



2023 ANNUAL REPORT

*Skilling Western Australians
for a smart future*



South Metropolitan TAFE

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This publication is available in alternative formats upon request.

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.

Statement of compliance

To the Hon Hannah Beazley MLA, Minister Assisting the Minister for Training and Workforce Development

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 2023.

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

13 March 2024



Darshi Ganeson-Oats
Managing Director

13 March 2024

Acknowledgement

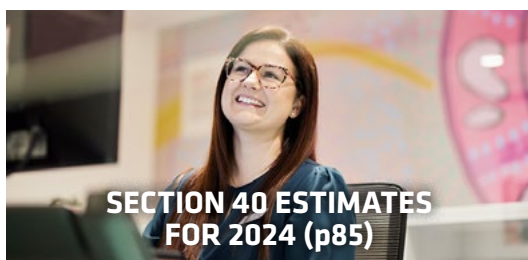
We acknowledge the Noongar peoples of the Whadjuk and Gnaala Karla areas as the Traditional Custodians of the lands that South Metropolitan TAFE campuses are situated upon. We acknowledge the wisdom of Aboriginal Elders past and present, and pay respect to Aboriginal communities of today. We recognise the rich and diverse culture of Aboriginal and Torres Strait Islander peoples, and the valuable contribution this diversity brings to our college and country.



About the Artist

Emily Rose is an Aboriginal artist and Noongar Yamatji woman living here in Boorloo (Perth), Western Australia. The mediums and methods used are guided by intuition and inspired by Emily's spiritual connection to country, the elements of nature, and the astral bodies that pepper the night sky. Emily explores her cultural connection through her ephemeral and digital art style incorporating elements of Noongar Boodja.

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OVERVIEW OF THE AGENCY



Message from the Chair and Managing Director

Kaya and Wandju

Welcome to the South Metropolitan TAFE 2023 Annual Report

2023 was a remarkable year for South Metropolitan TAFE (SM TAFE), delivering more than 8.3 million student curriculum hours of government funded training to over 25,000 students. We are proud to play a significant role in shaping the workforce and contributing to WA's economic development, with over 10,500 apprentices and trainees and their employers choosing SM TAFE for their training provider.

As we reflect on our achievements over the year, the highlights in this report demonstrate our continued commitment to excellence and innovation in the delivery of skills reflective of current and emerging workforce needs.

Collaboration and partnerships

Strengthening strategic partnerships and fostering collaboration with Government stakeholders, industry, employers and schools is paramount to the business of SM TAFE. Significant work with our many long term defence partners has been prominent throughout the year. Our reputation in this field has led to our expertise being sought to establish a framework to embed nuclear skills within the naval defence nuclear industry, involving stakeholders in USA, UK and Australia. In addition, our partnerships with the Australian Signals Directorate and the Australian Cyber Security Centre have led to the development of a nationally recognised cyber security assessment course and building the cyber security capability in WA Government agencies.

The SM TAFE contribution to rebuilding the State's international student market and delivering training offshore for our international partners was re-invigorated in 2023, post the COVID-19 pandemic, as well as activity with key partners in Oman, Mauritius and Zhejiang, China.



Innovative learning and future skills

Embracing emerging technologies both in industry and in teaching and learning is critical to supporting the State's diversification, particularly in supply chain development and advanced manufacturing. The SM TAFE work in developing training to support new and emerging technologies and processes will be realised in the Global Advanced Industries Hub economic zone. Initiating a national partnership and supporting training with the new Kwinana Energy Transformation Hub are a further demonstration of our role in the clean energy sector and our new CollabX space will drive pathways in automation and Industry 4.0 training

Commitment to community

SM TAFE delivers industry standard, high quality training in priority sectors aligned to economic diversification and local skills needs. Our Certificates in General Education for Adults (CGEA) program was expanded this year, playing an important role in preparing students for employment and helping them to explore pathways to further study and higher skills. SM TAFE has 5 Jobs and Skills Centres, which provide additional support to community and industry by providing job seeking and job matching activities, programs and initiatives across the South Metropolitan area, and Peel region. Many initiatives were activated in 2023 supporting enhanced Aboriginal community engagement, workforce development for employers, youth programs and careers and support in schools with excellent outcomes. Extended outreach work supported the rights of passage program 'Initj Bnang' (tomorrow's fire) for young Aboriginal men and me, providing customised IT training for the Gee Gie Indigenous Professional Service.

SM TAFE operates with the highest standards of quality assurance to ensure our programs are relevant, rigorous and responsive to industry needs. In 2023 the Training and Accreditation Council (TAC) commended the college on its strong industry engagement and student-centred approach during the successful re-registration process.

People and culture

SM TAFE requires its own diverse and agile workforce to respond to changes in student demand, industry needs and Government priorities. During 2023 lecturers were empowered to stay current with industry knowledge through the College Lecturer Industry Placement Program. We presented our 2024-2028 plan to continue to advance diversity and inclusion and develop initiatives to attract, develop and retain a diverse workforce to meet the State's training needs and drive innovation and excellence. SM TAFE is implementing the Public Sector Commission 'Building Leadership Impact' program, preparing our leaders and workforce for the challenges of the future. Our commitment to professional standards and ethical conduct has been strengthened with the adoption of a new Integrity Framework.

In the final quarter of 2023, SM TAFE won the WA Training Industry Collaboration of the Year Award for the Defence Industries Pathway Program. This State Award is a summation and acknowledgement of the college's responsiveness to industry, agility and innovation in developing new courses, relationships with and respect from industry and our collective desire to make a difference to the WA community.

We extend our appreciation to our dedicated employees, whose professionalism and expertise is the driving force behind our success. Our students' achievements inspire us and the collaboration and support from our valued partners and stakeholders brings us confidence in navigating towards our shared vision.

Ms Terry Durant's contribution as Managing Director of SM TAFE until September, is also to be acknowledged and celebrated as the baton of leadership was passed on in 2023. Her commitment to excellence and strategic vision has shaped our accomplishments, reputation and great success.

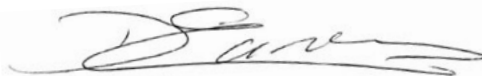
We are also grateful for the support that Hon Simone McGurk MLA, Minister for Training and Workforce Development; Water; Industrial Relations provides to the TAFE sector and we also welcome Hon Hannah Beazley MLA Minister Assisting the Minister for Training and workforce Development. Significant Government investment in the sector including our new Hospitality, Hair and Beauty Training Centre at Mandurah campus, Fee Free training and equipment for TAFE initiatives such as our new Maritime Simulator, launched in February, will help ensure SM TAFE students are job ready.

As we look ahead, SM TAFE recognises the challenges and rapidly changing environment in the training sector, and in the State, National and global context. As we position the college to support national initiatives such as the establishment of National TAFE Centres of Excellence, we will adapt, innovate and continuously improve to remain a leader in training and an enabler to accelerate growth in the skilled and productive workforce of WA.



Elizabeth Carr AM
Governing Council Chair

13 March 2024



Darshi Ganeson-Oats
Managing Director

13 March 2024

2023 Highlights

SM TAFE delivered over **8,333,286** government funded curriculum hours



Provided training to over **25,000** students



Provided Jobs and Skills services to **12,352** clients



Delivered **340** employer seminars and employability workshops, and provided workforce development assistance to **1,240** employers

**LOWER FEES
LOCAL SKILLS**

Delivered skills to **4,128** students enrolled in Lower fees, local skills qualifications



Delivered VET to **3,292** secondary school students (VETDSS)



Engaged with over **6,500** employers to train over **10,500** apprentices and trainees



90.9% of surveyed employers were satisfied overall with SM TAFE 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 2023, SM TAFE was responsible to the Hon Simone McGurk MLA, 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 and Workforce Development; Water; Industrial Relations. Ms Elizabeth Carr AM is the Chair of the Governing Council.

Agency structure

As of December 2023, SM TAFE employed 1189 Full Time Equivalent (FTE) staff 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 comprises four General Managers and three Executive Directors spanning Training Services, Corporate Services and Organisational Services.

SM TAFE services in 2023 were delivered through five key business areas:

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.

Corporate Services - Responsible for finance, human resources, procurement and risk, work health and safety, information and communication technology, records management, and facilities.

Organisational Services - Responsible for planning and reporting, client services, student experience and academic systems, marketing and communications, and quality and development.

Strategic Partnerships - Responsible for industry engagement, developing commercial opportunities and supporting international partnerships.

Jobs and Skills Centres (JSC) - 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

Minister for Training and Workforce Development; Water; Industrial Relations
Hon Simone McGurk MLA BA

South Metropolitan TAFE Governing Council Chair
Elizabeth Carr AM

Managing Director
Darshi Ganeson-Oats

General Manager Corporate Services
Annette Keller

General Manager Organisational Services
Jamie Drew

General Manager Training Services I
Blair Marsh

General Manager Training Services II
Brenda Micale

Director Human Resources and Integrity
Bryce Doig

Director Planning and Reporting
Daniel Ronzan

Executive Director Construction, Commerce and Hospitality
Julia Burns

Executive Director Engineering, Transport and Defence
Jonathon Maile

Director Finance
Hamulinda Simuchoba

A/Director Quality and Development
Morena Stanley

Executive Director Access, Community and Health
Carole Little

Director Strategic Partnerships
Ty Theodore

Director Information Services
Shu Wing Chan

Director Client Services
Tracy Beer

Director International Business and Strategic Positioning
Kim Wood

Director Facilities
Glen Robinson

A/Director Student Systems and Administration
Matt Webb

Executive Director Defence
Melina Kawecki

Associate Director Strategic Support
Marie Meardi

Director Marketing and Communications
Carlo Vittiglia



Thornlie campus

Governing Council



Chair, Elizabeth Carr AM

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

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

She also chairs: St Mary's Anglican Girls School (WA), 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.



Deputy Chair, Deborah Hamblin

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 the SM TAFE 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 strengths include 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 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 her own advisory business, Navigating Innovation.

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 Ltd) and Argyle Diamonds (Rio Tinto Limited).

Erica has been a Certified Practising Accountant for over 25 years. And she has completed the Advanced Management Program at Harvard Business School.



Julian Coyne

Julian Coyne brings entrepreneurship, engineering and technology together. After graduating in 2002 with honours in Computer and Mathematical Science, Julian founded his first company Unified. This organisation has 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.



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 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 the Deputy Director for the Institute for Health Research at The University of Notre Dame Australia and provides research and data analysis consultancy 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. Paola serves as a member on several of Notre Dame's governance committees, sub committees and working groups including elected member to Academic Council. 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 a long history of philanthropic work within the disability and education sectors including governance and committee representation.

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 Masters of Development Studies at Murdoch University.



Kelly Townson (until June 2023)

Kelly Townson was a member of South Metropolitan TAFE Governing Council from 2018. With over 20 years' experience in strategy development, brand building, partnership development, and change leadership, she has worked across a diverse portfolio of industry sectors including higher education and training, tourism, manufacturing, FMCG and financial services.



Terry Durant (until September 2023)

Terry Durant was the Managing Director of SM TAFE from its establishment in 2017.



Darshi Ganeson-Oats (from September 2023)

As the Managing Director of SM TAFE, Darshi Ganeson-Oats is also an ex-officio member of the Governing Council. Prior to this she steered South Regional TAFE as its Managing Director from 2021-2023 and has held executive positions within the vocational education sector. Her professional experience includes roles in international consultancy, business development and economics and has served on the board of the Australian Maritime College. Ms Ganeson-Oats holds a Bachelor of Economics (Honours) from the University of Western Australia, a Graduate Diploma of Computing from Curtin University and is a Graduate of the Australian Institute of Company Directors.

Legislative environment

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 2023*
- *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. In 2023, the Chair of the AEETC was Mr Ashley Garlett and the committee has held three meetings.

Industry Advisory Groups

SM TAFE has Industry Advisory Groups representing the college's diverse range of qualifications and specialities, across industry areas such as community services, construction, health and beauty, and children's services. SM TAFE advisory groups 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 2023, SM TAFE had 20 Industry Advisory Groups (including ACEPT).

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

The SM TAFE 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. Mr Kory Judd retired as Chair and Mr Neville Carrington was appointed new Chair of ACEPT. SM TAFE would like to thank Mr Judd for his service. In 2023, three meetings were held.

AMEP

The Adult Migrant English Program (AMEP) is an Australian Government-funded Program, offering eligible migrants and humanitarian entrants free English Language classes to assist with settlement in Australia. SM TAFE offered AMEP classes at six of our campuses and two community based venues in 2023 and delivered the nationally accredited certificates in English as an Additional Language to over 1800 students. Students can learn how to use new technologies, job seeking skills, Australian values, cultures and laws. Some of our graduates go on to become volunteer tutors for AMEP, offering tutor sessions outside the classroom.



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 services and the broader government goal to which we contributed.

| GOVERNMENT GOAL | DESIRED OUTCOMES | SM TAFE SERVICES |
|-------------------------------|--|--|
| Future jobs and skills | Grow and diversify the economy, create jobs, and support skills development. | <ul style="list-style-type: none"> • Provision of government funded and commercial, fee for service training. • Delivery of apprenticeships and traineeships. • Partnerships with industry to build capability and support future workforce skilling requirements. • Flexible, responsive, and nationally accredited training ranging from Certificate I to Advanced Diplomas. • Delivery of Jobs and Skills Centres that engage with local communities, businesses, and industry, providing employment and workforce development services. |

Changes to Outcome Based Management Framework

There was no change to SM TAFE Outcome Based Management Framework in 2023.

Shared responsibilities with other agencies

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

AGENCY PERFORMANCE

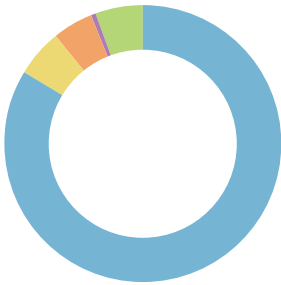


2023 Key college statistics

Total number of unique students (all funding sources) 30,226

Total student curriculum hours (all funding sources) 9,977,706

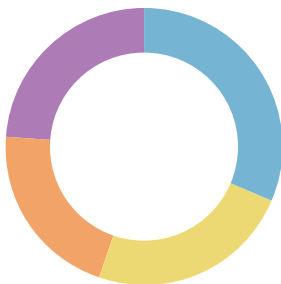
Total government funded student curriculum hours 8,333,286



SCH activity breakdown

| | |
|---------------------------------|--------|
| Profile | 83.68% |
| Commercial funded delivery | 5.58% |
| Commercial – International | 4.82% |
| State funded delivery (auspice) | 0.58% |
| Commonwealth funded delivery | 5.35% |

Female 38.33%
Male 61.22%
Interdeterminate/ Intersex/unspecified 0.45%

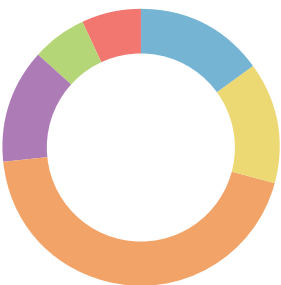


Student age group breakdown

| | |
|--------------|--------|
| 19 and under | 31.47% |
| 20-24 | 24.03% |
| 25 – 34 | 20.86% |
| Over 34 | 23.62% |



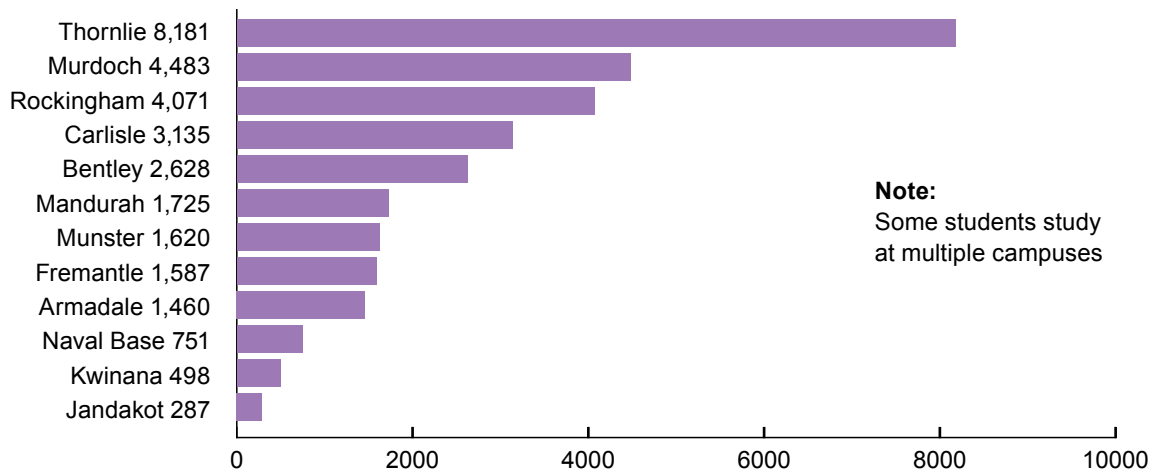
Offshore and international students 1,039



Students by qualification level

| | |
|-------------------------|--------|
| Certificate I and below | 12.69% |
| Certificate II | 11.86% |
| Certificate III | 37.16% |
| Certificate IV | 11.04% |
| Skills sets | 5.37% |
| Diploma and above | 5.75% |

Student population by campus



Note:
Some students study at multiple campuses

Collaboration, Partnerships and Strategic Projects

Essential Eight Assessment Delivery – TAFEcyber and Australian Signals Directorate Partnership

Leading the TAFEcyber cyber security national consortium of TAFE colleges, SM TAFE has engaged with the Australian Signals Directorate (ASD) and the Australian Cyber Security Centre to develop the nationally recognised Essential Eight Assessment Course. This is designed to assist public and private organisations to accurately self-assess against the essential eight principles to help protect themselves against various cyber threats. This partnership involves the accreditation of Cyber Security lecturers from TAFE colleges across Australia to deliver the Essential Eight Assessment course in their respective jurisdictions in 2024. SM TAFE has partnered with the Office of Digital Government to deliver this course and build cyber security capability in Western Australian Government agencies.

Defence Technical Trades – Wodonga TAFE

The Joint Technical Trades Training Services (JTTS) Defence contract, which includes both Army and Navy training solutions, was awarded to Wodonga TAFE (Wodonga) in 2023. Under this agreement, SM TAFE successfully negotiated with Wodonga to be their Western Australian (WA) training provider for all Defence training.

This unique partnership spanning over at least 5 years will strengthen the role of SM TAFE in providing Defence training to build a qualified workforce in technical trade qualifications across construction, electrical, engineering, and mechanical trades.

AUKUS and Nuclear Skills Framework

SM TAFE was engaged by the DTWD to establish a framework to embed nuclear skills for blue, grey and white-collar workers within the naval defence nuclear industry. Our focus was understanding and developing a nuclear training and skills framework (*Western Australian Nuclear Skills Framework*), that will underpin the blue and grey collar workforce and skills required to support the introduction of nuclear propulsion. This program of work is a multi-stage program involving government and industry in the USA, UK and Australia. Stage One saw the completion of the framework as well as a UK study tour in mid-October 2023.

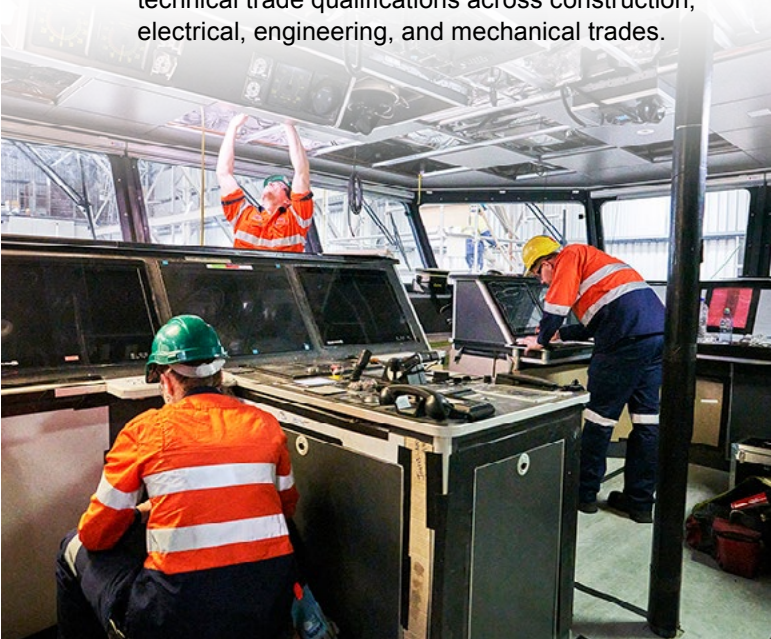
International Education Delivery

There were 61 qualifications offered at SM TAFE to onshore international students. This was a 32% increase in onshore international student numbers for Semester 2, 2023 (compared to the same time in 2022).

The offshore partnership with Charles Telfair Campus (CTC), based in Mauritius, has been ongoing since 2005 and has produced over 4,500 SM TAFE graduates. There were 186 students enrolled across SM TAFE qualifications at CTC, notably the BSB30120 Certificate III in Business, BSB40120 Certificate IV in Business, BSB50120 Diploma of Business, the Diploma of International Children Services and the 52895WA Certificate IV in Preparation for Health and Nursing Studies. The Managing Director of SM TAFE attended the CTC Graduation in late October 2023.

SM TAFE delivered specialist training to members from the Royal Oman Police (ROP) Coast Guard Command Training Centre in a five-week *Maritime Instructor Training Program*.

An agreement was signed with Clough Wood to provide the PMA20116 Certificate II in Process Plant Operations to four of their Timorese personnel from their Santos' Bayu Undan facility (with local SM TAFE students) over an eight-week program from 2 October to 24 November 2023.





Mandurah Campus Regional Status

SM TAFE received approval to add Mandurah Campus to the Regional TAFE International Student Strategy program and added to the the TAFE International WA (TIWA) regional bursary. The two qualifications under this program will be the SIT30821 Certificate III in Commercial Cookery and SIT40521 Certificate IV in Kitchen Management.

Zhejiang China Sister State Consortium

With the signing of the Western Australia Zhejiang Higher Vocational Education Consortium 11 November 2022 and the success of the joint Professional Development (PD) staff training program, the next sessions commenced in October and November 2023 respectively. These sessions were delivered in conjunction with North Metropolitan TAFE to over 200 Zhejiang Provincial lecturing staff. A tertiary international delegation from Zhejiang Provincial Government also visited Perth from 9 to 11 November 2023.

Centres of Excellence

The Commonwealth and all State and Territory Governments signed the Heads of Agreement for Skills Reform in 2023 which sets out national reforms for the VET sector. A key pillar of the new agreement is the commitment for States and Territories and the Commonwealth to collaborate and partner in the development of Centres of Excellence (COE) for the VET sector.

SM TAFE is positioning the college to support the TAFE Centres of Excellence and is working closely with the Department of Training and Workforce Development to progress this initiative.

Extension and Expansion of the Defence Industry Pathways Program

The expansion of the Defence Industry Pathway Program (DIPP) into South Australia by the commonwealth Government is aimed at bolstering national ship building programs and career pathways. Partnering with TAFE SA and other related parties, the aim is to provide 150 trainees over three years commencing mid-2024.

Key Partnerships with Aboriginal-owned businesses

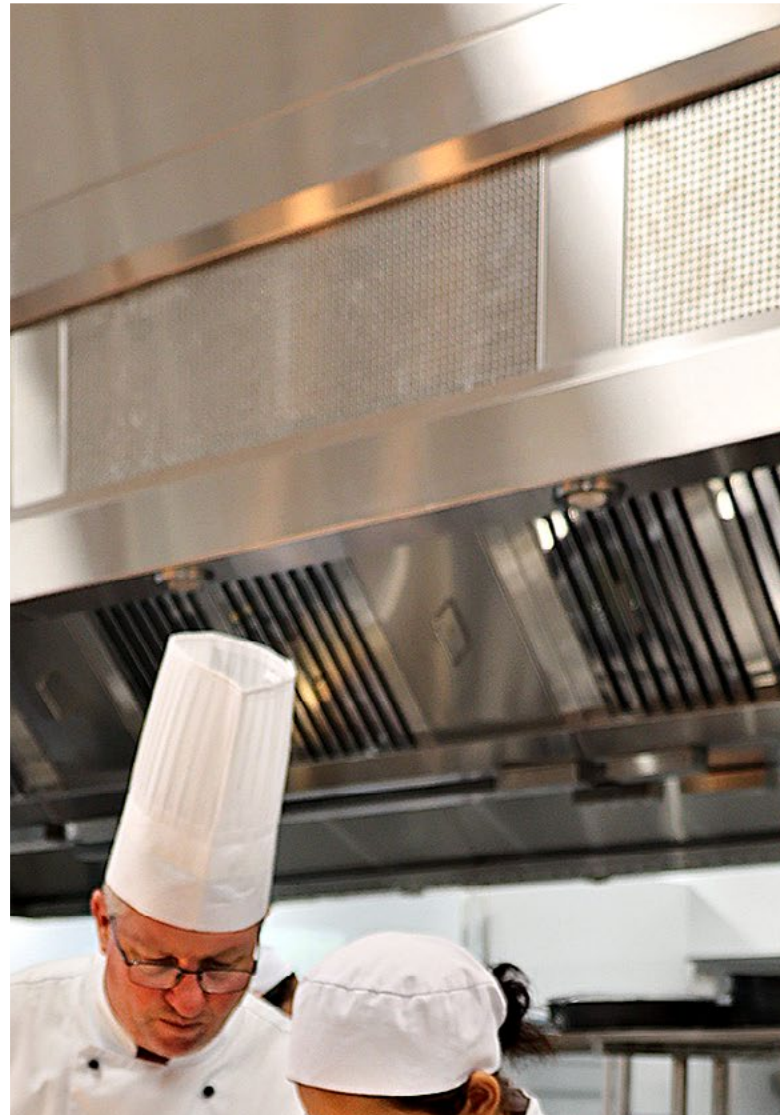
In late 2023, SM TAFE supported the workforce development needs of Moorditj Koort Aboriginal Corporation (MKAC) through the delivery of foundation skills and community services programs to its employees. A Letter of Intent was signed between SM TAFE and Gee Gie to oversee the collaboration of an ICT Work placement program (ICT and Cyber-security) for Aboriginal trainees, for delivery in 2024.

BHP FutureFit Academy Training Delivery

SM TAFE commitment to providing innovative training opportunities continued in 2023, collaborating with BHP to deliver Engineering apprenticeships through the nationally recognised FutureFit Academy. The Academy's purpose-built facility, featuring immersive virtual reality technology, has seen over 270 apprentices and trainees complete since its inception in 2020, with the partnership between SM TAFE and BHP expected to continue with the signing of a new contract at the end of 2023.

Launch of Peel Hospitality, Hairdressing and Beauty

The Hon Roger Cook, Premier and Minister for Training; Water; Youth, Hon Simone McGurk officially opened new facilities at our Mandurah Campus in June 2023. The new facilities include: Saltbush training restaurant, dining room and production kitchen, two full-size industry standard training kitchens, a cookery/ barista demonstration classroom, IT classrooms and student hub. Industry standard hair and beauty training facilities, dedicated training space for beauty therapy and massage and a new hair salon are also situated in the new building. Saltbush training restaurant and the hair and beauty salons are open to the public. 485 students enrolled in hospitality, hair and beauty courses at Mandurah campus during the second semester of 2023.



Innovative Learning and Future Skills

Clean and Future Energy Initiatives

SM TAFE has initiated a national partnership to support the sharing and development of Hydrogen Delivery materials with other states and territory partners. The project also includes investigating QLD TAFE and Central Queensland University equipment development and sharing.

Global Advanced Industries Hub (GAIH)

SM TAFE is a member of the Global Advanced Industries Hub (GAIH) Ministerial Taskforce and Global Advanced Industries Hub (GAIH) Steering Committee supporting the State in the establishment of this hub.

SM TAFE is seeking to position itself to meet the future skills needs of emerging industries in this important economic zone. This is realised by our role on the State Governments Industry Reference Group and the Skills and Workforce Advisory Group, working with DTWD on the workforce development needs for the region.

SM TAFE will develop new skill sets and micro-credentials that support new and emerging technologies and processes will be developed for delivery alongside traditional trade and established training programs.

Automation CollabX space – Thornlie Campus

The design and development of the new Automation CollabX space at our Thornlie campus was completed. This space was created to broaden the college's automation and Industry 4.0 training opportunities.

New Student Hub

2023 saw the launch of the new Student Hub to provide our students access to a range of support services and study resources including the use of digital learning platforms.



Commitment to Community

Next Generation Admissions System

SM TAFE, along with the other WA TAFE colleges, has engaged with the Department of Training and Workforce Development to progress the development of a new admissions system.

The project board is co-chaired by SM TAFE and South Regional TAFE, with the project focussed not just on the replacement of the admissions system, but also a review of related process and policy to focus on delivering a student-centric admissions journey.

The resulting system should provide an easier and more intuitive journey for students applying for TAFE courses, but importantly will also provide the opportunity for SM TAFE to better harness information and data to communicate and engage with prospective students throughout the application to enrolment journey.

Expansion of Certificate of General Education for Adults Delivery

SM TAFE saw the expansion of delivery of the Certificate of General Education for Adults (CGEA) in the Eastern Suburbs and through the new third-party agreement between SM TAFE and IDEA Academy delivering alternative CGEA education options. The CGEA prepares students for employment and further education by providing a choice of vocational electives to explore, providing a clear pathway into further study that leads to employment. SM TAFE actively promotes the employment availability of course graduates to key industry partners and organisations and endeavours to assist students into a career pathway. Completion of the CGEA II meets the entry requirements for most Certificate II, III or IV level TAFE courses.

Re-registration Audit

During 2023, the college successfully acquired re-registration with the Training and Accreditation Council. In post-audit feedback the auditors commended the college on its effective management structures and engagement between executive and academic staff, strong industry engagement and student-centred approach, effective use of data and professional and competent staff.

Pilot of the Draft Revised Standards for Registered Training Organisations

As part of the national Skills Reform agenda, the Australian Government is progressing a number of quality reforms, including a revision of the Standards for Registered Training Organisations (RTOs) 2015 (the SRTOs). In late 2023, South Metropolitan TAFE participated in a pilot of the draft SRTOs, designed to test the clarity and functionality and to collate feedback to inform ongoing refinement. The pilot process provided a valuable opportunity for SM TAFE to commence preparation for transition to the new SRTOs.

Industry Collaboration of the Year – State and National Awards

SM TAFE won the WA Training Industry Collaboration of the Year Award for the Defence Industries Pathway Program in 2023. This State Award is an acknowledgement of the college's responsiveness to industry, agility in developing new courses, relationships with and respect from industry and our collective desire to make a difference to the WA community.

The Defence Industries Pathways Program went on to achieve Bronze Award at the Australian Training Awards, showcasing SM TAFE capability on a national scale.

Australian Defence Force Reserves Employer Support Award

South Metropolitan TAFE won the Australian Defence Force Reserves Employer Support Awards, Public sector category. This accolade formally recognises civilian employers that are committed to supporting reservists in their workplace. SM TAFE was acknowledged for going above and beyond for our reservist employees, over a sustained period and for special efforts enabling the member to complete their Reserve commitments. In 2023, SM TAFE had seven reservist employees and the Award is a reflection of the college's commitment.

People and Culture



Placement Program (CLIP)

The Industry Placement Program empowers lecturers to stay current with industry knowledge and trends. In 2023, SM TAFE achieved 103 completions. Lecturers are encouraged to develop clear and measurable objectives for their placement and valuable insights from their experience are shared with lecturer colleagues through video and information sessions.

Psychosocial Health and Safety Working Group

To address the ever-increasing risk of psychosocial related incidents, SM TAFE has established a Psychosocial Health and Safety Working Group whose primary purpose is to facilitate a coordinated approach to improve knowledge and understanding across the college of potential psychosocial hazards and risk factors, SM TAFE has undertaken a preliminary assessment of its psychosocial health and safety hazards which identifies the controls in place and planned actions to reduce or eliminate the risk.

Workforce Diversity and Inclusion Plan

During 2023 the SM TAFE Workforce, Diversity and Inclusion Plan 2024 - 2028 was developed which expresses the commitment to building an agile and diverse workforce capable of continually providing high quality vocational education and training services, and responding to changes in student demand, industry needs, and Government policy priorities.

Implementation of initiatives within the Plan will commence in 2024 which aim to:

- attract, develop, and retain a diverse workforce which can meet the State's current and future training needs, and drive innovation and excellence.
- provide safe and inclusive workplaces where employees can succeed and feel a sense of belonging.
- embed the expected personal leadership mindsets and behaviours across the workforce to promote integrity and a commitment to excellence.

Building Leadership Impact

In February 2023, the Public Sector Commission launched its Building Leadership Impact initiative. The program sets a clear direction for what leadership means for the Western Australian public sector and preparing the workforce for the challenges of the future. SM TAFE has commenced a pilot of the initiative within its Corporate Services Division which will inform its implementation within the college to complement existing staff capability frameworks.

2023 Public Sector Census

The first ever Western Australian Public Sector Census was conducted by the Public Sector Commission (PSC) in 2023 resulting in the Sector Insights and Agency Insights reports. The Census results identified many strengths of SM TAFE and some areas for celebration and important learnings about where we can do better. The SM TAFE Workforce, Diversity and Inclusion Plan 2024 - 2028 incorporates current and future initiatives to address the key areas identified for improvement.

Jobs and Skills Centres

Enhanced Community and Aboriginal Engagement

The Enhanced Aboriginal Engagement (EAE) team, Fremantle JSC forged new initiatives with community organisations and government departments to provide valuable opportunities for access to various support services such as the Department of Justice (DOJ) Aboriginal Justice Open Days (AJOD). The JSCs regularly attended the AJOD events across various locations in the South Metropolitan Area, providing the Aboriginal community with greater accessibility and support to tailored career advice to meet unique circumstances, discussions exploring current situations, and information on training and employment opportunities. EAE also assisted DOJ Corrective Services to recruit Aboriginal applicants into the roles of Prison Officers and Special Operations Group.

Throughout 2023 EAE provided support to the Department of Training and Workforce Development (DTWD) with staff recruitment and retention efforts. EAE assisted in the delivery of a Career Week at DTWD providing career advice, 1:1 resume and interview assistance to existing Aboriginal staff and tools to assist managers to retain and develop Aboriginal staff.

EAE built relationships, forged new connections and developed initiatives to be delivered and embedded as ongoing programs within the community and key organisations in 2024.

Support for Employers and Business

The JSCs supported a range of employers with services to recruit apprentices, trainees and new employees, via engagement events such as the Kadadjiny Mia and Waalitj Hub Aboriginal Employer Showcases, employers showcased their current employment opportunities and connected with local Aboriginal job seekers. Try a Trade programs for the unemployed at the Thornlie and Rockingham Campuses, collaborating with Construction Training Fund, Perth Local Task Force, local government councils and employment service providers to connect employers with job seekers leading to employment. Mandurah Jobs Fairs, in collaboration with Workforce Australia, City of Mandurah and Peel JSC, which supported

job seekers to find employment and training options and speak directly with employers on available opportunities. JSC support continued with the BHP Maintenance Technician Program recruiting workers into the available maintenance roles.

Supporting our Youth

The JSCs partnered with local government on community initiatives to inspire and motivate youth and adults to achieve career, training and employment goals. Events such as the Zone Kwinana youth programs, Mandurah Career Experience Day, Cockburn Melville Fremantle Youth Forum and Serpentine Jarrahdale Careers and Enterprise Expo provided exposure to diverse industries and career paths available in the state. Attendees had access to industry partners, showcasing jobs on offer, training opportunities in the region, different work experiences, resume building and workshops on winning interviews.

Engaging with Secondary Schools

EAE assisted with two Aboriginal Youth Career Events in 2023, exposing over 200 school students from schools in the region to career and training opportunities in various industries. Roebourne and Coolgardie Regional High Schools attended SM TAFE campuses and were immersed in career and training activities.

School One-on-One Career Advice Sessions continued to expand from JSC East catchments to all JSCs across the south metropolitan schools. The program experienced significant growth, expanding from 10 to 26 schools across the region. The JSCs continued to promote all career and training options via the expanded Year 9 Career Taster Days, expos and the introduction of Early Career Discovery courses offered at Thornlie, Rockingham and Mandurah campuses.

In 2023, SM TAFE major campuses were activated with over 44 campus tours from Thornlie to Fremantle, and down to Mandurah campuses. Prospective students and community explored our state-of-the-art facilities raising awareness of training on offer and further study options.

Supporting the Defence Industry

The dedicated defence industry team (DIT) at the Rockingham JSC played a crucial role in promoting defence industry occupations and opportunities, supporting the career progression of existing workers into critical professional and paraprofessional roles. Their specialist services involved engagement with employers and universities, providing transition assistance to veterans for accessing scholarships and employment in the defence industry raising awareness of workforce initiatives and programs. The team supported individuals with advice on training, job seeking, and career planning while actively participating in ten defence industry events throughout the year.

The DIT collaborated with the 13th Brigade (an Army Reserve formation of the Australian Army) co-exhibiting at pop-up booths across SM TAFE campuses. This collaboration strengthened the relationship between the 13th Brigade and the DIT and facilitated cross-promotion of reservist and defence industry pathways to current SM TAFE students and staff. The joint efforts extended to the 13th Brigade participating in various JSC career expos, trade shows, and employer showcases. These activities helped raise awareness of the 13th Brigade and fostered connections with students, job seekers, staff, and employers across the SM TAFE catchment areas.

Supporting new futures

The JSCs provided extended outreach to various centres, including the Walyalup Centre, Wandoo Rehabilitation Prison, Champion Centre, Boronia, Karnet, Casuarina Prisons, Banksia Hill Detention Centre and Peel Health Hub. The EAE team engaged with the Cultural Corridors initiative supporting the rights of passage program, 'Initj Benang' (Tomorrow's Fire) for young Aboriginal men. EAE worked with the Gee Gie Indigenous Professional Service on customising tailored IT training. The JSCs delivered initiatives through the Waalitj Hub and ALUA's OnTrack Program which provided employment opportunities and created positive changes in the lives of disadvantaged individuals, particularly through connections with the 'Metronet' employment opportunities. JSC managers continued membership on the Perth South Local Jobs Program Taskforce and focused on upskilling, reskilling, and establishing employment pathways for those seeking to return to and secure employment.

Reconciliation Action Plan Achievements

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

In 2023 the SM TAFE RAP Working Group focused on a broad range of projects, designed to promote reconciliation as an employer, government agency, education provider and as an organisation embedded in the local community. Underpinning these projects was the development of a refreshed 'Innovate' Reconciliation Action Plan for 2023 to 2025, with actions and deliverables linked to the three key RAP themes of strengthening relationships, elevated respect and increasing opportunities.

In line with the development of the SM TAFE 2023-2025 Reconciliation Action Plan, artwork contributing to the design and presentation of the plan was commissioned. Local Noongar Yamatji artist Emily Rose's design represents connection to country and the journey forward. A star path, with dreamtime totems and clusters of stars are representative of the guidance to forge ahead. Traditional lines, crosshatching and dots are used on either side of the star path, representing meeting places and journey lines.

Reconciliation Week

Reconciliation Week was celebrated with a lunch event at SM TAFE Saltbush Restaurant at Mandurah campus. Local Elders and members of the SM TAFE community including the Aboriginal Education and Employment Training Committee, RAP Working Group, Executive and staff attended to reflect, and hear from a range of speakers. During the event, newly commissioned Noongar Seasons banners were unveiled by artist Emily Rose, with the banners now featured within SM TAFE library spaces and the Kadadjiny Mia and Koora Marr Aboriginal Learning Centres at Rockingham and Thornlie campuses. Over the week, a range of events were held at SM TAFE campuses including a presentation on Uluru Statement from the Heart, Connecting to Country walks and a Noongar language workshop.

NAIDOC

In 2023, SM TAFE hosted a NAIDOC event celebrating the theme 'For our Elders' at the Fremantle campus. A morning filled with music, stories, reflection and future vision was attended by SM TAFE staff, students, community partners and local Elders. A keynote address delivered by Shem Garlett generated discussion and the sharing of stories from attendees on what the theme 'For our Elders' meant to them.



Local Noongar
Yamatji artist Emily Rose's
seasons banners

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

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 318 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.

Learner Questionnaire (LQ)

SM TAFE scored 92.2% for the scale 'Overall Satisfaction' in the 2023 LQ survey, exceeding the college's KPI of 85%.



95.0%

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



96.1%

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



97.0%

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

Employer Questionnaire (EQ)

SM TAFE scored 90.9% for the scale 'Overall Satisfaction' in the 2023 EQ survey, exceeding the college's KPI of 80%.



The training had a good mix of theory and practice - **93.7%**



Training resources and equipment were in good condition - **93.8%**

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 website, in person, over the telephone or email to a college staff member, or by post. SM TAFE received 441 comments during 2023 which represents a 36.53% increase in the total number of customer comments compared with 2022.



Customer Comments

| | |
|-----------------------------------|-------------|
| ● Appeals (General and Academic): | 16 (3.6%) |
| ● Complaint: | 283 (64.2%) |
| ● Compliment: | 131 (29.7%) |
| ● Suggestion: | 11 (2.5%) |

Feedback Response

SM TAFE aims to respond to customer feedback within ten days. In 2023, 82.7% of complaints submissions were resolved on time.



Timelines of response (complaints and general appeals)

| | |
|--------------------------|-------------|
| ● On time: | 235 (82.7%) |
| ● Overdue ≤ 7 days: | 32 (11.3%) |
| ● Overdue > 7 ≤ 30 days: | 13 (4.6%) |
| ● Overdue > 7 ≤ 30 days: | 13 (4.6%) |

FINANCIAL STATEMENTS



Certification of Financial Statements

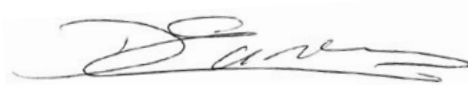
The accompanying financial statements of South Metropolitan TAFE have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the period ending 31 December 2023 and the financial position as at 31 December 2023.

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

13 March 2024



Darshi Ganeson-Oats
Managing Director

13 March 2024



Hamulinda Simuchoba CPA
Director Finance (CFO)

13 March 2024



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 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 as at 31 December 2023, 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 2023 and the financial position as 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 South Metropolitan 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.

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 2023.

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 2023. 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 2023.

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 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 management 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 2023, 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 and 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 2023 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
14 March 2024

Financial Statements

OFFICIAL

| South Metropolitan TAFE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023 | | 2023 | 2022 |
|---|-----------------|--------------------|--------------------|
| | Notes | \$ | \$ |
| COST OF SERVICES | | | |
| Expenses | | | |
| Employee benefits expenses | 2.1(a) | 146,609,146 | 140,967,550 |
| Supplies and services | 2.3 | 39,957,284 | 34,137,469 |
| Grants and subsidies | 2.2 | 485,576 | 467,894 |
| Finance Cost | 6.4 | 501,063 | 531,902 |
| Other expenses | 2.3 | 15,379,773 | 14,241,543 |
| Cost of sales | 3.3 | 305,428 | 338,099 |
| Loss on disposal of non-current assets | 3.7 | - | 22,540 |
| Loss on disposal of lease arrangements | 3.7 | 1,169 | 108 |
| Depreciation and amortisation expense | 4.1.1, 4.3.1 | 12,052,486 | 10,803,701 |
| Total cost of services | | 215,291,926 | 201,510,805 |
| Income | | | |
| Fee for service | 3.2 | 22,344,723 | 18,999,055 |
| Student fees and charges | 3.2 | 16,442,131 | 15,064,665 |
| Ancillary trading | 3.2 | 1,344,863 | 1,129,843 |
| Sales | 3.3 | 449,444 | 496,171 |
| Commonwealth grants and contributions | 3.4 | 1,042,812 | 3,004,851 |
| Interest revenue | 3.5 | 2,298,876 | 753,239 |
| Other revenue | 3.6 | 1,943,046 | 2,165,179 |
| Total revenue | | 45,865,895 | 41,613,004 |
| Gains | | | |
| Gain on disposal of non-current assets | 3.7 | 30,005 | - |
| Gain arising from changes in fair value - land | 3.7 | - | 8,900,000 |
| Total gains | | 30,005 | 8,900,000 |
| Total income other than income from State Government | | 45,895,900 | 50,513,004 |
| NET COST OF SERVICES | | 169,396,026 | 150,997,801 |
| Income from State Government | | | |
| Grants and subsidies | 3.1 | 157,211,743 | 137,642,140 |
| Resources Received | 3.1 | 10,288,647 | 6,305,157 |
| Income from other public sector entities | 3.1 | 30,529 | 688,411 |
| Total income from State Government | 3.1 | 167,530,920 | 144,635,708 |
| SURPLUS/(DEFICIT) FOR THE PERIOD | | (1,865,106) | (6,362,093) |
| OTHER COMPREHENSIVE INCOME | | | |
| Items not reclassified subsequently to profit or loss | | | |
| Changes in asset revaluation surplus | | 6,603,511 | 14,843,373 |
| Total other comprehensive income | | 6,603,511 | 14,843,373 |
| TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE PERIOD | | 4,738,405 | 8,481,279 |

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.

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| South Metropolitan TAFE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 | | 2023 | 2022 |
|--|--------|--------------------|--------------------|
| | Notes | \$ | \$ |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 6.1 | 41,503,931 | 45,129,496 |
| Restricted cash and cash equivalents | 6.1 | 3,687,260 | 4,731,353 |
| Receivables | 5.1 | 6,343,275 | 5,001,035 |
| Other current assets | 5.2 | 899,254 | 1,000,492 |
| Total Current Assets | | 52,433,719 | 55,862,376 |
| Non-Current Assets | | | |
| Restricted cash and cash equivalents | 6.1 | 4,552,508 | 3,652,891 |
| Property, plant and equipment | 4.1 | 344,855,479 | 325,658,285 |
| Right-of-use assets | 4.2 | 12,500,576 | 13,644,320 |
| Intangible assets | 4.3 | 676,145 | 352,646 |
| Total Non-Current Assets | | 362,584,708 | 343,308,142 |
| TOTAL ASSETS | | 415,018,427 | 399,170,519 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Payables | 5.3 | 6,206,037 | 9,358,205 |
| Lease liabilities | 6.2 | 842,185 | 960,108 |
| Employee related provisions | 2.1(b) | 21,399,603 | 27,723,206 |
| Other current liabilities | 5.4 | 8,130,530 | 13,032,930 |
| Total Current Liabilities | | 36,578,355 | 51,074,450 |
| Non-Current Liabilities | | | |
| Lease liabilities | 6.2 | 11,944,408 | 12,788,837 |
| Employee related provisions | 2.1(b) | 11,911,794 | 5,775,014 |
| Other non current liabilities | 5.4 | 600,437 | 600,437 |
| Total Non-Current Liabilities | | 24,456,639 | 19,164,289 |
| TOTAL LIABILITIES | | 61,034,994 | 70,238,739 |
| NET ASSETS | | 353,983,433 | 328,931,780 |
| EQUITY | | | |
| Contributed equity | | 370,664,963 | 350,351,715 |
| Reserves | | 43,347,891 | 36,744,379 |
| Accumulated surplus / (deficit) | | (60,029,421) | (58,164,314) |
| TOTAL EQUITY | | 353,983,433 | 328,931,780 |

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.

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| South Metropolitan TAFE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 | | 2023 | 2022 |
|---|-------|----------------------|----------------------|
| | Notes | \$ | \$ |
| CASH FLOWS FROM STATE GOVERNMENT | | | |
| Grants and subsidies - Department of Training and Workforce Development | | 152,465,157 | 144,929,600 |
| Capital appropriation - Department of Training and Workforce Development | | 2,599,996 | 4,001,913 |
| Funds from other public sector entities | | 30,529 | 688,411 |
| Total Net cash provided by State Government | | 155,095,682 | 149,619,924 |
| Utilised as follows: | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments | | | |
| Employee benefits expenses | | (150,223,453) | (132,681,422) |
| Supplies and services | | (28,681,694) | (28,590,451) |
| Finance costs | | (501,063) | (531,902) |
| Grants and subsidies | | (485,576) | (467,894) |
| GST payments on purchases | | (4,304,369) | (3,675,599) |
| Other payments | | (16,092,008) | (14,068,612) |
| Receipts | | | |
| Fee for service | | 21,498,480 | 18,444,486 |
| Student fees and charges | | 16,251,734 | 15,430,285 |
| Ancillary trading | | 1,344,863 | 1,287,915 |
| Commonwealth grants and contributions | | 1,042,812 | 3,004,851 |
| Interest received | | 1,952,668 | 532,083 |
| GST receipts on sales | | 731,718 | 957,733 |
| GST receipts from taxation authority | | 3,385,859 | 2,703,146 |
| Other receipts | | 2,394,738 | 2,154,737 |
| Net cash provided by/(used in) operating activities | | (151,685,292) | (135,500,644) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments | | | |
| Purchase of non-current physical assets | | (5,629,107) | (3,538,603) |
| Purchase of Software | | (568,000) | |
| Receipts | | | |
| Proceeds from sale of non-current physical assets | | 23,519 | 5,348 |
| Net cash provided by/(used in) investing activities | | (6,173,588) | (3,533,255) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Payments | | | |
| Principal elements of lease payments | | (1,006,844) | (1,057,667) |
| Net cash provided by/(used in) financing activities | | (1,006,844) | (1,057,667) |
| Net increase (decrease) in cash and cash equivalents | | (3,770,041) | 9,528,358 |
| Cash and cash equivalents at the beginning of period | | 53,513,740 | 43,985,380 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 6.1 | 49,743,699 | 53,513,740 |

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.

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| South Metropolitan TAFE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023 | | | | |
|--|-----------------------|-------------------|------------------------------------|--------------------|
| Notes | Contributed Equity | Reserves | Accumulated Surplus / (Deficit) | Total Equity |
| | \$ | \$ | \$ | \$ |
| Balance at 1 January 2022 | 339,492,743 | 21,901,008 | (51,802,221) | 309,591,530 |
| Surplus/(deficit) | | | (6,362,093) | (6,362,093) |
| Other comprehensive income | - | 14,843,373 | - | 14,843,373 |
| Total comprehensive income for the period | - | 14,843,373 | (6,362,093) | 8,481,279 |
| Transactions with owners in their capacity as owners: | | | | |
| Capital appropriations | 4,001,913 | - | - | 4,001,913 |
| Other contributions by owners | 6,857,059 | - | - | 6,857,059 |
| Total | 10,858,972 | - | - | 10,858,972 |
| Balance at 31 December 2022 | 350,351,715 | 36,744,380 | (58,164,314) | 328,931,781 |
| Balance at 1 January 2023 | 350,351,715 | 36,744,380 | (58,164,314) | 328,931,781 |
| Restated balance at 1 January 2023 | 350,351,715 | 36,744,380 | (58,164,314) | 328,931,781 |
| Surplus/(deficit) | | | (1,865,106) | (1,865,106) |
| Other comprehensive income | - | 6,603,511 | - | 6,603,511 |
| Total comprehensive income for the period | - | 6,603,511 | (1,865,106) | 4,738,405 |
| Transactions with owners in their capacity as owners: | | | | |
| Capital appropriations | 20,313,248 | - | - | 20,313,248 |
| Other contributions by owners | - | - | - | - |
| Distributions to owners | - | - | - | - |
| Total | 20,313,248 | - | - | 20,313,248 |
| Balance at 31 December 2023 | 370,664,963 | 43,347,891 | (60,029,421) | 353,983,433 |

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 Basis of preparation

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

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

These annual financial statements were authorised for issue by the Managing Director of SM TAFE on 13 March 2024.

Statement of compliance

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by Treasurer's instructions. Several of these are modified by Treasurer's instructions to vary application, disclosure, format and wording.

The Act and Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board. 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. The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by SM TAFE as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

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

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, as designated as contributions by owners (at the time of, or prior to, transfer) 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.

Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations;
- Intangible Asset reconciliations; and
- Right-of-Use Asset reconciliations

2 Use of our funding

Expenses incurred in the delivery of services

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

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NOTES TO THE FINANCIAL STATEMENTS

| | |
|-----------------------------|--------|
| 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

| | 2023 | 2022 |
|--|--------------------|--------------------|
| Employee benefits | 132,296,184 | 128,802,080 |
| Termination benefits | 10,399 | 19,563 |
| Superannuation - defined contribution plans | 14,302,562 | 12,145,907 |
| Employee benefits expenses | 146,609,146 | 140,967,550 |
| Add: AASB 16 Non-monetary benefits (not included in employee benefits expense) | | |
| Provision of vehicle benefits | 226,946 | 220,473 |
| Less: Employee contributions | (64,441) | (57,655) |
| Total employee benefits provided | 146,771,651 | 141,130,369 |

Employee benefits include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as medical care, housing, cars and free or subsidised goods or services) for employees.

Termination benefits are 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 is 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 are non-monetary employee benefits, predominantly relating to the provision of vehicle and housing benefits that are recognised under AASB 16 and are excluded from the employee benefits expense.

Employee Contributions are contributions made to SM 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

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Current | | |
| <u>Employee benefits provision</u> | | |
| Annual leave | 5,777,241 | 5,801,990 |
| Long service leave | 13,887,765 | 19,501,871 |
| Deferred salary scheme | 621,095 | 532,174 |
| Purchased leave | 9,359 | 9,312 |
| | 20,295,460 | 25,845,347 |
| <u>Other provisions</u> | | |
| Employment on-costs | 1,104,143 | 1,877,860 |
| Total current employee related provisions | 21,399,603 | 27,723,206 |
| Non-current | | |
| <u>Employee benefits provision</u> | | |
| Long service leave | 11,385,502 | 5,379,475 |
| | 11,385,502 | 5,379,475 |
| <u>Other provisions</u> | | |
| Employment on-costs | 526,293 | 395,539 |
| Total non-current employee related provisions | 11,911,794 | 5,775,014 |
| Total employee related provisions | 33,311,398 | 33,498,221 |

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NOTES TO THE FINANCIAL STATEMENTS

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

Annual leave liabilities: Classified as current as there is no right at the end of the reporting period to defer settlement for at least 12 months after 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: Are unconditional long service leave provisions and are classified as current liabilities as SM TAFE does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months after 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 right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

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

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

Employment on-costs provisions

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

| | 2023 | 2022 |
|---|-----------|-----------|
| Carrying amount at start of period | 2,273,399 | 1,789,017 |
| Additional / (reversals of) provisions recognised | (642,963) | 484,382 |
| Carrying amount at end of period | 1,630,436 | 2,273,399 |

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

| | 2023 | 2022 |
|----------------------------|---------|---------|
| Scholarships for students | 485,576 | 467,894 |
| Total grants and subsidies | 485,576 | 467,894 |

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 or subsidy expenses'. These payments or transfers are recognised at fair value at the time of the transaction and are recognised as an expense in the reporting period in which they are paid. 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.

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NOTES TO THE FINANCIAL STATEMENTS

2.3 Other expenditure

| | 2023 | 2022 |
|---|-------------------|-------------------|
| Supplies and services | | |
| Consumables and minor equipment | 9,881,354 | 8,480,656 |
| Communication expenses | 727,044 | 682,823 |
| Utilities expenses | 2,906,685 | 2,837,171 |
| Consultancies and contracted services | 22,019,275 | 19,014,665 |
| Minor works | 258,398 | 91,060 |
| Rental Cost | 543,257 | 313,803 |
| Travel and passenger transport | 248,252 | 118,490 |
| Advertising and public relations | 122,272 | 173,841 |
| Staff professional development activities | 232,051 | 198,913 |
| Software licence expense | 1,666,363 | 1,215,582 |
| Insurance expense | 853,407 | 753,535 |
| Other supplies and services expenses | 498,925 | 256,930 |
| Total supplies and services expenses | 39,957,284 | 34,137,469 |
| Other expenses | | |
| Audit fees | 217,070 | 198,200 |
| Building maintenance | 5,452,595 | 4,209,325 |
| Expected credit losses expense | 42,170 | 169,930 |
| Employment on-costs | 8,829,314 | 9,121,943 |
| Student prizes and awards | 4,508 | 3,931 |
| Losses and write-offs | 44,790 | 20,240 |
| Refunds of revenue (prior year) | 295,142 | 42,599 |
| Repairs and Maintenance | 494,184 | 475,374 |
| Total other expenses | 15,379,772 | 14,241,543 |
| Total other expenditure | 55,337,057 | 48,379,012 |

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 cleaning costs are recognised as expenses as incurred.

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

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

Expected credit losses is recognised for movement in allowance for impairment of trade receivables. Please refer to Note 5.1 Receivables for more details.

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.

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NOTES TO THE FINANCIAL STATEMENTS

3 Our funding sources**How we obtain our funding**

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

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

3.1 Income from State Government

Grants and subsidies received during the period:

Grants and subsidies

| | 2023 | 2022 |
|---|--------------------|--------------------|
| Delivery and Performance Agreement (DPA) | 146,964,643 | 127,105,899 |
| Non-DPA Grants from Department of Training and Workforce Development (DTWD) | 4,399,777 | 6,294,649 |
| Fee for service - Department of Training and Workforce Development (DTWD) | - | 30,582 |
| Fee for service - Government (other than DTWD) | 113,898 | 176,789 |
| International Division Fees - State Govt | 5,733,426 | 4,034,221 |
| | <u>157,211,743</u> | <u>137,642,140</u> |

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

Department of Training and Workforce Development

| | | |
|--|-----------|-----------|
| - Corporate systems support | 5,680,104 | 4,697,256 |
| - Marketing and publications | 587,994 | 108,003 |
| - Human resources and industrial relations support | 78,425 | 86,021 |
| - Other | 3,942,125 | 1,413,878 |

Total Resources Received

10,288,647 6,305,157

Income from other public sector entities

30,529 688,411

Total income from State Government

167,530,920 144,635,707

Grants and subsidies is recognised as income if there is no performance obligation, income will be recognised when SM TAFE receive the funds.

Grants and subsidies from the DPA fund the net cost of services delivered.

Appropriate revenue comprises a cash component less the refund due to DTWD (a liability).

- 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 SM TAFE has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when SM TAFE received the funds.

3.2 User charges and fees**Fee for service**

| | 2023 | 2022 |
|---|-------------------|-------------------|
| Fee for service - General | 8,452,761 | 7,447,634 |
| Fee for service - Commonwealth Government | 13,199,072 | 11,128,805 |
| International fees | 692,890 | 422,615 |
| Total fee for service | <u>22,344,723</u> | <u>18,999,055</u> |

Student fees and charges

| | | |
|--|-------------------|-------------------|
| Tuition fees | 8,739,639 | 8,470,653 |
| Enrolment and resource fees | 6,700,946 | 5,904,995 |
| Recognition of prior learning (RPL) fees | 629,988 | 312,630 |
| Other College fees | 371,558 | 376,387 |
| Total student fees and charges | <u>16,442,131</u> | <u>15,064,665</u> |

Ancillary trading

| | | |
|------------------------------------|-------------------|-------------------|
| Liveworks (not a trading activity) | 1,266,759 | 1,026,379 |
| Contracting & consulting revenue | 1,000 | 4,964 |
| Other ancillary revenue | 77,104 | 98,500 |
| Total ancillary trading | <u>1,344,863</u> | <u>1,129,843</u> |
| Total user charges and fees | <u>40,131,717</u> | <u>35,193,564</u> |

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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

| | 2023 | 2022 |
|---|----------------|----------------|
| Cafeteria (non-training related) | | |
| Sales | 448,584 | 496,171 |
| Cost of Sales: | | |
| Opening Inventory | - | - |
| Purchases | (305,428) | (338,099) |
| | (305,428) | (338,099) |
| Closing Inventory | - | - |
| Cost of Goods Sold | (305,428) | (338,099) |
| Total trading profit/(loss) - Cafeteria (non-training related) | 143,156 | 158,072 |
| Other trading | | |
| Sales | 860 | - |
| Total trading profit/(loss) - Other trading | 860 | - |
| Total Trading profit/(loss) | 144,016 | 158,072 |

Sales

Revenue from the sale of goods is recognised at the transaction price when the College transfers control of the goods to customers

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

| | 2023 | 2022 |
|--|------------------|------------------|
| Commonwealth specific purpose grants and contributions | 1,042,812 | 3,004,851 |
| | 1,042,812 | 3,004,851 |

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

| | 2023 | 2022 |
|------------------|-----------|---------|
| Interest revenue | 2,298,876 | 753,239 |

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

| | 2023 | 2022 |
|---|------------------|------------------|
| Employee contributions | 64,441 | 57,655 |
| Rental and facilities fees | 385,501 | 274,014 |
| Sponsorship and donations revenue | 248,895 | 30,818 |
| Recoups from external organisations | 478,503 | 357,452 |
| RiskCover performance adjustment and insurance recoveries | 26,315 | 5,441 |
| Prior year revenue | 568,230 | 1,162,916 |
| Miscellaneous revenue | 171,161 | 276,882 |
| Total other revenue | 1,943,046 | 2,165,178 |

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.

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3.7 Gains/(Losses)Net proceeds from disposal of non-current assets

Plant, furniture and general equipment

Total proceeds from disposal of non-current assetsCarrying amount of non-current assets disposed

Plant, furniture and general equipment

Computers and communication network

Net gains/(losses)Other gains/(loss)

Gain/(loss) arising from lease arrangements

Gain/(loss) arising from changes in fair value - land

Other gains/(losses)**Total gains/(losses)**

| | 2023 | 2022 |
|--|----------------|------------------|
| | 58,070 | 5,348 |
| | 58,070 | 5,348 |
| | (24,698) | (19,209) |
| | (3,366) | (8,678) |
| | 30,005 | (22,540) |
| | (1,169) | (108) |
| | - | 8,900,000 |
| | (1,169) | 8,899,892 |
| | 28,836 | 8,877,353 |

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

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

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

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

Property, plant and equipment

Right-of-use assets

Intangible assets

Total key assets

Notes

4.1

4.2

4.3

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4.1 Property, plant and equipment

Year ended 31 December 2023

1 January 2023

| | Land \$ | Buildings \$ | Work in Progress \$ | Motor vehicles, caravans and trailers \$ | Leasehold improvements \$ | Plant, furniture and general equipment \$ | Computer equipment, communication network \$ | Marine craft \$ | Library collection \$ | Works of art \$ | Total \$ |
|---|-------------------|--------------------|---------------------------|--|---------------------------------|--|--|--------------------|-----------------------------|--------------------|--------------------|
| 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) |
| Carrying amount at start of period | 76,780,000 | 230,654,980 | 3,224,377 | 163,538 | 1,457,169 | 7,575,992 | 2,349,199 | 395,900 | 735,830 | 2,321,300 | 325,658,285 |
| Additions | - | - | 43,874 | 68,297 | - | 5,012,301 | 2,415,030 | - | 235,766 | 2,500 | 7,777,768 |
| Transfers between asset classes | - | - | (3,224,377) | - | - | 110,672 | 2,545,706 | - | - | - | (568,000) |
| Transfer from Other Entities | - | 15,794,377 | 286,257 | - | - | - | - | - | - | - | 16,080,634 |
| Donations | - | - | - | - | - | - | - | - | - | - | - |
| Other disposals | - | - | - | - | - | (37,097) | (16,428) | 363,650 | - | - | (53,524) |
| Revaluation increments | - | - | - | - | - | (23,445) | - | - | - | - | 6,603,511 |
| Impairment losses (b) | - | - | - | - | - | - | - | - | - | - | (23,445) |
| Impairment losses reversed (b) | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation | - | (6,125,348) | - | (45,911) | (89,239) | (2,223,595) | (1,869,268) | (69,550) | (196,838) | - | (10,619,750) |
| Carrying amount 31 December 2023 | 81,130,000 | 242,213,870 | 330,131 | 185,925 | 1,367,929 | 10,414,827 | 5,424,239 | 690,000 | 774,758 | 2,323,800 | 344,855,479 |
| Gross carrying amount | 81,130,000 | 242,213,870 | 330,131 | 553,282 | 10,564,146 | 23,320,905 | 11,210,465 | 690,000 | 1,114,118 | 2,323,800 | 373,450,717 |
| Accumulated depreciation | - | - | - | (367,358) | (9,196,217) | (12,863,143) | (5,786,226) | - | (339,360) | - | (28,552,303) |
| Accumulated impairment losses | - | - | - | - | - | (42,935) | - | - | - | - | (42,935) |

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

(b) 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.

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NOTES TO THE FINANCIAL STATEMENTS

Initial recognition

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

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

Subsequent measurement

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

Land is carried at fair value.

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 1 July 2023 by Landgate.

The valuations were performed during the year ended 31 December 2023 and recognised at 31 December 2023. In undertaking the revaluation, fair value was determined by reference to market values for land: \$1,100,000 (2022: \$1,050,000).

For the remaining balance, unobservable (level 3) inputs were used to determine the fair value.

As at 45,291, there was \$23,445 impairment to property, plant and equipment.

Unobservable (level 3) inputs used to determine fair values of Infrastructure, property, plant and equipment are:

| | |
|-----------------|--|
| Infrastructure: | <i>Historical cost per cubic metre (M³)</i> The costs of construction of infrastructure are extracted from financial records of NM TAFE and indexed by movements in construction costs by quantity surveyors. |
| Land: | Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuation Services). |
| Buildings: | <i>Historical cost per square metre floor area (m²)</i> The costs of constructing specialised buildings with similar utility are extracted from financial records of the Model Department, then indexed by movements in CPI. <i>Consumed economic benefit/obsolescence of asset</i> These are estimated by the Western Australian Land Information Authority (Valuation Services). |

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Marine craft are valued every 3 years by professional valuer. The last valuation occurred as at 23/12/2023 and was undertaken by Marko Boats Australia Pty Ltd.

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

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 accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

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

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

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NOTES TO THE FINANCIAL STATEMENTS

4.1.1 Depreciation and impairment Charge for the period

Depreciation

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Buildings | 6,125,348 | 5,531,384 |
| Leasehold improvements - buildings | 89,239 | 89,239 |
| Motor vehicles, caravans and trailers | 45,911 | 34,929 |
| Plant, furniture and general equipment | 2,223,595 | 2,253,644 |
| Computers and communication network | 1,869,268 | 1,221,179 |
| Marine craft | 69,550 | 69,550 |
| Library Collection | 196,838 | 142,521 |
| Right-of-use assets | 1,188,234 | 1,307,939 |
| Total depreciation for the period | 11,807,984 | 10,650,386 |

Impairment

| | 2023 | 2022 |
|--|---------------|---------------|
| Plant, furniture and general equipment | 23,445 | 19,490 |
| Total impairment for the period | 23,445 | 19,490 |

All surplus assets at 31 December 2023 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 |
|--|--------------------|
| 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.

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NOTES TO THE FINANCIAL STATEMENTS

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 to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the class of asset.

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.

4.2 Right-of-use assets**Year ended 31 December 2023**

| | Land | Building | Vehicles | Total |
|--|----------------|-------------------|----------------|-------------------|
| Carrying amount at start of period | 675,670 | 12,441,750 | 526,899 | 13,644,320 |
| Additions | - | - | 44,490 | 44,490 |
| Depreciation | (39,100) | (950,521) | (198,613) | (1,188,234) |
| Net Carrying Amount as at end of period | 636,570 | 11,491,229 | 372,776 | 12,500,576 |

Initial recognition

At the commencement date of the lease, SM TAFE recognises right-of-use assets and a corresponding lease liability for most leases. The right-of-use assets are measured at cost comprising of:

- 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.

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

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 Depreciation and impairment

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4.3 Intangible assets

| | Computer software and licences |
|---|-----------------------------------|
| Year ended 31 December 2023 | |
| 1 January 2023 | |
| Cost | 1,127,933 |
| Accumulated amortisation | (775,287) |
| Carrying amount at start of period | 352,646 |
| | |
| Additions | 568,000 |
| Amortisation expense | (244,501) |
| Carrying amount at end of period | 676,145 |

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.

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.

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

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

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

Subsequent measurement

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

4.3.1 Amortisation and impairment**Charge for the period**

| | 2023 | 2022 |
|--|----------------|----------------|
| <u>Amortisation</u> | | |
| Computer Software | 244,501 | 153,315 |
| Total amortisation for the period | 244,501 | 153,315 |

As at 31 December 2023 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 ^(a)

3 to 5 years

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

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1 Depreciation and impairment.

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NOTES TO THE FINANCIAL STATEMENTS

5 Other assets and liabilities

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

| | |
|-------------------|-------|
| | Notes |
| Receivables | 5.1 |
| Other assets | 5.2 |
| Payables | 5.3 |
| Other liabilities | 5.4 |

5.1 Receivables**Current**

| | 2023 | 2022 |
|---|------------------|------------------|
| Receivables - Trade | 1,031,373 | 1,159,745 |
| Receivables - Students | 1,766,963 | 1,461,433 |
| Allowance for impairment of receivables | (75,392) | (181,861) |
| Accrued revenue | 3,186,657 | 2,204,387 |
| GST receivable | 383,295 | 311,653 |
| Workers Compensation due | 50,402 | 45,691 |
| | 6,343,297 | 5,001,049 |
| Advances: | | |
| Other debtors | (22) | (14) |
| | (22) | (14) |
| Total current | 6,343,275 | 5,001,035 |
| Total receivables at end of period | 6,343,275 | 5,001,035 |

Trade receivables are initially recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. SM TAFE holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

SM TAFE recognises a loss allowance for expected credit losses (ECLs) on a receivable not held at fair value through profit or loss. The ECLs based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. Individual receivables are written off when SM TAFE has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, SM TAFE recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. SM TAFE has established 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 2.3 Other expenditure for the amount of ECLs expensed in this financial year.

5.2 Other assets**Current**

| | 2023 | 2022 |
|--|----------------|------------------|
| Prepayments | 892,884 | 992,081 |
| Other | 6,370 | 8,411 |
| Total current | 899,254 | 1,000,492 |
| Total other assets at end of period | 899,254 | 1,000,492 |

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**Current**

| | 2023 | 2022 |
|--|------------------|------------------|
| Trade payables | 83,758 | 39,994 |
| Accrued expenses | 1,969,427 | 1,018,826 |
| Accrued salaries and related costs | 4,146,320 | 8,299,384 |
| Paid parental leave payable | 6,532 | - |
| Total current | 6,206,037 | 9,358,205 |
| Total payables at end of period | 6,206,037 | 9,358,205 |

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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 15-20 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

| | 2023 | 2022 |
|---|------------------|-------------------|
| Current | | |
| Income received in advance ^(a) | 5,738,250 | 5,988,260 |
| Grants and advances other | 246,718 | 317,968 |
| Monies/deposits held in trust | 85,457 | 100,527 |
| Delivery and Performance Agreement Refund due to DTWD | 2,026,406 | 6,592,477 |
| Provision for restoration costs | 33,699 | 33,699 |
| Total current | 8,130,530 | 13,032,930 |
| Non-current | | |
| Other non current liabilities | 600,437 | 600,437 |
| Total non-current | 600,437 | 600,437 |
| Balance at end of period | 8,730,967 | 13,633,367 |

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

6 Financing

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

| | Notes |
|----------------------------|-------|
| Cash and cash equivalents | 6.1 |
| Lease liabilities | 6.2 |
| Assets pledged as security | 6.3 |
| Finance costs | 6.4 |
| Commitments | 6.5 |

6.1 Cash and cash equivalents

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Current | | |
| Cash and cash equivalents | | |
| Cash On Hand | 12,075 | 12,150 |
| Cash At Bank | 41,491,856 | 45,117,346 |
| Total cash and cash equivalents | 41,503,931 | 45,129,496 |
| Restricted cash and cash equivalents current | | |
| Capital works grants received from DTWD | 3,687,260 | 4,632,236 |
| Australian Cyber Security Project | - | 99,117 |
| | 3,687,260 | 4,731,353 |
| Total current | 45,191,191 | 49,860,849 |
| Non-current | | |
| Restricted cash and cash equivalents non-current | | |
| 'Restricted cash 27th pay ^(a) | 4,552,508 | 3,652,891 |
| Total non-current | 4,552,508 | 3,652,891 |
| Balance at end of period | 49,743,699 | 53,513,740 |

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

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

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NOTES TO THE FINANCIAL STATEMENTS

6.2 Lease liabilities

| | 2023 | 2022 |
|--------------------------|-------------------|-------------------|
| Current | 842,185 | 960,108 |
| Non-current | 11,944,408 | 12,788,837 |
| Balance at end of period | 12,786,592 | 13,748,946 |

Initial measurement

At the commencement date of the lease, SM TAFE recognises lease liabilities measured at the present value of lease payments to be made over the lease term. 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 College exercising an option to terminate the lease.
- 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).

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.

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.

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.

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

Lease expenses recognised in the Statement of Comprehensive Income

| | 2023 | 2022 |
|----------------------------|----------------|----------------|
| Lease interest expense | 501,063 | 531,902 |
| Total lease expense | 501,063 | 531,902 |

Short-term leases are recognised on a straight-line basis with a lease term of 12 months or less.

Low-value leases with an underlying value of \$5,000 or less are recognised on a straight-line basis.

Variable lease payments that are not included in the measurement of the lease liability recognised in the period in which the event or condition that triggers those payments occurs.

6.3 Assets pledged as security

| | 2023 | 2022 |
|---|-------------------|-------------------|
| Assets pledged as security | | |
| The carrying amounts of non-current assets pledged as security are: | | |
| Right-of-use asset Land | 636,570 | 675,670 |
| Right-of-use asset Buildings | 11,491,229 | 12,441,750 |
| Right-of-use asset Vehicles | 372,777 | 526,899 |
| Total assets pledged as security | 12,500,576 | 13,644,320 |

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.

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6.4 Finance costs**Finance costs**

Interest expense on lease liabilities
Total interest expense

| 2023 | 2022 |
|----------------|----------------|
| 501,063 | 531,902 |
| 501,063 | 531,902 |

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.

6.5 Commitments**6.5.1 Capital commitments**

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

Within 1 year

Balance at end of period

| 2023 | 2022 |
|----------------|------------------|
| 757,426 | 1,847,137 |
| 757,426 | 1,847,137 |

The totals presented for capital commitments are GST inclusive.

7 Financial Instruments and Contingencies

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

Financial Instruments

Contingent assets

Contingent liabilities

Notes

7.1

7.2.1

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:

Financial assets

Cash and cash equivalents

Restricted cash and cash equivalents

Financial assets at amortised cost ^(a)

Total financial assets

| 2023 | 2022 |
|-------------------|-------------------|
| 41,503,931 | 45,129,496 |
| 8,239,768 | 8,384,244 |
| 5,959,980 | 4,643,705 |
| 55,703,679 | 58,157,445 |

Financial liabilities

Financial liabilities measured at amortised cost ^(b)

Total financial liabilities

| | |
|-------------------|-------------------|
| 21,104,493 | 29,800,154 |
| 21,104,493 | 29,800,154 |

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

^(b) 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.

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NOTES TO THE FINANCIAL STATEMENTS

7.2.2 Contingent liabilities

SM TAFE has no contingent liabilities.

8 Other disclosures

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

| | Notes |
|--|-------|
| Events occurring after the end of the reporting period | 8.1 |
| 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 |
| Supplementary financial information | 8.8 |

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 (\$) | 2023 | 2022 |
| Compensation Band (\$) | | |
| 260,001 - 270,000 | | 1 |
| 210,001 - 220,000 | 1 | - |
| 100,001 - 110,000 | 1 | |
| 20,001 - 30,000 | 1 | 1 |
| 0 - 10,000 | 9 | 9 |
| Compensation of the senior officers (\$) | 2023 | 2022 |
| Compensation Band (\$) | | |
| 230,001 - 240,000 | 1 | - |
| 220,001 - 230,000 | 2 | |
| 210,001 - 220,000 | 3 | |
| 200,001 - 210,000 | | 2 |
| 190,000 - 200,000 | 1 | 2 |
| 180,001 - 190,000 | 2 | 3 |
| 170,001 - 180,000 | | - |
| 160,001 - 170,000 | | 1 |
| 150,001 - 160,000 | 1 | 2 |
| 130,001 - 140,000 | | 1 |
| 120,001 - 130,000 | 1 | |
| 100,001 - 110,000 | 1 | |
| 70,001 - 80,000 | 1 | |
| 50,001 - 60,000 | | 3 |
| 20,001 - 30,000 | 1 | |
| Total compensation of accountable authority | 356,888 | 317,576 |
| Total compensation of senior officers | 2,379,471 | 2,124,662 |
| Total compensation of key management personnel | 2,736,359 | 2,442,238 |

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

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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). Such transactions include services received free of charge from other State government agencies (note 3.1)
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Material transactions with other related parties

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

8.4 Related bodies

SM TAFE has no related bodies.

8.5 Affiliated bodies

SM TAFE has no affiliated bodies.

8.6 Remuneration of auditors

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

Auditing the accounts, financial statements, controls and key performance indicators

| | 2023 | 2022 |
|--|---------|---------|
| | 200,000 | 185,000 |

8.7 Non-current assets classified as held for transfer

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

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

During the financial year, \$148,639 (2022: \$316,936) of debts due to SM TAFE were written off and \$ (2022: \$3,509) was written off the asset register under the authority of:

The accountable authority

| | 2023 | 2022 |
|--|----------------|----------------|
| | 148,639 | 320,445 |
| | 148,639 | 320,445 |

(b) Losses through theft, defaults and other causes

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

Amounts recovered

| | 2023 | 2022 |
|--|---------------|------------|
| | 21,346 | 750 |
| | 21,346 | 750 |

(c) Forgiveness of debts

Forgiveness (or waiver) of debts by SM TAFE

| | 2023 | 2022 |
|--|---------------|----------|
| | 12,884 | - |
| | 12,884 | - |

(d) Gifts of public property

Gifts of public property provided by SM TAFE

| | 2023 | 2022 |
|--|----------|----------|
| | - | - |
| | - | - |

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NOTES TO THE FINANCIAL STATEMENTS

9 Explanatory statement (controlled operations)

This explanatory section explains variations in the financial performance of SM TAFE undertaking transactions under its own control, as represented by the primary financial statements.

All variances between estimates (original budget) and actual results for 2023, and between the actual results for 2023 and 2022 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the comparative:

1. Estimate and actual results for the current year

- Total Cost of Services of the annual estimates for the Statement of comprehensive income and Statement of cash flows, and
- Total Assets of the annual estimates for the Statement of financial position

2. For the previous year

- Total Cost of Services of the previous year for the Statements of comprehensive income and Statement of cash flows; and
- Total Assets of the previous year for the Statement of financial position

9.1 Statement of Comprehensive Income Variances

| | Variance Note | Estimate 2023 | Actual 2023 | Actual 2022 | Variance between estimate and actual | Variance between actual results for 2023 and 2022 |
|--|---------------|--------------------|--------------------|--------------------|--------------------------------------|---|
| | | \$ | \$ | \$ | \$ | \$ |
| Expenses | | | | | | |
| Employee benefits expense | 1, a | 130,962,948 | 146,609,146 | 140,967,550 | 15,646,198 | 5,641,596 |
| Grants and subsidies | | 361,465 | 485,576 | 467,894 | 124,111 | 17,682 |
| Finance costs | | 453,328 | 501,063 | 531,902 | 47,735 | (30,839) |
| Supplies and services | 2, b | 30,029,261 | 39,957,284 | 34,137,469 | 9,928,023 | 5,819,815 |
| Asset revaluation decrement | | - | - | - | - | - |
| Other expenses | 3 | 12,675,343 | 15,379,773 | 14,241,543 | 2,704,430 | 1,138,230 |
| Cost of sales | | 265,236 | 305,428 | 338,099 | 40,192 | (32,670) |
| Loss on disposal of non-current assets | | - | - | 22,540 | - | (22,540) |
| Loss on disposal of lease arrangements | | - | 1,169 | 108 | 1,169 | 1,062 |
| Depreciation and amortisation expense | | 10,693,720 | 12,052,486 | 10,803,701 | 1,358,766 | 1,248,785 |
| Total cost of services | | 185,441,301 | 215,291,926 | 201,510,805 | 29,850,625 | 13,781,121 |
| Income | | | | | | |
| Fee for service | 4,c | 18,607,031 | 22,344,723 | 18,999,055 | 3,737,692 | 3,345,667 |
| Student fees and charges | | 17,341,432 | 16,442,131 | 15,064,665 | (899,301) | 1,377,467 |
| Ancillary trading | | 1,215,759 | 1,344,863 | 1,129,843 | 129,104 | 215,020 |
| Sales | | 476,217 | 449,444 | 496,171 | (26,773) | (46,727) |
| Commonwealth grants and contributions | | 275,589 | 1,042,812 | 3,004,851 | 767,223 | (1,962,039) |
| Interest revenue | 5 | 390,000 | 2,298,876 | 753,239 | 1,908,876 | 1,545,636 |
| Other revenue | | 1,992,619 | 1,943,046 | 2,165,179 | (49,573) | (222,133) |
| Total revenue | | 40,298,647 | 45,865,895 | 41,613,004 | 5,567,248 | 4,252,891 |
| Gains | | | | | | |
| Gain on disposal of non-current assets | | - | 30,005 | - | 30,005 | 30,005 |
| Other gains | d | - | - | 8,900,000 | - | (8,900,000) |
| Gain on disposal of lease arrangements | | 7,662 | - | - | (7,662) | - |
| Total gains | | 7,662 | 30,005 | 8,900,000 | 22,343 | (8,869,995) |
| Total income other than income from State Government | | 40,306,309 | 45,895,900 | 50,513,004 | 5,589,591 | (4,617,104) |
| NET COST OF SERVICES | | 145,134,992 | 169,396,026 | 150,997,801 | 24,261,034 | 18,398,225 |
| Income from State Government | | | | | | |
| Grants and subsidies | 6,e | 130,934,372 | 157,211,743 | 137,642,140 | 26,277,371 | 19,569,603 |
| Resource Received | 7,f | 4,439,483 | 10,288,647 | 6,305,157 | 5,849,164 | 3,983,490 |
| Income from other public sector entities | | - | 30,529 | 688,411 | 30,529 | (657,882) |
| Total income from State Government | | 135,373,855 | 167,530,920 | 144,635,708 | 32,157,065 | 22,895,212 |
| SURPLUS/(DEFICIT) FOR THE PERIOD | | (9,761,137) | (1,865,106) | (6,362,093) | 7,896,031 | 4,496,987 |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Items not reclassified subsequently to profit or loss | | | | | | |
| Changes in asset revaluation surplus | | - | 6,603,511 | 14,843,373 | 6,603,511 | (8,239,861) |
| Total other comprehensive income | | - | 6,603,511 | 14,843,373 | 6,603,511 | (8,239,861) |
| TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD | | (9,761,137) | 4,738,405 | 8,481,279 | 14,499,542 | (3,742,874) |

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NOTES TO THE FINANCIAL STATEMENTS

Major Estimate and Actual (2023) Variance Narratives

- 1 The employee benefit expense estimate adheres to a zero-based budgeting methodology, accurately reflecting staffing levels as of the reporting date in 2022. It should be noted that this estimate has not incorporated the implications of the newly announced Public Sector Wages Policy for 2023. Consequently, the estimate excludes the 3% salary increment and the one-time Cost of Living Payment of \$3000 applicable to each employee.
- 2 The Supplies and Services S40 estimates reflects the projected changes in SCH delivery per year/Delivery Performance Agreement (DPA) revenue, as provided by the Department of Training and Workforce Development (DTWD). The estimate excludes the Resources Received Free of Charge from Department of Health WA(DOH), which are not part of the s 40 estimates process.
- 3 Other Expenses - The repairs and maintenance expenditure estimate, determined by the DPA, is currently inadequate to fulfill the ongoing needs for repairs and maintenance.
- 4 Revenue from fee for service is reported to be higher than estimated. This variance is attributed to a misclassification in the S40 estimates, where these revenues were categorized as Student fees and charges.
- 5 The estimated revenue from interest was surpassed by the actual interest received. This variance is attributed to the interest rate hikes implemented by the Reserve Bank throughout 2023, which were not anticipated in the initial estimates.
- 6 Income from grants and subsidies is greater than estimate mainly due to increased DPA funding for lecturer and non teaching staff agreement salary increase and related operating costs.
- 7 Resources Received Free of Charge - The DTWD provided initial estimates for in-kind resources, which did not include contributions from the Department of Health (WA).

Major Actual 2023 and Comparative (2022) Variance Narratives

- a The increase in employee benefits expense for 2023 is attributed to the implementation of the new Public Sector Wages Policy. This policy introduced a salary increase of 3% across the board, along with a one-time Cost of Living Payment of \$3,000 for each employee.
- b Supplies and services - 2023 saw an unexpected rise in the value of Resources Received Free of Charge, primarily from the Department of Health (DOH). This increase has been reflected in the supplies and services.
- c Fee for service revenue increased mainly due to increased AMEP funding in 2023 from Dept of Home Affairs.
- d The observed decrease in gain for the current period is a consequence of a substantial increment in land revaluation, which was recognized through the Income Statement in 2022. This increment has offset the revaluation decrements that had been reported in previous years through the Income Statement.
- e Grants and subsidies increased mainly due to increased DPA funding in 2023 for lecturer and non teaching staff agreement salary increase and related operating costs.
- f Resources Received Free of Charge - In 2023, the value of Resources Received Free of Charge from the Department of Health (DOH) exceeded the projected estimates.

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NOTES TO THE FINANCIAL STATEMENTS

9.2 Statement of Financial Position Variances

| Variance Note | Estimate 2023 | Actual 2023 | Actual 2022 | Variance between estimate and actual | Variance between actual results for 2023 and 2022 |
|--|--------------------|--------------------|--------------------|--------------------------------------|---|
| | \$ | \$ | \$ | \$ | \$ |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | 33,169,897 | 41,503,931 | 45,129,496 | 8,334,034 | (3,625,566) |
| Restricted cash and cash equivalents | 848,872 | 3,687,260 | 4,731,353 | 2,838,388 | (1,044,093) |
| Receivables | 4,281,410 | 6,343,275 | 5,001,035 | 2,061,865 | 1,342,240 |
| Inventories | 456 | - | - | (456) | - |
| Other current assets | 446,023 | 899,254 | 1,000,492 | 453,231 | (101,238) |
| Non-current assets classified as held for transfer | - | - | - | - | - |
| Other financial assets | - | - | - | - | - |
| Total Current Assets | 38,746,658 | 52,433,719 | 55,862,376 | 13,687,061 | (3,428,657) |
| Non-Current Assets | | | | | |
| Restricted cash and cash equivalents | 3,691,759 | 4,552,508 | 3,652,891 | 860,749 | 899,617 |
| Receivables | - | - | - | - | - |
| Property, plant and equipment | 316,033,759 | 344,855,479 | 325,658,285 | 28,821,721 | 19,197,194 |
| Right of Use Assets | 14,888,566 | 12,500,576 | 13,644,320 | (2,387,990) | (1,143,744) |
| Intangible assets | 505,961 | 676,145 | 352,646 | 170,184 | 323,499 |
| Other non-current assets | - | - | - | - | - |
| Total Non-Current Assets | 335,120,044 | 362,584,708 | 343,308,142 | 27,464,664 | 19,276,566 |
| TOTAL ASSETS | 373,866,702 | 415,018,427 | 399,170,519 | 41,151,725 | 15,847,909 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Payables | 6,105,217 | 6,206,037 | 9,358,205 | 100,820 | (3,152,167) |
| Lease Liabilities | 1,045,532 | 842,185 | 960,108 | (203,347) | (117,924) |
| Employee related provisions | 25,517,615 | 21,399,603 | 27,723,206 | (4,118,012) | (6,323,603) |
| Other current liabilities | 7,230,276 | 8,130,530 | 13,032,930 | 900,254 | (4,902,401) |
| Total Current Liabilities | 39,898,640 | 36,578,355 | 51,074,450 | (3,320,285) | (14,496,095) |
| Non-Current Liabilities | | | | | |
| Payables | - | - | - | - | - |
| Lease liabilities | 13,697,280 | 11,944,408 | 12,788,837 | (1,752,872) | (844,429) |
| Employee related provisions | 5,306,776 | 11,911,794 | 5,775,014 | 6,605,018 | 6,136,780 |
| Other non current liabilities | 634,136 | 600,437 | 600,437 | (33,699) | - |
| Total Non-Current Liabilities | 19,638,192 | 24,456,639 | 19,164,289 | 4,818,447 | 5,292,351 |
| TOTAL LIABILITIES | 59,536,832 | 61,034,994 | 70,238,739 | 1,498,162 | (9,203,744) |
| NET ASSETS | 314,329,870 | 353,983,433 | 328,931,780 | 39,653,562 | 25,051,653 |
| EQUITY | | | | | |
| Contributed equity | 370,399,569 | 370,664,963 | 350,351,715 | 265,395 | 20,313,248 |
| Reserves | 21,901,007 | 43,347,890 | 36,744,379 | 21,446,883 | 6,603,511 |
| Accumulated surplus / (deficit) | (77,970,706) | (60,029,421) | (58,164,314) | 17,941,285 | (1,865,106) |
| TOTAL EQUITY | 314,329,870 | 353,983,433 | 328,931,780 | 39,653,562 | 25,051,653 |

Major Estimate and Actual (2023) Variance Narratives

- 8 The increase in property, plant, and equipment for the year 2023 is primarily due to significant valuation increases in land and buildings. These increments were not incorporated in the initial S40 Estimates as they were post-estimate adjustments.
- 9 The current liabilities associated with employee provisions are reported to be lower than the previously estimated figures. This variance is largely attributable to the outcomes of the actuarial calculations performed for the year 2023.
- 10 Non-current liabilities for employee provisions have exceeded the Estimates. This increase is also a result of the actuarial assessments conducted for 2023.
- 11 The S40 Estimates typically do not include the impact of land and buildings revaluation or devaluation reserves. This exclusion is due to the inherent uncertainty associated with such effects and the frequent unavailability of timely data necessary for accurate estimation.

Major Actual 2023 and Comparative (2022) Variance Narratives

- g The increase in PPE for the year 2023 can be primarily attributed to a substantial building contribution from DTWD, along with increments in the value of land, plant, furniture, and general equipment.
- h There has been a change in the methodology for calculating employee related provisions in 2023 due to the engagement of a new actuary. This has led to a decrease in the current Long Service Leave (LSL) provision and a corresponding increase in the non-current LSL provision, impacting the liabilities'
- i The decrease in other current liabilities is due to an increase in DPA funding due from DTWD for VET delivery in 2023.
- j Employee related provisions for Non Current Liabilities are higher due to a change in methodology used by a alternate actuary in 2023.

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NOTES TO THE FINANCIAL STATEMENTS

9.3 Statement of Cash Flows Variances

| Variance Note | Estimate 2023 | Actual 2023 | Actual 2022 | Variance between estimate and actual | Variance between actual results for 2023 and 2022 |
|--|----------------------|----------------------|----------------------|--------------------------------------|---|
| | \$ | \$ | \$ | \$ | \$ |
| CASH FLOWS FROM STATE GOVERNMENT | | | | | |
| Grants and subsidies - DTWD | 130,934,372 | 152,465,157 | 144,929,600 | 21,530,785 | 7,535,557 |
| Capital appropriation - DTWD | - | 2,599,996 | 4,001,913 | 2,599,996 | (1,401,917) |
| Funds from other public sector entities | - | 30,529 | 688,411 | 30,529 | (657,882) |
| Total Net cash provided by State Government | 130,934,372 | 155,065,153 | 148,931,513 | 24,130,781 | 6,133,640 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Payments | | | | | |
| Employee benefits expense | (127,962,949) | (150,223,453) | (132,681,422) | (22,260,504) | (17,542,031) |
| Supplies and services | (25,560,977) | (28,681,694) | (28,590,451) | (3,120,717) | (91,243) |
| Finance Cost | (453,328) | (501,063) | (531,902) | (47,735) | 30,839 |
| Grants and subsidies | (361,465) | (485,576) | (467,894) | (124,111) | (17,682) |
| GST payments on purchases | - | (4,304,369) | (3,675,599) | (4,304,369) | (628,770) |
| GST payments to taxation authority | (3,341) | - | - | 3,341 | - |
| Other payments | (10,353,952) | (16,092,008) | (14,068,612) | (5,738,056) | (2,023,397) |
| Receipts | | | | | |
| Fee for service | 7,111,517 | 21,498,480 | 18,444,486 | 14,386,963 | 3,053,994 |
| Student fees and charges | 25,191,549 | 16,251,734 | 15,430,285 | (8,939,815) | 821,449 |
| Ancillary trading | 1,215,759 | 1,344,863 | 1,287,915 | 129,104 | 56,948 |
| Commonwealth grants and contributions | 275,589 | 1,042,812 | 3,004,851 | 767,223 | (1,962,039) |
| Interest received | 387,571 | 1,952,668 | 532,083 | 1,565,097 | 1,420,584 |
| GST receipts on sales | - | 731,718 | 957,733 | 731,718 | (226,015) |
| GST receipts from taxation authority | 2,499,796 | 3,385,859 | 2,703,146 | 886,063 | 682,713 |
| Other receipts | - | 2,394,738 | 2,154,737 | 2,394,738 | 240,001 |
| Net cash used in operating activities | (128,014,229) | (151,685,292) | (135,500,644) | (23,671,061) | (16,184,649) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Payments | | | | | |
| Purchase of non-current physical assets | (2,630,000) | (5,629,107) | (3,538,603) | (2,999,107) | (2,090,504) |
| Capital Contribution | - | - | - | - | - |
| Receipts | | | | | |
| Proceeds from sale of non-current physical assets | - | 23,519 | 5,348 | 23,519 | 18,171 |
| Capital Contribution | - | - | - | - | - |
| Net cash provided by investing activities | (2,630,000) | (5,605,588) | (3,533,255) | (2,975,588) | (2,072,333) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Payments | | | | | |
| Principal elements of lease | - | (1,006,844) | (1,057,667) | (1,006,844) | 50,823 |
| Other repayments | - | - | - | - | - |
| Receipts | | | | | |
| Proceeds from borrowings | - | - | - | - | - |
| Other proceeds | - | - | - | - | - |
| Net cash provided by/(used in) financing activities | - | (1,006,844) | (1,057,667) | (1,006,844) | 50,823 |
| Net increase (decrease) in cash and cash equivalents | 290,143 | (3,232,571) | 8,839,947 | (3,522,712) | (12,072,518) |
| Cash and cash equivalents at the beginning of period | 37,420,387 | 53,513,740 | 43,985,380 | 16,093,353 | 9,528,360 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 37,710,530 | 49,743,699 | 53,513,740 | 12,033,169 | (3,770,042) |

OFFICIAL

NOTES TO THE FINANCIAL STATEMENTS

Major Estimate and Actual (2023) Variance Narratives

- 12 The Department of Training and Workforce Development (DTWD) reported grants and subsidies figures surpassing estimates, mainly due to the increased DPA funding. This funding was allocated for salary increases as per the lecturer and non-teaching staff wage agreements and to cover the related operating expenses.
- 13 The employee benefit expense estimate adheres to a zero-based budgeting methodology, accurately reflecting staffing levels as of the reporting date in 2022. It should be noted that this estimate has not incorporated the implications of the newly announced Public Sector Wages Policy for 2023. Consequently, the estimate excludes the 3% salary increment and the one-time Cost of Living Payment of \$3000 applicable to each employee.
- 14 Expenditures for supplies and services have exceeded initial estimates due to unforeseen critical repairs and maintenance costs. Additionally, payroll tax on-costs were not included in the S40 estimates.
- 15 GST payments made on purchases have not been accounted for in the S40 Estimates.
- 16 Other payments are higher than estimate due to critical repairs and maintenance costs and payroll tax on-costs not included in the S40 estimate.
- 17 Revenue from fee for service is reported to be higher than estimated. This variance is attributed to a misclassification in the S40 estimates, where these revenues were categorized as Student fees and charges.
- 18 The revenue from student fees and charges is reported to be lower than initially estimated due to a misclassification in the S40 estimates, where these revenues were mistakenly categorized as Fee for service
- 19 Receipts from GST have not been incorporated into the S40 estimates.
- 20 There has been an increase in other receipts over the estimates, primarily due to the recognition of donated assets. These assets were not initially included in the S40 estimates but have since been accounted for in the financial records.
- 21 The increase in payments for non-current physical assets for the year 2023 can be primarily attributed to increase in purchase of equipment, and delays in purchase of equipment in 2022 rolled into 2023. The timing delays could not be captured in the s40 estimates.

Major Actual 2023 and Comparative (2022) Variance Narratives

- k The increase in grants and subsidies from the Department of Training and Workforce Development (DTWD) in 2023 is primarily attributable to augmented Discretionary Program Allowance (DPA) funding. This funding boost was allocated for the salary increases of lecturers and non-teaching staff, in line with the new staff agreements, as well as for supporting associated operating costs.
- l The increase in employee benefits expense payments for 2023 is attributed to the implementation of the new Public Sector Wages Policy. This policy introduced a salary increase of 3% across the board, along with a one-time Cost of Living Payment of \$3,000 for each employee.
- m The rise in other payments during 2023 reflects the inflationary cost pressures encountered during the year. These pressures have led to higher expenses across various operational areas.
- n Fee for service receipts increased mainly due to increased AMEP funding in 2023 from Dept of Home Affairs.
- o The increase in payments for non-current physical assets for the year 2023 can be primarily attributed to increase in purchase of equipment, and delays in purchase of equipment in 2022 rolled into 2023.

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 performance, and fairly represent the performance of South Metropolitan TAFE for the period ending 31 December 2023.



Elizabeth Carr AM
Governing Council Chair

13 March 2024



Darshi Ganeson-Oats
Managing Director

13 March 2024

2023 Key Performance Indicators

DESIRED OUTCOME:

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

EFFECTIVENESS INDICATORS:

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

Student Satisfaction Survey

The Student Satisfaction Survey is administered annually on behalf of the Department of Training and Workforce Development by a third-party research agency. In 2023 the fieldwork and analysis were conducted by Wallis. 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 2023 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 was called in order to complete the survey using telephone surveying.

KPI 1 – Student Satisfaction

The overall student satisfaction rating is obtained from the 2023 Student Satisfaction Survey and measures the extent to which students were satisfied with the training they received from South Metropolitan TAFE. The measure represents the proportion of 'satisfied' and 'very satisfied' (on a five point scale) responses received from students responding to the question 'Overall how satisfied were you with your course?'

Table 1 – Overall Student Satisfaction

| | 2017 Actual | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Actual | 2022 Actual | 2023 Target | 2023 Actual | Target Variance |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| South Metropolitan TAFE | 87.1% | 87.8% | 87.7% | 86.8% | 85.5% | 85% | >85% | 85.7% | 0.7% |
| All WA TAFEs & WAAPA | 87.3% | 88.2% | 87.5% | 87.6% | 87.3% | 85.7% | n/a | 87.3% | N/A |

Source: Department of Training and Workforce Development, 2023 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 2023, of the 13,407 South Metropolitan TAFE students contacted, there were 3,166 usable returns representing a response rate of 23.6%. South Metropolitan TAFE's standard error for 2023 was 0.5%, with a relative sampling error of +/- 1.1% at the 95% level of confidence.

The 2023 target overall student satisfaction at South Metropolitan TAFE was met and exceeded, with 85.7% of respondents claiming to be either satisfied or very satisfied. This is higher than the level of student satisfaction reported in 2022 (85.0%).

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
- students under 15 years of age
- students from correctional facilities.

KPI 2 - Graduate Achievement

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

Table 2 – Graduate Achievement

| | 2017 Actual | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Actual | 2022 Actual | 2023 Target | 2023 Actual | Target Variance |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| South Metropolitan TAFE | 81.0% | 79.5% | 76.8% | 78.6% | 82.5% | 86.2% | 80.0% | 85.8% | 5.8% |
| TAFE Western Australia | n/a | 79.7% | 78.8% | 79.5% | 83.7% | 86.3% | n/a | 85.6% | n/a |
| TAFE Australia | 83.2% | 82.1% | 81.9% | 81.8% | 83.8% | 85.7% | n/a | 86.6% | n/a |
| All VET providers Australia | 84.2% | 84.2% | 83.9% | 83.6% | 85.0% | 87.2% | n/a | 88.1% | n/a |

In 2023, of the 6,428 South Metropolitan TAFE graduates asked, there were 2,044 usable returns representing a response rate of 31.8%. South Metropolitan TAFE's relative sampling error for this result was +/- 1.4% at the 95% level of confidence.

The 2023 South Metropolitan TAFE's target for graduate achievement was above target, with 85.8% of respondents claiming to have achieved their main reason for doing the training.

KPI 3 - Graduate Destination

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

Table 3 – Graduate Destination Rate – Employed

| | 2017 Actual | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Actual | 2022 Actual | 2023 Target | 2023 Actual | Target Variance |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| South Metropolitan TAFE | 73.2% | 68.4% | 66.3% | 59.3% | 68.1% | 76.1% | >75% | 76.1% | 1.1% |
| TAFE Western Australia | n/a | 68.5% | 67.3% | 60.3% | 68.5% | 76.0% | n/a | 77.4% | n/a |
| TAFE Australia | 73.1% | 72.4% | 71.3% | 65.7% | 70.3% | 75.6% | n/a | 77.7% | n/a |
| All VET providers Australia | 77.7% | 77.3% | 76.6% | 68.6% | 72.1% | 77.4% | n/a | 79.5% | n/a |

In 2023, of the 6,428 South Metropolitan TAFE graduates contacted, there were 2,044 usable returns representing a response rate of 31.8%. South Metropolitan TAFE's relative sampling error for this result was +/- 1.6% at the 95% level of confidence.

The 2023 target for graduate destination rate (employed) was met, with 76.1% of respondents claiming to be employed after training. This was the same compared to 2022 survey results.

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 2023 the final amended profile SCH target was 8,450,000 SCH.

Table 4: Profile Achievement (DPA)

| | Actual Achievement 2016 | Actual Achievement 2017 | Actual Achievement 2018 | Actual Achievement 2019 | Actual Achievement 2020 | Actual Achievement 2021 | Actual Achievement 2022 | Actual Achievement 2023 |
|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Profile Achievement % (DPA Original) | 93.4% | 101.7% | 102.2% | 97.2% | 101.7% | 103.3% | 89.0% | 104.2% |

The Profile delivered by South Metropolitan TAFE was above the original planned target of 8,000,000 SCH by 333,286 SCH, resulting in an overall achievement of 104.2%.

South Metropolitan TAFE's profile delivery by ANZSCO (Australia and New Zealand Standard Classification of Occupations) levels for 2023 are provided in Table 5.

As per the data presented in Table 5, in 2023, the following ANZSCO sub groups constituted over 45% of total SCH achievement: 32 – Automotive and Engineering Trades Workers not further defined (19%); 42 – Carers and Aides not further defined (9%); 41 – Health and Welfare Support Workers (7%); and 31 – Engineering, ICT and Science Technicians not further defined (6%); 36 – Skilled Animal and Horticultural Workers not further defined (4%).

The ANZSCO levels that were significantly above target were: 11 – Chief Executives, General Managers and Legislators and 33 – Construction Trades Workers not further defined.

The ANZSCO levels that were significantly below target were: 85 – Food Preparation Assistants and 12 – Farmers and Farm Managers.

Table 5: Achievement of 2023 Profile Delivery (DPA) by ANZSCO sub groups

| ANZSCO Major Group Title | ANZSCO Sub Group Title | 2023 Census Actual | 2023 Target Planned | 2023 Target Achievement | 2023 MLCR |
|--|---|--------------------|---------------------|-------------------------|-----------|
| 1. Managers | 11 – Chief Executives, General Managers and Legislators | 7,460 | 2,470 | 302.0% | 55.8 |
| | 12 – Farmers and Farm Managers | 1,150 | 2,320 | 49.6% | 57.8 |
| | 13 – Specialist Managers | 65,974 | 81,873 | 80.6% | 69.6 |
| | 14 – Hospitality, Retail and Service Managers | 91,662 | 113,895 | 80.5% | 92.0 |
| 2. Professionals | 21 – Arts and Media Professionals | 5,710 | - | - | 89.2 |
| | 22 – Business, Human Resource and Marketing Professionals | 4,205 | 5,610 | 75.0% | 63.3 |
| | 23 – Design, Engineering, Science and Transport Professionals | 203,740 | 222,723 | 91.5% | 90.8 |
| | 24 – Education Professionals | 45,525 | 55,500 | 82.0% | 79.2 |
| | 25 – Health Professionals nfd | - | 2 | 0.0% | |
| | 26 – ICT Professionals | 343,675 | 295,433 | 116.3% | 64.9 |
| | 27 – Legal, Social and Welfare Professionals nfd | 11,740 | 20,100 | 58.4% | 72.2 |
| 3. Technicians and Trades Workers | 31 – Engineering, ICT and Science Technicians | 503,936 | 555,189 | 90.8% | 76.9 |
| | 32 – Automotive and Engineering Trades Workers | 1,541,926 | 1,144,216 | 134.8% | 96.9 |
| | 33 – Construction Trades Workers | 291,165 | 209,680 | 138.9% | 98.8 |
| | 34 – Electro-technology and Telecommunications Trades Workers | 362,145 | 282,639 | 128.1% | 91.9 |
| | 35 – Food Trades Workers | 238,453 | 178,610 | 133.5% | 94.1 |
| | 36 – Skilled Animal and Horticultural Workers | 403,651 | 379,353 | 106.4% | 86.0 |
| | 39 – Other Technicians and Trades Workers | 275,601 | 241,624 | 114.1% | 90.1 |
| 4. Community and Personal Service Workers | 41 – Health and Welfare Support Workers | 606,608 | 598,755 | 101.3% | 68.9 |
| | 42 – Carers and Aides | 724,836 | 768,744 | 94.3% | 65.2 |
| | 43 – Hospitality Workers | 45,025 | 60,450 | 74.5% | 84.2 |
| | 44 – Protective Service Workers | | 1,270 | 0.0% | |
| | 45 – Sports and Personal Service Workers | 256,754 | 230,829 | 111.2% | 81.4 |
| 5. Clerical and Administrative Workers | 51 – Office Managers and Program Administrators | 22,285 | 28,885 | 77.2% | 89.3 |
| | 52 – Personal Assistants and Secretaries | 25,415 | 38,700 | 65.7% | 81.8 |
| | 53 – General Clerical Workers | 77,110 | 87,245 | 88.4% | 76.9 |
| | 55 – Numerical Clerks | 69,825 | 54,940 | 127.1% | 81.3 |

| | | | | | |
|---|--|------------------|------------------|---------------|-------------|
| | 59 – Other Clerical and Administrative Workers | 98,477 | 187,580 | 52.5% | 65.8 |
| 7. Machinery Operators and Drivers | 71 – Machine and Stationary Plant Operators | 96,671 | 91,669 | 105.5% | 92.9 |
| | 72 – Mobile Plant Operators | 13,196 | 12,390 | 106.5% | 100 |
| | 74 – Store-persons | 34,277 | - | - | 90.3 |
| 8. Labourers | 82 – Construction and Mining Labourers | 93,834 | 99,731 | 94.1% | 85.8 |
| | 83 – Factory Process Workers | 99,422 | 158,274 | 62.8% | 89.2 |
| | 84 – Farm, Forestry and Garden Workers | 93,467 | 113,275 | 82.5% | 81.7 |
| | 85 – Food Preparation Assistants | 9,659 | 33,852 | 28.5% | 86.7 |
| | 89 – Other Labourers | 293,822 | 411,274 | 71.4% | 89.7 |
| G. General Education | GB – General Education | 1,013,599 | 1,039,408 | 97.5% | 64.6 |
| | GE – General Education | 261,286 | 191,492 | 136.4% | 80.3 |
| TOTAL | | 8,333,286 | 8,000,000 | 104.2% | 80.9 |

EFFICIENCY INDICATORS:

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

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

The overall cost per SCH shows the aggregate unit cost of delivery output per SCH, based on the delivery costs (total cost of service) as detailed in the 2023 Financial Statements.

Table 6 – Delivery Cost per SCH

| | 2017 | 2018 | 2019 | 2021 | 2022 | 2023 |
|---------------------|---------|---------|---------|---------|---------|---------|
| Actual Cost per SCH | \$18.43 | \$17.70 | \$19.69 | \$19.13 | \$22.88 | \$21.62 |
| Target Cost per SCH | \$16.16 | \$17.80 | \$17.91 | \$18.40 | \$19.04 | \$19.48 |
| Variance | \$2.27 | -\$0.10 | \$1.78 | \$0.73 | \$3.84 | \$2.14 |

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 2023 was 1,665,352 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 actual unit cost of delivery for 2023 exceeds the target outlined in Section 40 estimates. The Supplies and Services Section 40 estimates reflects the projected changes in SCH delivery per year/Delivery Performance Agreement (DPA) revenue, as provided by the Department of Training and Workforce Development. The estimate excludes the Resources Received Free of Charge from Department of Health WA, which are not part of the Section 40 estimates process.

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 2023.

Other Financial Disclosures

Pricing policies for services provided

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

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 2023 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

Mandurah Campus

A new Hospitality, Hair and Beauty Training Centre at Mandurah campus was completed in January 2023 at a cost of \$16.87M. 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 Campus

Underutilised space on Thornlie campus has been stripped out and refurbished to create a new Student Zone at a cost of \$580,000. The completed space offers a fresh and contemporary environment for relaxing, socialising, and self-directed learning in a central and easily accessible location. This project is part of a broader plan to improve the quality of student amenities on Thornlie campus.

Ongoing capital works

Armadale Campus

Construction is underway on a new \$39M Armadale campus which will replace existing leased premises from which SMTAFE 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 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 Campus

The Thornlie cafeteria building is being re-roofed at a cost of \$485,000 to increase its service life. This project is part of a broader plan to improve the quality of student amenities on Thornlie campus.

Carlisle Campus

Electrical Services are being upgraded at Carlisle campus through a multi-year program at a cost of \$484,000. The project includes the upgrade and replacement of switchboards to support existing and planned new infrastructure and equipment. The provision of a new Western Power sub-station is also planned. The mechanical services which support the operations of the auto body repair workshops at Carlisle campus are being overhauled and modernised through a multi-year program at a cost of \$1.8M. This is part of a broader plan to extend the operational life of the campus.

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 are regularly reviewed and actively promoted across the college. All employees are required to acknowledge their understanding of SM TAFE Staff Code of Conduct upon commencement of employment. In addition, SM TAFE provides Integrity and Code of Conduct training to all staff in alignment with the Public Sector Commissioner's Instruction 40: Ethical Foundations.

In accordance with section 31(1) of the *Public Sector Management Act 1994*, SM TAFE provides the following statements regarding compliance:

| COMPLIANCE CATEGORY | INSTANCES REPORTED IN 2023 |
|--|----------------------------|
| Public Sector Standards in Human Resource Management | 1 |
| WA Code of Ethics | 6 |
| SM TAFE Code of Conduct | 6 |

Integrity Framework

South Metropolitan TAFE (SM TAFE) has further strengthened its commitment to professional standards and ethical conduct with the adoption of a new Integrity Framework.

This framework is underpinned by the Integrity model for WA public authorities developed by the Public Sector Commission WA and guides the college in providing the highest level of integrity and describes how we manage and account for integrity in the college.

It brings together the instruments, processes and structures within the college that fosters integrity and helps prevent corruption and misconduct from taking place.

This framework is further supported by both the:

- Statement of Business Ethics providing guidance to business partners, contractors and suppliers on the values and ethical standards SM TAFE must uphold when conducting business; and
- 2023-25 Fraud and Corruption Control Plan outlining the strategic and operational plan for managing the prevention, detection and response to fraud and corruption threats within the college.

To promote the Integrity Framework a new SM TAFE 'Integrity in every Action' staff intranet site was launched, as well as a detailed communication plan with updates from the Managing Director, fact sheets and case studies raising awareness of integrity requirements.

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.

The SM TAFE 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.

SM TAFE leaders have access to confidential advice and support via the Manager Assist Program (MAP) to deal with a range of issues such as concerns about an employee's fitness for work, organisational change, managing difficult behaviours, workload, poor mental health and stress management.

SM TAFE actively promotes the EAP and MAP service through staff induction programs, news alerts, flyers and posters, the college intranet site and attendance at managers' forums. In 2023, a total of 116 employees accessed the college EAP services.

Family and Domestic Violence

SM TAFE is committed to supporting employees experiencing Family and Domestic Violence (FDV) by helping them to maintain their employment and participate safely in the workplace. SM TAFE has 13 trained FDV Contact officers available across a range of campuses to provide information and assistance to staff experiencing FDV.

All employees, including those employed on a casual basis, can access up to an additional ten days, non-cumulative paid leave per calendar year to deal with matters related to FDV. All employees are informed of this form of leave and the other assistance available through staff induction programs and reminded through intranet news alerts and emails.

Staff profile

SM TAFE is a large and diverse organisation delivering many specialist and unique vocational education and training services, which requires an equally diverse and high-quality workforce. As at December 2023, SM TAFE employed 1189 Full Time Equivalent (FTE) staff. SM TAFE FTE by employment category for the last three years is presented below.

| | | 2021 | | | 2022 | | | 2023 | | |
|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | Full-time | Part-time | Total FTE | Full-time | Part-time | Total FTE | Full-time | Part-time | Total FTE |
| Lecturer | Temporary | 103 | 44 | 702 | 135 | 28 | 722 | 129 | 41 | 725 |
| | Permanent | 444 | 111 | | 449 | 110 | | 467 | 88 | |
| GOSAC | Temporary | 48 | 16 | 434 | 54 | 17 | 451 | 67 | 22 | 464 |
| | Permanent | 313 | 57 | | 324 | 56 | | 317 | 58 | |
| Total | | 908 | 228 | 1136 | 962 | 211 | 1173 | 980 | 209 | 1189 |

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 of the Western Australian community and 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 Strategy

The *Aboriginal Employment Strategy 2022 – 2025* sets out how SM TAFE will work alongside the Aboriginal and Torres Strait Islander community to identify opportunities to improve and increase employment opportunities within our workplace. It provides a set of actions to support the employment of Aboriginal people with a focus on developing, retaining, and empowering Aboriginal people to succeed in our community. In addition to initiatives from the SM TAFE Reconciliation Action Plan Working Group, the People and Culture Directorate progressed various initiatives from this Strategy including:

- Quarterly face-to-face Aboriginal Employee Network Meetings.
- Advertising a targeted recruitment campaign for Aboriginal lecturers using section 51 of the *Equal Opportunity Act 1984*.
- Hosting our first Aboriginal trainee from the Public Sector Commission's Solid Futures Program with a successful application for the 2024 intake.
- Continuation of the Aboriginal Employment Program (AEP) introduced in 2021 which aims to provide genuine employment outcomes for Aboriginal people across the college. During 2023, SM TAFE engaged five staff members through the AEP with two participants acting in promotional positions.

Inclusive Employment Program

SM TAFE has a successful Inclusive Employment Program which currently employs 19 staff (11 permanent and eight temporary) recruited via a specialist disability employment agency. The program is designed to provide positive employment outcomes for people with disabilities. The college provides both part time and full time employment opportunities through this program. In 2023, five staff from the Inclusive Employment Program were provided higher duties development opportunities.

Workforce Diversity Representation

The table below shows SM TAFE employment diversity representation for the last three years.

| | EMPLOYMENT DIVERSITY REPRESENTATION (%) | | |
|--|---|------|------|
| | 2021 | 2022 | 2023 |
| Aboriginal and Torres Strait Islander people | 2.2 | 2.2 | 1.9 |
| Culturally and linguistically diverse people | 18.8 | 19.1 | 21.1 |
| People with disability | 3.5 | 3.9 | 4.0 |
| Youth (24 years and under) | 1.1 | 1.2 | 1.9 |
| Women in Senior Executive Service | 71.4 | 71.4 | 71.4 |

Mandatory Reporting of Child Sexual Abuse

Effective from 15 July 2023, changes to the *Children and Community Services Act 2004* mean that all TAFE lecturers must report suspected child sexual abuse once they form this belief, based on reasonable grounds, in the course of their work. Online training in mandatory reporting obligations was provided to all existing lecturing staff to ensure they understand their responsibilities should such a matter arise. The training forms part of the induction program for new lecturers.

Governance Disclosures

Unauthorised use of credit cards

Staff members of SM TAFE hold corporate credit cards where their role warrants such usage. During the reporting period, seventeen officers inadvertently used a corporate credit card for personal use, to the value of \$1,178.95.

The majority of this amount has been repaid in full by the officers concerned, with an outstanding amount of \$2.98 still to be repaid. The details as required by Treasurer's Instruction 903 (15) (ii) are set out below.

| UNAUTHORISED USE OF CREDIT CARDS | AMOUNT (\$) |
|--|-------------------|
| Aggregate amount of personal use expenditure for the reporting period | \$1,178.95 |
| Aggregate amount of personal use expenditure settled by the due date (within 5 working days) | \$469.50 |
| Aggregate amount of personal use expenditure settled after the period (after 5 working days) | \$706.47 |
| Aggregate amount of personal use expenditure outstanding at balance date | \$2.98 |

Governing Council Remuneration

The Governing Council are the accountable authority of SM TAFE. The individual and aggregate cost of remunerating Governing Council members in 2023 was as follows:

| POSITION | MEMBER NAME | TYPE OF REMUNERATION | PERIOD OF MEMBERSHIP | NO. OF MEETINGS | GROSS/ACTUAL REMUNERATION FOR FINANCIAL YEAR |
|-----------------------|------------------------|----------------------|----------------------|-----------------|--|
| Chair | Elizabeth Carr AM | Annual salary | 12 months | 6 | \$23,253.39 |
| Deputy Chair | Deborah Hamblin | Per meeting | 12 months | 6 | \$2,215.00 |
| Member | Dr Elena Limnios | Per meeting | 12 months | 4 | \$1,359.00 |
| Member | Erica Haddon | Per meeting | 12 months | 6 | \$2,748.00 |
| Member | Julian Coyne | Per meeting | 12 months | 5 | \$1,536.00 |
| Member | Kelly Towson | Per meeting | 6 months | 3 | \$1,566.00 |
| Member | Niegel Grazia | Per meeting | 12 months | 3 | \$975.00 |
| Member | Captain Brian Delamont | Per meeting | 12 months | 6 | \$1,920.00 |
| Member | Rhys Williams | Per meeting | 12 months | 5 | \$1,950.00 |
| Member | Paola Chivers | Per meeting | 12 months | 5 | \$1,920.00 |
| Total payments | | | | | \$39,442.39 |

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 2023 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 | | nil | nil |
| Market research organisations | | nil | nil |
| Polling organisations | | nil | nil |
| Direct mail organisations | Campaign Monitor | \$2,303.91 | \$2,453.50 |
| | Email Me Form | \$149.59 | |
| Media advertising agencies | Tik Tok | \$3,446.64 | \$46,276.32 |
| | Facebook | \$14,881.38 | |
| | Google | \$7,599.09 | |
| | Initiative Media Australia | \$10,521.94 | |
| | Relativity Group | \$4,300.00 | |
| | Pia Films | \$5,527.27 | |
| | | Total | \$48,729.82 |

Recordkeeping plan

Under the State Records Act 2000, all government agencies are required to have a recordkeeping plan. SM TAFE has an approved recordkeeping plan in place which covers the WA TAFE sector as a whole. The plan was updated during 2023 and approved by the State Records Commission in September 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 evaluation of SM TAFE record keeping system was last undertaken in 2020 and work continues towards implementing the recommendations and improving existing processes.

Records awareness training remains a key component of the SM TAFE induction process, addressing staff recordkeeping roles and responsibilities. All staff are required to complete the records awareness training, with every new staff member enrolled in the online training at commencement. The course was fully redeveloped in 2023 and made available for staff from October onwards. 184 Staff have completed the updated course.

Freedom of Information

SM TAFE received two Freedom of Information applications during 2023.

SM TAFE FOI Information Statement is available on our website and was updated in 2023.

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.

There were no public interest disclosures during 2023.

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 has a three year Multicultural Plan spanning 2023 - 2026.

During 2023 key actions under our Multicultural Plan included:

- Hosting the International Student of the Year and Culturally Diverse Student of the Year awards ceremony at SM TAFE's Bentley Pines Training restaurant.
- Providing free English language tuition to 1860 migrants and humanitarian entrants to assist them to develop foundation English and settlement skills and participate socially and economically in Australian society.
- 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.
- Delivering the Adult Migrant English Program (AMEP), including promoting further pathways for students of AMEP into other training areas for new migrants.
- Providing creche services to help minimise barriers to participation for women and families.
- Promoting the achievements of our diverse community via social media and the SM TAFE website.

Disability Access and Inclusion Plan Outcomes

Outcome 1:

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

SM TAFE introduced Welcome Days in semester 2, 2023 to provide students with opportunities to access important study related information prior to commencement of semester. This strategy was implemented in response to analysis of new engagement and retention data which indicated that a significant number of students, particularly those with mental health conditions are at risk of experiencing anxiety and stress and being overwhelmed with the new study environment and accompanying expectations at the beginning of semester; these students are at increased risk of withdrawing from their course.

SM TAFE has established a new Student Success team to provide enhanced student experiences at SM TAFE. Located within the Client Services division, the team is tasked with developing and implementing initiatives that influence student success and retention. Initiatives include identifying, tracking and reporting on existing and emerging barriers and directly intervening and responding to non-commencements, disengagement and withdrawals.

Outcome 2:

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

Over 2023 there has been a focus on reviewing facilities at SM TAFE campuses, with the Facilities and Student Support teams working collaboratively to implement improvements such as:

- Upgrade of the Mandurah campus parking lot to include additional ACROD parking bays.
- Remarketing and improvements to the Rockingham campus parking area to improve accessibility and spaces.
- Replacement of tactile indicators at various campuses.
- Installation of automatic toilet doors at Murdoch campus.
- Update of signage for toilets across all campuses to include braille, and to identify unisex toilet locations.

Construction is well underway on a new SM TAFE campus in Armadale with expected completion mid 2024. The new campus will replace the three older leased premises currently being used to deliver training. The new campus is fully contained within five levels of a new building and will provide full access and amenities consistent with the current Building Codes and community expectations. This will provide a significant access improvement for people with a disability seeking training in the Armadale area.

Outcome 3:

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

SM TAFE has launched a student intranet called the Student Hub. The Hub is available to all enrolled students either on or off campus and from any device including phone, tablet or desktop computer. The Hub provides a one-stop shop for access to important student information, and includes options for student to seek support and guidance as they navigate their studies at SM TAFE. The development of the Hub was guided by focus groups held to gain a better understanding of student perceptions and barriers encountered duration the enrolment journey.

Outcome 4:

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

In 2023 a new Critical Mental Health Recording Form was introduced by Student Support Services to enhance record keeping regarding students involved in critical incidents on campus. Specifically, this tool captures data related to the frequency and level of severity of student mental health incidents on campus.

A range of professional development initiatives were implemented in 2023 to build the capability of SM TAFE staff in recognising student needs and implementing appropriate support strategies.

Outcome 5:

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

The SM TAFE complaints policy and procedures are designed to effectively receive and address complaints. Feedback may be submitted verbally, online, via email or in hard copy format. Student Support Services staff are also available to assist students with disability to provide feedback if they wish.

Outcome 6:

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

SM TAFE undertakes consultation with the education/school sector to ensure that school students studying VET Delivered to Secondary School (VETDSS) onsite at SM TAFE campuses are identified and provided with support as part of their study with the college. SM TAFE also offers a range of Education Support pathway opportunities to VETDSS students with disability.

Our training delivery areas continue to establish and maintain relationships with a broad range of Industry Advisory Groups who provide advice and guidance on training programs and strategies.

Outcome 7:

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

The college continues to promote an Inclusive Employment Program which is designed to provide positive and meaningful employment outcomes for people with disabilities. Where possible and compliant with the public sector employment framework, participants in the program are provided job security through conversion to permanency reviews.

During the reporting period SM TAFE staff were provided with training in Staff Selection Skills for Panel Convenors and Panelists. This training incorporated a topic on unconscious bias designed to provide an awareness and understanding of attitudes, stereotypes and other hidden biases that may influence perception, judgement and actions when making selection decisions and provide strategies to address this bias.

Workplace Health, Safety and Injury Management

SM TAFE is committed to promoting a safe workplace that adheres to and promotes the *WHS Act 2020* and the *Workers Compensation and Injury Management Act 1981*. SM TAFE, as far as practicable, will provide for the safety and health at work of all its employees and others affected by the delivery of its services at all its workplaces. SM TAFE senior managers and line managers are responsible for verifying that the *Code of Practice on Occupational Safety and Health in the Western Australian Public Sector 2007* is adopted and implemented.

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 2023, eight committees represented the major campuses. They were comprised of 86 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. All safety and health representatives are provided with the five-day mandatory training and are registered with WorkSafe WA.

SM TAFE also 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 report quarterly to the Corporate Executive on all matters concerning health and safety in the workplace.

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, our 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.

Psychosocial Health and Safety

To address the risk of psychosocial related incidents, SM TAFE has established a Psychosocial Health and Safety Working Group whose primary purpose is to facilitate a coordinated approach to improve knowledge and understanding across the college of potential psychosocial hazards and risk factors.

Throughout 2023, the college's Psychosocial working group continued its focus on Psychosocial management within the college. Chaired by the General Manager Corporate Services, the working group is comprised of a variety of staff representatives across the college. The working group met on a 6-weekly basis during 2023 and will continue into 2024 with regular meetings.

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. 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.

| MEASURE | ACTUAL RESULTS | | | RESULTS AGAINST TARGETS | |
|--|----------------|-------|------|---|-------------------|
| | 2021 | 2022 | 2023 | TARGETS | COMMENT ON RESULT |
| Number of fatalities | 0 | 0 | 0 | Zero (0) | Target Achieved |
| Lost time injury and/or disease incidence rate | 0.61 | 0 | 0 | Zero 0 or 10% reduction in incidence rate | Target Achieved |
| Lost time injury severity rate | 30% | 50% | 40% | Zero 0 or 10% reduction in severity rate | Target Achieved |
| Percentage of injured workers returned to work within 13 weeks | 94% | 91.6% | 90% | Greater than or equal to 80% return to work within 26 weeks | Target Achieved |
| Percentage of injured workers returned to work within 26 weeks | 94% | 100% | 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% | Greater than or equal to 80% | Target Achieved |

Note:

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

SECTION 40 ESTIMATES FOR 2024



In accordance with section 40 of the *Financial Management Act 2006* and Treasurer's Instruction 953 the annual estimates for the 2024 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 | 2024 Budget Estimate |
|--------------|--|--|----------------------|
| 1a | Adjusted Operating Result (\$) | N/A | (176,296) |
| 1b | Net Adjusted Operating Margin (as a % of total income) | +/- 3% | -0.09% |
| 2a | \$ Cost per SCH | | \$21.15 |
| | SCH | | 10,117,416 |
| 2b | Cost per SCH (% movement in \$ cost per SCH) | - 2.5% – + 5% | -2.2% |
| 3a | Working Capital | Metro: 1.0-1.25 Regional: 1.25-1.75 | 0.94 |
| 3b | Cash Ratio | Metro: 0.7-1.0 Regional: 1.0-1.5 | 0.85 |
| 4 | Average Employee Entitlements Accrued (current) in weeks | Max 8 weeks | 8.67 |
| 5 | Sustainability of Cash Reserve in Days | 25 - 45 days | 93.61 |

| South Metropolitan TAFE 2024 S40 SUBMISSION Statement of Comprehensive Income | |
|---|----------------------------------|
| | 2024 Budget Estimate \$ |
| COST OF SERVICES | |
| Expenses | |
| Employee benefits expense | 147,162,286 |
| Supplies and services | 38,089,662 |
| Depreciation and amortisation expense | 12,943,312 |
| Finance costs | 433,728 |
| Grants and subsidies | 371,465 |
| Loss on disposal of non-current assets | 0 |
| Loss on disposal of lease arrangements | |
| Cost of sales | 270,540 |
| Revaluation decrement | 0 |
| Other expenses | 14,684,652 |
| Total Cost of Services | 213,955,645 |
| Income | |
| Revenue | |
| Fee for service | 21,300,112 |
| Student charges and fees | 16,307,960 |
| Ancillary trading | 1,240,040 |
| Sales | 486,217 |
| Commonwealth grants and contributions | 0 |
| Interest revenue | 2,360,000 |
| Other revenue | 1,464,987 |
| Total Revenue | 43,159,317 |
| Gains | |
| Gain on disposal of non-current assets | 0 |
| Gain from disposal of lease arrangements | 0 |
| Other gains (Asset Revaluation Increment) | 0 |
| Total Gains | 0 |
| Total income other than income from State Government | 43,159,317 |
| NET COST OF SERVICES | (170,796,328) |
| INCOME FROM STATE GOVERNMENT | |
| State funds | 154,328,372 |
| Assets assumed/(transferred) | 0 |
| Resources received free of charge | 4,439,483 |
| Royalties for regions | |
| Total income from State Government | 158,767,855 |
| SURPLUS (DEFICIT) FOR THE PERIOD | (12,028,473) |
| OTHER COMPREHENSIVE INCOME | |
| Changes in asset revaluation reserve | 0 |
| Gains/(losses) recognised directly in equity | 0 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | (12,028,473) |

| South Metropolitan TAFE 2024 S40 SUBMISSION STATEMENT OF FINANCIAL POSITION | |
|--|--|
| | 2024 Budget Estimate \$ |
| ASSETS | |
| Current Assets | |
| Cash and cash equivalents | 45,683,186 |
| Restricted cash and cash equivalents | 4,731,353 |
| Inventories | 454 |
| Receivables | 4,093,579 |
| Other current assets | 631,190 |
| Other financial assets | 0 |
| Non-current assets classified as held for sale | 0 |
| Total Current Assets | 55,139,762 |
| Non-Current Assets | |
| Restricted cash and cash equivalents | 4,161,739 |
| Inventories | 0 |
| Receivables | 0 |
| Property, plant and equipment | 370,022,255 |
| Right of use assets | 13,644,320 |
| Intangible assets | 352,646 |
| Other non-current assets | 0 |
| | 0 |
| Total Non-Current Assets | 388,180,960 |
| TOTAL ASSETS | 443,320,722 |
| LIABILITIES | |
| Current Liabilities | |
| Payables | 10,958,207 |
| Lease liabilities | 960,109 |
| Borrowings | 0 |
| Amounts due to the Treasurer | 0 |
| Provisions | 27,723,205 |
| Other current liabilities | 14,131,742 |
| Liabilities directly associated with non-current assets classified as held for sale | 0 |
| Total Current Liabilities | 53,773,263 |
| Non-Current Liabilities | |
| Payables | 0 |
| Lease liabilities | 12,788,839 |
| Borrowings | 0 |
| Provisions | 5,775,014 |
| Other non-current liabilities | 600,438 |
| Total Non-Current Liabilities | 19,164,291 |
| TOTAL LIABILITIES | 72,937,554 |
| NET ASSETS | 370,383,168 |
| EQUITY | |
| Contributed Equity | 413,642,715 |
| Reserves | 36,744,379 |
| Changes in Accounting Policy | 0 |
| Accumulated surplus/(deficiency) | (80,003,926) |
| TOTAL EQUITY | 370,383,168 |

| South Metropolitan TAFE 2024 S40 SUBMISSION STATEMENT OF CASH FLOWS | |
|--|-----------------------------------|
| South Metropolitan TAFE 2024 S40 SUBMISSION STATEMENT OF CASHFLOWS | 2024 Budget Target |
| | \$ |
| CASH FLOWS FROM STATE GOVERNMENT | |
| State funds | 154,328,372 |
| Capital contributions | 0 |
| Special purpose grant/cash transferred from DTWD | 0 |
| Royalties for Regions | 0 |
| Net cash provided by State Government | 154,328,372 |
| Utilised as follows: | |
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Operating Payments | |
| Employee benefits | (144,162,287) |
| Supplies and services | (33,621,377) |
| Finance costs | (433,728) |
| Grants and subsidies | (371,465) |
| GST payments on purchases | 0 |
| GST payments to taxation authority | (3,341) |
| Cost of goods sold | (62,946) |
| Other payments | (12,305,619) |
| Operating Receipts | |
| Fee for service | 9,629,598 |
| Student fees and charges | 24,333,077 |
| Ancillary trading | 1,240,040 |
| Commonwealth grants and contributions | 0 |
| Interest received | 2,357,571 |
| GST receipts on sales | 0 |
| GST receipts from taxation authority | 0 |
| Sale of Goods | 460,268 |
| Other receipts | 1,514,232 |
| Net cash provided by/(used in) operating activities | (151,425,975) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from sale of non-current physical assets | 0 |
| Purchase of non-current physical assets | (2,630,000) |
| Purchase/Sale of Investments | 0 |
| Investments in other current financial assets | 0 |
| Net cash provided by/(used in) investing activities | (2,630,000) |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Proceeds from borrowings | 0 |
| Repayment of borrowings | 0 |
| Other proceeds | 0 |
| Other repayments | 0 |
| Finance lease repayment of principal | 0 |
| Net cash provided by/(used in) financing activities | 0 |
| Net increase/(decrease) in cash held and cash equivalents | 272,397 |
| Cash and cash equivalents at the beginning of the period | 54,303,881 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 54,576,278 |

