



North
Metropolitan

*We're working for
Western Australia.*



North Metropolitan TAFE

2020 ANNUAL REPORT

Acknowledgement

“North Metropolitan TAFE recognises Australian Aboriginal and Torres Strait Islander Peoples unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to our society. We acknowledge the Noongar People, the traditional custodians of the lands on which our campuses are located and pay our respects to ancestors and Elders, past and present.”



Artwork acknowledgement

Artwork imagery used in this publication is produced by our student **Anthea Corbett**

Artwork title Whadjuk Wongee (Perth Talk) - Our 'Culture' past, present and future being connected



Statement of Compliance

To the Hon. Suzanne Ellery MLC, Minister for Education and Training

In accordance with the requirements of Section 54 of the Vocational Education Training Act 1996 and Section 61 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, North Metropolitan TAFE's Annual Report for the period 1 January to 31 December 2020.



Emeritus Professor
Bill Loudon AM
Chair, Governing Council
12 March 2021



Michelle Hoad
Managing Director
12 March 2021



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Overview of the Agency

01

NORTH METROPOLITAN TAFE

GREEN SKILLS BUILDING - EAST PERTH CAMPUS

Message from the Chair and Managing Director

On behalf of North Metropolitan TAFE (NMTAFE) and the Governing Council we are pleased to present the 2020 Annual Report. Although the impacts of COVID-19 have made this past year challenging in many different ways, the energy and commitment of our staff to adapt to the ever-changing environment ensured we continued to provide high quality skills training to our students and industry throughout the year.

Employing a robust business continuity planning process, NMTAFE was able to respond rapidly to the escalation of the COVID-19 pandemic. At short notice, the College was able to transition from traditional face-to-face delivery to a lecturer led online delivery model.

The transformation from face-to-face to online delivery was supported with the swift and extensive deployment of refresher training to academic staff in the use of online collaboration technologies, and the development of a 'Community of Practice' program to encourage the sharing of best practice online teaching and learning. Each week hundreds of lecturers logged into meeting platforms to discuss and explore a range of online learning engagement strategies and 21st century teaching and learning skills.

Within weeks approximately 80% of training delivery across the College was undertaken through online platforms. New and innovative ways of teaching skills via the recording of practical sessions and the provision of practical skills packs to students to use from home enabled students to continue their training journey with minimal disruption.

Our Corporate Services and Organisational Services teams continuity planning ensured systems, infrastructure and procedures were in place to enable a seamless transition to working from home arrangements. While our campuses were never fully closed, the majority of our employees were well supported to continue to work remotely from their homes.

Supporting the State Government's efforts during this period, the College aligned training delivery in a range of skill shortages to support the Government's *WA Recovery Plan*. The introduction of the *Lower fees, local skills* initiative and the launch of new skill sets as part of the *Skills Ready* courses provided individuals with a range of affordable training options to skill up for jobs in a variety of industry areas.

Under the *WA Recovery Plan* the College was awarded significant funding to further expand our state-of-the-art training centres and workshops to align with vocational education and training essential for existing and emerging workforce needs.



Collaboration technologies were utilised to continue the College's extensive planning and consultation process to develop the new triennial 2021–2023 Strategic Plan. Consulting with staff, industry, and community stakeholders our strategic plan continues to support the State Government's priorities and ensuring we meet the needs of the north metropolitan community.

[View our Strategic Plan](#)

Throughout 2020 our Reconciliation Action Plan (RAP) Working Group consulted with staff, community groups and industry. The new NMTAFE RAP is committed to provide an inclusive and embracing learning and working environment that empowers Aboriginal and Torres Strait Islander People to realise their full potential and gain access to contemporary skills training that leads to sustainable employment and prosperity.

Increasing learning and recognition of traditional culture by all staff and students, and by creating a strong sense of belonging for our Aboriginal and Torres Strait Islander students and staff, we will provide an inclusive and embracing workplace to support and empower our students and staff to achieve their goals.



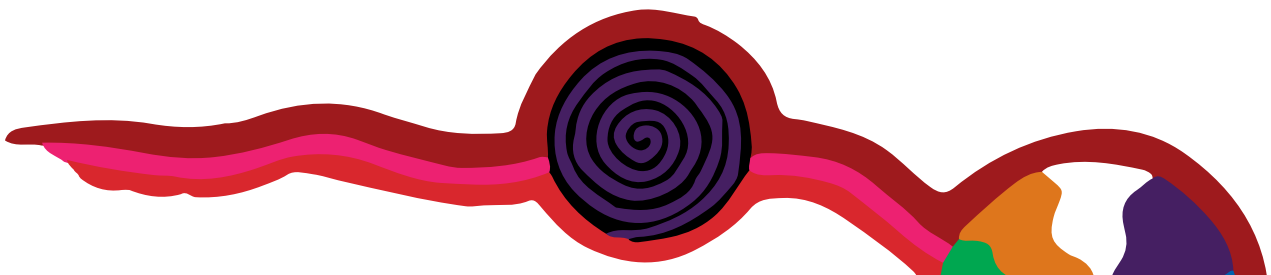
We are proud of our achievements throughout a challenging year and look forward to another successful year ahead. We could not have achieved so much without the hard work and commitment of our amazing staff who went above and beyond to provide the best possible outcomes for our students.



**Emeritus Professor
Bill Loudén AM**
Chair, Governing Council
12 March 2021



Michelle Hoad
Managing Director
12 March 2021



Executive Summary

College Highlights



Delivered **8.7 million**
State funded (profile)
Student Curriculum Hours (SCH)



85.6%
Student Satisfaction Rating

**LOWER FEES
LOCAL SKILLS**

**SKILLS
READY**

Trained **4333 students** in *Lower fees,
local skills* courses

Trained **676 students** in
Skills Ready courses



Opened a Training Cyber
Security Operations Centre
(TCSOC) at Joondalup
(Kendrew) campus

METRONET

METRONET Trade Training Centre at
our Midland campus - completion of
stage one of the METRONET Trade
Training Centre



**Disability and Aged Care
Workforce Training Centre**
at McLarty campus - Establish
of Senior Wellness Day Centre



Digital skilling of over **700 staff**
in online/blended learning



Developed a new **Reconciliation
Action Plan (RAP)**

Developed a new **Strategic Plan**

**JOBS & SKILLS
CENTRE**

Opened a new **Jobs and Skills Centre**
at the **Midland campus**

Student and Staff Highlights

▶ [Watch student and staff stories on our YouTube channel](#)



Cheyne Pearce won 2020 WA Trainee of the Year

Cheyne studied Horticulture to fulfil his passion to make a positive difference to our environment. His hard work paid off with the offer of a dream job as a trainee at Kings Park and Botanic Gardens.



Trent Caldwell won 2020 WA Vocational Student of the Year

Trent successfully completed a Diploma of Marketing and Communications, he has landed his dream role as a Social Media Manager at Near Me Real Estate.



Restaurant and Catering Association Awards for excellence.

Student Clive Glauert from Odyssea City Beach, winning WA 2020 Apprentice Chef of the Year and he will represent Western Australia at the WorldSkills Australia National finals.



Digital Cinema Graduates

had three of their films [Dusk, Solivagant and Perfect Pie, Imperfect Life] **selected for the WA Made Film Festival.**

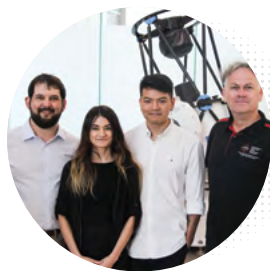


Graphic Design student Mitchell Do is the **inaugural winner of Kindling** an initiative by digital agency Bonfire, which gives young creatives a chance to see their work in the real world.



Advanced Diploma of Screen and Media (Digital Cinema)

presented their 'Picture Lockdown' film screening event at the Windsor Cinema, which **celebrated their achievements during a challenging year for film-making.**



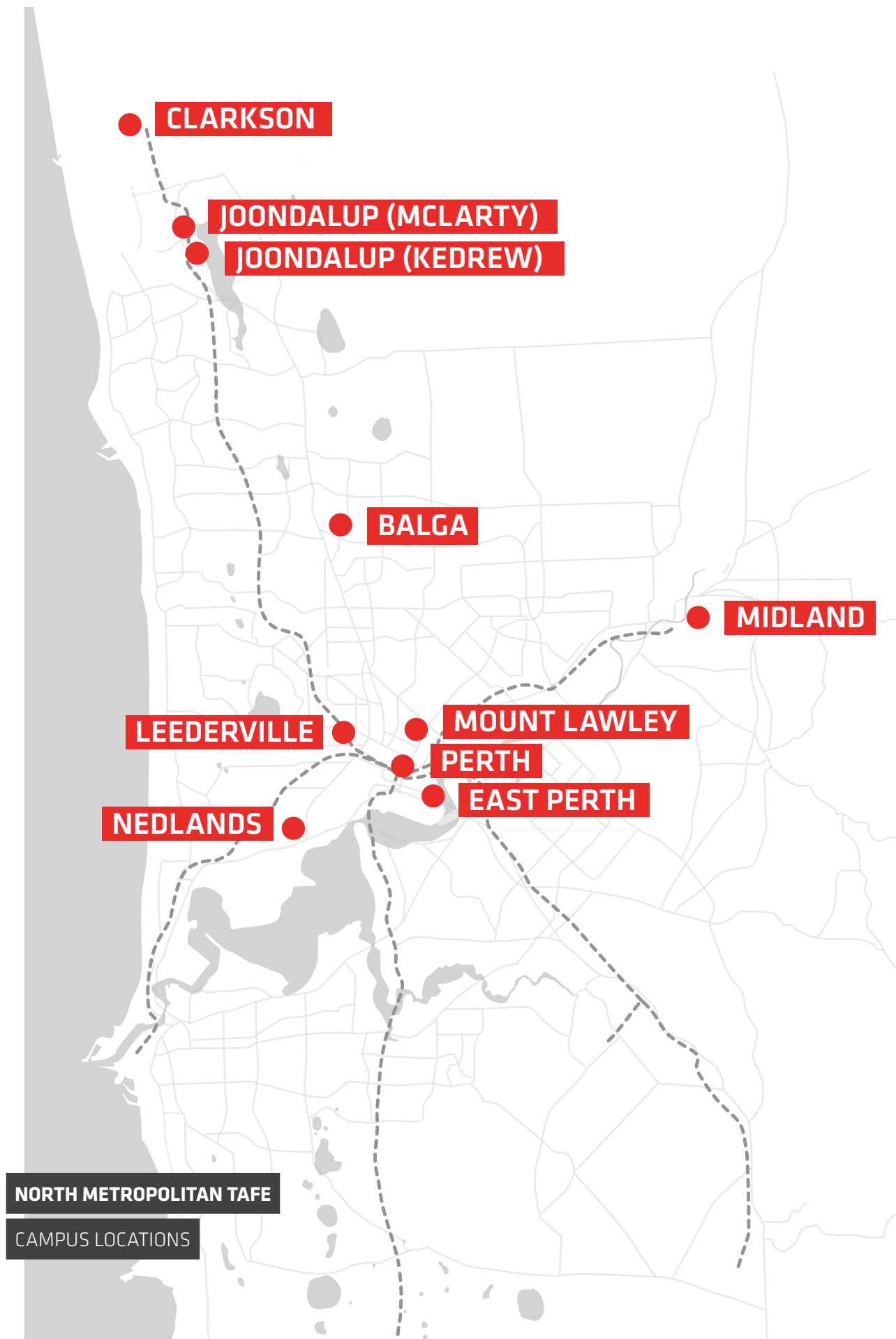
Diploma of Software Development students and the University of Western Australia as the centre agent of International Centre for Radio Astronomy Research (ICRAR) **launched the GLEAMscope mobile app.**



Staff from Health Portfolio were invited to present a paper on the VET sector and Aged Care Training at the Annual University of Western Australia **Research Forum on Ageing.**



Cyber Week - Sixteen NMTAFE Advanced Diploma and Certificate IV Cyber Security students competed with cyber professionals, budding hobbyists and university graduates around Australia to help solve up to 12 actual missing persons cases through the AFP.



About North Metropolitan TAFE

North Metropolitan TAFE (NMTAFE) has 10 campuses across the central, greater north and north eastern metropolitan regions of Perth. The College offers more than 350 training products ranging from Certificate I to Advance Diploma qualifications, including skill-sets and short courses, providing quality education and training choices to our customers.

In 2020 the College's training delivery rapidly transformed to reflect and support the Government's *WA Recovery Plan* in response to the COVID-19 pandemic. The introduction of the *Lower fees, local skills* initiative and a range of new skill sets as part of the *Skills Ready* initiative provided people with training options to gain skills for jobs in areas including hospitality, health care, retail, business, cyber security and construction.

The College focused on increasing workforce capacity for the State, with a particular emphasis on our areas of specialisation: aged care and disability in response to the National Disability Insurance Scheme (NDIS); cyber security; civil infrastructure to support METRONET projects; STEM related qualifications and skill-sets/micro-credentials; assisting skill development for the tourism industry and supporting the mining and resources sector.

Key strategic projects developed in 2020 included:

- **METRONET Trade Training Centre** at the Midland Campus – completion of stage one which included the creation of the rail signaling workshops and the introduction of electrical rail signaling qualifications to complement the range of engineering qualifications already available to support METRONET manufacturing and maintenance.
- **Training Cyber Security Operations Centre (TCSOC)** Following on from the success of the previously completed Cyber Security Training Centre, DTWD funded a new TCSOC at the Joondalup Campus.
- **Disability and Aged Care Workforce Training Centre** at McLarty Campus – Establishment of Senior Wellness Day Centre - The centre provides both internal and exterior spaces for seniors and those with a disability to visit. This allows students to gain valuable skills in providing assistance to clients with regaining independence, including group activities developed to encourage social interaction.
- **Civil Infrastructure:** Responding to the construction industry, the two metropolitan TAFE colleges ran induction to civil construction skill sets to a number of groups to assist industry recruit new staff. This is a new area of training for NMTAFE and we are working closely with the civil construction industry to meet their recruitment and training needs for future infrastructure projects.
- **Mining:** The College worked closely with the resource industry in general mining training and supported over 300 trainees in workplace training in surface extraction and resource processing. 2020 saw the development of two specialised programs to promote Aboriginal participation. Working with Rio Tinto and Alcoa, the resources training learning area have piloted two programs to assist with the on boarding of new Indigenous recruits for Rio Tinto, and to support new recruits through their first qualification in surface extraction. In addition, the College piloted a new Work Health and Safety certificate for Fortescue Metals Group (FMG) to upskill their existing staff.

Our Mission and Values

At North Metropolitan TAFE our mission is to nurture participation, employability, 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 six 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.

Integrity

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

Student centred

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

Accountability

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

Innovation

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

Professionalism

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

Operational Structure

The Ministerial appointments to the College's Governing Council occurred in 2020. Deputy Chair Karen Jamvold retired from Council when her term ended in June. Cheryl Robertson was appointed Deputy Chair and Amy Barrett–Lennard, Executive Director of the Perth Institute of Contemporary Arts (PICA) joined the Council. Mara West, Dianne Bianchini, Cheryl Robertson and Graham Droppert had their terms extended.

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 Cheryl Robertson (Deputy Chairperson)

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.



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 SC

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.



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.



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.



Dr Craig McLure

Craig is the Head of Grain Technology at CBH Group. 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.



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.



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 Head of 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.



Ms Amy Barrett- Lennard

Amy has been Director of the Perth Institute of Contemporary Arts since April 2006. As a dynamic leader, Amy has brought vision and vitality to a number of arts organisations across Australia. She has previously held positions as: Director of the Linden Centre for Contemporary Art, Melbourne; Curator of the Mornington Peninsula Regional Gallery, Victoria; Curator of the Goldfields Arts Centre Gallery, Kalgoorlie- Boulder; and Manager of the British Pavilion at the 1995 Venice Biennale. Amy has been President of Contemporary Art Organisations Australia, a board member of the Murdoch University Art Collection and Edith Cowan University's CREATEC, Centre for Research in Entertainment, Arts, Technology, Education and Communications, and an elected board member of the Chamber of Arts and Culture WA since 2014.



Ms Karen Jamvold

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.



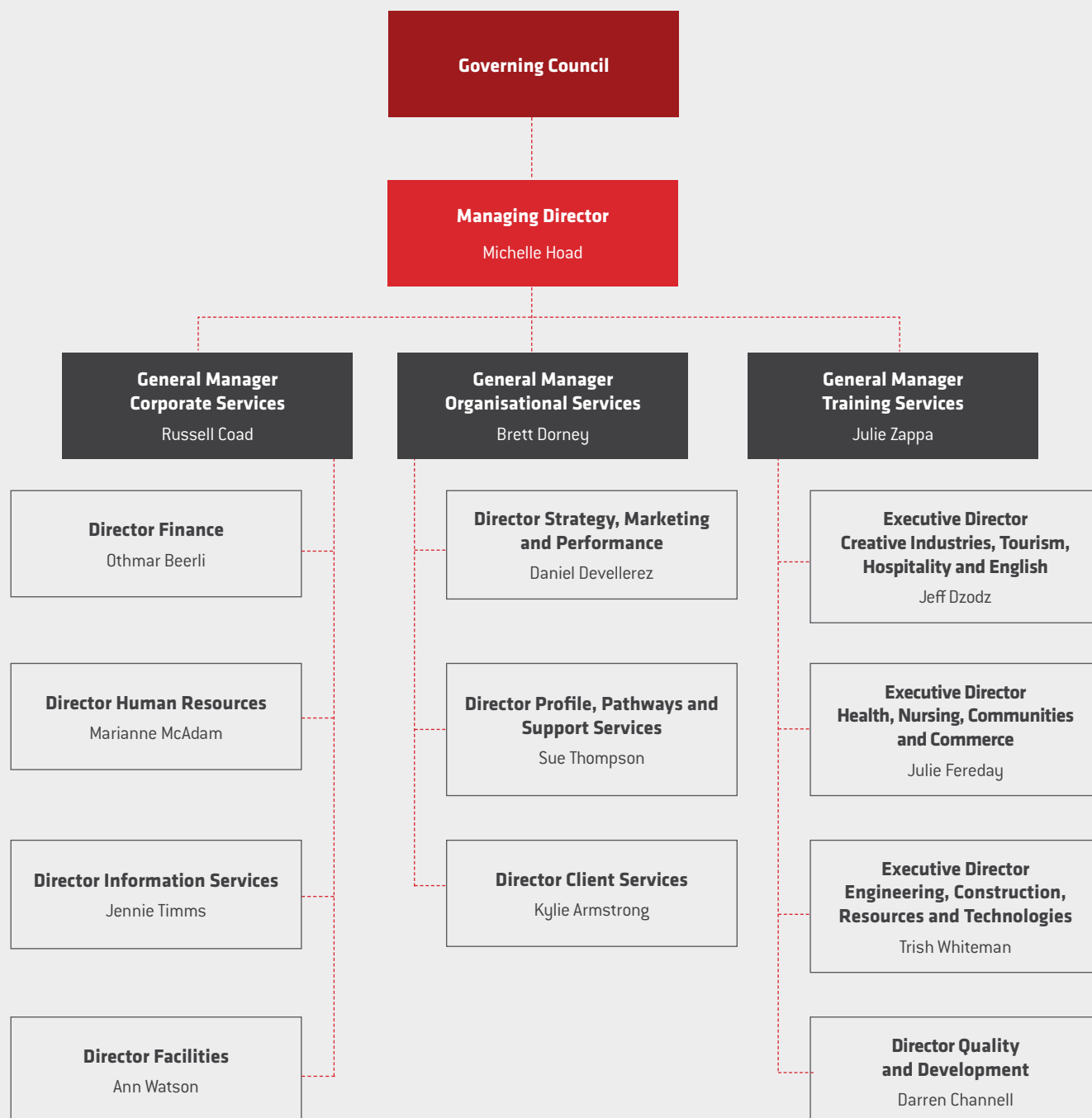
Michelle Hoad

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.

Organisational Structure

Responsible Minister

North Metropolitan TAFE is responsible to the Hon. Sue Ellery MLC, Minister for Education and Training.



Note: This reflects the structure as at 18 December 2020



DIPLOMA OF SURFACE OPERATIONS MANAGEMENT GRADUATE

WORKING IN INDUSTRY

Performance Management Framework

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

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 the College to transform lives we:

1. Delivered nationally accredited training courses and industry focused skill sets;
2. Supported industry and enterprise with a focus on increasing apprenticeship and traineeship training;
3. Developed partnerships with industry and employers;
4. Assisted people to access training through foundation and access programs; and
5. Provided career, training and employment services, via Jobs and Skill Centres.

Outcome Based Management Framework

The outcome-based management framework did not change during 2020.

Shared Responsibilities with Other Agencies

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



02

Agency Performance

LEEDERVILLE CAMPUS

DIPLOMA OF SPORTS

Agency Performance Overview



29,136

Total number of students



54%

Female



46%

Male

8,768,179

Student Curriculum Hours (SCH)
government profile

1,551,037

Student Curriculum Hours (SCH)
commercially funded

Student numbers in detail



963

Total number of onshore international students

**LOWER FEES
LOCAL SKILLS**

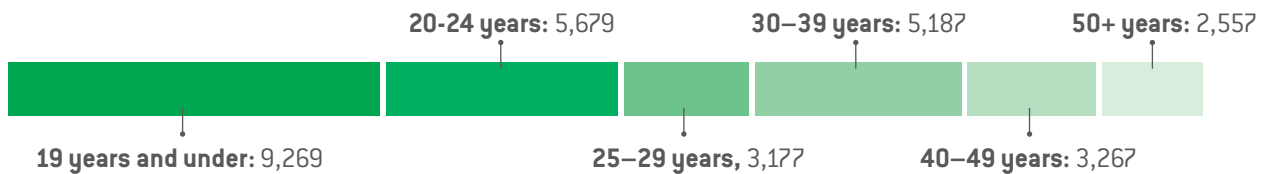
1,503,026

Total SCH delivered in
Lower fees, local skills qualifications

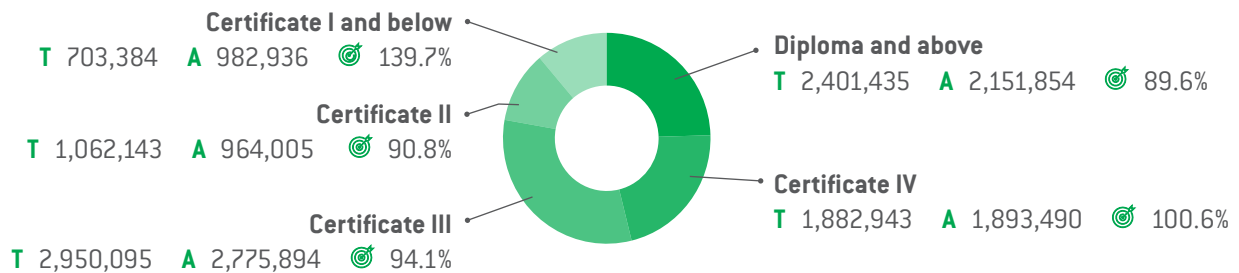
**SKILLS
READY**

95,371

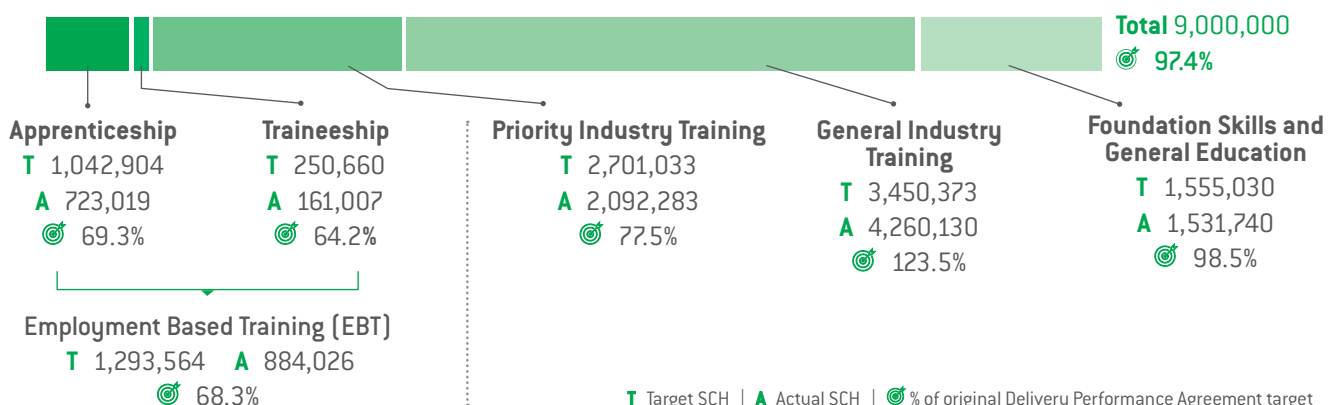
Total SCH delivered in
Skills Ready courses



Delivery at qualification level



State priority delivery



T Target SCH | A Actual SCH | % of original Delivery Performance Agreement target

Training in Priority Areas

Employment Based Training¹



90.6% Student Satisfaction Rate



Delivered **884,026** SCH
68.3% of *

The following initiatives were undertaken in 2020 to support employment-based training:

- Strategies to assist displaced apprentices and trainees, due to the impacts of COVID-19.
- Enhanced communication to support apprentices, trainees and their employers.
- The Jobs and Skills Centres (JSCs) provided support to employers with apprentices and trainees and assisted with supporting displaced apprentice or trainees, finding alternative employment options.
- Established a new partnership with Alcoa, delivering Certificate II in Surface Extraction; 8 candidates (7 Indigenous) commenced and completed the 12-month program graduating in December.
- Apprentice and trainee induction programs occurred throughout 2020, supporting Rio Tinto's new entrants to the resource sector. Providing leadership, team building skills alongside workshop skill development.
- Partnered with BHP to support 204 new entry trainees and apprentices at BHP's 'FutureFit Academy' at Welshpool.
- Held industry meetings with community service agencies to discuss work placement for students and options related to Employment Based Training, which resulted in an increase in trainees for 2020 with further increases expected in 2021.

- The College responded quickly to impacts of COVID-19 restrictions, by increasing flexibility in training delivery including availability of online and blended models.
- Developed a Certificate IV in Electrical Rail Signalling, through a consultative approach with industry including Rio Tinto, John Holland Group and Hitachi. A pilot group of employees will commence training in 2021 to meet the current skill gap in this area and support the skill requirements for METRONET. This qualification will also be used to upgrade skills of employees with a current WA electrical licence.
- Addressed the needs of the emerging cyber security industry, the Certificate IV in Cyber Security was developed and offered via a blended mode of delivery.
- The *Community of Practice* program, was developed to support lecturers and encourage the sharing of good practice and emerging issues in online teaching and learning. This professional development series for staff explored a range of online learning engagement platforms and online teaching techniques, incorporating 21st century skills and building relationships with industry.
- 30 new recruits for the construction industry successfully completed a construction skill set program at the Balga and Midland campuses.
- The Health Portfolio delivered a range of Infection Control Skill Sets to nearly 300 students as part of the *WA Recovery Plan*.
- Increased delivery in community services qualifications in response to the *Lower fees, local skills* initiative, including the introduction of delivery of the Certificate IV in Alcohol and Other Drugs at the Midland campus.
- Introduced new Early Childhood skills-sets to meet the needs of industry. Skill sets included: Supporting Children with Autism (2–12 years); Introduction to Childcare; Early Childhood leadership; and Early Childhood Aboriginal.

Priority Industry Training²



Delivered **2,092,283** SCH
77.5% of *

The following initiatives were undertaken in 2020 to support priority industry training:

- Introduced skill-sets/micro-credentials including the skill sets as part of the *Skills Ready* initiative designed to meet the workforce requirements of a variety of industries.

* Original Delivery Performance Agreement target in Profile Funded Delivery

1 Employment-based training combines employment with training. Employment-based training in the public sector comprises four categories: traineeships, apprenticeships, cadetships and graduate programs.

2 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.

General Industry Training



Delivered **4,260,130** SCH
123.5% of *

The following initiatives were undertaken in 2020 to support general industry training:

- The College provided training to its academic staff on the use of digital collaboration technologies with 800 plus Lecturers participating, to assist in moving to an online and blended delivery.
- The Certificate IV and Diploma in Building Design moved to a blended model of delivery, to accommodate working students wanting to study in their own time.
- The introduction of a range of skill-sets and qualifications across all components of the tourism industry, including tourism operators, accommodation services, cultural services, transport, events and hospitality.
- The College continued to establish strong relationships within the tourism sector, including with Tourism WA and Western Australian Indigenous Tourism Operators Council (WAITOC). Students have been provided with connections to employment opportunities created by the WA 'Wander out Yonder' Tourism campaign, in the areas of Events, Hospitality and Beauty Therapy.
- A new articulation arrangement with Murdoch University was established for the Diploma of Travel and Tourism Management.
- The Community Pathways portfolio increased delivery of online training and a number of skills sets were developed in response to industry feedback about specific training needs.



START FRESH NORTHBRIDGE MARKETS

COLLABORATION BETWEEN EVENT MANAGEMENT STUDENTS AND PERTH CULTURAL CENTRE

*  Original Delivery Performance Agreement target in Profile Funded Delivery



MATERA FOUNDATION AND NMTAFE

FORMING INDUSTRY PARTNERSHIPS FOR SUSTAINABLE CAREER PATHWAYS PROGRAM

The following activities were undertaken in 2020 to support objectives of training for Aboriginal and Torres Strait Islanders and students with a Disability and Youth:

Aboriginal and Torres Strait Islanders – Aboriginal Training Plan Outcomes



83.8% Student Satisfaction Rate



549 students that identified as Aboriginal and Torres Strait Islanders in Profile Funded Delivery



Delivered **157,634** SCH

- Aboriginal Student Support team worked with training portfolios to assist in the development and delivery of training programs specifically for an Aboriginal cohort. For example the development of the Certificate II in Automotive Vocational Preparation Program delivered to a group of 13 Aboriginal school students who wanted to pursue a career in the automotive industry. The program will be offered again 2021.
- Provided mentoring and tutoring support for Aboriginal students to successfully complete their qualification and progress to higher level qualifications and/or employment.
- Aboriginal Student Support team provided support, encouragement and mentorship to 11 Aboriginal and Torres Strait Islander trainees to complete the Aboriginal Cadet Program in partnership with the WA Police Force.
- Developed a Community Engagement Strategy - worked in consultation with a range of Aboriginal organisations, schools, employers, land developers and stakeholders to support students, identify training demand and potential collaboration to inform future delivery.
- Aboriginal Student Support team and training areas worked together to develop opportunities for Aboriginal students to undertake work experience as part of their training, increase employability post training and ensure graduates were job ready.
- Developed a new Certificate III in Aboriginal and Torres Strait Islander Mentoring course. Delivery of the program was interrupted due to COVID-19 but will be revisited in 2021.

**KOOLARK - CENTRE FOR ABORIGINAL STUDENTS**

PROVIDING SUPPORT FOR STUDENTS IDENTIFYING AS ABORIGINAL AND/OR TORRES STRAIT ISLANDS DESCENT

- Developed courses to support schools to assist Aboriginal students gain their Western Australian Certificate of Education (WACE).
- Extra support was required for Aboriginal students when training was interrupted due to COVID-19. Additional strategies implemented to support students included:
 - » Increased health and wellbeing check to all Aboriginal students including referral to mental health support and other agencies.
 - » Worked with other agencies to set up learning at home for example working with Native Title groups (Kimberley and Pilbara for mining companies to allow student's access to technology).
 - » Implemented telephone tutoring and mentoring support to those in remote communities that had no access to the internet.
 - » Worked with academic portfolios to send hard copy learning materials to students.
 - » Worked with academic portfolios to provide catch-up sessions for students that fell behind in their studies.





DISABILITY SERVICES

SENIOR DISABILITY SUPPORT OFFICER ASSISTING A HEARING IMPAIRED STUDENT

Students with a Disability - Disability Access and Inclusion Plan Outcomes



82% Student Satisfaction Rate



1,840 students that identified as having a disability in Profile Funded Delivery



Delivered **823,601** SCH

NMTAFE implemented actions throughout 2020 to support the strategies outlined in its Disability Access and Inclusion Plan (DAIP).

In 2020 the main focus of the Disability Support Team was ensuring access to services and support for students with a disability continued to be available during the interruption of training as a result of the COVID-19 pandemic.

The Disability Support Team moved to an online and telephone model of service during the pause on face-to-face delivery, to ensure that students with a disability continued to access support from their Disability Support Coordinator.

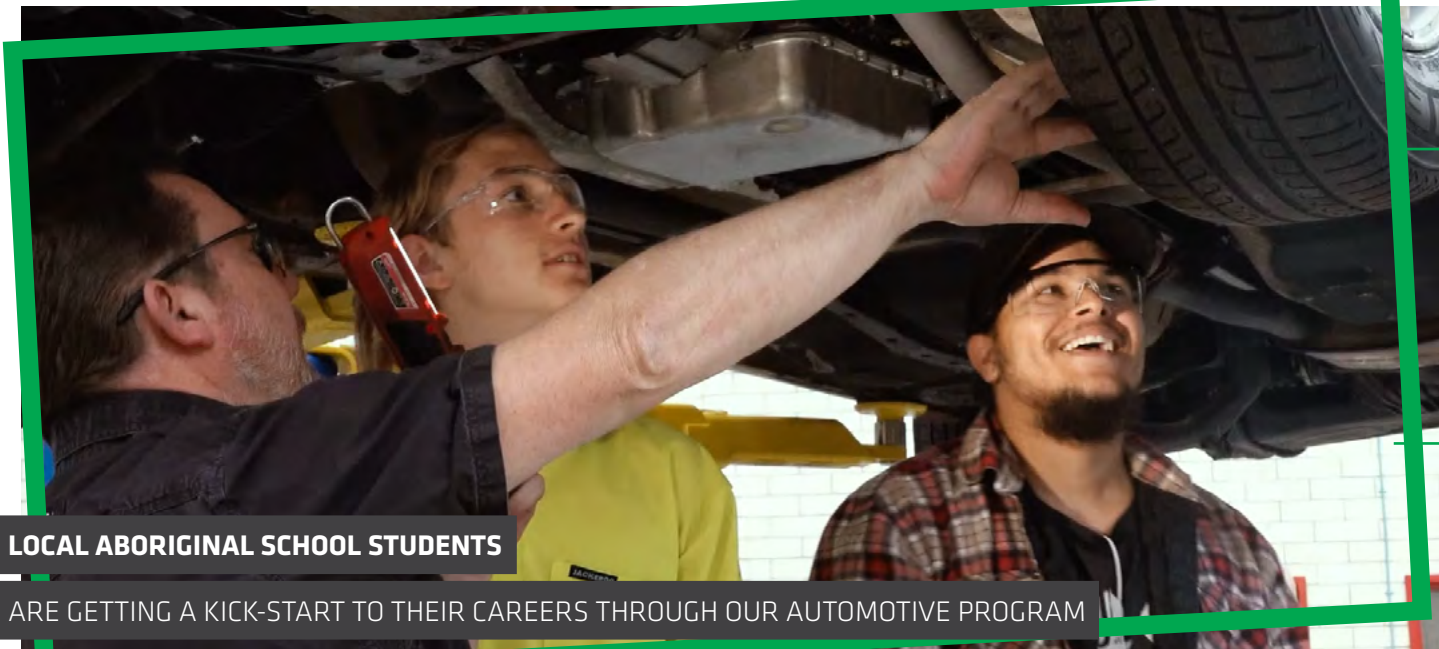
Student feedback about the new service model was positive, they enjoyed the flexibility, not having to travel and ability to make contact quickly and easily to resolve small issues. Due to the success of this service model, the option for remote support has been formally scheduled into the Study Support timetable.

Disability Support Teams worked with academic areas to ensure that new online learning content was accessible for students with disabilities.

2020 also saw the introduction of the TAFE Specialist Employment Partnership (TSEP), a partnership between the College, National Disability Coordination Officer Program and BIZLINK, which aims to break-down employment barriers for TAFE students with disability.

TAFE students with disability can now access free on-site employment support to identify and address the systemic blocks and barriers to employment:

- Students can meet with an experienced Disability Employment Consultant for support and advice with resume writing, interview skills and building confidence to discuss their disability with employers.
- The program will operate out of the Jobs and Skills Centres on selected days or students can arrange alternative meeting times and places.



LOCAL ABORIGINAL SCHOOL STUDENTS

ARE GETTING A KICK-START TO THEIR CAREERS THROUGH OUR AUTOMOTIVE PROGRAM

▶ [Watch this program in action on our YouTube channel](#)

Youth



Delivered **4,940,154** SCH



11,789 students aged between 15 to 24 years in Profile Funded Delivery

The following initiatives were undertaken in 2020 to support youth engagement and training:

- Media and Education Portfolio hosted the “Girls Rock with WAM” at the Leederville Campus, a week-long event that aimed to empower young, female, trans and gender diverse people through music.
- Delivery of culturally appropriate training programs enabling Aboriginal youth to engage with industry and employers to increase both training and employment pathways.
- The Aboriginal Student Support team and the Jobs and Skills Centre, in consultation with industry and schools, developed a pilot automotive training program to inspire Aboriginal youth, offering them an insight into gaining an apprenticeship.
- The development of an advertising and promotion campaign to inform school students of the range of courses available via the *Lower fees, local skills* initiative and potential job outcomes.
- Targeted promotion of the WA Government’s *Lower fees, local skills* initiative to non-school age individuals [19-24] to be able to access affordable training in a variety of priority industries.
- Introduction of new skill sets via the *Skills Ready* initiative. These new job ready skill sets were developed in consultation with businesses and employers, and provided individuals with the skills for jobs in areas including hospitality, health care, retail, business, cyber security and construction.
- The Jobs and Skills Centres provided students with free workshops on career development opportunities, interview techniques and resume writing.
- The development of a Certificate II in Surveying for school based students to increase the STEM offerings for schools. The first group of students will commence study in 2021.
- Expanded delivery of the Certificate II GEA in Midland in collaboration with Swan City Youth Hub for at risk youth.

Commonwealth Funded Programs

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

Closure of Australia's international borders as part of the National strategy to control the outbreak of COVID-19 effectively limited the delivery of the AMEP by the College to eligible participants already residing in Perth. Despite this uncertainty, NMTAFE continued to deliver AMEP while building stronger links with the local migrant community, settlement agencies and employment services sector.

- Provided businesses with free assistance to develop their workforce, including advice on recruitment strategies, availability of incentives for taking on apprentices and trainees, and training opportunities to develop the skills of their existing workers.
- Supported businesses on recruitment and retention strategies to make their workplace and employment practices more culturally sensitive and welcoming to Aboriginal people.
- Provided recruitment advertising opportunities on the JSC jobs board and/or on the Aboriginal-specific jobs board for employers.
- Educated enterprise and industry about the Aboriginal Procurement Policy and WA Industry Participation Strategy, assisting them to develop appropriate strategies to meet their contractual requirements.

Jobs and Skills Centres



8,764 total client contacts

NMTAFE's four Jobs and Skills Centres located at the Balga, Joondalup, Midland and Perth campuses continued to provide free career guidance and training advice to individuals; apprenticeship, traineeship and workforce development advice to enterprises; engaged with industry to identify labour market demand and provided culturally appropriate services to Aboriginal people seeking training and employment advice.

Despite the inability to communicate with clients face-to-face JSC services continued via phone and online channels.

Online group workshops enabled the delivery of interactive workshops such as resume writing and addressing selection criteria. Industry engagement continued through ongoing electronic communication and the hosting of virtual meetings via Microsoft Teams and Zoom.

Following the recommendation stemming from the review of *Skills, Training and Workforce Development*, a new JSC was opened at NMTAFE's Midland campus. This JSC supports jobseekers, Aboriginal people and school leavers in the eastern suburbs by providing a launch pad into training opportunities, jobs and long-term employment. The Centres also provide businesses with free assistance to develop their workforce, including recruitment of new workers, apprentices and trainees, as well as support to upskill their existing workforce.

In 2020 the Jobs and Skills Centres:

- Engaged with local communities and industries to assist them in responding to the needs of both jobseekers and employers.



BAILEY

JOBS AND SKILLS CENTRE CLIENT



[Hear Bailey's story on our YouTube channel](#)

03

Significant Issues Impacting the Agency

Please stand
here to keep your
social distance

COVID-19

IMPACT ON COLLEGE

Impacts of COVID-19

WA Recovery Plan- Rebuilding TAFE and Reskilling our Workforce

The COVID-19 pandemic led to the urgent review of Skills, Training and Workforce Development. The Review Report recommendations and response has had a significant impact on the College including: the increase of qualifications listed as part of the *Lower fees, local skills* initiative, and a major increase in delivery of skill sets in response to the *Skills Ready* initiative. Both initiatives led to a substantial increase in demand for training. The flow-on effect was the requirement for a sector wide *Teach@TAFE* recruitment campaign to increase the College's lecturing workforce capacity to cater for the increase demand in training.

The pandemic caused disruption to a number of training programs, in that face-to-face learning, practical assessments and obtaining work-based placement had to be paused for a period of time. This affected the completion of assessments as per training requirements. Therefore, some activity was extended into 2021, impacting the Colleges ability to meet its original 2020 DPA target.

The review also led to the opening of a new Jobs and Skills Centre at the Midland Campus to provide career advice and support services for the eastern suburbs. This centre will service areas of high unemployment and support people who have lost employment or whose job prospects have worsened as a result of COVID-19.

There was an increase in the number of apprentices and trainees displaced due to the disruption of business because of COVID-19. In response the JSC's and the College's Apprentice Management Team worked with displaced apprentices and trainees to find alternative employment, as well as employers to ensure they knew how to access the, 'Government's Apprenticeship and Traineeship Reengagement Initiative' payments.

The *WA Recovery Plan* identified funding of around \$50M to allow NMTAFE to further expand and develop state-of-the-art training centres and workshops to align with vocational education and training essential for existing and emerging workforce needs.

The Balga campus will benefit from a \$32 million investment to create a new multistorey building to replace 22 transportable classrooms, providing building, construction, community services and general education students with contemporary learning facilities. Construction of a new trade training workshop and technology laboratories for light automotive training is also planned for our Joondalup campus, with \$17.6 million budgeted.

Other Impacts of COVID-19

The need to swiftly switch from face-to-face delivery to an online or blended learning experience for students saw an increase in lecturer training in online development, online learning platforms and cloud based applications.

The need to navigate national and state occupational safety and health (OSH) and human resources (HR) saw changes including:

- Additional OSH processes, practices and reporting to manage new risks and to keep staff and students safe
- Additional labour relations entitlements such as COVID-19 leave and how to pivot the workforce and ensure our employees were well supported to safely and productively work from home.

Closure of Australia's international borders as part of the National strategy to control the outbreak of COVID-19:

- Led to a decline of onshore international student numbers and effectively limited the delivery of the Adult Migrant English Program (AMEP) to eligible participants already residing in Perth. This impacted on the College's commercial revenue.



Financial Impacts of COVID-19 on the College

Predicting the impact of the COVID-19 pandemic on financial performance was a changing feat across 2020. During April, with training delivery almost exclusively online it was unknown how long it would be before face-to-face would be possible again or how many students would withdraw due to the change in the mode of delivery. Added to this, the intake of new International students and migrants into the Adult Migrant Education Program (AMEP) had significantly declined leaving considerable uncertainty in predicting own source revenue levels for 2020.

Fortunately, any significant adverse result was avoided by additional support from the State and Commonwealth governments and sound management of the College's operating costs, including salaries.

The College has recorded an operating deficit for the year of \$8,992K against a target of \$13,547K, a favourable variance of \$4,555K.

Based on certain assumptions, the impact of the pandemic on revenue and expenditure was modelled with a significant draw down on cash reserves being predicted in May. Fortunately, lecturers rapidly embraced the challenge to provide training online to the vast majority of students keeping them engaged and proving the effectiveness of a blended delivery model. By May the State's response to controlling community spread of the virus had been so successful, face-to-face delivery returned with student withdrawals lower than anticipated. By July the State government had stepped in to offer fee free skill sets and reduced fees for 180 targeted courses while the Commonwealth significantly increased the funding per AMEP enrolment for the second semester to make smaller class sizes viable.

While our governments addressed the revenue and activity side of our operation, NMTAFE undertook to reduce expenditure by reviewing own source revenue activity and adjusting employee levels to match demand for services and training. In addition, the impact of COVID-19 on supply lines resulted in an under spend predominately on IT equipment replacement. This will result in a higher spend in 2021 to ensure our replacement schedule gets back on track. The self-funded replacement of the Building Management System at our main Perth campus was delayed with the bulk of the project payment moved to 2021.



NMTAFE COVID-19 Response Timeline (2020)





04

Other Legal Requirements

JOONDALUP (KENDREW) CAMPUS

DIPLOMA OF HOSPITALITY

Public Sector Ethics, Integrity and Corruption Prevention

NMTAFE is committed to ensuring compliance and best practice requirements of the Public Sector Standards in Human Resource Management, the Public Sector Code of Ethics and our Staff Code of Conduct. As required under Section 31 (1) of the Public Sector Management Act 1994, the College complies with the requirements of the Public Sector Standards and the Western Australian Public Sector Code of Ethics.

The College utilised a number of strategies to ensure compliance with the above. Human Resources (HR) policies and procedures were reviewed and information provided to staff concerning the Code of Conduct and HR policies and procedures on commencement and via the intranet.

The PSC Integrity Snapshot Tool was used to self-assess existing integrity controls. Risks were identified and registered and actions to strengthen integrity were approved by Corporate Executive. A Fraud and Corruption Control Plan and Policy was also implemented during 2020.

As at 31 December 2020, 99% of permanent and contract staff had completed the training Accountable and Ethical Decision Making (AEDM). Monthly leadership forums consolidated and enhanced the capability of senior leaders to address the unique nature of public administration, embrace the core values of public service and share the service ethos which underpins the work of public servants.

Industrial Relations

In accordance with the WA TAFE Lecturers' General Agreement 2019 and the Public Sector CSA General Agreement 2019, the Joint Staff Consultative Committee continued to provide opportunities for the discussion of matters that impacted in the workplace and a mechanism for meaningful consultation.

During 2020 six (6) disciplinary matters carried over from 2019 were resolved and five (5) new disciplinary matters were received. Nine (9) of these were found to involve breaches of the Code of Conduct and sanctions were applied.

Two (2) cases remain in progress and will carry over to 2021.

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; and
- 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 (two new PID Officers were assigned in 2020 and all four PID Officers completed PSC training in 2020). The College has published internal policies and procedures related to its obligations. No PID applications were received for the reporting period.

Recordkeeping Plan

During 2020 NMTAFE continued to implement best practice records management in accordance with the *State Records Act 2000*. A current approved Sector Wide Record Keeping Plan (RKP) and a draft revised Sector Disposal Authority (SDA) are in place (the Sector Disposal Authority is awaiting submission and subsequent approval from State Records Office).

Corporate Information Services continued delivering recordkeeping training sessions and in 2020 provided training to more than 750 staff. All training sessions are readily available to staff to assist them in meeting their recordkeeping responsibilities. The training programs comprise group presentations, online guides / cheat sheets, and one-to-one training.

As a result of the impacts of COVID-19 a robust approach towards recordkeeping procedures was implemented to ensure staff working remotely continued to meet their obligations towards impacting legislation.

Legislative Environment

North Metropolitan TAFE complies with the following legislation:

- *Archive Act 1983, Commonwealth*
- *Classification Enforcement Act 1996*
- *Commercial Tenancy (Retail Shops) Agreements Act 1985*
- *Copyright Act 1968, Commonwealth*
- *Corruption and Crime Commission Act 2003*
- *Disability Services Act 1993*
- *Education Service Providers (Full Fee Overseas Students) Registration Act 1991*
- *Education Services for Overseas Students Act 2000, Commonwealth*
- *Electoral Act 1907*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Government Employees Superannuation Act 1987*
- *Higher Education Support Act 2003, Commonwealth*
- *Higher Education Standards Framework (Threshold Standards) 2015*
- *Income Tax Assessment Act 1997*
- *Industrial Relations Act 1979*
- *Library Board of Western Australia Act 1951*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Privacy Act 1988, Commonwealth*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *Spam Act 2003, Commonwealth*
- *Standards for Registered Training Organisations (RTOs) 2015*
- *State Records Act 2000*
- *State Supply Commission Act 1991*
- *Statutory Corporations (Liability of Directors) Act 1996*
- *Student Identifiers Act 2014*
- *Tertiary Education Quality and Standards Agency Act 2011*
- *Vocational Education and Training Act 1996*
- *Workers' Compensation and Injury Management Act 1981*
- *Working with Children (Criminal Record Checking) Act 2004*
- *Workplace Relations Act 1996, Commonwealth*
- *Workforce Reform Act 2014*





05

Government Policy and Legal Requirements

PERTH CAMPUS

KOOLARK - CENTRE FOR ABORIGINAL STUDENTS

Staff Profile

Table 1 Staffing Numbers

Staff Profile	2018	2019	2020
Number of permanent, contract staff (head count)	1320	1276	1265
Number of casual staff	422	208	345
Number of full-time staff (perm and contract)	669	844	828
Number of part-time staff (perm and contract)	651	432	437
FTE for year	1139.38	1119.66	1195.07
Academic Delivery	678.57	691.22	749.42
Corporate Services and Support Services	456.81	428.44	445.42
Unattached/Redeployees	4	5	5

Workforce data taken from Empower HRMIS

Note Information provided as at 10 December 2020 for FTE. FTE figures can vary across the year by +/- 10% due to training demand fluctuations.

Equal Employment Opportunity, Equity, Access and Diversity

NMTAFE is committed to sustaining a diverse and inclusive workforce in which all employees feel valued and respected. During the reporting period the College met its reporting obligations under equity based legislative and public sector management requirements. 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.

Our Disability Access and Inclusion Plan aims to ensure that people with disability have access to all our services, programs and facilities. Our Workforce Plan integrates Equal Employment Opportunity (EEO) management initiatives, with a focus on building meaningful, respectful and mutual relationships with Aboriginal and Torres Strait Islander people and communities; to date 85% of staff have completed EEO training modules. Our Workforce Plan also incorporates activities to ensure our human resource management practices reflect contemporary approaches to attract and retain a diverse and skilled workforce. The College has complied with the Public Sector Commission's equity and diversity reporting requirements through the 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

NMTAFE is committed to the safety and health of staff and students. NMTAFE 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 committee's ensure staff understand their responsibilities and are trained appropriately.

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

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

During 2020 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 (10) 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 2020 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.

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

NMTAFE 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. 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 2 OSH Performance against Targets

Measure	Actual results			Results against Target	
	2018	2019	2020	Target	Comment on Results
Number of fatalities	0	0	0	Zero (0)	Target met
Lost time injury/disease (LTI/D) incidence rate	0	0	0	Zero (0) or 10% improvement on the previous three (3) years	These figures are less than 1%, therefore reported as 0.
Lost time injury (LTI) severity rate	53.33%	81.25%	51.74%	Zero (0) or 10% improvement on the previous three (3) years	24.11% reduction from previous year
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.
	100%	100%	100%		
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	7%	100%	100%	Greater than or equal to 80%	Online Manager OSH training was conducted in 2019, with all new managers in 2020 completing the module.

Notes:

- 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.
- 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.
- 3. Percentage of managers trained in occupational safety, health and injury management responsibilities.**

06



Disclosures and Legal Requirements

JOONDALUP (MCLARTY) CAMPUS

DIPLOMA OF ENROLLED NURSING

Breach of Credit Card Use

Table 3 Credit Card Breaches 2020 | Reporting Period 1 January to 31 December 2020

Personal expenditure under Treasurer's instruction 321 'Credit Cards - Authorised Use'

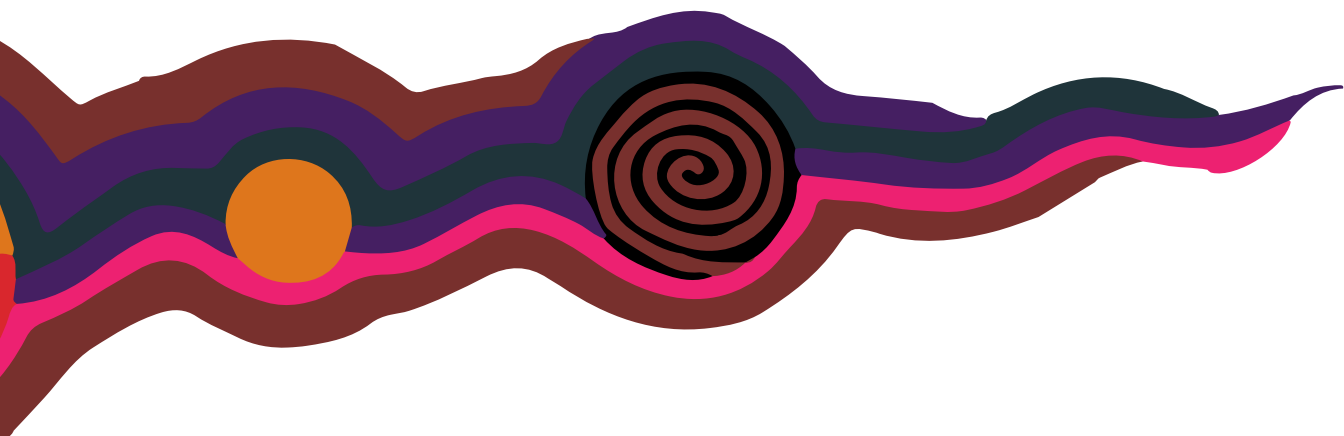
a) the number of instances the WA Government Purchasing Card has been used for a personal purpose;	5
b) the aggregate amount of personal use expenditure for the reporting period;	\$173.94
c) the aggregate amount of personal use expenditure settled by the due date;	\$173.94
d) the aggregate amount of personal use expenditure settled after the period required by paragraph (c);	Nil
e) the aggregate amount of personal use expenditure outstanding at the end of the reporting period;	Nil
f) the number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	Nil

Advertising and Marketing Expenditure

Pursuant to the requirements of section 175ZE of the Electoral Act 1907, the following expenditures were incurred by, or on behalf of, the College in relation to advertising, and marketing.

Table 4 Expenditure for Advertising and Media Organisations

Class of organisation	Organisation	Amount ex GST
Advertising agencies	Equilibrium	\$38,400
Market research organisations	-	-
Polling organisations	-	-
Direct mail organisations	Mailchimp	\$3,225
	Facebook/Instagram	\$27,786
	Google AdWords	\$39,258
Media advertising agencies	Student Edge	\$7,000
	Seek	\$7,991
	LinkedIn	\$682
Total		\$124,342



Remuneration

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

Table 5 Governing Council Remuneration

Position	Name	Type of remuneration	Period of membership	Gross remuneration
Chair	Emeritus Professor William Loudon AM	Per Annum	1/07/2018 – 30/06/2021	\$22,665.24
Deputy Chair	Ms Karen Jamvold	Per Annum	1/07/2018 – 30/06/2021	\$886.00
Member	Professor Arshad Omari	Per Annum	1/07/2018 – 30/06/2021	\$1,900.00
Member	Mr Graham Droppert	Per Annum	1/07/2018 – 30/06/2021	\$1,920.00
Member	Ms Mara West	Per Annum	1/07/2018 – 30/06/2021	\$1,536.00
Member	Ms Dianne Bianchini	Per Annum	1/07/2018 – 30/06/2021	\$1,536.00
Member	Dr Craig McLure	Per Annum	1/07/2018 – 30/06/2021	\$1,536.00
Member	Ms Cheryl Robertson	Per Annum	1/07/2018 – 30/06/2021	\$2,097.00
Member	Mr Adam Sofoulis	Per Annum	1/07/2018 – 30/06/2021	\$1,536.00
Member	Mrs Meryl Jones	Per Annum	1/07/2018 – 30/06/2021	\$1,536.00
Member	Ms Amy Barrett-Lennard	Per Annum	1/07/2020 – 30/06/2023	\$1,152.00
Total				\$38,300.24

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.

There was one declaration for 2020, from Cheryl Robertson associated with Microsoft being mentioned in the College's Cyber Security capability paper.

Capital Works

Balga Campus

- A \$32 million new construction for Balga was announced as part of the Government's Rebuilding our TAFE's plan. While the project is in the very early stages of planning, the key objective to replace 22 temporary transportable classrooms and offices. In addition to classrooms and office accommodation, the new build will also include contemporary accommodation for client services, library and a workshop dedicated to emerging future trade technologies.
- Department of Training and Workforce Development funding was obtained to fund a program of remedial work to upgrade buildings including two roof replacements L Block and P Block to the value of \$2.34 million (P block is expected to be completed late Jan 2021) and replacement of several extraction hoppers servicing carpentry and cabinet making workshops. The hopper replacement project will be completed 2021 and is estimated to cost \$1.2 million.

Joondalup (Kendrew) Campus

- A new \$17.6 million new construction creating a light automotive and technologies building for Joondalup (Kendrew) Campus was announced as part of the Government's Rebuilding our TAFE's plan. To meet future training needs, the new build will be designed with a focus on emerging technologies as the automotive industry generally transitions to electric powered and autonomous vehicles. Working with Industry to support their needs the new building will be contemporary, technology relevant and adaptable, positioning NMTAFE as a leader in responsive, innovative and relevant training.
- Building upon the success of previous cyber Security projects, a Training Cyber Security Operations Centre (\$80k) was established, enabling NMTAFE to further participate in increasing training to support Government and Industry and more generally to develop critical skills within the IT security platform.
- Construction of a new greenhouse (\$50k) to support horticulture and sustainability training. The greenhouse is constructed of polycarbonate cladding to the roof and walls to allow filtered light to its centre complete with shade cloth to protect plants, electric and water.

Joondalup (McLarty) Campus

- A former science building was refurbished to create a Disability and Aged Care Simulated Training centre to train students in the skills required to support National Disability Insurance Scheme (NDIS) and State Government workforce development strategies within this sector. The project simulates both residential and home care environments including a range of differing equipment students will use when transitioning to employment within the Allied care industry. Project value \$1.5 million.
- Beauty Therapy training was delivered from the science building which was not fit for purpose and to create the Disability and Aged Care centre, the training area was relocated to an adjacent building. Classroom facilities within T block were repurposed to create a fit for purpose training area for makeup and other beauty therapy training qualifications. The Makeup training rooms have received excellent feedback from Industry representatives referring to them as the best in WA. Project value \$800k.

Midland Campus

- Following the announcement by the Premier in 2019 that the Midland campus will become a specialist METRONET Trade Training Centre, refurbishment work to the value of \$500k to the Heavy Metals Fabrication building was completed in March 2020. An Industry Stakeholder Consultation Group was established to gain input into the design of a signal training centre, an area of skill shortage within WA. Phase 1 of the METRONET project to create a signal training facility by repurposing a former carpentry training facility to provide a signal training workshop and control room was completed in October 2020. Phase 2 of the project comprising track and signal components will be completed in 2021.
- The Resources Industry Training Council identified a need to establish a training centre to formalise training to meet industry needs. An Industry Stakeholder Consultation Group was established to gain input into the building design to ensure this meets their requirements. A Belt Splicing shed has been designed and will be constructed within 2021. The budget is \$900k.

Mount Lawley Campus

- Creation of new student centric library and NDIS Training facility. Dormant unserviceable dental labs and redundant plant rooms are in the process of being refurbished to provide Nursing and Health students with a much-needed updated library. The new vibrant library will be completed January 2021.
- Following the library relocation, DTWD will fund the refurbishment of the former area to create two disability and aged care simulated training areas to increase delivery of allied health qualification to support growth within the aged care and disability sector. Construction will commence early 2021. Project value \$1.8 million.

Other works

- Student bathroom refurbishment due to age and condition.
- Lift replacement was required due to their age and unreliability.
- Campus general refurbishment and maintenance works including carpeting, painting, roof repairs and boiler replacement.



07

Independent Auditors Report

LEEDERVILLE CAMPUS

DIPLOMA OF MUSIC INDUSTRY



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 the North Metropolitan TAFE which comprise the Statement of Financial Position as at 31 December 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, as well as notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the North Metropolitan TAFE for the year ended 31 December 2020 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence Standards)* (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.

The Governing Council's Responsibilities 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 entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the TAFE.

Auditor's responsibilities for the audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the 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 the 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 2020.

The Governing Council's Responsibilities

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

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives, and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement 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 the North Metropolitan TAFE for the year ended 31 December 2020. The key performance indicators are the Under Treasurer approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the 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 2020.

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 entity's performance, and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In

making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and Quality Control Relating to the 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 the North Metropolitan TAFE for the year ended 31 December 2020 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
18 March 2021



08

Key Performance Indicators

NMTAFE APPRENTICE

ENGINEERING (HEAVY FABRICATION)

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 2020.



**Emeritus Professor
Bill Loudén AM**
Chair, Governing Council
North Metropolitan TAFE
12 March 2021



Michelle Hoad
Managing Director
North Metropolitan TAFE
12 March 2021



1. Effectiveness Indicators

Stakeholder Satisfaction

Overall Student Satisfaction Rating

In 2020 the Student Satisfaction Survey was conducted by EY Sweeney (trading name of Ernst & Young) for the DTWD. Student Satisfaction Survey measures the extent to which students were satisfied with the training they received from the College. 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 and November 2020.

The usable student population for 2020 for the College was 16,028 and achieved 24.3% response rate with 3,896 students completing the survey. The student satisfaction target for 2020 was exceeded by 0.6%. This result was a significant improvement of the 2019 results, with an increase of 2.1%.

Table 6 Overall Student Satisfaction

	2020 Target	2020 Actual	2019 Actual	2018 Actual
North Metropolitan TAFE	85%	85.6%	83.5%	85.3%
Western Australia	-	87.6%	87.5%	88.2%

Notes

- Source:** Department of Training and Workforce Development, 2020 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.

Student Outcome Survey

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

- Graduate Achievement (Qualification Completers Achievement) Table 7
- Graduate Destination (Qualification Completers in Employment) Table 8

Graduate Achievement

Graduate achievement is a question in the Student Outcomes Survey and measures the extent to which North Metropolitan TAFE Graduates have **"Achieved their main reason for doing the training"**. The measure demonstrates the percentage of graduates who indicated they had fully achieved or partly achieved their main reason for doing the training. The question has four response options 'Yes', 'No', 'Partly' or 'Don't know yet'.

Table 7 Graduate Achievement

	2020 Target	2020 Actual	2019 Actual	2018 Actual
North Metropolitan TAFE	80%	78.1%	79%	76.9%

Graduate Destination

Graduate destination data is also taken from the Student Outcomes Survey and measures the percentage of **qualification completers in employment after training**. This measure indicates the extent to which the College is providing relevant, quality training that enhances student employability.

Table 8 Graduate Destination

	2020 Target	2020 Actual	2019 Actual	2018 Actual
North Metropolitan TAFE	70%	55.9%	61.2%	64.1%

Notes

- Source:** NVCE National Student Outcome Survey, 2020. 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 2019, using data collected in mid-2020. Students not in Scope of this survey are international students, prison delivery and short courses.

NMTAFE is waiting on full report to be able to provide explanation of results, however it should be noted that the national result for an improved employment status after training in 2020 was 56.0% which is down 9.8% compared to 2019.

And the state result for qualifications completers employed after training was 60.3%. It is feasible to consider that the impacts of COVID-19 on employment and labour markets has affected graduates gaining employment after training. Also the significant change could be due to the inclusion of students aged 15 to 17 years and VET in Schools students in the 2020 survey. These students were not included in the 2019 or 2018 survey.

Achievement of College Profile

This achievement of profile delivery indicator reports the College's effectiveness in meeting its Delivery and Performance Agreement (DPA) targets.

The distribution of Student Curriculum Hours (SCH) 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.

Table 9 below provides a comparative assessment of performance against planned DPA activity, and actual delivery in 2020. The planning process involves predicting likely demand for training activity; while considering government priorities and the needs of individuals and industry. However, actual SCH delivered represents the 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 9 Profile Achievement

2020 Target	2020 Actual	2019 Actual	2018 Actual
100%	97.4%	98.4%	95.1%

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 contains with the Delivery and Performance Agreement.

Profile Analysis for North Metropolitan TAFE

The total number of Student Curriculum Hours (SCH) delivered from 1 January to 31 December 2020 under the College's Delivery and Performance Agreement, outlined below in table 10 by major ANZSCO Groups:

Table 10 SCH major ANZSCO

ANZSCO Group	Grand Total
1 - Managers	468,809
2 - Professionals	852,378
3 - Technicians And Trades Workers	2,453,467
4 - Community And Personal Service Workers	2,736,493
5 - Clerical And Administrative Workers	630,105
6 - Sales Workers	21,037
7 - Machinery Operators And Drivers	78,767
8 - Labourers	438,618
9 - General Education	1,088,505
Grand Total	8,768,179

Data presented in Table 11 outlines total SCH achievement in ANZSCO sub groups.



Table 11 Achievement of 2020 Profile Delivery (DPA) by ANZSCO sub groups

Department of Training and Workforce Development ANZSCO Groups	2020 Target Profile(SCH)	2020 Actual Profile (SCH)	2019 Actual Profile(SCH)	2018 Actual Profile (SCH)
11. Chief Executives, General Managers and Legislators	15,000	12,515	10,550	12,660
12. Farmers and Farm Managers	-	-	-	-
13. Specialist Managers	103,415	299,530	83,253	154,464
14. Hospitality, Retail and Service Managers	207,474	156,764	187,131	191,637
1. MANAGERS Total	325,889	468,809	280,934	358,761
21. Arts and Media Professionals	596,806	392,818	568,903	588,193
22. Business, Human Resource and Marketing Professionals	52,800	10,450	64,675	79,210
23. Design, Engineering, Science and Transport Professionals	392,148	21,495	375,222	278,255
24. Education Professionals	17,100	197,305	19,505	20,495
25. Health Professionals	67,240	48,810	65,070	41,305
26. ICT Professionals	201,200	173,205	204,160	213,225
27. Legal, Social and Welfare Professionals	72,395	8,295	64,870	70,840
2. PROFESSIONALS Total	1,399,689	852,378	1,362,405	1,291,523
31. Engineering, ICT and Science Technicians	802,468	789,594	777,861	785,330
32. Automotive and Engineering Trades Workers	188,265	198,339	180,568	146,518
33. Construction Trades Workers	260,768	216,636	252,203	260,581
34. Electro technology and Telecommunications Trades Workers	210,466	187,200	152,991	192,743
35. Food Trades Workers	100,086	133,106	108,037	113,362
36. Skilled Animal and Horticultural Workers	51,399	91,330	49,220	47,083
39. Other Technicians and Trades Workers	226,495	837,262	208,369	209,565
3. TECHNICIANS AND TRADES WORKERS Total	1,839,947	2,453,467	1,729,249	1,755,182
41. Health and Welfare Support Workers	1,110,642	1,114,564	1,021,080	1,128,740
42. Carers and Aides	1,129,282	1,203,637	1,007,421	1,033,979
43. Hospitality Workers	58,340	74,440	53,945	65,496
44. Protective Service Workers	0	380	15,240	18,810
45. Sports and Personal Service Workers	319,296	343,472	359,852	383,482
4. COMMUNITY AND PERSONAL SERVICE WORKERS Total	2,617,560	2,736,493	2,457,538	2,630,507
51. Office Managers and Program Administrators	41,000	101,230	51,675	56,190
52. Personal Assistants and Secretaries	31,000	36,515	22,100	14,115
53. General Clerical Workers	184,835	152,765	186,983	211,090
54. Inquiry Clerks and Receptionists	54,000	53,950	43,820	29,275
55. Numerical Clerks	179,665	156,955	180,460	155,535
59. Other Clerical and Administrative Workers	134,360	128,690	149,880	144,220
5. CLERICAL AND ADMINISTRATIVE WORKERS Total	624,860	630,105	634,918	610,425

Department of Training and Workforce Development ANZSCO Groups	2020 Target Profile(SCH)	2020 Actual Profile (SCH)	2019 Actual Profile(SCH)	2018 Actual Profile (SCH)
61. Sales Representatives and Agents	6,500	14,389	5,924	6,062
62. Sales Assistants and Salespersons	1,278	6,648	2,668	2,503
6. SALES WORKERS Total	7,778	21,037	8,592	8,565
71. Machine and Stationary Plant Operators	119,915	75,295	67,941	75,233
72. Mobile Plant Operators	-	3,472	-	-
7. MACHINERY OPERATORS AND DRIVERS Total	119,915	78,767	67,941	75,233
82. Construction and Mining Labourers	90,192	88,927	77,195	83,469
83. Factory Process Workers	67,063	62,813	58,061	49,495
84. Farm, Forestry and Garden Workers	48,890	48,295	44,706	50,569
85. Food Preparation Assistants	89,855	16,199	6,393	13,184
89. Other Labourers	213,332	222,384	196,725	165,758
8. LABOURERS Total	509,332	438,618	383,080	362,475
G. General Education	1,555,030	1,088,505	1,541,635	1,467,030
Total Profile Delivery	9,000,000	8,768,179	8,466,292	8,559,701

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 original DPA and actual SCH from the NAT files.

2. Efficiency Indicator

The overall cost per SCH demonstrates the efficiency with which the College 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.

The impacts of COVID-19 saw the intake of new International students and migrants into the Adult Migrant Education Program (AMEP) significantly declined resulting in a 25% reduction in the commercial SCH in comparison to 2019. This reduction in activity was offset by savings the College was able to achieve in salaries (\$4.60M) and supplies & services (\$2.96M). As a result the change in cost per SCH decreased \$0.19 (1.1%) compared 2019.

Table 12 presents the actual cost of SCH compared to target cost.

Overall Cost per Student Curriculum Hour

Table 12 Delivery Cost per SCH

	2020 Target	2020 Actual	2019 Actual	2018 Actual
Overall cost per student curriculum hour	\$16.36	\$17.82	\$18.01	\$17.68

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

PERTH CAMPUS

DIPLOMA OF BUSINESS STUDENT



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 2020 and the financial position as at 31 December 2020.

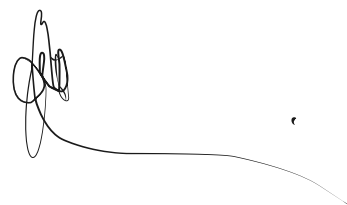
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



**Emeritus Professor
Bill Loudén AM**
Chair, Governing Council
North Metropolitan TAFE
12 March 2021



Michelle Hoad
Managing Director
North Metropolitan TAFE
12 March 2021



Othmar Beerli
Chief Finance Officer
North Metropolitan TAFE
12 March 2021



North Metropolitan TAFE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020		2020	2019
	Notes	\$	\$
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1	124,516,366	129,115,623
Supplies and services	2.3	32,325,455	35,231,029
Grants and subsidies	2.2	20,363	717
Finance Cost	6.3	25,980	40,004
Other expenses	2.3	13,000,391	11,624,259
Cost of sales	3.3	277,017	171,845
Loss on disposal of non-current assets	3.6	35,365	32,988
Loss on disposal of lease arrangements	3.6	2,032	419
Depreciation and amortisation expense	4.1.1, 4.2, 4.3.1	13,748,748	13,687,342
Total cost of services		183,951,716	189,904,226
Income			
Fee for service	3.2	23,541,577	25,498,519
Student fees and charges	3.2	24,837,420	28,870,377
Ancillary trading	3.2	558,176	603,330
Sales	3.3	334,129	316,195
Interest revenue	3.4	267,098	898,431
Other revenue	3.5	556,940	1,034,577
Total revenue		50,095,341	57,221,430
Gains			
Gain arising from changes in fair value - buildings	3.6	2,485,415	4,942,500
Total gains		2,485,415	4,942,500
Total income other than income from State Government		52,580,756	62,163,930
NET COST OF SERVICES		131,370,960	127,740,296
Income from State Government			
Grants and subsidies	3.1	116,315,189	109,690,431
Services Received	3.1	6,061,713	5,638,968
Total income from State Government	3.1	122,376,902	115,329,399
SURPLUS/(DEFICIT) FOR THE PERIOD		(8,994,057)	(12,410,897)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.8	3,544,478	171,884
Total other comprehensive income		3,544,478	171,884
TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD		(5,449,579)	(12,239,013)

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 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	31,685,258	31,414,596
Restricted cash and cash equivalents	6.1	5,759,234	4,483,717
Receivables	5.1	6,533,271	7,070,794
Inventories	3.3	69,677	169,314
Other current assets	5.2	1,979,033	2,076,353
Total Current Assets		46,026,473	45,214,773
Non-Current Assets			
Restricted cash and cash equivalents	6.1	2,596,766	2,203,088
Property, plant and equipment	4.1	414,560,865	414,788,825
Right-of-use assets	4.2	819,123	1,106,002
Intangible assets	4.3	105,952	25,350
Total Non-Current Assets		418,082,706	418,123,265
TOTAL ASSETS		464,109,179	463,338,038
LIABILITIES			
Current Liabilities			
Payables	5.3	6,643,144	6,904,908
Lease liabilities	6.2	366,296	355,645
Employee related provisions	2.1	20,764,769	19,379,153
Other current liabilities	5.4	7,484,192	7,033,102
Total Current Liabilities		35,258,401	33,672,808
Non-Current Liabilities			
Lease liabilities	6.2	478,117	764,762
Employee related provisions	2.1	4,800,088	4,863,818
Total Non-Current Liabilities		5,278,205	5,628,580
TOTAL LIABILITIES		40,536,606	39,301,389
NET ASSETS		423,572,573	424,036,649
EQUITY			
Contributed equity	8.8	477,390,734	472,405,231
Reserves	8.8	3,840,086	295,608
Accumulated surplus / (deficit)		(57,658,247)	(48,664,190)
TOTAL EQUITY		423,572,573	424,036,649

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 2020

	Notes	2020 \$	2019 \$
CASH FLOWS FROM STATE GOVERNMENT			
Grants and subsidies - Department of Training and Workforce Development		116,099,367	111,287,024
Capital appropriation - Department of Training and Workforce Development			
Total Net cash provided by State Government		116,099,367	111,287,024
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(123,119,458)	(129,123,231)
Supplies and services		(26,395,930)	(31,065,563)
Finance Cost		(25,980)	(40,004)
Grants and subsidies		(20,363)	(717)
GST payments on purchases		(3,281,067)	(3,764,213)
GST payments to taxation authority			
Other payments		(12,940,241)	(11,965,695)
Receipts			
Fee for service		22,567,045	25,843,075
Student fees and charges		26,632,157	29,126,547
Ancillary trading		558,176	603,330
Interest received		358,819	1,102,914
GST receipts on sales		355,603	456,808
GST receipts from taxation authority		2,973,988	3,271,679
Other receipts		871,643	1,305,907
Net cash provided by/(used in) operating activities		(111,465,607)	(114,249,163)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(2,377,833)	(3,667,929)
Capital Contribution			
Receipts			
Proceeds from sale of non-current physical assets		12,125	-
Capital Contribution			
Net cash provided by/(used in) investing activities		(2,365,708)	(3,667,929)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(328,195)	(379,433)
Other repayments			
Receipts			
Proceeds from borrowings			
Other proceeds			
Net cash provided by/(used in) financing activities		(328,195)	(379,433)
Net increase in cash and cash equivalents		1,939,857	(7,009,501)
Cash and cash equivalents at the beginning of period		38,101,401	45,110,902
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	6.1	40,041,258	38,101,401

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 2020

		Contributed Equity	Reserves	Accumulated Surplus / (Deficit)	Total Equity
Balance at 1 January 2019	Notes	\$	\$		\$
Balance at 1 January 2019		465,422,465	123,724	(36,253,293)	429,292,896
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated balance at 1 January 2019		465,422,465	123,724	(36,253,293)	429,292,896
Surplus/(deficit)				(12,410,897)	(12,410,897)
Other comprehensive income	8.8		171,884	-	171,884
Total comprehensive income for the period		-	171,884	(12,410,897)	(12,239,013)
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		469,000	-		469,000
Other contributions by owners		6,513,766	-		6,513,766
Total		6,982,766	-	-	6,982,766
Balance at 31 December 2019		472,405,231	295,608	(48,664,190)	424,036,649

Balance at 1 January 2020		472,405,231	295,608	(48,664,190)	424,036,649
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated balance at 1 January 2020		472,405,231	295,608	(48,664,190)	424,036,649
Surplus/(deficit)				(8,994,057)	(8,994,057)
Other comprehensive income	8.8		3,544,478	-	3,544,478
Total comprehensive income for the period		-	3,544,478	(8,994,057)	(5,449,579)
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		-	-		-
Other contributions by owners		4,985,503	-		4,985,503
Total		4,985,503	-	-	4,985,503
Balance at 31 December 2020		477,390,734	3,840,086	(57,658,247)	423,572,573

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

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 12th March 2021.

Statement of compliance

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

- 1) The *Financial Management Act 2006* (FMA)
- 2) The Treasurer's instructions (TIs)
- 3) Australian Accounting Standards (AAS) 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 AASs are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to nearest thousand dollars (\$'000)

NM TAFE's financial position has not been materially impacted by the COVID-19 pandemic during 2020.

Judgements and estimates

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

Contributed equity

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

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	2020	2019
Employee benefits expenses	2.1(a)	124,516,366	129,115,623
Employee related provisions	2.1(b)	25,564,857	24,242,971
Grants and subsidies	2.2	20,363	717
Other expenditure	2.3	13,000,391	11,624,259

2.1(a) Employee benefits expenses

	2020	2019
Employee benefits	113,471,642	114,932,240
Termination benefits	214,078	2,970,582
Superannuation - defined contribution plans	10,830,645	11,212,801
Total employee benefits expenses	124,516,366	129,115,623
Add: AASB 16 Non-monetary benefits		
Provision of vehicle benefits	26,246	66,937
Less: Employee Contributions	(16,454)	(36,141)
Net employee benefits expenses	124,526,158	129,146,419

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Employee benefits: include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for employees.

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when 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. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation: the amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds.

AASB 16 Non-monetary benefits: non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of Vehicle and Housing benefits are measured at the cost incurred by the NM TAFE. **Employee Contributions:** this line item includes contributions made to the NM TAFE by employees towards employee benefits that have been provided by the NM TAFE. This includes both AASB-16 and non-AASB 16 employee contributions.

Employee Contributions: this line item includes contributions made to TAFE by employees towards employee benefits that have been provided by NM TAFE. This includes both AASB-16 and non-AASB 16 employee contributions.

2.1(b) Employee related provisions

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

	2020	2019
Current		
<u>Employee benefits provision</u>		
Annual leave	4,273,104	4,037,464
Long service leave	15,108,531	13,996,283
Deferred salary scheme	152,246	181,501
Purchased leave	2,399	20,607
	19,536,280	18,235,855
<u>Other provisions</u>		
Employment on-costs	1,228,489	1,143,298
Other	-	-
Total current employee related provisions	20,764,769	19,379,153
Non-current		
<u>Employee benefits provision</u>		
Long service leave	4,515,060	4,574,893
	4,515,060	4,574,893
<u>Other provisions</u>		
Employment on-costs	285,028	288,925
Total non-current employee related provisions	4,800,088	4,863,818
Total employee related provisions	25,564,857	24,242,971

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

Annual leave liabilities: Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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

Long service leave liabilities: Unconditional long service leave provisions are classified as current liabilities as 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.

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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.

Deferred salary scheme liabilities: Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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

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

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

Employment on-costs provisions

	2020	2019
Carrying amount at start of period	1,432,223	1,515,149
Additional / (reversals of) provisions recognised	817,287	770,355
Payments / other sacrifices of economic benefits	(735,993)	(853,281)
Total Carrying amount at end of period	1,513,517	1,432,223

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

	2020	2019
<u>Recurrent</u>		
Scholarships for students	20,363	717
Total grants and subsidies	20,363	717

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.

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2.3 Other expenditure

Supplies and services

	2020	2019
Consumables and minor equipment	7,150,122	9,350,672
Communication expenses	582,017	561,312
Utilities expenses	3,826,276	4,329,424
Consultancies and contracted services	16,755,835	16,720,498
Minor works	541,475	810,654
Repairs and maintenance	278,833	270,277
Rental Cost	353,611	428,222
Travel and passenger transport	81,708	166,206
Advertising and public relations	179,117	184,321
Staff professional development activities	217,483	181,317
Supplies and services - other	2,358,979	2,228,127
2.3s Total supplies and services expenses	32,325,455	35,231,029

Other expenditure

Audit fees	176,500	176,500
Building maintenance	3,422,327	3,124,749
Expected credit losses expense	494,303	(451,712)
Employment on-costs	8,803,158	8,709,764
Donations	223	-
Student prizes and awards	4,418	13,140
Losses and write-offs	(11)	44,728
Other	99,472	7,089
Total other expenses	13,000,391	11,624,259
Total other expenditure	13,000,391	11,624,259

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

Rental expenses include:

- i) Short-term leases with a lease term of 12 months or less;
- ii) Low-value leases with an underlying value of \$5,000 or less; and
- iii) Variable lease payments, recognised in the period in which the event or condition that triggers those payments occurs.

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

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

Expected credit losses is an allowance of trade receivables and is measured at the lifetime expected credit losses at each reporting date. 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. Please refer to note 5.1. Movement in the allowance for impairment of trade receivables.

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

Asset Revaluation:

Revaluation increment is credited directly to an asset revaluation reserve, except to the extent that any increment reverses a revaluation decrement of the same class of assets previously recognised as an expense. Revaluation decrement is recognised as an expense, except to the extent of any balance existing in the asset revaluation reserve in respect of that class of assets.

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:

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	Notes	2020	2019
Income from State Government	3.1	122,376,902	115,329,399
User charges and fees	3.2	48,937,173	54,972,226
Trading profit	3.3	57,112	144,350
Interest revenue	3.4	267,098	898,431
Other revenue	3.5	556,940	1,034,577
Gains/(Losses)	3.6	(35,365)	(32,988)

3.1 Income from State Government

	2020	2019
Grants and subsidies received during the period:		
Grants and subsidies		
Delivery and Performance Agreement (DPA)	113,808,620	106,331,666
Non-DPA Grants from Department of Training and Workforce Development (DTWD)	2,506,569	3,353,310
Non-Department of Training and Workforce Development (DTWD) Grants	-	5,455
	116,315,189	109,690,431
Services received free of charge from other State Government agencies during the period:		
Department of Training and Workforce Development		
- Corporate systems support	5,189,382	4,793,683
- Marketing and publications	20,571	40,597
- Human resources and industrial relations support	87,742	79,033
- Other	703,011	678,566
Other Government (State Solicitor's Office)	61,008	47,089
	6,061,713	5,638,968
Total income from State Government	122,376,902	115,329,399

Grants and subsidies is recognised as income when the performance obligations are satisfied

Grants and subsidies fund the net cost of services delivered. Appropriate revenue comprises the following

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

Services received free of charge or for nominal cost are recognised as income (and assets or expenses) equivalent to the fair value of the assets, or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

3.2 User charges and fees

	2020	2019
Fee for service		
Fee for service - general	2,494,467	3,517,539
Fee for service - Government (other than DTWD)	13,555,303	12,787,750
International fees	7,063,782	8,047,138
Higher education	428,024	1,146,093
Total fee for service	23,541,577	25,498,519
Student fees and charges		
Tuition fees	20,349,561	23,511,055
Enrolment and Resource fees	4,283,088	4,980,927
Recognition of prior learning (RPL) fees	95,411	273,326
Incidental fees	20,991	30,739
Other College fees	88,369	74,330
Total student fees and charges	24,837,420	28,870,377
Ancillary trading		
Liveworks (not a trading activity)	511,846	562,104
Other Ancillary Revenue	46,330	41,226
Total ancillary trading	558,176	603,330
Total User charges and fees	48,937,173	54,972,226

Revenue is recognised and measured at the fair value of consideration received or receivable. Student fees and charges are recognised over time as and when the course is delivered to students. Revenue from fee for service is recognised over time as and when the service is provided. Revenue from ancillary trading is recognised when the service or goods are provided.

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3.3 Trading profit

	2020	2019
Bookshop		
Sales	334,129	316,195
Cost of Sales:		
Opening Inventory	(169,314)	(245,832)
Purchases	(182,179)	(95,326)
	(351,493)	(341,159)
Closing Inventory	74,476	169,314
Cost of Goods Sold	(277,017)	(171,845)
Total trading profit/(loss) - Bookshop	57,112	144,350
Total Trading profit/(loss)	57,112	144,350
Closing Inventory comprises:		
Current Inventories		
At cost	74,476	169,314
Total current inventory trading activities	74,476	169,314
Provision for obsolete stock trading activities	(4,799)	-
Total current inventories	69,677	169,314

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

	2020	2019
Interest revenue	267,098	898,431

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

	2020	2019
Employee contributions	16,454	36,141
Rental and facilities fees	345,828	533,580
Other direct grants and subsidy revenue	39,728	11,772
Copyright and royalties revenue	303	332
Sponsorship and donations revenue	59,593	95,598
Miscellaneous revenue	95,036	357,154
Total other revenue	556,940	1,034,577

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)

	2020	2019
<u>Net proceeds from disposal of non-current assets</u>		
Plant, furniture and general equipment	12,125	-
Works of art	-	318
Total proceeds from disposal of non-current assets	12,125	318
<u>Carrying amount of non-current assets disposed</u>		
Buildings	(40,424)	-
Plant, furniture and general equipment	(5,081)	(17,342)
Computers and communication network	(1,986)	(309)
Works of art	-	(15,655)
Net gains/(losses)	(35,365)	(32,988)

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Other gains

Gain arising from lease arrangements

Gain arising from changes in fair value - buildings

Other gains/(losses)

Total gains/(losses)

	(2,032)	(419)
	2,485,415	4,942,500
	2,483,383	4,942,081
	2,448,018	4,909,093

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

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

4 Key assets

Assets utilised for economic benefit or service potential

This section includes information regarding the key assets 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	2020	2019
Property, plant and equipment	4.1	414,560,865	414,788,825
Right-of-use assets	4.2	819,123	1,106,002
Intangibles	4.3	105,952	25,350
Total key assets		415,485,940	415,920,177

4.1 Property, plant and equipment

	Land \$	Buildings \$	Buildings under construction \$	Motor vehicles, caravans and trailers \$	Leasehold improve- ments \$	Plant, furniture and general equipment \$	Computer equipment, communica- tion network \$	Works of art \$	Total \$
Year ended 31 December 2020									
1 January 2020									
Gross carrying amount	98,110,000	310,501,510	430,627	39,758	174,746	5,418,679	1,702,090	2,284,323	418,661,733
Accumulated depreciation	-	-	-	(24,405)	(174,746)	(2,330,831)	(1,308,361)	-	(3,838,343)
Accumulated impairment losses	-	-	-	-	-	(34,566)	-	-	(34,566)
Carrying amount at start of period	98,110,000	310,501,510	430,627	15,353	-	3,053,283	393,729	2,284,323	414,788,825
Additions	-	1,138,706	5,233,906	-	-	714,666	380,631	42,213	7,510,121
Transfers (a)	-	2,415,834	-	23,300	-	23,300	-	-	-
Other disposals	-	40,424	-	355,187	-	37,873	-	-	433,483
Revaluation increments/(decrements)	-	6,029,894	-	-	-	-	-	-	6,029,894
Impairment losses (b)	-	-	-	-	-	-	-	-	-
Impairment losses reversed (b)	-	-	-	-	-	34,566	-	-	34,566
Depreciation	-	(12,374,360)	-	(2,892)	-	(787,292)	(204,514)	-	(13,369,057)
Carrying amount 31 December 2020	98,110,000	307,671,160	2,893,513	35,761	-	2,954,050	569,846	2,326,536	414,560,865
Gross carrying amount	98,110,000	307,671,160	2,893,513	103,116	-	6,006,367	2,082,720	2,326,536	419,193,411
Accumulated depreciation	-	-	-	(67,355)	-	(3,052,316)	(1,512,874)	-	(4,632,546)
Accumulated impairment losses	-	-	-	-	-	-	-	-	-

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

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

Initial recognition

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

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

Subsequent measurement

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

Land is carried at fair value.

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

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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 01 July 2020 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 31 December 2020 and recognised at 31 December 2020. In undertaking the revaluation, fair value was determined by reference to market values for land: \$2,370,000 (2019: \$2,370,000) and buildings: \$200,000 (2019: \$200,000). 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).

c) Works of art are revalued every 3 years by an independent artwork valuer to ensure The carrying amount does not differ materially from fair value.

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	
Total depreciation for the period	

2020	2019
12,374,360	12,250,189
-	44,020
2,892	4,022
787,292	692,604
204,514	303,089
13,369,057	13,293,923

Impairment

Plant, furniture and general equipment	
Total depreciation for the period	

2020	2019
(0)	34,566
(0)	34,566

All surplus assets at 31 December 2020 have either been classified as assets held for sale or written-off.

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

Finite useful lives

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

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

Asset	Useful life: years
Building	40 years
Leasehold improvements	2 - 5 years
Motor vehicles, caravans and trailers	3 to 20 years
Plant, furniture and general equipment	3 to 20 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.

Under the College capitalisation policy, the library collection is recognised as a grouped asset at year end in accordance with Treasurer's Instruction 1101, and depreciated under a rolling depreciation methodology. Purchases in a given year are 100% depreciated in the fifth year following purchase and derecognised in the seventh year following purchase.

Under the College capitalisation policy, like Computer equipment items, less than the capitalisation threshold is recognised as a grouped asset at year end in accordance with Treasurer's Instruction 1101. Purchases in a given year are depreciated over future years in line with standard college depreciation rates.

Impairment

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

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

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

As 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.

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4.2 Right-of-use assets

Buildings

Vehicles

Net Carrying Amount:

	2020	2019
Buildings	546,588	781,605
Vehicles	272,534	324,397
Net Carrying Amount:	819,123	1,106,002

Additions to right-of-use assets during the 2020 financial year were \$31,285 (2019: \$165,293)

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

This includes all leased assets other than investment property ROU assets, which are measured in accordance with AASB 140 'Investment Property'.

NM TAFE has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to NM TAFE at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2020	2019
Buildings	273,294	260,535
Vehicles	106,396	132,884
Total right-of-use asset depreciation	379,691	393,419
Lease interest expense	25,980	40,004

The total cash outflow for leases in 2020 was \$328,195 (2019: \$379,433)

NM TAFE's leasing activities and how these are accounted for:

NM TAFE has leases for vehicles and office accommodation.

NM TAFE recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

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

4.3 Intangible assets

	Computer software and licences	work in progress (internally developed software)	Total
Year ended 31 December 2020			
1 January 2020			
Cost	1,361	25,350	26,711
Accumulated amortisation	(1,361)	-	(1,361)
Accumulated impairment loss	-	-	-
Carrying amount at start of period	-	25,350	25,350
			-
Additions	-	80,602	80,602
Carrying amount at 31 December 2020	-	105,952	105,952

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
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Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

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

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

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

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted above), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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

Subsequent measurement

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

4.3.1 Amortisation and impairment

Charge for the period

As at 31 December 2020 there were no indications of impairment to intangible assets.

NM TAFE held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by NM TAFE have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Computer software ^(a)	3 to 5 years
Licenses	3 to 5 years
Internally developed software	3 to 5 years

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

Impairment of intangible assets

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

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	2020	2019
Receivables	5.1	6,533,271	7,070,794
Other assets	5.2	1,979,033	2,076,353
Payables	5.3	6,643,144	6,904,908
Other Liabilities	5.4	7,484,192	7,033,102

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
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5.1 Receivables

Current

	2020	2019
Receivables - Trade	1,442,679	1,157,558
Receivables - Students	1,710,520	3,466,700
Allowance for impairment of receivables	(632,907)	(767,671)
Accrued revenue	3,533,234	2,665,763
GST receivable	479,745	548,444
Total current	6,533,271	7,070,794

Balance at end of period

6,533,271	7,070,794
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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

Current

	2020	2019
Prepayments	1,893,172	2,056,777
Other	85,861	19,575
Total current	1,979,033	2,076,353

Balance at end of period

1,979,033	2,076,353
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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.

Contract asset

Where NM TAFE performs by transferring either goods or services to a customer before the payment is due or before the customer pays for consideration, then these are to be classified as contract assets. Contract assets exclude any amounts presented as a receivable.

5.3 Payables

Current

	2020	2019
Trade payables	72,930	312,002
Accrued expenses	3,557,721	3,816,600
Accrued salaries and related costs	3,004,804	2,768,752
Paid parental leave payable	7,690	7,554
Total current	6,643,144	6,904,908

Balance at end of period

6,643,144	6,904,908
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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 Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26 pay days. No interest is received on this account.

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
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5.4 Other liabilities

Current

	2020	2019
Income received in advance ^(a)	3,783,853	3,097,516
Grants and advances (provision for under-delivery in Government funded courses)	2,802,462	2,894,384
Grants and advances other	354,142	478,041
Monies/deposits held in trust	543,506	549,382
Other current liabilities	230	13,779
Total current	7,484,192	7,033,102

Balance at end of period

7,484,192	7,033,102
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^(a) Includes unspent funds provided under the VET Student Loan arrangements not yet allocated to student enrolments and income received in advance from students.

6 Financing

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

	Notes
Cash and cash equivalents	6.1
Lease liabilities	6.2
Finance costs	6.3
Commitments	6.4

6.1 Cash and cash equivalents

Current

	2020	2019
Cash and cash equivalents		
Cash On Hand	12,030	13,430
Cash At Bank	31,673,228	31,401,166
Total cash and cash equivalents	31,685,258	31,414,596

Restricted cash and cash equivalents current

DPA funds due to DTWD (a)	2,802,462	2,894,384
Capital works program (b)	2,213,358	1,040,111
Other (c)	743,414	549,222
	5,759,234	4,483,717
Total current	37,444,492	35,898,313

Non-current

Restricted cash 27th pay (non-current) (d)	2,596,766	2,203,088
Total non-current	2,596,766	2,203,088
Balance at end of period	40,041,258	38,101,401

(a) Monies refundable to the Department of Training and Workforce Development for under delivery of Student Hours

(b) Ongoing building works, capital projects and equipment

(c) Money bestowed on the College by companies or individuals for the provision of awards or scholarships to students.

(d) Monies held for the purposes of meeting the extra (27th) 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 Lease liabilities

	2020	2019
Current	366,296	355,645
Non-current	478,117	764,762
Balance at end of period	844,413	1,120,407

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Initial measurement

NM TAFE measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, NM TAFE uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by NM TAFE as part of the present value calculation of lease liability include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options (where these are reasonably certain to be exercised);
- payments for penalties for terminating a lease, where the lease term reflects the Agency exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by NM TAFE if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales, are recognised by NM TAFE in profit or loss in the period in which the condition that triggers those payments occurs.

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

Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

6.3 Finance costs

Finance costs	2020	2019
Lease interest expense	25,980	40,004
Finance costs expensed	25,980	40,004

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

6.4 Commitments

6.4.1 Capital commitments

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

	2020	2019
Within 1 year	1,167,125	820,795
Balance at end of period	1,167,125	820,795

The totals presented for capital commitments are GST inclusive.

6.4.2 Other expenditure commitments

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

	2020	2019
Within 1 year	4,100,710	2,104,624
Later than 1 year and not later than 5 years	2,350,985	-
Balance at end of period	6,451,694	2,104,624

The totals presented for capital commitments are GST inclusive.

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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:

	2020	2019
Financial assets		
Cash and cash equivalents	31,685,258	31,414,596
Restricted cash and cash equivalents	8,356,000	6,686,805
Financial assets at amortised cost ^(a)	6,053,526	6,522,350
Total financial assets	46,094,784	44,623,750
Financial liabilities		
Financial liabilities measured at amortised cost ^(b)	6,643,144	6,904,908
Total financial liabilities	6,643,144	6,904,908

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

^(b) The amount of Financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable)

7.2 Contingent assets and liabilities

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

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

7.2.1 Contingent assets

NM TAFE has no contingent assets.

7.2.2 Contingent liabilities

NM TAFE is assessing the application of the Long Service Leave Act 1958 for casual employees. Early indications are an estimated potential liability of up to \$786,070.

There are no material contingent liabilities at year end that have not been completely and adequately disclosed in the Notes to the financial statements.

8 Other disclosures

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

	Notes
Events occurring after the end of the reporting period	8.1
Key management personnel	8.2
Related parties	8.3
Related bodies	8.4
Affiliated bodies	8.5
Remuneration of auditors	8.6
Non-current assets classified as held for transfer	8.7
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.

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8.2 Key management personnel

NM TAFE has determined key management personnel to include the Managing Director, 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 (\$)	2020	2019
270,001 - 280,000	1	1
20,001 - 30,000	1	1
1 - 10,000	10	9

Compensation of Senior Officer

Compensation Band (\$)	2020	2019
200,001 - 210,000	2	-
190,000 - 200,000	1	1
180,001 - 190,000	2	2
170,001 - 180,000	1	1
160,001 - 170,000	1	-
110,001 - 120,000	-	1
90,001 - 100,000	1	1
80,001 - 90,000	-	1
70,001 - 80,000	-	1
60,001 - 70,000	1	-
50,001 - 60,000	-	1
30,001 - 40,000	-	1
20,001 - 30,000	-	2
Short-term employee benefits	1,459,255	1,435,414
Post-employment benefits	163,671	159,484
Other long-term benefits	173,323	169,146
Total compensation of senior officers	1,796,249	1,764,044

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

8.3 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).

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

8.4 Related bodies

NM TAFE has no related bodies.

8.5 Affiliated bodies

NM TAFE has no affiliated bodies.

8.6 Remuneration of auditors

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

	2020	2019
Auditing the accounts, financial statements, controls and key performance indicators	176,500	176,500

8.7 Non-current assets classified as held for transfer

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

8.8 Equity

	2020	2019
Contributed equity		
Balance at start of period	472,405,231	465,422,465
<i>Contributions by owners</i>		
Capital appropriation	-	469,000
<i>Transfer of net assets from other agencies</i>		
Transfer of assets from other government agencies	4,985,503	6,513,766
Total contributions by owners	477,390,734	472,405,231
Balance at the end of period	477,390,734	472,405,231
<u>Asset revaluation surplus</u>		
Balance at start of period	295,608	123,724
Net revaluation increments / (decrements)		
Buildings	3,544,478	-
Works of art	-	171,884
Balance at end of period	3,840,086	295,608

8.9 Supplementary financial information

(a) Write-offs

During the financial year, \$695,606 (2019: \$440,656) of debts due to NM TAFE were written off, \$429,450 (2019: \$87,518) was written off the asset register, \$0 (2019: \$14,577) in Inventory and \$0 (2019: \$489) in Cash was written off under the authority of:

	2020	2019
The accountable authority	1,125,056	543,239
	1,125,056	543,239

(b) Losses through theft, defaults and other causes

	2020	2019
Losses of public money and public and other property through theft or defaults	2,220	4,985
Amounts recovered	(2,233)	(8,463)
	(13)	(3,478)

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
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8.10 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are generally greater than: 10% and 1 million for the Statement of Comprehensive Income, Cash flows and Statement of Financial Position.

8.10.1 Statement of Comprehensive Income Variances

	Variance Note	Estimate 2020 \$	Actual 2020 \$	Actual 2019 \$	Variance between estimate and actual \$	Variance between actual results for 2020 and 2019 \$
Expenses						
Employee benefits expense		127,758,810	124,516,366	129,115,623	(3,242,444)	(4,599,257)
Grants and subsidies		20,000	20,363	717	363	19,646
Finance cost		-	25,980	40,004	25,980	(14,024)
Supplies and services	1	35,748,079	32,325,455	35,231,029	(3,422,624)	(2,905,574)
Other expenses	A	12,396,001	13,000,391	11,624,259	604,390	1,376,131
Cost of sales		221,015	277,017	171,845	56,002	105,172
Loss on disposal of non-current assets		17,000	35,365	32,988	18,365	2,377
Loss on disposal of lease arrangements		-	2,032	419	2,032	1,613
Depreciation and amortisation expense		13,084,329	13,748,748	13,687,342	664,419	61,406
Total cost of services		189,245,234	183,951,716	189,904,226	(5,293,519)	(5,952,511)
Income						
Fee for service		25,498,207	23,541,577	25,498,519	(1,956,630)	(1,956,942)
Student fees and charges	2, B	28,257,013	24,837,420	28,870,377	(3,419,593)	(4,032,957)
Ancillary trading		634,770	558,176	603,330	(76,594)	(45,154)
Sales		333,426	334,129	316,195	703	17,934
Interest revenue		1,100,000	267,098	898,431	(832,902)	(631,333)
Other revenue		717,016	556,940	1,034,577	(160,076)	(477,637)
Total revenue		56,540,432	50,095,341	57,221,430	(6,445,091)	(7,126,089)
Gains						
Other gains	3, C	-	2,485,415	4,942,500	2,485,415	(2,457,085)
Total gains		-	2,485,415	4,942,500	2,485,415	(2,457,085)
Total income other than income from State Government		56,540,432	52,580,756	62,163,930	(3,959,676)	(9,583,174)
NET COST OF SERVICES		132,704,802	131,370,960	127,740,296	(1,333,842)	3,630,663
Income from State Government						
Grants and subsidies		114,303,079	116,315,189	109,690,431	2,012,110	6,624,758
Resource Received	4	4,937,676	6,061,713	5,638,968	1,124,037	422,745
Total income from State Government		119,240,755	122,376,902	115,329,399	3,136,147	7,047,503
SURPLUS/(DEFICIT) FOR THE PERIOD		(13,464,047)	(8,994,057)	(12,410,897)	4,469,990	3,416,840
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus	3, C	-	3,544,478	171,884	3,544,478	3,372,594
Total other comprehensive income		-	3,544,478	171,884	3,544,478	3,372,594
TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD		(13,464,047)	(5,449,579)	(12,239,013)	8,014,468	6,789,434

Major Estimate and Actual (2020) Variance Narratives

1. As a result of Term 2 campus closures due to COVID, there were significant savings in Consumables and Electricity costs across the campuses. There were additional savings with the delay in the annual scheduled refresh and replacement of IT equipment due to supply constraints in 2020.

2. As a result of the State Government response to the economic impact of COVID, there was a significant decrease in the price of a number of courses across the College in 2020.

3. Building valuations increased by \$6,029,894 in 2020 of which \$2,485,415 reversed out prior year decrements and the remaining amount allocated to the Asset Revaluation Reserve. The estimates for 2020 did not anticipate building value increases.

North Metropolitan TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Estimated Resources Received figures were provided by the Department of Training and Workforce Development. The estimates did not include higher than expected ICT support costs.

Major Actual 2020 and Comparative (2019) Variance Narratives

A. 2020's figures include additional charges for Doubtful debts and a performance adjustment payment for increase Worker's compensation insurance costs.

B. Whilst student numbers stayed relatively stable in 2020, the reduction in course fees in response to the economic impacts of COVID-19 resulted in lower fees being charged in the second half of the year.

C. Both 2019 and 2020's figures included gains for Asset Revaluations that reversed prior year decrements in building values. 2020's revaluation total extinguished the balance of these prior decrements with the remaining amount being allocated to the Asset Revaluation Surplus account.

8.10.2 Statement of Financial Position Variances

	Variance Note	Estimate 2020 \$	Actual 2020 \$	Actual 2019 \$	Variance between estimate and actual \$	Variance between actual results for 2020 and 2019 \$
ASSETS						
Current Assets						
Cash and cash equivalents		29,726,087	31,685,258	31,414,596	1,959,171	270,662
Restricted cash and cash equivalents	1	2,570,023	5,759,234	4,483,717	3,189,211	1,275,516
Receivables	2	5,052,563	6,533,271	7,070,794	1,480,708	(537,523)
Inventories		246,213	69,677	169,314	(176,536)	(99,637)
Other current assets		1,790,471	1,979,033	2,076,353	188,562	(97,319)
Total Current Assets		39,385,357	46,026,473	45,214,773	6,641,116	811,700
Non-Current Assets						
Restricted cash and cash equivalents		2,687,251	2,596,766	2,203,088	(90,485)	393,678
Property, plant and equipment		404,692,206	414,560,865	414,788,825	9,868,659	(227,960)
Right of Use Assets		-	819,123	1,106,002	819,123	(286,879)
Intangible assets		-	105,952	25,350	105,952	80,602
Total Non-Current Assets		407,379,457	418,082,706	418,123,265	10,703,249	(40,559)
TOTAL ASSETS		446,764,814	464,109,179	463,338,038	17,344,365	771,141
LIABILITIES						
Current Liabilities						
Payables	3	8,149,545	6,643,144	6,904,908	(1,506,401)	(261,764)
Lease Liabilities		-	366,296	355,645	366,296	10,651
Employee related provisions		21,629,435	20,764,769	19,379,153	(864,666)	1,385,616
Other current liabilities	4	1,850,760	7,484,192	7,033,102	5,633,432	451,090
Total Current Liabilities		31,629,740	35,258,401	33,672,808	3,628,661	1,585,592
Non-Current Liabilities						
Lease liabilities		-	478,117	764,762	478,117	(286,645)
Employee related provisions		4,150,234	4,800,088	4,863,818	649,854	(63,730)
Total Non-Current Liabilities		4,150,234	5,278,205	5,628,580	1,127,971	(350,375)
TOTAL LIABILITIES		35,779,974	40,536,606	39,301,389	4,756,632	1,235,217
NET ASSETS		410,984,840	423,572,573	424,036,649	12,587,733	(464,076)
EQUITY						
Contributed equity		475,827,153	477,390,734	472,405,231	1,563,581	4,985,503
Reserves	5, A	123,724	3,840,086	295,608	3,716,362	3,544,478
Accumulated surplus / (deficit)		(64,966,037)	(57,658,247)	(48,664,190)	7,307,790	(8,994,057)
TOTAL EQUITY		410,984,840	423,572,573	424,036,649	12,587,733	(464,076)

Major Estimate and Actual (2020) Variance Narratives

1. Variance is due to higher than anticipated Capital Works commitments as at 31 December 2020 for which cash reserves were allocated.

2. Receivables were higher than the 2020 estimates due to increased accrued income due to a better than expected result in the AMEP program, and a higher than anticipated Trade Debtors total at year end.

3. The payment of substantially all outstanding creditors at year end resulted in a lower Payables balance than anticipated in the estimates.

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4. The variance is a result of the Estimates not including Income in Advance for future semester student course fees and the recognition of a refund to DTWD for the shortfall in 2020's profile delivery.
5. Variance is a result of an increase in building values as provided by Landgate.

Major Actual 2020 and Comparative (2019) Variance Narratives

A. Building revaluations provided by Landgate in December 2020 had a substantial increase over the previous year resulting in a charge to the Asset Revaluation Reserve in the College accounts.

8.10.3 Statement of Cash Flows Variances

	Variance Note	Estimate 2020 \$	Actual 2020 \$	Actual 2019 \$	Variance between estimate and actual \$	Variance between actual results for 2020 and 2019 \$
CASH FLOWS FROM STATE GOVERNMENT						
Grants and subsidies - DTWD		111,854,745	116,099,367	111,287,024	4,244,622	4,812,343
Total Net cash provided by State Government		111,854,745	116,099,367	111,287,024	4,244,622	4,812,343
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits expense		(127,179,910)	(123,119,458)	(129,123,231)	4,060,452	6,003,773
Supplies and services	1, A	(30,754,135)	(26,395,930)	(31,065,563)	4,358,205	4,669,633
Finance Cost		-	(25,980)	(40,004)	(25,980)	14,024
Grants and subsidies		(20,000)	(20,363)	(717)	(363)	(19,646)
GST payments on purchases		(3,488,525)	(3,281,067)	(3,764,213)	207,458	483,146
GST payments to taxation authority		-	-	-	-	-
Cost of goods sold		(221,015)				
Other payments		(11,867,788)	(12,940,241)	(11,965,695)	(1,072,453)	(974,546)
Receipts						
Fee for service	2, B	25,123,656	22,567,045	25,843,075	(2,556,611)	(3,276,030)
Student fees and charges		28,261,831	26,632,157	29,126,547	(1,629,674)	(2,494,390)
Ancillary trading		634,770	558,176	603,330	(76,594)	(45,154)
Commonwealth grants and contributions		-	-	-	-	-
Interest received		1,100,000	358,819	1,102,914	(741,181)	(744,095)
GST receipts on sales		417,081	355,603	456,808	(61,478)	(101,205)
GST receipts from taxation authority		3,065,776	2,973,988	3,271,679	(91,788)	(297,691)
Sale of goods		333,426				
Other receipts		1,071,649	871,643	1,305,907	(200,006)	(434,264)
Net cash used in operating activities		(113,523,184)	(111,465,607)	(114,249,163)	2,169,988	2,783,556
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current physical assets	C	(2,950,000)	(2,377,833)	(3,667,929)	572,167	1,290,096
Receipts						
Proceeds from sale of non-current physical assets		-	12,125	-	12,125	12,125
Net cash provided by investing activities		(2,950,000)	(2,365,708)	(3,667,929)	584,292	1,302,221
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Principal elements of lease		-	(328,195)	(379,433)	(328,195)	51,238
Receipts						
Net cash provided by/(used in) financing activities		-	(328,195)	(379,433)	(328,195)	51,238
Net increase in cash and cash equivalents		(4,618,439)	1,939,857	(7,009,501)	6,670,707	8,949,358
Cash and cash equivalents at the beginning of period		39,601,800	38,101,401	45,110,902	(1,500,399)	(7,009,502)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		34,983,361	40,041,258	38,101,401	5,057,897	1,939,857

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Major Estimate and Actual (2020) Variance Narratives

1. Significant savings were achieved in Supplies and Services due lower than anticipated consumable and facilities costs as a result of the COVID-19 pandemic and the closure of the campuses in Term 2.
2. The COVID-19 had two major impacts on commercial activity, the economic impact resulted in less Fee For Service opportunities and the restrictions on overseas travel resulted in less International Students than originally estimated.

Major Actual 2020 and Comparative (2019) Variance Narratives

- A. Significant savings were achieved in Supplies and Services due lower than anticipated consumable and facilities costs as a result of the COVID-19 pandemic and the closure of the campuses in Term 2.
- B. The variance is due to a combination of lower than expected activity due to the economic impacts of COVID-19 and a higher than anticipated Receivables balance due to unpaid and/or uninvoiced commercial delivery at year end.
- C. 2019's figures included a significant capital works program at various campuses, in 2020 these programs were scaled back.



RT0: 52786


General enquiries

☎ 1300 300 822 | @ enquiry@nmtafe.wa.edu.au | 🌐 northmetrotafe.wa.edu.au



Postal address

✉ North Metropolitan TAFE, Locked Bag 6, Northbridge, Western Australia 6865

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