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COVER: Caitlan Noble, Australian Vocational Student of the Year, North Metropolitan TAFE student (Anaesthetic Technology)

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# Letter to the Minister

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Hon. Suzanne Ellery MLC  
Minister for Education and Training  
13<sup>th</sup> 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 submit for your information and presentation to Parliament, North Metropolitan TAFE's Annual Report for the period 1 January to 31 December 2018.



Emeritus Professor  
Bill Loudén AM  
Chair, Governing Council  
1 March 2019



Michelle Hoad  
Managing Director  
1 March 2019





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**BABA GAGA HOUSES BY MARWA FAHMY**

**PERTH (NORTHBRIDGE) CAMPUS**

**NORTH METROPOLITAN TAFE**

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# Overview of the Agency

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## Executive Summary

### Message from the Chair and Managing Director

Welcome to North Metropolitan TAFE's (NMT) 2018 Annual Report. 2018 was a highly productive year for NMT, which culminated in the College winning the WA Large Training Provider of the Year Award. This achievement recognised NMT's commitment to our goals to nurture participation, improve employability, contribute to productivity and build the aspiration of our learners, industry and the community.

Supporting the State Government's Plan for Jobs, NMT aligned its training delivery to address skill shortages and increase workforce capacity in the areas of mining, aged care and disability, civil infrastructure to support METRONET and cyber security, contributing to the Western Australian economy and job market.

NMT worked closely with leading industry representatives and associations to ensure that our training remained relevant to meet the needs of individuals and enterprises. Some of our leading industry partners include AngloGold Ashanti Australia, Pilbara Minerals, Matchbox Productions, Brightwater and the WA Police.

NMT was the first TAFE College to implement the new Student Management System (SMS) in January 2018, which will transform the way students engage with us. It is acknowledged that NMT staff overcame challenges and maintain a student-centred focus throughout the process.

In consultation with our Aboriginal Education, Employment and Training Committee (AEETC), we developed the 2018 Aboriginal and Torres Strait Islander Training Plan to increase the number of Aboriginal and Torres Strait Islander students undertaking training. This year also saw our first group of Aboriginal students complete the WA Police Aboriginal Cadet Program and graduate from the academy as Police Officers.

Capital works projects included upgrades at Joondalup (McLarty Ave) to relocate Beauty Therapy; the development of a Cyber Security Training Centre at Joondalup, redevelopment at Clarkson to create plumbing and plastering areas; and modifications at Balga and Midland to facilitate craft trade delivery.

Our success throughout 2018 is testament to the incredible dedication and professionalism of NMT staff to achieve our shared vision of transforming lives, strengthening industry and community.

With the support of the Hon. Sue Ellery MLC, Minister for Education and Training, we continue to be guided by a committed Governing Council who contribute their industry expertise and knowledge to enhance the quality of our training and service delivery.

We look forward to building on the success of 2018, as we continue to focus on providing individuals and enterprises with the skills needed to remain competitive in WA's expanding economy.



Emeritus Professor  
Bill Loudon AM  
Chair, Governing Council  
1 March 2019



Michelle Hoad  
Managing Director  
1 March 2019





2018 WA TRAINING AWARDS

WINNER OF WA LARGE TRAINING PROVIDER OF THE YEAR

NORTH METROPOLITAN TAFE | MANAGING DIRECTOR MICHELLE HOAD

## College Highlights



Won the WA Large Training Provider of the Year Award and achieved a record number of student/staff finalists across all categories.



Was a Finalist in the Australian Training Provider of the Year Award, alongside Wodonga Institute of TAFE and TAFE NSW – Design Centre Enmore.



Won the Australian Institute of Professional Photography (AIPP) Tertiary Photography Institution of the Year for the second year running.



Delivered 8.5 million State funded Student Curriculum Hours (SCH).



Achieved an 85.3% Overall Student Satisfaction Rating (an increase of 0.7% from 2017).



Achieved a 10.8% increase in SCH delivery to Aboriginal and/or Torres Strait Islander students compared to 2017.



Experienced a significant increase in the number of students with disabilities accessing support due to increased awareness and presence of services across all campuses.



Reviewed the 2018-2020 Strategic Plan to focus on the strategic priorities of the WA Government: direct client care, mining, civil construction and infrastructure (aligned to METRONET), cyber security and automation.



Commenced apprenticeship training delivery in six “craft trades” in response to the commitment of the WA Government’s *Plan for Jobs*.



Delivered 40 skill sets to meet changing industry demands.



Established new partnerships in the mining and resources, health and aged care, screen and media industries.



Established Jobs and Skills Centres (JSCs) at Joondalup, Balga and Northbridge campuses.



**2018 AUSTRALIAN TRAINING AWARDS**

**VOCATIONAL STUDENT OF THE YEAR**

**CAITLAN NOBLE | DIPLOMA OF ANAESTHETIC TECHNOLOGY**





## Student and Staff Highlights



- Nine students and two trainers were Finalists for the WA Training Awards.
- NMT students won the WA Vocational Student of the Year; WA International Student of the Year; and WA Cultural Diversity Training Award.



NMT student Caitlan Noble (Anaesthetic Technology) won the Australian Vocational Student of the Year Award.



- Achieved three student category winners in WorldSkills.
- Floor and Wall Tiling Lecturer Ron Simeon was awarded WorldSkills Life Membership.



Creative industries students won every category of the Design Institute of Australian WA Graduate of the Year Awards (GOTYA).

CLARKSON

JOONDALUP

BALGA

MIDLAND

LEEDERVILLE

MOUNT LAWLEY

PERTH

EAST PERTH

NEDLANDS

NORTH METROPOLITAN TAFE

CAMPUS LOCATIONS

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# About us

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## About North Metropolitan TAFE

North Metropolitan TAFE (NMT) is the largest State Government provider of vocational education and training (VET), with 10 campuses spread amongst 14 local governments across the greater north and north eastern metropolitan regions of Perth.

Over 340 courses are offered across 70 industry areas, ranging from Certificate I to Higher Education qualifications, providing quality education and training choices.

With close alignment to industry and employers, NMT leverages its knowledge and understanding of changing business models and contemporary training techniques to provide solutions to meet the current and future skill requirements of individuals, enterprise and the community.

## 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 community.**

Our values reflect our determination to ensure best practice and leadership across the VET sector.

### Respect

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

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### Integrity

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

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### 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.

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### Innovation

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

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### Professionalism

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





MANDALA BY IAN WILLIAMS

PERTH (NORTHBRIDGE) CAMPUS

NORTH METROPOLITAN TAFE



## Operational Structure

The Ministerial appointments to NMT's Governing Council took place in July, 2018. We are pleased to announce:

- Professor Bill Loudon was reappointed to the position of Chair.
- Ms Karen Jamvold was appointed to Deputy Chair.
- Professor Arshad Omari was reappointed as a member
- New members welcomed: Ms Cheryl Robertson, Mr Adam Sofoulis and Ms Meryl Jones.

NMT expresses a very warm thank you and farewell to three Governing Council members who have served over the past two years: Mr Peter Rowles, Deputy Chairperson; Dr Marina Hogan and Ms Anne Donaldson.

## Governing Council Members



### Professor Bill Loudon (Chairperson)

Bill is 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.



### Ms Karen Jamvold (Deputy Chair)

Karen 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.



### Professor Arshad Omari

Arshad 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.



### Mr Graham Droppert

Graham 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 chair of West Coast Institute before the formation of North Metropolitan TAFE.

## Governing Council Members (cont.)



**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 North Metropolitan TAFE.



**Dr Craig McLure**

Craig 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 Dianne Bianchini**

Dianne has had an extensive career in health and community services. She is presently building capacity and reform in primary care working for the WA Primary Care Alliance. Previous positions include the Chief Health Professions Officer, clinical planning and reform involving strategic planning for the future health workforce for the WA Department of Health. Dianne is a recognised leader and manager with a background in social work and community sector governance.



**Ms Cheryl Robertson**

Cheryl is currently the WA State Director of Microsoft and has experience in several fields including Executive Leadership, Executive Management, Management Consulting, Business Development and Strategy. She has previously held Senior Management and leadership positions with other National and Multinational ICT companies and has worked with Start-ups, SME's and has owned and operated her own IT and Management Consulting business. She is an experienced board director and a Fellow of the Australian Institute of Company Directors. Cheryl holds multiple board positions and has held several advisory positions with the Australian and WA Government, and across the IT Industry. Cheryl is passionate about lifelong learning and ensuring a rich culture of Diversity and Inclusion.





**Mr Adam Sofoulis**

Adam is presently the General Manager, Group Accounting of Wesfarmers Limited and is a Fellow of the Chartered Accountants Australia and New Zealand. Adam has previously held senior roles within the Office of the Auditor General of Western Australia and Deloitte.

Adam has been a member of the North Metropolitan TAFE's Finance and Audit Committee since its inauguration and prior to that was a member of Central TAFE's Finance and Risk Management Committee.



**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

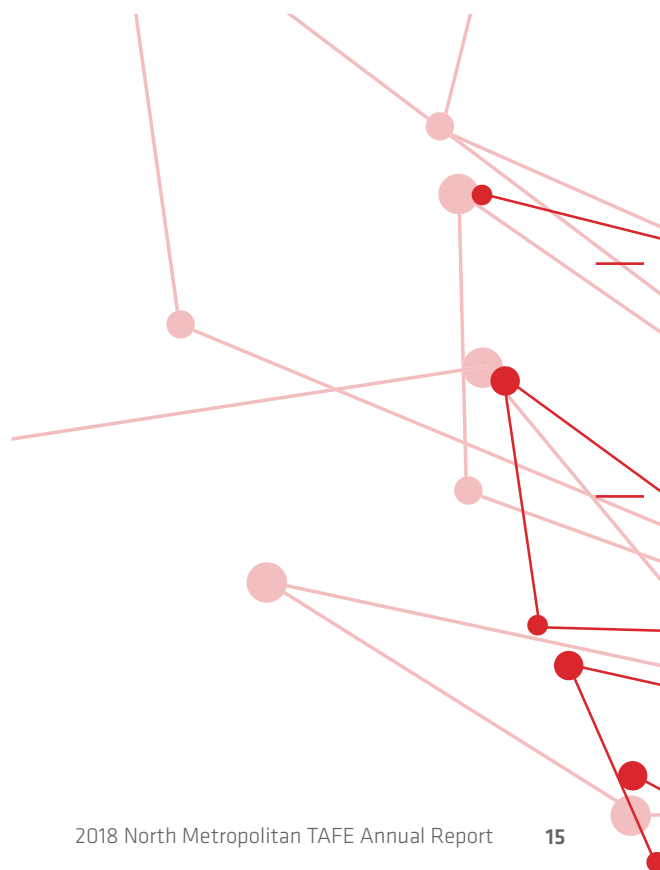
Michelle has held a number of senior roles in the vocational education and training sector. Michelle has worked with diverse client groups in regional and metropolitan Western Australia, collaborating across government and the private sector to maximise training opportunities and outcomes.



**Mrs Meryl Jones**

Meryl has been a member of the Western Australian resources industry for over 30 years, holding various positions in the fields of geology, land management and financial evaluation. Meryl is currently Principal Business Development with St Barbara Ltd, an ASX200

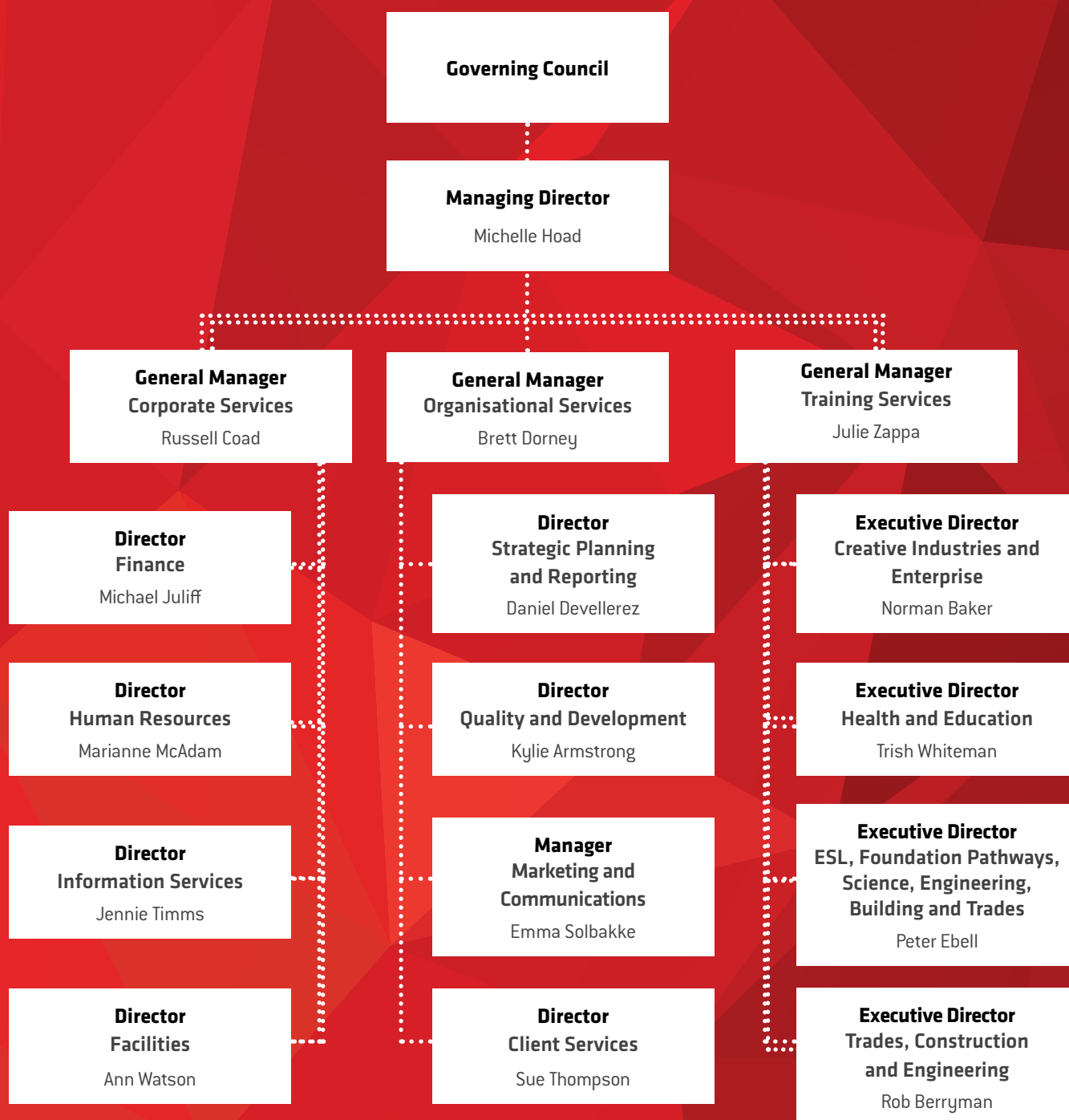
listed gold company. Meryl's passion is resources education as it relates to talent pipeline and she is an Executive Director for Earth Science Western Australia and the Founder and Patron of Get Into Resources Inc.



# Organisational Structure

## Responsible Minister

NMT is responsible to the Hon. Sue Ellery MLC, Minister for Education and Training.



*Note: This reflects the structure as at 1 December 2018.*



**WALL & FLOOR TILING STUDENT AND LECTURER**

CLARKSON CAMPUS

## Performance Management Framework

The Government Goal: *Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development*, reflects NMT's strategic and operational focus.

At NMT our vision of 'Transforming lives; strengthening industry and community' recognises that we foster prosperity for individuals, as well as enterprise and community. To fulfil our vision, we aim to nurture participation, improve employability, contribute to productivity and build the aspirations of our learners, industry and the community.

To enable NMT to transform lives we:

1. Deliver nationally accredited training courses including Higher Education qualifications and industry focused skill sets
2. Support industry with a focus on increasing apprenticeship and traineeship training
3. Assist people to access training with the provision of foundation and access programs
4. Provide a one-stop-shop for career, training and employment services via the Jobs and Skills Centres.

The College measures outcomes of stakeholder satisfaction and successful training for individuals and industry by effectiveness indicators.

The College manages its resources effectively to enable the provision of vocational education and training. This is measured by efficiency indicators.

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

### Changes to Outcome Based Management Framework

NMT's outcome based management framework did not change during 2018.

### Shared Responsibilities with Other Agencies

NMT does not share any responsibilities with other agencies. However, NMT works in collaboration with other government agencies to ensure the State government responsibilities and priorities are met.





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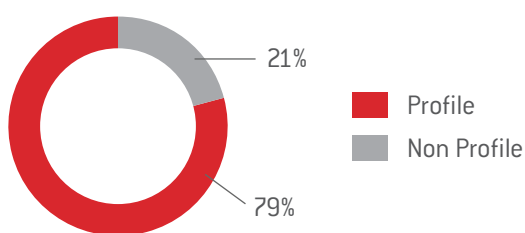
# Agency performance

North Metropolitan TAFE (NMT) delivered a total of 10,784,389 student curriculum hours (SCH) to nearly 30,000 students over the 2018 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 8,559,701 SCH delivered and 2,224,688 SCH in non-profile delivery.

There is a slight reduction of non-profile delivery in 2018, compared to 2017 due to a decline of international students studying onshore.

## SCH delivery



## State priority delivery

Outlined below are the achievements of the College in terms of performance against the original contract targets of SCH in the 2018 Delivery Performance Agreement (DPA).

Table 1: State priority delivery

Training Priority	Original Target	Actual	%
Apprenticeship	702,950	668,887	95.2%
Traineeship	181,835	172,482	94.9%
<b>Employment Based Training (EBT) Sub-total</b>	<b>884,785</b>	<b>841,369</b>	<b>95.1%</b>
Priority Industry Training	2,881,264	2,453,786	85.2%
<b>State Priority Delivery Total</b>	<b>3,766,049</b>	<b>3,295,155</b>	<b>87.5%</b>

Initiatives undertaken to maximise the State Priority Delivery included::

- Introduction of industry required skill sets
- Increased partnerships with industry
- Development of tailored training for employers in the workplace
- Promotion of apprenticeship/traineeship pathways by NMT Jobs and Skills Centre staff
- Introduction of six 'craft trade' apprenticeships.

## 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 and Torres Strait Islanders

NMT delivered 133,302 Student Curriculum hours (SCH) to 333 students who identified as Aboriginal and/or Torres Strait Islander.

There was a 10.8% increase in SCH delivery to Aboriginal and/or Torres Strait Islander students compared to 2017.

This year also saw our first group of Aboriginal students complete the WA Police Aboriginal Cadet Program and graduate from the academy as Police Officers.

[Further information on page 23 - Aboriginal Training Plan]



**89.8% Student Satisfaction Rate**

### Students with a disability

NMT delivered training to 1,462 students with a disability which represented a total delivery of 654,569 SCH across 230 qualifications.

376 students with a disability completed a Certificate II or above, representing an 90.2% achievement against the benchmark<sup>1</sup>.

[Further information on page 24 - Disability Access and Inclusion Plan]



**84.1% Student Satisfaction Rate**

### Youth Support Strategies

NMT delivered training to 11,371 students aged between 15 to 24 years. This represented 4,924, 178 SCH, exceeding the original benchmark target of 4,873,059 SCH.

There was a 5.2% increase in SCH delivery to students aged between 15 to 24 years compared to 2017.

### Employment Based Training<sup>2</sup>

In response to the Government's commitment to ensure that local apprentices can train in WA rather than travel interstate for training, NMT commenced delivery in 'craft trade' apprenticeships including Flooring Technology, Furniture Finishing, Automotive & Marine Trimming, Timber & Composite Machinist, Upholstery, and a traineeship in Manufactured Textile Products.



**92% Student Satisfaction Rate**

<sup>1</sup> Original Delivery and Performance Agreement

<sup>2</sup> Employment-based training combines employment with training plan such as traineeships and apprenticeships.



## Priority Industry Training<sup>3</sup>

NMT delivered 3,295,155 SCH in priority industry training, achieving 87.5% of the delivery target, based on the original Delivery Performance Agreement.

Table 2: Delivery profile by major ANZSCO Groups

ANZSCO Group	Total
1 - Managers	358,761
2 - Professionals	1,291,523
3 - Technicians and Trades Workers	1,755,182
4 - Community and Personal Service Workers	2,630,507
5 - Clerical and Administrative Workers	610,425
6 - Sales Workers	8,565
7 - Machinery Operators and Drivers	75,233
8 - Labourers	362,475
G - General Education	1,467,030
<b>Grand Total</b>	<b>8,559,701</b>

## Certificate III and above Training

NMT delivered 6,988,895 SCH in Certificate III and above.

Outlined below are the achievements for the College against the final 2018 Delivery Performance Agreement (DPA).

NMT took the opportunity to reduce its initial target by 300,000 SCH in the September addendum. The College achieved 98.4% of its revised SCH target.

### Delivery at Certificate level

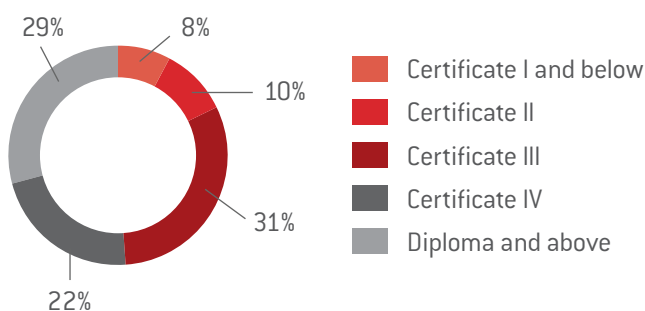


Table 3: NMT achievements against DPA

Certificate Levels	Amended Target	Actual	%
Diploma and above	2,670,463	2,465,241	96.0%
Certificate IV	2,002,314	1,856,884	92.7%
Certificate III	2,655,184	2,666,770	100.4%
Certificate II	803,181	839,503	104.5%
Certificate I and below	568,858	731,303	128.6%
<b>Total</b>	<b>8,700,000</b>	<b>8,559,701</b>	<b>98.4%</b>

**Comment:** Above is reported against final 2018 Delivery Performance Agreement, the September addendum

<sup>3</sup> Priority industry training are qualifications that are aligned with skilled occupations in high demand across Western Australia. These qualifications are on the State priority occupation list (SPOL). The SPOL is a list of occupations rated according to their priority status for Western Australia.



## International Delivery – Onshore

In 2018, 1,421<sup>4</sup> international onshore students enrolments (representing over 85 countries) NMT in a range of VET and higher education courses. There was a slight reduction of international onshore students compared to 2017.

## Commonwealth Funded Programs

NMT provides the Adult Migrant English Program (AMEP) program, up to 510 hours of English language tuition to eligible adult migrants and refugees. This program is a major source of NMT's non-profile funding.

The program is offered full and part-time across a number of campuses. There are two streams of tuition, Pre-employment English stream and Social English stream.

NMT provides free childcare services, for students who have children (under school age) whilst they are participating AMEP classes.



**396,000**

Class Tuition Hours



**62,900**

hours of Child Care provided by NMT

## Industry Partnerships

In 2018, NMT continued to work closely with government, community and industry to address the skill development and workforce planning needs of WA.

Some of our leading industry partners included:

- AngloGold Ashanti Australia – to develop an off campus Advanced Diploma of Mining and Engineering Surveying for mine surveyors at its Tropicana site.
- Pilbara Minerals – to deliver customised resource processing training to operation staff working on the Pilgangoora Lithium-Tantalum Project.
- Matchbox Pictures, Screenwest and the ABC – to provide students with invaluable experience working on the set of a new serial drama production 'The Heights'.
- Brightwater – to offer unique work placement programs for Individual Support in Disability and Ageing students.
- WA Police – to deliver an Aboriginal Cadet Program to provide literacy and numeracy skills required for the entrance examination into the WA Police Academy.

<sup>4</sup> Includes students enrolled in English Language Intensive Courses for Overseas Students (ELICOS)

## Aboriginal Training Plan

In consultation with the Aboriginal Employment Education Training Committee (AEETC), NMT's annual Aboriginal Training Plan drives the promotion of training opportunities to the local Aboriginal community.

In 2018, the College aimed to increase the number of Aboriginal and Torres Strait Islander

1. Students undertaking training in a way that enhances their learning and employment outcomes
2. Employees across all areas of the College.

The College was also committed to developing new partnerships with Aboriginal and Torres Strait Islander businesses and organisations, by collaborating with industry, and promoting employment based training and graduate employment opportunities.

In 2018, 15 students completed the Aboriginal Police Cadet Program (Cert II General Education for Adults) and continued onto a Cadetship with the WA Police Academy. Four of these cadets were fast-tracked and graduated as fully sworn in Police Officers. A further 15 students are currently participating in the program, 6 of whom are from rural/remote WA. The Koolark Centre for Aboriginal Students continued to provide resources and support services to Aboriginal and Torres Strait Islander students on all NMT campuses. They are situated at two campuses: Northbridge (The Koolark Centre) & Joondalup (The Yellagonga Centre).

Services include:

- Mentoring and support services
- Advice on courses and scholarships
- Study facilities and study groups
- Community information and orientation sessions
- Access to indigenous specific educational programs
- Pathways to higher education
- Opportunities for non-indigenous students to enhance their professional knowledge and cultural competence
- Promoting and delivering student support and courses through a variety of media and activities
- Celebrating Aboriginal Students and their achievements
- Conducting community events such as (National Aboriginal Islander Day Observance Committee) NAIDOC
- Involving Aboriginal organisations and services as guest speakers in the delivery of Aboriginal cultural content
- Providing scholarships to Aboriginal students.

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 includes two 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).

NMT continued to implement activities that ensured the College was a welcoming place that embraced the Aboriginal community and its culture. For example, the College celebrated NAIDOC Week with events held at all NMT campuses. The events included guest speakers and activities to celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander people. Gallery Central hosted an exhibition for NAIDOC Week showcasing artworks by Aboriginal women to mark this year's theme, "Because of her, we can."

Cultural Matters, a training program developed by NMT, was delivered to portfolios across the College and resulted in increased levels of workforce cultural competency.

NMT trainers and the Koolark Centre Team delivered training on protective behaviours to schools in the Goldfields, Kimberley, Pilbara and the Metropolitan areas.

## Students with a disability - Disability Access and Inclusion Plan Outcomes

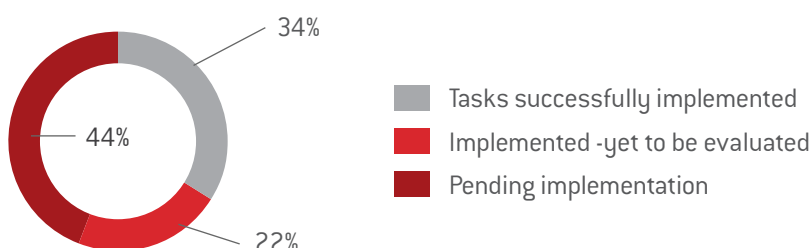
It is a requirement of the Western Australia Disability Services Act 1993, that public authorities develop and implement a Disability Access and Inclusion Plan (DAIP) that outlines the ways in which the College will ensure people with disability have equal access to its facilities and services. Each July the College submits an annual progress report to the Department of Communities, where this information is tabled in Parliament by the Minister for Disability Services.

NMT's DAIP comprises of 70 tasks to be implemented over five years (2017 -2022).

Throughout 2018, NMT implemented 39 of the 70 DAIP tasks planned over five years (2017–2022):

- 24 were successfully implemented, as they improved the access and inclusion of people with disability
- It was too early to evaluate the effectiveness of 15 tasks
- 31 tasks are still to be implemented and the College is on track for 2020 completion.

DAIP tasks



Significant achievements over the last year have included a substantial increase in the number of students registering and accessing support. During Semester 1, 2018 there was a 600% increase in the number of students registered (443 students) and accessing support compared with the same period in Semester 1, 2017 (73 students). Such a large increase can be attributed to a number of factors:

- Staff and student awareness of Disability Support and referring students to the service
- Attendance of Disability Support staff at student orientations
- Increased presence of Disability Support staff at all campuses
- Improved and consistent service and process for students registering and accessing support
- Registering of the students from Disability Programs.

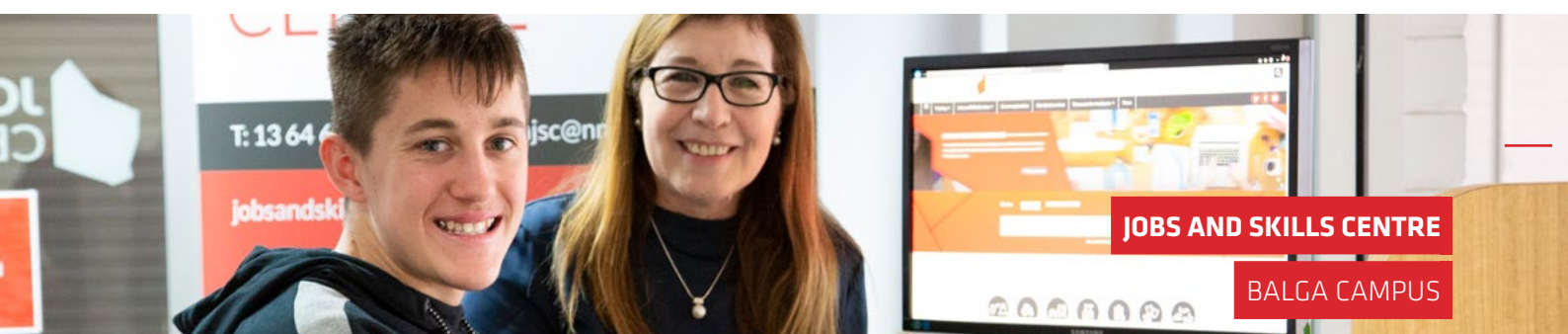
New policies were also developed to assist staff with supporting students with disability. These policies also ensure the service provided to students is equitable and consistent throughout the College. The policies include:

- Disability Support policy
- Use of recording devices in class by students policy
- In-class support volunteer policy.

Increasing staff and student awareness of NMT Disability Support has been a focus over the last 12 months and has included the development and distribution of:

- Disability Support flyers, posters and business cards
- Disability Support pull-up banners at main campuses (Perth, Joondalup, Balga and Midland)
- Staff information guide – support for students with a Disability, Mental Health or Medical Condition
- Student information guide – information for students with a Disability, Mental Health or Medical Condition.





## Jobs and Skills Centres

Following the election in March 2017, the McGowan Government implemented a commitment in its Plan for Jobs to establish Jobs and Skills Centres at TAFE colleges. The initiative aims to provide enhanced career services to all individuals in the community, and increased engagement with industry.

Following extensive consultation and preparation, Jobs & Skills Centres (JSCs) commenced operation at Joondalup, Balga and Northbridge campuses on 16 April 2018 (along with three sites at South Metropolitan TAFE).

JSCs are a one-stop-shop for career, training and employment services.

The JSCs assist students, jobseekers and career changers with various services, including:

- information and guidance on career choices
- information about training and courses
- choosing the right training course or qualification to achieve personal, work or career goals
- information about different industry areas and occupations;
- job searching
- skills and qualification recognition information
- apprenticeship and traineeship assistance
- culturally sensitive employment and career services for Aboriginal people.

From 16 April to 31 December 2018 the NMT's JSCs delivered 5,389 services to 2,404 student, jobseeker or career changer clients.

Resume preparation and Interview skills workshops are regularly held at each centre. NMT's JSCs provided 58 career guidance workshops to schools, JSC clients and other members of the community from 16 April to 31 December 2018.

JSC services to employers include:

- recruitment assistance
- apprentice/trainee recruitment
- advertising employment opportunities on a jobs board and/or an Aboriginal-specific jobs board
- workforce development advice
- training or course information
- information on training solutions and services that can be customised to meet enterprise-specific needs
- access to TAFE and school students completing various vocational education and training qualifications relevant to industry
- resources and advice on Aboriginal recruitment and retention strategies.

**From 16 April to 31 December 2018 NMT's JSCs:**



**assisted 83 employers**  
with recruitment



**delivered 891 employer related services**  
to 297 organisations



04

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# Significant issues impacting the Agency

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NMT was the first College to implement the TAFE sector's new Student Management System (SMS) in Semester 1, 2018. With the rollout of the SMS coinciding with Semester 1 enrolments, staff were required to learn new business processes whilst dealing with students, which resulted in enrolments taking longer than usual. This led to a delay in some class registrations and the provision of student timetables.

Student and staff experiences with the system was initially challenging, but as knowledge of the systems processes increased, so did the staff capability and capacity in using the system to its full functionality.

Three new Jobs and Skills Centres (JSC's) opened at our Northbridge, Joondalup and Balga campuses. The JSC's offer free career, training and employment services to students, jobseekers and career changers, and provide advice to employers and businesses regarding customised training solutions.

With WA experiencing a decline in Employment Based Training in recent years, NMT employed a number of strategies to boost apprenticeship numbers in 2018. The commencement of apprenticeship training delivery of six "craft trades" in 2018 was in response to the commitment of the WA Government's Plan for Jobs. These trades include textile fabrication, wood machinist, vehicle trimmer, floor covering, upholsterer and timber furniture finisher. The introduction of these courses ensured that local apprentices could train in WA rather than be required to travel interstate for training.

NMT is strategically shaping itself to meet ongoing training needs and industry requirements and demand. In 2018, NMT started a process of realignment of academic portfolios in response to meeting the growing training needs in the areas of Health Care and Social Assistance, Civil Construction and Infrastructure and Automation and Integrated Technologies.





**COMPLIANCE**

**05**

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# Disclosures and compliance reporting

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## Quality and Development -Summary

NMT operates in a complex and highly regulated environment and is responsible for delivering quality training and assessment to provide skill outcomes for learners to contribute the economy of Western Australia.

In Higher Education, TEQSA renewed NMTs registration as a Higher Education Provider for seven years and reaccruited our suite of courses.

With an increased demand by industry for skill sets, NMT has developed and implemented a skill set registration process and over 70 NMT skills sets have been developed in 2018.

## Regulatory Activity

TAC approved 26 NMT scoping applications in 2018 with seven of these qualifications attracting a desktop audit and six participating in a site audit. In addition, four qualifications were submitted to ASQA onshore international delivery.

ASQA conducted the renewal of registration audit of TIWA from 13 to 17 August 2018. Sixteen qualifications were selected in the overall audit sample and nine were audited on multiple North Metropolitan (NMT) sites. ASQA applies a student centred audit approach and focuses on the phases of the student journey. The student journey phases are: marketing and recruitment; enrolment; support and progression; training and assessment; and completion.

NMT as a third party provider, was audited against the training and assessment phase of the student journey and the requirements of the Standards for RTOs and the National Code 2018. Delivery under TIWAs scope of registration covers delivery to international student's onshore and multijurisdictional delivery.

## 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 2018.

## Annual Monitoring

### Target

5% of Scope (~350+ training products) or 18 qualifications.

A total of 25 training products have undergone annual monitoring activities. The VET Internal Monitoring plan had several revisions over the course of 2018 and take into account the training products that underwent external monitoring.

## Supplementary Monitoring

### Target

20% of Scope (~70 training products). The level of activity undertaken has resulted in monitoring of an additional 39 qualifications.

The 2019 Internal Monitoring Plan will reflect the internal and external risks for the RTO.

## Staff development

242 workshops were scheduled in 2018 with over 2500 registrations for a range of academic professional development activity. The activity comprised a range of accredited, non-accredited, short course and portfolio specific professional development.

The range of PD covered a key priority being the upgrade of trainer and assessor credentials to meet the requirements of the *Standards for Registered Training Organisations (RTOs) 2015* (Standards for RTOs), instructional intelligence, SMS, Excel, mental health, disability awareness, cultural awareness, higher education and managing classrooms and difficult behaviours. Further PD was offered via Lynda.com and other online and external providers.



## 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*
- *Disability Discrimination Act 1992*
- *Disability Standards for Education 2005*
- *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*



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# Government policy and legal requirements

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## Industrial relations

In accordance with the WA TAFE Lecturers' General Agreement 2017 and the Public Service and Government Officers' General Agreement 2017, the Joint Staff Consultative Committee continued to provide opportunity for the discussion of matters that impacted in the workplace and a mechanism for meaningful consultation.

## Public Sector Standards and Ethical Codes

NMT is committed to ensuring compliance and best practice requirements of the Public Sector Standard in Human Resource Management, the Public Sector Code of Ethics and the NMT Staff Code of Conduct.

As required under Section 31 of the Public Sector Management Act 1994, NMT 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 reviewing Human Resources (HR) policies and procedures and providing information to staff on HR policies and procedures via the intranet and in Directors' Forums. In 2018, the College implemented the NMT Organisational Values and Staff Code of Conduct, following an extensive period of staff consultation. During the year, an online training module for Accountable and Ethical Decision Making (AEDM) was developed and this will be rolled out in 2019.

During 2018, four (4) new disciplinary matters relating to alleged breaches of the Code of Conduct were received and two (2) were found to have breached the Staff Code of Conduct and issued with a penalty. Two (2) cases remain unresolved and will carry over to 2019.

## 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 four Public Interest Disclosure (PID) Officers and has published internal policies and procedures related to its obligations. There were no PID applications received for the reporting period.

## Corruption prevention

There were no reported incidents during the reporting period.



## Staff profile

Table 4: Staffing numbers

Staff Profile	2016	2017	2018
Number of permanent, contract staff (Head count)	1107	1300	1320
Number of casual staff	470	543	422
Number of full-time staff (perm and contract)	527	667	669
Number of part-time staff (perm and contract)	580	633	651
FTE for year	997.5	1170.8	1139.38
Academic Delivery	556.14	692.23	678.57
Academic Support Services	117.27	368	350.51
Corporate Services	278.1	104.5	106.3
Unattached/Redeployees	0	9	4

### Workforce Data taken from Empower HRMIS

**Note:** Information provided as at 13th December 2018 for FTE. 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.

## Equal Employment Opportunity, Equity, Access and Diversity

The College continues to address the Government's priority to enhance diversity, for instance, we have partnered with Bizlink Quality Employment to place employees with a disability into employment within NMT. 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.

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

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

## Substantive Equality

In accordance with the Government's Policy Framework for Substantive Equality, the College has structures in place to monitor policies and processes that impact Aboriginal people, people with disabilities and ethnic minorities. This is undertaken through the roles of our Aboriginal Liaison Officer and Disability Services Officer.

## 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 local level campus based OSH Committees has an Executive Director or Director as the chairperson, and these committees 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 2018 the College continued to embed a safety culture where individual and collective responsibilities and accountability were integrated into everyday College planning and course delivery.

The local level campus based OSH Committees met quarterly to discuss and resolve OSH issues, review hazard and incident reports, and review progress against the Campuses Annual OSH Safety Plan.

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 supported by the College's OSH Team and in conjunction with the local level campuses OSH Committees to ensure appropriate numbers and training are maintained.

The College's Strategic OSH Committee met quarterly during 2018 to identify incident trends and remedial actions, and review budgets and OSH Plans. The Committee includes membership from all local level campus based OSH Committees, a corporate executive member and several management representatives.

Executive support mandated annual training sessions for all managers and supervisors, and this is anticipated to begin in early 2019. Training has been delayed due to the tendering process, however NMT is currently in the final stages of implementing online OSH training.

### 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 providing injury management support to all workers who sustain a work or related injury or illness with a focus on safe and early return to meaningful work and our injury management system is documented in accordance with the Workers' Compensation and Injury Management Act 1981.

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 5: Report of performance against the following targets

Measure	Actual results			Results against Target	
	2016	2017	2018	Target	Comment on Results
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	50%	50%	53.33%	Zero (0) or 10% improvement on the previous three (3) years	Longer investigation times required for LTI claims and an increase in LTI's.
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%	7%	Greater than or equal to 80%	Online OSH training will be conducted in early 2019. The launch has been delayed by the tendering process but is now in its final stages.

**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.** Low % rate due to delay in launch of online training. Online OSH training will be conducted in early 2019. The launch was delayed by the tendering process but is now in its final stages.

## 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. (Both of these have been revised and are currently awaiting approval from State Records Office).

In line with the approved RKP, the College currently maintains two legacy datasets that have been migrated into a Centralised EDRMS for the Training Sector – at the commencement of 2019 these will become read only and a new NMT dataset will become the main repository.

The College also installed a new student management system in early 2018 which contains all electronic records relating to the students journey at the College. This system replaces a 20 year old database that did not have recordkeeping functionality. These two systems are supported with a Learning Management System (LMS) used for delivery.

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

Training sessions consist of recordkeeping awareness training – implemented during induction and EDRMS training basic and advanced levels. All training sessions are readily available to staff to assist them in meeting their recordkeeping responsibilities. The training programs comprise of group presentations, online guides / cheat sheets, and one-to-one training. In 2019 a review of all training will be conducted with a plan to move to online using a Learning Management System (LMS).

Internal training supports the continued awareness, skills development and professionalism of all staff. In 2018 four training sessions were conducted for Records Management Staff.

## Breach of Credit Card use

In 2018, 7 NMT staff inadvertently used an NMT credit card for personal use.

**Table 6: Credit Card Breaches 2018**

[Reporting period 1 January to 31 December 2018]

### 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;	7
b) the aggregate amount of personal use expenditure for the reporting period;	\$311
c) the aggregate amount of personal use expenditure settled by the due date;	\$107
d) the aggregate amount of personal use expenditure settled after the period required by paragraph (c);	\$204
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	\$0

## 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 7: Expenditure for Advertising and Media Organisations

Class of organisation	Amount ex GST	Organisation	Total Expenditure in 2017
Advertising Agencies	\$38,016	Equilibrium	\$38,016
Market Research Organisations			
Polling Organisations			
Direct Mail Organisations			
	\$7,501.61	Carat	
Media Advertising Agencies	\$31,072.88	Facebook	\$96,644.54
	\$58,070.05	Google Ad-words	

## Remuneration

Table 8: The individual and aggregate cost of remunerating Governing Council members for NMT for 2018

Position	Name	Type of remuneration	Period of membership	Gross remuneration
Chair	Emeritus Professor William Loudon AM	Per Annum	1/07/2018 – 30/06/2021	\$24,818.56
Deputy Chair	Mr Peter Rowles	Per Annum	11/04/2016 – 30/06/2018	\$485.09
Deputy Chair	Ms Karen Jamvold	Per Annum	10/07/2017 – 30/06/2020	\$1,895.32
Member	Professor Arshad Omari	Per Annum	1/07/2018 – 30/06/2021	\$2,102.40
Member	Mr Graham Droppert	Per Annum	11/04/2016 – 30/06/2020	\$2,329.07
Member	Ms Mara West	Per Annum	11/04/2016 - 30/06/2020	\$1,681.92
Member	Ms Dianne Bianchini	Per Annum	11/04/2016 – 30/06/2020	\$2,102.40
Member	Dr Craig McLure	Per Annum	10/10/2016 – 30/06/2019	\$1,261.44
Member	Ms Cheryl Robertson	Per Annum	1/07/2018 – 30/06/2021	\$840.96
Member	Mr Adam Sofoulis	Per Annum	1/07/2018 – 30/06/2021	\$1,261.44
Member	Mrs Meryl Jones	Per Annum	1/07/2018 – 30/06/2021	\$840.96
Member	Dr Marina Hogan	Per Annum	11/04/2016 – 30/06/2018	\$1,261.44
Member	Ms Anne Donaldson	Per Annum	10/10/2016 – 30/06/2018	\$840.96
<b>Total</b>				<b>\$41,721.96</b>





## NMT CYBERSECURITY TRAINING CENTRE

### JOONDALUP (KENDREW) CAMPUS

## Governance Disclosures

The Governing 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 one declaration reported for 2018 was;

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.

## Capital Works

NMT's capital work projects were funded by State Government contributions and internally generate revenue.

Projects included:

- Refurbishment of training areas to support Craft Skills training delivery within Balga and Midland campuses
- Refurbishment of T Block within McLarty campus to create Beauty Therapy training space
- Creation of Cybersecurity Training Centre within Joondalup campus
- Creation of Plumbing and Industrial automation training space within Clarkson
- Clarkson roof repairs to resolve longstanding leaks
- Replacement of East Perth chillers and air handling units
- Replacement of level 3 roof at 25 Aberdeen Street to repair longstanding leaks
- Balga toilet refurbishment, upgrade to walkways and anti-slip finishing to workshop floors.



**TRAINING EXCELLENCE IN ACCOUNTING**

**PERTH (NORTHBRIDGE) CAMPUS**

**NORTH METROPOLITAN TAFE**

07



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# Independent Auditors Report

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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 2018, 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 2018 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

### **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 2018.

#### **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 2018. 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 2018.

#### **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 2018 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.



CAROLINE SPENCER  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
6 March 2019





**BUILDING 25**

**PERTH (NORTHBRIDGE) CAMPUS**

**NORTH METROPOLITAN TAFE**

**08**

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# Key Performance Indicators

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## 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 2018.



Emeritus Professor  
Bill Loudén AM  
Chair, Governing Council  
North Metropolitan TAFE  
1 March 2019



Michelle Hoad  
Managing Director  
North Metropolitan TAFE  
1 March 2019



# Effectiveness Indicators

## Stakeholder Satisfaction

### Overall Student Satisfaction Rating

In 2018 the Student Satisfaction Survey was conducted by EY Sweeney (trading name of Ernst & Young) for the Department of Training and Workforce Development (DTWD). Student Satisfaction Survey measures the extent to which students were satisfied with the training they received from NMT. The survey measures the 'satisfied' and 'very satisfied' responses received from students responding to the question 'Overall how satisfied were you with your course?'

The Student Satisfaction Survey fieldwork was conducted between September 10, 2018 and November 25, 2018.

The usable student population for 2018 for NMT was 16,134 and the college achieved 25.9% response rate with 4,185 students completing the survey.

Table 9: Overall Student Satisfaction

Measure	2018 Target	2018 Actual	2017 Actual	2016 Actual
North Metropolitan TAFE	85%	85.3%	84.6%	86.4%
Western Australia	N/A	88.2%	87.3%	88.9%

#### Notes:

- Source:** Department of Training and Workforce Development, 2018 WA Student Satisfaction Survey.
- Derivation:** Standard error and margin of error are calculated on NET Satisfaction scores. Margin of error is calculated at the 95% confidence interval.
- Comment:** Students from Balga and Midland campuses are not represented in the 2016 data

## Student Outcome Survey

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

- Graduate Achievement
- Graduate Destination

## Graduate Achievement

Graduate achievement measures the extent to which NMT Graduates have achieved their main reason for doing the training.

Table 10: Graduate Achievement

Measure	2018 Target	2018 Actual	2017 Actual
North Metropolitan TAFE	80%	76.9%	79.6%

## Graduate Destination

Graduate destination data measures the percentage of graduates in employment on completion of training. The decline in employment outcomes reflects fluctuations in the labour market and increase in the number of people looking for work or re-entering the job market in WA<sup>5</sup>. 81.3% of NMT students were employed or in further studies after training.

Table 11: Graduate Destination

Measure	2018 Target	2018 Actual	2017 Actual
North Metropolitan TAFE	70%	64.1%	66.1%

**Notes:**

- Source:** NVCE National Student Outcome Survey, 2018. SOS is managed by the National Centre for Vocational Education Research (NCVER) on behalf of the Australian Government and state and territory governments, with funding provided through the Australian Government Department of Education and Training.
- Derivation:** Measured at a confidence level of 95%, which means the probability that the confidence interval contains the true population value is 95%.
- Comment:** Outcomes of students who completed their vocational education and training (VET) in Australia during 2017, using data collected in mid-2018.

## 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 2018 Delivery and Performance Agreement (DPA) contracted the College to deliver 9,000,000 SCH, with the achievement of 8,559,701 SCH (95.1%) delivered.

The Department of Training and Workforce Development provides NMT with the opportunity to review and make any modifications to the original DPA targets twice a year. NMT took the opportunity to reduce its initial target by 300,000 SCH in the September addendum. The College achieved 98.4% of its revised SCH target.

Table 12 below provides a comparative assessment of performance against planned DPA activity, and also actual delivery in 2018. The planning process involves predicting likely demand for training activity; whilst considering government priorities, the needs of individuals and industry. However, actual SCH delivered represents the actual demand for training across occupational areas. These variations highlight the willingness and ability of the College to accommodate changes in demand.

## Profile Achievement

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

Table 12: Profile Achievement

2018 Target	2018 Actual	2017 Actual	2016 Actual
100%	95.1%	91.7%	89.0%

**Notes:**

- Source:** North Metropolitan TAFE, NAT files
- Derivation:** DPA data represents the actual achievement of SCH in respective years.
- Comment:** Profile achievement is calculated by the actual delivery and performance agreement SCH achieved divided by the target SCH contained within the Delivery and Performance Agreement.

<sup>5</sup> <http://lmp.gov.au/default.aspx?LMIP/EmploymentRegion/WA/PerthNorth/UnemploymentRateTimeSeries>

## Profile Analysis for North Metropolitan TAFE

The total number of Student Curriculum Hours (SCH) delivered from 1 January to 31 December 2018 under the College's Delivery and Performance Agreement, is outlined in Table 13, in ANZSCO groups.

In Table 13, the ANZSCO sub groups above target (+40, 000 SCH) included: Specialist Managers, Carers and Aides, and Other Clerical and Administrative Workers. The ANZSCO sub groups below target (-40,000 SCH) included: Hospitality, Retail and Service Managers, Construction Trades Workers. There was a significant variance between the target and achieved SCH for the areas of Engineering, ICT and Science Technicians and Health and Welfare Support Workers.

**Table13: Achievement of 2018 Profile Delivery (DPA) by ANZSCO sub groups**

Department of Training and Workforce Development ANZSCO Groups	2018 Target Profile(SCH)	2018 Actual Profile (SCH)	2017 Target Profile(SCH)	2016 Actual Profile (SCH)
11. Chief Executives, General Managers and Legislators	19,270	12,660	17,820	15,520
12. Farmers and Farm Managers	2,545	-	2,545	1,985
13. Specialist Managers	111,035	154,464	128,700	102,487
14. Hospitality, Retail and Service Managers	313,879	191,637	216,249	104,630
<b>1. MANAGERS Total</b>	<b>446,729</b>	<b>358,761</b>	<b>365,314</b>	<b>224,622</b>
21. Arts and Media Professionals	597,950	588,193	580,011	468,969
22. Business, Human Resource and Marketing Professionals	99,105	79,210	88,885	89,800
23. Design, Engineering, Science and Transport Professionals	314,319	278,255	313,911	342,552
24. Education Professionals	15,955	20,495	15,955	18,550
25. Health Professionals	42,030	41,305	23,265	-
26. ICT Professionals	244,680	213,225	234,155	178,003
27. Legal, Social and Welfare Professionals	47,810	70,840	44,805	81,735
<b>2. PROFESSIONALS Total</b>	<b>1,361,849</b>	<b>1,291,523</b>	<b>1,300,987</b>	<b>1,179,609</b>
31. Engineering, ICT and Science Technicians	999,626	785,330	944,013	801,848
32. Automotive and Engineering Trades Workers	131,444	146,518	142,675	22,608
33. Construction Trades Workers	347,955	260,581	287,652	63,715
34. Electro technology and Telecommunications Trades Workers	162,550	192,743	158,305	36,681
35. Food Trades Workers	106,257	113,362	107,909	105,612
36. Skilled Animal and Horticultural Workers	39,066	47,083	39,106	23,718
39. Other Technicians and Trades Workers	201,375	209,565	228,750	277,868
<b>3. TECHNICIANS AND TRADES WORKERS Total</b>	<b>1,988,273</b>	<b>1,755,182</b>	<b>1,908,410</b>	<b>1,332,050</b>
41. Health and Welfare Support Workers	1,394,395	1,128,740	1,321,952	1,195,330
42. Carers and Aides	967,706	1,033,979	982,259	803,119
43. Hospitality Workers	61,321	65,496	65,940	56,844
44. Protective Service Workers	880	18,810	1,090	80
45. Sports and Personal Service Workers	371,946	383,482	393,508	377,095
<b>4. COMMUNITY AND PERSONAL SERVICE WORKERS Total</b>	<b>2,796,248</b>	<b>2,630,507</b>	<b>2,764,749</b>	<b>2,432,468</b>
51. Office Managers and Program Administrators	53,035	56,190	50,050	69,495
52. Personal Assistants and Secretaries	19,040	14,115	20,325	20,890
53. General Clerical Workers	211,340	211,090	227,318	193,425
54. Inquiry Clerks and Receptionists	33,375	29,275	17,635	19,630
55. Numerical Clerks	145,035	155,535	142,330	111,735
59. Other Clerical and Administrative Workers	103,825	144,220	111,550	148,500
<b>5. CLERICAL AND ADMINISTRATIVE WORKERS Total</b>	<b>565,650</b>	<b>610,425</b>	<b>569,208</b>	<b>563,675</b>

Department of Training and Workforce Development ANZSCO Groups	2018 Target Profile(SCH)	2018 Actual Profile (SCH)	2017 Target Profile(SCH)	2016 Actual Profile (SCH)
61. Sales Representatives and Agents	2,646	6,062	1,100	5,523
62. Sales Assistants and Salespersons	2,669	2,503	2,463	8,072
<b>6. SALES WORKERS Total</b>	<b>5,315</b>	<b>8,565</b>	<b>3,563</b>	<b>13,595</b>
71. Machine and Stationary Plant Operators	64,666	75,233	70,106	69,065
<b>7. MACHINERY OPERATORS AND DRIVERS Total</b>	<b>64,666</b>	<b>75,233</b>	<b>70,106</b>	<b>69,065</b>
82. Construction and Mining Labourers	95,325	83,469	82,187	37,128
83. Factory Process Workers	37,567	49,495	36,936	14,717
84. Farm, Forestry and Garden Workers	36,058	50,569	37,401	22,407
85. Food Preparation Assistants	15,590	13,184	15,630	11,917
89. Other Labourers	153,027	165,758	190,081	91,709
<b>8. LABOURERS Total</b>	<b>337,567</b>	<b>362,475</b>	<b>362,235</b>	<b>177,878</b>
GB – Adult Literacy/ESL	1,158,748	1,184,560	1,174,190	832,770
GC – Languages	36,770	39,525	36,330	37,050
GE – Targeted Courses	238,185	242,945	249,905	263,873
<b>G. General Education</b>	<b>1,433,703</b>	<b>1,467,030</b>	<b>1,460,425</b>	<b>1,133,693</b>
<b>Total Profile Delivery</b>	<b>9,000,00</b>	<b>8,559,701</b>	<b>8,804,997</b>	<b>7,126,655</b>

**Notes:**

- Source:** North Metropolitan TAFE
- 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 NAT files.
- Comments:** 2016 data does not include delivery at the Midland and Balga campuses.

## Efficiency indicator

### Overall cost per student curriculum hour

The overall cost per SCH demonstrates the efficiency with which NMT manages its resources to enable the provision of vocational education and training programs. The overall cost per SCH shows the aggregate unit cost of delivery output per SCH, based on the delivery costs (total cost of service) as detailed in the Financial Statements.

Table 14 presents the actual cost of SCH compared to target cost. The increase in cost of SCH can be attributed largely to a short fall in commercial delivery, particularly a reduction in onshore international student delivery.

**Table 14: Delivery Cost per SCH**

	2018 Target	2018 Actual	2017 Actual
Overall cost per student curriculum hour	\$14.04	\$17.68	\$15.30

**Notes:**

- Comments:** The total delivery cost per SCH is calculated by dividing the total cost of services by the total SCH delivered including profile and non-profile delivery.



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# Financial Statements

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## 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 2018 and the financial position as at 31 December 2018.

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  
1 March 2019



Michelle Hoad  
Managing Director  
North Metropolitan TAFE  
1 March 2019



Michael Juliff  
Chief Finance Officer  
North Metropolitan TAFE  
1 March 2019

**North Metropolitan TAFE**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

2018

2017

	Notes	\$	\$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	2.1	127,069,548	125,385,879
Grants and subsidies	2.2	12,197	13,119
Supplies and services	2.3	37,424,464	35,033,718
Asset revaluation decrement	2.3	-	8,091,306
Other expenses	2.3	12,552,150	10,226,497
Cost of sales	3.3	364,626	364,103
Loss on disposal of non-current assets	3.6	11,216	22,664
Depreciation and amortisation expense	4.1	13,388,805	14,384,518
<b>Total cost of services</b>		<b>190,823,008</b>	<b>193,521,805</b>
<b>Income</b>			
<b>Revenue</b>			
Fee for service	3.2	26,586,037	31,717,278
Student fees and charges	3.2	28,087,336	30,682,275
Ancillary trading	3.2	602,467	622,965
Sales	3.3	321,164	390,690
Interest revenue	3.4	1,350,882	1,438,727
Other revenue	3.5	2,916,697	801,600
<b>Total revenue</b>		<b>59,864,583</b>	<b>65,653,535</b>
<b>Gains</b>			
Gain arising from changes in fair value - land	3.6	4,420,000	-
Gain arising from changes in fair value - buildings	3.6	7,134,936	-
<b>Total gains</b>		<b>11,554,936</b>	<b>-</b>
<b>Total income other than income from State Government</b>		<b>71,419,519</b>	<b>65,653,535</b>
<b>NET COST OF SERVICES</b>		<b>119,403,488</b>	<b>127,868,270</b>
<b>Income from State Government</b>			
Service appropriation	3.1	104,775,383	106,959,490
Services received free of charge	3.1	6,831,238	6,615,775
<b>Total income from State Government</b>	3.1	<b>111,606,620</b>	<b>113,575,266</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(7,796,868)</b>	<b>(14,293,005)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD</b>		<b>(7,796,868)</b>	<b>(14,293,005)</b>

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

**North Metropolitan TAFE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

		2018	2017
	Notes	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.1	38,752,330	49,006,119
Restricted cash and cash equivalents	6.1	4,595,501	8,512,888
Receivables	5.1	5,535,745	6,948,944
Inventories	3.3	237,649	224,520
Other current assets	5.2	1,533,095	1,189,990
<b>Total Current Assets</b>		<b>50,654,321</b>	<b>65,882,463</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	6.1	1,763,071	1,305,400
Property, plant and equipment	4.1	413,489,530	410,595,905
<b>Total Non-Current Assets</b>		<b>415,252,601</b>	<b>411,901,305</b>
<b>TOTAL ASSETS</b>		<b>465,906,922</b>	<b>477,783,767</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5.3	7,213,824	6,826,712
Employee related provisions	2.1	21,502,708	22,234,069
Other current liabilities	5.4	3,747,260	7,812,062
<b>Total Current Liabilities</b>		<b>32,463,792</b>	<b>36,872,844</b>
<b>Non-Current Liabilities</b>			
Employee related provisions	2.1	4,150,234	3,962,140
<b>Total Non-Current Liabilities</b>		<b>4,150,234</b>	<b>3,962,140</b>
<b>TOTAL LIABILITIES</b>		<b>36,614,026</b>	<b>40,834,984</b>
<b>NET ASSETS</b>		<b>429,292,896</b>	<b>436,948,783</b>
<b>EQUITY</b>			
Contributed equity	8.8	465,422,465	465,281,485
Reserves	8.8	123,724	123,724
Accumulated surplus / (deficit)		(36,253,293)	(28,456,425)
<b>TOTAL EQUITY</b>		<b>429,292,896</b>	<b>436,948,783</b>

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

**North Metropolitan TAFE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation - Department of Training and Workforce Development		105,015,050	107,672,759
<b>Total Net cash provided by State Government</b>		<b>105,015,050</b>	<b>107,672,759</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(124,735,971)	(125,570,080)
Supplies and services		(31,149,887)	(26,231,289)
Grants and subsidies		(12,197)	(13,119)
GST payments on purchases		(3,659,006)	(3,337,630)
Other payments		(11,930,959)	(10,151,678)
<b>Receipts</b>			
Fee for service		26,324,279	31,681,938
Student fees and charges		21,646,724	27,900,724
Ancillary trading		601,195	622,965
Interest received		1,381,556	1,459,214
GST receipts on sales		507,557	1,779,745
GST receipts from taxation authority		3,131,278	1,487,929
Other receipts		3,251,064	1,582,758
<b>Net cash used in operating activities</b>	6.1	<b>(114,644,367)</b>	<b>(98,788,522)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current physical assets		(2,448,223)	(1,576,506)
Capital Contribution		(1,635,964)	
<b>Receipts</b>			
Proceeds from sale of non-current physical assets		-	-
<b>Net cash provided by investing activities</b>		<b>(4,084,187)</b>	<b>(1,576,506)</b>
Net increase/(decrease) in cash and cash equivalents		<b>(13,713,505)</b>	<b>7,307,731</b>
Cash and cash equivalents at the beginning of period		58,824,408	51,516,676
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	6.1	<b>45,110,902</b>	<b>58,824,407</b>

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



**North Metropolitan TAFE**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2018**

		Contributed Equity	Reserves	Accumulated Surplus / (Deficit)	Total Equity
	Notes	\$	\$	\$	\$
<b>Balance at 1 January 2017</b>		392,769,067	123,724	(14,163,420)	378,729,370
Surplus/(deficit)				(14,293,005)	(14,293,005)
Other comprehensive income	8.8		-	-	-
Total comprehensive income for the period		-	-	(14,293,005)	(14,293,005)
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		1,064,414	-		1,064,414
Other contributions by owners		71,448,004	-		71,448,004
Total		72,512,418	-	-	72,512,418
<b>Balance at 31 December 2017</b>		<b>465,281,485</b>	<b>123,724</b>	<b>(28,456,425)</b>	<b>436,948,783</b>

<b>Balance at 1 January 2018</b>		465,281,485	123,724	(28,456,425)	436,948,783
Surplus/(deficit)				(7,796,868)	(7,796,868)
Total comprehensive income for the period		-	-	(7,796,868)	(7,796,868)
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		1,776,944	-		1,776,944
Distributions to owners		(1,635,964)	-		(1,635,964)
Total		140,980	-	-	140,980
<b>Balance at 31 December 2018</b>		<b>465,422,465</b>	<b>123,724</b>	<b>(36,253,293)</b>	<b>429,292,896</b>

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

## 1 Basis of preparation

North Metropolitan TAFE (NM TAFE) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. NM TAFE is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

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

These annual financial statements were authorised for issue by the Managing Director of NM TAFE on 1 March 2019.

### Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006* (FMA)
- 2) The Treasurer's Instructions (the Instructions or TI)
- 3) Australian Accounting Standards (AAS) including applicable interpretations
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and historical cost convention except for land, buildings and works of art which have been measured at fair value.

### Judgements and estimates

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

### Contributed equity

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

## 2 Use of our funding

### Expenses incurred in the delivery of services

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

	Notes	2018	2017
Employee benefits expenses	2.1(a)	127,069,548	125,385,879
Employee related provisions	2.1(b)	25,652,942	26,196,209
Grants and subsidies	2.2	12,197	13,119
Other expenditure	2.3	12,552,150	18,317,803

#### 2.1(a) Employee benefits expenses

	2018	2017
Wages and salaries	115,020,877	113,316,178
Termination benefits	805,328	1,074,368
Superannuation - defined contribution plans <sup>(a)</sup>	11,243,343	10,995,333
<b>Total employee benefits expenses</b>	<b>127,069,548</b>	<b>125,385,879</b>

<sup>(a)</sup> Defined contribution plans includes West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS) Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

**Wages and salaries:** Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax and leave entitlements.

**Termination benefits:** Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when NM TAFE is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

**Superannuation:** The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for NM TAFE purposes because the concurrent contributions (defined contributions) made by NM TAFE to GESB extinguishes NM TAFE's obligations to the related superannuation liability.

NM TAFE does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. 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 NM TAFE to the GESB.

The 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.

## 2.1(b) Employee related provisions

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

	2018	2017
<b>Current</b>		
<u>Employee benefits provision</u>		
Annual leave <sup>(a)</sup>	4,181,383	3,906,535
Long service leave <sup>(b)</sup>	15,830,223	16,865,735
Deferred salary scheme <sup>(c)</sup>	217,681	132,104
Purchased leave <sup>(d)</sup>	4,901	12,802
	20,234,189	20,917,176
<u>Other provisions</u>		
Employment on-costs <sup>(e)</sup>	1,268,519	1,316,893
<b>Total current employee benefits provisions</b>	<b>21,502,708</b>	<b>22,234,069</b>
<b>Non-current</b>		
<u>Employee benefits provision</u>		
Long service leave <sup>(b)</sup>	3,903,604	3,726,575
	3,903,604	3,726,575
<u>Other provisions</u>		
Employment on-costs <sup>(e)</sup>	246,630	235,565
<b>Total non-current employee benefits provisions</b>	<b>4,150,234</b>	<b>3,962,140</b>
<b>Total employee benefits provisions</b>	<b>25,652,942</b>	<b>26,196,209</b>

<sup>(a)</sup> **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

<sup>(b)</sup> **Long service leave liabilities:** Unconditional long service leave provisions are classified as current liabilities as NM TAFE does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because NM TAFE has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave liabilities are calculated at present value as NM TAFE does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

<sup>(c)</sup> **Deferred salary scheme liabilities:** Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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

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

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

	2018	2017
<b>Employment on-costs provisions</b>		
Carrying amount at start of period	1,552,458	1,225,761
Additional / (reversals of) provisions recognised	719,774	1,085,719
Payments / other sacrifices of economic benefits	(757,083)	(759,022)
<b>Total Carrying amount at end of period</b>	<b>1,515,149</b>	<b>1,552,458</b>

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

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

Several estimates and assumptions are used in calculating NM TAFE's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

## 2.2 Grants and subsidies

### Recurrent

Scholarships for students

**Total grants and subsidies**

2018	2017
12,197	13,119
<b>12,197</b>	<b>13,119</b>

Transactions in which NM TAFE provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools and community groups.

## 2.3 Other expenditure

### Supplies and services

Consumables and minor equipment

Communication expenses

Utilities expenses

Consultancies and contracted services

Minor works

Repairs and maintenance

Operating lease and hire charges

Travel and passenger transport

Advertising and public relations

Staff professional development activities

Supplies and services - other

**Total supplies and services expenses**

2018	2017
9,601,952	7,512,197
749,531	677,625
4,254,394	4,295,627
17,905,307	17,306,621
775,830	326,990
483,104	427,513
1,122,978	1,419,110
127,255	277,170
211,255	204,743
175,820	111,039
2,017,038	2,475,083
<b>37,424,464</b>	<b>35,033,718</b>

### Other expenditure

Audit fees

Building maintenance

Doubtful debts expense

Employment on-costs

Student prizes and awards

Losses and write-offs

Other

**Total other expenses**

173,000	173,000
3,408,715	2,116,269
1,144,754	306,085
7,777,272	7,525,294
13,163	85,117
23,929	4,389
11,317	16,342
<b>12,552,150</b>	<b>10,226,497</b>

### Asset revaluation decrement

Asset revaluation decrement

**Total asset revaluation decrement**

-	8,091,306
<b>-</b>	<b>8,091,306</b>

**Total other expenditure**

<b>12,552,150</b>	<b>18,317,803</b>
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### Supplies and services:

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

### Repairs, maintenance and minor works:

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

### Other:

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



**Doubtful debts expense:**

Doubtful debts expense was recognised as the movement in the allowance for doubtful debts. From 2018 expected credit losses expense is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses credit losses of receivables is measured at the lifetime expected credit losses at each reporting date. NM TAFE has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Employment on-costs:**

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

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

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

	Notes	2018	2017
Income from State Government	3.1	111,606,620	113,575,266
User charges and fees	3.2	55,275,841	63,022,517
Trading profit	3.3	(43,462)	26,587
Interest revenue	3.4	1,350,882	1,438,727
Other revenue	3.5	2,916,697	801,600
Gain/(loss)	3.6G	(11,216)	(22,664)

**3.1 Income from State Government**

	2018	2017
Appropriation received during the period:		
Service appropriation <sup>(a)</sup>		
Delivery and Performance Agreement (DPA)	103,004,650	105,468,534
Non-DPA Grants from Department of Training and Workforce Development (DTWD)	1,770,733	876,077
Other recurrent funds	-	614,879
	104,775,383	106,959,490
Services received free of charge from other State Government agencies during the period:		
Department of Training and Workforce Development		
- Corporate systems support	6,027,851	5,943,213
- Marketing and publications	20,379	22,415
- Human resources and industrial relations support	71,679	80,916
- Other	652,906	564,027
Other Government (State Solicitor's Office)	58,422	5,204
	6,831,238	6,615,775
<b>Total income from State Government</b>	<b>111,606,620</b>	<b>113,575,266</b>

(a) Service Appropriations are recognised as revenues at fair value in the period in which NM TAFE gains control of the appropriated funds. NM TAFE gains control of appropriated funds at the time those funds are deposited in the bank account

Service appropriations fund the net cost of services delivered. Appropriate revenue comprises the following:

- Cash component; and
- A receivable (asset).

(b) **Transfer of assets:** Discretionary transfers of assets (including grants) and State Government agencies are reported under Income from State Government. Transfers of assets and liabilities in relation to a restructure or administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004. Other non-discretionary non-reciprocal transfers of assets and liabilities designed as contribution by owners under TI 955 are also recognised directly to equity.

**3.2 User charges and fees**

	2018	2017
<b>Fee for service</b>		
Fee for service - General	3,574,068	4,758,576
Fee for service - Department of Training and Workforce Development (DTWD)	1,750	38,682
Fee for service - Government (other than DTWD)	12,383,024	12,458,690
International fees	9,076,329	12,466,324
Higher education	1,517,791	1,995,006
Fee for service - Other	33,076	-
<b>Total fee for service</b>	<b>26,586,037</b>	<b>31,717,278</b>

**Student fees and charges**

Tuition fees	22,481,410	24,356,018
Enrolment and Resource fees	4,746,849	5,561,899
Recognition of prior learning (RPL) fees	655,841	517,259
Incidental fees	24,140	11,438
Other College fees	179,097	235,661
<b>Total student fees and charges</b>	<b>28,087,336</b>	<b>30,682,275</b>

**Ancillary trading**

Live Works (not a trading activity)	540,594	575,496
Contracting & Consulting Revenue	-	5,135
Other Ancillary Revenue	61,873	42,333
<b>Total ancillary trading</b>	<b>602,467</b>	<b>622,965</b>
<b>Total User charges and fees</b>	<b>55,275,841</b>	<b>63,022,517</b>

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities when fees and charges are due.

**3.3 Trading profit**

	2018	2017
Bookshop		
Sales	321,164	390,690
Cost of Sales:		
Opening Inventory	(232,704)	(218,361)
Purchases	113,911	86,962
	(118,794)	(131,399)
Closing Inventory	(245,832)	(232,704)
Cost of Goods Sold	(364,626)	(364,103)
<b>Total trading profit/(loss) - Bookshop</b>	<b>(43,462)</b>	<b>26,587</b>
<b>Total Trading profit/(loss)</b>	<b>(43,462)</b>	<b>26,587</b>
<b>Closing Inventory comprises:</b>		
<b>Current Inventories</b>		
Finished goods		
At cost	245,832	232,704
Total current inventory trading activities	245,832	232,704
Provision for obsolete stock trading activities	(8,184)	(8,184)
<b>Total current inventories</b>	<b>237,649</b>	<b>224,520</b>

**Sales**

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

**Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each particular class of inventory, with the majority being measured on a first in first out basis. Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

**3.4 Interest revenue**

	2018	2017
Interest revenue	1,350,882	1,438,727

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

**3.5 Other revenue**

	2018	2017
Rental and facilities fees	543,575	432,201
Other direct grants and subsidy revenue	-	30,000
Copyright and royalties revenue	377	387
Sponsorship and donations revenue	25,892	63,860
Miscellaneous revenue <sup>(a)</sup>	2,346,853	275,151
	2,916,697	801,600

(a) Miscellaneous Revenue includes the recoup of Voluntary Severance costs from DTWD which were paid in 2018 (\$1,275K) and the refund of Workers Compensation premiums paid to RiskCover in previous years (\$706K).

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

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

### 3.6 Gains/(Losses)

#### Carrying amount of non-current assets disposed

Motor vehicles, caravans and trailers

Plant, furniture and general equipment

Computers and communication network

Works of art

**Net Gain/(loss)**

	2018	2017
-	-	(8,667)
(2,327)	(2,327)	(4,147)
(8,889)	(8,889)	(4,850)
-	-	(5,000)
<b>(11,216)</b>	<b>(11,216)</b>	<b>(22,664)</b>
4,420,000	4,420,000	-
7,134,936	7,134,936	-
<b>11,554,936</b>	<b>11,554,936</b>	<b>-</b>
<b>11,554,936</b>	<b>11,554,936</b>	<b>-</b>

#### Other gains

Gain arising from changes in fair value - land

Gain arising from changes in fair value - buildings

**Other gains**

**Total gains**

Gains on the fair value of land and buildings in 2018 are included within Net Cost of Services as they offset decrements in value in preceding years. In 2016 (\$16.6 million) and 2017 (\$8.1 million), the decrements were reported as an expense.

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

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

## 4 Key assets

### Assets utilised for economic benefit or service potential

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

	Notes	2018	2017
Property, plant and equipment	4.1.1	413,489,530	410,595,905
Total key assets		<b>413,489,530</b>	<b>410,595,905</b>

### 4.1 Property, plant and equipment

	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 2018									
<b>1 January 2018</b>									
Gross carrying amount	93,690,000	310,842,555	502,162	39,758	174,746	3,425,168	1,577,128	2,057,309	412,308,826
Accumulated depreciation	-	-	-	(14,740)	(82,704)	(925,949)	(689,527)	-	(1,712,921)
Accumulated impairment losses	-	-	-	-	-	-	-	-	-
<b>Carrying amount at start of period</b>	<b>93,690,000</b>	<b>310,842,555</b>	<b>502,162</b>	<b>25,018</b>	<b>92,042</b>	<b>2,499,218</b>	<b>887,601</b>	<b>2,057,309</b>	<b>410,595,904</b>
Additions		1,161,056	2,626,340			817,336	170,036	8,077	4,782,845
Transfers (a)		1,645,807	(1,812,959)			181,588	(14,436)		0
Other disposals								(16,515)	(16,515)
Capital Items Expensed							(38,555)	(280)	(38,835)
Revaluation increments/(decrements)	4,420,000	7,134,936							11,554,936
Impairment losses (b)									-
Impairment losses reversed (b)									-
Depreciation	-	(12,262,700)	-	(5,643)	(48,022)	(731,651)	(340,789)	-	(13,388,805)
<b>Carrying amount 31 December 2018</b>	<b>98,110,000</b>	<b>308,521,654</b>	<b>1,315,542</b>	<b>19,375</b>	<b>44,020</b>	<b>2,766,491</b>	<b>663,856</b>	<b>2,048,591</b>	<b>413,489,530</b>
Gross carrying amount	98,110,000	308,521,654	1,315,542	39,758	174,746	4,424,091	1,694,173	2,048,591	416,328,556
Accumulated depreciation	-	-	-	(20,383)	(130,726)	(1,657,600)	(1,030,317)	-	(2,839,026)

#### Initial recognition

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

Assets transferred as part of a machinery of government change are transferred at their fair value.

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

#### Subsequent measurement

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

Land is carried at fair value.

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

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

Land and buildings were revalued as at 31 December 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 31 December 2018 and recognised at 31 December 2018. In undertaking the revaluation, fair value was determined by reference to market values for land: \$2,370,000 (2017: \$2,160,000) and buildings :\$200,000 (2017: \$155,000). For the remaining balance, fair value of buildings was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Revaluation model:

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

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

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

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

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

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

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

#### 4.1.1 Depreciation and impairment

##### Charge for the period

##### Depreciation

Buildings
Leasehold improvements - buildings
Motor vehicles, caravans and trailers
Plant, furniture and general equipment
Computers and communication network
<b>Total depreciation for the period</b>

2018	2017
12,262,700	13,291,908
48,022	48,022
5,643	10,852
731,651	633,756
340,789	399,979
<b>13,388,805</b>	<b>14,384,518</b>

As at 31 December 2018 there were no indications of impairment to property, plant and equipment.

All surplus assets at 31 December 2018 have either been classified as assets held for sale or written-off.

##### Finite useful lives

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

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

Asset	Useful life: years
Building	5 to 40 years
Leasehold improvements	1 year
Motor vehicles, caravans and trailers	3 to 16 years
Plant, furniture and general equipment	2 to 21 years
Computer and communication equipment	3 to 5 years

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

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

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



## Impairment

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

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

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

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

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

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

## 5 Other assets and liabilities

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

	Notes	2018	2017
Receivables	5.1	5,535,745	6,948,944
Other assets	5.2	1,533,095	1,189,990
Payables	5.3	7,213,824	6,826,712
Other liabilities	5.4	3,747,260	7,812,062

### 5.1 Receivables

	2018	2017
<b>Current</b>		
Receivables - Trade	1,408,313	4,813,247
Receivables - Students	2,474,949	746,237
Allowance for impairment of receivables	(1,628,631)	(593,455)
Accrued revenue	2,620,732	1,337,453
GST receivable	660,381	645,463
<b>Total current</b>	<b>5,535,745</b>	<b>6,948,944</b>
<b>Total receivables</b>	<b>5,535,745</b>	<b>6,948,944</b>

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net receivables is equivalent to fair value as it is due for settlement within 30 days.

### 5.2 Other assets

	2018	2017
<b>Current</b>		
Prepayments	1,363,572	1,036,721
Other	169,523	153,269
<b>Total current</b>	<b>1,533,095</b>	<b>1,189,990</b>
<b>Balance at end of period</b>	<b>1,533,095</b>	<b>1,189,990</b>

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

### 5.3 Payables

	2018	2017
<b>Current</b>		
Trade payables	46,012	45,490
Accrued expenses	5,563,964	5,427,496
Accrued salaries and related costs	1,595,108	1,348,722
Paid parental leave payable	8,740	5,004
<b>Total current</b>	<b>7,213,824</b>	<b>6,826,712</b>
<b>Balance at end of period</b>	<b>7,213,824</b>	<b>6,826,712</b>

Payables are recognised at the amounts payable when NM TAFE becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

**Accrued salaries** represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. NM TAFE considers the carrying amount of accrued salaries to be equivalent to its fair value.

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

#### 5.4 Other liabilities

	2018	2017
<b>Current</b>		
Income received in advance <sup>(a)</sup>	957,084	5,265,223
Grants and advances (provision for under-delivery in Government funded courses)	2,244,833	1,953,066
Grants and advances other	-	52,100
Monies/deposits held in trust	535,994	530,961
Other current liabilities	9,349	10,712
<b>Balance at end of period</b>	<b>3,747,260</b>	<b>7,812,062</b>

<sup>(a)</sup> Includes unspent funds provided under the VET Student Loan arrangements not yet allocated to student enrolments and income received in advance from students (\$64K in 2018, \$5.1M in 2017).

## 6 Financing

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

	Notes
Cash and cash equivalents	6.1
Commitments	6.2
Non-cancellable operating lease commitments	6.2.1
Capital commitments	6.2.2
Other expenditure commitments	6.2.3

#### 6.1 Cash and cash equivalents

	2018	2017
<b>Current</b>		
Cash and cash equivalents		
Cash On Hand	18,530	18,930
Cash Advances	-	4,416
Cash At Bank	38,733,800	48,982,773
<b>Total cash and cash equivalents</b>	<b>38,752,330</b>	<b>49,006,119</b>
Restricted cash and cash equivalents current		
DPA funds due to DTWD <sup>(a)</sup>	2,244,833	1,953,066
Commonwealth specific purpose <sup>(b)</sup>	64,147	5,076,775
Capital works program <sup>(c)</sup>	1,751,824	951,627
Other <sup>(d)</sup>	534,697	531,421
<b>Total restricted cash and cash equivalents current</b>	<b>4,595,501</b>	<b>8,512,888</b>
<b>Total current</b>	<b>43,347,832</b>	<b>57,519,008</b>
<b>Non-current</b>		
Restricted cash and cash equivalents non-current <sup>(e)</sup>	1,763,071	1,305,400
<b>Total non-current</b>	<b>1,763,071</b>	<b>1,305,400</b>
<b>Balance at end of period</b>	<b>45,110,902</b>	<b>58,824,408</b>

<sup>(a)</sup> Monies refundable for under delivery of SCH

<sup>(b)</sup> Monies refundable to the Department of Education for student loans

<sup>(c)</sup> Ongoing building works projects

<sup>(d)</sup> Money bestowed on the College by private companies or individuals for the provision of awards to students

<sup>(e)</sup> Fourth year of the provision to set aside the cash for an extra pay period in 2026.

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

## 6.2 Commitments

### 6.2.1 Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Within 1 year

Later than 1 year and not later than 5 years

Later than 5 years

**Balance at end of period**

2018	2017
602,675	666,241
1,165,587	1,572,368
9,221	19,014
<b>1,777,483</b>	<b>2,257,623</b>

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

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.

### 6.2.2 Capital commitments

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

Within 1 year

**Balance at end of period**

The totals presented for capital commitments are GST inclusive.

2018	2017
87,161	496,536
<b>87,161</b>	<b>496,536</b>

### 6.2.3 Other expenditure commitments

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

Within 1 year

**Balance at end of period**

The totals presented for capital commitments are GST inclusive.

2018	2017
1,837,955	2,798,725
<b>1,837,955</b>	<b>2,798,725</b>

### Judgements made by management in applying accounting policies – operating lease commitments

NM TAFE has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

## 7 Risks and Contingencies

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

	Notes
Financial Instruments	7.1
Contingent assets	7.2.1
Contingent liabilities	7.2.2

### 7.1 Financial Instruments

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

	2018	2017
<b>Financial assets</b>		
Cash and cash equivalents	38,752,330	49,006,119
Restricted cash and cash equivalents	6,358,572	9,818,288
Receivables <sup>(a)</sup>	4,875,364	6,303,482
<b>Total financial assets</b>	<b>49,986,267</b>	<b>65,127,889</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	7,213,824	6,826,712
<b>Total financial liabilities</b>	<b>7,213,824</b>	<b>6,826,712</b>

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

### 7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

#### 7.2.1 Contingent assets

NM TAFE has no contingent assets.

#### 7.2.2 Contingent liabilities

NM TAFE has no contingent liabilities.

## 8 Other disclosures

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

	Notes
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related parties	8.4
Related bodies	8.5
Affiliated bodies	8.6
Remuneration of auditors	8.7
Equity	8.8
Supplementary financial information	8.9
Explanatory statement	8.10

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

There were no significant events occurring after the reporting period

### 8.2 Initial application of Australian Accounting Standards

#### AASB 9 Financial instruments

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurements for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

NM TAFE applied AASB 9 prospectively, with an initial application date of 1 January 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, NM TAFE has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in Accumulated surplus/(deficit).

The effect of adopting AASB 9 as at 1 January 2018 was assessed as not material, and therefore no adjustment was required to be made to comparative information.

#### (a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: NM TAFE's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of NM TAFE's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to NM TAFE. The following are the changes in the classification of NM TAFE's financial assets:

- Receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 January 2018
- NM TAFE did not designate any financial assets as at fair value through P/L.

In summary, upon the adoption of AASB 9, NM TAFE had the following required (or elected) reclassifications as at 1 January 2018:

	AASB 9 category		
	Amortised cost	Fair value through OCI	Fair value through P/L
	\$	\$	\$
<b>AASB 139 category</b>			
Receivables	5,535,745	-	-
	<b>5,535,745</b>	<b>-</b>	<b>-</b>

#### (b) Impairment

The adoption of AASB 9 has fundamentally changed NM TAFE's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires NM TAFE to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

Upon adoption of AASB 9, the effect was not considered to be material, therefore no adjustment was made.



### 8.3 Key management personnel

NM TAFE has determined key management personnel to include the Accountable Authority, senior officers of NM TAFE and the Minister that NM TAFE assists. NM TAFE does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of NM TAFE for the reporting period are presented within the following bands:

#### Compensation of Members of the Accountable Authority

##### Compensation Band (\$)

	2018	2017
270,001 - 280,000	1	-
250,001 - 260,000	-	1
20,001 - 30,000	1	1
1 - 10,000	12	8

#### Compensation of Senior Officer

##### Compensation Band (\$)

	2018	2017
200,001 - 210,000	-	2
190,001 - 200,000	3	3
180,001 - 190,000	3	2
170,001 - 180,000	-	1
160,001 - 170,000	1	-
140,001 - 150,000	1	-
90,001 - 100,000	-	1
10,001 - 20,000	-	1

Short-term employee benefits

1,426,056 1,594,181

Post-employment benefits

158,430 168,925

Other long-term benefits

170,524 185,653

#### Total compensation of senior officers

1,755,010 1,948,759

Total compensation includes the superannuation expense incurred by NM TAFE in respect of senior officers.

### 8.4 Related parties

NM TAFE is a wholly owned public sector entity that is controlled by the State of Western Australia.

Related parties of NM TAFE include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

#### Material transactions with other related parties

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

### 8.5 Related bodies

NM TAFE has no related bodies.

### 8.6 Affiliated bodies

NM TAFE has no affiliated bodies.

### 8.7 Remuneration of auditors

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

	2018	2017
Auditing the accounts, financial statements, controls and key performance indicators	173,000	173,000

## 8.8 Equity

### Contributed equity

Balance at start of period

*Contributions by owners*

Capital appropriation

*Transfer of net assets from other agencies*

Transfer of assets from other government agencies

**Total contributions by owners**

*Distributions to owners*

Transfer of net assets to other agencies:

Net assets transferred to Government:

**Total distributions to owners**

**Balance at the end of period**

### Asset revaluation surplus

Balance at start of period

Net revaluation increments / (decrements)

**Balance at end of period**

	2018	2017
Balance at start of period	465,281,485	392,769,067
Contributions by owners		
Capital appropriation	1,776,944	1,064,414
Transfer of net assets from other agencies	-	71,448,004
<b>Total contributions by owners</b>	<b>467,058,429</b>	<b>465,281,485</b>
Distributions to owners		
Transfer of net assets to other agencies:		
Net assets transferred to Government:	(1,635,964)	-
<b>Total distributions to owners</b>	<b>(1,635,964)</b>	<b>-</b>
<b>Balance at the end of period</b>	<b>465,422,465</b>	<b>465,281,485</b>
<b>Asset revaluation surplus</b>		
Balance at start of period	123,724	123,724
Net revaluation increments / (decrements)	-	-
<b>Balance at end of period</b>	<b>123,724</b>	<b>123,724</b>

## 8.9 Supplementary financial information

### (a) Write-offs

During the financial year \$346,225 (2017: 355,743) was written off NMT's assets under the authority of:

The accountable authority

	2018	2017
The accountable authority	346,225	355,743
	<b>346,225</b>	<b>355,743</b>

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

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

Amounts recovered

	2018	2017
Losses of public money and public and other property through theft or defaults	3,335	1,906
Amounts recovered	(2,303)	(1,955)

### 8.10 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2018, and between the actual results for 2018 and 2017.

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

- 5% and \$3.8 million for the Statements of comprehensive income and cash flows, and
- 5% and \$9.4 million for the Statement of financial position.

#### 8.10.1 Statement of Comprehensive Income Variances

	Variance Note	Estimate 2018 \$	Actual 2018 \$	Actual 2017 \$	Variance between estimate and actual \$	Variance between actual results for 2018 and 2017 \$
<b>Expenses</b>						
Employee benefits expense		132,965,486	127,069,548	125,385,879	(5,895,937)	1,683,669
Grants and subsidies		50,000	12,197	13,119	(37,803)	(922)
Supplies and services		35,385,571	37,424,464	35,033,718	2,038,893	2,390,747
Asset revaluation decrement	A	-	-	8,091,306	-	(8,091,306)
Other expenses		11,471,880	12,552,150	10,226,497	1,080,270	2,325,653
Cost of sales		313,484	364,626	364,103	51,142	523
Loss on disposal of non-current assets		16,000	11,216	22,664	(4,784)	(11,448)
Depreciation and amortisation expense		10,679,336	13,388,805	14,384,518	2,709,470	(995,713)
<b>Total cost of services</b>		<b>190,881,756</b>	<b>190,823,008</b>	<b>193,521,805</b>	<b>(58,749)</b>	<b>(2,698,797)</b>
<b>Income</b>						
<i>Revenue</i>						
Fee for service	1, B	32,653,785	26,586,037	31,717,278	(6,067,747)	(5,131,241)
Student fees and charges		31,224,370	28,087,336	30,682,275	(3,137,034)	(2,594,938)
Ancillary trading		610,748	602,467	622,965	(8,280)	(20,498)
Sales		381,245	321,164	390,690	(60,081)	(69,526)
Interest revenue		1,400,000	1,350,882	1,438,727	(49,119)	(87,846)
Other revenue		1,212,478	2,916,697	801,600	1,704,219	2,115,097
<b>Total revenue</b>		<b>67,482,625</b>	<b>59,864,583</b>	<b>65,653,535</b>	<b>(7,618,042)</b>	<b>(5,788,951)</b>
<i>Gains</i>						
Other gains	2, C	-	11,554,936	-	11,554,936	11,554,936
<b>Total gains</b>		<b>-</b>	<b>11,554,936</b>	<b>-</b>	<b>11,554,936</b>	<b>11,554,936</b>
<b>Total income other than income from State Government</b>		<b>67,482,625</b>	<b>71,419,519</b>	<b>65,653,535</b>	<b>3,936,895</b>	<b>5,765,985</b>
<b>NET COST OF SERVICES</b>		<b>123,399,131</b>	<b>119,403,488</b>	<b>127,868,270</b>	<b>(3,995,643)</b>	<b>(8,464,782)</b>
<b>Income from State Government</b>						
Service appropriation		108,205,083	104,775,383	106,959,490	(3,429,700)	(2,184,107)
Services received free of charge		4,303,645	6,831,238	6,615,775	2,527,593	215,462
<b>Total income from State Government</b>		<b>112,508,728</b>	<b>111,606,620</b>	<b>113,575,266</b>	<b>(902,107)</b>	<b>(1,968,645)</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(10,890,403)</b>	<b>(7,796,868)</b>	<b>(14,293,005)</b>	<b>3,093,536</b>	<b>6,496,137</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation surplus		-	-	-	-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD</b>		<b>(10,890,403)</b>	<b>(7,796,868)</b>	<b>(14,293,005)</b>	<b>3,093,536</b>	<b>6,496,137</b>

#### Major Estimate and Actual (2018) Variance Narratives

1 The number of International students studying at NMT has decreased significantly in 2018, resulting in a revenue reduction of \$2.8 M. Commonwealth revenue for the Adult Migrant English Program is down by \$1.2M over 2017 along with a drop in Higher Education.

2 Land and Building valuations increased by a net figure of \$11.6M over the same period last year. The increase in land values (\$4.4million) principally relates to the Northbridge and Joondalup land. The increase in building valuations (\$7.1 million) is across all campuses.

#### Major Actual 2018 and Comparative (2017) Variance Narratives

A In 2017, the valuation of NMT's land and buildings decreased by \$8 million. In 2018, the value subsequently increased by \$11.6 million (see note C)

B International Student revenue is \$3.8 million under original estimate due to a drop in the number of students. Commercial revenue is significantly lower than estimated across most areas, particularly for Higher Education students.

C Land and Building valuations increased by a net figure of \$11.6M which was not budgeted.

### 8.10.2 Statement of Financial Position Variances

	Variance Note	Estimate 2018 \$	Actual 2018 \$	Actual 2017 \$	Variance between estimate and actual \$	Variance between actual results for 2018 and 2017 \$
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	D	37,576,370	38,752,330	49,006,119	1,175,961	(10,253,789)
Restricted cash and cash equivalents		3,389,950	4,595,501	8,512,888	1,205,551	(3,917,387)
Receivables		3,730,486	5,535,745	6,948,944	1,805,259	(1,413,199)
Inventories		222,844	237,649	224,520	14,805	13,128
Other current assets		1,304,553	1,533,095	1,189,990	228,542	343,105
<b>Total Current Assets</b>		<b>46,224,203</b>	<b>50,654,321</b>	<b>65,882,463</b>	<b>4,430,118</b>	<b>(15,228,142)</b>
<b>Non-Current Assets</b>						
Restricted cash and cash equivalents		2,129,351	1,763,071	1,305,400	(366,280)	457,671
Property, plant and equipment		422,124,652	413,489,530	410,595,905	(8,635,121)	2,893,625
<b>Total Non-Current Assets</b>		<b>424,254,002</b>	<b>415,252,601</b>	<b>411,901,305</b>	<b>(9,001,401)</b>	<b>3,351,296</b>
<b>TOTAL ASSETS</b>		<b>470,478,205</b>	<b>465,906,922</b>	<b>477,783,768</b>	<b>(4,571,283)</b>	<b>(11,876,846)</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		4,125,788	7,213,824	6,826,712	3,088,036	387,112
Employee related provisions		21,821,370	21,502,708	22,234,069	(318,662)	(731,362)
Other current liabilities	C	2,358,879	3,747,260	7,812,062	1,388,381	(4,064,802)
<b>Total Current Liabilities</b>		<b>28,306,037</b>	<b>32,463,792</b>	<b>36,872,844</b>	<b>4,157,755</b>	<b>(4,409,052)</b>
<b>Non-Current Liabilities</b>						
Employee related provisions		4,277,000	4,150,234	3,962,140	(126,766)	188,094
<b>Total Non-Current Liabilities</b>		<b>4,277,000</b>	<b>4,150,234</b>	<b>3,962,140</b>	<b>(126,766)</b>	<b>188,094</b>
<b>TOTAL LIABILITIES</b>		<b>32,583,037</b>	<b>36,614,026</b>	<b>40,834,984</b>	<b>4,030,989</b>	<b>(4,220,958)</b>
<b>NET ASSETS</b>		<b>437,895,168</b>	<b>429,292,896</b>	<b>436,948,784</b>	<b>(8,602,272)</b>	<b>(7,655,888)</b>
<b>EQUITY</b>						
Contributed equity		465,806,463	465,422,465	465,281,485	(383,998)	140,980
Reserves		123,724	123,724	123,724	-	-
Accumulated surplus / (deficit)		(28,035,019)	(36,253,293)	(28,456,425)	(8,218,274)	(7,796,868)
<b>TOTAL EQUITY</b>		<b>437,895,168</b>	<b>429,292,896</b>	<b>436,948,783</b>	<b>(8,602,272)</b>	<b>(7,655,888)</b>

#### Major Actual 2018 and Comparative (2017) Variance Narratives

D The reduction in cash in 2018 reflects the deficit in which NMT operated in 2018.



### 8.10.3 Statement of Cash Flows Variances

Variance Note	Estimate 2018 \$	Actual 2018 \$	Actual 2017 \$	Variance between estimate and actual \$	Variance between actual results for 2018 and 2017 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>					
Service appropriation - DTWD	107,490,083	105,015,050	107,672,759	(2,475,033)	(2,657,709)
<b>Total Net cash provided by State Government</b>	<b>107,490,083</b>	<b>105,015,050</b>	<b>107,672,759</b>	<b>(2,475,033)</b>	<b>(2,657,709)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Payments</b>					
Employee benefits 3	(132,493,440)	(124,735,971)	(125,570,080)	7,757,469	834,109
Supplies and services E	(31,051,584)	(31,149,887)	(26,231,289)	(98,303)	(4,918,598)
Grants and subsidies	(50,000)	(12,197)	(13,119)	37,803	922
GST payments on purchases	(3,229,072)	(3,659,006)	(3,337,630)	(429,934)	(321,376)
GST payments to taxation authority	(56,841)	-	-	56,841	-
Other payments	(11,566,248)	(11,930,959)	(10,151,678)	(364,711)	(1,779,281)
<b>Receipts</b>					
Fee for service 4, F	32,609,743	26,324,279	31,681,938	(6,285,464)	(5,357,659)
Student fees and charges 5, G	30,921,425	21,646,724	27,900,724	(9,274,701)	(6,254,000)
Ancillary trading	610,748	601,195	622,965	(9,553)	(21,770)
Interest received	1,427,067	1,381,556	1,459,214	(45,511)	(77,658)
GST receipts on sales	2,317,081	507,557	1,779,745	(1,809,524)	(1,272,188)
GST receipts from taxation authority	965,776	3,131,278	1,487,929	2,165,502	1,643,349
Other receipts	1,541,133	3,251,064	1,582,758	1,709,931	1,668,306
<b>Net cash used in operating activities</b>	<b>(108,054,212)</b>	<b>(114,644,367)</b>	<b>(98,788,522)</b>	<b>(6,590,155)</b>	<b>(15,855,845)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Payments</b>					
Purchase of non-current physical assets	(5,379,001)	(2,448,223)	(1,576,506)	2,930,778	(871,717)
Capital Contribution	-	(1,635,964)	-	(1,635,964)	(1,635,964)
<b>Net cash provided by investing activities</b>	<b>(5,379,001)</b>	<b>(4,084,187)</b>	<b>(1,576,506)</b>	<b>1,294,814</b>	<b>(2,507,681)</b>
Net increase in cash and cash equivalents	(5,943,130)	(13,713,504)	7,307,731	(7,770,374)	(21,021,235)
Cash and cash equivalents at the beginning of period	49,038,801	58,824,408	51,516,676	9,785,607	7,307,732
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>43,095,671</b>	<b>45,110,902</b>	<b>58,824,408</b>	<b>2,015,231</b>	<b>(13,713,505)</b>

#### Major Estimate and Actual (2018) Variance Narratives

3. Salary payments have reduced in 2018 due to reduced staffing numbers. The number of lecturers has decreased in line with the reduction in SCH, the drop in International Student numbers along with a number of non-lecturing vacancies throughout the year. Payment was also received from South Metropolitan TAFE in respect of the leave liabilities for the staff that transferred to NMT on 1 January 2017.

4 The number of International students studying at NMT has decreased significantly in 2018. Commonwealth revenue for the Adult Migrant English Program is down over 2017 along with a drop in Higher Education

5 Cash receipts for student fees has dropped significantly which is offset by a higher level of student debt at 31 December 2018

#### Major Actual 2018 and Comparative (2017) Variance Narratives

E Expenditure on supplies & services increased by \$2.4 million in 2018, principally on minor equipment and IT replacement. Payments have been made in 2018 relating to 2017 goods and services which were accrued at the end of 2017.

F The number of International students studying at NMT has decreased significantly in 2018. Commonwealth revenue for the Adult Migrant English Program is down over 2017 along with a drop in Higher Education

G Cash receipts for student fees has dropped significantly which is offset by a higher level of student debt at 31 December 2018

# Annual Estimates

In accordance with Treasurer's Instruction 953, the annual estimates for the 2019 year are hereby included in the 2018 Annual report. These estimates do not form part of the 2018 financial statement and are not subject to audit.

<b>North Metropolitan TAFE</b> <b>2019 S40 SUBMISSION</b> <b>Statement of Comprehensive Income</b>	
	<b>2019</b> <b>Estimate</b> <b>\$</b>
<b>COST OF SERVICES</b>	
<b>Expenses</b>	
Employee benefits expense	130,493,181
Supplies and services	36,189,643
Depreciation and amortisation expense	13,899,259
Grants and subsidies	20,000
Loss on disposal of non-current assets	16,500
Cost of sales	338,970
Other expenses	11,970,320
<b>Total Cost of Services</b>	<b>192,927,874</b>
<b>Income</b>	
<b>Revenue</b>	
Fee for service	29,460,302
Student charges and fees	30,916,608
Ancillary trading	621,436
Sales	362,917
Interest revenue	1,300,000
Other revenue	1,099,343
<b>Total Revenue</b>	<b>63,760,606</b>
<b>Total income other than income from State Government</b>	<b>63,760,606</b>
<b>NET COST OF SERVICES</b>	<b>129,167,268</b>
<b>INCOME FROM STATE GOVERNMENT</b>	
State funds	109,601,611
Resources received free of charge	5,713,039
<b>Total income from State Government</b>	<b>115,314,650</b>
<b>SURPLUS (DEFICIT) FOR THE PERIOD</b>	<b>(13,852,618)</b>
<b>OTHER COMPREHENSIVE INCOME</b>	
Changes in asset revaluation reserve	0
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(13,852,618)</b>

**North Metropolitan TAFE**  
**2019 S40 SUBMISSION**  
**STATEMENT OF FINANCIAL POSITION**

	2019 Estimate \$
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	36,854,774
Restricted cash and cash equivalents	7,833,623
Inventories	225,457
Receivables	7,030,028
Other current assets	1,209,474
<b>Total Current Assets</b>	<b>53,153,355</b>
<b>Non-Current Assets</b>	
Restricted cash and cash equivalents	2,229,580
Property, plant and equipment	400,403,115
<b>Total Non-Current Assets</b>	<b>402,632,695</b>
<b>TOTAL ASSETS</b>	<b>455,786,050</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Payables	7,844,237
Provisions	22,249,467
Other current liabilities	6,997,063
<b>Total Current Liabilities</b>	<b>37,090,767</b>
<b>Non-Current Liabilities</b>	
Provisions	3,962,140
<b>Total Non-Current Liabilities</b>	<b>3,962,140</b>
<b>TOTAL LIABILITIES</b>	<b>41,052,907</b>
<b>NET ASSETS</b>	<b>414,733,143</b>
<b>EQUITY</b>	
Contributed Equity	474,358,128
Reserves	123,724
Accumulated surplus/(deficiency)	(59,748,710)
<b>TOTAL EQUITY</b>	<b>414,733,143</b>

**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD**  
**2019 S40 SUBMISSION**  
**STATEMENT OF CASH FLOW**

	2019 Estimate \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>	
State funds	105,601,611
<b>Net cash provided by State Government</b>	<b>105,601,611</b>
<b>Utilised as follows:</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
<b>Operating Payments</b>	
Employee benefits	(130,025,649)
Supplies and services	(30,433,593)
Grants and subsidies	(20,000)
GST payments on purchases	(3,387,716)
GST payments to taxation authority	(59,614)
Cost of goods sold	(20,000)
Other payments	(11,903,430)
<b>Operating Receipts</b>	
Fee for service	29,101,486
Student fees and charges	30,921,426
Ancillary trading	621,436
Interest received	1,300,000
GST receipts on sales	2,430,110
GST receipts from taxation authority	1,012,887
Sale of Goods	(25,000)
Other receipts	1,434,670
<b>Net cash provided by/(used in) operating activities</b>	<b>(109,052,988)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of non-current physical assets	(2,900,000)
<b>Net cash provided by/(used in) investing activities</b>	<b>(2,900,000)</b>
<b>Net increase/(decrease) in cash held and cash equivalents</b>	<b>(6,351,377)</b>
Cash and cash equivalents at the beginning of the period	53,269,354
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>46,917,977</b>



**North Metropolitan TAFE**  
**2019 S40 SUBMISSION**  
**STATEMENT OF CHANGES IN EQUITY**

	2019 Estimate \$
<b>Balance of equity at start of period</b>	<b>425,825,761</b>
<b>CONTRIBUTED EQUITY</b>	
Balance at start of period	471,598,128
Capital contribution	2,760,000
Balance at end of period	<b>474,358,128</b>
<b>RESERVES</b>	
<b>Asset Revaluation Reserve</b>	
Balance at start of period	123,724
Gains/(losses) from asset revaluation	0
Balance at end of period	<b>123,724</b>
<b>ACCUMULATED SURPLUS (RETAINED EARNINGS)</b>	
Balance at start of period	(45,896,092)
Surplus/(deficit) or profit/(loss) for the period	(13,852,618)
Gains/(losses) recognised directly in equity	0
Balance at end of period	<b>(59,748,709)</b>
<b>Balance of equity at end of period</b>	<b>414,733,143</b>
<b>Total income and expense for the period</b>	<b>(11,092,618)</b>

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