



**North
Metropolitan**

Annual Report

2017

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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, North Metropolitan TAFE's Annual Report for the period 1 January to 31 December 2017.



Emeritus Professor
Bill Loudon AM
Chair, Governing Council
2 March 2018



Michelle Hoad
Managing Director
2 March 2018

Message from the Chair and Managing Director

We are proud to present the 2017 Annual Report for North Metropolitan TAFE.

North Metropolitan TAFE (NMT) is a State Government provider of vocational education and training services.

NMT is well positioned to make a difference for each individual, enterprise, and the community via strong collaboration with industry and engagement with a range of partners and stakeholders.

The College has focussed on ensuring that it is delivering on the Government's Plan for Jobs; introducing a number of new craft apprenticeships to its scope of delivery and in planning for NMT's skills contribution to the Metronet project.

The College has 10 campuses spread amongst 14 local government areas across the greater north and north-eastern parts of Perth. Over 350 accredited courses are offered across 14 learning areas, ranging from Certificate I to Higher Education qualifications, providing quality education and training choices to the market.

A focus on accessible, contemporary, industry-relevant training provides students with a variety of learning pathways to higher qualifications, preparing students to be job ready when they graduate.

Some of our many successes in 2017 include:

- 11 students across six individual categories shortlisted to the semi-finals at the WA Training Awards.
- Lecturer Jane Goodfellow winning the prestigious 2017 VET Trainer of the Year Award at the Australian Training Awards in Canberra.
- Students and staff representing Australia at the 2017 WorldSkills International competition in Abu Dhabi.
- Chinese Study Tour- Eight NMT animation and visualisation students headed to WA's Sister State Zhejiang in China on a study tour in November.
- Aboriginal Cadet Program - 23 Aboriginal Cadets graduated the first year of the program. Of these, four students were fast-tracked to the WA Police Academy.
- India Tour - Five NMT students joined a former student mentor and their community services lecturer to embark on a two-week study tour to India.
- 14 students were nominated to represent WA in the national WorldSkills competition
- Two lecturers were inducted into the WorldSkills Hall of Fame for their dedication and commitment to vocational education and training.

- The launch of NMT's 'Innovate' Reconciliation Action Plan by Hon. Sue Ellery MLC and Governing Council member, Mara West.
- Being awarded the contract to deliver the Adult Migrant English Program (AMEP) and Skills for Education and Employment (SEE) programs in North Metropolitan region.
- A successful Registration Audit acknowledging our; campus facilities, simulation of industry standards, positive student feedback, and the passion our lecturers have for their industries and in seeing students succeed.
- NMT Values defined; Respect, Integrity, Student-centred, Accountability, Innovation, and Professionalism. Our new values provide a solid foundation for our culture and reflect NMT's Strategic Vision: *Transforming Lives; Strengthening Industry and Community.*
- Student Management System (SMS) preparation – the new SMS will be used for the first time across the State in 2018.

These are just some of the highlights of a very productive and high achieving year by both students and staff. These and other success stories reflect the quality of training delivered

by the College that demonstrates the passion and commitment of lecturers to develop high level skills in their students as required by industry.

The successful outcomes presented in this report are due to the contributions from all staff at the College.

We are committed to the Government's vision of better career, training and education services to individuals and in supporting industry and business to create jobs for Western Australians.

We look forward to consolidating and building on our wide range of course offerings through 2018 to students, industry, and the Western Australian community.



Emeritus Professor
Bill Loudon AM
Chair, Governing Council



Michelle Hoad
Managing Director

Overview of the Agency

About North Metropolitan TAFE

North Metropolitan TAFE (NMT) is a State Government provider of vocational education and training (VET) services for the northern region of the Perth metropolitan area. NMT has ten campuses spread amongst 14 local government areas across the greater north and north-eastern parts of Perth, including:

- Clarkson
- Joondalup (Kendrew Cres, McLarty St)
- Leederville, Mt Lawley and Nedlands
- Midland and Balga
- Perth (Northbridge) and East Perth.

Our Mission and Values

At NMT our mission is to nurture participation, productivity and aspirations for our learners, our industry and our community. We are driven by our vision of transforming lives; strengthening industry and communities.

Our six values reflect our determination to ensure best practice and leadership across the VET sector in pursuit of our vision to transform lives; strengthen industry and community

Respect

We treat one another fairly and with courtesy while acknowledging the right of each person to hold different or opposing views.

Integrity

Our interactions with others are based on honesty and trust motivated with their best interests at heart.

Student Centred

Our students are our reason for being hence we place their best interests at the centre of our decision making and service delivery.

Accountability

We accept personal accountability for our actions and decisions, demonstrating social, financial and environmental responsibility to stakeholders.

Innovation

We aspire to deliver best practice in everything we do for the benefit of our students and industry.

Professionalism

We willingly share our knowledge, reflect on our performance and strive to continuously improve on how and what we deliver.

Executive Summary

2017 was a year of consolidation as the College built upon the work undertaken in 2016 as North Metropolitan TAFE (NMT) came into existence. Work continued on merging of course offerings, delivery methodology and cross campus collaboration. Academic portfolio structures were reconfigured to further enhance the consolidation process.

In 2017, the final piece of the jigsaw was put in place with the inclusion of the Midland and Balga campuses from South Metropolitan TAFE into the NMT fold. This provided the College with an increased capacity of delivery in trade based courses. The acquisition of these campuses, add a mix of different qualifications to the College course offerings in areas such as hairdressing, sign crafts, mechanical engineering and telecommunications.

To assist in developing a future culture for the College, staff across all areas of the College and all campuses, were engaged in a number of workshops to participate in the development a new set of shared values. This was an important step in our journey as a new organisation and provided an opportunity for all staff to be heard and to contribute to shaping the College.

The Training Sector Reform Project saw the College work collaboratively with the Department of Training and Workforce Development (DTWD) on the development of a new Student Management System (SMS).

The SMS replaces the *Unified Enrolments (UE)*, *Assessment and Result Interface (ASRI)*, *Student Portal* and *Lecturer Portal* legacy systems provided by the DTWD. During the second semester of 2017 and while still operating on a business as usual approach, the College along with DTWD prepared and tested the new SMS for data migration and integration from the old systems to the new by the 15 December 2017 deadline.

The College will be the first TAFE to implement the SMS in 2018, for the semester one enrolment period.

Agency Performance - Key highlights

In 2017 NMT:

- Delivered over 8.8 million state funded student curriculum hours (SCH).
- Had approximately 1,233 full-time equivalent academic and support staff to provide high quality training and customer service to students and industry.
- Achieved approximately 85% overall student satisfaction rating.

The training delivery at NMT resulted in a number of successes during 2017, including:

- Due to changes in market demand for training, the College amended its original target set in the Delivery and Performance Agreement via the September Addendum. The College achieved 96% of the new 9,234,000 SCH target.

- Continued to successfully support the priority training areas, including:
 - 72.8% achievement for Certificate II or higher award completions for students with a disability.
 - 4,777,733 SCH was delivered to students aged 15 to 24 years; which was a significant increase from the 2016 total of 3,820,959 SCH.
 - 75.4% achievement against the Employment Based Training (EBT) SCH target.
 - 7,394,980 SCH was delivered in the Certificate III and above; representing 84% of the delivery effort for the College during 2017.

Highlights of 2017 included:

- Reconciliation Action Plan (RAP) 2017 - 2019 was launched in an inspiring ceremony in the Gallery Central courtyard. NMT's RAP recognises and celebrates the College's commitment to closing the gap between Aboriginal and Torres Strait Islander peoples and other Australians.
- The College was a finalist for the 2017 WA Large Training Provider of the Year and education lecturer, Jane Goodfellow won the prestigious WA Trainer for the Year Award at the WA Training Awards. Representing WA, she went on to win the 2017 VET Trainer of the Year Award at the Australian Training Awards in Canberra.
- The College had 42 students recognised for their achievements at the World Skills competition during the Skills West Expo.
- The College found to be compliant in its initial monitoring audit with Training Accreditation Council, a requirement under the *Standards for VET Regulators 2015*, Standard 1, 1.2. The audit was conducted 21-28 August 2017 and included 13 qualifications across seven industry areas. It was commented upon that the lecturers were clear in talking about their educational practice and their passion for their industry and their students was evident.
- Over 700 registrations for professional development (PD) activity by staff. The PD activity comprised of a range of accredited, non-accredited, short course and portfolio specific professional development.
- Over 110 registrations were received for accredited courses. These courses were comprised of the TAE40110 Certificate IV in Training and Assessment and skill sets from the qualification.
- For non-accredited PD there were more than 130 registrations from NMT staff. There was a broad range of offerings across the PD calendar with a key focus on regulatory priorities relating to lecturer currency and competency, industry engagement and assessment. Two intakes of the Masterclass of Instructional Leadership were conducted and three intakes of Introduction to Lecturing were held for new lecturers to the College.

Operational Structure

Governing Council Members



Professor Bill Loudon
(Chairperson)

Bill Loudon is an Emeritus Professor of Education at the University of Western Australia where he was Senior Deputy Vice-Chancellor and Dean of Education. He has served as chair and board member of state and national statutory authorities responsible for curriculum, assessment and professional standards and led many government reviews and inquiries.



Mr Peter Rowles
(Deputy Chairperson)

Mr Peter Rowles is presently the Managing Director of Prime Solutions Pty Ltd. He is the State Board Member for Dial Before You Dig, and was previously Managing Director and founder of Underground Services Australia.



Ms Dianne Bianchini

Ms Dianne Bianchini has had an extensive career in health and community services. Until recently she held the position of the Chief Health Professions Officer for the WA Department of Health. Dianne has a background in social work, has delivered extensive clinical reform and strategic planning for training the future health workforce.



Ms Mara West

Mara is presently a Coordinator, Kulungu Aboriginal Research development Unit with the Telethon Kids Institute. She has extensive knowledge of education and training for Aboriginal people having worked in this area in the resources and government sectors. She is the Chairperson of the Aboriginal Employment, Education and Training Committee for NMT.



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. Graham was the Governing Council Chair at West Coast Institute before the formation of North Metropolitan TAFE.



Professor Arshad Omari

Professor Arshad Omari is the Senior Deputy Vice-Chancellor of Edith Cowan University. Arshad has extensive experience in tertiary education and holds Bachelor of Architecture and Doctor of Philosophy degrees from the University of Western Australia.



Dr Craig McLure

Dr Craig McLure is the General Manager Industry Capability Solutions at nbn co Australia. Craig's professional career spans the academic, biotechnology and telecommunications industries and he has extensive experience in Strategy, Transformation, Innovation and Governance. Craig holds a PhD from the University of Western Australian and an MBA from Melbourne Business School and is also serving as a current Board Member of Holy Rosary Primary School, Doubleview.



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

Dr Marina Hogan is a lecturer in the Department of European Studies at UWA. She is Deputy Chairperson of the Museum of Western Australia Foundation Board of Governors and also sits on the board of the Rottnest Island Authority. She also chaired the board of Subiaco Primary School for six years. Marina has extensive experience in education, digital and print media and tourism.



Ms Karen Jamvold

Ms Karen Jamvold has a career spanning over 20 years in education and training, having held senior management roles within State Government at SES level, the University sector, private enterprise internationally and the VET private provider system. Previous roles have included Director of Apprenticeships and Traineeships; Director of Vocational Education and Training Centre in Kalgoorlie and Executive General Manager Workforce Development China. Karen is currently on the Steering Committee of the Girls Academy Giving Circle working philanthropically with Role Models and Leaders Australia to assist young Aboriginal girls continue their education within high school and pathway to a career.



Ms Michelle Hoad

Michelle is an ex-officio member of the Governing Council by virtue of her position as Managing Director of North Metropolitan TAFE. Over the last 20 years Michelle has held a number of senior roles in the vocational education and training sector. Michelle has worked with diverse client groups in regional and metropolitan Western Australia, 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 2017
Chair	Emeritus Professor William Loudon AM	Per Annum	11 Apr 2016 to 31 Dec 2017	\$ 22, 738
Deputy Chair	Mr Peter Rowles	Per Annum	11 Apr 2016 to 31 Dec 2017	\$ 4, 873
Member	Ms Mara West	Per Annum	11 Apr 2016 to 31 Dec 2017	\$ 1, 152
Member	Mr Graham Droppert	Per Annum	11 Apr 2016 to 31 Dec 2017	\$ 2, 304
Member	Mr Arshad Omari	Per Annum	11 Apr 2016 to 31 Dec 2017	\$ 4, 224
Member	Ms Marina Hogan	Per Annum	11 Apr 2016 to 31 Dec 2017	\$ 4, 224
Member	Ms Anne Donaldson	Per Annum	10 Oct 2016 to 31 Dec 2017	\$ 2, 688
Member	Mr Craig McLure	Per Annum	10 Oct 2016 to 31 Dec 2017	\$ 2, 688
Member	Ms Dianne Bianchini	Per Annum	11 Apr 2016 to 31 Dec 2017	\$768
Member	Ms Karen Jamvold	Per Annum	10 Jul 2017 to 31 Dec 2017	\$1, 152
TOTAL				\$46, 811

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 five (5) meetings in 2017. 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 and the College's Corporate Executive, regularly review the College's

Governance framework to ensure adherence to legislative and business requirements, resulting in the Risk Management Framework, the Business Continuity Plan and associated Policies and Procedures 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. The two declarations reported in 2017 were;

1. Craig McLure, who declared a conflict of interest regarding the NBN's approach to the TAFE sector to build network laboratories. He stated he had distanced himself from the discussions on this work at the NBN and was declaring a conflict of interest at both the NBN and NMT.
2. Anne Donaldson, who declared that she mentors with the Smith family, an independent education-oriented charity.

Organisational Structure



Note: This reflects the structure as at 1 December 2017.

Performance Management Framework

Outcomes Based Management Framework

The Government Goal “**Results-based service delivery**” best covers North Metropolitan TAFE’s (NMT) 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.

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 NMT’s efforts of addressing community and industry’s training needs.

Details of NMT’s performance indicators and effectiveness indicators can be found in the Key Performance Indicator section of this report.

Changes to Outcome Based Management Framework

NMT outcome based management framework did not change during 2017.

Shared Responsibilities with Other Agencies

NMT does not share any responsibilities with other agencies.

Agency Performance

North Metropolitan TAFE (NMT) delivered a total of 12,644,505 student curriculum hours (SCH) to 34,772 students over the 2017 academic year. SCH delivery includes both State Government subsidised training (profile funded training) and non-profile training, including domestic and international fee-for-service delivery, and Commonwealth Government funded activity.

State Government subsidised training saw 8,804,997 SCH delivered to nearly 20,000 students and 3,839,508 SCH in non-profile delivery.

State priority delivery

Outlined below are the achievements for the College in terms of performance against the original contract targets in the 2017 Delivery Performance Agreement (DPA).

Training Priority	Original Target	Actual	%
Apprenticeship	768,921	676,327	88.00%
Traineeship	329,351	151,990	46.1%
Employment Based Training (EBT) Sub-total	1,098,272	827,799	75.4%
Priority Industry Training	2,861,165	2,568,173	89.8%
State Priority Delivery Total	3,959,437	3,395,972	85.8%

The benchmark target for DPA funding for apprenticeships and traineeship for 2017 of 1,098,272 SCH, was significantly higher than the 2016 target of 414,332 SCH, due to DTWD's forecast of expected activity with the addition of the Balga and Midland campuses from South Metropolitan TAFE. Given the general decline in EBT activity across the sector, the College moderated for this and reduced its EBT target in the September Addendum. The reduced target was achieved by NMT.

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

- Increased flexibility in course delivery
- Development of industry required skill sets
- Working with employers to deliver tailored training in the workplace

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

NMT delivered a total of 118,878 SCH to 310 students who identified as Aboriginal and/or Torres Strait Islander, resulting in 104 qualifications being completed.

The benchmark for qualification completions for Aboriginal and/or Torres Strait Islander students enrolled at Certificate II and above for the year was 109. In 2017 a total of 99 qualifications were completed, representing a 90.8% achievement against the DPA benchmark.

In consultation with the Aboriginal Employment Education Training Committee (AEETC), the College develops an annual Aboriginal Training Plan to drive the promotion of training opportunities to the local Aboriginal community. The overarching goal for the College 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 2017 Plan.

- Successful mentoring and facilitating cultural safety awareness for the Aboriginal Police Cadets. 23 Police Cadet Students were successful in completing the Cert II General Education for Adults and the Police Cadets will continue with their police cadetship, with the possibility of full time employment.
- Provide culturally appropriate Aboriginal Student Support services, including individual tutoring and course selection counselling services that support and improve student outcomes.
- 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 academic areas and the Koolark Centre worked together to develop opportunities for Aboriginal students to access work experience as part of their training. An example of this was the three 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 ensures the College is 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 events included guest speakers and activities to celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander people.

- The Yellagonga Meeting Place at the Joondalup campus continued to provide a communal meeting place for all Aboriginal and Torres Strait Islander students. This space is also utilised by students for collaborating on class assignments, groups study and meeting with the members of the NMT's Koolark team.
- The launch of the Reconciliation Action Plan. NMT joined Hon Sue Ellery MLC, Minister for Education and Training, and Elders of the Noongar community to launch its first Reconciliation Action Plan (RAP). Students, staff and the community were involved with the launch event.
- The RAP art work was created by NMT student Anthea Corbett (Certificate IV in Visual Arts) and is on display at the entrance of the Koolark Centre.
- Koolark staff delivered Cultural Matters training to portfolios across the College providing an opportunity for staff to lecture within learning areas.
- Koolark staff delivered CHCDIV002 Promote Aboriginal and Torres Strait Islander Culture Unit across portfolios.
- NMT trainers and Koolark delivered training on Child Protection and Abuse Prevention to Pilbara teachers and support staff at Port Hedland Primary School and Yanderayarra and Nullagine Remote Community Schools. This program is expected to continue in 2018.

Students with a disability - Disability Access and Inclusion Plan Outcomes

NMT delivered training to 1,401 students which represented a total delivery of 645,370 SCH and 358 qualifications completed in 2017.

The benchmark for qualification completions for students with a disability enrolled in a Certificate II and above for 2017 was 445. The number of qualifications completed was 324, representing a 72.8% achievement against the DPA benchmark.

NMT provided a number of supports for students with a disability and implemented strategies to promote staff awareness of the importance of inclusive practices in training delivery, customer service and the physical environment. The following are some of the outcomes from the 2017 Disability Access and Inclusion Plan.

Outcome 1

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

- Ensures that public events, activities, training programs, including those held off site, are fully accessible to people with disability
 - Auslan Interpreters were at the Leederville Market Day and Northbridge NAIDOC event and are available for students requiring an Auslan interpreter to participate in their courses.

- Event organisers selected venues accessible for people with disability and were aware of the Disability Services Commission's Creating Accessible Events checklist.
- Ensure universal design principals are adopted across the development and delivery of teaching and learning
 - NMT offered all staff and delivered training on Universal Design and Reasonable Adjustment
- Ensure that all NMT strategic documents and policies promote inclusion and participation for people with disability
 - The Disability Support Policy was revised and updated for the College and published on our website

Outcome 2

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

- Ensure the needs of people with disability are considered when purchasing furniture and equipment
 - A new counter was installed at Student Services in East Perth to improve and enable accessibility
- Ensure all new College buildings and facilities are accessible to people with disability
 - Facilities have an Accredited Access Consultant on staff who is aware of building and access requirements
 - Disability Support staff attended training on 'Conduct a Building Access Audit course' provided by Institute of Access Training Australia
- Ensure accessible parking and toilet facilities meets the needs of people with disability
 - An access audit on ACROD parking was conducted and each campus and has the minimum requirement of 1% of the cars bays available as ACROD parking at least - with most campuses having more than 1% allocated as ACROD.

Outcome 3

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

- Ensure NMT's website and marketing material is accessible to people with disability
 - NMT website clearly lists its accessibility options
 - The accessibility features currently available include:
 - increasing or decreasing the text size (via the user's browser)
 - 'skip to' links and a logical tab order to navigate using assistive technologies
 - printer-friendly content

- NMT website indicates that copies of documents will be made available in alternative formats on request.
- Ensure that course information and associated teaching and learning resources are accessible to people with disability
 - Course information can be provided to students in alternative formats on request
 - Teaching and learning resources can be made more accessible by Disability Support on request from the student or lecturer – e.g. Disability Support staff modified the Retail Baking Recipe book to make it more accessible to a student with a learning disability
- Ensure NMT's information, publications, policies, procedures and forms are accessible to people with disability
 - All College Policy and Procedure documents include a statement indicating that the document is available in alternate formats upon request
- Ensure all customer and student services are accessible to people with disability
 - A new counter was installed at Student Services in East Perth to improve and enable accessibility
 - Disability Support spoke to Client Services staff before Semester two enrolments to ensure staff were aware of available to support students with disability
 - Disability Support Mental Health Consultant provided awareness training to different portfolios about Mental Health and Support for students at TAFE

Outcome 4

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.

- Recognise access and inclusion good practice
 - A student success story was published on the NMT's website and also featured in the DTWD's Training Matters newsletter
 - NMT's participation at the Abilities Expo was published on the College's website
- Improve staff understanding and knowledge of disability service requirements to enable quality service to people with disability
 - Brochures about the services provided by Disability Support were developed and distributed around the campuses, to student services staff, Portfolio staff at staff meetings and to students at student orientations.
 - Disability Support is located in the library at all campuses. This means that all staff at the College know where to refer and direct students so they can get support.
 - Disability Support staff attended training
 - Accidental counselling
 - Conduct a Building Access Audit course

Youth Support Strategies

In 2017 there were a total of 4,777,733 SCH delivered to 10,247 students aged between 15 to 24 years. This total represents 94% achievement of the original benchmark target of 5,077,784 SCH.

There were a number of strategies implemented across the College to promote to this age group and ensure positive graduate outcomes. These strategies included:

- Continued development of learning pathways from NMT to university.
- Continued delivery of the Jump Start program to Oxford Foyer residents at the Leederville campus.
- Ongoing communication and promotion of College offerings via appropriate mediums for this cohort

Employment Based Training

Employment based training (EBT) student numbers increased by approximately 35% compared to 2016, with apprentices and trainees enrolled in 2017, equating to 827,799 SCH which was 75.4% of the benchmark. The contributing factor to the increase in EBT students is the incorporation of the Balga and Midland campuses to NMT, as of January 2017.

Priority Industry Training

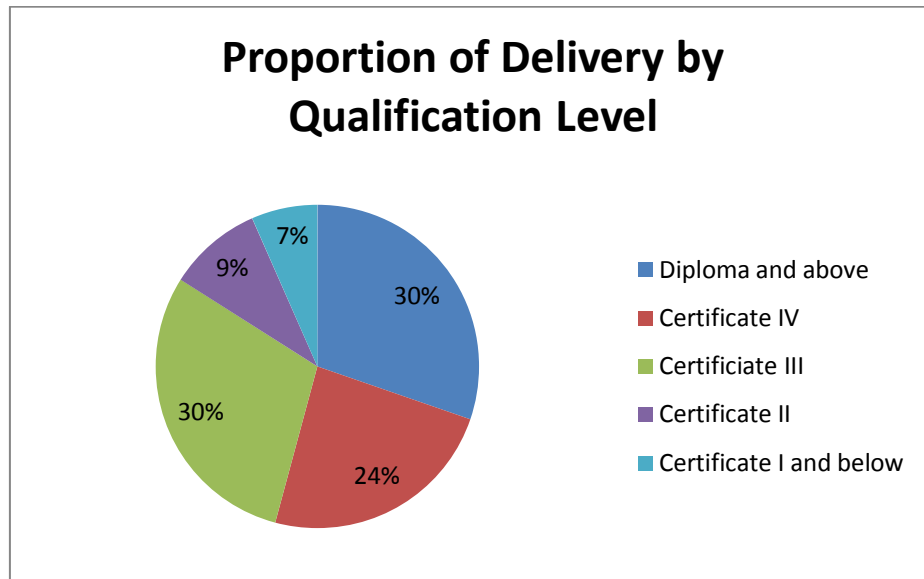
NMT reached 89.8% of the of the delivery target, based on the original benchmark

Delivery profile by major ANZSCO Groups for NMT

ANZSCO Group	Grand Total
1 - Managers	365,314
2 - Professionals	1,300,987
3 - Technicians And Trades Workers	1,908,410
4 - Community And Personal Service Workers	2,764,749
5 - Clerical And Administrative Workers	569,208
6 - Sales Workers	3,563
7 - Machinery Operators And Drivers	70,106
8 - Labourers	362,235
G - GENERAL EDUCATION	1,460,425
Grand Total	8,804,997

Certificate III and above Training

A total of 7,394,980 SCH was delivered by the College in Certificate III and above, representing 84% of the 2017 training.



Outlined below are the achievements for the College against the original contract targets in the 2017 Delivery Performance Agreement (DPA). Given reduced demand and overly optimistic forecasts NMT took the opportunity to reduce its initial target by 368,000 SCH in the September addendum. The College achieved 95.4% of its revised SCH target.

Certificate Levels	Original Target	Actual	%
Diploma and above	3,028,519	2,669,678	88.2%
Certificate IV	2,365,556	2,103,322	88.9%
Certificate III	2,750,491	2,621,980	95.3%
Certificate II	910,617	826,182	90.7%
Certificate I and below	544,817	583,835	107.2%
Total	9,600,000	8,804,997	91.7%

International Delivery – Onshore

In 2017, a total of 1,700 international onshore students, representing over 75 countries enrolled at NMT across all campuses in a range of VET and higher education courses.

Commonwealth Funded Programs

In 2017 the College was successful in being awarded the tender to deliver both the Adult Migrant English Programs (AMEP) and Skills for Education and Employment (SEE) programs in the North Metropolitan region.

AMEP is a national settlement program administered by the Australian Government Department of Education and Training. The AMEP provides English language tuition and related services free of charge to newly arrived migrants and Humanitarian Entrants. NMT delivers AMEP services to over 3,000 students annually at Balga, Joondalup, Leederville and Northbridge campuses.

SEE program is a national language, literacy and numeracy program administered by the Australian Government Department of Education and Training. The program provides foundation skills training to eligible job seekers to enable them to secure and maintain employment. NMT delivers SEE services to over 100 job seekers annually at Balga and Northbridge campuses.

Significant Issues Impacting North Metropolitan TAFE

In January 2017 the College assumed responsibility for the Balga and Midland campuses which were transferred from South Metropolitan TAFE. This saw a number of challenges in relation to the consolidation of IT infrastructure and the migration of data to ensure that all staff and students had access to NMT systems.

The March 2017 election resulted in a change of Government and a reprioritisation of the College's focus. The College developed a range of new strategies to deliver on the McGowan Government's Plan for Jobs agenda.

Key activities included extending the College's 'scope of delivery' to introduce training in 'craft' industries and expand the availability of local apprenticeship training for Western Australians.

In responding to the Government's commitment to offer enhanced career services to individuals and increased industry engagement, the College identified appropriate service delivery sites, examined service provision and undertook staff recruitment to enable three Jobs and Skills Centres to be operational in 2018.

The Training Sector Reform Project saw the College work collaboratively with the Department of Training and Workforce Development on the development of a new Student Management System (SMS). NMT is the first College to implement this system in 2018.

The SMS is a turn-key system providing academic and administrative functionality for all staff. It replaces the existing *Unified Enrolments (UE)*, *Assessment and Result Interface (ASRI)*, *Student Portal* and *Lecturer Portal* systems that were provided by the DTWD. Significant College resources were diverted to work with the DTWD to ensure that the system was ready for a cut-over from the old systems to the new by the 15 December 2017 deadline. This placed considerable strain on the College's staff and infrastructure as while developing the new system they dealt with usual business activity and it is only through the goodwill of the staff involved that the project has met its timelines.

NMT experienced a number of IT related issues in 2017 that impacted on the College issues included a high volume of work from a requirement to upgrade aging IT equipment and the consolidation of multiple systems resulting from the 2016 merger. Other issues arose from the turnover of staff and loss of IT expertise as a result of secondments to assist in sector and whole-of-government initiatives, such as the SMS project.

The growing use of contemporary learning technologies by students continues to create a high demand on Wi-Fi and Internet access.

NMT experienced a Cyber Security incident in 2017 which caused disruption to a number of services as it took staff considerable time to fully contain and return NMT to normal operations.

Compliance Reporting

Quality and Development -Summary

In terms of regulatory activity at NMT in 2017, the College has seen an internal audit of Training International WA delivery (TIWA), the Training Accreditation Council (TAC) Post Initial audit of 13 qualifications and 23 amendments to scope applications which attracted a combination of site and desk audits. There were amendments that did not require an audit. Still pending in the regulatory space is the TIWA re-registration audit and the Higher Education TEQSA re-registration audit.

In 2017, there has been a total of 704 registrations for professional development activity. The activity comprises a range of accredited, non-accredited, short course and portfolio specific professional development. A significant shift in the focus of professional development is being planned for 2018 with a key priority being the upgrade of trainer and assessor credentials to meet the requirements of the *Standards for Registered Training Organisations (RTOs) 2015 (the Standards for RTOs)* as amended.

The Training and Education (TAE) Training Package was updated in April 2016. The core units of competency (units) of the Certificate IV in Training and Assessment were updated to include the 'Design and develop assessment tools' and 'Address adult language, literacy and numeracy (LLN) skills'. The core units of the Assessor Skill Set were updated to include the 'Design and develop assessment tools' unit of competency.

To ensure the VET workforce has appropriate skills in designing and developing assessment tools and identifying and evaluating LLN requirements, Skills Ministers have agreed to align with the changes to the TAE Training Package. Skills Ministers agreed that trainers and assessors who do not hold the relevant units will have until 1 April 2019 to meet the new credential requirements.

For NMT trainers and assessors, professional development will be commencing in January 2018 and throughout the year until all trainers and assessors meet the new requirements.

Regulatory Activity

The College underwent its Post Initial Audit with TAC, a requirement under the *Standards for VET Regulators 2015*, Standard 1, 1.2. The audit was conducted 21-28 August 2017 and included 13 qualifications across seven industry areas.

Most of the industry areas audited performed well at audit. The lecturers were clear in talking about their practice and their passion for their industry and their students was evident. Students were interviewed at each audit occurrence and all students were happy with NMT as an RTO, their lecturers and their studies. Facilities were plentiful, reflective of industry practice and informed by industry engagement.

The initial audit outcome was a minor non-compliance. All non-compliances were rectified at the first evidence review with a compliant outcome for NMT against the Standards for RTOs. A further twelve audits have been completed by TAC as a result of amendment to scope applications in 2017.

Monitoring Activity

The *Internal Monitoring Framework for Delivery and Assessment Strategies and Practices 2017-2021* includes the development and implementation of an Annual Monitoring and Review Plan. The Monitoring Framework identifies two types of monitoring: Annual and Supplementary which in turn have a range of monitoring methods and activities. The following summarises the Internal Monitoring activities undertaken in 2017.

Annual Monitoring

Target: 5% of Scope (~500+ Training Products) or 25 qualifications.

A total of 16 Training Products have undergone annual monitoring activities. The VET Internal Monitoring plan had several revisions over the course of 2017 to take into account the training products that underwent Post Initial Audit.

Supplementary Monitoring

Target: 20% of Scope (50-100 Training Products). The level of activity undertaken has resulted in monitoring of an additional 40 qualifications.

The Quality and Development Branch commenced a review of the current Internal Monitoring Framework, an updated Framework and 2018 Internal Monitoring Plan will reflect the current internal and external risks.

Staff development

In 2017, there were over 700 registrations for professional development (PD) activity by staff. The PD activity was comprised of a range of accredited, non-accredited, short course and portfolio specific professional development.

Over 110 were received for accredited courses. These courses were comprised of the TAE40110 Certificate IV in Training and Assessment and skill sets from the qualification.

For non-accredited PD there were more than 130 registrations from NMT staff. There was a broad range of offerings across the PD calendar with a key focus on regulatory priorities relating to lecturer currency and competency, industry engagement and assessment. Two intakes of the Masterclass of Instructional Leadership were conducted and three intakes of Introduction to Lecturing were held for new lecturers to the College.

There was some generic PD around Mental Health and organisational / workplace effectiveness. A significant body of PD effort was also directed at the College's new Student Management System for its implementation in January 2018.

External PD was attended by a large number of NMT staff and included PD offered by the Training Accreditation Council, the Department of Training and Workforce Development and a number of private providers across a range of individual needs and organisational priorities.

A substantial shift in the focus of professional development is planned for 2018 with a key priority being the upgrade of trainer and assessor credentials to meet the requirements of the Standards for Registered Training Organisations (RTOs) 2015 as amended.

A training needs analysis was conducted in all portfolio areas at NMT in late 2017 to identify specific professional development needs across the College. The analysis of these needs will contribute to the overall training calendar for 2018 alongside planned existing priorities.

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*
- *Higher Education Standards Framework (Threshold Standards) 2015*
- *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*
- *Standards for Registered Training Organisations (RTOs) 2015*
- *State Records Act 2000*
- *State Supply Commission Act 1991*
- *Statutory Corporations (Liability of Directors) Act 1996*
- *Student Identifiers Act 2014*
- *Tertiary Education Quality and Standards Agency Act 2011*
- *Vocational Education and Training Act 1996*
- *Workers' Compensation and Injury Management Act 1981*
- *Working with Children (Criminal Record Checking) Act 2004*
- *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 2017*, 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 and subsequent organisational realignments.

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 2017 a total of twelve (12) new disciplinary matters relating to alleged breaches of the Staff Code of Conduct were received. Six were found to have breached the Staff Code of Conduct and issued with a penalty - four cases remain unresolved and will carry over to 2018.

Public Sector Standards and Ethical Codes

The College is committed to ensuring compliance with and adopting the 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.

NMT utilised a number of strategies to ensure compliance to the above. These include regular review of Human Resources (HR) policies and procedures. For instance, in 2017, the College finalised a new Staff Code of Conduct and Organisational Values, following an extensive period of staff consultation. Information relating to HR policies and procedures, as well as the actual documents themselves are available to all staff via the College's intranet. The College regularly undertakes staff training and awareness raising, and all new staff are required to complete an online induction program, which includes the Accountable and Ethical Decision Making (AEDM) program, and information on the Staff Code of Conduct and Public Sector Ethics.

Two breach claims were lodged under the Public Sector Human Resource standards or the Public Sector Code of Ethics; one claim was dismissed by the Public Sector Commission and the other matter is ongoing. Eight Grievances were lodged during the reporting period, of which one is pending; and actions undertaken to monitor, improve and ensure compliance have 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 Staff Code of Conduct workshops as requested or required, and incorporating the Code into appropriate IR training sessions.
- Developing staff values for the College.

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.

Director and Officer's liability

In 2017, the College paid an insurance premium of \$10,964 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 2017

Reporting Period 1st January to 31 December 2017	
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;	5
b) the aggregate amount of personal use expenditure for the reporting period;	\$88.41
c) the aggregate amount of personal use expenditure settled by the due date;	\$88.41
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

Staff Profile	2016	% 2016 Total FTE	2017	% 2017 Total FTE
Number of permanent, contract staff	1107	90.57%	1300	92.60%
Number of casual staff	470	7.30%	543	7.39%
Number of full-time staff (perm and contract)	527	52.83%	667	56.91%
Number of part-time staff (perm and contract)	580	37.74%	633	35.69%
FTE for year	997.5	-	1170.8	-
Academic Delivery	556.14	55.75%	692.23	59.12%
Academic Support Services	117.27	11.76%	368.00	31.43%
Corporate Services	278.1	29.88%	104.5	8.92%
Unattached/Redeployees	0	0	9	0.76%

Workforce Data taken from Empower HRMIS

NB: Information provided as at December 2017. FTE figures can vary across the year by +/- 10% due to training demand fluctuations.

Increased FTE count from 2017 compared to 2016 – is as a result of transfer of staff from SMT's Balga and Midland campuses to NMT which finalised the amalgamation process started 2016. Additionally the variation in the breakdown in academic delivery support staff is the result of the realignment of NMT's structure.

Occupational safety and health and injury management

NMT is committed to the safety and health of staff and students. NMT 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 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 2017 the College continued to embed 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 four times during 2017 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

NMT is committed to the safety and health of staff and students. NMT 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>2017</i>	<i>Target</i>	<i>Comment on Result</i>
Number of fatalities	0	0	0	Zero (0)	Nil
Lost time injury/disease (LTI/D) incidence rate	0	0	0	Zero (0) or 10% improvement on the previous three (3) years	Nil
Lost time injury (LTI) severity rate	25%	25%	33.33%	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 %	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%	90%	Greater than or equal to 80%	Injury Management training along with online OSH training 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 disability 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.

Recordkeeping Plan

NMT is committed to best practice records management that complies with various legislation and guidelines. 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, NMT maintains two Electronic Document Record Management Systems (EDRMS) - HP TRIM and HP Record Manager as official systems. The new Sector Wide RKP is in the final stages of

endorsement and will be submitted to State Records for approval early 2018. The Centralised EDRMS for the Training Sector is underway with the Department of Training and Workforce Development being the first to install the new system. NMT will then follow with their installation by the middle of 2018.

NMT also installed a new student management system in early 2018 which will contain all electronic records relating to the students journey at the College. This system replaces a 20 year old database that did not have approved recordkeeping functionality.

Corporate Information continues to develop and implement endorsed record-keeping policies, processes and training sessions and is collaborating with other sector members to develop overarching documentation.

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.

Formal qualifications in Records Management were obtained by two Records Management Staff in late 2017 providing the organisation with highly skilled, knowledgeable and professional staff.

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 2017
Advertising Agencies	Nil		Nil
Market Research Organisations	Nil		Nil
Polling Organisations	Nil		Nil
Direct Mail Organisations	Nil		Nil
Media Advertising Agencies	\$28,712.50 \$14,452.78 \$9,850.00	Carat Facebook Google AdWords	\$28,712.50 \$14,452.78 \$9,850.00

Independent Auditors Report



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 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of North Metropolitan TAFE for the year ended 31 December 2017 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 unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the TAFE.

Auditor's Responsibility for the Audit of the Financial Statements

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

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, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- 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 the Governing Council 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 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 year ended 31 December 2017.

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 year ended 31 December 2017. 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 year ended 31 December 2017.

The Governing Council's Responsibility for the Key Performance Indicators

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

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

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of North Metropolitan TAFE for the year ended 31 December 2017 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
6 March 2018

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 financial year ended 31 December 2017.



Emeritus Professor
Bill Loudon AM
Chair Governing Council
2 March 2018



Ms Michelle Hoad
Managing Director
North Metropolitan TAFE
2 March 2018

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	Delivering nationally accredited training courses from Certificate I to Graduate Certificate.

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 NMT’s efforts of addressing community and industry’s training needs.

EFFECTIVENESS INDICATORS

Achievement of College Profile

The distribution of Student Curriculum Hours (SCH) is an effectiveness measure that indicates the extent to which the College is meeting its contractual obligations, as well as the training needs of the local community, individuals and industry. The College SCH delivery is translated through a range of courses that represent occupational classifications.

The 2017 Delivery and Performance Agreement (DPA) contracted the College to deliver **9,600,000** SCH, with the achievement of 8,804,997 SCH (91.7%) delivered.

The table below provides a comparative assessment of performance against planned DPA activity, and also actual delivery in 2017. The planning process involves predicting likely demand for training activity; however, actual SCH delivered represents unanticipated shifts in demand for training in various occupational areas. These variations highlight the willingness and ability of the College to accommodate changes in demand.

1. Profile Analysis for North Metropolitan TAFE

This indicator details the total number of Student Curriculum Hours (SCH) delivered from 1 January to 31 December 2017 under the College’s Delivery and Performance Agreement.

Department of Training and Workforce Development ANZSCO Groups	2017 Target Profile (SCH)	2017 Actual Profile (SCH)
11. Chief Executives, General Managers and Legislators	19,690	17,820
12. Farmers and Farm Managers	2,363	2,545,
13. Specialist Managers	152,289	128,700
14. Hospitality, Retail and Service Managers	191,154	216,249
1. MANAGERS Total	365,496	365,314
21. Arts and Media Professionals	572,096	580,011
22. Business, Human Resource and Marketing Professionals	92,328	88,885
23. Design, Engineering, Science and Transport Professionals	373,224	313,911
24. Education Professionals	50,358	15,955
25. Health Professionals	40,000	23,265
26. ICT Professionals	218,103	234,155
27. Legal, Social and Welfare Professionals	51,019	44,805
2. PROFESSIONALS Total	1,397,128	1,300,987
31. Engineering, ICT and Science Technicians	1,088,444	944,013
32. Automotive and Engineering Trades Workers	138,807	142,675
33. Construction Trades Workers	360,360	287,652
34. Electro technology and Telecommunications Trades Workers	239,042	158,305
35. Food Trades Workers	112,137	107,909
36. Skilled Animal and Horticultural Workers	44,850	39,106
39. Other Technicians and Trades Workers	331,308	228,750
3. TECHNICIANS AND TRADES WORKERS Total	2,314,948	1,908,410
41. Health and Welfare Support Workers	1,564,261	1,321,952
42. Carers and Aides	932,132	982,259
43. Hospitality Workers	74,105	65,940
44. Protective Service Workers	90	1,090
45. Sports and Personal Service Workers	408,725	393,508
4. COMMUNITY AND PERSONAL SERVICE WORKERS Total	2,979,313	2,764,749
51. Office Managers and Program Administrators	76,903	50,050
52. Personal Assistants and Secretaries	16,533	20,325
53. General Clerical Workers	207,106	227,318
54. Inquiry Clerks and Receptionists	38,380	17,635
55. Numerical Clerks	154,907	142,330
59. Other Clerical and Administrative Workers	175,287	111,550
5. CLERICAL AND ADMINISTRATIVE WORKERS Total	669,116	569,208
61. Sales Representatives and Agents	3,714	1,100
62. Sales Assistants and Salespersons	8,367	2,463
6. SALES WORKERS Total	12,081	3,563
71. Machine and Stationary Plant Operators	68,325	70,106
7. MACHINERY OPERATORS AND DRIVERS Total	68,325	70,106
82. Construction and Mining Labourers	94,471	82,187
83. Factory Process Workers	49,632	36,936
84. Farm, Forestry and Garden Workers	41,136	37,401
85. Food Preparation Assistants	19,604	15,630
89. Other Labourers	203,920	190,081
8. LABOURERS Total	408,763	362,235
GB – Adult Literacy/ESL	1,056,237	1,174,190

	2017 Target Profile (SCH)	2017 Actual Profile (SCH)
Department of Training and Workforce Development ANZSCO Groups		
GC – Languages	40,835	36,330
GE – Targeted Courses	287,758	249,905
G. General Education	1,384,830	1,460,425
Total Profile Delivery	9,600,000	8,804,997

Notes:

- Source:** North Metropolitan TAFE Delivery and Performance Agreement and College Management Information System (CMIS)
- 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.
- 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.
- Comments:** The College fell short of its 2017 SCH target due to a fall in demand for courses that was consistent with the overall fall in demand for publicly funded training. The decline in employment in the construction and trades area in WA saw a drop in the uptake of training in these areas. The reduction of employment opportunities in the education sector for education assistants also had an impact on the training uptake.

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

2017 Target	2017 Actual	2016 Actual
100.0%	91.7%	89.0%

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 2017SCH target due to a fall in demand for courses that was consistent with the overall fall in demand for publicly funded training.

3. Department of Training and Workforce Development Student Satisfaction Survey

In 2017 the Student Satisfaction Survey was conducted by Patterson Research Group for the Department of Training and Workforce Development (DTWD). The purpose of this Survey to measure training and services provided by TAFE Colleges

The DTWD used the June VET provider collection to obtain student contact lists for each of the six training providers (including WAAPA). The usable student population for the 2017 for NMT was 14,936 and the College achieved 30.7% response rate with 4,579 students completing the survey.

Overall Student Satisfaction Rating

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.

The satisfaction rate was 84.6% which was a 1.8% decrease from 2016 results. This slight decrease in student satisfaction can be partly contributing to some of the IT issues, regarding student IT access whilst integrating and consolidating IT infrastructure across all campuses.

	2017 Target	2017 Actual	2016 Actual
North Metropolitan TAFE	85%	84.6%	86.4%
Western Australia	N/A	87.3%	88.9%

Notes:

- Source:** Department of Training and Workforce Development, 2017 WA Student Satisfaction Survey.
- Derivation:** The confidence interval is +/- 0.9%; this means that with a 95% level of confidence, the survey results lie within -0.9% and +0.9% of the actual results among the total North Metropolitan TAFE population. The standard error is 0.44%.

4. Student Outcome Survey

The Student Outcome Survey provides information on the outcomes of students who have completed government-funded vocational education and training (VET) in 2016, with the data collected in mid-2017. The purpose of this survey is to gather data on employment and further study outcomes and student opinions of the training undertaken.

This is an external Survey conducted biannually by the National Centre for Vocational Education Research (NCVER). Last time this survey was reported in 2015, which is prior to WA training sector reform.

Graduate Achievement Rating

The Graduate Achievement Rating is an indicator that measures the extent to which NMT graduates have fully or partly achieved their main reason for undertaking the training.

	2017 Target	2017 Actual
North Metropolitan TAFE	80.0%	79.6%

Notes:

- Source:** Student Outcome Survey, National Centre for Vocational Education Research (NCVER).
Please Note: The 2017 report presents the data from graduates of the 2016 academic year.
- Derivation:** The relative confidence level is 95%.
- Comments:** Although 10.7% of NMT graduates identified further study as their main reason for undertaking their training, 37% were enrolled in further study after their training.

Graduate Destination

The proportion of graduates in employment is a performance indicator, as outlined below.

	2017 Target	2017 Actual
Employed	70.0%	66.1%
Not employed	N/A	33.9%
Not in Labour Force	N/A	12.3%

Notes:

- Source:** Student Outcome Survey, National Centre for Vocational Education Research (NCVER).
- Derivation:** Graduate labour force status was derived according to the standard definitions of the Australian Bureau of Statistics of employed, unemployed and not in the labour force.
- Comment:** 37% of NMT students went on to complete further studies, the destination included University 24%, TAFE 62% and 14% at other training providers.

5. Efficiency Indicator

Overall cost per student curriculum hour

- Target: \$13.00

- Actual \$ 15.30/SCH

- 2016: Exempted

A significant factor in the target overrun was the shortfall in SCH delivered against both profile and commercial activity while retaining permanent employee costs. Other contributing factors to the higher than expected cost/SCH were:

Depreciation –a review of NMT depreciation rates and useful lives of buildings (following the merger of CIT, WCIT and the Midland and Balga campuses) resulted in additional depreciation charges of \$3.845 million in 2017, which contributed an extra 30 cents per SCH.

Asset Revaluation Decrement – There was a further significant decrease in assets valuations in 2017 – Land values (principally Kendrew) suffered a \$4.6 million decrease, and buildings \$3.5 million – which contributed an extra 66 cents per sch.

Severances – the cost of severances under the Voluntary Severance Scheme at 31/12/2017 was \$889,000 – which contributed an extra 7 cents per SCH.

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 1 January to 31 December 2017 and the financial position as at 31 December 2017.

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
2 March 2018



Ms Michelle Hoad
Managing Director
North Metropolitan TAFE
2 March 2018



Michael Juliff
Chief Finance Officer
North Metropolitan TAFE
2 March 2018



	Notes	\$	\$
COST OF SERVICES			
Expenses			
Employee benefits expense	6	125,385,879	76,890,342
Supplies and services	8	35,033,718	20,648,569
Depreciation and amortisation expense	9	14,384,518	5,752,285
Grants and subsidies	10	13,119	7,411
Cost of sales	17	364,103	261,473
Loss on disposal of non-current assets	21	22,664	11,135
Asset revaluation decrement	11	8,091,306	16,641,546
Other expenses	12	10,226,497	7,531,665
Total cost of services		193,521,804	127,744,426
Income			
Revenue			
Fee for service	14	31,717,278	27,791,352
Student fees and charges	15	30,682,275	19,056,031
Ancillary trading	16	622,965	423,747
Sales	17	390,690	285,843
Commonwealth grants and contributions	18	-	62,462
Interest revenue	19	1,438,727	1,307,764
Other revenue	20	801,599	2,262,567
Total revenue		65,653,534	51,189,766
Total income other than income from State Government		65,653,534	51,189,766
NET COST OF SERVICES		127,868,270	76,554,660
INCOME FROM STATE GOVERNMENT			
Service appropriation	22	106,959,490	59,510,175
Services received free of charge		6,615,775	2,881,064
Total income from State Government		113,575,265	62,391,239
SURPLUS/(DEFICIT) FOR THE PERIOD		(14,293,005)	(14,163,421)
OTHER COMPREHENSIVE INCOME			
<u>Items not reclassified subsequently to profit or loss</u>			
Changes in asset revaluation surplus	34	-	123,724
Total other comprehensive income		-	123,724
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(14,293,005)	(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	35	49,006,119	40,533,417
Restricted cash and cash equivalents	23, 35	8,512,888	10,277,423
Inventories	24	224,520	210,177
Receivables	25	6,948,944	3,982,091
Other current assets	26	1,189,990	1,713,973
Total Current Assets		65,882,461	56,717,081
Non-Current Assets			
Restricted cash and cash equivalents	23,35	1,305,400	705,836
Property, plant and equipment	27	410,595,905	355,995,562
Total Non-Current Assets		411,901,305	356,701,398
TOTAL ASSETS		477,783,766	413,418,479
LIABILITIES			
Current Liabilities			
Payables	31	6,826,712	4,671,371
Provisions	32	22,234,069	16,874,978
Other current liabilities	33	7,812,063	9,219,834
Total Current Liabilities		36,872,844	30,766,183
Non-Current Liabilities			
Provisions	32	3,962,140	3,922,927
Total Non-Current Liabilities		3,962,140	3,922,927
TOTAL LIABILITIES		40,834,984	34,689,110
NET ASSETS		436,948,782	378,729,369
EQUITY			
Contributed equity	34	465,281,485	392,769,067
Reserves		123,724	123,724
Accumulated Surplus / (deficit)		(28,456,427)	(14,163,422)
TOTAL EQUITY		436,948,782	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
AS AT 31 DECEMBER 2017

	Notes	Contributed Equity \$	Reserves \$	Accumulated Surplus / (Deficit) \$	Total Equity \$
Balance at 10 April 2016					
Surplus/(deficit) for the period	34	-	-	(14,163,422)	(14,163,422)
Other comprehensive income		-	<u>123,724</u>	<u>-</u>	<u>123,724</u>
Total comprehensive income for the period		<u>-</u>	<u>123,724</u>	<u>(14,163,422)</u>	<u>(14,039,698)</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		<u>(22,882,586)</u>	<u>-</u>	<u>-</u>	<u>(22,882,586)</u>
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>(14,163,422)</u>	<u>378,729,369</u>
Balance at 1 January 2017		<u>392,769,067</u>	<u>123,724</u>	<u>(14,163,422)</u>	<u>378,729,369</u>
Surplus/(deficit) for the year		<u>-</u>	<u>-</u>	<u>(14,293,005)</u>	<u>(14,293,005)</u>
Total comprehensive income for the period		<u>-</u>	<u>-</u>	<u>(14,293,005)</u>	<u>(14,293,005)</u>
Transaction with owners in their capacity as owners:					
Capital appropriations		1,064,414	-	-	1,064,414
Other contributions by owners	34	<u>71,448,004</u>	<u>-</u>	<u>-</u>	<u>71,448,004</u>
Total		<u>72,512,418</u>	<u>-</u>	<u>-</u>	<u>72,512,418</u>
Balance at 31 December 2017		<u>465,281,485</u>	<u>123,724</u>	<u>(28,456,427)</u>	<u>436,948,782</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		107,672,759	60,795,351
Net cash provided by State Government		107,672,759	60,795,351
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(125,570,080)	(78,378,457)
Supplies and services		(26,231,289)	(15,334,327)
Grants and subsidies		(13,119)	(7,411)
GST payments on purchases		(3,337,630)	(1,932,230)
GST payments to taxation authority		-	(99,730)
Other payments		(10,151,678)	(7,771,143)
Receipts			
Fee for service		31,681,938	21,715,323
Student fees and charges		27,900,724	19,192,416
Ancillary trading		622,965	423,747
Interest received		1,459,214	1,216,031
Commonwealth grants and contributions		-	62,462
GST receipts on sales		1,779,745	1,219,347
GST receipts from taxation authority		1,487,929	920,575
Other receipts		1,582,758	2,732,109
Net cash (used in) operating activities	35 (b)	(98,788,522)	(56,041,288)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(1,576,506)	(1,260,878)
Capital Distribution		-	(20,396,994)
Receipts			
Proceeds from sale of non-current physical assets		-	2,197
Capital Contribution		-	68,418,288
Net cash (used in) / provided by investing activities		(1,576,506)	46,762,613
Net increase / (decrease) in cash and cash equivalents		7,307,731	51,516,676
Cash and cash equivalents at the beginning of period		51,516,676	-
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	35 (a)	58,824,407	51,516,676

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

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. Australian Accounting Standards

(a) General

The College's financial statements for the period ended 31 December 2017 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 year ended 31 December 2017.

2. Summary of significant accounting policies

The following accounting policies have been adopted in the preparation of these financial statements. Unless otherwise stated, these policies are consistent with those adopted in the previous year.

(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, buildings and works of art which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

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.

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 42 '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 34 '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.

North Metropolitan TAFE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

Service appropriations are received from the Department of Training and Workforce Development in respect of the delivery of services forming part of the Delivery Performance Agreement (DPA) 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 22 '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 direct 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, buildings and works of art, 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.

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

North Metropolitan TAFE
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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 29 'Property, plant and equipment' for further information on revaluations.

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, caravans and trailers	4 to 23 years
Plant, furniture and general equipment	4 to 28 years
Computing, communications and software ^(a)	1 to 15 years
Leasehold Improvements	5 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 and are revalued every third year by an independent artwork valuer to ensure the carrying amount does not materially differ from the fair value. 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.

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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:

Software ^(a) 3 to 5 years

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

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.

(h) Impairment of assets

As the College is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount of regularly revalued specialised asset is anticipated to be materially the same as fair value.

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 30 'Impairment of assets' for the outcome of impairment reviews and testing. See note 2(n) 'Receivables' and note 26 'Receivables' for impairment of receivables.

(i) Leases

The College has entered into operating lease arrangements for office 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 36 'Commitments'.

(j) Financial instruments

In addition to cash 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

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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 equivalents include restricted cash and cash equivalents. These are comprised of cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(l) Accrued salaries

Accrued salaries (see note 31 'Payables') represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that year does not coincide with the end of the year. Accrued salaries are settled within a fortnight of the 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 23 'Restricted cash and cash equivalents') consists of amounts transferred 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 a first in first out basis.

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

See note 24 '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 25 '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 31 'Payables'.

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(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 32 '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 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 wholly within 12 months after the end of the reporting period and is thereafter 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.

Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the undiscounted amounts expected to be paid when the liabilities are settled.

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Superannuation

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

Eligible employees contribute to 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 (a defined benefit pension scheme closed to new members since 1987) 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 12 'Other expenses' and note 32 '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.

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(s) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

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

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 reporting period.

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 1 July 2017 that impacted on the College.

AASB 1057	Application of Australian Accounting Standards
	This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.
AASB 2014-4	Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]
	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.
AASB 2015-1	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]
	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 College has

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determined that the application of the Standard has no financial impact.

AASB 2015-2

Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]

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.

AASB 2015-6

Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]

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. There is no financial impact.

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* or by an exemption from TI 1101. By virtue of a limited exemption, the College has early adopted AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Where applicable, the College plans to apply the following 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</p>	1 Jan 2019

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from a contract with a customer.

The College's income is principally derived from appropriations which will be measured under AASB 1058 Income of Not-for-Profit Entities and will be unaffected by this change. However, the College has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the College has discharged its performance obligations.

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.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating lease commitments for \$27,526,000. The worth of non-cancellable operating leases which the College anticipates most of this amount will be brought onto the statement of financial position, excepting amounts pertinent to short-term or low-value leases. Interest and amortisation expense will increase and rental expense will decrease.</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, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The College has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
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 Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the College to determine the application or potential impact of the Standard.</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</p>	1 Jan 2018

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the issuance of AASB 15. The College has not yet determined the application or the potential impact of the Standard.

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 2015-8	<p>Amendments to Australian Accounting Standards – Effective Date of AASB 15</p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 <i>Revenue from Contracts with Customers</i> so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not-For-Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Authority has not yet determined the application or the potential impact of AASB 15.</p>	1 Jan 2019
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 2018
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> <p>There is no financial impact.</p>	1 Jan 2017
AASB 2016-7	<p>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities. 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</p>	1 Jan 2017

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after 1 January 2019 instead of 1 January 2018. There is no financial impact.

AASB 2016-8	<p data-bbox="491 432 1292 488">Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities</p> <p data-bbox="491 510 1292 667">This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019
AASB 2017-2	<p data-bbox="491 707 1292 763">Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle</p> <p data-bbox="491 786 1292 940">This Standard clarifies the scope of AASB 12 by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. There is no financial impact.</p>	1 Jan 2017

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	2017 \$	11 April - 31 Dec 2016 \$
6 Employee benefits expense		
Wages and salaries (a)	114,390,546	70,152,520
Superannuation - defined contribution plans (b)	<u>10,995,333</u>	<u>6,737,822</u>
	125,385,879	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, Gold State, GESB and other eligible funds.		
Employment on-costs expenses, such as workers' compensation insurance, are included at note 12 'Other expenses'.		
Employment on-costs liability is included at note 32 'Provisions'.		
7 Compensation of Key Management Personnel		
The College has determined that key management personnel include the responsible Ministers, Governing Council members, and, senior officers of the College. However, the College is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.		
Total compensation for key management personnel, comprising members of the Governing Council and other senior officers of the College, for the reporting period are presented within the following bands:		
Compensation of members of the accountable authority		
Compensation Band(\$)		
1 - 10,000	8	5
20,001 - 30,000	1	1
200,001 - 210,000	-	1
270,001 - 280,000	<u>1</u>	<u>-</u>
Compensation of senior officers	10	7
Compensation Band(\$)		
20,001 - 30,000	1	-
40,001 - 50,000	-	1
60,001 - 70,000	-	1
100,001 - 110,000	1	-
120,001 - 130,000	-	2
140,001 - 150,000	-	3
150,001 - 160,000	-	2
160,001 - 170,000	-	1
190,001 - 200,000	2	-
200,001 - 210,000	1	-
210,001 - 220,000	4	-
220,001 - 230,000	1	-
Short term employee benefits	1,770,485	1,226,015
Post employment benefits	172,807	123,482
Other long term benefits	185,653	148,211
Termination benefits	<u>-</u>	<u>-</u>
Total compensation of key Management Personnel	2,128,945	1,497,708
The increased compensation to Key Management Personnel is due to 2017 including a full year of payments whereas North Metropolitan TAFE was only in operation for 265 days in 2016.		
The increase in numbers of key management personnel is due to acting arrangements in 2016 whilst staff transitioned into roles within the newly formed North Metropolitan TAFE.		
8 Supplies and services		
Consumables and minor equipment	4,344,121	2,454,252
Communication expenses	677,625	605,132
Utilities expenses	4,295,627	2,489,880
Consultancies and contracted services	17,306,621	9,551,024
Minor works	3,495,066	2,384,169
Repairs and maintenance	427,513	289,641
Operating lease and hire charges	1,419,110	1,251,112
Travel and passenger transport	277,170	219,541
Advertising and public relations	204,743	207,070
Staff professional development activities	111,039	117,182
Licence Fees	1,273,166	476,009
Supplies and services - other	<u>1,201,917</u>	<u>603,557</u>
	35,033,718	20,648,569
9 Depreciation and amortisation expense		
<u>Depreciation</u>		
Buildings (a)	13,291,908	5,129,723
Leasehold improvements - buildings	48,022	34,682
Motor vehicles, caravans and trailers	10,852	4,483
Plant, furniture and general equipment	633,756	292,488
Computers and communication network	<u>399,979</u>	<u>289,549</u>
Total depreciation	14,384,518	5,750,925
<u>Amortisation</u>		
Software	<u>0</u>	<u>1,360</u>
Total amortisation	0	1,360
Total depreciation and amortisation	14,384,518	5,752,285
(a) The college reviewed the useful lives of buildings following the transfer of Midland and Balga campuses on 1 January 2017 to ensure consistency of useful lives across the campuses. This resulted in an additional depreciation charge of \$3.8 million, in addition to the higher depreciation charges resulting from the transfer of the Midland and Balga campuses and the full year of operation of North Metropolitan TAFE in 2017.		
10 Grants and subsidies		
<u>Recurrent</u>		
Scholarships for students	<u>13,119</u>	<u>7,411</u>
	13,119	7,411
11 Asset revaluation decrement		
Land	4,620,000	5,550,000
Buildings	<u>3,471,306</u>	<u>11,091,546</u>
	8,091,306	16,641,546
The Landgate revaluations as at 31st December 2017 included a significant decrement for both land and buildings.		

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	2017 \$	11 April - 31 Dec 2016 \$
12 Other expenses		
Audit fees	173,000	171,000
Building maintenance	2,116,269	2,437,111
Doubtful debts expense	306,085	274,312
Employment on-costs (a)	7,525,294	4,580,179
Donations	-	703
Student prizes and awards	85,117	67,420
Losses and write-offs	4,639	940
Other (b)	16,093	0
	10,226,497	7,531,665
<p>(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 32 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs (b) Includes the refund of 2016 Commonwealth grants (\$10K) and the disposal costs of obsolete IT equipment (\$6K)</p>		
13 Related Party Transactions		
<p>The College is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the College is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to the State.</p> <p>Related parties of the College include:</p> <ul style="list-style-type: none"> • all Ministers and their close family members, and their controlled or jointly controlled entities; • all senior officers and their close family members, and their controlled or jointly controlled entities; • other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements; • associates and joint ventures, that are included in the whole of government consolidated financial statements; and <p>Significant transactions with government related entities Significant transactions include:</p> <ul style="list-style-type: none"> • service appropriations (Note 22); • capital appropriations (Note 34); • services received free of charge from the Department of Training and Workforce Development (Note 22); • lease rentals payments for accommodation and fleet leasing to the Department of Finance (Note 36); • commitments for future lease payments to the Department of Finance (Note 36); • insurance payments to the Insurance Commission and Riskcover fund (Note 8); • remuneration for services provided by the Auditor General (Note 41). <p>Material transactions with other related parties • superannuation payments to GESB (Note 6);</p> <p>The College had no material related party transaction with Ministers/senior officers or their close family members or their controlled (or jointly controlled) entities for disclosure.</p>		
14 Fee for service		
Fee for service - general	6,512,803	6,664,440
Fee for service - Department of Training and Workforce Development	38,682	12,608
Fee for service - Government (other than Department of Training and Workforce Development)	12,458,690	9,599,967
International division fees	12,466,324	11,514,337
Fee for service - other	240,779	-
	31,717,278	27,791,352
15 Student fees and charges		
Tuition fees	24,356,007	15,853,105
Resource fees	5,561,910	2,729,872
Recognition of prior learning (RPL) fees	517,259	393,942
Incidental Fees	11,438	27,424
Other college fees	235,661	51,688
	30,682,275	19,056,031
16 Ancillary trading		
Live works (not a trading activity)	575,496	420,861
Other ancillary revenue	47,468	2,886
	622,965	423,747
17 Trading profit/(loss)		
Bookshop:		
Sales	390,690	285,843
Cost of sales:		
Opening inventory	(218,361)	(247,966)
Purchases	(378,446)	(231,868)
	(596,807)	(479,834)
Closing inventory	232,704	218,361
Cost of goods sold	(364,103)	(261,473)
Trading profit/(loss) - Bookshop	26,587	24,370
	26,587	24,370
See note 2(m) 'Inventories' and note 24 'Inventories'.		
18 Commonwealth grants and contributions		
Commonwealth specific purpose grants and contributions	-	62,462
	-	62,462
This grant was received through the Department of Education for the development of resources for the ITAC (International Training and Assessment Courses) program.		

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	11 April - 31 Dec 2016 \$
19 Interest revenue		
Interest revenue (from main operating account held in the Public Bank Account)	1,438,727	1,307,764
	1,438,727	1,307,764
20 Other revenue		
Rental and facilities fees	432,201	385,570
Other direct grants and subsidy revenue	30,000	48,650
Copyright and royalties revenue	387	264
Sponsorship and donations revenue	63,860	150,077
Miscellaneous revenue	275,151	1,678,006
	801,599	2,262,567
21 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>		
Motor vehicles, caravans and trailers	8,667	-
Plant, furniture and general equipment	4,147	9,332
Computers and communication network	4,850	-
Works of art	5,000	4,000
Total cost of disposal of non-current assets	22,664	13,332
Net gain/(loss)	(22,664)	(11,135)
See note 27 'Property, plant and equipment'.		
22 Income from State Government		
<u>Appropriation received during the year:</u>		
<u>Service appropriation ^(a) (State funds received from Department of Training and Workforce Development):</u>		
Delivery and Performance Agreement (DPA)	105,468,534	59,074,002
Other recurrent funds	876,077	436,173
Capital works transferred	614,879	-
Total State funds	106,959,490	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	5,943,213	2,358,270
- Marketing and publications	22,415	13,449
- Human resources, and industrial relations support	80,916	79,716
- Other	564,027	401,264
	6,610,571	2,852,699
Other Government (State Solicitor's Office)	5,204	28,365
	6,615,775	2,881,064
Total income from State Government	113,575,265	62,391,239
(a) Service appropriations fund the net cost of services delivered.		
23 Restricted cash and cash equivalents		
<u>Current</u>		
Specific capital works programs (a)	951,627	1,306,437
Awards (b)	487,421	188,483
Monies refundable to Department of Training and Workforce Development for under delivery of SCH	1,953,066	1,285,176
Monies refundable to Department of Education for VET Fee HELP funds	5,076,775	7,462,744
Other	43,999	34,583
	8,512,888	10,277,423
<u>Non-current</u>		
Accrued salaries suspense account (27th Pay provision) (c)	1,305,400	705,836
	1,305,400	705,836
Total restricted cash and cash equivalents	9,818,288	10,983,259
(a) Includes various training equipment purchases and building works projects.		
(b) Represents money bestowed on the College by private companies or individuals for the provision of awards to students.		
(c) Third year of the provision to set aside the cash for an extra pay period in 2026.		
24 Inventories		
<u>Current</u>		
<u>Inventories held for resale:</u>		
Bookshop (at cost)	232,704	218,361
	232,704	218,361
Less: Provision for obsolete stock	(8,184)	(8,184)
	224,520	210,177
Total	224,520	210,177
See also note 2(m) 'Inventories' and note 17 'Trading profit/(loss)'.		

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	11 April - 31 Dec 2016 \$
25 Receivables		
<u>Current</u>		
Receivables - trade	4,813,247	1,718,880
Receivables - students	746,237	519,986
Receivables - other	-	25,242
Accrued revenue	1,337,453	1,972,713
Allowance for impairment of receivables	(593,455)	(532,772)
GST receivable (net)	645,463	278,042
	<u>6,948,944</u>	<u>3,982,091</u>
Total current	6,948,944	3,982,091
Total receivables	6,948,944	3,982,091
<u>Reconciliation of changes in the allowance for impairment of receivables:</u>		
Balance at start of period	(532,772)	-
Balance transferred from abolished agencies	-	(276,814)
Doubtful debts expense	(306,085)	(274,312)
Amount written off during the period	270,216	30,341
Payments of previously written off debts	<u>(24,814)</u>	<u>(11,987)</u>
Balance at end of period	(593,455)	(532,772)
The College does not hold any collateral or other credit enhancements as security for receivables.		
See also note 2(n) 'Receivables' and note 40 'Financial instruments'.		
26 Other current assets		
<u>Current</u>		
Prepayments	1,036,721	1,614,276
Other current assets ^(a)	<u>153,269</u>	<u>99,697</u>
Total current	1,189,990	1,713,973
(a) Mainly 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 (\$146K).		
27 Property, plant and equipment		
<u>Land</u>		
At fair value ^(a)	<u>93,690,000</u>	<u>86,760,000</u>
	<u>93,690,000</u>	<u>86,760,000</u>
<u>Buildings</u>		
At fair value	<u>310,842,555</u>	<u>264,263,000</u>
	<u>310,842,555</u>	<u>264,263,000</u>
<u>Buildings under construction</u>		
Construction costs	<u>502,162</u>	<u>391,370</u>
	<u>502,162</u>	<u>391,370</u>
<u>Leasehold improvements</u>		
At cost	174,746	174,746
Accumulated depreciation	<u>(82,704)</u>	<u>(34,682)</u>
	<u>92,042</u>	<u>140,064</u>
<u>Motor vehicles, caravans and trailers</u>		
At cost	39,758	12,340
Accumulated depreciation	<u>(14,740)</u>	<u>(4,484)</u>
	<u>25,018</u>	<u>7,856</u>
<u>Plant, furniture and general equipment</u>		
At cost	3,425,168	1,894,080
Accumulated depreciation	<u>(925,950)</u>	<u>(292,374)</u>
	<u>2,499,218</u>	<u>1,601,706</u>
<u>Computer equipment, communication network</u>		
At cost	1,577,128	1,138,599
Accumulated depreciation	<u>(689,527)</u>	<u>(289,548)</u>
	<u>887,601</u>	<u>849,051</u>
<u>Works of art</u>		
At fair value ^(b)	<u>2,057,309</u>	<u>1,982,515</u>
	<u>2,057,309</u>	<u>1,982,515</u>
	410,595,905	355,995,562

- (a) Land and buildings were revalued as at 1 July 2017 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the period ended 31 December 2017 and recognised at 31 December 2017. In undertaking the revaluation, fair value was determined by reference to market values for land: 2017: \$2,160,000 (2016: \$2,160,000) and buildings: 2017: \$155,000 (2016: \$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'.
- (b) Works of art controlled by the College are classified as property, plant and equipment. These are anticipated to have indefinite useful lives and are revalued every third year by an independent artwork valuer to ensure the carrying amount does not materially differ from the fair value. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

Information on fair value measurements is provided in Note 28.

	2017							11 April - 31 Dec 2016		
	\$							\$		
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
Year ended 31 December 2016	\$	\$	\$		\$	\$	\$		\$	\$
Transfer from abolished agencies	£	271,980,047	737,707	15,082	174,746	2,040,568	1,472,430	303,135	1,816,184	370,849,899
Additions ^(a)	-	-	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 31 December 2016	86,760,000	264,263,000	391,370	7,856	140,064	1,601,706	849,051	-	1,982,515	355,995,562
	Land	Buildings	Buildings under construction	Motor vehicles, caravans and trailers	Leasehold improvements	Plant, furniture and general equipment	Computer equipment, communication network	Works of art	Total	
Year ended 31 December 2017	\$	\$	\$		\$	\$	\$	\$	\$	
Carrying amount at start 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	
Additions ^(a)	-	-	605,236	-	-	630,166	352,573	12,389	1,600,364	
Transfers	11,550,000	63,342,770	(471,273)	36,682	-	905,758	85,956	69,175	75,519,067	
Other Disposals	-	-	-	(8,667)	-	(4,656)	-	(6,770)	(20,093)	
Capital Items Expensed	-	-	(23,172)	-	-	-	-	-	(23,172)	
Revaluation increments/(decrements)	(4,620,000)	(3,471,306)	-	-	-	-	-	-	(8,091,306)	
Depreciation	-	(13,291,908)	-	(10,852)	(48,022)	(633,756)	(399,979)	-	(14,384,518)	
Carrying amount at 31 December 2017	93,690,000	310,842,555	502,162	25,018	92,042	2,499,218	887,601	2,057,309	410,595,905	

(a) 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 28.

28 Fair value measurements

Assets measured at fair value :

	Level 1	Level 2	Level 3	Fair Value at end of period
2017	\$	\$	\$	\$
Land (Note 27)	-	2,160,000	91,530,000	93,690,000
Buildings (Note 27)	-	155,000	310,687,555	310,842,555
Works of Art (Note 27)	-	-	2,057,309	2,057,309
	-	2,315,000	404,274,864	406,589,864
2016	\$	\$	\$	\$
Land (Note 27)	-	2,160,000	84,600,000	86,760,000
Buildings (Note 27)	-	155,000	264,108,000	264,263,000
Works of Art (Note 27)	-	-	1,982,515	1,982,515
	-	2,315,000	350,690,515	353,005,515

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 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)

2017	Land	Buildings	Works of Art
	\$	\$	\$
Fair Value at start of period	84,600,000	264,108,000	1,982,515
Additions	11,550,000	63,342,770	81,564
Disposals	-	-	(6,770)
Revaluation increments/(decrements) recognised in Profit or Loss	(4,620,000)	(3,471,306)	-
Depreciation Expense	-	(13,291,908)	-
Fair Value at end of period	91,530,000	310,687,555	2,057,309
2016	Land	Buildings	Works of Art
	\$	\$	\$
Transferred from abolished agencies	90,150,000	271,825,047	1,816,184
Additions	-	8,504,222	46,608
Disposals	-	-	(4,000)
Revaluation increments/(decrements) recognised in Profit or Loss	(5,550,000)	(11,091,546)	123,724
Depreciation Expense	-	(5,129,723)	-
Fair Value at end of period	84,600,000	264,108,000	1,982,515

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.

	2017 \$	11 April - 31 Dec 2016 \$
<i>Buildings (Level 3 fair values)</i>		
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.		
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.		
29 Intangible assets		
Reconciliation		
Carrying amount at start of period	-	-
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.		
30 Impairment of assets		
There were no indications of impairment to property, plant and equipment or intangible assets at 31 December 2017.		
The College held no goodwill or intangible assets with an indefinite useful life during the reporting period.		
31 Payables		
Current		
Trade payables	45,490	178
Accrued expenses	5,427,496	3,550,266
Accrued salaries and related costs	1,348,722	1,116,757
Paid parental leave payable	5,004	4,170
Total current	6,826,712	4,671,371
See also note 2(o) 'Payables' and note 40 'Financial Instruments'.		
32 Provisions		
Current		
<i>Employee benefits provision</i>		
Annual leave (a)	3,572,003	2,610,528
Long service leave (b)	17,200,267	13,045,859
Deferred Salary Scheme (c)	132,104	226,134
Purchased Leave Scheme (d)	12,802	-
	20,917,176	15,882,521
<i>Other provisions</i>		
Employment on-costs (e)	1,316,893	992,457
	1,316,893	992,457
Total current	22,234,069	16,874,978
Non-current		
<i>Employee benefits provision</i>		
Long service leave (b)	3,726,575	3,689,623
	3,726,575	3,689,623
<i>Other provisions</i>		
Employment on-costs (e)	235,565	233,304
	235,565	233,304
Total non-current	3,962,140	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	3,248,921	2,410,719
More than 12 months after the end of the reporting period	323,082	199,809
	3,572,003	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	6,777,666	4,761,511
More than 12 months after the end of the reporting period	14,149,176	11,973,969
	20,926,842	16,735,480

	2017 \$	11 April - 31 Dec 2016 \$
(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	52,201	166,911
More than 12 months after the end of the reporting period	79,903	59,223
	132,104	226,134
(d) Purchased 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. Actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	12,802	-
More than 12 months after the end of the reporting period	-	-
	12,802	-
(e) 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 12 'Other expenses'.		
Movements in other provisions		
Movements in each class of provisions during the year, other than employee benefits, are set out below.		
Employment on-cost provision		
Carrying amount at start of period	1,225,761	-
Transferred from abolished agencies	-	1,358,451
Additional provisions recognised	1,085,719	303,482
Payments/other sacrifices of economic benefits	(759,022)	(436,172)
Carrying amount at end of period	1,552,458	1,225,761
33 Other liabilities		
Current		
Income received in advance (a)	5,265,223	7,502,994
Grants and advances (includes provision for under-delivery in Government funded courses)(b)	2,005,166	1,285,176
Money/deposits held in trust	487,421	188,483
Other	54,252	243,181
Total current	7,812,063	9,219,834
(a) Income received in advance comprises:		
Commonwealth Government (a)	5,076,775	7,462,744
Fee for service	188,448	3,772
Other	-	36,478
	5,265,223	7,502,994
(b) Commonwealth Government is unspent funds provided under the VET Fee HELP and Fee HELP arrangements not yet allocated to student enrolments. (b) 2017 provision for under-delivery \$1,953,066 (2016: \$1,285,176)		
34 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	392,769,067	-
Contributions by owners		
Capital appropriation	1,064,414	7,921,585
Other contributions by owners		
Transfer of net assets from other agencies (a)	71,448,004	407,730,068
Total contributions by owners	72,512,418	415,651,653
Distributions to owners		
Transfer of net assets to other agencies	-	(22,882,586)
Total distributions to owners	-	(22,882,586)
Balance at end of period	465,281,485	392,769,067
Reserves		
Asset revaluation surplus		
Balance at start of period	123,724	-
Net revaluation increments/(decrements):	-	-
Works of Art	-	123,724
Balance at end of period	123,724	123,724
Accumulated surplus/(deficit)		
Balance at start of period	(14,163,421)	-
Result for the period	(14,293,004)	(14,163,421)
Balance at end of period	(28,456,425)	(14,163,421)
Total Equity at end of period	436,948,784	378,729,370

(a) Midland and Balga campuses were transferred from South Metropolitan TAFE and their assets and liabilities were transferred to North Metropolitan TAFE on the 1st of January 2017. The assets and liabilities transferred are outlined below

	Note	Total
Property, Plant & Equipment	27	74,483,721
Receivables	25	64,237
Provisions	32	(3,099,955)
		71,448,004

	2017 \$	11 April - 31 Dec 2016 \$
35 Notes to the Statement of Cash Flows		
<u>Reconciliation of cash</u>		
Cash at the end of the reporting period, 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	23,346	32,567
Cash and cash equivalents	<u>48,982,773</u>	<u>40,500,850</u>
	49,006,119	40,533,417
Restricted cash and cash equivalents (refer to note 23 'Restricted cash and cash equivalents')	<u>9,818,288</u>	<u>10,983,259</u>
	58,824,407	51,516,676
<u>Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</u>		
Net cost of services	127,868,270	76,554,660
<u>Non-cash items:</u>		
Depreciation and amortisation expense (note 9 'Depreciation and amortisation expense')	(14,384,518)	(5,752,285)
Movement in allowance for the impairment of receivables (note 25 'Receivables')	(60,683)	(255,959)
Resources received free of charge (note 22 'Income from State Government')	(6,615,775)	(2,881,064)
Net (gain)/loss on sale of property, plant and equipment (note 21 'Net gain / (loss) on disposal of non-current assets')	(22,664)	(11,135)
Losses and write-offs	(4,639)	-
Asset revaluation decrement (note 11 'Asset Revaluation Decrement')	(8,091,306)	(16,641,546)
Donated Assets	-	60,895
Expensed Capital Items	(23,172)	(1,548,948)
<u>Increase/(decrease) in assets:</u>		
Current receivables (a)	61,562	(2,755,183)
Current inventories	14,344	(49,445)
Other current assets	(517,846)	1,099,904
<u>(Increase)/decrease in liabilities</u>		
Current payables (a)	(1,985,339)	(2,401,480)
Current provisions	(173,916)	860,672
Other current liabilities	2,121,041	8,834,277
Non-current provisions	533,206	996,075
Net GST receipts/(payments) (b)	(1,487,929)	(777,721)
Change in GST in receivables/payables (c)	1,557,886	709,571
Net cash used in operating activities	98,788,522	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.		
36 Commitments		
<u>Non-cancellable operating lease commitments</u>		
Commitments for minimum lease payments are payable as follows:		
Within 1 year	666,241	1,213,323
Later than 1 year and not later than 5 years	1,572,368	564,261
Later than 5 years	<u>19,014</u>	<u>-</u>
	2,257,623	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.		
<u>Capital expenditure commitments</u>		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	<u>496,536</u>	<u>340,221</u>
	496,536	340,221
The capital commitments include amounts for:		
Plant and Equipment	<u>496,536</u>	<u>340,221</u>
<u>Other expenditure commitments</u>		
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	<u>2,798,725</u>	<u>1,334,839</u>
	2,798,725	1,334,839
37 Contingent liabilities and contingent assets		
As at the reporting date the College had no contingent liabilities or contingent assets.		
38 Events occurring after the reporting period		
There were no significant events occurring after the reporting period		

39 Explanatory statement

All 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 \$2.56 million for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$8.27 million for the Statement of Financial Position.

		2017	2017	11 April - 31 December 2016	Variance between estimate and actual	Variance between actual results for 2017 and 2016
	Variance Note	Estimate	Actual	Actual		
Statement of Comprehensive Income 2017						
COST OF SERVICES						
<u>Expenses</u>						
Employee benefits expense	1,2,A	132,118,575	125,385,879	76,890,342	(6,732,696)	48,495,537
Supplies and services	1,3	36,916,347	35,033,718	20,648,569	(1,882,629)	14,385,149
Depreciation and amortisation expenses	1,4,B	10,447,456	14,384,518	5,752,285	3,937,063	8,632,233
Grants and subsidies		25,273	13,119	7,411	(12,154)	5,708
Cost of sales		364,908	364,103	261,473	(805)	102,630
Loss on disposal of non current assets		87,120	22,664	11,135	(64,456)	11,529
Asset revaluation decrement	5,C	-	8,091,306	16,641,546	8,091,306	(8,550,239)
Other expenses	1	11,508,381	10,226,497	7,531,665	(1,281,884)	2,694,832
Total cost of services		191,468,060	193,521,804	127,744,426	2,053,744	65,777,378
<u>Income</u>						
<u>Revenue</u>						
Fee for service	1	31,317,746	31,717,278	27,791,352	399,532	3,925,926
Student fees and charges	1,D	35,035,640	30,682,275	19,056,031	(4,353,366)	11,626,244
Ancillary Trading		516,600	622,965	423,747	106,365	199,218
Sales		561,064	390,690	285,843	(170,373)	104,847
Commonwealth grants and contributions		53,974	-	62,462	(53,974)	(62,462)
Interest revenue		1,177,456	1,438,727	1,307,764	261,271	130,963
Other revenue		1,047,600	801,599	2,262,567	(246,001)	(1,460,968)
Total Revenue		69,710,080	65,653,534	51,189,766	(4,056,546)	14,463,767
Total income other than income from State Government						
NET COST OF SERVICES		121,757,980	127,868,270	76,554,660	6,110,290	(51,313,610)
INCOME FROM GOVERNMENT						
Service appropriation	1	108,604,956	106,959,490	59,510,175	(1,645,466)	47,449,315
Services received free of charge	3,E	3,251,103	6,615,775	2,881,064	3,364,672	3,734,711
Total Income from State Government		111,856,059	113,575,265	62,391,239	1,719,206	(51,184,026)
SURPLUS/ DEFICIT FOR THE PERIOD						
OTHER COMPREHENSIVE INCOME						
Items not classified subsequently to profit or loss						
Changes in asset revaluation surplus		-	-	123,724	-	(123,724)
Total Other Comprehensive Income		-	-	123,724	-	123,724
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD						

		2,017	11 April - 31 December 2016	Variance between estimate and actual	Variance between actual results for 2017 and 2016
	Variance Note	Estimate	Actual		
Statement of Financial Position					
ASSETS					
Current Assets					
Cash and Cash equivalents		55,775,955	40,533,417	(6,769,835)	8,472,702
Restricted cash and cash equivalents		4,990,267	10,277,423	3,522,621	(1,764,534)
Inventories		263,582	210,177	(39,061)	14,344
Receivables		2,561,849	3,982,091	4,387,095	2,966,853
Other current assets		1,243,623	1,713,973	(53,633)	(523,984)
Other financial assets		-	-	-	-
Total Current Assets					
Non-Current Assets					
Restricted cash and cash equivalents		1,205,171	705,836	100,229	599,564
Property, plant and equipment	6,F	441,344,391	355,995,562	(30,748,486)	54,600,343
Total Non-Current Assets					
TOTAL ASSETS					

	2017		11 April - 31 Dec 2016	
	\$		\$	
LIABILITIES				
Current Liabilities				
Payables	3,227,837	6,826,712	4,671,371	3,598,876
Provisions	22,120,081	22,234,069	16,874,978	113,988
Other current liabilities	3,507,785	7,812,063	9,219,834	4,304,278
Total Current Liabilities	28,855,703	36,872,844	30,766,183	8,017,141
Non-Current Liabilities				
Provisions	3,518,855	3,962,140	3,922,927	443,285
Total Non-Current Liabilities	3,518,855	3,962,140	3,922,927	443,285
TOTAL LIABILITIES	32,374,558	40,834,984	34,689,110	8,460,426
NET ASSETS				
EQUITY				
Contributed equity	492,201,565	465,281,485	392,769,067	(26,920,080)
Reserves	-	123,724	123,724	123,724
Accumulated surplus/(deficit)	(17,191,285)	(28,456,427)	(14,163,422)	(11,265,142)
TOTAL EQUITY	475,010,280	436,948,782	378,729,369	(38,061,498)

		2,017	11 April - 31 December 2016	Variance between estimate and actual	Variance between actual results for 2017 and 2016
Statement of Cash Flows	Variance Note	Estimate	Actual		
CASH FLOWS FROM STATE GOVERNMENT					
Service appropriation	1	108,604,956	60,795,351	(932,197)	46,877,408
Net cash provided by State Government					
CASHFLOWS FROM OPERATING ACCOUNT					
Payments					
Employee benefits	1	(127,995,161)	(78,378,457)	2,425,081	(47,191,623)
Supplies and Services	1,G	(33,665,244)	(15,334,327)	7,433,955	(10,896,962)
Grants and subsidies		(25,273)	(7,411)	12,154	(5,708)
GST payments on purchases		(4,438,648)	(1,932,230)	1,101,018	(1,405,400)
GST payments to taxation authority		(244,441)	(99,730)	244,441	99,730
Other payments		(11,835,506)	(7,771,143)	1,683,829	(2,380,535)
Receipts					
Fee for service	1,H	27,205,563	21,715,323	4,476,375	9,966,615
Student fees and charges	1,D	34,761,646	19,192,416	(6,860,922)	8,708,308
Ancillary trading		516,600	423,747	106,365	199,218
Commonwealth grants and contributions		53,974	62,462	(53,974)	(62,462)
Interest received		1,177,456	1,216,031	281,758	243,183
GST receipts on sales		1,388,174	1,219,347	391,570	560,398
GST receipts from taxation authority		3,294,915	920,575	(1,806,986)	567,354
Other receipts		1,604,855	2,732,109	(22,097)	(1,149,350)
Net cash used in operating activities					
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments					
Purchase of non-current assets		-	(1,260,878)	(1,576,506)	(315,629)
Capital Distributions	7	-	(20,396,994)	-	20,396,994
Receipts					
Proceeds from sale of non-current assets		963,467	2,197	(963,467)	(2,197)
Capital Contribution	8	-	68,418,288	-	(68,418,288)
Net cash provided by/(used in) investing activities					
Net increase/(decrease) in cash and cash equivalents		1,367,334	51,516,676	5,940,396	(44,208,946)
Cash and cash equivalents at the beginning of the period		60,604,059	-	(9,087,382)	51,516,676
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD					

Major Variances between 2016 and 2017

1. North Metropolitan TAFE was formed on 11 April 2016 under the Training Services Reform Program. The majority of variances between 2016 and 2017 are therefore due to the current year being the first full year of operation. In addition, on 1 January 2017, Midland and Balga campuses transferred from South Metropolitan TAFE to North Metropolitan TAFE. 164 FTE lecturers and 69 FTE administrative staff were transferred across on that date, along with the fixed assets at those campuses, the debts of those students who were continuing their studies at those campuses and the provisions for leave liabilities of the transferring staff.

2. The current year reflects salaries for a full year of operation which was \$29m more than 2016 - refer to Note 1. In addition, the salaries of the Midland and Balga staff that transferred on 01/01/2017 stood at \$20.5m

3. Services provided free of charge by the Department of Training and Workforce Development increased significantly (\$4m) to cover additional Training Infrastructure Management and Information Technology Services. These extra costs however are covered by additional income.

4. A review of the useful lives of buildings was carried out in order to ensure consistency across the college. The estimated useful lives of buildings were amended to reflect the findings of the review which resulted in an additional charge of \$3.8m.

5. The Asset Revaluation decrement, relates to the College's land and buildings. The significant reduction in value can be attributed to the Land at several campuses including 35 Kendrew Crescent (\$3m), McLarty Ave buildings (\$420K), and Midland (\$500K) along with reductions in the values of buildings (\$3.5m).

6. Property, plant and equipment have increased significantly due to the transfer of Midland and Balga campuses (\$74m) offset by depreciation charges (\$14m) and property revaluations (\$10m)

7. The Cash Contribution payment in 2016 represented 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.

8. The Cash Contribution receipt represented the opening cash balance transferred in at the establishment of North Metropolitan TAFE on the 11th of April 2016.

Major Variances between Budget and Actuals

A. Employee Benefit Expenses are below the estimates mainly in the areas of Lecturing salaries (\$4.7m - due to fewer lecturers required in line with the drop in SCH and vacancies in a number of teaching areas) and Non-Lecturing salaries (\$2.8m - due to fewer re-deployed staff than expected and vacancies, mainly in Student Support areas)

B. A review of the useful lives of buildings was carried out in order to ensure consistency across the college. The estimated useful lives of buildings were amended to reflect the findings of the review which resulted in an additional charge of \$3.8m.

C. The Asset Revaluation decrement, which was not included in the estimates, relates to the College's land and buildings. The significant reduction in value can be attributed to the Land at several campuses including 35 Kendrew Crescent (\$3m), McLarty Ave buildings (\$420K), and Midland (\$500K) along with reductions in the values of buildings (\$3.5m).

D. The budget for Student Fees and Charges was \$4.3m higher than the actual mainly due to the underachievement of the budgeted SCH.

E. Services provided free of charge by the Department of Training and Workforce Development increased significantly (\$4m) to cover additional Training Infrastructure Management and Information Technology Services. These extra costs however are covered by additional income.

F. Property, Plant and Equipment is below the budgeted amount by \$30.7M due to a combination of additional depreciation, a drop in land and building valuations and less capital work than planned

G. Supplies and Services are under the cash flow estimates, due to timing differences in the payment of utility bills, cleaning charges, course materials and printing, and the quarterly charge for Training Business Services. There is also a variance in actual charges for the expenditure on Supplies and Services at Midland and Balga campuses against those estimated

H. The cash to be actually received in 2017 for Fee for Service work was estimated at too low a level.

40 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, payables, VET Fee Help refund and DPA clawback provision. The College has limited exposure to financial risks.

The College's overall risk management program focuses on managing the risks 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 40(c) 'Financial instruments disclosures' and note 25 '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 :

	2017 \$	11 April - 31 Dec 2016 \$
Financial Assets		
Cash and cash equivalents	49,006,119	40,533,417
Restricted cash and cash equivalents	9,818,288	10,983,259
Receivables ^(a)	<u>6,303,482</u>	<u>3,704,049</u>
	65,127,889	55,220,725
Financial Liabilities		
Payables	6,826,712	4,671,371
VET Fee Help Refund	5,076,775	7,467,673
DPA clawback provision	<u>1,953,066</u>	<u>1,285,176</u>
	13,856,553	13,424,220

(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							
2017							
Cash and cash equivalents	49,006,119	49,006,119	-	-	-	-	-
Restricted cash and cash equivalents	9,818,288	9,818,288	-	-	-	-	-
Receivables ^(a)	6,303,482	5,766,341	165,686	228,448	131,153	11,854	-
	65,127,889	64,590,748	165,686	228,448	131,153	11,854	-

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	10,983,259	10,983,259	-	-	-	-	-
Receivables ^(a)	3,704,049	3,160,058	216,284	297,338	27,010	3,359	-
	55,220,725	54,676,734	216,284	297,338	27,010	3,359	-

(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			Nominal Amount \$	Maturity dates Up to 1 month \$
			Fixed Interest Rate \$	Variable Interest Rate \$	Non-Interest Bearing \$		
2017							
Financial Assets							
Cash and cash equivalents	1.90%	49,006,119	-	48,982,773	23,346	49,006,119	49,006,119
Restricted cash and cash equivalents	1.90%	9,818,288	-	9,818,288	-	9,818,288	9,818,288
Receivables ^(a)		6,303,482	-	-	6,303,482	6,303,482	6,303,482
		65,127,889	-	58,801,061	6,326,828	65,127,889	65,127,889
Financial Liabilities							
Payables VET		6,826,712	-	-	6,826,712	6,826,712	6,826,712
Fee Help Refund DPA		5,076,775	-	-	5,076,775	5,076,775	5,076,775
Clawback provision		1,953,066	-	-	1,953,066	1,953,066	1,953,066
		13,856,553	-	-	13,856,553	13,856,553	13,856,553

	Weighted Average Effective Interest Rate %	Carrying Amount \$	Interest rate exposure			Nominal Amount \$	Maturity dates Up to 1 month \$
			Fixed Interest Rate \$	Variable Interest Rate \$	Non-Interest Bearing \$		
11 April - 31 Dec 2016							
Financial Assets							
Cash and cash equivalents	1.90%	40,533,417	-	40,500,850	32,567	40,533,417	40,533,417
Restricted cash and cash equivalents	1.90%	10,983,259	-	10,983,259	-	10,983,259	10,983,259
Receivables ^(a)		3,704,049	-	-	3,704,049	3,704,049	3,704,049
		55,220,725	-	51,484,109	3,736,616	55,220,725	55,220,725
Financial Liabilities							
Payables VET		4,671,371	-	-	4,671,371	4,671,371	4,671,371
Fee Help Refund DPA		7,462,744	-	-	7,462,744	7,462,744	7,462,744
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).

	2017			11 April - 31 Dec 2016	
	\$			\$	
<u>Interest rate sensitivity analysis</u>					
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.					
		- 100 Basis Points		+ 100 Basis Points	
	Carrying amount	Surplus	Equity	Surplus	Equity
	\$	\$	\$	\$	\$
2017					
<u>Financial Assets</u>					
Cash and cash equivalents	48,982,773	(489,828)	(489,828)	489,828	489,828
Restricted cash and cash equivalents	9,818,288	(98,183)	(98,183)	98,183	98,183
Total Increase/(Decrease)		<u>(588,011)</u>	<u>(588,011)</u>	<u>588,011</u>	<u>588,011</u>
		- 100 Basis Points		+ 100 Basis Points	
	Carrying amount	Surplus	Equity	Surplus	Equity
	\$	\$	\$	\$	\$
11 April - 31 Dec 2016					
<u>Financial Assets</u>					
Cash and cash equivalent	40,500,850	(405,008)	(405,008)	405,008	405,008
Restricted cash and cash equivalents	10,983,259	(109,833)	(109,833)	109,833	109,833
Total Increase/(Decrease)		<u>(514,841)</u>	<u>(514,841)</u>	<u>514,841</u>	<u>514,841</u>
<u>Fair values</u>					
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.					

41 Remuneration of auditor

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

	2017	11 April - 31 Dec 2016
	\$	\$
Auditing the accounts, financial statements and key performance indicators	<u>173,000</u>	<u>171,000</u>

42 Related bodies

The College has no related bodies.

43 Affiliated bodies

The College has no affiliated bodies.

44 Supplementary financial information

(a) Write-Offs

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

	2017	11 April - 31 Dec 2016
	\$	\$
Public property written-off by the Governing Council during the financial year	80,304	23,416
Bad debts	270,216	30,341
Inventory	<u>5,223</u>	<u>480</u>
	<u>355,743</u>	<u>54,237</u>

(b) Losses through theft, defaults and other

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

	2017	11 April - 31 Dec 2016
	\$	\$
Losses of public money and public and other property through theft or default	1,906	2,150
Amounts recovered	<u>(1,955)</u>	<u>(4,790)</u>
	<u>(49)</u>	<u>(2,640)</u>

45 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.