>Total income other than income from State Government</b>		<b>44,020,690</b>	<b>50,513,004</b>	<b>43,369,904</b>	<b>6,492,314</b>	<b>7,143,100</b>
<b>NET COST OF SERVICES</b>		<b>145,545,971</b>	<b>150,997,801</b>	<b>140,912,359</b>	<b>5,451,830</b>	<b>10,085,442</b>
<b>Income from State Government</b>						
Grants and subsidies		132,414,348	137,642,140	131,035,741	5,227,792	6,606,399
Resource Received	4	4,369,569	6,305,157	5,978,652	1,935,588	326,505
Income from other public sector entities		-	688,411	127,953	688,411	560,458
<b>Total income from State Government</b>		<b>136,783,917</b>	<b>144,635,708</b>	<b>137,142,346</b>	<b>7,851,791</b>	<b>7,493,362</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(8,762,054)</b>	<b>(6,362,093)</b>	<b>(3,770,013)</b>	<b>2,399,961</b>	<b>(2,592,080)</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation surplus		-	14,843,373	21,517,766	14,843,373	(6,674,394)
<b>Total other comprehensive income</b>		<b>-</b>	<b>14,843,373</b>	<b>21,517,766</b>	<b>14,843,373</b>	<b>(6,674,394)</b>
<b>TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(8,762,054)</b>	<b>8,481,279</b>	<b>17,747,753</b>	<b>17,243,333</b>	<b>(9,266,474)</b>

**Major Estimate and Actual (2022) Variance Narratives**

- 1) Employee benefits expense is higher than estimate mainly related to the cost of living payment to and cost of back pay related to new wage agreements for all staff.
- 2) Student fees and charges is lower than estimate due to reduced training delivery. The Profile delivered by South Metropolitan TAFE was below the original planned target of 8,450,000 SCH by 927,246 SCH or 89.0% of expected SCH achievement.
- 3) The gain is due to a significant land revaluation increment in 2022 reported through Profit & Loss, to offset revaluation decrements reported through Profit & Loss in previous years.
- 4) Resources provided free of charge were more than estimated, due to a considerable increase in infrastructure support from DTWD.

**Major Actual 2022 and Comparative (2021) Variance Narratives**

- (a) Other expenses have risen mainly due to an increase in payroll tax (\$810k) and repairs and maintenance (\$1.4m)
- (b) Student fees and charges is down due to the Profile delivered by South Metropolitan TAFE being below the original planned target of 8,450,000 SCH by 927,246 SCH, resulting in an overall achievement of 89.0%.
- (c) Grants and Contributions exceeded prior year due to the commencement of the Commonwealth Department of Defence Henderson Gap Year Project in 2022.
- (d) The gain is due to a significant land revaluation increment in 2022 reported through Profit & Loss, to offset revaluation decrements reported through Profit & Loss in previous years.

## 8.10.2 Statement of Financial Position Variances

	Variance Note	Estimate 2022	Actual 2022	Actual 2021	Variance between estimate and actual	Variance between actual results for 2022 and 2021
		\$	\$	\$	\$	\$
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents		33,582,101	45,129,496	39,953,597	11,547,395	5,175,899
Restricted cash and cash equivalents		401,481	4,731,353	848,872	4,329,872	3,882,480
Receivables		5,789,983	5,001,035	5,188,866	(788,948)	(187,831)
Inventories		453	-	-	(453)	-
Other current assets		690,895	1,000,492	815,325	309,597	185,167
<b>Total Current Assets</b>		<b>40,464,913</b>	<b>55,862,376</b>	<b>46,806,660</b>	<b>15,397,463</b>	<b>9,055,716</b>
<b>Non-Current Assets</b>						
Restricted cash and cash equivalents		2,610,402	3,652,891	3,182,910	1,042,489	469,981
Property, plant and equipment	5	294,426,529	325,658,285	301,045,448	31,231,756	24,612,837
Right of Use Assets	6	6,143,743	13,644,320	14,888,566	7,500,577	(1,244,246)
Intangible assets		337,165	352,646	505,961	15,481	(153,315)
<b>Total Non-Current Assets</b>		<b>303,517,839</b>	<b>343,308,142</b>	<b>319,622,885</b>	<b>39,790,303</b>	<b>23,685,257</b>
<b>TOTAL ASSETS</b>		<b>343,982,752</b>	<b>399,170,519</b>	<b>366,429,546</b>	<b>55,187,767</b>	<b>32,740,973</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		5,898,327	9,358,205	4,505,216	3,459,878	4,852,989
Lease Liabilities		585,229	960,108	1,045,533	374,879	(85,424)
Employee related provisions	7	24,079,077	27,723,206	25,517,616	3,644,129	2,205,591
Other current liabilities	8, (e)	6,238,279	13,032,930	6,131,462	6,794,651	6,901,468
<b>Total Current Liabilities</b>		<b>36,800,912</b>	<b>51,074,450</b>	<b>37,199,826</b>	<b>14,273,538</b>	<b>13,874,624</b>
<b>Non-Current Liabilities</b>						
Lease liabilities	9	5,567,649	12,788,837	13,697,280	7,221,188	(908,442)
Employee related provisions	7	4,478,877	5,775,014	5,306,776	1,296,137	468,239
Other non current liabilities		221,255	600,437	634,136	379,182	(33,699)
<b>Total Non-Current Liabilities</b>		<b>10,267,781</b>	<b>19,164,289</b>	<b>19,638,191</b>	<b>8,896,508</b>	<b>(473,902)</b>
<b>TOTAL LIABILITIES</b>		<b>47,068,693</b>	<b>70,238,739</b>	<b>56,838,017</b>	<b>23,170,046</b>	<b>13,400,722</b>
<b>NET ASSETS</b>		<b>296,914,059</b>	<b>328,931,780</b>	<b>309,591,529</b>	<b>32,017,721</b>	<b>19,340,251</b>
<b>EQUITY</b>						
Contributed equity		361,887,479	350,351,715	339,492,743	(11,535,764)	10,858,972
Reserves		383,240	36,744,379	21,901,007	36,361,139	14,843,373
Accumulated surplus / (deficit)		(65,356,660)	(58,164,314)	(51,802,221)	7,192,346	(6,362,093)
<b>TOTAL EQUITY</b>		<b>296,914,059</b>	<b>328,931,780</b>	<b>309,591,529</b>	<b>32,017,721</b>	<b>19,340,251</b>

**Major Estimate and Actual (2022) Variance Narratives**

- 5) Property, plant and equipment increased mainly due to significant increments in the value of land and buildings in 2022 not included in the S40 estimates.
- 6) Right of Use Assets are higher than estimate due to \$8 million Maritime campus building Fremantle not forming part of the S40 estimate process.
- 7) Employee related provisions are higher than estimate due to increase in the nominal (face) value of long service leave entitlements. The impact of the assumptions used relating to salary increases and on-costs has also contributed to the increase
- 8) Other current liabilities is higher than estimate due to the 2022 Delivery and Performance Agreement refund due to DTWD not included as part of the S40 estimates.
- 9) Non-Current Lease liabilities is higher than estimate due to \$8 million Maritime campus building in Fremantle not included as part of the S40 estimates.

**Major Actual 2022 and Comparative (2021) Variance Narratives**

- (e) Other current liabilities is higher than prior year due to the 2022 Delivery and Performance Agreement refund due to DTWD which was not payable in 2021..

## 8.10.3 Statement of Cash Flows Variances

	Variance Note	Estimate 2022	Actual 2022	Actual 2021	Variance between estimate and actual	Variance between actual results for 2022 and 2021
		\$	\$	\$	\$	\$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Grants and subsidies - DTWD	10, (f)	128,005,372	144,929,600	130,227,418	16,924,228	14,702,182
Capital appropriation - DTWD		-	4,001,913	1,600,000	4,001,913	2,401,913
Funds from other public sector entities		-	688,411	800,000	688,411	(111,589)
<b>Total Net cash provided by State Government</b>		<b>128,005,372</b>	<b>149,619,924</b>	<b>132,627,418</b>	<b>21,614,552</b>	<b>16,992,506</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits expense		(125,095,392)	(132,681,422)	(127,174,132)	(7,586,030)	(5,507,290)
Supplies and services	11, (g)	(32,669,319)	(28,590,451)	(25,586,914)	4,078,868	(3,003,537)
Finance Cost		(477,370)	(531,902)	(505,289)	(54,532)	(26,613)
Grants and subsidies		(300,993)	(467,894)	(768,983)	(166,901)	301,089
GST payments on purchases	12	-	(3,675,599)	(2,959,401)	(3,675,599)	(716,198)
GST payments to taxation authority		(3,341)	-	-	3,341	-
Other payments	13, (h)	(11,353,793)	(14,068,612)	(11,648,252)	(2,714,819)	(2,420,360)
<b>Receipts</b>						
Fee for service	14, (i)	11,351,514	18,444,486	20,616,135	7,092,972	(2,171,649)
Student fees and charges	15, (j)	25,719,168	15,430,285	18,378,429	(10,288,883)	(2,948,144)
Ancillary trading		1,189,006	1,287,915	1,415,869	98,909	(127,954)
Commonwealth grants and contributions		4,487,659	3,004,851	1,381,973	(1,482,808)	1,622,878
Interest received		205,982	532,083	176,355	326,101	355,728
GST receipts on sales		-	957,733	845,678	957,733	112,055
GST receipts from taxation authority	16	-	2,703,146	2,160,563	2,703,146	542,583
Other receipts		1,851,809	2,154,737	2,037,744	302,928	116,993
<b>Net cash used in operating activities</b>		<b>(125,095,070)</b>	<b>(135,500,644)</b>	<b>(121,630,225)</b>	<b>(10,405,574)</b>	<b>(13,870,419)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Purchase of non-current physical assets		(2,630,000)	(3,538,603)	(1,996,640)	(908,603)	(1,541,963)
<b>Receipts</b>						
Proceeds from sale of non-current physical assets		-	5,348	16,778	5,348	(11,430)
<b>Net cash used in investing activities</b>		<b>(2,630,000)</b>	<b>(3,533,255)</b>	<b>(1,979,862)</b>	<b>(903,255)</b>	<b>(1,553,393)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Payments</b>						
Principal elements of lease		-	(1,057,667)	(1,037,280)	(1,057,667)	(20,387)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(1,057,667)</b>	<b>(1,037,280)</b>	<b>(1,057,667)</b>	<b>(20,387)</b>
Net increase in cash and cash equivalents		280,302	9,528,358	7,980,051	9,248,056	1,548,307
Cash and cash equivalents at the beginning of period		36,313,682	43,985,380	36,005,329	7,671,698	7,980,051
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<b>36,593,984</b>	<b>53,513,740</b>	<b>43,985,380</b>	<b>16,919,756</b>	<b>9,528,360</b>

## Major Estimate and Actual (2022) Variance Narratives

- 10) Grants and subsidies from DTWD are higher than estimate mainly due to increased DPA funding for the Lecturers' Cost of Living Payments, training package transitions, disability support, increased material costs and training equipment for Mandurah Hospitality & Tourism.
- 11) Supplies and Services are lower mainly due to \$4.3M Resources Received Free of Charge being included under Supplies and Services estimates.
- 12) GST payments on purchases are not included in S40 estimates.
- 13) Other Payments are higher than estimate due to critical repairs and maintenance costs and higher payroll on-costs not included in the S40 estimates.
- 14) Fee for service is higher than estimate due to miscategorising approximately \$8M in the S40 estimates as student fees and charges.
- 15) Student fees and charges are lower than estimate due to the Profile delivered by South Metropolitan TAFE being below the 2022 target of 8,450,000 by 927,246 SCH.
- 16) GST receipts from taxation authority are not included in S40 estimates.

## Major Actual 2022 and Comparative (2021) Variance Narratives

- (f) Grants and subsidies from DTWD are higher than the prior year mainly due to increased DPA funding for the Lecturers' Cost of Living Payments, training package transitions, disability support, increased material costs and training equipment for Mandurah Hospitality & Tourism.
- (g) Supplies and Services increased in 2022 mainly due to the \$2.66m payments to student trainees under the Defence Industry Pathway Program (DIPP) under grant funding from the Department of Defence, and increase in software licence costs.

- h) Other Payments are higher than 2021 due to an increase in critical repairs and maintenance costs and higher payroll on-costs.
- i) Fee for service (FFS) cash flows are lower in 2022 than 2021 mainly due to higher FFS receivables and accrued revenue at year end.
- j) Student fees and charges is lower in 2022 due to 7.5m Profile SCH delivered by SMT in 2022 compared to 8.43m SCH delivered in 2021.

# 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 2022.



**Elizabeth Carr AM**  
Governing Council Chair

15 March 2023



**Terry Durant**  
Managing Director

15 March 2023

## South Metropolitan TAFE 2022 KEY PERFORMANCE INDICATORS

### GOVERNMENT GOALS:

**Future Jobs and Skills:** Grow and diversify the economy, create jobs and support skills and development.

### 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 2022 the fieldwork and analysis were conducted by Wallis Social Research. 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 2022 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 2022 *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**

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Target	2022 Actual	Target Variance
South Metropolitan TAFE	87.8%	87.7%	86.8%	85.5%	>85%	85.0%	0%
All WA TAFEs & WAAPA	88.2%	87.5%	87.6%	87.3%	n/a	85.7%	n/a

Source: Department of Training and Workforce Development, 2022 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 2022, of the 15,239 South Metropolitan TAFE students contacted, there were 3,038 usable returns representing a response rate of 20%. South Metropolitan TAFE's standard error for 2022 was 0.6%, with a relative sampling error of +/- 1.2% at the 95% level of confidence.

The 2022 target overall student satisfaction at South Metropolitan TAFE was met and, with 85% of respondents claiming to be either satisfied or very satisfied. This is marginally lower than the level of student satisfaction reported in 2021 (85.5%).

### 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.

Out of scope of the survey are:

- International students
- Students who undertook recreational, leisure or personal enrichment (short) courses

## South Metropolitan TAFE 2022 KEY PERFORMANCE INDICATORS

- Students who undertook VET delivered in schools, where training activity was undertaken as part of a senior secondary certificate
- Students under 18 years of age.

### KPI 2 - Graduate Achievement

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

**Table 2 – Graduate Achievement**

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Target	2022 Actual	Target Variance
South Metropolitan TAFE	79.5%	76.8%	78.6%	82.5%	80.0%	86.2%	6.2%
TAFE Western Australia	79.7%	78.8%	79.5%	83.7%	n/a	86.3%	n/a
TAFE Australia	82.1%	81.9%	81.8%	83.8%	n/a	85.7%	n/a
All VET providers Australia	84.2%	83.9%	83.6%	85.0%	n/a	87.2%	n/a

In 2022, of the 6,097 South Metropolitan TAFE graduates asked, there were 1,689 usable returns representing a response rate of 27.7%. South Metropolitan TAFE's relative sampling error for this result was +/- 1.4% at the 95% level of confidence.

The 2022 South Metropolitan TAFE's graduate achievement was above target, with 86.2% of respondents claiming to have achieved their main reason for doing the training.

Key strategies which were introduced in 2022 which may have contributed to an improvement in this KPI result include major training facility and equipment upgrades and the update of teaching, learning and assessment resources across a range of training delivery areas, compared to previous years.

### 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**

	2018	2019	2020	2021	2022	2022	Variance
	Actual	Actual	Actual	Actual	Target	Actual	
South Metropolitan TAFE	68.4%	66.3%	59.3%	68.1%	>75%	76.1%	1.1%
TAFE Western Australia	68.5%	67.3%	60.3%	68.5%	n/a	76.0%	n/a
TAFE Australia	72.4%	71.3%	65.7%	70.3%	n/a	75.6%	n/a
All VET providers Australia	77.3%	76.6%	68.6%	72.1%	n/a	77.4%	n/a

In 2022, of the 6,097 South Metropolitan TAFE graduates contacted, there were 1,689 usable returns representing a response rate of 27.7%. South Metropolitan TAFE's relative sampling error for this result was +/- 1.8% at the 95% level of confidence.

The 2022 target for graduate destination rate (employed) was met, with 76.1% of respondents claiming to be employed after training.

Key strategies which were introduced in 2022 which may have contributed to an improvement in this KPI result include major training facility and equipment upgrades and the update of teaching, learning and assessment resources across a range of training delivery areas, compared to previous years.



## South Metropolitan TAFE 2022 KEY PERFORMANCE INDICATORS

### 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 2022, South Metropolitan TAFE maintained the original planned target of 8,450,000 SCH.

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

	Actual Achievement 2018	Actual Achievement 2019	Actual Achievement 2020	Actual Achievement 2021	Target Achievement 2022	Actual Achievement 2022
Profile Achievement % (DPA Original)	102.2%	97.2%	101.7%	103.3%	100.0%	89.0%

The Profile delivered by South Metropolitan TAFE was below the planned target of 8,450,000 SCH by 927,344 SCH, resulting in an overall achievement of 89.0%.

This decline in profile performance is the result of a significant reduction in demand for institutional training due to several factors including the COVID Omicron outbreak, low unemployment, competition from universities for school leavers, reduced impact of low fee stimulus and changes to government policy for English as an Additional Language (EAL).

South Metropolitan TAFE's profile delivery by ANZSCO (Australia and New Zealand Standard Classification of Occupations) levels for 2022 are provided in Table 5.

As per the data presented in Table 5, in 2022, the following ANZSCO sub groups constituted over 51% of total SCH achievement: Automotive and Engineering Trade Workers (18%); General Education (12%); Carers and Aides (7%); Health and Welfare Support Workers (7%); and Engineering, ICT and Science Technicians (6%).

The ANZSCO level that was significantly above target (more than 50,000 SCH of positive variance) was: Automotive and Engineering Trade Workers.

The ANZSCO levels that were significantly below target (more than 50,000 SCH of negative variance) were: Carers and Aides, Health and Welfare Support Workers, General Education, Other Labourers, ICT Professionals, Engineering, ICT and Science Technicians, Factory Process Workers, Sports and Personal Service Workers, General Clerical Workers and Food Trade Workers.

## South Metropolitan TAFE 2022 KEY PERFORMANCE INDICATORS

Table 5: Achievement of 2022 Profile Delivery (DPA) by ANZSCO sub groups

ANZSCO Major Group Title	ANZSCO Group Title	2022 Census Actual	2022 Target Planned	2022 Target Achievement
1. Managers	11 – Chief Executives, General Managers and Legislators	1,580	6,500	24.3%
	12 – Farmers and Farm Managers	4,730	4,603	102.8%
	13 – Specialist Managers nfd	87,761	43,385	202.3%
	14 – Hospitality, Retail and Service Managers nfd	96,920	114,699	84.5%
2. Professionals	22 – Business, Human Resource and Marketing Professionals nfd	4,065	6,120	66.4%
	23 – Design, Engineering, Science and Transport Professionals nfd	199,706	218,923	91.2%
	24 – Education Professionals nfd	49,290	58,297	84.5%
	25 – Health Professionals nfd	0	2	0.0%
	26 – ICT Professionals nfd	284,770	359,180	79.3%
	27 – Legal, Social and Welfare Professionals nfd	23,330	38,080	61.3%
3. Technicians and Trades Workers	31 – Engineering, ICT and Science Technicians nfd	480,197	553,326	86.8%
	32 – Automotive and Engineering Trades Workers nfd	1,353,826	1,153,783	117.3%
	33 – Construction Trades Workers nfd	244,763	207,614	117.9%
	34 – Electrotechnology and Telecommunications Trades Workers nfd	278,041	252,296	110.2%
	35 – Food Trades Workers	198,961	258,762	76.9%
	36 – Skilled Animal and Horticultural Workers nfd	380,411	394,608	96.4%
	39 – Other Technicians and Trades Workers nfd	267,789	261,441	102.4%
4. Community and Personal Service Workers	41 – Health and Welfare Support Workers	528,197	694,095	76.1%
	42 – Carers and Aides nfd	562,992	823,437	68.4%
	43 – Hospitality Workers	48,680	64,675	75.3%
	44 – Protective Service Workers nfd	0	1,270	0.0%
	45 – Sports and Personal Service Workers nfd	217,350	280,686	77.4%
5. Clerical and Administrative Workers	51 – Office Managers and Program Administrators nfd	25,910	44,800	57.8%
	52 – Personal Assistants and Secretaries	27,565	37,300	73.9%
	53 – General Clerical Workers nfd	77,880	139,584	55.8%
	54 – Inquiry Clerks and Receptionists nfd	95	0	0.0%
	55 – Numerical Clerks nfd	67,430	95,580	70.5%
	59 – Other Clerical and Administrative Workers nfd	173,205	168,866	102.6%
7. Machinery Operators and Drivers	71 – Machine and Stationary Plant Operators nfd	60,737	89,040	68.2%
	72 – Mobile Plant Operators	9,543	2,670	357.4%
	74 – Storepersons	3,525	0	0.0%
8. Labourers	82 – Construction and Mining Labourers	77,723	122,569	63.4%
	83 – Factory Process Workers nfd	98,441	164,448	59.9%
	84 – Farm, Forestry and Garden Workers	107,548	116,386	92.4%
	85 – Food Preparation Assistants	13,630	37,299	36.5%
	89 – Other Labourers nfd	325,958	404,776	80.5%
G. General Education	GB – General Education	917,785	1,055,285	87.0%
	GE – General Education	222,322	175,615	126.6%
<b>Total</b>		<b>7,522,656</b>	<b>8,450,000</b>	<b>89.0%</b>

## South Metropolitan TAFE 2022 KEY PERFORMANCE INDICATORS

### EFFECIENCY 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 2022 Financial Statements.

**Table 6 – Delivery Cost per SCH**

	2018	2019	2020	2021	2022
Actual Cost per SCH	\$17.70	\$19.69	\$20.15	\$19.13	\$22.88
Target Cost per SCH	\$17.80	\$17.91	\$18.58	\$18.40	\$19.04
Variance	-\$0.10	\$1.78	\$1.57	\$0.73	\$3.84

*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 2022 was 1,283,812 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 2022 actual unit cost of delivery is not within the target specified in the 2022 Section 40 Estimates.

The increase in cost per SCH can be largely attributed to the significant reduction in demand for institutional training due to several factors including the COVID Omicron outbreak, low unemployment, competition from universities for school leavers, reduced impact of low fee stimulus and changes to government policy for English as an Additional Language (EAL) as well as the once off, back pay and cost of living payment made to all lecturing and non-lecturing staff in 2022.

# DISCLOSURES AND LEGAL COMPLIANCE

## Ministerial Directives

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

No such directives were issued to SM TAFE in 2022.

## Other Financial Disclosures

### Pricing Policies for Services Provided

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

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*, South Metropolitan 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 DTWD and through internal revenue allocations. Details of major capital works that are ongoing and completed in 2022 are outlined below:

#### Completed Capital Works

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

A new Hospitality, Hair and Beauty Training Centre at Mandurah Campus was completed in late December 2022 at a cost of \$16.87 million. The new centre accommodates a training restaurant, production kitchen, two training kitchens, barista training area, hairdressing and beauty rooms, computer labs, and a student recreation/study zone opening onto a landscaped internal courtyard.

##### Thornlie Cafeteria Upgrade

The Thornlie campus student cafeteria has been upgraded and refitted at a cost of \$533,000. This project is part of a broader plan to improve the quality of student amenities on Thornlie campus.

### Ongoing Capital Works

#### New Armadale Campus

Construction is underway on a new \$39 million Armadale campus which will ultimately replace the three leased premises from which SM TAFE currently delivers training. The five-storey building is being constructed on the corner of Whitehead Street and Church Avenue, a short walk from the centre of the Armadale CBD. The new campus will accommodate the existing core training areas; Early Childhood Education and Care, Education Support, Community services, Business, and AMEP, plus expansion into new areas not previously delivered locally including Information Technology, and Integrated Technologies. A set of computer laboratories and general classrooms will supplement the specialist areas. The building will also house a Jobs and Skills Centre. On the ground floor the building will feature generous student areas including an outdoor terrace.

#### Thornlie Student Hub and Re-roofing

Underutilised space on Thornlie campus is being stripped out and refurbished to create a new student hub at a cost of \$550,000. The completed space will offer a fresh and contemporary environment for relaxing, socialising, and self-directed learning in an easily accessible location. The building will then be re-roofed to increase its service life. This project is part of a broader plan to improve the quality of student amenities on Thornlie campus.

#### Carlisle Electrical Services Upgrade

Electrical Services are being upgraded at Carlisle campus at a cost of \$450,000. The project includes the upgrade and replacement of switchboards to support existing and planned new infrastructure and equipment.

#### Carlisle Mechanical Services Upgrade

The mechanical services which support the operations of the auto body repair workshops at Carlisle campus are being overhauled and modernised at a cost of \$1.8 million.

## Compliance with Public Sector Standards and Ethical Codes

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

These policies, procedures, and guidelines are actively promoted throughout the College’s intranet site and by the People and Culture Directorate. In addition, SM TAFE continues to provide training for all staff in Accountable and Ethical Decision Making in alignment 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	2022 RESULT
Public Sector Standards in Human Resource Management	1
WA Public Sector 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 (EAP) provides a professional, confidential, and free counselling and support service to all staff and their immediate family members to help them identify, explore, and resolve work or personal problems that may adversely affect their wellbeing. The EAP can assist with a range of issues including anxiety, depression, relationships, conflict with others, coping with change, and communication breakdown.

### 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 ten 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 and via the College’s intranet site.

SM TAFE has 17 trained Family and Domestic Violence (FDV) Contact officers available to provide information and assistance to staff experiencing FDV.

### Integrity Awareness Sessions

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

During 2022, no face-to-face Integrity Awareness Sessions were delivered due to the requirements of the College’s COVID Safety Plan, however, a new on-line induction program was launched for all staff which incorporates pertinent information concerning integrity in the public sector.

## Staff Profile

SM TAFE is a large and diverse organisation delivering specialist and unique vocational education and training services, which requires an equally diverse and high-quality workforce. As at December 31 2022, SM TAFE employed 1,173 Full Time Equivalent (FTE) staff. SM TAFE's staffing levels by employment category for 2022 is presented below.

		2022			2021			2020		
		Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
Lecturer	Contract	135	28	163	103	44	147	90	19	109
	Permanent	449	110	559	444	111	555	459	100	559
GOSAC	Contract	54	17	71	48	16	64	46	13	59
	Permanent	324	56	380	313	57	370	324	55	379
<b>Total</b>		<b>962</b>	<b>211</b>	<b>1,173</b>	<b>908</b>	<b>228</b>	<b>1,136</b>	<b>919</b>	<b>187</b>	<b>1,106</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 Staff 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 introduced an Aboriginal Employment Program (AEP) which aims to provide genuine employment outcomes for Aboriginal people across the College. Participants undertake the role of Business Support Officer and are rotated through different locations to be exposed to a variety of work offered across the College.

Professional development opportunities are made available which is supported by ongoing mentoring by senior Aboriginal employees and staff from the People and Culture Directorate. As a result, several participants have successfully applied for promotional opportunities available in the College and the broader public sector, including those providing permanency.

As at 31 December 2022, SM TAFE engaged five staff members through the AEP with three participants acting in promotional positions.

## Inclusive Employment Program

SM TAFE has a successful Inclusive Employment Program which currently employs 15 staff recruited via a specialist disability employment agency. The program is designed to provide positive employment outcomes for people with disabilities and this was recognised in 2022 with a nomination for 'Employer of the Decade' by the disability employment service partner. In 2022, 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	1.8%	2.7%
People with culturally diverse background representation	18.6%	16.0%
People with disability representation	3.7%	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, fourteen officers inadvertently used a corporate credit card for personal use, to the value of \$698.78.

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	\$698.78
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	\$131.79
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	\$566.99
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 2022 was as follows:

POSITION	MEMBER NAME	TYPE OF REMUNERATION*	PERIOD OF MEMBERSHIP**	No. OF MEETINGS	\$
Chair	Elizabeth Carr AM	Annual salary	12 months	6	\$22,665.24
Deputy Chair	Deborah Hamblin	Per meeting	12 months	6	\$2,658.00
Member	Dr Elena Limnios	Per meeting	12 months	5	\$1,920.00
Member	Erica Haddon	Per meeting	12 months	6	\$3,132.00
Member	Julian Coyne	Per meeting	12 months	4	\$1,536.00
Member	Kelly Towson	Per meeting	12 months	6	\$3,132.00
Member	Niegel Grazia	Per meeting	12 months	6	\$3,132.00
Member	Captain Brian Delamont	Per meeting	12 months	6	\$2,304.00
Member	Rhys Williams	Per meeting	12 months	5	\$2,127.00
Member	Paola Chivers	Per meeting	12 months	6	\$2,304.00
<b>Total payments</b>					<b>\$44,910.24</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 2022 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	\$12,919.66*	\$12,919.66
Market research organisations	-	-	-
Polling organisations	-	-	-
Direct mail organisations	Campaign Monitor Email Me Form	\$5181.62 \$351.12	\$5532.74
Media advertising agencies	Tik Tok Facebook Google Initiative Media Australia	\$16,479.18 \$33,907.28 \$19,032.70 \$21,769.22	\$91,188.38
			<b>\$109,640.78</b>

\* 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. Significant process has been made towards updating the Recordkeeping Plan due for renewal 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. An audit was undertaken of the SM TAFE recordkeeping system in late 2020 and recommendations made included review of an automated system for capturing records across SM TAFE. During 2022 progress has been made towards implementing the recommendations.

Records awareness training remains a key component of SM TAFE's induction process, addressing staff record keeping roles and responsibilities. All staff are required to complete the records awareness training, with every new staff member enrolled into the online Recordkeeping Awareness Training course at commencement.

### Freedom of Information

- SM TAFE received three Freedom of Information applications during 2022.
- 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.

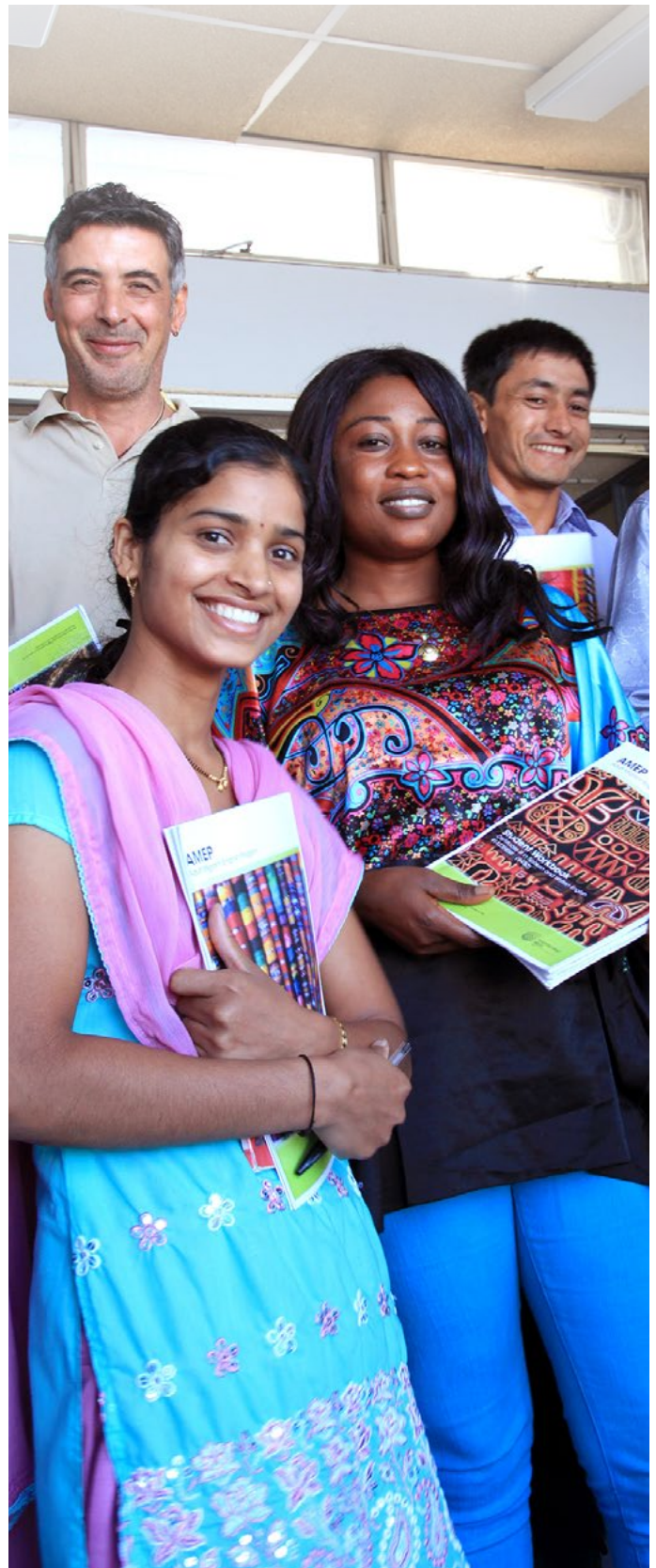
There were no public interest disclosures during 2022.

## WA Multicultural Policy Framework

The Western Australian Multicultural Policy Framework provides a structure for agencies to achieve the government's vision for multiculturalism in Western Australia. SM TAFE submitted its new three year Multicultural Plan to the Minister for Citizenship and Multicultural Interests in October 2022.

During 2022 key actions under our Multicultural Plan included:

- Continued delivery of the Adult Migrant English Program. This includes the provision of creche services to help minimise barriers to participation for women and families.
- Encouraging and promoting further pathways for students of the Adult Migrant English Program into other training areas for new migrants.
- Providing student support services that are culturally appropriate and sensitive to the needs of students from a wide variety of cultural and linguistic backgrounds.
- Engaging with Multicultural support services to provide services to our students who interact with our Jobs and Skills Centres
- Provision of foundation skills courses and support pathways to help skill CaLD community members.
- Promotion of the achievements of our diverse community via social media and SM TAFE's website.



## Disability Access and Inclusion Plan (DAIP) Outcomes 2022

### 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

- A QR code was introduced on Offer Letters as part of SM TAFE's continuous improvement process to streamline the student enrolment journey ensuring that application, enrolment and payment functions are available online and via telephone.
- TSEP (TAFE Specialist Employment Service) Pilot Program continued on campus to support students and Jobs and Skills Centre clients with a disability or medical condition with job search advice and assistance.

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

- A new DAIP was introduced in March 2022 with the goal of promoting strategies and activities designed to broaden access and inclusion initiatives and support the participation of students with a disability.
- The rollout of new braille signage for bathrooms across campuses starting with Murdoch and Jandakot commenced.

### 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

- A successful trial of Read Write Now was conducted at Bentley and Thornlie campuses to raise awareness of this one-on-one tutoring service to improve student literacy and numeracy.
- SM TAFE continued to offer virtual study support sessions via Zoom and Teams in addition to in-person delivery, to maximise access service availability to student.

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

- A Mental Health Response flow chart was introduced by Student Support Services to assist staff with the management of mental health incidents on campus in the event that Student Support Services staff are not immediately available.

- A Memorandum of Understanding with Mentally Healthy WA was established to permit student and staff access to a range of electronic mental health resources associated with the Act Belong Commit program.

### 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

- Engagement with the wider disability sector and ATEND network continued to ensure that SM TAFE's support team are 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.

### 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 provision for new SM TAFE staff as part of induction continued, 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.
- SM TAFE has an Inclusive Employment Program which provides meaningful, ongoing employment for people with disabilities. The College is in partnership with Bizlink (a disability employment service provider) who provide job ready candidates to SM TAFE for placement in roles across our various campuses.

## Workplace Health, Safety and Injury Management

SM TAFE is committed to promoting a safe workplace that adheres to and promotes the *Work Health and Safety (WHS) Act 2022* 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.

On 31 March 2022, the *Work Health and Safety Act 2020 (WA)* was enacted. To ensure continued compliance with the State Government's new work health and safety legislation, the work health and safety management system was reviewed. This includes the Work Health and Safety Management Plan, Risk Registers, Work Health and Safety Policies and Procedures and Workers' Compensation and Injury Management Policy.

Additionally, due diligence training was provided to senior managers in line with the new Act and a new Work Health and Safety for Managers training course was developed and rolled out across the college.

A robust system of safety committees at both the worksite and senior management level exists across the college to ensure safety outcomes are achieved. In 2022, eight committees represented the major campuses. They were comprised of 83 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. To further facilitate consultation on work health and safety and injury management matters, SM TAFE has dedicated staff within the safety and health team to provide information and assistance.

SM TAFE actively supports its safety and health representatives and the role they undertake for the college. All safety and health representatives are provided with the five-day mandatory training and are registered with WorkSafe WA. All elected safety and health representatives will also complete retraining under the new work health and safety requirements.

SM TAFE has a Workplace Health and Safety 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. The standing committee reports quarterly to the Corporate Executive on all matters concerning health and safety in the workplace.

During the year a Psychosocial Work Health and Safety working group was established, chaired by the General Manager Corporate Services. The working group is comprised of a variety of staff representatives across the college. The primary purpose is to facilitate a coordinated approach to improve knowledge and understanding across the college of the nature of potential psychosocial hazards and risk factors in line with the *Work Health and Safety Act 2020*.

### Workers Compensation and Injury Management

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 ICWA to minimise claims and determine the best course of action to effectively manage claims.

### 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.

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



## Performance against targets

MEASURE	ACTUAL RESULTS			RESULTS AGAINST TARGETS	
	2020	2021	2022	TARGET	COMMENT ON RESULT
Number of fatalities	0	0	0	Zero (0)	Target achieved
Lost time injury and/or disease incidence rate	0.25	0.61	0	Zero (0)	Target achieved
Lost time injury severity rate	0	30%	50%	Zero (0) or 10% reduction on the previous year	Target not achieved
Percentage of injured workers returned to work within 13 weeks	100%	94%	91.6%	Greater than or equal to 80% return to work within 26 weeks	Target achieved
Percentage of injured workers returned to work within 26 weeks	100%	94%	100%	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	90%	90%	90%	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 2023

In accordance with section 40 of the *Financial Management Act 2006* and Treasurer's Instruction 953 the annual estimates for the 2023 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.

Financial Indicators (Ratios)			
Ratio Number	RATIOS	Benchmark	2023 Budget Estimate
1a	Adjusted Operating Result (\$)	N/A	(495,417)
1b	Net Adjusted Operating Margin (as a % of total income)	+/- 3%	-0.28%
2a	\$ Cost per SCH		\$19.48
	SCH		9,519,624
2b	Cost per SCH (% movement in \$ cost per SCH)	- 2.5% – + 5%	-6.7%
3a	Working Capital	Metro: 1.0-1.25 Regional: 1.25-1.75	0.95
3b	Cash Ratio	Metro: 0.7-1.0 Regional: 1.0-1.5	0.83
4	Average Employee Entitlements Accrued (current) in weeks	Max 8 weeks	9.74
5	Sustainability of Cash Reserve in Days	25 - 45 days	72.91

<b>South Metropolitan TAFE 2023 S40 SUBMISSION Statement of Comprehensive Income</b>	
	<b>2023 Budget Estimate \$</b>
<b>COST OF SERVICES</b>	
<b>Expenses</b>	
Employee benefits expense	130,962,948
Supplies and services	30,029,262
Depreciation and amortisation expense	10,693,720
Finance costs	453,328
Grants and subsidies	361,465
Loss on disposal of non-current assets	0
Loss on disposal of lease arrangements	
Cost of sales	265,236
Revaluation decrement	0
Other expenses	12,675,343
<b>Total Cost of Services</b>	<b>185,441,302</b>
<b>Income</b>	
<b>Revenue</b>	
Fee for service	18,607,031
Student charges and fees	17,341,432
Ancillary trading	1,215,759
Sales	476,217
Commonwealth grants and contributions	275,589
Interest revenue	390,000
Other revenue	2,000,281
<b>Total Revenue</b>	<b>40,306,310</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>40,306,310</b>
<b>NET COST OF SERVICES</b>	<b>(145,134,992)</b>
<b>INCOME FROM STATE GOVERNMENT</b>	
State funds	130,934,372
Assets assumed/(transferred)	0
Resources received free of charge	4,439,483
Royalties for regions	
<b>Total income from State Government</b>	<b>135,373,855</b>
<b>SURPLUS (DEFICIT) FOR THE PERIOD</b>	<b>(9,761,137)</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>(9,761,137)</b>



<b>South Metropolitan TAFE 2023 S40 SUBMISSION STATEMENT OF FINANCIAL POSITION</b>	
	<b>2023 Budget Estimate \$</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	33,169,897
Restricted cash and cash equivalents	848,872
Inventories	456
Receivables	4,281,410
Other current assets	446,023
Other financial assets	0
Non-current assets classified as held for sale	0
<b>Total Current Assets</b>	<b>38,746,658</b>
<b>Non-Current Assets</b>	
Restricted cash and cash equivalents	3,691,759
Inventories	0
Receivables	0
Property, plant and equipment	316,033,759
Right of use assets	14,888,566
Intangible assets	505,961
Other non-current assets	0
	0
<b>Total Non-Current Assets</b>	<b>335,120,044</b>
<b>TOTAL ASSETS</b>	<b>373,866,702</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Payables	6,105,217
Lease liabilities	1,045,532
Borrowings	0
Amounts due to the Treasurer	0
Provisions	25,517,615
Other current liabilities	7,230,276
Liabilities directly associated with non-current assets classified as held for sale	0
<b>Total Current Liabilities</b>	<b>39,898,640</b>
<b>Non-Current Liabilities</b>	
Payables	0
Lease liabilities	13,697,280
Borrowings	0
Provisions	5,306,776
Other non-current liabilities	634,136
<b>Total Non-Current Liabilities</b>	<b>19,638,192</b>
<b>TOTAL LIABILITIES</b>	<b>59,536,832</b>
<b>NET ASSETS</b>	<b>314,329,870</b>
<b>EQUITY</b>	
Contributed Equity	370,399,569
Reserves	21,901,007
Changes in Accounting Policy	0
Accumulated surplus/(deficiency)	<b>(77,970,706)</b>
<b>TOTAL EQUITY</b>	<b>314,329,870</b>

<b>South Metropolitan TAFE</b>	<b>2023</b>
<b>2023 S40 SUBMISSION</b>	<b>Budget</b>
<b>STATEMENT OF CASHFLOWS</b>	<b>Target</b>
	<b>\$</b>
<b>CASH FLOWS FROM STATE GOVERNMENT</b>	
State funds	130,934,372
Capital contributions	0
Special purpose grant/cash transferred from DTWD	0
Royalties for Regions	0
<b>Net cash provided by State Government</b>	<b>130,934,372</b>
<b>Utilised as follows:</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
<b>Operating Payments</b>	
Employee benefits	(127,962,949)
Supplies and services	(25,560,977)
Finance costs	(453,328)
Grants and subsidies	(361,465)
GST payments on purchases	0
GST payments to taxation authority	(3,341)
Cost of goods sold	(57,642)
Other payments	(10,296,310)
<b>Operating Receipts</b>	
Fee for service	7,111,517
Student fees and charges	25,191,549
Ancillary trading	1,215,759
Commonwealth grants and contributions	275,589
Interest received	387,571
GST receipts on sales	0
GST receipts from taxation authority	0
Sale of Goods	450,268
Other receipts	2,049,528
<b>Net cash provided by/(used in) operating activities</b>	<b>(128,014,229)</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>290,143</b>
Cash and cash equivalents at the beginning of the period	37,420,387
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>37,710,530</b>



