



Government of **Western Australia**
North Metropolitan **TAFE**



2016 Annual Report North Metropolitan TAFE

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Letter to the Minister

Hon. Suzanne Ellery MLC
Minister for Education and Training
13th Floor
Dumas House
2 Havelock Street
West Perth WA 6005

In accordance with the requirements of Section 54 of the Vocational Education Training Act 1996 and Section 61 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of North Metropolitan TAFE for the period 11 April to 31 December 2016.

Hon. Liza Harvey MLA was the responsible Minister, Training and Workforce Development during the reporting period 11 April to 31 December 2016.



Emeritus Professor Bill Loudon AM
Chair, Governing Council
22 March 2017



Brett Dorney
A/Managing Director
22 March 2017

Overview of the Agency

Message from the Chair and Managing Director

North Metropolitan TAFE was established, on 11 April 2016 as part of significant training sector reforms.

Nine campuses are placed throughout the northern metropolitan region from Northbridge to Clarkson. Over 550 courses ranging from Certificate I to Higher Education qualifications across 48 industry areas providing quality education and training choices to the market.

North Metropolitan TAFE benefits from extensive linkages with industry and the local community on which campuses are based. Engagement with our key stakeholders informs our decision making and underpins the relevance and accessibility of our products and services.

The success of our graduates is evidence of the College's continued focus on providing contemporary, industry-led training.

Some of the many student successes in 2016 include:

- Participation in the City of Joondalup Kaleidoscope Festival. Students developed an augmented reality app called "Infobot D.A.V.E" which allowed Festival visitors to point their smartphone at six different markers and be greeted by a "Bot" who told a humorous story to give them a glimpse to the year 2201.
- Diploma of Sport Development graduates Sam Powell-Pepper and Luke Strnadica, were picked in the national draft for the Australian Football League (AFL).
- Graduate trades jeweller, Jason Nesbit, won a gold medal for his jewellery created to strict specifications at the WorldSkills Australia National Competition in Melbourne.
- The publication of research exploring the positive impact on residents of Allied Health students undertaking work based learning in an aged care facility in the International Journal of Training Research.
- The development by Digital Media and Animation students working team worked with industry partners to develop the innovative ANZAC Tom Imaginarium app. The ANZAC Tom app allows visitors to get a history of a fictitious 'digger' using augmented reality technology by scanning special markers located at the Kings Park War memorial. The app won the Western Australian Technology & Telecommunications INCITE Most Creative Media/Entertainment Technology Award.

These amazing success stories are a reflection on the quality of training delivery provided by the College, and testament to the passion and commitment of lecturers to develop the high level skills their industries require.

These are just some of the highlights of a very prosperous 2016.

In 2017 we will welcome staff and students joining us from our Midland and Balga campuses.

Collaboration between new teams will provide opportunity to refresh and innovate our products and develop best practice methodologies that will see North Metropolitan TAFE continue to provide a high level of quality training and support to our students in the years to come.

It is with great enthusiasm that we look forward to ensuring we provide new choices to students, industry and the Western Australian community.



Emeritus Professor
Bill Loudon AM
Chair, Governing Council



Michelle Hoad
Managing Director

Executive Summary

North Metropolitan TAFE (NM TAFE) emerged as a resilient, new College in 2016 building on the shared vision and goals of the former entities of West Coast Institute of Training (WCIT) and Central Institute of Technology (CIT). The Training Sector Reform Project presented a number of challenges in 2016, however, staff from the two former entities came together to successfully collaborate and consolidate as the new College.

The College also commenced preparations for the transition of the Midland and Balga campuses from South Metropolitan TAFE (SM TAFE) to NM TAFE, effective from 1 January 2017. A Transition Committee led the work to prepare for the transfer of the campuses. This work included the identification of staff, infrastructure, systems and learning resources that would be affected by the transfer. The committee kept an open line of communication with all members of staff and engaged with SM TAFE and the Department of Training and Workforce development (DTWD) to assist with the transfer process where applicable.

Agency Performance - Key highlights

In 2016 NM TAFE:

- Delivered almost 7.13 million state funded student curriculum hours (SCH).
- Had approximately 998 full-time equivalent academic and support staff to provide high quality training and customer service to students and industry.
- Achieved 86.4% overall student satisfaction rating.

The training delivery at NM TAFE resulted in a number of successes during 2016, including:

- A high proportion of apprenticeship delivery against the original Delivery Performance Agreement (DPA) target (97.1%).
- Achieved 91% of the original DPA SCH target for the Priority Industry Training areas.
- Continued to successfully support the priority training areas, including:
 - 80.4% achievement for Certificate II or higher award completions for students with a disability.
 - 3,820,959 SCH was delivered to students aged 15 to 24 years; an achievement of 86.1% against the College's original benchmark.
 - 82.5% achievement against the Employment Based Training (EBT) SCH target.
 - 6,178,353 SCH was delivered in the Certificate III and above; representing 86.7% of the delivery effort for the College during 2016.

NM TAFE implemented a number of strategies to support students, including specialised support for those who identified as Aboriginal and Torres Strait Islander people, youth students and students with a disability. Strategies to enhance participation and engagement include:

- The Koolark and Yellagonga Centres for Aboriginal Students provided mentoring and tutorial support for all Aboriginal students requiring additional assistance.
- The College Governing Council is fortunate to count Mara West, a highly respected Aboriginal woman amongst its members, who was able to lead and chair the NM TAFE Aboriginal Employment, Education and Training Committee (AEETC) during 2016.
- Provision of coaching and increased study preparation to students aged 15 to 24 years in the first weeks of delivery.
- Delivery of the Jumpstart program to Foyer Oxford residents at the Leederville campus transitioning residents into their desired training pathway.
- Professional development for lecturers to ensure that universal design principles were adopted across the delivery of teaching and learning to support students with a disability.

The College recognises that investing in staff development is important to ensure they are able to support our students and provide quality customer service to clients. Highlights from staff development in 2016 included:

- The Human Resources training investment focussed on job application and interview training, as well as resilience and mental health awareness to support staff in their ability to respond to the demands of the significant reform process.
- Enhanced pedagogical methodologies were offered to all VET Practitioners via the Centre of Training Excellence. The programs were aligned with the VET Practitioner Capability Framework to enhance skills in the areas of assessment, teaching, systems and compliance, as well as industry and community collaboration.
- A total of 30 VET lecturers completed a 13-week Master Class Program of Instructional Leadership. The program promotes excellence in teaching and learning by highlighting the benefits of using contemporary instructional strategies and cooperative learning principles to engage students.

Operational Structure

Governing Council Members effective from 11 April 2016



Professor Bill Loudon
(Chairperson)

Bill Loudon is Emeritus Professor of Education at the University of Western Australia. He has served on the boards of many state and national educational authorities. He is currently chair of the WA Government's Kimberley Schools Project and the Telethon Kids Institute/Minderoo early years research collaboration.



Mr Peter Rowles
(Deputy Chairperson)

Peter Rowles is the Chief Executive Officer of CAPE Mining & Utilities. He is a Board Member for Dial Before You Dig WA, and was previously Managing Director and founder of Underground Services Australia.



Ms Dianne Bianchini

Ms Dianne Bianchini is the Chief Health Professions Officer for the WA Department of Health. Dianne has a background in social work, has worked extensively in clinical reform in the health sector and has significant experience on Boards in the not for profit sector. In her current role she is engaged in health workforce planning, reform and clinical training.



Ms Mara West

Ms Mara West is a Coordinator of Aboriginal Health Research at the Telethon Kids Institute, and has extensive knowledge and experience of the education and training sector. Mara has considerable experience in Aboriginal programs, having participated in the development, review and evaluation of a number of significant indigenous projects.



Mr Graham Droppert

Mr Graham Droppert is a barrister at Albert Wolff Chambers. He is the former Deputy Chair of the Moerlina School Council and Honorary Consul-General for Bangladesh.



Professor Arshad Omari

Professor Arshad Omari is the Senior Deputy Vice-Chancellor of Edith Cowan University. Arshad has previously held the positions of the Executive Dean of the Faculty of Education and Arts at ECU, and the Head of the School of Communications and Contemporary Arts. Arshad has extensive experience in the tertiary education sector and holds a Bachelor of Architecture and a PhD.



Dr Craig McLure

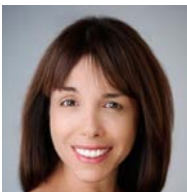
Dr Craig McLure is the Program Director for External Workforce at the National Broadband Network Company (nbn). Craig has previously held the positions of the National Manager Business Operations and Implementation at nbn and Consultant at the Boston Consulting Group.

Craig has extensive experience in the Telecommunication and Biomedical Science sectors and holds a Bachelor of Science, PhD and MBA.



Ms Anne Donaldson

Ms Anne Donaldson held the position of Director for the Health and Disability Services Complaints Office for ten years completing her term in December 2015. Anne previously held positions of the Director for Communities First in the South West Area Health Service and General Manager for the Bunbury Health Service. Anne has over 35 years' experience in the health sector initially as a social worker and then in management roles.



Dr Marina Hogan

Marina co-founded Scoop Publishing in 1997 and Scoop Digital in 2014 which provides digital marketing services. She teaches part-time in the School of Humanities at The University of Western Australia. Marina is deputy chair of the Board of Governors at the WA Museum and also chairs the Remuneration and Recruitment Sub Committee. She was chair of the Subiaco Primary School board from 2011 until December 2016 and also sits on the board of The Rottnest Island Authority.



Ms Michelle Hoad

Ms Michelle Hoad is an ex-officio member of the Governing Council and Managing Director of the North Metropolitan TAFE. Michelle has held a number of senior roles in the vocational education and training sector throughout Western Australia. She has worked with diverse client groups, collaborating across government and the private sector to maximise training opportunities and outcomes.

Remuneration

The individual and aggregate cost of remunerating Governing Council members for North Metropolitan TAFE was as follows:

Position	Name	Type of remuneration	Period of membership	Gross remuneration since 11 April 2016
Chair	Emeritus Professor William Loudon AM	Per Annum	11 April to 31 December 2016	\$ 16,976.68
Deputy Chair	Mr Peter Rowles	Per Annum	11 April to 31 December 2016	\$ 2,357.54
Member	Ms Mara West	Per Annum	11 April to 31 December 2016	\$ 2,398.06
Member	Mr Graham Droppert	Per Annum	11 April to 31 December 2016	\$ 5,249.41
Member	Mr Arshad Omari	Per Annum	11 April to 31 December 2016	\$ 3,955.15
Member	Ms Marina Hogan	Per Annum	11 April to 31 December 2016	\$ 4,079.98

Functions

The functions of the College Governing Council are specified under Section 42 of the Vocational Education and Training Act 1996. The Governing Council is the governing body of the College, with authority in the name of the College to perform the functions of the College and govern its operations and affairs.

In performing its functions the Governing Council is to:

- Prepare the College training profile for the approval of the Minister as and when required.
- Develop and implement strategic and management plans for the College.
- Ensure the College courses, programs and services are responsive to, and meet the needs of, students, industry and the community.
- Ensure that the College's commitments, under its Resource Agreement and any other contractual agreements, are met.

Accountability and Transparency

The accountable authority for North Metropolitan TAFE is the Governing Council. Members are expected to act honestly and to exercise due diligence in managing the business of the College. The Council has independence to determine policies and activities to the provisions made in the *Vocational Education and Training Act 1996* and other Statute Law.

The Council conducted four meetings since 11 April 2016. All documentation produced by the Council forms part of public record in compliance with provisions of the General Retention and Disposal Schedules, established by the Records Office of the State Archives Western Australia.

Behaviour and Ethics

The Governing Council places the highest value on ethical behaviour and is guided by the Codes of Conduct and Ethics (3.5) outlined in the '*Guide for TAFE College Governing Councils*' and '*North Metropolitan TAFE Code of Conduct*'.

The adoption and application of the Governing Council codes and ethics reflects the College's commitment to honesty and integrity in all of its dealings.

Risk Management

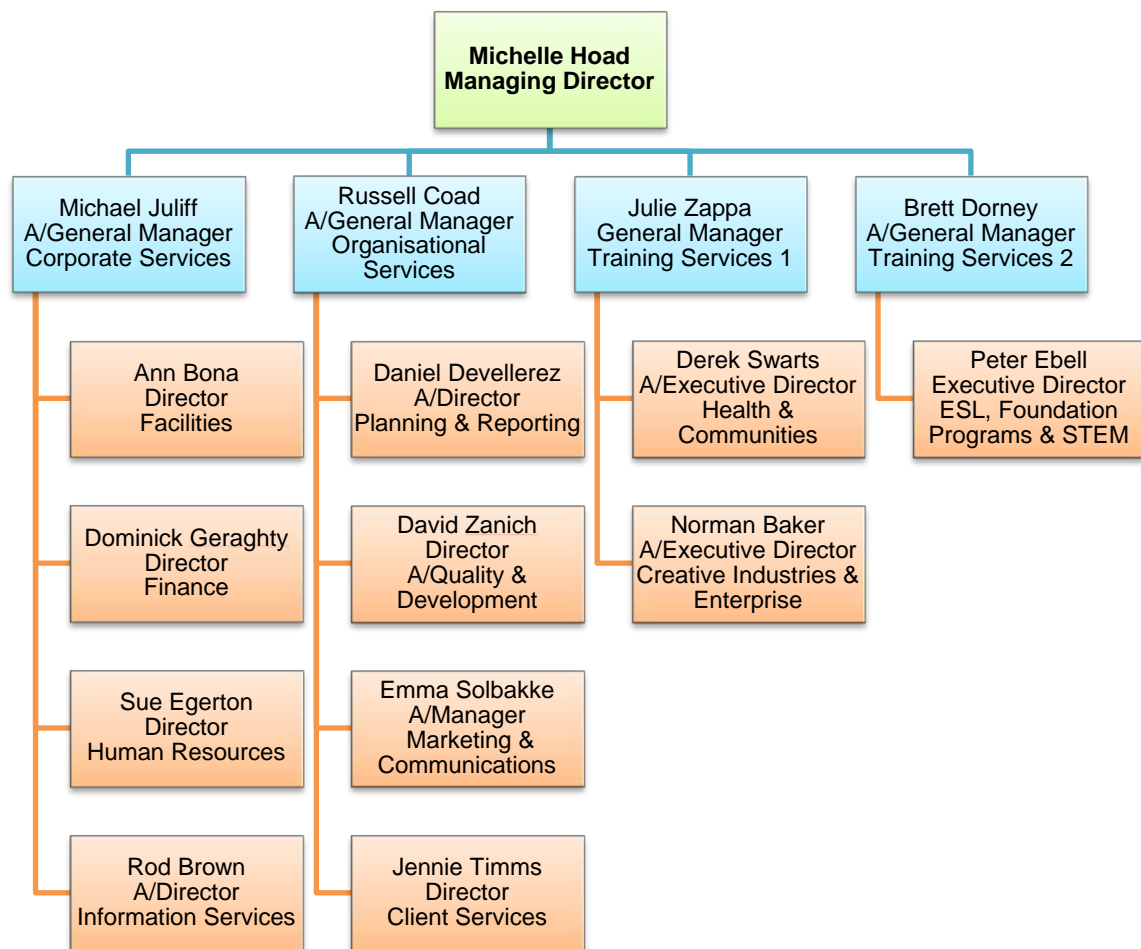
The Governing Council meets legislative and business requirements by progressively developing and reviewing risk management policies in accordance with Treasury Instruction 825.

The College's Governance committee, made up of representatives of Governing Council, the Public Sector Commission and the College's Corporate Executive, regularly review the College's Governance framework to ensure adherence to legislative and business requirements, resulting in Risk Management Framework, Business Continuity Plan and associated Policy and Procedure being updated where required.

Conflict of Interest and Pecuniary Interest

The Council operates in accordance with the protocol for conflict of interest outlined in the '*Guide for TAFE College Governing Councils*'. While acting in the capacity of a Council member, members place public interest above personal interest. If a matter being considered is identified as a potential conflict of interest, the member may not be present at the discussion of the matter and does not vote on the matter. This includes any case where a member or associated entity may benefit from the Council's decision. No conflict of interest was reported during 2016.

Organisational Structure



Note: This reflects the structure as at 1 December 2016.

Performance Management Framework

Outcomes Based Management Framework

The Government Goal “**Results-based service delivery**” best covers North Metropolitan TAFE’s core business. The link between this government goal and agency level government desired outcomes and services is presented below:

Government Goal	Desired Outcomes	Services
To ensure a greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	The provision of vocational education and training services to meet community and industry training needs.	<ol style="list-style-type: none">1. Delivering nationally accredited training courses from Certificate I to Graduate Certificate.2. Apprenticeships and traineeships.3. Foundation and access programs.4. Fee-for-service courses including onshore international delivery, short courses and single subscriber courses.

Changes to Outcome Based Management Framework

North Metropolitan TAFE’s outcome based management framework did not change during 2016.

Shared Responsibilities with Other Agencies

North Metropolitan TAFE does not share any responsibilities with other agencies.

Agency Performance

The following section outlines the activities undertaken against the approved 2016 Business Plans for Central Institute of Technology and West Coast Institute of Training (the two former State Training Providers that were abolished and reformed into North Metropolitan TAFE under the Training Sector Reform Project).

State priority delivery

In 2016, delivery effort at North Metropolitan TAFE (NM TAFE) had a significant focus on the industry courses that met Western Australia's needs, as determined by *Future Skills WA*. Outlined below are the achievements for the College in terms of performance against the original contract targets in the 2016 Delivery Performance Agreement (DPA).

Training Priority	Original Target	Actual	%
Apprenticeship	146,380	142,102	97.1%
Traineeship	267,952	199,549	74.5%
Employment Based Training Sub-total	414,332	341,651	82.5%
Priority Industry Training	2,285,556	2,078,795	91.0%
State Priority Delivery Total	2,699,888	2,420,446	89.6%

It is positive to note the result for apprenticeship delivery. In contrast, traineeship delivery performed poorly against the original contract target. However, the College moderated for this as soon as possible by reducing the target during the September Addendum and this reduced target (of approximately 195,000 SCH) was achieved by NM TAFE.

Some of the strategies that the College implemented to maximise the State Priority Delivery included:

- Increasing the Try a trade / step-up courses.
- Development of para-professional pathways for Building and Construction.
- Offered flexible delivery options to facilitate training in the workplace.
- Lecturers and specialised support staff maintained links with employers and industry.

Training in priority areas

The College's Delivery and Performance Agreement included training benchmarks in the priority areas of:

- Aboriginal and Torres Strait Islanders
- Students with a disability
- Youth (15-24 years)
- Employment Based Training
- Priority Industry Training
- Certificate III and above.

Aboriginal Training Plan

In consultation with the Aboriginal Employment Education Training Committee (AEETC), each year the College develops an Aboriginal Training Plan to drive the promotion of training opportunities to the local Aboriginal community. The overarching goal for NM TAFE was to increase the number of Aboriginal and Torres Strait Islander:

- students undertaking training in a way that enhances their learning and employment outcomes; and
- employees across all areas of the College.

The following is a summary of key activities that were completed against the 2016 Plan.

- The Koolark and Yellagonga Centres for Aboriginal Students provided mentoring and tutorial support for all Aboriginal students requiring additional assistance.
- Utilised units within the *Underpinning Skills for Industry Qualification* (USIQ) in the delivery of Training Package qualifications to Aboriginal learners. This meant that in some cases a team-teaching approach enhanced the teaching of literacy, numeracy and employability skills.
- The College's Governing Council is fortunate to include well-respected Aboriginal woman Mara West, who was able to lead and chair the Aboriginal Employment, Education and Training Committee (AEETC) during 2016.
- Koolark / Yellagonga and the academic areas worked together to develop opportunities for Aboriginal students to access work experience as part of their training. An example of this was the 2 students that participated in work-based training at the Koolark Centre throughout the year as part of their traineeship with South Metropolitan Youth Link (SMYL).
- Continued to implement activities that made the College a welcoming place that embraces the Aboriginal community and its culture. For example, the College celebrated NAIDOC with events held at the Northbridge and Joondalup campuses. The event included guest speakers and other fun activities to celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander people.
- The Yellagonga Meeting Place at Joondalup Campus continued to provide a communal meeting place for all Aboriginal and Torres Strait Islander students. Yellagonga is equipped with a whiteboard, TV for presentations, tables and chairs for group or individual work activities and a student lounge area. Students can also arrange to meet with support staff at Yellagonga.

The total SCH delivered to 207 students who identified as Aboriginal and/or Torres Strait Islander was 80,363.

Performance against the DPA training benchmark was 76 qualification completions for Aboriginal and/or Torres Strait Islander students enrolled at Certificate II and above (this represents 35% achievement against the original benchmark).

Students with a disability

The College submitted the 2016 Disability Access and Inclusion Plan and a number of strategies were implemented to support students who identified as having a disability (refer to compliance reporting later in this document). These strategies supported the achievement of 407 award completions for students enrolled in Certificate II or higher level qualifications. This represents 80.4% achievement against the DPA benchmark of 506 qualifications for this cohort of students.

Youth Support Strategies

In 2016 a total of 3,820,959 SCH was delivered to students aged 15 to 24 years. The outcome was an achievement of 86.1% against NM TAFE's original benchmark (4,436,653 SCH) outlined in the DPA.

A number of strategies were implemented by the College to improve the outcomes for youth students and to attract younger students to enrol at NM TAFE, including:

- Promotion of NM TAFE offerings through appropriate mediums for the cohort, such as social media platforms.
- Incorporated coaching and increased study preparation to students aged 15 to 24 years in first weeks of delivery.
- Partnered with industry agencies to provide students with an opportunity to experience alternative career stream working environments during their studies.
- Create seamless pathways from school through NM TAFE to university.
- Maintained positive working relationship with secondary schools, education agencies and other youth agencies.
- Continued to deliver the Jumpstart program to Foyer Oxford residents at the Leederville campus and transition residents into their desired training pathway.
- Maintained vibrant campuses, modern facilities and up-to-date technology to attract younger age demographic.

Employment Based Training

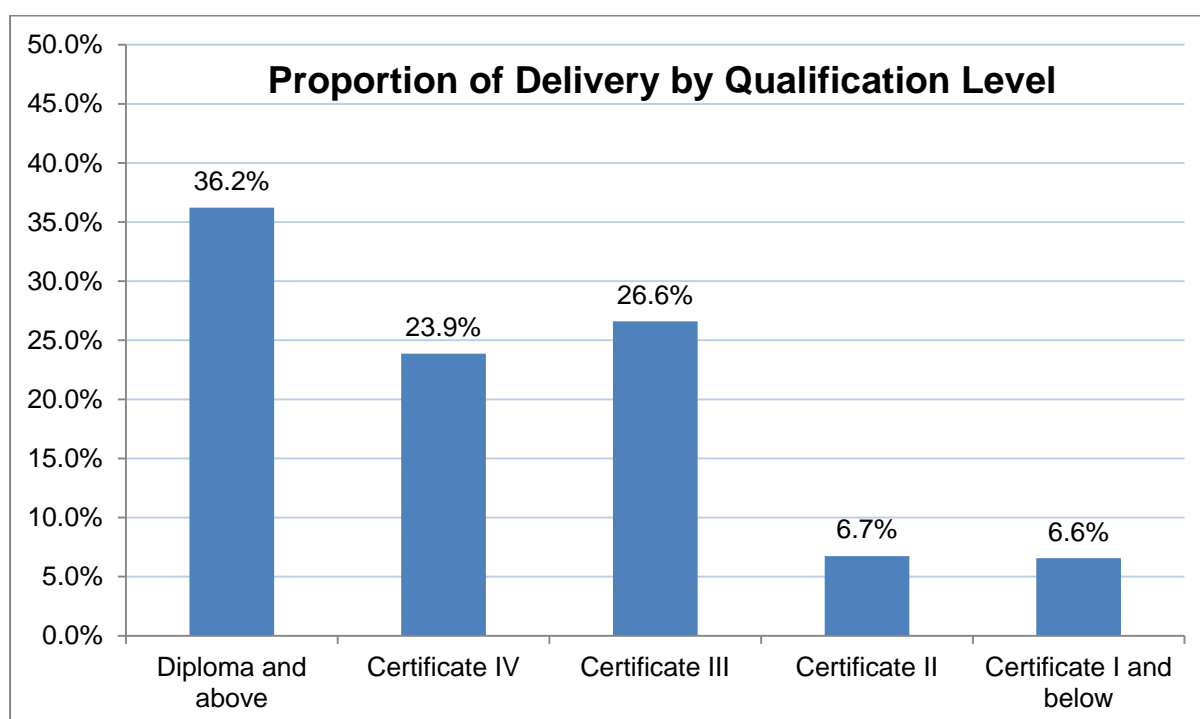
The College achieved 82.5% of the original DPA target for Employment Based Training (EBT), with the performance against the apprenticeship target at 97.1% and traineeship at 74.5%. Owing to the reduced industry demand for traineeships the College made adjustments to the traineeship targets during the September Addendum.

Priority Industry Training

NM TAFE reached 91.2% of the delivery target for Priority Industry Training. Throughout the year the College closely monitored the performance of industry delivery and adjustments were made to effectively reallocate resources based on demand.

Certificate III and above Training

A total of 6,178,353 SCH was delivered by NM TAFE in the Certificate III and above. This represents 86.7% of the delivery effort for the College during 2016. Over a third (36.2%) of the delivery for the College was for Diploma and above qualifications.



Outlined below are the achievements for the College in terms of performance against the original contract targets in the 2016 Delivery Performance Agreement (DPA).

Certificate Levels	Original Target	Actual	%
Diploma and above	2,684,692	2,580,798	96.1%
Certificate IV	2,039,963	1,701,182	83.4%
Certificate III	2,183,572	1,896,373	86.8%
Certificate II	602,276	480,389	79.8%
Certificate I and below	496,200	467,913	94.3%
Total	8,006,703	7,126,655	89.0%

In terms of award completions at Certificate III or higher level qualifications, the College achieved 8,909 out of the DPA benchmark of 11,058 qualifications (80.6%).

Compliance Reporting

Staff development

Administrative and corporate staff underwent change management processes for both an Administrative Review and the Training Sector Reform Project. The Human Resources training investment focussed on providing support to these staff through job application and interview training, as well as resilience and mental health awareness.

Professional development activities in teaching and learning were offered to all VET Practitioners via the Centre of Training Excellence. The programs and targeted workshops derived from internal audits and consultation and were aligned with the VET Practitioner Capability Framework to enhance skills in the areas of assessment, teaching, systems and compliance, as well as industry and community collaboration.

A total of 30 VET lecturers completed a 13-week Master Class Program of Instructional Leadership. The program is designed for experienced lecturers and it aligns with the College's Six Principles of Teaching and Learning. The program promotes excellence in teaching and learning by highlighting the benefits of using contemporary instructional strategies and cooperative learning principles to engage students.

Scholarship of teaching and learning and professional development in Higher Education (HE) teaching and learning was offered to HE lecturers via the Higher Education Teaching and Learning (HETL) Program delivered by Dr Rashmi Watson. The program aimed to give participants the confidence, competence and evidence-based knowledge to teach in a higher education context. The course also provided higher education academics to meet their national accreditation requirements for tertiary teaching.

Legislative environment

North Metropolitan TAFE complies with the following legislation:

- *Archive Act 1983, Commonwealth*
- *Classification Enforcement Act 1996*
- *Commercial Tenancy (Retail Shops) Agreements Act 1985*
- *Copyright Act 1968, Commonwealth*
- *Corruption and Crime Commission Act 2003*
- *Disability Services Act 1993*
- *Education Service Providers (Full Fee Overseas Students) Registration Act 1991*
- *Education Services for Overseas Students Act 2000, Commonwealth*
- *Electoral Act 1907*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Government Employees Superannuation Act 1987*
- *Higher Education Support Act 2003, Commonwealth*
- *Income Tax Assessment Act 1997*
- *Industrial Relations Act 1979*
- *Library Board of Western Australia Act 1951*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Privacy Act 1988, Commonwealth*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *Spam Act 2003, Commonwealth*
- *State Records Act 2000*
- *State Supply Commission Act 1991*
- *Statutory Corporations (Liability of Directors) Act 1996*
- *Vocational Education and Training Act 1996*
- *Workers' Compensation and Injury Management Act 1981*
- *Working with Children (Criminal Record Checking) Act 2004*
- *Workplace Relations Act 1996, Commonwealth*
- *Workforce Reform Act 2014*

Industrial relations

In accordance with the WA TAFE Lecturers' General Agreement 2014 and the Public Service and Government Officers' General Agreement 2014, the Joint Staff Consultative Committee continued to provide opportunity for the discussion and resolution of matters that impacted in the workplace, and a mechanism for meaningful consultation for the required TAFE Reform processes.

The College has focussed on assisting managers and staff to manage often complex Human Resources (HR) and Industrial Relations (IR) issues through information and support by providing targeted IR training activities, development of tools for managers and staff, and the ongoing review of policies and procedures.

During 2016 a total of eight (8) new disciplinary matters relating to alleged breaches of the Code of Conduct were received and four (4) were found to have breached the Staff Code of Conduct and issued with a penalty. Four (4) cases remain unresolved and will carry over to 2017.

Public Sector Standards and Ethical Codes

The College is committed to ensuring compliance and best practice requirements of the Public Sector Standard in Human Resource Management, the Public Sector Code of Ethics and the College's Code of Conduct.

As required under Section 31 of the Public Sector Management Act 1994, the College has complied with its reporting requirements to the Office of Public Sector Standards in relation to the Public Sector Standards, Codes of Ethics, and its Codes of Conduct.

NM TAFE utilised a number of strategies to ensure compliance to the above, these include regular review of Human Resources (HR) policies and procedures, placement of HR information on the intranet so it is available to all staff, undertakes staff training and awareness raising, and mandates all new staff to complete an online induction program, which includes the Accountable and Ethical Decision Making (AEDM) program, which includes information on the Code of Conduct and Ethics.

No breach claims were lodged under the Public Sector Human Resource standards or the Public Sector Code of Ethics. Seven (7) Grievances were lodged during the reporting period, of which three (3) are pending; and actions have been taken to monitor, improve and ensure compliance included:

- Having information about Standards and Codes on the College intranet and induction materials.
- Maintaining an online AEDM module accessible by new and existing staff.
- Conducting Code of Conduct workshops as requested or required, and incorporating the Code into appropriate IR training sessions.
- Developing staff values for NM TAFE.

Public disclosures

The Public Interest Disclosure Act 2003 came into effect on 1 July 2003, requiring the College to:

- Facilitate the disclosure of public interest information.
- Provide protection for those making disclosures.
- Provide protection for those who are the subject of a disclosure.

In accordance with the Act, the College has one Public Interest Disclosure (PID) Officer and has published internal policies and procedures related to its obligations. There were no PID applications received for the reporting period.

Corruption prevention

Our Integrity Framework has been developed to guide both staff and management in applying sound conduct and decision-making within their roles through having a clear understanding of how to define conduct, managing conduct and understand the College's obligations to our students, the community, the sector and colleagues.

The Framework consists of all College policies, procedures and guidelines around organisational compliance and prevention of corruption, misconduct and conflict of interest. These documents and the Framework are readily available on the intranet.

There were no reported incidents during the reporting period.

Risk management

To ensure an ongoing focus on Risk Management the College has embedded risk management within its planning framework and the business case process and procedures required for any significant investment.

The College's Governance committee, made up of representatives of Governing Council, the Public Sector Commission and the College's Corporate Executive, review the College's Governance framework to ensure adherence to legislative and business requirements, resulting in Risk Management Framework, Business Continuity Plan and associated Policy and Procedure being updated where required.

Risk Management reviews are also integrated into the annual Business Planning process. Sections will review plans annually with assistance available from the College's Risk and Compliance Officer, as required.

Significant Issues Impacting North Metropolitan TAFE

In response to the Training Sector Reform Project the College prepared for the transition of Midland and Balga campuses from South Metropolitan TAFE to NM TAFE, effective from 1 January 2017. A Midland and Balga Transition Committee was created at a management and operational level to encourage collaboration between the two metropolitan TAFE Colleges and the Department of Training and Workforce Development representatives, as work began towards the transfer and consolidation of systems and staff to NM TAFE.

Ongoing communication across campuses was implemented to successfully respond to changes that occurred as a result of the Training Sector Reform Project. Through effective communication the College guided staff on how to build their awareness of the operational changes and the overarching strategic benefit of the consolidation, such as increased collaboration and development of more efficient operations.

Federal Government policy changes to the student loan scheme also required significant preparation and clear communication with continuing students and those applying for Diploma and above courses in 2017. NM TAFE increased the promotion of payment plans to pay for the course fees in instalments for courses, where the student loans were no longer available.

Director and Officer's liability

In 2016, the College paid an insurance premium of \$7,865 to indemnify any 'director' (as defined in Part 3 of the Statutory Corporations (Liability of Directors) Act 1996) against a liability incurred under sections 13 or 14 of that Act.

Breach of Credit Card use

The accountable authority may arrange for a WA Government credit card to be issued to officers and other authorised persons engaged by the agency in performing their functions.

Table 3.1: Credit Card Breaches 2016

Reporting Period 11 April to 31 December 2016	
Personal expenditure under Treasurer's instruction 321 'Credit Cards - Authorised Use':	
a) the number of instances the WA Government Purchasing Card has been used for a personal purpose;	1
b) the aggregate amount of personal use expenditure for the reporting period;	\$30
c) the aggregate amount of personal use expenditure settled by the due date;	\$30
d) the aggregate amount of personal use expenditure settled after the period required by paragraph (c);	\$0
e) the aggregate amount of personal use expenditure outstanding at the end of the reporting period;	\$0
f) the number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	nil

Staff profile

Table 3.2: Staffing numbers 2016

	2016	% Total FTE
FTE for year	997.5	
Academic Delivery	556.14	55.75%
Academic Support Services	117.27	11.76%
Corporate Services	278.1	29.88%
Unattached/Redeployees	0	
Host Funded Positions Small Business	0	

Workforce Data taken from Empower HRMIS

NB: Information provided as at December 2016. FTE figures can vary across the year by +/- 10% due to training demand fluctuations.

Statement of commitment to occupational safety and health and injury management

NM TAFE is committed to the safety and health of staff and students. NM TAFE actively promotes occupational safety and health (OSH) information and systems within the College and provides guidance to staff and students through these systems.

Each of our OSH Committees has an Executive Director or Director as a member, and these committee's ensure staff understand their responsibilities and are trained appropriately.

Support is given to staff through the Employee Assistance Program, training opportunities including the Mental Health First Aid Program and the College's Wellness Program.

Formal mechanism for consultation with employees on occupational safety and health matters

During 2016 the College continued to develop a safety culture where individual and collective responsibilities and accountability was integrated into everyday college planning and course delivery.

The College's Strategic OSH Committee met a number of times during 2016 to identify incident trends and remedial actions, and review budgets and OSH Plans. The Committee includes membership from all OSH Committees, a corporate executive member and several management representatives.

OSH Representatives consult with management in the investigation of incident reports and the recommendations for improvement of safety systems within their areas of responsibility and the College in general. OSH Representatives are monitored by the College's OSH Consultants to ensure appropriate numbers and training is maintained.

Executive support mandated annual training sessions for all managers and supervisors, together with a variety of OSH related sessions throughout the year.

Statement of compliance with injury management requirements of the *Workers' Compensation and Injury Management Act 1981* including the development of return to work plans

NM TAFE is committed to the safety and health of staff and students. NM TAFE actively promotes occupational safety and health (OSH) information and systems within the College and provides guidance to staff and students through these systems.

Each of our OSH Committees has an Executive Director or Director as a member, and these committee's ensure staff understand their responsibilities and are trained appropriately.

Support is given to staff through the Employee Assistance Program, training opportunities including the Mental Health First Aid Program and the College's Wellness Program.

Table 3.3: Report of performance against the following targets

<i>Measure</i>	<i>Actual results</i>		<i>Results against Target</i>	
	<i>2015</i>	<i>2016</i>	<i>Target</i>	<i>Comment on Result</i>
Number of fatalities	0	0	Zero (0)	Nil
Lost time injury/disease (LTI/D) incidence rate	0	0	Zero (0) or 10% improvement on the previous three (3) years	Nil
Lost time injury (LTI) severity rate	25%	25%	Zero (0) or 10% improvement on the previous three (3) years	Longer investigation times required for LTI claims.
Percentage of injured workers returned to work within (i) 13 weeks and (ii) 26 weeks	100%	100%	Greater than or equal to 80% return	Early intervention Vocational Rehabilitation within the first 2 – 5 days has ensured return to work within 13 weeks.
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	90%	90%	Greater than or equal to 80%	Face to face training provided Injury Management for all our line managers.

- Note 1. Lost time injury or disease incidence rate**
The number of lost time injury and/or disease claims lodged where one day or shift or more was lost from work as a factor of the number of full-time equivalent employees.
- Note 2. Lost time injury severity rate**
The number of severe injuries (actual or estimated 60 days or more lost from work) as a factor of the total number of lost time injury and/or disease claims.
- Note 3. Percentage of managers trained in occupational safety, health and injury management responsibilities**
In 2012, the target for percentage of managers trained in occupational safety, health and injury management was set at greater than or equal to 50%. In 2013, this target was readjusted to 80%.

Equal Employment Opportunity, Equity, Access and Diversity

The College continues to address the Government's priority to enhance diversity within the Public Sector. During the reporting period the College met its reporting obligations under equity based legislative and public sector management requirements. In accordance with Public Sector Commission requirements a Workforce Development Plan was developed which has integrated Equal Employment Opportunity (EEO) management initiatives. Developing an understanding and appreciation of cultural diversity and ethics is achieved through staff induction, professional development training and cultural awareness training.

A range of policies and documentation including access to training and development guidelines, access and equity policy, grievance management processes, our Code of Conduct and performance management systems all have equity and diversity principles embedded in their scope.

As part of the College's EEO management, it has complied with the Department of Premier and Cabinet's reporting requirements under Minimum Obligatory Information Requirements (MOIR).

Substantive Equality

In accordance with the Government's Policy Framework for Substantive Equality, the College has structures in place to monitor policies and processes that impact Aboriginal people, people with disabilities and ethnic minorities. With an objective of substantive equality the College has committed and deployed significant human resources to give effect to substantive equality. This is undertaken through the roles of our Aboriginal Liaison Officer and Disability Services Officer.

Disability Access and Inclusion Plan Outcomes

NM TAFE provided a number of supports for students with a disability and implemented strategies promote staff awareness of the importance of inclusive practices in training delivery, customer service and the physical environment. The following are the outcomes from the 2016 Disability Access and Inclusion Plan.

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

- Ensured events and social activities are accessible to people with disabilities (for example, Auslan interpreters were present at College awards events).
- Provided staff with access to the relevant policies to promote compliance with the policies and practices underlined with the Disability Discrimination Act (1992) and the Disability Services Act (1993).
- Ensured that NM TAFE staff and their agents and contractors comply with the Disability Standards for Education 2005.
- Respond in a flexible manner to minimise and eliminate any barriers that may impinge upon people with disabilities by ensuring staff undertake regular staff development so they are up to date and aware of all and any solutions to minimise those barriers. Information & Technology and Disability Support staff attended an Understanding Autism Spectrum Disorder workshop.
- Academic leaders worked with lecturing staff to ensure that universal design principles were adopted across the development and delivery of teaching and learning.

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

- New facilities or modifications to buildings were planned to ensure they were accessible to people with disability and compliant with the Australian Standards for Access and Mobility including the enhanced Standards. For example, as part of the major refurbishment to McLarty campus a universal access ramp from administration to the canteen has been installed.
- Planning related to future premises, or refurbishments including furniture and equipment, took into account universal access requirements.
- Ensured ACROD parking meets the needs of people with disability in terms of quantity and location.

Outcome three: People with disability receive information about services and programs in formats that will enable them to access the information as readily as other people are able to access it.

- NM TAFE's websites and other marketing material met Standards for Registered Training Organisations 2015 and best practice access models.
- Course information and associated teaching and learning resources were accessible to people with disability.
- NM TAFE publications, policies, procedures, student documents and forms were accessible to people with disability.
- Disability Support staff attended student inductions to inform students about the support services available to them.

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

- Training and staff induction opportunities were available to all staff to ensure that they are aware of the needs of people with disability and are equipped with the skills to make equitable provision for them.
- As part of ongoing continuous improvement practices NM TAFE academic staff review the accessible teaching, support and assessment strategies in the classroom, workshops and external placements.

Recordkeeping Plan

North Metropolitan TAFE is committed to best practice records management that comply with affecting legislation. In accordance with the *State Records Act 2000*, a current approved Record Keeping Plan (RKP) and an approved Sector Disposal Authority (SDA) is in place. In line with the approved RKP, NM TAFE maintained the two Electronic Document Record Management Systems (EDRMS) - HP TRIM and HP Record Manager as official systems. Plans are underway for a Sector Wide RKP (for submission late 2017) and Centralised EDRMS for all colleges.

Corporate Information continued to develop and implement endorsed record-keeping policies, processes and training sessions.

Training sessions consist of recordkeeping awareness training – implemented during induction and EDRMS training basic and advanced. All training sessions are readily available to staff to assist them in meeting their recordkeeping responsibilities. The training programs comprise of group presentations, online supporting documentation, workshops and one-to-one training.

Electoral Act 1907 Section 175ZE

Pursuant to the requirements of section 175ZE of the Electoral Act 1907, the following expenditures were incurred by, or on behalf of, the College as shown in the table below.

Table 3.4: Expenditure for Advertising and Media Organisations

Class of organisation	Amount ex GST	Organisation	Total Expenditure in 2016
Advertising Agencies			
Market Research Organisations	Nil		Nil
Polling Organisations	Nil		Nil
Direct Mail Organisations	Nil		Nil
Media Advertising Agencies	\$ 121,833 \$ 25,013 \$ 11,200 \$ 8,167 \$ 5,044 \$ 3,768	TafeChoices Mitchell Communication Carat DG International Media Cineads Facebook Google Ads	\$ 121,833 \$ 25,013 \$ 11,200 \$ 8,167 \$ 5,044 \$ 3,768



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

NORTH METROPOLITAN TAFE

Report on the Financial Statements

Opinion

I have audited the financial statements of North Metropolitan TAFE which comprise the Statement of Financial Position as at 31 December 2016, the Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the period 11 April to 31 December 2016, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of North Metropolitan TAFE for the period 11 April to 31 December 2016 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Responsibility of the Governing Council for the Financial Statements

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

In preparing the financial statements, the Governing Council is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Controls

Opinion

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

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

In my opinion, in all material respects, the controls exercised by North Metropolitan TAFE are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the period 11 April to 31 December 2016.

The Governing Council's Responsibilities

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

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board.

That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

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

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

Limitations of Controls

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

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of North Metropolitan TAFE for the period 11 April to 31 December 2016. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of North Metropolitan TAFE are relevant and appropriate to assist users to assess the TAFE's performance and fairly represent indicated performance for the period 11 April to 31 December 2016.

Matters of Significance

Under Treasurer's Exemption

As stated in the key performance indicators, North Metropolitan TAFE received an exemption from the Under Treasurer from the requirements under Treasurer's Instruction 904 *Key Performance Indicators* to disclose budget targets for the key performance indicators and to report against Key Efficiency Indicator 'Overall Cost Per Student Curriculum Hour'. The exemption was approved because of the partial year reporting period and the unavailability of campus level data. Consequently, this information has not been reported. My opinion is not modified in respect of this matter.

Profile Achievement

I also draw your attention to the notes to the key effectiveness indicator 'Profile Achievement' which explain that the two amounts used to calculate the indicator were based on actual SCH and planned SCH for the full year. Using full year data to calculate this indicator for the reporting period 11 April to 31 December 2016 does not materially affect the accuracy of the indicator. My opinion is not modified in respect of this matter.

The Governing Council's Responsibility for the Key Performance Indicators

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

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

Auditor General's Responsibility

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

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of North Metropolitan TAFE for the period 11 April to 31 December 2016 included on the TAFE'S website. The TAFE'S management is responsible for the integrity of the TAFE'S website. This audit does not provide assurance on the integrity of the TAFE'S website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
14 March 2017

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 North Metropolitan TAFE's performance, and fairly represent the performance of North Metropolitan TAFE for the period 11 April to 31 December 2016.



Emeritus Professor Bill Loudon AM
Chair Governing Council
North Metropolitan TAFE
14 March 2017



Mr Brett Dorney
A/ Managing Director
North Metropolitan TAFE
14 March 2017

Desired Outcomes

The Effectiveness Indicators have been developed to assist the College in monitoring and management processes, and to enhance accountability to the people of Western Australia.

The Performance Indicators of the College measure the efficiency and effectiveness of North Metropolitan TAFE's efforts of addressing community and industry's training needs.

The data is subject to audit under the Financial Management Act 2006.

Partial Exemption

Due to the WA Training Sector Reform in April 2016, the Department of Treasury WA granted the partial exemption under the Treasurer's Instruction 904 for the:

- disclosure of budget targets for all KPIs; and
- reporting against key efficiency indicator 1.1 – overall cost per curriculum hour.

Accordingly, no targets except for *Profile Achievement*, and efficiency indicator have been reported in the Key Performance Indicators for 2016.

Achievement of College Profile

This performance indicator reports the effectiveness of North Metropolitan TAFE in meeting Delivery and Performance Agreement (DPA) targets, enabling customer needs to be achieved, through which the College is resourced to deliver courses under Government purchased funding guidelines.

Prior to the Training Sector Reform (enacted 11 April 2016) each of the former State Training Providers (STPs i.e. Central Institute of Technology and West Coast Institute of Training) had a separate DPA, with the Department of Training and Workforce Development (DTWD) for the full year of 2016.

Upon the amalgamation, DTWD issued a revised full year DPA for the newly formed North Metropolitan TAFE. Although this DPA was issued in April 2016, it included targets for 1 January 2016 to 31 December 2016. Therefore, both Central Institute of Technology and West Coast Institute of Training maintained their separate enrolment systems throughout 2016, and the data from 1 January to 31 December 2016 was amalgamated at the year end to show the combined SCH delivered by the new entity i.e. North Metropolitan TAFE.

Given the nature of this indicator it is not possible to report a partial year result. Profile delivery targets and student curriculum hours are both reported under an end of study paradigm, where delivery must be assigned a final outcome before it can be counted.

Targets are set in relation to full year outcomes and accurate reporting of SCH on an end of study basis can only occur on full year results. Importantly, one snapshot cannot be subtracted from another to produce a part year figure, as the two collections will not include the same records. Nonetheless, since the majority of final outcomes were recorded later in the year, the timing of end of study reporting means that full year 2016 figures do still fairly represent TAFE performance for the reporting period 11 April to 31 December 2016.

Profile Analysis for North Metropolitan TAFE

This indicator details the total number of Student Curriculum Hours (SCH) delivered from 1 January to 31 December 2016 under the College's Delivery and Performance Agreement.

Department of Training and Workforce Development ANZSCO Groups	2016 Target Profile (SCH)	2016 Actual Profile (SCH)
11. Chief Executives, General Managers and Legislators	24,000	15,520
12. Farmers and Farm Managers	0	1,985
13. Specialist Managers	162,890	102,487
14. Hospitality, Retail and Service Managers	124,960	104,630
1. MANAGERS Total	311,850	224,622
21. Arts and Media Professionals	461,700	468,969
22. Business, Human Resource and Marketing Professionals	140,980	89,800
23. Design, Engineering, Science and Transport Professionals	447,129	342,552
24. Education Professionals	34,200	18,550
26. ICT Professionals	167,080	178,003
27. Legal, Social and Welfare Professionals	136,920	81,735
2. PROFESSIONALS Total	1,388,009	1,179,609
31. Engineering, ICT and Science Technicians	932,400	801,848
32. Automotive and Engineering Trades Workers	26,951	22,608
33. Construction Trades Workers	55,506	63,715
34. Electrotechnology and Telecommunications Trades Workers	37,544	36,681
35. Food Trades Workers	74,316	105,612
36. Skilled Animal and Horticultural Workers	16,436	23,718
39. Other Technicians and Trades Workers	278,620	277,868
3. TECHNICIANS AND TRADES WORKERS Total	1,421,773	1,332,050
41. Health and Welfare Support Workers	1,120,408	1,195,330
42. Carers and Aides	905,425	803,119
43. Hospitality Workers	65,360	56,844
44. Protective Service Workers	3,000	80
45. Sports and Personal Service Workers	519,090	377,095
4. COMMUNITY AND PERSONAL SERVICE WORKERS Total	2,613,283	2,432,468

Department of Training and Workforce Development ANZSCO Groups	2016 Target Profile (SCH)	2016 Actual Profile (SCH)
51. Office Managers and Program Administrators	65,665	69,495
52. Personal Assistants and Secretaries	107,360	20,890
53. General Clerical Workers	344,690	193,425
54. Inquiry Clerks and Receptionists	0	19,630
55. Numerical Clerks	121,060	111,735
59. Other Clerical and Administrative Workers	179,800	148,500
5. CLERICAL AND ADMINISTRATIVE WORKERS Total	818,575	563,675
61. Sales Representatives and Agents	13,400	5,523
62. Sales Assistants and Salespersons	5,800	8,072
6. SALES WORKERS Total	19,200	13,595
71. Machine and Stationary Plant Operators	78,000	69,065
7. MACHINERY OPERATORS AND DRIVERS Total	78,000	69,065
82. Construction and Mining Labourers	47,350	37,128
83. Factory Process Workers	16,912	14,717
84. Farm, Forestry and Garden Workers	14,540	22,407
85. Food Preparation Assistants	9,712	11,917
89. Other Labourers	98,019	91,709
8. LABOURERS Total	186,533	177,878
GB – Adult Literacy/ESL	808,700	832,770
GC – Languages	42,100	37,050
GE – Targeted Courses	318,680	263,873
G. General Education	1,169,480	1,133,693
Total Profile Delivery	8,006,703	7,126,655

Notes:

- a. **Source:** North Metropolitan TAFE Delivery and Performance Agreement and College Management Information System (CMIS)
- b. **Definition:** The table indicates the target and actual achievement of SCH in the profiled Department of Training and Workforce Development Industry Group Categories. The classification of these Industry Groups is based on the occupation or outcome the course is intended to serve and highlights the College's performance in achieving industry delivery targets.
- c. **Derivation:** DPA data represents the actual achievement of SCH in respective years. Planned data is obtained from the DPA and actual SCH from the CMIS.
- d. **Comments:** The College fell short of its 2016 SCH target due to a fall in demand for courses that was consistent with the overall fall in demand for publicly funded training. Increased competition with private training providers and the universities also impacted on demand.

Profile Achievement

This performance indicator shows the percentage of SCH achieved for activities as contracted with DTWD for vocational education and training delivery through the DPA.

Profile Achievement = $\frac{\text{Actual Delivery and Performance Agreement SCH Achieved}}{\text{Target SCH contained within Delivery and Performance Agreement}}$

2016 Actual	2016 Target
89.0%	100.0%

Notes :

- Source:** North Metropolitan TAFE Delivery and Performance Agreement and CMIS.
- Derivation:** DPA data represents the actual achievement of SCH in respective years.
- Comments:** The College fell short of its 2016 SCH target due to a fall in demand for courses that was consistent with the overall fall in demand for publicly funded training. Increased competition with private training providers and the universities also impacted on demand.

Overall Cost per SCH

This indicator has been exempted from being reported in the current year.

Department of Training and Workforce Development Student Satisfaction Survey

The 2016 Student Satisfaction Survey has been conducted on behalf of the Department of Training and Workforce Development by Patterson Research Group. The survey is used to measure the quality of the service provided by the DTWD and TAFE Colleges, and to gain a better understanding of its customers and their needs. College specific data has been reported as well as comparison at the State level.

The usable state target population was established as 47,031 and the response rate for the State was 25.6%. From a usable population of 12,418 at North Metropolitan TAFE, 3,569 usable returns were received (making the response rate 28.7%).

Overall Student Satisfaction Rating (Effectiveness Indicator)

The overall student satisfaction rating expresses the number of 'satisfied' and 'very satisfied' respondents. The other response options available to the respondents were 'very dissatisfied', 'dissatisfied' or 'neither satisfied nor dissatisfied'. The results provide an overall expression of how satisfied students are with various services provided by the College.

	2016 Actual
North Metropolitan TAFE	86.4%
Western Australia	88.9%

Notes:

- a. **Source:** Department of Training and Workforce Development, 2016 WA Student Satisfaction Survey.
- b. **Derivation:** The standard error for North Metropolitan TAFE sample of the survey was calculated at 0.5% with a relative sampling error of $\pm 0.9\%$, with a 95% confidence level (for Western Australia the standard error was 0.2% and sampling error $\pm 0.5\%$).

Student Outcome Survey

The Student Outcomes Survey is conducted on behalf of the National Centre for Vocational Education Research (NCVER) by the Social Research Centre. The aim of the survey is to measure vocational education and training students' employment, further study and the opinions of the training undertaken. The following indicators are calculated based on the feedback received from this survey.

- Graduate Achievement Rating
- Graduate Destination.

However, the reportable survey results are only available biennially, and last time the results were reported in 2015. Therefore, this information is not available for the current year. It will be reported in the next year.

Financial Statements

Certification of Financial Statements

The accompanying financial statements of North 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 11th April to 31 December 2016 and the financial position as at 31 December 2016.

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



Emeritus Professor Bill Loudon AM

Chair Governing Council
North Metropolitan TAFE
14 March 2017



Mr Brett Dorney

A/ Managing Director
North Metropolitan TAFE
14 March 2017



Mr Nathan Swindail

A/ Chief Finance Officer
North Metropolitan TAFE
14 March 2017

	Notes	\$
COST OF SERVICES		
Expenses		
Employee benefits expense	6	76,890,342
Supplies and services	7	20,648,569
Depreciation and amortisation expense	8	5,752,285
Grants and subsidies	9	7,411
Cost of sales	15	261,473
Loss on disposal of non-current assets	19	11,135
Asset revaluation decrement	10	16,641,546
Other expenses	11	7,531,665
Total cost of services		127,744,427
Income		
Revenue		
Fee for service	12	27,791,352
Student fees and charges	13	19,056,031
Ancillary trading	14	423,747
Sales	15	285,843
Commonwealth grants and contributions	16	62,462
Interest revenue	17	1,307,764
Other revenue	18	2,262,567
Total revenue		51,189,767
Total income other than income from State Government		51,189,767
NET COST OF SERVICES		76,554,660
INCOME FROM STATE GOVERNMENT	20	
Service appropriation		59,510,175
Services received free of charge		2,881,064
Total income from State Government		62,391,239
SURPLUS/(DEFICIT) FOR THE PERIOD		(14,163,421)
OTHER COMPREHENSIVE INCOME		
<u>Items not reclassified subsequently to profit or loss</u>		
Changes in asset revaluation surplus	32	123,724
Total other comprehensive income		123,724
TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD		(14,039,697)

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

	Notes	\$
ASSETS		
Current Assets		
Cash and cash equivalents	33	40,533,417
Restricted cash and cash equivalents	21,33	10,277,423
Inventories	22	210,177
Receivables	23	3,982,091
Other current assets	24	1,713,973
Total Current Assets		56,717,081
Non-Current Assets		
Restricted cash and cash equivalents	21,33	705,836
Property, plant and equipment	25	355,995,562
Total Non-Current Assets		356,701,398
TOTAL ASSETS		413,418,479
LIABILITIES		
Current Liabilities		
Payables	29	4,671,371
Provisions	30	16,874,978
Other current liabilities	31	9,219,834
Total Current Liabilities		30,766,183
Non-Current Liabilities		
Provisions	30	3,922,927
Total Non-Current Liabilities		3,922,927
TOTAL LIABILITIES		34,689,110
NET ASSETS		378,729,369
EQUITY	32	
Contributed equity		392,769,067
Reserves		123,724
Accumulated deficit		(14,163,421)
TOTAL EQUITY		378,729,369

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

North Metropolitan TAFE

STATEMENT OF CHANGES IN EQUITY

For the period 11 April to 31 December 2016

		Contributed Equity	Reserves	Accumulated Surplus / (Deficit)	Total Equity
	Notes	\$	\$	\$	\$
Balance at 10 April 2016		-	-	-	-
Surplus/(deficit) for the period	32	-	-	(14,163,421)	(14,163,421)
Other comprehensive income		-	123,724	-	123,724
Total comprehensive income for the period		<u>-</u>	<u>123,724</u>	<u>(14,163,421)</u>	<u>(14,039,697)</u>
Transaction with owners in their capacity as owners:					
Capital appropriations		7,921,585	-	-	7,921,585
Other contributions by owners		407,730,068	-	-	407,730,068
Distribution to owners		(22,882,586)	-	-	(22,882,586)
Total		<u>392,769,067</u>	<u>-</u>	<u>-</u>	<u>392,769,067</u>
Balance at 31 December 2016		<u>392,769,067</u>	<u>123,724</u>	<u>(14,163,421)</u>	<u>378,729,370</u>

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

	Notes	\$
CASH FLOWS FROM STATE GOVERNMENT		
Service appropriation - Department of Training and Workforce Development		60,795,351
Net cash provided by State Government		60,795,351
Utilised as follows:		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee benefits		(78,378,457)
Supplies and services		(15,334,327)
Grants and subsidies		(7,411)
GST payments on purchases		(1,932,230)
GST payments to taxation authority		(99,730)
Other payments		(7,771,143)
Receipts		
Fee for service		21,777,785
Student fees and charges		19,192,416
Ancillary trading		423,747
Interest received		1,216,031
GST receipts on sales		1,219,347
GST receipts from taxation authority		920,575
Other receipts		2,732,109
Net cash used in operating activities	33(b)	(56,041,288)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments		
Purchase of non-current physical assets		(1,260,878)
Capital Contribution		(20,396,994)
Receipts		
Proceeds from sale of non-current physical assets		2,197
Capital Contribution		68,418,288
Net cash provided by investing activities		46,762,613
Net increase in cash and cash equivalents		51,516,676
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	33 (a)	51,516,676

NORTH METROPOLITAN TAFE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 11 APRIL TO 31 DECEMBER 2016

1. Australian Accounting Standards

(a) General

The College's financial statements for the period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The College has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

(b) Early adoption of standards

The College cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction (TI) 1101 *'Application of Australian Accounting Standards and Other Pronouncements'*.

There has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the College for the reporting period from 11 April to 31 December 2016.

2. Summary of significant accounting policies

The following accounting policies have been adopted in the preparation of these financial statements.

(a) General statement

The College is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land and buildings which have been measured at fair value.

The financial statements are presented in Australian dollars (\$).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the College's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The financial statements have been prepared on a going concern basis which assumes that the College will be able to generate sufficient positive cash flows to meet its financial obligations and realise its assets and extinguish its liabilities in the normal course of business

(c) Reporting entity

The reporting entity comprises the College and bodies included at note 41 'Related bodies'.

(d) Contributed equity

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

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See note 32 'Equity'.

(e) Income

Revenue recognition

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

The majority of operating revenue of the College represents revenue earned from student fees and charges, fee for service, ancillary services, trading activities and Commonwealth grants and contributions.

The following specific recognition criteria must also be met before revenue is recognised for the major business activities as follows:

Sale of goods

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

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the College obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the College gains control of the appropriated funds. The College gains control of appropriated funds at the time those funds are deposited to the bank account.

State funds

The funds received from the Department of Training and Workforce Development in respect of the delivery of services forming part of the Delivery Performance Agreement are included in State funds, disclosed under 'Income from State Government'. They are the result of training successfully tendered for under competitive tendering arrangements. This revenue is recognised at nominal value in the period in which the College meets the terms of the Agreement. See note 20 'Income from State Government'.

Gains

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

(f) Property, plant and equipment

Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Where applicable in accordance with TI 1101, the capitalisation threshold has been applied to the aggregate value of a group or network of assets where the cost of individual item may be below the threshold but collectively the cost of the items in the group or network exceeds the threshold. Items of property, plant and equipment costing less than \$5,000 are immediately expensed directly to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land and buildings and historical cost for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation (buildings only) and accumulated impairment losses. Artworks are carried at fair value.

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

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

In the absence of market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land. (low restricted use land).

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

Work of art have an indefinite useful life and are revalued every third year by an independent artwork valuer to ensure the carrying amount doesn't differ materially from fair value.

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated life.

Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets. Refer to note 25 'Property, plant and equipment' for further information on revaluations. The Work of Art was revalued in 2016 and the the revaluation gain has been recorded under Other Comprehensive Income, refer to Note 32.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets on a class of assets basis.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	15 to 40 years
Motor vehicles	4 to 23 years
Plant, furniture and general equipment	4 to 28 years
Computing, communications and software ^(a)	1 to 15 years

^(a) Software that is integral to the operation of related hardware.

Works of art controlled by the College are classified as property, plant and equipment. These are anticipated to have indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

Land is not depreciated.

(g) Intangible assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing \$5,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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

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

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the College have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Licences	up to 10 years
Software ^(a)	3 to 5 years
Website costs	3 to 5 years

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

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Computer software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

Web site costs

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance

during the operating phase are expensed. Costs incurred in building or enhancing a web site that can be reliably measured, are capitalised, to the extent that they represent probable future economic benefits. .

(h) Impairment of assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the College is a not-for-profit entity, unless asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

See note 28 'Impairment of assets' for the outcome of impairment reviews and testing. See note 2(n) 'Receivables' and note 23 'Receivables' for impairment of receivables.

(i) Leases

The College has entered into operating lease arrangements for computers, computing equipment and motor vehicles. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased assets. See Note 34 'Commitments'.

(j) Financial instruments

In addition to cash on hand and cash at bank, the College has two categories of financial instruments:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables

Financial liabilities

- Payables
- DPA clawback provision
- VET Fee Help Refund

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(k) Cash and cash equivalents

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

(l) Accrued salaries

Accrued salaries (see note 29 'Payables') represent the amount due to staff but unpaid at the end of the reporting period, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The College considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see note 21 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of ten financial years to largely meet the additional cash outlay in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(m) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being measured on an average cost basis.

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

See note 22 'Inventories'.

(n) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the College will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

See note 2(j) 'Financial instruments' and note 23 'Receivables'.

(o) Payables

Payables are recognised when the College becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days. See note 2(j) 'Financial instruments' and note 29 'Payables'.

(p) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. See note 30 'Provisions'.

(i) Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

Annual leave that is expected to be settled wholly within 12 months of the end of the reporting period is considered to be a 'short term employee benefit'. The annual leave liability is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the College does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

Long service leave is not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the College does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the College has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Deferred Leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional twelve months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.

Superannuation

The Government Employees Superannuation Board (GESB) and other funds administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The College makes contributions to GESB or other funds providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the College's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for College purposes because the concurrent contributions (defined contributions) made by the College to GESB extinguishes the College's obligations to the related superannuation liability.

The College has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the College to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share. See also note 2(q) 'Superannuation expense'.

(ii) Provisions - other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the College's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. (See note 11 'Other expenses' and note 30 'Provisions'.)

(q) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), the GESB Super Scheme (GESBS) and other superannuation funds.

(r) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost that the College would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(s) Comparative figures

As this is the first reporting period for North Metropolitan TAFE, which was established effective from 11 April 2016, there are no comparative figures to disclose.

3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The College evaluates these judgements regularly.

Operating Lease Commitments

The College has entered into several commercial leases and has determined that the lessor retains substantially all the significant risks and rewards incidental to ownership of the property. Accordingly, the lease has been classified as an operating lease.

4. Key sources of estimation uncertainty

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

Long Service Leave

Several estimations and assumptions in calculating the College's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The College has applied the following Australian Accounting Standards effective or adopted, for annual reporting periods beginning on or after 11 April 2016 that impacted on the College.

AASB 1057	<p>Application of Australian Accounting Standards</p> <p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.</p>
AASB 2014-3	<p>Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]</p> <p>The College establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.</p>
AASB 2014-4	<p>Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</p> <p>The adoption of this Standard has no financial impact for the College as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.</p>
AASB 2014-9	<p>Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</p> <p>This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The College does not have any such investments.</p>
AASB 2015-1	<p>Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]</p> <p>These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Standard has no financial impact for the College.</p>
AASB 2015-2	<p>Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</p> <p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.</p>
AASB 2015-3	<p>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</p> <p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.</p>
AASB 2015-10	<p>Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 & 128</p> <p>This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. There is no financial impact.</p>

Future impact of Australian Accounting Standards not yet operative

The College cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the College has not applied early any of the following Australian Accounting Standards that have been issued that may impact the College. Where applicable, the College plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<p>Financial Instruments</p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9, and, AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>. The College has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 15	<p>Revenue from Contracts with Customers</p> <p>This Standard establishes the principles that the College shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The College has not yet determined the application or the potential impact of the Standard.</p> <p>The AASB has made tentative decision to defer the effective date of AASB 15 for not-for-profit entities from annual reporting periods beginning on or after 1 January 2018 to 1 January 2019.</p>	1 Jan 2019
AASB 16	<p>Leases</p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The College has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
AASB 1058	<p>Income of Not-for-Profit Entities</p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15 <i>Revenue from Contracts with Customers</i>. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 <i>Contributions</i>. The College has not yet determined the application or the potential impact of this recently issued Standard.</p>	1 Jan 2019

		Operative for reporting periods beginning on/after
AASB 2010-7	<p>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The College has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-1	<p>Amendments to Australian Accounting Standards</p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed to determine the application or potential impact.</p>	1 Jan 2018
AASB 2014-5	<p>Amendments to Australian Accounting Standards arising from AASB 15</p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The College has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-7	<p>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The College has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-10	<p>Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]</p> <p>This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.</p> <p>The mandatory application date of this Standard has been amended by AASB 2015-10 to 1 January 2018. The College has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2015-6	<p>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</p> <p>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. The College will be required to make related party disclosures, though there is no financial impact.</p>	1 Jul 2016

		Operative for reporting periods beginning on/after
AASB 2015-8	<p>Amendments to Australian Accounting Standards – Effective Date of AASB 15</p> <p>The Standard amends the mandatory effective date of AASB 15, consequential amendments originally set out in AASB 2014-5, and, Interpretation 1052 <i>Tax Consolidation Accounting</i>. There is no financial impact.</p>	1 Jan 2017
AASB 2015-6	<p>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</p> <p>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. The College will be required to make related party disclosures, though there is no financial impact.</p>	1 Jul 2016
AASB 2015-6	<p>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</p> <p>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. The College will be required to make related party disclosures, though there is no financial impact.</p>	1 Jul 2016
AASB 2016-2	<p>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</p> <p>This Standard amends AASB 107 <i>Statement of Cash Flows</i> (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 Jan 2017
AASB 2016-3	<p>Amendments to Australian Accounting Standards – Clarifications to AASB 15</p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The College has not yet determined the application or the potential impact.</p>	1 Jan 2018
AASB 2016-4	<p>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</p> <p>This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 <i>Fair Value Measurement</i>. The College has not yet determined the application or the potential impact.</p>	1 Jan 2017

		Operative for reporting periods beginning on/after
AASB 2016-7	<p>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</p> <p>This Standard amends the mandatory effective date of AASB 15 for not-for-profit entities so that AASB 15 is required to be applied by such entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018. There is no financial impact.</p>	1 Jan 2017
AASB 2016-8	<p>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. There is no financial impact.</p>	1 Jan 2019

Changes in accounting estimates

There have been no changes in accounting estimates for the period from 11 April to 31 December 2016.

11 April - 31 Dec 2016

\$

6 Employee benefits expense

Wages and salaries (a)	70,152,520
Superannuation - defined contribution plans (b)	6,737,822
	76,890,342

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State, and Gold State and GESB and other eligible funds.

Employment on-costs expenses, such as workers' compensation insurance, are included at note 11 'Other expenses'.

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

7 Supplies and services

Consumables and minor equipment	2,454,252
Communication expenses	605,132
Utilities expenses	2,489,880
Consultancies and contracted services	9,551,024
Minor works	2,384,169
Repairs and maintenance	289,641
Operating lease and hire charges	1,251,112
Travel and passenger transport	219,541
Advertising and public relations	207,070
Staff professional development activities	117,182
Supplies and services - other	1,079,566
	20,648,569

8 Depreciation and amortisation expense

Depreciation

Buildings	5,129,723
Leasehold improvements - buildings	34,682
Motor vehicles, caravans and trailers	4,483
Plant, furniture and general equipment	292,488
Computers and communication network	289,549
Total depreciation	5,750,925

Amortisation

Other intangible assets	1,360
Total amortisation	1,360

Total depreciation and amortisation

5,752,285

9 Grants and subsidies

Recurrent

Scholarships for students	7,411
	7,411

10 Asset revaluation decrement

Land	5,550,000
Buildings	11,091,546
	16,641,546

The Landgate revaluations as at 31st December 2016 included a significant decrement for both land and buildings. There were insufficient asset revaluation reserves in the College's equity reserves to absorb the value of the reduction for land and buildings.

11 Other expenses

Audit fees	171,000
Building maintenance	2,437,111
Doubtful debts expense	274,312
Employment on-costs (a)	4,580,179
Donations	703
Student prizes and awards	67,420
Losses and write-offs	940
	7,531,665

(a) Employment on-costs - Includes workers' compensation insurance and other employment on-costs.

The on-costs liabilities associated with the recognition of annual and long service leave liabilities are included at note 30 'Provisions'.

Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment

12 Fee for service

Fee for service - general	6,664,440
Fee for service - Department of Training and Workforce Development	12,608
Fee for service - Government (other than Department of Training and Workforce Development) (a)	9,599,967
International division fees	11,514,337
	27,791,352

(a) This amount is mainly funding from the Department of Education and Training for the Adult Migrant Education Program (AMEP) - \$9.48 million

13 Student fees and charges

Tuition fees	15,853,104
Resource fees	2,729,872
Other college fees	72,531
Recognition of prior learning (RPL) fees	393,942
S.Fees Incidental Fees & O.Chgs & reversal	6,582
	19,056,031

14 Ancillary trading

Live works (not a trading activity)	420,861
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11 April - 31 Dec 2016

	\$
Other ancillary revenue	2,886
	423,747
15 Trading profit/(loss)	
(a) Bookshop:	
Sales	285,843
Cost of sales:	
Opening inventory	(247,966)
Purchases	(231,868)
	(479,834)
Closing inventory	218,361
Cost of goods sold	(261,473)
Trading profit/(loss) - Bookshop	24,370
	24,370
See note 2(m) 'Inventories' and note 22 'Inventories'.	
16 Commonwealth grants and contributions	
Commonwealth specific purpose grants and contributions	62,462
	62,462
This grant was received from the Department of Education for the development of resources for the ITAC (International Training and Assessment Courses) program.	
17 Interest revenue	
Interest revenue (from main operating account and short term deposits held at various banks)	1,307,764
	1,307,764
18 Other revenue	
Rental and facilities fees	385,570
Other direct grants and subsidy revenue	48,650
Copyright and royalties revenue	264
Sponsorship and donations revenue	150,077
Miscellaneous revenue (a)	1,678,005
	2,262,566
(a) Includes funding received from Department of Training and Workforce Development for the Voluntary Separation Scheme	
19 Net gain/(loss) on disposal of non-current assets	
<u>Net proceeds from disposal of non-current assets</u>	
Plant, furniture and general equipment	2,197
Total proceeds from disposal of non-current assets	2,197
<u>Carrying amount of non-current assets disposed</u>	
Plant, furniture and general equipment	(9,332)
Works of art	(4,000)
Total cost of disposal of non-current assets	(13,332)
Net gain/(loss)	(11,135)
See note 25 'Property, plant and equipment'.	
20 Income from State Government	
<u>Appropriation received during the year:</u>	
<u>Service appropriation</u> ^(a) (State funds received from Department of Training and Workforce Development):	
Delivery and Performance Agreement (DPA)	59,074,002
Other recurrent funds	436,173
Total State funds	59,510,175
<u>Services received free of charge from other State government agencies during the financial period:</u>	
Department of Training and Workforce Development	
- Corporate systems support	2,358,270
- Marketing and publications	13,449
- Human resources, and industrial relations support	79,716
- Other	401,264
	2,852,699
Other Government (State Solicitor's Office)	28,365
	2,881,064
Total income from State Government	62,391,239
(a) Service appropriations fund the net cost of services delivered.	
21 Restricted cash and cash equivalents	
<u>Current</u>	
Specific capital works programs (a)	1,306,437
Awards (b)	188,483
Monies refundable to Department of Training and Workforce Development for under delivery of SCH	1,285,176
Monies refundable to Department of Education for VET Fee HELP funds	7,457,815
Other	39,512
	10,277,423
<u>Non-current</u>	
Accrued salaries suspense account (27th Pay provision) (c)	705,836
	705,836

	\$
Total restricted cash and cash equivalents	10,983,259
(a) Includes various training equipment purchases, WiFi improvements and building works projects.	
(b) Represents money bestowed on the College by private companies of individuals for the provision of awards to students.	
(c) Second year of the provision to set aside the cash for an extra pay period in 2026.	
22 Inventories	
<i>Current</i>	
<u>Inventories held for resale:</u>	
Bookshop (at cost)	218,361
	218,361
Less: Provision for obsolete stock	(8,184)
	210,177
Total	210,177
See also note 2(m) 'Inventories' and note 15 'Trading profit/(loss)'.	
23 Receivables	
<u>Current</u>	
Receivables - trade	1,718,880
Receivables - students	519,986
Receivables - other	25,242
Accrued revenue	1,972,713
Allowance for impairment of receivables	(532,772)
GST receivable (net)	278,042
	3,982,091
Total current	3,982,091
Total receivables	3,982,091
<u>Reconciliation of changes in the allowance for impairment of receivables:</u>	
Balance transferred from abolished agencies (a)	(276,814)
Doubtful debts expense	(274,312)
Amount written off during the period	30,341
Payments of previously written off debts	(11,987)
Balance at end of period	(532,772)
The College does not hold any collateral or other credit enhancements as security for receivables.	
(a) Refer to Note 32 for balance transfers from abolished agencies.	
See also note 2(n) 'Receivables' and note 38 'Financial instruments'.	
24 Other current assets	
<u>Current</u>	
Prepayments	1,614,276
Other current assets (a)	99,697
Total current	1,713,973
(a) Represents the balance of outstanding corporate credit card accounts at the end of the period (\$7K) and outstanding claims for reimbursement through the College's Worker's Compensation insurance \$76K.	
25 Property, plant and equipment	
<u>Land</u>	
At fair value (a)	86,760,000
	86,760,000
<u>Buildings</u>	
At fair value (a)	264,263,000
Accumulated depreciation	-
	264,263,000
<u>Buildings under construction</u>	
Construction costs	391,370
	391,370
<u>Leasehold improvements</u>	
At cost	174,746
Accumulated depreciation	(34,682)
	140,064
<u>Motor vehicles, caravans and trailers</u>	
At cost	12,340
Accumulated depreciation	(4,483)
	7,856
<u>Plant, furniture and general equipment</u>	
At cost	1,894,080
Accumulated depreciation	(292,374)
	1,601,706
<u>Computer equipment, communication network</u>	
At cost	1,138,599
Accumulated depreciation	(289,549)
	849,051
<u>Works of art</u>	
At fair value	1,982,515
	1,982,515
	355,995,562

(a) Land and buildings were revalued as at 1 July 2016 by the Western Australian Land Information Authority (Valuation Services).

The valuations were performed during the period ended 31 December 2016 and recognised at 31 December 2016. In undertaking the revaluation, fair value was determined by reference to market values for land: \$ 2,160,000 and buildings: \$ 155,000. For the remaining balance, fair value of buildings was determined on the basis of depreciated replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). See note 2(f) 'Property, plant and equipment'.

Information on fair value measurements is provided in Note 26.

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out in the table below.

	Land	Buildings	Buildings under construction	Motor vehicles, caravans and trailers	Leasehold improvements	Plant, furniture and general equipment	Computer equipment, communication network	Library Collection	Works of art	Total
11 April - 31 Dec 2016	\$	\$	\$	\$	\$	\$	\$		\$	\$
Transfer from abolished agencies ^(a)	92,310,000	271,980,047	737,707	15,082	174,746	2,040,568	1,472,430	303,135	1,816,184	370,849,899
Additions ^(b)	-	-	236,300	-	-	588,510	183,688	-	46,608	1,055,106
Transfers	-	8,504,222	(582,637)	-	-	-	-	-	-	7,921,585
Other Disposals	-	-	-	-	-	(9,332)	-	-	(4,000)	(13,332)
Capital Items Expensed	-	-	-	(2,742)	-	(725,552)	(517,519)	(303,135)	-	(1,548,948)
Revaluation increments/(decrements)	(5,550,000)	(11,091,546)	-	-	-	-	-	-	123,724	(16,517,822)
Depreciation	-	(5,129,723)	-	(4,483)	(34,682)	(292,488)	(289,549)	-	-	(5,750,925)
Carrying amount at end of period	86,760,000	264,263,000	391,370	7,856	140,064	1,601,706	849,051	-	1,982,515	355,995,562

(a) Information on transfers from abolished agencies is provided under Note 32.

(b) The Department of Lands is the only agency with the power to sell Crown land. The land is transferred to the Department of Lands for sale and the College accounts for the transfer as a distribution to owner.

Information on fair value measurements is provided in Note 26.

26 Fair value measurements

Assets measured at fair value :

	Level 1	Level 2	Level 3	Fair Value
				At end of period
2016	\$	\$	\$	\$
Land (Note 25)	-	2,160,000	84,600,000	86,760,000
Buildings (Note 25)	-	155,000	264,108,000	264,263,000
	-	2,315,000	348,708,000	351,023,000

There were no transfers between Levels 1, 2 or 3 during the current and previous periods.

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Non-current assets held for sale, Land and Buildings (Office Accommodation) are derived using the market approach. Market evidence of sales prices of comparable land and buildings (office accommodation) in close proximity is used to determine price per square metre.

Fair value measurements using significant unobservable inputs (Level 3)

	Land	Buildings
2016	\$	\$
Transferred from abolished agencies	90,150,000	271,825,047
Additions	-	8,504,222
Revaluation increments/(decrements) recognised in Profit or Loss	(5,550,000)	(11,091,546)
Depreciation Expense	-	(5,129,723)
Fair Value at end of period	84,600,000	264,108,001

Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land and buildings to be categorised within Level 3 where the valuations utilise significant Level 3 inputs on a recurring basis.

Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuation Services) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Buildings (Level 3 fair values)

Fair value for existing use specialised building is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed economic benefit, expired economic benefit or obsolescence, and optimisation (where applicable) of the asset. Determination of the current replacement cost of such assets held by the College is calculated by reference to gross project size specifications.

Valuation using depreciated replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuation Services). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings.

Information about significant unobservable inputs (Level 3) in fair value measurements [where applicable]

Description	Fair Value 11 April - 31 Dec 2016 \$	Valuation Technique(s)	Unobservable inputs
Land	84,600,000	Current Use	Selection of land with similar approximate utility
Buildings	264,108,001	Depreciated Replacement Cost	Consumed economic benefit /obsolescence of asset Historical cost of building per square metre floor area (m ²)

Reconciliations of the opening and closing balances are provided in Notes 25 and 26.

Basis of Valuation

In the absence of market-based evidence due to the specialised nature of the assets, non-financial assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service and the College's enabling legislation.

27 Intangible assets

Reconciliation

Amount transferred from abolished agencies	2,218,925
Additions	266,667
Transfer ^(a)	(2,485,592)
Carrying amount at end of period	-

(a) The Student Management System project held in Work in Progress was transferred to Department of Training and Workforce Development in December as a sector wide initiative for implementation in 2017/18.

28 Impairment of assets

There were no indications of impairment to property, plant and equipment or intangible assets at 31 December 2016.

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

29 Payables

Current

Trade payables	178
Accrued expenses	3,550,266
Accrued salaries and related costs	1,116,757
Paid parental leave payable	4,170
Total current	4,671,371

See also note 2(o) 'Payables' and note 38 'Financial Instruments'.

30 Provisions

Current

<i>Employee benefits provision</i>	
Annual leave (a)	2,610,528
Long service leave (b)	11,965,331
Superannuation	1,080,528
Deferred Salary Scheme (c)	226,134
	15,882,521

Other provisions

Employment on-costs (d)	992,457
	992,457

Total current

16,874,978

Non-current

<i>Employee benefits provision</i>	
Long service leave (b)	3,375,028
Superannuation	314,595
	3,689,623

Other provisions

Employment on-costs (d)	233,304
	233,304

Total non-current

3,922,927

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	2,410,719
More than 12 months after the end of the reporting period	199,809
	2,610,528

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	4,364,577
More than 12 months after the end of the reporting period	10,975,782
	15,340,359

(c) Deferred salary scheme liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	166,911
More than 12 months after the end of the reporting period	59,223
	226,134

(d) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance.

The provision is the present value of expected future payments.

The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 11 'Other expenses'.

Movements in other provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

Employment on-cost provision

Transferred from abolished agencies	1,358,451
Additional provisions recognised	303,482
Payments/other sacrifices of economic benefits	(436,172)
Carrying amount at end of period	1,225,761

31 Other liabilities

Current

Income received in advance (a)	7,502,994
Grants and advances (provision for under-delivery in Government funded courses)	1,285,176
Money/deposits held in trust	167,720
Other	263,944
Total current	9,219,834

(a) Income received in advance comprises:

Commonwealth Government ^(a)	7,462,744
Fee for service	3,772
Other ^(b)	36,478
	7,502,994

(a) Commonwealth Government is unspent funds provided under the VET Fee HELP and Fee HELP arrangements not yet allocated to student enrolments.

(b) Other comprises prepaid enrolments by the Department of Corrective Services (\$6,478) and a prepaid grant from the City of Joondalup (\$30K).

32 Equity

The Western Australian Government holds the equity interest in the College on behalf of the community. Equity represents the residual interest in the net assets of the College. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity

Balance at start of period	-
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Contributions by owners

Capital appropriation	7,921,585
Transfer of McLarty Campus improvements from Department of Training and Workforce Development.	

Transfer of net assets from other agencies ^(a)

407,730,068

Total contributions by owners

415,651,653

Distributions to owners

Transfer of net assets to other agencies ^(b)	(22,882,586)
Total distributions to owners	(22,882,586)

Balance at end of period

392,769,067

Reserves

Asset revaluation surplus

Net revaluation increments/(decrements):

Works of Art	123,724
Balance at end of period	123,724

Accumulated surplus/(deficit)

Result for the period	(14,163,421)
Balance at end of period	(14,163,421)

Total Equity at end of period

378,729,370

(a) Central Institute of Technology and West Coast Institute of Training were amalgamated and their assets and liabilities were transferred to the newly formed North Metropolitan TAFE on the 11th of April 2016. The assets and liabilities transferred are outlined below

	Note	Central Institute of Technology	West Coast Institute of Training	Total
Cash and short term deposits		50,346,279	18,072,009	68,418,288
Inventories		217,523	42,100	259,623
Receivables		5,251,157	1,817,582	7,068,739
Other Current Assets		316,211	293,720	609,931
Property, Plant & Equipment	25	262,238,140	108,611,759	370,849,899
Intangible Assets	27	2,218,925	1,361	2,220,286
Payables		(1,749,637)	(523,475)	(2,273,112)
Provisions		(17,334,110)	(5,320,542)	(22,654,652)
Other Liabilities		(14,076,315)	(2,692,619)	(16,768,934)
Total		287,428,173	120,301,895	407,730,068

(b) Transfer of net assets to other agencies is made up of:

- Establishment of College funds across the training sector as part of the Training Sector Reform Project - \$20.397 million
- Student Management System project transfer to Department of Training and Workforce Development - \$2.486 million

33 Notes to the Statement of Cash Flows

(a) Reconciliation of cash

Cash at the end of the financial year, as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on hand	32,567
Cash and cash equivalents	40,500,850
	40,533,417
Restricted cash and cash equivalents (refer to note 21 'Restricted cash and cash equivalents')	10,983,259
	51,516,676

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

Net cost of services	76,554,660
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Non-cash items:

Depreciation and amortisation expense (note 8 'Depreciation and amortisation expense')	(5,752,285)
Movement in allowance for the impairment of receivables (note 23 'Receivables')	(255,959)
Resources received free of charge (note 20 'Income from State Government')	(2,881,064)

11 April - 31 Dec 2016

			\$
Net (gain)/loss on sale of property, plant and equipment		(11,135)	
Asset revaluation decrement (note 10 'Asset Revaluation Decrement')		(16,641,546)	
Donated Assets		60,895	
Expensed Capital Items		(1,548,948)	
<u>(Increase)/decrease in assets:</u>			
Current receivables ^(a)		(2,755,183)	
Current inventories		(49,445)	
Other current assets		1,099,904	
<u>Increase/(decrease) in liabilities</u>			
Current payables ^(a)		(2,401,480)	
Current provisions		860,672	
Other current liabilities		8,834,277	
Non-current provisions		996,075	
Net GST receipts/(payments) ^(b)		(777,721)	
Change in GST in receivables/payables ^(c)		709,571	
Net cash used in operating activities		56,041,288	

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

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

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

34 Commitments

Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Within 1 year	1,213,323
Later than 1 year and not later than 5 years	564,261
	1,777,584

The commitments below are inclusive of GST.

The College has entered into several property leases which are non-cancellable leases with rent payable monthly in advance. Minimum lease payments shall be increased on the anniversary of each lease agreement by the agreed rate in the lease terms.

The College has also entered into leases for fleet vehicles. These are generally leased with 3-year terms and returned to the supplier for auction at the end of the term.

Capital expenditure commitments

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

Within 1 year	340,221
	340,221

The capital commitments include amounts for:

Plant and Equipment	340,221
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Other expenditure commitments

Other expenditure commitments contracted for at the end of the reporting period date but not recognised as liabilities are payable as follows:

Within 1 year	1,334,839
Later than 1 year and not later than 5 years	
	1,334,839

35 Contingent liabilities and contingent assets

As at the reporting date the College had no contingent liabilities or contingent assets.

36 Events occurring after the reporting period

South Metropolitan TAFE's Midland and Balga campuses were transferred to North Metropolitan TAFE as part of the Training Sector Reform Project on 1 January 2017. The following assets and liabilities pertaining to these campuses at 31 December 2016 have been received from South Metropolitan TAFE on 1 January 2017.

Current Assets

Student Debtors

Non-Current Assets

Land
Buildings
Motor Vehicles
Plant, furniture and general equipment
Computer equipment
Works of art

Employee Leave Liabilities

Annual Leave
Long Service Leave - Current
Long Service Leave - Non-Current

There are no other significant events occurring after balance date that materially impact the financial statements.

37 Explanatory statement

Major variances between estimates (original budget) and actual results for 2016 are shown below.

Narratives are provided for selected major variances, which are generally greater than:

- 5% and \$2.49 million for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$8.7 million for the Statement of Financial Position.

Statement of Comprehensive Income 11 April - 31 Dec 2016

		11 April - 31 Dec 2016	11 April - 31 Dec 2016	Variance between Estimated and Actual
	Variance Note	Actual	Estimate	
COST OF SERVICES				
<u>Expenses</u>				
Employee benefits expense	1	76,890,342	85,086,004	(8,195,662)
Supplies and services	2	20,648,569	24,131,076	(3,482,507)
Depreciation and amortisation expenses		5,752,285	7,056,087	(1,303,802)

11 April - 31 Dec 2016

			\$
Grants and subsidies	7,411	33,098	(25,687)
Cost of sales	261,473	512,871	(251,398)
Loss on disposal of non current assets	11,135	1,696	9,439
Asset revaluation decrement	16,641,546	-	16,641,546
Other expenses	7,531,665	7,620,160	(88,495)
Total cost of services	127,744,427	124,440,992	3,303,435

Income
Revenue

Fee for service	27,791,352	28,176,496	(385,144)
Student fees and charges	19,056,031	22,846,942	(3,790,911)
Ancillary Trading	423,747	523,505	(99,758)
Sales	285,843	488,974	(203,131)
Commonwealth grants and contributions	62,462	606,292	(543,830)
Interest revenue	1,307,764	1,391,988	(84,224)
Other revenue	2,262,567	854,732	1,407,835
Total Revenue	51,189,767	54,888,929	(3,699,162)

Total income other than income from State Government
NET COST OF SERVICES

51,189,767	54,888,929	(3,699,162)
76,554,660	69,552,063	7,002,597

INCOME FROM GOVERNMENT

Service appropriation	59,510,175	62,095,513	(2,585,338)
Services received free of charge	2,881,064	2,586,576	294,488
Total Income from State Government	62,391,239	64,682,089	(2,290,850)

SURPLUS/ DEFICIT FOR THE PERIOD

(14,163,421)	(4,869,974)	(9,293,447)
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OTHER COMPREHENSIVE INCOME

Items not classified subsequently to profit or loss

Changes in asset revaluation surplus	123,724	1,778,342	(1,654,618)
Total Other Comprehensive Income	123,724	1,778,342	(1,654,618)

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

(14,039,697)	(3,091,632)	(10,948,065)
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Statement of Financial Position

ASSETS

Current Assets

Cash and Cash equivalents	40,533,417	4,771,953	35,761,464
Restricted cash and cash equivalents	10,277,423	5,408,476	4,868,947
Inventories	210,177	219,463	(9,286)
Receivables	3,982,091	3,400,171	581,920
Other current assets	1,713,973	1,127,664	586,309
Other financial assets	-	47,598,873	(47,598,873)
Total Current Assets	56,717,081	62,526,600	(5,809,519)

Non-Current Assets

Restricted cash and cash equivalents	705,836	444,208	261,628
Property, plant and equipment	355,995,562	370,230,111	(14,234,549)
Intangible assets	-	1,968,532	(1,968,532)
Total Non-Current Assets	356,701,398	372,642,851	(15,941,453)

TOTAL ASSETS

413,418,479	435,169,451	(21,750,972)
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LIABILITIES

Current Liabilities

Payables	4,671,371	4,198,794	472,577
Provisions	16,874,978	16,865,486	9,492
Other current liabilities	9,219,834	4,532,688	4,687,146
Total Current Liabilities	30,766,183	25,596,968	5,169,215

Non-Current Liabilities

Provisions	3,922,927	5,361,164	(1,438,237)
Total Non-Current Liabilities	3,922,927	5,361,164	(1,438,237)

TOTAL LIABILITIES

34,689,110	30,958,132	3,730,978
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NET ASSETS

378,729,369	404,211,319	25,481,950
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EQUITY

Contributed equity	392,769,067	123,952,319	268,816,748
Reserves	123,724	149,290,138	(149,166,414)
Accumulated surplus/(deficit)	(14,163,421)	(3,091,632)	(11,071,789)
TOTAL EQUITY	378,729,369	270,150,825	108,578,544

Statement of Cash Flows

CASH FLOWS FROM STATE GOVERNMENT

Service appropriation	60,795,351	58,448,050	2,347,301
Net cash provided by State Government	60,795,351	58,448,050	2,347,301

CASHFLOWS FROM OPERATING ACCOUNT

Payments

Employee benefits	(78,378,457)	(84,562,722)	6,184,265
Supplies and Services	(15,334,327)	(21,502,595)	6,168,268
Grants and subsidies	(7,411)	(33,097)	25,686
GST payments on purchases	(1,932,230)	(4,288,056)	2,355,826

11 April - 31 Dec 2016

				\$
GST payments to taxation authority		(99,730)	(150,286)	50,556
Other payments		(7,771,143)	(7,852,342)	81,199
		(103,523,299)	(118,389,098)	14,865,799
Receipts				
Fee for service	11	21,715,323	27,845,815	(6,130,492)
Student fees and charges	12	19,192,416	22,530,503	(3,338,087)
Ancillary trading		423,747	523,505	(99,758)
Commonwealth grants and contributions		1,216,031	606,292	609,739
Interest received		62,462	1,420,660	(1,358,198)
GST receipts on sales		1,219,347	1,554,060	(334,713)
GST receipts from taxation authority		920,575	2,881,896	(1,961,321)
Other receipts		2,732,109	1,344,539	1,387,570
Net cash provided by/(used in) operating activities		(56,041,288)	(59,681,828)	3,640,540
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments				
Purchase of non-current assets	13	(1,260,878)	(5,314,874)	4,053,996
Capital Contributions	14	(20,396,994)	-	(20,396,994)
Receipts				
Proceeds from sale of non-current assets		2,197	-	2,197
Capital Contribution	15	68,418,288	-	68,418,288
Net cash provided by/(used in) investing activities		46,762,613	(5,314,874)	52,077,487
Net increase/(decrease) in cash and cash equivalents		51,516,676	(6,548,652)	58,065,328
Cash and cash equivalents at the beginning of the period		-	30,499,780	(30,499,780)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		51,516,676	23,951,128	27,565,548

1. Employee Benefits are lower than estimates primarily due to the implementation of the training sector reform project which reduced funded FTE by 77 in the combined North Metropolitan TAFE non-teaching staff. Further, the lecturing staff expenses were lower than estimated due to reduced DPA and commercial fee for service activity. Recruitment of new staff continued to be low following the lifting of the Public Sector recruitment freeze in May. There was also a reduction in leave liabilities at year end of \$1.5 million as a result in changes to the staffing mix and assumptions around salary escalation rates.
2. Supplies and services were \$3.5m lower than estimated due to significant underspends on Power and Utilities, Repairs and Maintenance, Advertising and Promotion & Contracted Services. This was offset partially by the expensing of low value capital assets transferred from the legacy agencies.
3. The Asset Revaluation decrement relates to the College's land and buildings. The significant reduction in value can be attributed to the Land at 35 Kendrew Crescent (\$5.6m), buildings located at McLarty (\$9.6m) and buildings located at Harmony Avenue Clarkson (\$3.9m), these have been offset by an increase in the value of the Joondalup buildings (\$3.6m).
4. Student Fees and charges were lower than budget due to lower than anticipated enrolment numbers and higher concession levels.
5. Service appropriation was \$2.6 million lower than expected due to reductions in SCH target by 600K, offset partially by increased funding for concessional student tuition fees.
6. Cash and Cash Equivalent were \$35.7m higher than anticipated due to the transfer of all cash balances from term deposits to the operating account, this has been partially offset by transferring \$20m to DTWD as part of the setting of the agency opening cash balance.
7. Other Financial Assets estimates included Term Deposits but TAFE Colleges are no longer able to invest funds, all cash is now held in the public bank account (see Cash and Cash Equivalent comment).
8. Property Plant and Equipment was \$15.6 million lower than estimated. The significant negative variance is due to the reduction in the value of land and buildings by net \$15.5 million. Refer to Comment 3 for more information.
9. Other Current Liabilities includes a VET Fee Help refund due to the Department of Education, VET Fee Help take up was lower than projected.
10. Supplies and services were \$6.13m lower than estimated. There were significant underspends on Power and Utilities, Repairs and Maintenance, Advertising and Promotion & Contracted Services.
11. Fee For Service was lower than expected mainly due to the prepayment of International Student fees by Training International WA (TIWA)
12. Student Fees and charges were lower than budget due to lower than anticipated enrolment numbers and higher concession levels. Additionally, a large proportion of the 1st semester enrolments were paid by students prior to the 11th of April.
13. The purchase of non-current assets was lower than the estimates due to a reduction in the spend on building improvements as well as several campus Wifi improvements being undertaken on a smaller scale than originally planned.
14. The Cash Contribution payment represents an outflow of cash as part of the establishment of the cash funds across the training sector as per of the Training Sector Reform Project.
15. The Cash Contribution receipt represents the opening cash balance transferred in at the establishment of North Metropolitan TAFE on the 11th of April.

38 Financial instruments

(a) Financial risk management objectives and policies

Financial instruments held by the College are cash and cash equivalents, restricted cash and cash equivalents, loans and receivables and payables. The College has limited exposure to financial risks.

The College's overall risk management program focuses on managing the risk identified below:

Credit risk

Credit risk arises when there is the possibility of the College's receivables defaulting on their contractual obligations resulting in financial loss to the College.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 39(c) 'Financial instruments disclosures' and note 23 'Receivables'.

Credit risk associated with the College's financial assets is minimal because the College trades only with recognised, creditworthy third parties. The College has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the College's exposure to bad debt is minimal. At the end of the reporting period there are no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the College is unable to meet its financial obligations as they fall due.

The College is exposed to liquidity risk through its trading in the normal course of business.

The College has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the College's income or the value of its holdings of financial instruments. The College does not trade in foreign currency and is not materially exposed to other price risks (for example: equity securities or commodity price changes). The College's exposure to market risk for changes in interest rates relates primarily to funds held in the operating account.

(b) Categories of financial instruments

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

	11 April - 31 Dec 2016 \$
Financial Assets	
Cash and cash equivalents	40,533,417
Restricted cash and cash equivalents	10,277,423
Receivables ^(a)	3,704,049
	54,514,889
Financial Liabilities	
Payables	4,671,371
VET Fee Help Refund	7,462,744
DPA clawback provision	1,285,176
	13,419,291

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

(c) Financial instrument disclosures

Credit risk

The following table discloses the College's maximum exposure to credit risk and the ageing analysis of financial assets. The College's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the College.

The College does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

Ageing analysis of financial assets

	Carrying Amount \$	Not past due and not impaired \$	Past due but not impaired				Impaired Financial Assets \$
			Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 Years \$	
Financial Assets							
11 April - 31 Dec 2016							
Cash and cash equivalents	40,533,417	40,533,417	-	-	-	-	-
Restricted cash and cash equivalents	10,277,423	10,277,423	-	-	-	-	-
Receivables ^(a)	3,704,049	2,627,286	216,284	297,338	27,010	3,359	532,772
	54,514,889	53,438,126	216,284	297,338	27,010	3,359	532,772

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

Liquidity risk and interest rate exposure

The following table details the College's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities.

The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate %	Carrying Amount \$	Interest rate exposure			Maturity dates	
			Fixed Interest Rate \$	Variable Interest Rate \$	Non-Interest Bearing \$	Nominal Amount \$	Up to 1 month \$
11 April - 31 Dec 2016							
Financial Assets							
Cash and cash equivalents	1.90%	40,533,417	-	40,533,417	32,567	40,565,984	40,565,984
Restricted cash and cash equivalents	1.90%	10,277,423	-	10,277,423	-	10,277,423	10,277,423
Receivables ^(a)		3,704,049	-	-	3,704,049	3,704,049	3,704,049
		54,514,889	-	50,810,840	3,736,616	54,547,456	54,547,456
Financial Liabilities							
Payables		4,671,371	-	-	4,671,371	4,671,371	4,671,371
VET Fee Help Refund		7,462,744	-	-	7,462,744	7,462,744	7,462,744
DPA Clawback provision		1,285,176	-	-	1,285,176	1,285,176	1,285,176
		13,419,291	-	-	13,419,291	13,419,291	13,419,291

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

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the College's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$	- 100 Basis Points		+ 100 Basis Points	
		Surplus \$	Equity \$	Surplus \$	Equity \$
11 April - 31 Dec 2016					
Financial Assets					
Cash and cash equivalent	40,500,850	(404,683)	(404,683)	404,683	404,683
Restricted cash and cash equivalents	10,277,423	(102,774)	(102,774)	102,774	102,774
Total Increase/(Decrease)		(507,457)	(507,457)	507,457	507,457

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

39 Remuneration of members of the Accountable Authority and Senior Officers

Remuneration of members of the Accountable Authority

The number of members of the College whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$	11 April - 31 Dec 2016
\$0 - \$10,000	7
\$10,001 - \$20,000	1
\$190,001 - \$200,000	1

\$	
Base remuneration and superannuation	213,160
Annual leave and long service leave accruals	4,811
Other benefits	16,744
Total remuneration of the members of the Accountable Authority	234,715

The total remuneration includes the superannuation expense incurred by the College in respect of members of the College.

Remuneration of senior officers

The number of senior officers other than senior officers reported as members of the College, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$	11 April - 31 Dec 2016
40,001 - 50,000	1
70,001 - 80,000	1
100,001 - 110,000	1
110,001 - 120,000	2
120,001 - 130,000	3
\$130,001 - \$140,000	1

\$	
Base remuneration and superannuation	1,000,751
Annual leave and long service leave accruals	(43,298)
Other benefits	-
Total remuneration of senior officers	957,453

The total remuneration includes the superannuation expense incurred by the College in respect of senior officers other than senior officers reported as members of the College.

No senior officers or members of the Accountable Authority are members of the Pension Scheme.

40 Remuneration of auditor

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

	11 April - 31 Dec 2016
	\$
Auditing the accounts, financial statements and key performance indicators	171,000

41 Related bodies

The College has no related bodies.

42 Affiliated bodies

The College has no affiliated bodies.

43 Supplementary financial information

(a) Write-Offs

Public property written-off by the Governing Council during the financial year
Bad debts
Inventory

11 April - 31 Dec 2016
\$
23,416
30,341
480
54,237

(b) Losses through theft, defaults and other causes

Losses of public money and public and other property through theft or default
Amounts recovered

2,150
(4,790)
(2,640)

(c) Gifts of Public Property

Gifts of public property provided by the College

-
-

44 Schedule of income and expenditure by service

The College provides only one service (as defined by Treasurer's Instruction 1101 (9) and that is Vocational Education and Training Delivery.