



**North
Regional**

ANNUAL REPORT

2018



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STATEMENT OF COMPLIANCE



Hon. Sue Ellery MLC
Minister for Education and Training

In accordance with Section 61 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of North Regional TAFE for the calendar year ended 31 December 2018.

This Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006 and the Vocational Education and Training Act 1996.

A handwritten signature in black ink, appearing to read 'Kevin Doig', with a long horizontal flourish extending to the right.

Kevin Doig
Managing Director and Accountable Officer
9 March 2019

A handwritten signature in black ink, appearing to read 'Ian Smith', written in a cursive style.

Ian Smith
Governing Council Chair
9 March 2019

EXECUTIVE SUMMARY

GOVERNING COUNCIL CHAIR



Business systems improvements and consolidation of resources and processes across the region has helped North Regional TAFE maintain our commitment to being student focussed and community minded. The Annual Report demonstrates significant achievements against our strategic priorities and outlines a strong performance for North Regional TAFE (NR TAFE).

Continuous improvement and investment in our future as 'One Team - One NR TAFE' has been our focus during 2018. In September 2018, the leadership group met to hold in-depth discussions about strategy, leadership, communication and culture. Working groups were established to identify strategies and objectives under each of the key themes in order to lead the College forward.

The NR TAFE Governing Council reaffirmed the direction of our Strategic Plan which focusses on building 'One North Regional TAFE'.

A number of changes and developments took place for North Regional TAFE during 2018.

A new student management system was implemented in semester two, 2018. This was a significant body of work, which involved a paradigm change to work practices for staff and students. The implementation of the student management system targeted process changes across all TAFE Colleges. These changes culminated in a completely new way of undertaking administrative tasks (such as enrolment and awarding processes) to including greater automation and changes to reporting.

I would like to give all staff involved a special thank you for their tireless efforts and professionalism during the challenging implementation period.

The South Hedland campus, which was previously closed, has been reopened to house Heavy Diesel Mechanical training to ensure that graduates have the skills that employers are looking for. The building named the South Hedland Annex, features specialised workshops designed to promote hands-on practical training, classroom learning and strong industry involvement. Students will no longer have to travel to Perth for training in order to pursue local employment opportunities.

NR TAFE upgraded the TRIM and HPRM electronic record management systems to Content Manager 9 (CM9) with very minimum impact to staff.

In line with the *WA Labor Plan for Jobs*, NR TAFE continued to strive to provide the best job outcomes for students by combining high quality teaching with industry and community partnerships.

One of the key initiatives from the *WA Labor Plan for Jobs* was the introduction of the Jobs and Skills Centres (JSCs). The Centres have been co-located on our Broome and Karratha campuses, with hubs in Kununurra and Pundulmurra. Both Centres will officially be opened in March 2019. These centres focus on providing professional advice to employers, unions, apprentices, trainees, students, jobseekers and career changers on training and employment, career, apprenticeship and training information.

Health and Community Services at NR TAFE, were successful in the reaccreditation of the Diploma of Nursing HLT54115. A new agreement has been signed with the Australian Nursing and Midwifery Accreditation Council (ANMAC). Congratulations to all involved with this successful and important outcome for the College.

In addition, our partnership with BHP has continued to see training develop in the areas of Confined Space and Gas Testing; Dogging; Elevated Work Platform (WP); Forklift; Hydraulics; Open Cabling; Operate a 4WD; Perform CPR; Programmable Logic Controllers (PLC); First Aid; Rigging Basic; Safety Representatives; Snake Handling; Working at Heights; Bearing Course; Laser alignment; Load Restraint; Mental Health First Aid and Welding.

In 2018, Soleil White, a North Regional TAFE and Kimberley Aboriginal Medical Services student, was successful in being awarded the Aboriginal/Torres Strait Islander Student of the Year award for both the WA Training Awards and the Australian Training Awards. Ms White completed a Certificate IV in Aboriginal/Torres Strait Islander Primary Health Care and is now undertaking a Diploma of Nursing. Her training has given her the confidence to be an advocate for Aboriginal health care and undertake further studies. Congratulations to Soliel on winning both awards and for being such a strong role model in her community.

An Access lecturer based on our Derby campus, Richard Rose was also a finalist in the category of 2018 WA Trainer of the Year. It is a big achievement to be recognised as a finalist and I also congratulate Mr Rose on this recognition.

Our successes in 2018 were made possible with strong support from the government and our industry and community partners. NR TAFE will continue to meet and exceed stakeholder expectations through our focus on high quality training for industry, employers and students. Our students continue to experience strong satisfaction levels at 93%. Our program of continuous improvement will ensure our sustainability through embracing innovation in our products and services.

In 2018 we welcomed one new member to the NR TAFE Governing Council, Emma White and acknowledged two members who left the Council, John Lally and Mathew Hort. Thank you to both John and Mathew for their active contribution. I would like to thank all members of the Governing Council for their support during another successful year. Their sound advice and strategic direction have been invaluable.



Ian Smith
Chair, Governing Council

MANAGING DIRECTOR'S REPORT



The mission of North Regional TAFE (NR TAFE) is simple and to the point; To build the skills and capacity of North Western Australia's workforce for a sustainable economy and to enable resilient communities.

Throughout this report are stories with an important underlying message, that *how* we deliver our training matters just as much as *what* we deliver.

Our commitment to be recognised in North Western Australia as the flagship provider of vocational education and training and the provider of choice, has encouraged us to direct our focus to engaging with our students to better understand their needs and to ensure each training experience with NR TAFE is relevant, contemporary and reflects the needs of both industry and community.

During the year the NR TAFE leadership team assessed opportunities to build 'One Team - One NR TAFE'. The team met for two days with the aspiration to build a consistent experience for all our customers. We directed our attention towards how our structure, our culture, communication and leadership could support and sustain our success.

NR TAFE's greatest performance enhancements were realised in improving operational efficiency, especially in delivering innovative solutions for the new student management system. NR TAFE achieved operational efficiency through improved automation, identifying opportunities for innovative solutions to achieve some significant outcomes such as; the introduction of an enrolment process to accommodate NR TAFE customers in isolated communities; and an interface tool to automate 'Availability' (roll) creation requests for the training areas.

NR TAFE will continue to develop innovative, cost saving solutions that will be shared across the TAFE environment.

Every day the work we do has focussed on building a high performing culture by communicating and modelling the College values of Respect, Integrity, Professionalism and Teamwork. We have succeeded in attracting some exceptional individuals to deliver training and support services and have one staff member nominated as a finalist for the WA Training Awards - Richard Rose in the trainer of the year category and Sarah Penn who won the prestigious Teaching Excellence Award at the Western Australian Regional Achievement and Community Awards.

Partnerships are the engines that power our training environment and to this end NR TAFE has developed and maintained strong industry relationships. The Pilbara Collaboration Charter, a group of large resource companies committed to supporting local TAFE, schools, businesses and Aboriginal corporations, has enhanced and added value to the services we have been able to offer. These partnerships have given businesses, large and small, a great opportunity to grow and recruit appropriately trained and fit for purpose staff locally.

We are actively incorporating new technologies and analytics to deliver training that will be smarter and cost-efficient for our customers and communities. We have introduced new qualifications in response to customer needs and plan to further grow and diversify our products as the needs arise.

NR TAFE is committed to exceed stakeholder expectations by ensuring our customers are receiving great service and offering the very best training and response to employer needs in North Western Australia.



Kevin Doig
Managing Director

2018 HIGHLIGHTS

SPECIALIST PROGRAMS



Hospitality & Tourism



Education, Arts & Access



Health & Community



Food & Environment



Trades (Auto, Electro-technology, Engineering, Construction and more)



Aviation & Logistics



Business skills



Maritime & Aquaculture



Sport & Recreation

WHY STUDENTS CHOOSE NR TAFE



Location

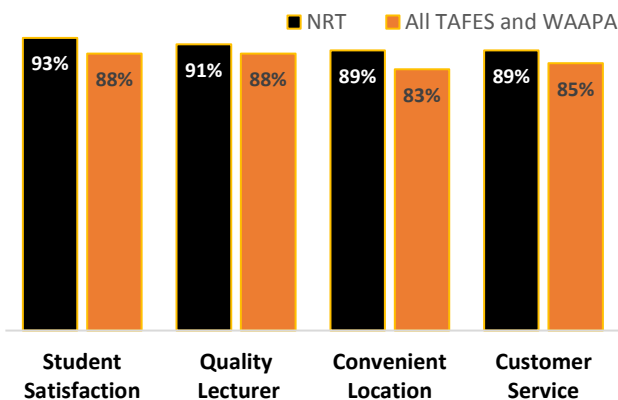


Customer Service

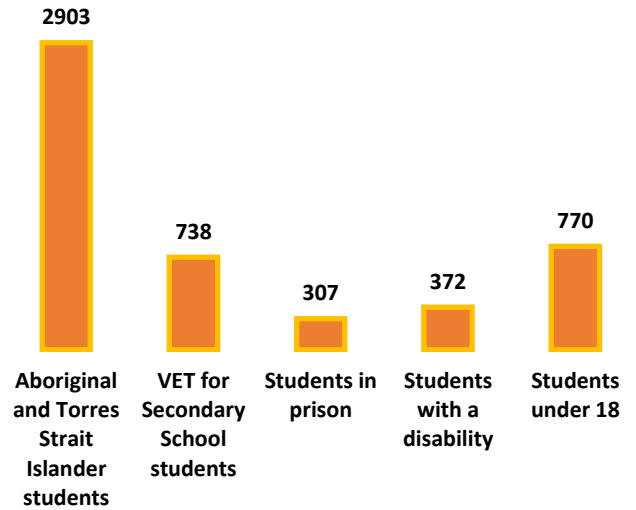


Quality of lecturers

STUDENT SATISFACTION IN 2018



STUDENT COHORTS 2018



NORTH REGIONAL TAFE SATISFACTION FOR



97.5%

Students with a disability



95.6%

Aboriginal or Torres Strait Islander students



93.3%

Institution based students (IBS)



91.1%

Employment based students (EBS)

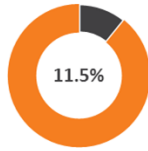
OPERATIONAL OVERVIEW

DEMOGRAPHICS

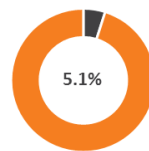
Kimberley

Of the **36,392** people in the Kimberley

Enrolments

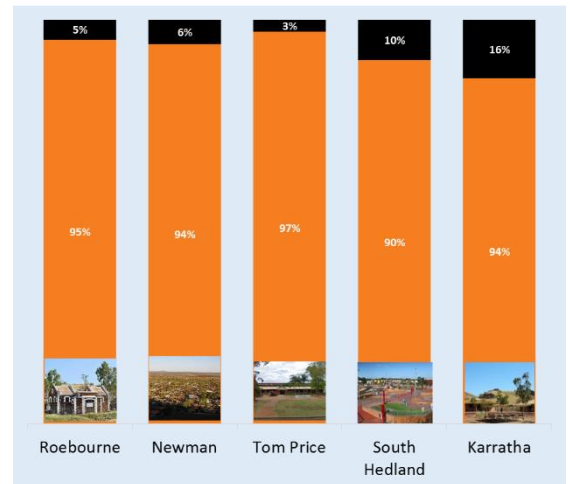
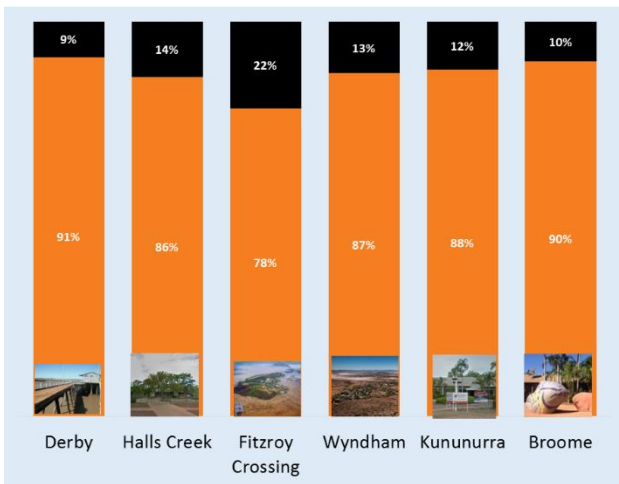


Enrolments

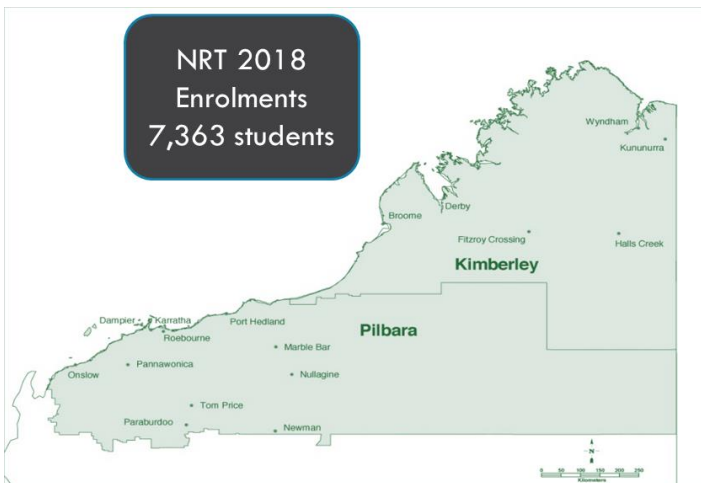


Pilbara

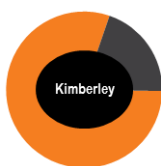
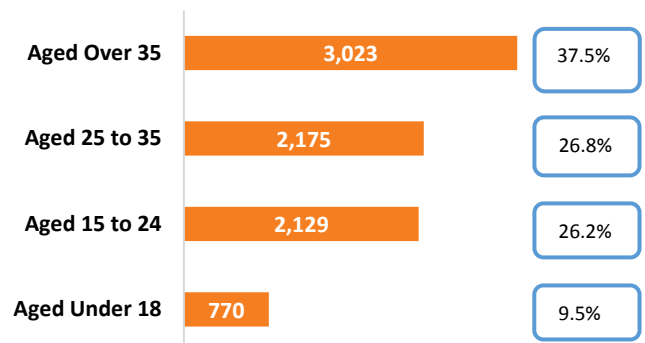
Of the **61,434** people in the Pilbara



Percentage of population trained at NR TAFE

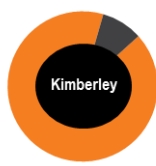


Student Age Groups



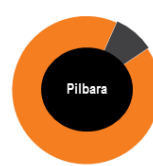
20.1%

• speak a language other than English



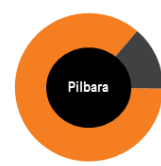
8%

receive Newstart Allowance



2.5%

receive Newstart Allowance



14.1%

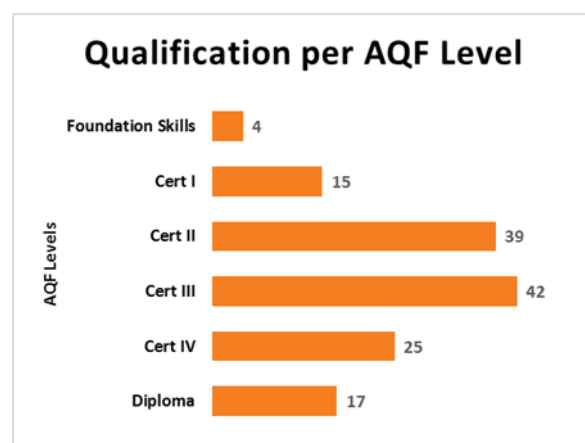
• speak a language other than English

Profile Delivery

In 2018 North Regional TAFE was profiled to deliver 190 qualifications to support workforce development across a range of skill sets.

20 Training packages were delivered in 2018:

- Agriculture, Horticulture and Conservation and Land Management
- Automotive Retail, Service and Repair
- Business Services
- Community Services
- Construction, Plumbing and Services
- Creative Arts and Culture
- Electrotechnology
- Financial Services
- Hairdressing and Beauty Services
- Health
- Metal and Engineering
- Property Services
- Resources and Infrastructure Industry
- Seafood Industry
- Sport, Fitness and Recreation
- Tourism, Travel and Hospitality
- Training and Education
- Transport and Logistics
- Information and Communications Technology
- Maritime



NR TAFE also delivered a number of accredited courses which ensured we catered to local community and industry needs, and provided literacy and numeracy support:

- Spoken and Written English
- General Education for Adults
- Applied Vocational Study Skills
- Underpinning Skills for Industry Qualifications
- Gaining Access to Training and Employment (GATE)
- Building and Construction (Pathway - Trades)
- Industrial Skills (Entry Level Training)
- Leadership

Industry (non-profile activities)

The College is a major contributor to the northwest economy and in 2018 worked closely with industry, employers and community organisations.

NR TAFE maintained key relationships with industry groups and worked closely with government agencies and Aboriginal Corporations to meet local workforce needs of communities

Top 10 Skill Sets delivered in 2018

- Chainsaw
- Traffic controller
- Forklift licence
- Provide first aid
- Conduct civil construction skid steer loader operations
- Excavator operations
- Elements of Shipboard Safety
- Civil construction plant operations (midwest safety)
- Chemical handling
- Training and Assessment - TAEASS502

DIRECTORATES

North Regional TAFE has three departments which perform the following eight functions related to their service.

TRAINING SERVICES

To receive and provide advice and take action in relation to optimising the College's ability to deliver quality VET programs to meet the changing needs of community and industry.

ORGANISATIONAL SERVICES

Provides services and support functions such as planning, governance, quality, student services, disability support, customer client services, marketing and Aboriginal Training Services (ATS).

CORPORATE SERVICES

To receive and provide advice in relation to corporate services and support for the College.

STRATEGIC PLAN

Monitor strategic plan and business plan

QUALITY ASSURANCE

Ensure quality assurance in operations

OPERATIONS

Address key operational issues within the Directorate

STAFF

Consider staffing issues and well-being within the Directorate

RISKS

Monitor and address risk in relation to performance and planning

FINANCE

Monitor financial performance for the Directorate

PROFESSIONAL DEVELOPMENT

Plan professional development for the Directorate

ADVICE

Provide expert advice to the Executive Management Team

GOVERNING COUNCIL

The College Governing Council is constituted under the Vocational Education and Training Act 1996. The role, structure and responsibilities of the Governing Council are detailed in the State Training Provider Governing Council Handbook published by the Department of Training and Workforce Development.

Under the terms of the Vocational Education and Training Act (1996) the Governing Council is the governing body of the College with authority in the name of the College to perform the functions of the College and govern its operations and affairs.



Functions of the Governing Council

The Governing Council ensures that clear management, effective decision making and governance frameworks are in place.

The Governing Council is accountable to the Minister and the broader Western Australian community for the performance of North Regional TAFE. In performing its role, the Governing Council aspires to excellence in governance standards.

The College Governing Council is responsible for:

- Strategic plans
- Annual business plans
- By-laws
- Delegating the Governing Council's authority to the Managing Director and any other College employees

The Governing Council is also responsible for the monitoring of the organisation's performance in:

- Strategic direction
- Financial health
- Ensuring funding agreement requirements are met
- Ensuring legislative requirements are met
- Ensuring the needs of students, industry and the community are met

2018 Governing Council Members

Ian Smith	Chair, Albany
Mick Unger	Deputy Chair, Perth
Gary Arcus	Member, Perth
Kristy Brittain	Member, Kununurra
Kate George	Member, Perth
Melissa Hartmann	Member, Broome
Veronica (Maggie) MacFie	Member, Broome
Charlene Peters	Member, Port Hedland
Emma White	Member, Broome

Exiting Members:

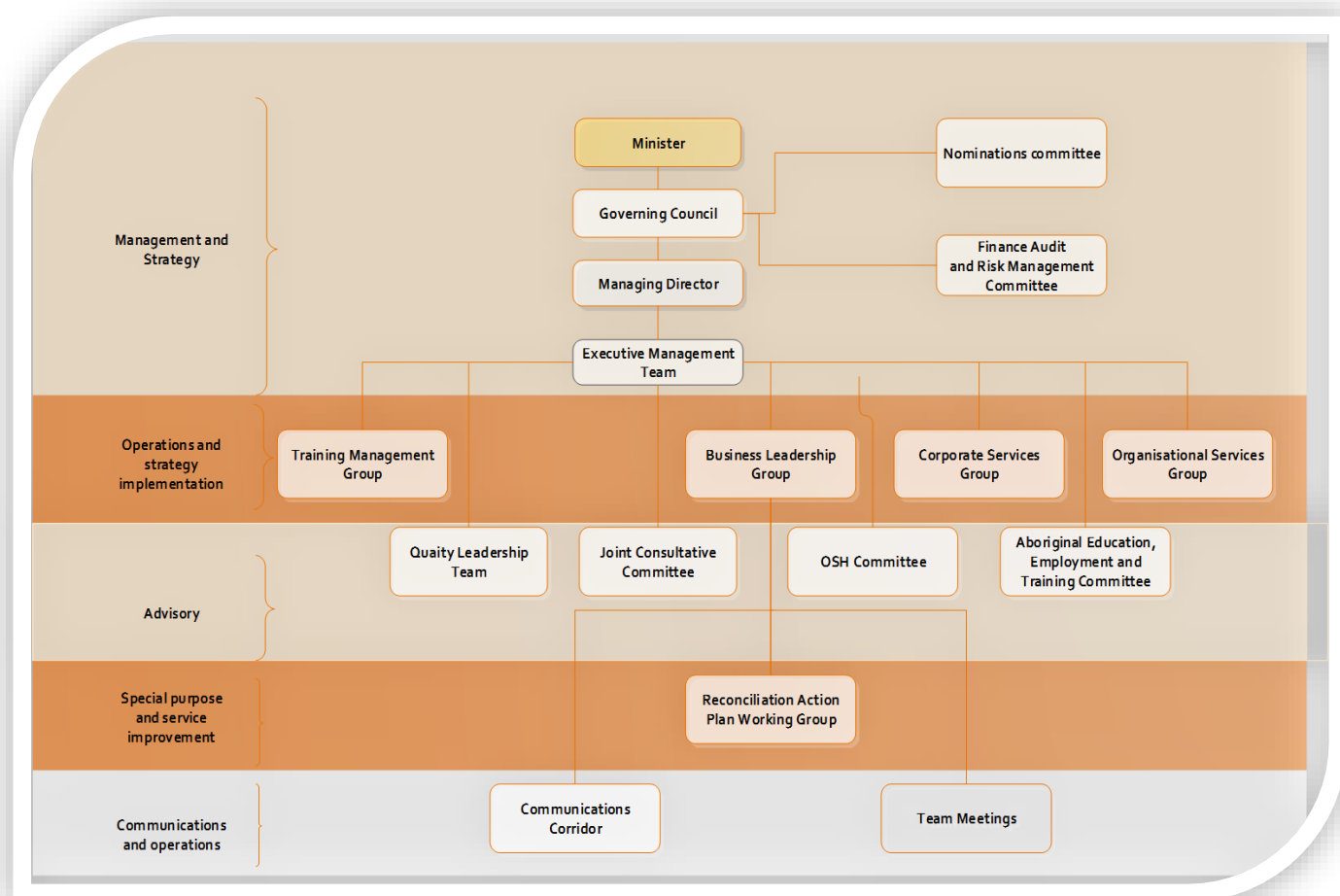
John Lally	Member, Karratha
Matthew Hort	Member, Perth

Position	Name	Type of Remuneration	Period of Membership	Gross/actual remuneration 2018
Chair	Ian Smith	Annual	12 months	\$22,665
Deputy Chair	Mick Unger	Sessional	12 months	\$1,125
Member	Melissa Hartmann	Sessional	12 months	\$2,127
Member	Kristy Brittain	Sessional	12 months	\$2,541
Member	Kate George	Sessional	12 months	\$1,950
Member	Gary Arcus	Sessional	12 months	\$3,693
Member	Veronica (Maggie) MacFie	Sessional	12 months	\$3,339
Member	Charlene Peters	Sessional	12 months	\$1,566
Member	Emma White	Sessional	6 months	\$1,743
Member	John Lally	Sessional	6 months	\$1,743
Member	Matthew Hort	Sessional	Resigned 17/5/18	\$0

Governing Council Meetings Format

Frequency:	Minimum of 6 meetings per year or as required
Mode:	Alternating face to face and teleconference
Duration:	4 hours for face to face; 1.5 hours for teleconference
Executive Support:	Executive officer, Managing Director's Office

GOVERNANCE STRUCTURE 2018



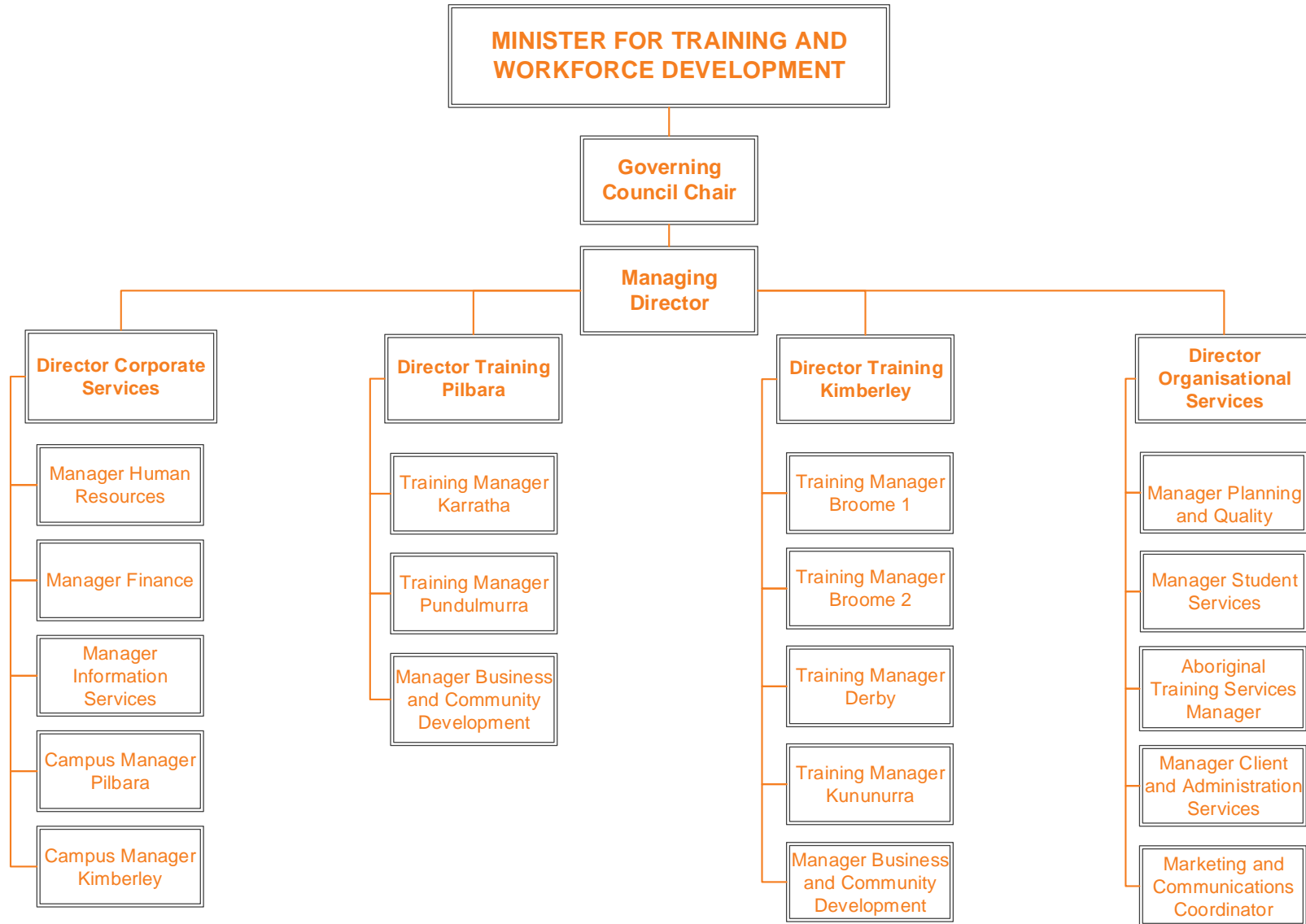
Relevant Legislation

In the performance of its functions, North Regional TAFE complies with the following relevant written laws:

- Aboriginal and Torres Strait Islander Act 2005
- Acts Amendment (Higher School Leaving Age and Related Provisions) Act 2005
- Auditor General Act 2006
- Children and Community Services Act 2004
- Competition and Consumer Act 2010
- Copyright Amendment (Digital Agenda) Act 2000
- Corporations Act 2001
- Corruption and Crime Commission Act 2003
- Criminal Code Act 1995
- Disability Discrimination Act 1992
- Disability Services Act 1993
- Electronic Transactions Act 2011

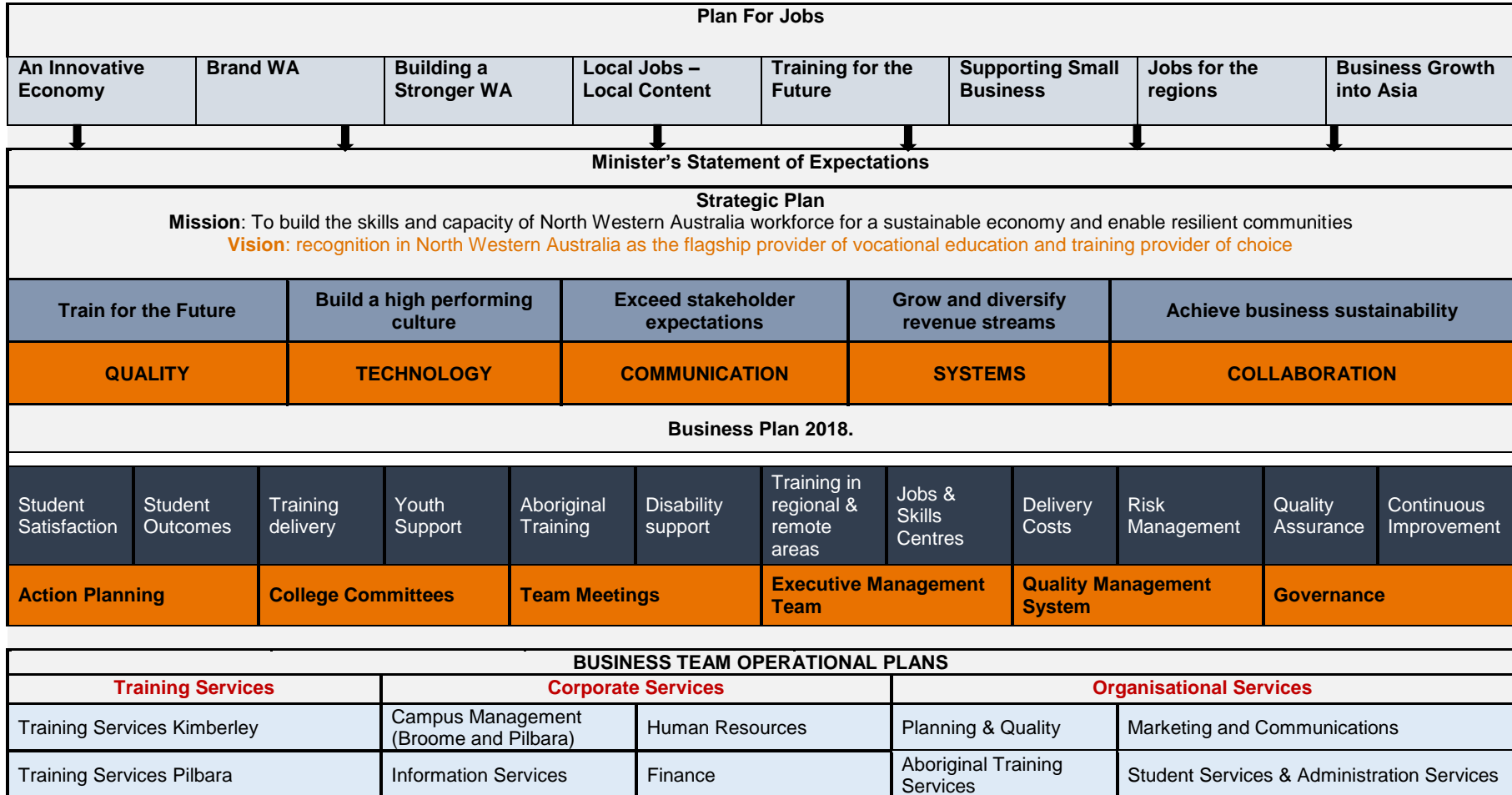
- Employment Dispute Resolutions Act 2008
- Employment, Education and Training Amendment Act 2000
- Education Support Act 2003
- Education Act 1999
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Financial Management and Accountability Amendment Act 2000
- Freedom of Information Act 1992
- Fringe Benefits Tax Act 1986
- Immigration (Education) Charge Act 1992
- Income Tax Assessment Act 1997
- Skilling Australia's Workforce Act 2005
- State Records Act 2000
- State Supply Commission Act 1991
- Trade Practices Act 1974-1975
- State Superannuation Act 2000
- SPAM Act 2003
- Industrial Relations and Other Legislation Amendment Act 1995
- Labour Relations Reform Act 2002
- Library Board of Western Australia Act 1951
- Limitation Act 2005
- Minimum Conditions of Employment Act 1993
- Mutual Recognition Act 1992
- National Vocational Education and Training Regulator Act 2011
- Occupational Safety and Health Act 1984
- Privacy Act 1988
- Public and Bank Holidays Act 1972
- Public Interest Disclosure Act 2003
- Public Sector Management Act 1994
- Racial Discrimination Act 1975
- Salaries and Allowances Act 1975
- School Education Act 1999
- Vocational Education and Training (General) Regulations 2009
- Western Australia Public Sector Code of Ethics 2008
- Workers Compensation and Injury Management Act 1981
- Working with Children (Criminal Record Checking) Act 2004
- Training Legislation Amendment and Repeal Act 2008
- Vocational Education and Training Act 1996
- VET Student Loans Act 2016

OPERATIONAL STRUCTURE 2018



PERFORMANCE FRAMEWORK

Mapping between the State Government Goals, the strategies contained within the WA State Training Plan 2017 -2020 and the North Regional TAFE Business Plan 2018.
 We work to build the Western Australian workforce to meet the State's economic and community needs.



AGENCY PERFORMANCE

VISION

Recognition in North Western Australia as the flagship provider of vocational education and training and the provider of choice.

MISSION

To build the skills and capacity of North Western Australia workforce for a sustainable economy and enable resilient communities.

CORE VALUES

Our values promote positive behaviours and guide how we work together to serve our students, our colleagues and our communities.

- > **Respect**
- > **Integrity**
- > **Professionalism**
- > **Teamwork**

Strategic Goals

GOAL 1

Train for the future

GOAL 2

Build a high performing culture

GOAL 3

Exceed stakeholder expectations

GOAL 4

Grow and diversify revenue streams

GOAL 5

Achieve business sustainability

PRIORITIES

- Identify opportunities for business improvements across all operational areas.
- Continue to demonstrate responsible corporate governance and environmental and social responsibility.
- Meet financial targets and ensure financial sustainability of all activity.
- Optimise assets, shared delivery sites and maximise use of resources.
- Establish systems and adopt new technologies that support customer-centred services simply and efficiently.

PRIORITIES

- Nurture relationships that grow NRT.
- Increase external profitable revenue.
- Implement the NRT marketing communications and brand strategy.
- Celebrate and share successes to build a strong reputation as a provider of quality training.

PRIORITIES

- Communicate effectively with all students from commencement to completion of training.
- Seek client feedback to enhance and add value to services.
- Increase understanding of our students and their support needs.
- Develop and maintain strong industry relationships.
- Ensure accountability and ownership of exceptional service in every area of the organisation through a strong 'work as one team' approach.

PRIORITIES

- Develop, attract and retain exceptional individuals.
- Develop workforce capacity, agility, capability, relevance and credibility.
- Achieve operational efficiencies that reduce duplication and improve performance.
- Communicate and model the NRT values in all we do.
- Foster environments for teamwork, collaboration and communication to build one NRT team.

PRIORITIES

- Provide excellence in training delivery and skills development.
- Understand our students' needs through increased engagement to ensure training services are contemporary and reflect industry and local needs.
- Deliver innovative training using the latest technology where appropriate.
- Optimise existing delivery models to achieve full potential market share.
- Undertake ongoing product review to ensure relevance to local needs.

TRAIN FOR THE FUTURE

North Regional TAFE has worked towards understanding the current and future needs of our students.

NR TAFE understands that everyone’s needs are different and has engaged with students, industry and community to ensure training services are contemporary and reflect industry and local needs.

By listening to feedback, NR TAFE offers a broad spectrum of courses, bringing together the full breadth of our staff skills and expertise, in order to provide innovative training.

To this end we have undertaken ongoing qualification reviews to ensure our relevance to local needs, and promoted innovative flexible training practices to staff.

Our course offerings, with the support of foundation skills programs, encourage students to challenge themselves and inspire others to achieve excellence.

With the development of technology we have optimised existing delivery models and broadened our delivery to encompass workplace learning and the use of digital platforms such as Blackboard.

E-Learning technology has also allowed NR TAFE to expand its training delivery to wider and broader scope of locations as it provides students with access to learning resources at a time and place of their choosing regardless of their mode of study.



BUILD A HIGH PERFORMING CULTURE

NR TAFE has created an environment that fosters teamwork, collaboration and communication to build one NR TAFE environment with the outcome of retaining a highly skilled and adaptable workforce.

Our goal of building a high performing culture has seen us:

- Provide a positive working environment
- Recognise, reward and reinforce the right behaviour
- Engage staff to be involved in decision making
- Develop staff skills and potential
- Identify needs for skill improvement

To foster the theme of being one College, the North Regional TAFE Business Leadership Group met for two days to hold in depth discussions about Strategy, Leadership, Communication and Culture.

Four sub-groups were formed and formulated to enable better outcomes for the College.



Reward and recognition

NR TAFE staff were recognised in 2018 for being outstanding role models aligning to the College values of respect, integrity, professionalism and teamwork. Notable nominees were recognised each term at the all staff NR TAFE Communications Corridor.

Exceed Stakeholder Expectations

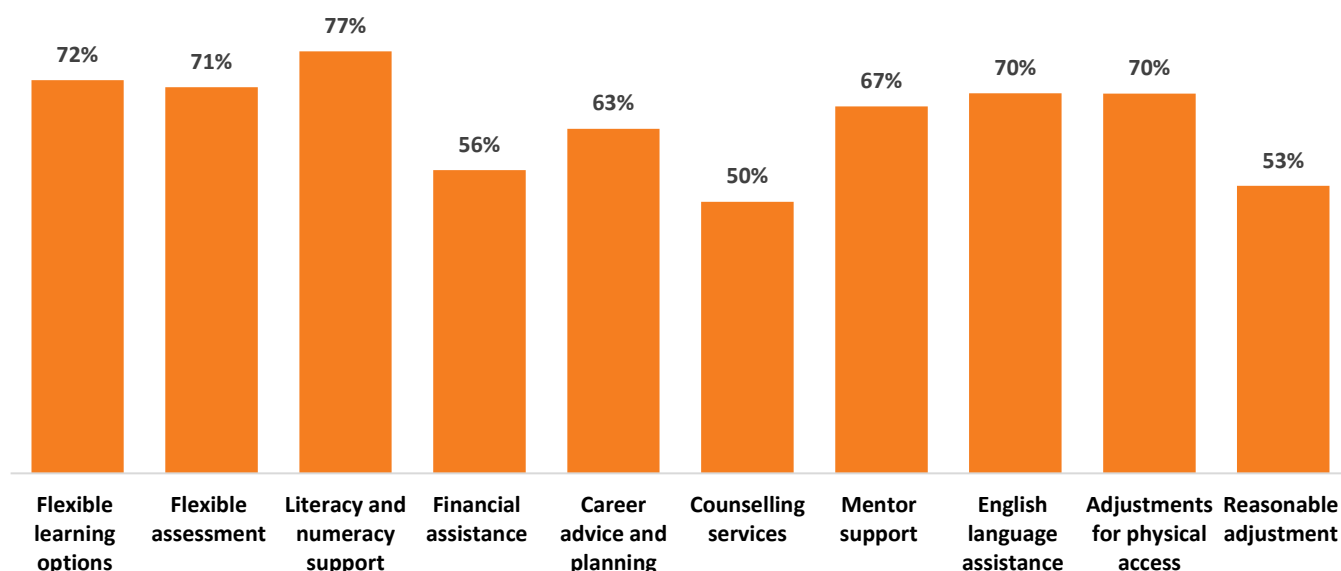
NR TAFE continued to strengthen its focus on working with others with the aim of exceeding stakeholder expectations. We have an ongoing commitment to working with stakeholders to define what they expect from the College and frequently determine their satisfaction with what we do. We believe it is critical that stakeholder expectations be consistently and frequently managed to ensure successful outcomes.

Industry collaboration is an integral part of NR TAFE course development, training and assessment strategy. Assessment strategies are regularly updated to take into account target groups, changes in industry technology and techniques, legislation and training packages, as well as the availability of resources.

Employers rely on NR TAFE to provide essential skills and knowledge to both new students and existing workers. NR TAFE maintains strong engagement with industry to ensure their services remain relevant to the needs of employers, and graduates are job-ready.

The College utilises several tools to determine our customer's expectations and satisfaction. The Student Satisfaction Survey, the Training Accreditation Council (TAC) Learner Questionnaire and Employer Survey, and the NCVET Student Outcomes Survey. We analyse their responses to find ways we can add value to their training experience and to ensure our services supports needs.

Support and Services



The above results are from the 2018 North Regional TAFE Student Satisfaction Survey

Risk management

The College recognises the risks associated with training delivery, particularly in relation to the quality of product delivery, the integrity of assessment services provided and the safety of staff travelling.

NR TAFE's risk management plan outlines specific strategies to mitigate risk in identified areas.

Strategies employed by various departments to mitigate risks include:

Training Services:

- Reviewing the viability of maintaining qualifications with low enrolments
- Reviewing our training products and adjusting to meet demand
- Controlling expenditure to match income
- Effective marketing, industry consultation and customisation of commercial courses

Organisation Services:

- Quality Assurance Audits to ensure all delivery documentation meets TAC standards
- Ensuring implementation plans are in place for new system transitions

Corporate Services:

- Working closely with contractors to ensure capital projects are completed on schedule
- Ensuring appropriate travel policy and processes are in place
- Having disaster recovery policies and procedures in place
- Staff attraction and retention strategies, professional development and succession planning

One contact point

We had specialised one contact point for industry, business and individual job seekers on each main campus through the Business & Community Development Department. The new Jobs and Skills Centres located at both Karratha and Broome Campus are an integral component for this provision of this focus and support.

Often the College will customise courses for industry specific needs and cluster a group of skill sets so the skills learned can be used towards future qualification completions.

The team is always alert in identifying demand for qualifications not currently on scope of training delivery and informs the relevant training area of any requests for addition to scope.

STUDENT SERVICES AND SUPPORT

North Regional TAFE is committed to helping students reach career and study goals by providing a range of support services.

Learning resources

A new Student Hub concept has been established to support students with their learning and has replaced the more traditional Learning Resource Centre. Out of date learning resources were decommissioned in 2018 to make room for the development of the new Student Hubs. The Student Hubs will become an innovative space for students to access IT and e-learning resources. Access to paper based resources will be managed by Training Teams.

Literacy and numeracy support

Literacy and numeracy support was available to all students enrolled in a vocational qualification. This provided support with the reading, writing and numeracy components of the course.

LLN Support	Student Count	SCH
CAVSS/USIQ	1,269	113,835
LLN Support (GATE/CGEA/ESL/AE)	737	114,964

The 2018 Module Load Completion Rate (MLCR) below, indicates an increase of 4% completion where the Underpinning Skills for Industry Qualifications (USIQ) and Course in Applied Vocational Study Skills (CAVSS) was delivered. Although the uptake of LLN support decreased by 6% from 2017 to 2018 the data provides evidence to support the effectiveness of LLN support for vocational courses.

	MLCR 2014	MLCR 2015	MLCR 2016	MLCR 2017	MLCR 2018
<u>NORTH REGIONAL TAFE</u>					
<u>With</u> CAVSS/USIQ Support	82%	83%	83%	84%	78%
<u>Without</u> CAVSS/USIQ Support	75%	77%	80%	77%	74%

Open Learning Centres

Students were welcomed to visit the Open Learning Centres located at the campuses to receive extra assistance with their studies. Access lecturers were available to provide extra support to students, and they also hosted an array of group activities, excursions and special events.

Student Support Hub

Students requiring additional tutoring, particularly those with special needs, could access the Student Support Hub located at our Broome campus. The hub is fitted with soft colourful furnishings, iPads, computers with touchscreen and voice recognition software, and NR TAFE brochures and literature.

Disability support

NR TAFE is committed to providing access and equity participation for students with disabilities to enable them to be involved fully and independent in all aspects of the College programs and services.

Our Disability Support Coordinator provided information and advice, arranged reasonable adjustment, assistive equipment and technologies, interpreters and in-class tutorial support.

Students were encouraged to make contact with the Disability Support Coordinator and lecturer about the impact of their disability, impairment or medical condition to assist in determining what support was needed while undertaking their course.

Aboriginal Training Services (ATS) support

Aboriginal and Torres Strait Islander students were eligible for a range of support services through our on-campus Aboriginal Training Services team. The ATS team delivered culturally appropriate training support for students, trainees and apprentices, assisting them in identifying their needs to maximise enrolment, course completion and employment opportunities.

Our dedicated ATS team provided the following support services:

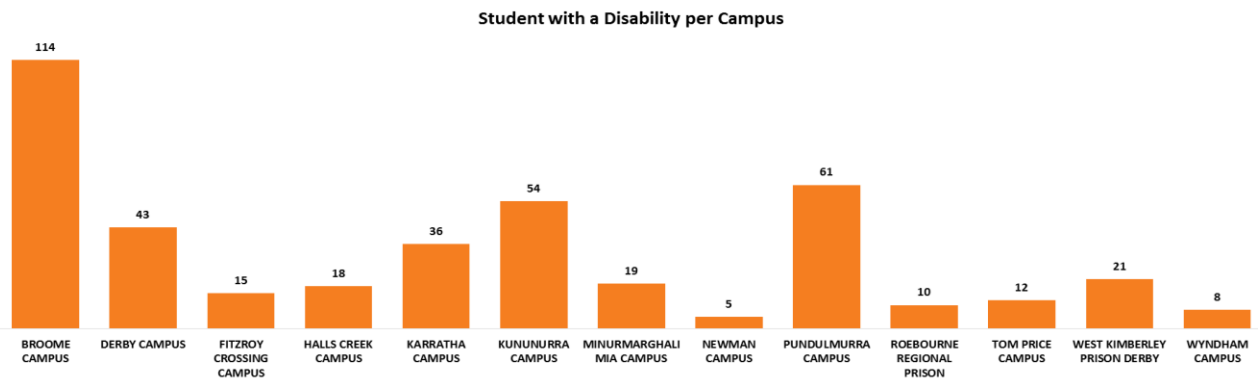
- Assistance with study and talking to lecturers
- In-class support, both academic and practical
- Mentoring, tutor support and career counselling
- The Indigenous Tutorial Assistance Scheme (ITAS)
- Informal counselling and mentoring
- Liaison with Centrelink, Abstudy, Job Active, Community Development Programs (CDP) and other service providers
- Assistance arranging accommodation, transport and study support resources such as workwear, protective equipment and learning aids

DISABILITY SUPPORT SERVICES

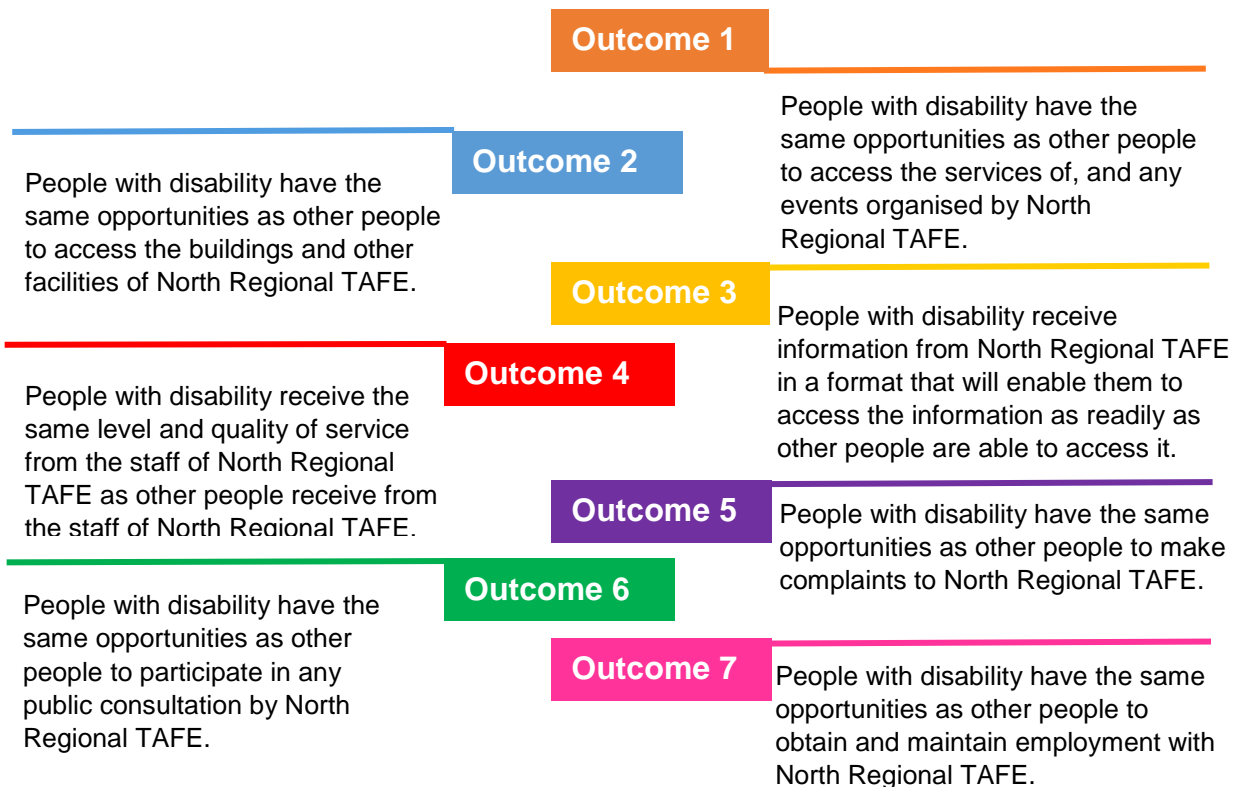
The College received funding from DTWD for a Disability Support Coordinator (DSC) and to provide additional support services.

The Disability Support Coordinator provided advice about the implications of an individual's disability in the learning environment and assisted with planning to accommodate their needs. This support included:

- Meeting with prospective students early to discuss learning support needs
- Ensuring students were aware of information and resources that assisted them
- Liaising with other teaching and support staff to ensure there was a coordination of services and shared learning and support options available
- Providing individual support for students with identified disabilities (e.g. hearing impairment, cerebral palsy) to allow them to participate in mainstream classes
- Providing group support through the College Open Learning Centres.



Disability Access and Inclusion Plan (DAIP) Outcomes

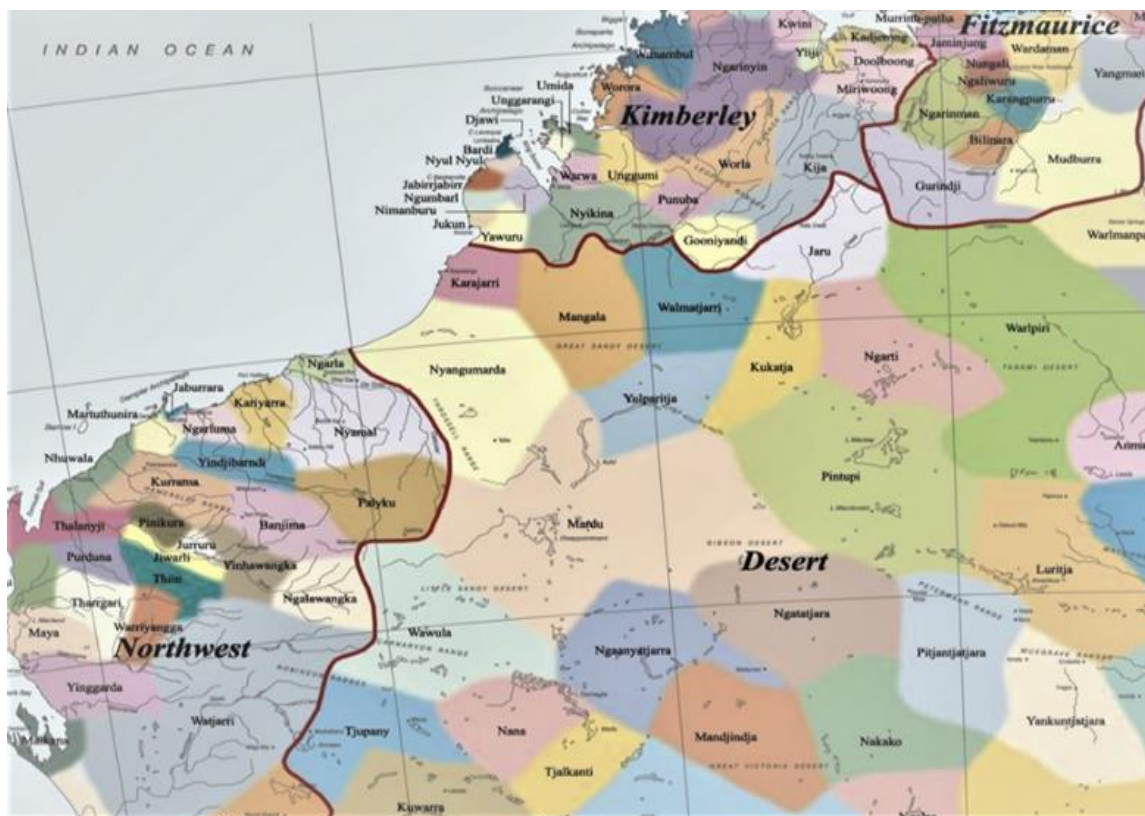


In 2018, North Regional TAFE continued to maintain commitment in providing equitable access and inclusion for people with Disability. Unfortunately there was some disruption for the first half and for the last two months of the year when the Disability Support Coordinator position was vacant. During the vacancy Disability Support was continually covered and requests for reasonable adjustments support continued for existing and new students through Student Support workers.

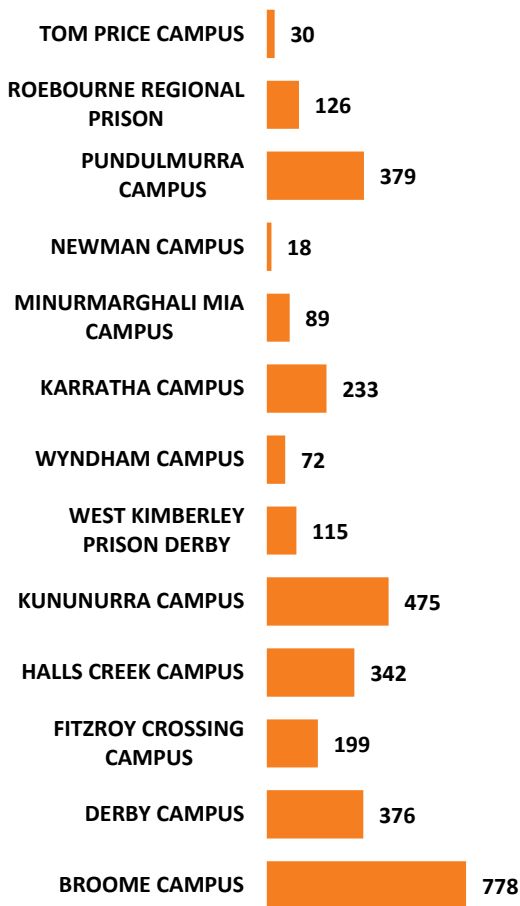
ABORIGINAL TRAINING PLAN (ATP)

The map below provides insight into the number of Aboriginal language groups in the NR TAFE service region. The NR TAFE Aboriginal Training Service (ATS) staff have intimate knowledge of the Aboriginal cultural protocols and social expectations of the Aboriginal residents of the Kimberley and Pilbara. Their knowledge and acceptance is essential to both parties' understanding and expectations when negotiating NR TAFE training projects.

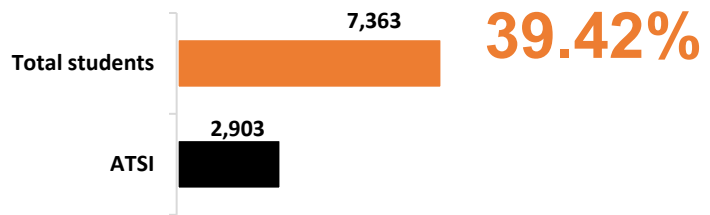
In 2018, NR TAFE increased the number of Aboriginal and Torres Strait Islander (ATSI) students completing their existing course of study and choosing to transition to further training or higher education Certificate III and above. The level of ATSI participation in the NR TAFE regional workforce increased through apprenticeships/traineeships and collaborative partnerships with Aboriginal communities, government agencies, non-government service providers, industry and employer groups. NR TAFE engaged or re-engaged ATSI youth in education, training and work experience to build individual motivation for active participation in continuing education, VET training and employment in the NR TAFE service area workforce.



ATSI students per Campus



ATSI students



Percentage of Employment Based Training students who are ATSI students Apprentices/Trainees

40.5%

ATSI Student Curriculum Hours

525,798

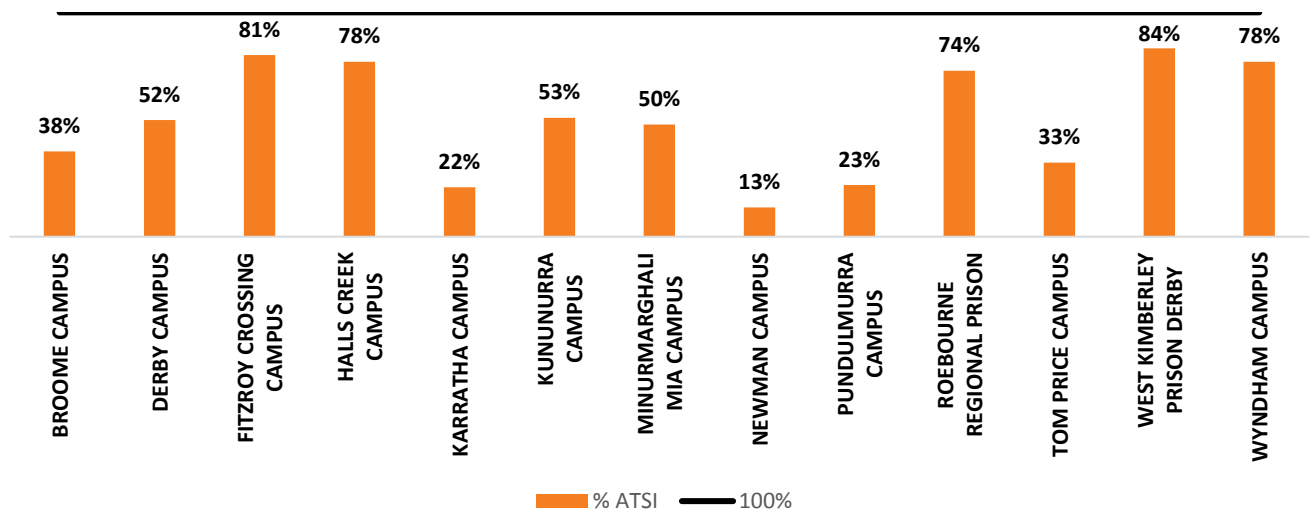
3.3% compared to 2017

ATSI EBT enrolments

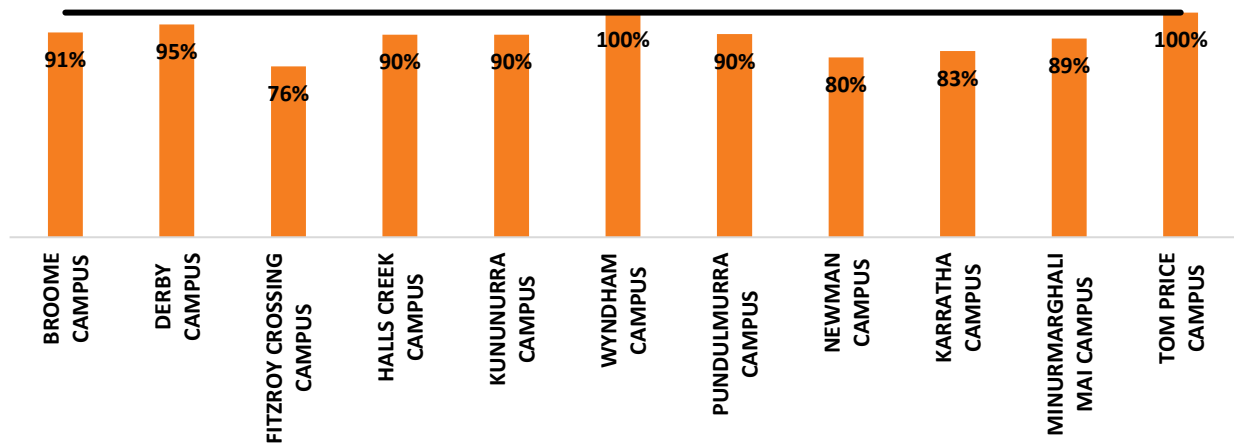
53,439

4.8% compared to 2017

% ATSI Students per Campus



ATSI Retention rates per campus



ATS worked collaboratively with NR TAFE staff to ensure staff competency and overall attractiveness and accessibility of NR TAFE campuses/learning facilities for ATSI students.



NR TAFE ensured Aboriginal consultation, representation and leadership in the strategic planning and service delivery modelling of the NR TAFE Aboriginal Training Service (ATS).

Fitzroy Crossing students embarked on a 1200km road trip to Roebourne in 2018 in a bid to educate the wider community on the unique arrangements of their local school.

Yiramalay/Wesley Studio School students coordinated the logistical project as part of their Certificate II in Leadership training with NR TAFE. Students engaged with community elders and local organisations to arrange presentations in the town, and organised all supplies and accommodation prior to commencing the six-day journey.



Continuous improvement was achieved in ATS program delivery, with ATS staff engaged in collaborative work practices required for an employment outcome/VET service delivery model.

ATS maintained:

- Effective Staff Activity Logs for analysis of ATS activity, student enrolment, course type and training locations to identify priorities for ATS resource allocations
- All aspects of staff member's professional development, workplace health and safety and cultural security to support and develop existing staff members with their career path transitioning into lecturing roles
- Expenditure within allocated budget, in-line with funded program requirements which was managed and acquitted

Conservation and Land Management training being carried out in Fitzroy Crossing



A Derby student taking his first driving lesson as part of the JobWise program

Fitzroy Crossing students undertaking chainsaw short course training



GROW AND DIVERSIFY REVENUE STREAMS

Teaching and Learning with technology

NR TAFE provides and supports a selection of technologies that allow staff to create and deliver engaging unit content to students, communicate with students and enable effective group and class interactions, perform and process assessment activities electronically, store assessment results, provide feedback, and monitor and manage student progress.

The College continues to grow and is now a well-established provider of online education with 1,266 students in 2018 engaged in external (online) studies.

NR TAFE has expanded its courses and service offerings in 2018. New courses and skill sets complemented the existing courses enabling tailored solutions to meet specific industry training needs.



Revenue-seeking efforts have been focussed across a number of areas:

- On-line program delivery
- Improved access to training through Skill Sets
- Partnering arrangements
- Room hire
- Resource sharing
- Marketing and promotion



FlashBack
by Blueberry Software



Easier access to skills training

The introduction of skill set delivery is one way we have re-packaged our training products to generate revenue. Skill sets have also delivered a solution to unmet needs of clients who only wish to learn a set of skills and not complete a whole qualification.

Job & Skills Centres

Jobs and Skills Centres (JSCs) have been established in Broome and Karratha to provide the best job outcomes for students, by combining high quality teaching with industry and community partnerships. The centres deploy a multi-faceted delivery model that includes a 'one stop shop' at the Broome and Karratha campuses with two sub-hubs at our Newman and Pundulmurra (South Hedland) campuses and an outreach service from our Minurmarghali Mia (Roebourne) and Kununurra campuses. Further drop in services from the EPIC Karratha Office, Bloodwood Tree South Hedland offices and the Wunan Foundation in Broome and Kununurra will be established. Staff from the Broome centre will travel to the towns of Derby and Fitzroy Crossing, and to outlying communities such as Warmun and Kalumburu.

Each of the Centres is staffed by people who can provide free professional and practical advice on training and employment opportunities including careers advice, apprenticeship and training information. Support services for employers and business, as well as specialist services for Aboriginal people, ex-offenders and people from a culturally or linguistically diverse background are also available.

The centres also provide an online jobs board, to connect jobseekers with employment opportunities and to help employers attract and recruit employees.

Regional partnerships

Partnerships to create training and job opportunities have come about through NR TAFE's membership with the Pilbara Regional Partnership Program. The aim to identify effective mechanisms to build capacity and improve quality of education and training in the Pilbara has focused on e-learning, attraction and retention of staff and pathways to learning.

NR TAFE has benefited from these partnerships by the roll-out of wi-fi across all campuses, the Health and Community Services Training Centre in South Hedland and the Electrical and Instrumentation Training Centre in Karratha.

NR TAFE's contribution to the VET Regional Partnerships include:

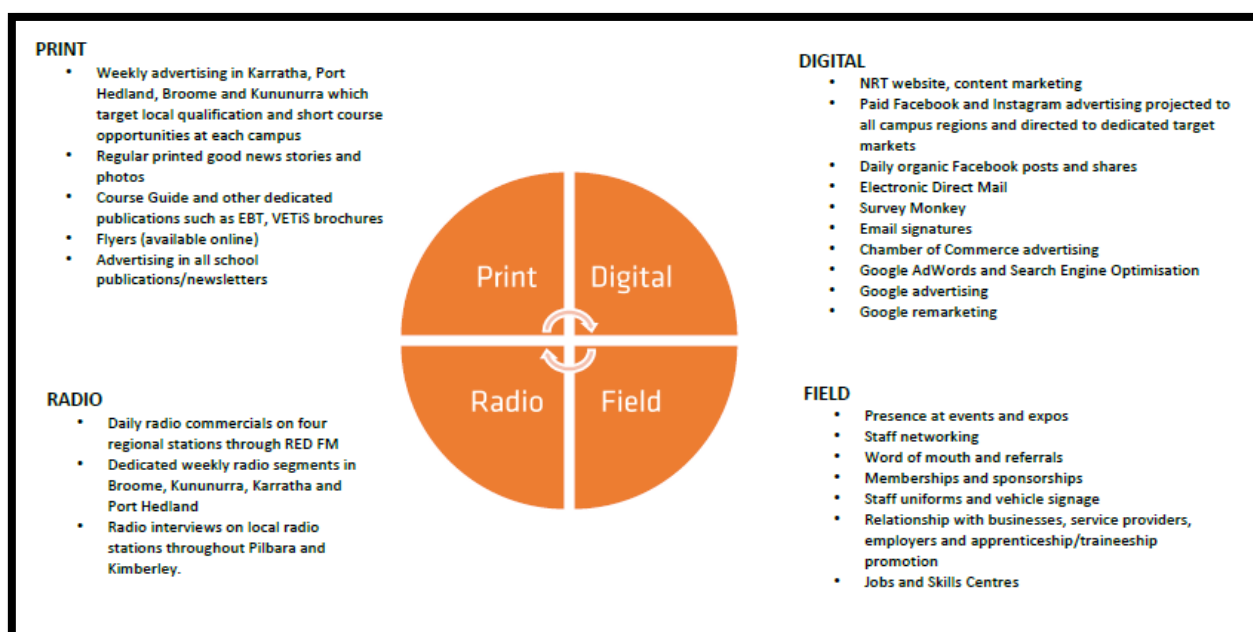
- Co-location of partners on College campuses
- Shared facilities to deliver services
- New learning environments that enable a wider proportion of the community to engage in learning activities such as different modes of delivery and more flexible access to training through E-learning
- Information about pathways between training and apprenticeships

Marketing and promotion

North Regional TAFE covered a diverse and wide spread audience in 2018, utilising a range of local mediums to promote campus-specific course opportunities in order to help residents realise and achieve their career goals.

Marketing priorities in 2018 were to:

- Strengthen the NR TAFE brand by increasing community and industry perception and awareness;
- Increase and enhance online communications
- Develop targeted advertising campaigns
- Engage with local employers
- Maintain a strong presence in the media
- Improve internal communications



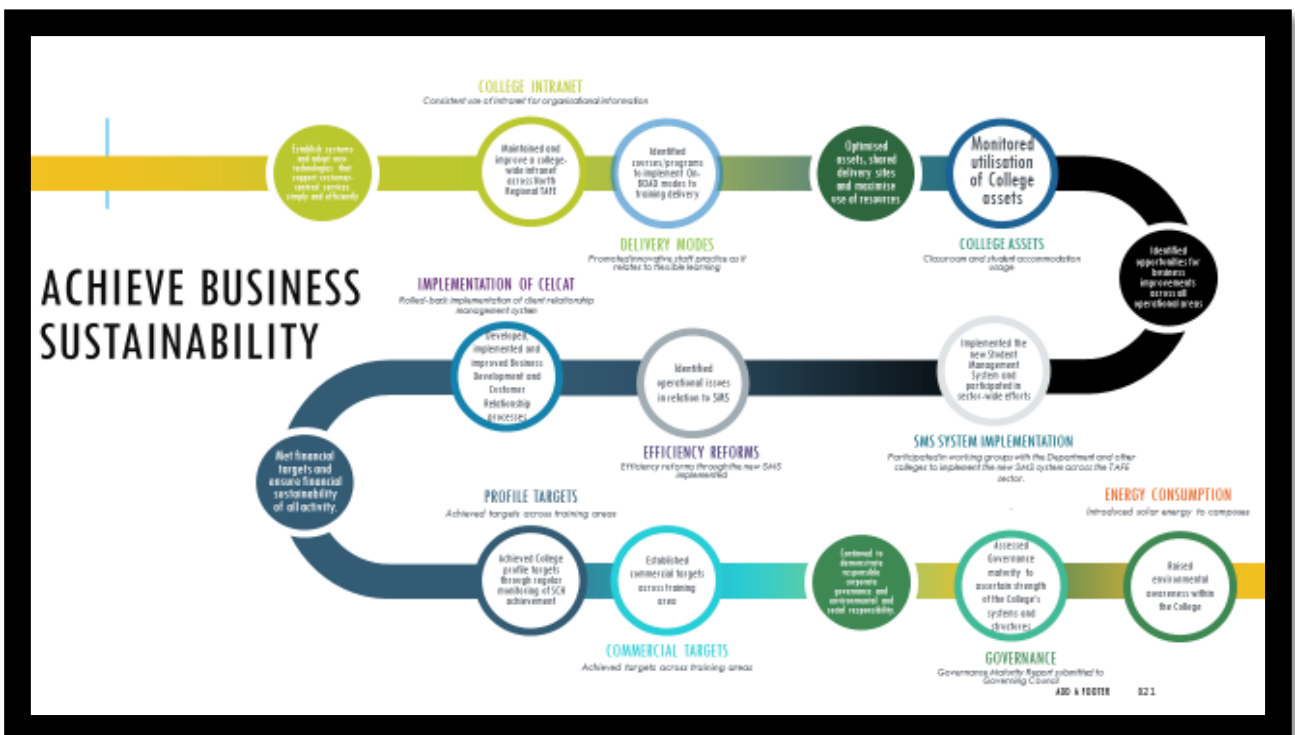
The College target markets were:

North Regional TAFE Target Markets	Defined as
School leavers	Students that have been immediately engaged in formal secondary education prior to training at the College.
Vet in Schools students	Students in years 9, 10 and 11 who are interested in training at TAFE.
Employers – workforce development	Professional development for staff for specific skills or compliance reasons.
Employers – apprentices and trainees	Training that provides employees with the skills required to perform their job.

North Regional TAFE Target Markets	Defined as
Mature age students	Students who have not progressed directly from a school environment - range in age from late teens to late 60s.
People who want to upskill	People from all ages and demographics who may wish to undertake a hobby course for personal reasons, or upskill to improve job prospects.
Parents of prospective students	Parents with children currently in secondary school, years 9-12 classified as influencers.
Remote/outlying communities	Residents in remote/outlying communities.
Job seekers	Residents who are currently unemployed and looking to upskill in order to secure employment.
Job Service Providers	Organisations who refer training and employment opportunities to job seekers.

ACHIEVE BUSINESS SUSTAINABILITY

NR TAFE continued to implement sound environmental strategies, practices and procedures as the basis for sustainable development. The College continued to contribute to the protection and sustainability of our environment by minimising the impact our operations have on the health and wellbeing of all stakeholders, the environment we live in, as well as minimising cost and the use of valuable and diminishing resources.



NR TAFE achieved business sustainability by closely monitoring energy use, waste production, paper use, water consumption and transportation.

We achieved efficiencies by optimising our assets and improving our customer relationship processes by maintaining and improving our intranet and implementing flexible delivery modes of learning. Our governance maturity is established.

OPTIMISE ASSETS

NR TAFE optimised assets, shared delivery sites and maximised the use of resources.

NR TAFE continued to invest in the better use of facilities in 2018 to forge stronger links with business and industry and deliver outstanding education, employment and skills opportunities into the future of the communities in which it operates.

NR TAFE's new Heavy Diesel Workshop is situated in the South Hedland annex utilising an existing NR TAFE building. The two-story building features specialised equipped workshops, tailored teaching environments and a student amenity to meet increased demand for heavy diesel mechanics.

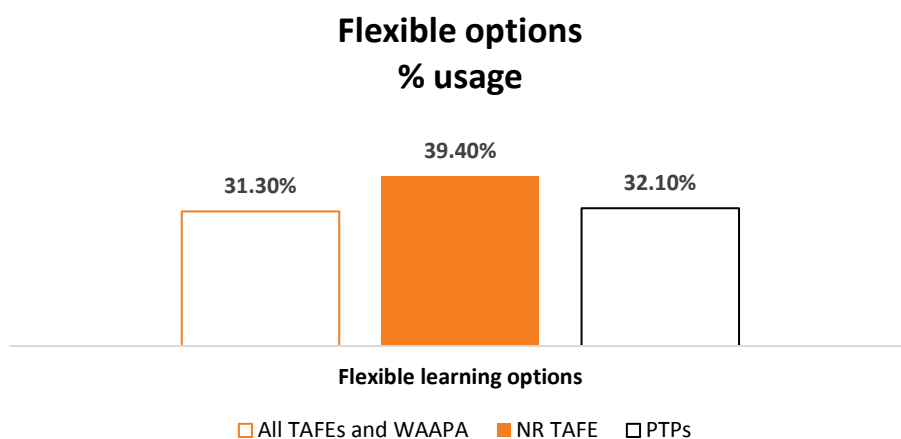
The Job & Skills Centres utilised refurbished existing library facilities and other existing buildings on campuses.

The new training hair and beauty salon utilised existing building on Karratha campus.

A number of outdoor gathering areas in Karratha have been utilised.

SYSTEMS AND TECHNOLOGIES

NR TAFE has established and adopted new technologies that support customer-centred services simply and efficiently.



BUSINESS IMPROVEMENTS

The Planning & Quality team plays a key role in supporting the College planning and reporting cycles, and ensuring the College complies with its legislative and regulatory requirements. It is also responsible for developing, implementing and supporting the College's continuous improvement strategies to ensure business support functions are effective, efficient and productive.

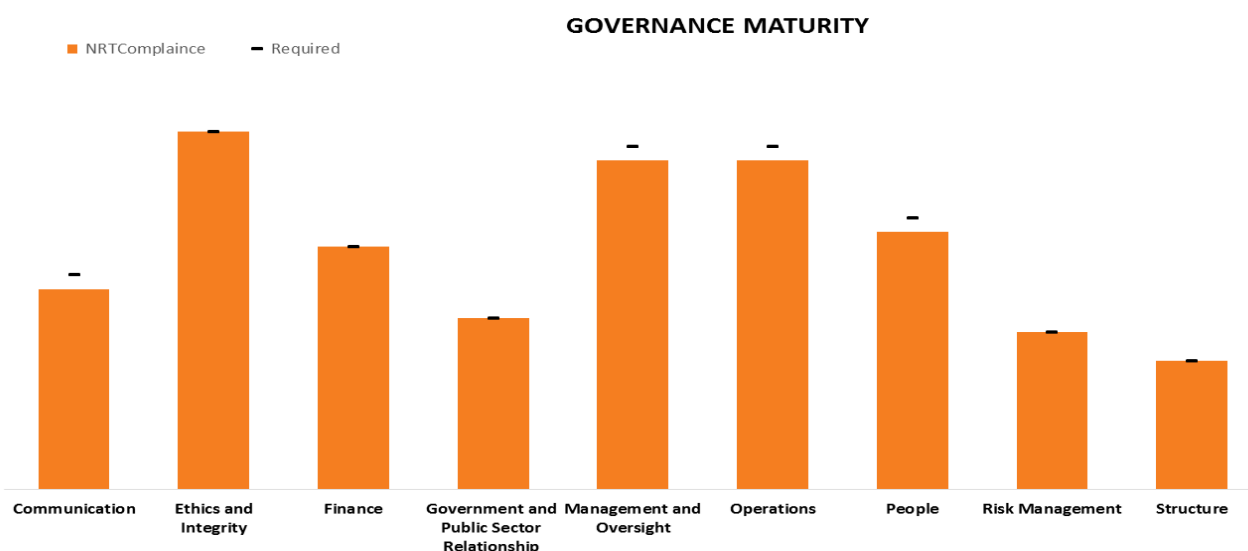
The team delivers a service by setting the policies and processes that support the planning, management, monitoring and auditing of student data, enrolments and feedback processes. Management of these processes contributes to improved training outcomes for students and reports on the integrity of qualifications, resulting, certification and compliance.

FINANCIAL SUSTAINABILITY

We continued on the path to financial sustainability by recording a growth in revenue of \$1.7m (3.1%) compared to 2017. These results reflect the dedication and commitment of our staff who have worked diligently to stabilise and grow NR TAFE.

GOVERNANCE MATURITY

NR TAFE assessed its governance maturity to ascertain the strengths of our systems and structures. The table below indicates the College achievement against the required benchmark.



TRAINING

In terms of student head count we had 7,363 students enrolled, of which 39.4% were Aboriginal and Torres Strait Islanders.

The total number of students under 18 years comprised 9.5% of our total enrolments.

A total of 95.8% of students under 18 years were enrolled through VET delivered to Secondary Students programs, with the remainder enrolled through pre-employment programs, particularly those supported by government employment agencies.

As at 31 December 2018, NR TAFE had 555 apprentices and trainees in training. The Module Load Completion Rate (MLCR) for apprentices and trainees was 92.4%.

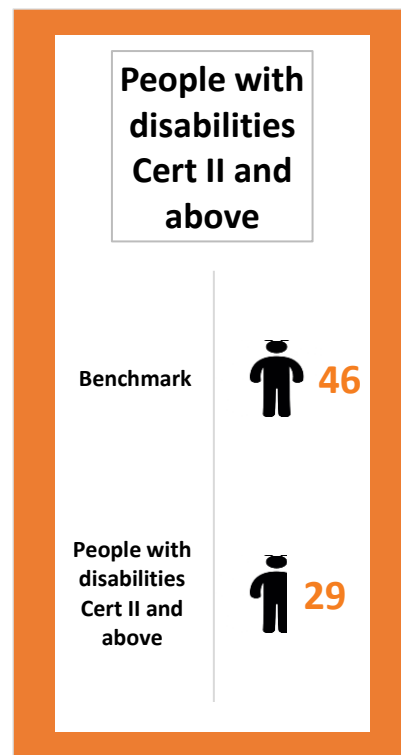
Employment Based Training students recorded a 91.1% student satisfaction rating in the DWTD survey in late 2018.

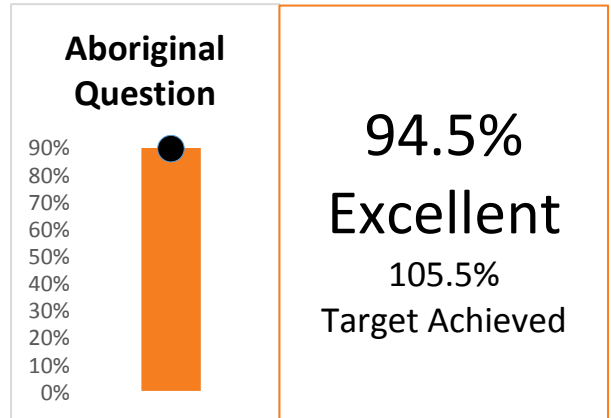
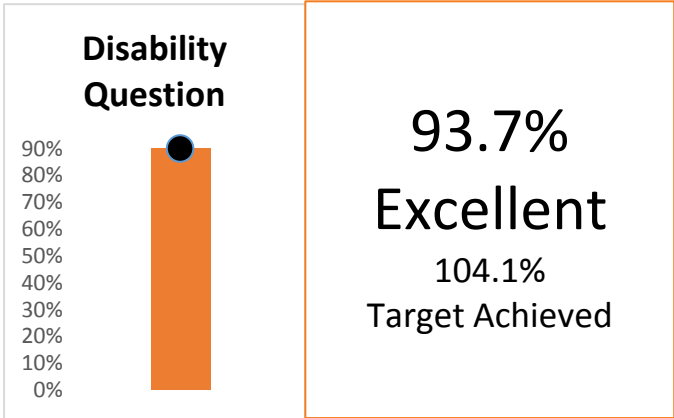
A total of 8.9% of students undertook Certificate IV and above. Although there has been a freeze on fees these still present a barrier for a significant proportion of the community.

Our 2018 MLCR was 77.7% and on par with the 78.7% achieved in 2017, which was a pleasing result in our complex environment.

Training Priority Areas

Qualification Completions





State Training Plan

Employment Based Training
91.6% of benchmark



Priority Industry Training
102.6% of benchmark



15 – 24 Year Olds
95.1% of benchmark



VET Delivered to Secondary School Students

Broome

Broome Senior High School (BSHS) hosted a careers open day for students to explore future vocational possibilities. On the day, NR TAFE's Beauty team set up a stall representing the college and all things 'beauty'.



The girls spoke to students about their passions and goals, and even offered to show off some of their skills and braid some of the students' hair. The event was a massive success, with students from BSHS, Derby District High and St Mary's attending.

Derby



NR TAFE staff were on site at Derby Senior High School for their recent expo, giving students a glimpse into the range of courses on offer at NR TAFE.

Karratha

The EPIC Careers Expo was held at the Karratha Leisureplex, hosting a record number of 61 stalls from global entities to small businesses. A broad range of industries were

represented, including education, mining, construction, agriculture, fitness, science and allied health services. Many of the stalls were very interactive with our own NR TAFE stall inviting participants to interact with a robot using their smartphone or develop their very own 'Scratch' game using simple coding.



Roebourne



NR TAFE ran a TRY A TRADE Program for students at Roebourne Senior School. Carpentry and electrical trainers produced an alternative coffee table with LED lights embedded on the table top for outside use. Visual art sessions were also held, giving students the chance to show off their creative flair.

Aboriginal Training

Broome



Clients of the Kimberley Mental Health and Drug Service clinic (KMHDS) created a tranquil 'space to stop', with the completion of a community garden as part of the Mabu Liyan Project.

Clients were enrolled in units from NR TAFE's Certificate II in Horticulture and each received a Certificate of Attainment upon completion.



Kimberley - Warmun

Beauty class out bush at the Women's Lore Camp. Students pampered community members with neck, shoulder and back massages, foot massages, pedicures and manicures, showing off their skills.

Pilbara – Fortescue River Bridge

In 2018, NR TAFE connected with Aboriginal community groups in the Pilbara region to identify their training needs. Five ranger groups gathered at Fortescue River Bridge and Forty Mile Beach for the Smackdown component of the Gumwarni 2018 event. Ranger groups who attended were:

- Marduthuni Rangers
- Banjima Rangers
- Chevron Land and Sea Rangers
- Citic Mining Rangers
- Nyangumarta Rangers



Bidyadanga

NR TAFE partnered with Bidyadanga Aboriginal Corporation La Grange (BACLG) and Kullarri Regional Communities Indigenous Corporation (KRCI) to deliver Community Services training for nine Bidyadanga based students in 2018.

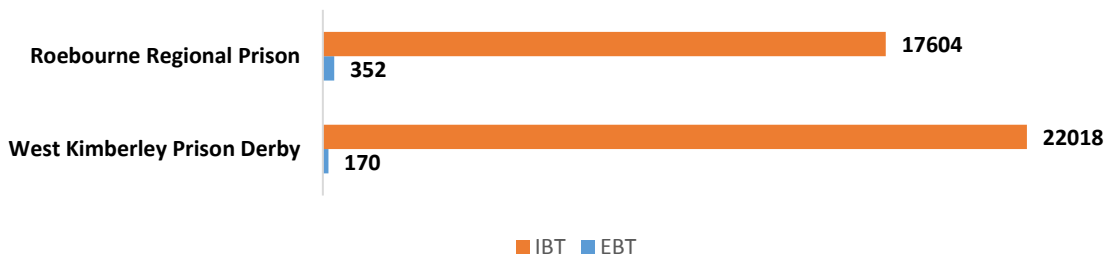
Seven students completed a Certificate II in Community Services, while two completed a Certificate IV in Ageing Support.



Corrective Services Training

In 2018, 24 different qualifications and 14 different Skill Sets were delivered to students in prison.

Employment Based Training (EBT) and Institutional Based Training (IBT) Correctional Services SCH Enrolments



STUDENT HONOURS AND AWARDS

Training Awards

NR TAFE and Kimberley Aboriginal Medical Services student Soleil White, was successfully awarded Aboriginal/Torres Strait Islander Student of the Year at the WA Training Awards, following it up with a national win at the Australian Training Awards.



Soleil completed a Certificate IV in Aboriginal/Torres Strait Islander Primary Health Care and is now undertaking a Diploma of Nursing. Her training gave her the confidence to be an advocate for Aboriginal health care and undertake further studies.

NR TAFE Access lecturer, Richard Rose from Derby, was a finalist in the 2018 WA Trainer of the Year category in the WA Training Awards.



Pilbara and Kimberley Girl



North Regional TAFE is proud to share the results from the 2018 Kimberley and Pilbara Girl finals, with one of our own taking out the title of Most Photogenic. Congratulations to Dakota Gregory, NR TAFE Aboriginal Education Support Officer, for receiving the award and for taking part in the program.



International English Language Testing System (IELTS) Success

One of NR TAFE's IELTS prep course students Amandine Leclerc, successfully completed her IELTS exam and received the band score she needed to apply for permanent residency in Australia.



Western Australian Regional Achievement and Community Awards.

We would like to congratulate NR TAFE Education Support and Early Childhood lecturer, Sarah Penn. Sarah won the prestigious Teaching Excellence Award at the Western Australian Regional Achievement and Community Awards.

SIGNIFICANT ISSUES IMPACTING NORTH REGIONAL TAFE

Key challenges in 2018

- The new Student Management System (SMS) was implemented in July 2018. This involved a significant change to work practices for staff and students. The implementation of the standardised system targeted process changes across all TAFE Colleges. These changes culminated in a completely new way of undertaking administrative tasks (such as enrolment and awarding processes) to including greater automation and changes to reporting. Early system issues have been notably addressed, and improvements are highlighting efficiencies, which in turn provides an enhanced client experience. Accurate and improved reporting is currently the focus and overall the signs are very positive for the future.
- Attracting and retaining knowledgeable staff in a high staff turnover environment. Recruitment to the North West of Australia is a challenge due to high extremes of climate and a rural life-style with limited access to retail and government facilities in some remote locations.
- Seasonal factors limiting access to communities during the wet season.
- Cost of travel and accommodation to remote locations. A very large geographic area to service (approximately one eighth the size of Australia) has created a challenge in the form of access between campuses and to remote rural communities. The cessation of Air North Services between Broome and Karratha means that staff in the Kimberley and Pilbara are now required to travel via Perth rather than directly between towns adding sometimes up to an eight hour wait or an overnight stay between flights. The alternative of travelling by car takes 10 hours one way. Not only is this a significant time away from work, the cost of the travel and accommodation can be prohibitive.

Key influences in 2018

- In 2018, NR TAFE developed an Enterprise Intelligence System (EIS) reporting tool that promotes accurate SCH reporting, which better informs decision making.
- Jobs and Skills Centres - The introduction of the Job and Skills Centres (JSC) in Karratha and Broome to enhance existing career and job services, and join with other government services to achieve better outcomes and realise efficiencies.
- Pilbara Partnerships.
- Business Leadership Group (BLG) Workshop.

Key influences for 2019

- A changing environment. With digital transformation and new technologies rapidly changing the skills required for work, NR TAFE is seeking ways to ensure workers are prepared for change.
- Mining resource commitments in 2019 - Pilbara Partnerships.
- *WA Labor Plan for Jobs* initiatives.

Key activities for 2019

- Improved quality in terms of training delivery and assessment.
- Strategy – evidence-based reporting frameworks that are meaningful and enable good decision making; closer monitoring of the College’s achievement of business targets.
- Leadership – provide clear strategic direction and shared understanding of core business; clarity in roles of staff and line management responsibilities.
- Communication – a greater connectedness and responsiveness to industry and community needs.
- Culture – a greater degree of management support for lecturing staff.

Critical success factors

- Achievement of 2019 profile.
- Financial sustainability and performance including growth and options for diversification across the business.
- Streamlining procedures in the Student Management System (SMS).
- An increase in commercial training.

OTHER LEGAL REQUIREMENTS

Freedom of Information

NR TAFE had no Freedom of Information requests in 2018.

Compliance with Working with Children

NR TAFE has an obligation under the Working with Children (WWC) (Criminal Record Checking) Act 2004 to ensure the safety of children in our community by helping to prevent people who have a criminal history that indicates they may harm children, from working with children.

The College records all WWC checks including copies of WWC cards to ensure compliance with legislative requirements.

Conflict of Interest Statement

At the date of reporting, other than normal contracts of employment of service, no Board Members or Senior Officers, or firms of which Members or Senior Officers are members, or entities in which Members or Senior Officers have substantial interests, had any interests in existing or proposed contracts with NR TAFE and Members of Senior Officers.

Code of Ethics and Code of Conduct

In 2018, the College received no allegation for breaches pertaining to the Public Sector Standards and Ethical Codes.

Breach claims against the Public Sector Standards in Human Resources Management lodged under the Public Sector Management (Breaches of Public Sector Standards) Procedures 2005 at North Regional TAFE during 2017 were 0.

Standard	Outcome	Actions
Disciplinary Issues Raised - 4	Reprimand and/or Warning - 2	Discipline matters still ongoing - 2

Advertising

	Total Expenditure	Accounts paid
Advertising agencies	\$154,291.61	OMD, Initiative, Dilate, Market Creations, Facebook, Telling Design, Messages on Hold
Staff advertising (Recruitment)	\$49,662.17	Adcorp Australia, Initiative
Direct mail	\$1,229.00	
Market research organisations	Nil	Nil
Polling organisation	Nil	Nil

Unauthorised use of credit cards

WA Government credit cards are issued to officers and other authorised persons engaged by the agency in performing their functions. Personal expenditure on WA Government credit cards is required to be disclosed under Treasurer's instruction 903(13) 'Credit Cards - Authorised Use'. Despite each cardholder being reminded of their obligations under the Agency's credit card policy, some employees inadvertently utilise the corporate credit card for personal use. No matters were referred for disciplinary action as in each case prompt advice and settlement of the amount occurred and the nature of the expenditure was immaterial.

Credit Card Breaches 2018

a) the number of instances the WA Government Purchasing Card has been used for a personal purpose;	5
b) the number of FTE/headcount who misused the WA Government Purchasing Card for a personal purpose;	5
c) the aggregate amount of personal use expenditure for the reporting period;	\$111.65
d) the aggregate amount of personal use expenditure settled by the due date (5 working days);	\$82.50
e) the aggregate amount of personal use expenditure settled after the period (5 working days);	\$29.15

f) the aggregate amount of personal use expenditure outstanding at the end of the reporting period;	Nil
g) the number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	Nil

Record Keeping Plan

North Regional TAFE is a signatory to the consolidated sector wide Recordkeeping Plan which was approved by the State Records Commission on the 10 August 2018, as prescribed by the State Records Act 2000.

During 2018, NR TAFE successfully upgraded to the Electronic Record Management System Content Manager. In January 2019, a new NR TAFE production dataset hosted by the Department of Workforce and Training will be implemented. The previous Pilbara and Kimberley datasets will still be accessible to staff as read only.

Record management policies and procedures were reviewed and updated to reflect changes resulting from the implementation of Content Manager.

The State Records Commission, Principles and Standards 2002 (Standard 2, Principle 6) requires NR TAFE to report on the efficiency and effectiveness of the record keeping systems as well as staff record keeping induction and training.

Recordkeeping training program

The on-line Record Awareness Training (RAT) conducted through Learn Upon Learning Management System as part of new employee induction process is required to be completed prior to receiving access to Content Manager. Records are notified when new employees start at NR TAFE, prompting basic Content Manager training which looks at the practical aspects of capturing business records. The impact of large geographical distances between NR TAFE campuses means that training delivery also relies on local delivery through colleagues or supervisors. All recordkeeping information and instructions are available to staff on the TAFE Intranet. The introduction of Content Manager has a high number of new and existing staff receive one to one remote training.

The efficiency and effectiveness of the recordkeeping training program

Its effectiveness is demonstrated by staff requesting Content Manager training that equips them to manage college business and corporate records. A push during 2018 has seen 121 new and existing staff members complete the online record keeping awareness training module during 2018.

The organisation's induction program

It is a requirement that the online record keeping awareness training module, addressing employee roles and record keeping responsibilities, be completed by staff soon after commencement. This is followed up regularly where necessary.

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

1. Achieved - Statement of the agency's commitment to occupational safety and health, and injury management with an emphasis on Executive commitment.

NR TAFE is committed to providing a safe work environment for employees, clients and visitors. Health and safety is a value of the College that is displayed through its culture and management system.

NR TAFE Management will:

- Provide a safe, healthy and injury free workplace
- Improve the standards of safety and health in all work areas
- Comply with all applicable laws, regulations and standards as a minimum
- Setting measurable OSH targets and objectives to achieve continuous improvement
- Integrate OSH into the workplace through established safe systems of work
- Communicate and consultation with the workforce and stakeholders on OSH matters
- Investigate all incidents and implement measures to prevent reoccurrence
- Reduce risk through hazard identification, assessment, control and monitoring
- Work with contractors to ensure they meet NR TAFE OSH standards
- Provide training and resources to enable personnel to conduct their roles safely
- Develop and maintain a compliant OSH Management System in accordance with the WorkSafe Plan

This commitment is an obligation to all NR TAFE employees, contractors, students, clients and visitors, and will be reviewed and managed by the Executive Management Team.

OSH initiatives for 2018 were as follows:

- Continued progress towards a combined (Kimberley and Pilbara region) NR TAFE Occupational Management System
- Developed and utilised NR TAFE OSH Annual Plan as a working document
- Introduction of new OSH Procedures such as the Workers Compensation Procedure and the Workplace Inspection Procedure
- Development of the Accident/Incident/Hazard Reporting Procedure aligned with an electronic hazard reporting system
- Committed OSH Representatives to designated areas of responsibility and the annual workplace inspection schedule resulting in an increase of workplace inspections undertaken
- Election of various OSH Representatives due to end of Terms of Office
- Development of standardised emergency flipcharts and display at all campuses

2. Achieved - A description of the formal mechanism for consultation with employees on occupational safety and health matters.

During 2018 the OSH structure of the College was revised from two regional OSH Coordinator positions, to a structure which consists of one OSH Consultant and a Senior OSH Officer. Both of these positions are located in Broome. Daily face-to-face

interaction between the OSH Consultant and the Senior OSH Officer is contributing to consistent interpretation and OSH advice to all staff.

OSH Representatives are appointed throughout the College. The OSH Consultant and regional OSH representatives meet on a quarterly basis to discuss and minute OSH issues, initiatives and continuous improvements.

The existing NR TAFE OSH committee is the formal mechanism for consultation with employees on occupational safety and health matters. This forum has continued to meet quarterly.

The OSH Management System is accessible to all staff on the Intranet. OSH related material, NR TAFE OSH Committee Minutes, hazard reports, incident reports and corrective action all form part of the electronic OSH Management system.

Newly developed and updated policies and procedures are made available on the Intranet where employees are given the opportunity to view and comment on these documents.

3. Achieved - A statement of compliance with injury management requirements of the Worker's Compensation and Injury Management Act 1981 including the development of return to work plans.

NR TAFE is committed to ensuring compliance with the requirements of the Workers' Compensation and Injury Management Act 1981 and adhering to the following principles.

The College remains committed to monitoring, management and development of strategies to reduce workplace injuries and accidents. Ongoing emphasis is placed on development and review of return to work plans to support injured staff's safe and timely return to work.

4. Achieved - A statement confirming that an assessment of the occupational safety and health management system has been completed (within the past five years or sooner depending on the risk profile of the agency) using a recognised assessment tool and reporting the percentage of actions completed.

During this ongoing period of the NR TAFE's amalgamation, the respective stand-alone systems remains in place whilst the business continues to produce a merged OSH Management System.

Pilbara region

An external audit was conducted by WA Safety Solutions on the OSHMS in April 2015 based on the Work Safe Plan audit tool. Through the findings of this audit an external consultant was engaged in June 2015 to review and improve the OSHMS for Pilbara Institute. In November 2015 a second internal audit was conducted (using the same tool) on the OSHMS that identified Pilbara Institute's OSHMS was 96% compliant to AS/NZ 4801.

Kimberley region

An external audit was conducted by Franklyn Work Safety on the OSHMS in April 2014 based on the Work Safe Plan audit tool. A total of 78% agreed actions and

recommendations were introduced and have been completed. The outstanding action items will be addressed as part of North Regional TAFE's OSH Annual Plan.

Forthcoming for NR TAFE

An assessment of the merged North Regional TAFE's OSHMS is planned to take place during 2019 and to be based on the Work Safe Plan.

5. A report of Performance against the following targets:

Measure	Actual Results						Results against target	
	2016		2017		2018		Target	Comment
	NR TAFE Actual	Riskcover statistical	NR TAFE Actual	Riskcover statistical	NR TAFE Actual	Riskcover statistical		
Number of Fatalities	0	0	0	0	0	0	Zero (0)	Achieved
Lost Time Injury/ Disease Rate	1.27	1.70	0.39	0.39	0.70	1.41	Zero or 10% improvement on the previous three (3) years	An increase of staff during 2018. Refer **
Lost Time Injury Severity Rate	33.33	25	0	0	0	50	Zero or 10% improvement on the previous three (3) years	Refer **

Measure	Actual Results (Not reported through Riskcover)			Results against target	
	2016	2017	2018	Target	Comment
	NR TAFE Actual	NR TAFE Actual	NR TAFE Actual		
% of injured workers returned to work within 13 weeks	66.66%	100%	100%		66% reading is low due to a low total amount of injured staff.
% of injured workers returned to work within 26 weeks	66.66%	100%	100%	Greater than or equal to 80%	66% reading is low due to a low total amount of injured staff.
Percentage of managers & supervisors trained in OSH & Injury Mgt responsibilities	98%	90%	58%	Greater or Equal to 80%	An increase of staff during the latter of 2018 and additional supervisory roles. Training has been scheduled for March 2019.

** Riskcover data is produced based on estimated outcome at the commencement of a claim, prior to the claim being investigated.
 ** NR TAFE actual results are based on actual time loss, whilst Riskcover statistical information is based on estimated time loss.

EMPLOYMENT AND INDUSTRIAL RELATIONS

	2017	% Total 2017	2018	% Total 2018
FTE for Year	253.18	N/A	282.51	N/A
Academic Delivery	123.08	48.61%	139.10	49%
Academic Support Services/ Corporate Services	130.1	51.38%	143.41	51%
Registrable	0	0	0	0

NB: FTE does not include casual employees 2018 data sourced from the Empower Payroll System, FTE figures have been taken as at 31 December 2018 and are subject to vary across the year by +/- 10% due to fluctuating training demands.

SUBSTANTIVE EQUITY

Indicator	2017 Target	2017 Result	2018 Target	2018 Result
Women represented in management Tiers 2 & 3	46.1%	45%	48.4%	57.9%
Employees from culturally diverse backgrounds*	12.9%	11.4%	13.4%	12.8%
Aboriginal Australian employees*	2.7%	12.5%	2.7%	12.7%
Employees who identify as people with disabilities*	1.8%	3.0%	1.6%	2.2%
Employees who are youth.	4.2%	1.9%	4.0%	2.7%

NB Target is set as per the WA public sector results, *results are based on the % of valid responses, 2017 data is based on September MOIR data as 2018 December data is not yet available

DISCLOSURE OF LEGAL COMPLIANCE



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

NORTH REGIONAL TAFE

Report on the Financial Statements

Opinion

I have audited the financial statements of North Regional TAFE which comprise the Statement of Financial Position as at 31 December 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of North Regional TAFE for the year ended 31 December 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Responsibility of the Governing Council for the Financial Statements

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

In preparing the financial statements, the Governing Council is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the TAFE.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Controls

Opinion

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

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

In my opinion, in all material respects, the controls exercised by North Regional TAFE are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 December 2018.

The Governing Council's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of North Regional TAFE for the year ended 31 December 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of North Regional TAFE are relevant and appropriate to assist users to assess the TAFE's performance and fairly represent indicated performance for the year ended 31 December 2018.

The Governing Council's Responsibility for the Key Performance Indicators

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

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

Auditor General's Responsibility

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

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

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of North Regional TAFE for the year ended 31 December 2018 included on the TAFE's website. The TAFE's management is responsible for the integrity of the TAFE's website. This audit does not provide assurance on the integrity of the TAFE's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



SANDRA LABUSCHAGNE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 March 2019

FINANCIAL STATEMENTS

Certification of financial statements

For the year ended 31 December 2018

The accompanying financial statements of North Regional 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 year ended 31 December 2018 and the financial position as at 31 December 2018.

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



Ian Smith
Governing Council Chair
1 March 2019



Kevin Doig
Managing Director
1 March 2019



Katherine Reeves
Chief Financial Officer
1 March 2019

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	2018 \$	2017 \$
Cost of services			
Expenses			
Employee benefits expense	2.1	38,513,455	36,400,709
Supplies and services	2.2	13,898,329	13,683,896
Asset revaluation decrement	2.2	519,648	19,876,008
Other expenses	2.2	3,247,321	3,058,035
Cost of sales	3.3	8,644	8,793
Loss on disposal of non-current assets	3.7	-	205,227
Depreciation and amortisation expense	4.1,4.2	4,592,017	4,616,688
Total cost of services		60,779,413	77,849,355
Income			
Revenue			
Fee for service	3.2	1,496,269	2,488,353
Student fees and charges	3.2	2,919,559	2,664,547
Ancillary trading	3.2	37,360	77,137
Sales of goods	3.3	15,754	19,779
Commonwealth grants and contributions	3.4	732,983	750,000
Interest revenue	3.5	474,162	494,148
Other revenue	3.6	885,316	1,254,785
Total revenue		6,561,403	7,748,749
Gains			
Gain on disposal of non-current assets	3.7	15,139	-
Gain arising from revaluation of buildings	3.7	2,106,193	-
Total gains		2,121,332	-
Total income other than income from State Government		8,682,736	7,748,749
Net cost of services		(52,096,678)	(70,100,607)
Income from the State Government			
Service appropriation	3.1	46,806,237	44,503,590
Services received free of charge	3.1	2,149,428	1,571,450
Total income from State Government	3.1	48,955,665	46,075,040
Surplus/(Deficit) for the period		(3,141,013)	(24,025,567)
Other comprehensive income			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		-	-
Total other comprehensive income		-	-
Total comprehensive deficit for the period		(3,141,013)	(24,025,567)

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	2018	2017
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	6.1	13,640,761	13,321,319
Restricted cash and cash equivalents	6.1	2,547,900	4,095,797
Receivables	5.1	810,358	1,219,391
Inventories	3.3	21,132	21,132
Other current assets	5.2	480,584	505,215
Total Current Assets		17,500,735	19,162,854
Non-Current Assets			
Restricted cash and cash equivalents	6.1	427,318	312,714
Property, plant and equipment	4.1	142,805,377	143,525,764
Intangible assets	4.2	194,174	339,657
Total Non-Current Assets		143,426,869	144,178,135
Total assets		160,927,604	163,340,989
Liabilities			
Current Liabilities			
Payables	5.3	1,552,583	1,699,000
Employee related provisions	2.1	4,725,625	4,406,923
Other current liabilities	5.4	2,977,771	4,457,734
Total Current Liabilities		9,255,980	10,563,656
Non-Current Liabilities			
Employee related provisions	2.1	1,067,905	981,402
Total Non-Current Liabilities		1,067,905	981,402
Total liabilities		10,323,885	11,545,058
Net assets		150,603,720	151,795,930
Equity			
Contributed equity	8.7	184,699,316	182,700,241
Accumulated surplus/(deficit)		(34,095,596)	(30,904,311)
Total Equity		150,603,720	151,795,930

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Notes	2018	2017
		\$	\$
Cash flows from State Government			
Service appropriation – Department of Training and Workforce Development		45,426,148	42,566,203
Total Net cash provided by State Government		45,426,148	42,566,203
Utilised as follows:			
Cash flows from operating activity			
Payments			
Employee benefits		(37,947,880)	(36,569,397)
Supplies and services		(11,987,594)	(13,081,988)
Grants and subsidies		-	(7,097)
GST payments on purchases		(1,462,476)	(1,427,047)
Other payments		(3,262,649)	(3,083,059)
Receipts			
Fee for service		1,496,269	2,680,908
Student fees and charges		3,243,302	2,880,834
Ancillary trading		53,114	96,917
Commonwealth grants and contributions		732,983	750,000
Interest received		474,162	494,148
GST receipts on sales		248,661	306,384
GST receipts from taxation authority		1,162,453	1,295,014
Other receipts		885,316	1,254,785
Net cash used in operating activities		(46,364,339)	(44,409,599)
Cash flow from investing activities			
Payments			
Purchase of non-current physical assets		(907,586)	(747,673)
Receipts			
Proceeds from sale of non-current physical assets		25,804	140,455
Capital Contribution - equity investments by DTWD		706,122	961,444
Net cash provided by investing activities		(175,660)	354,226
Net decrease in cash and cash equivalents		(1,113,850)	(1,489,170)
Cash and cash equivalents at the beginning of period		17,729,829	19,219,000
Cash and cash equivalents at the end of period	6.1	16,615,979	17,729,830

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Notes	Contributed Equity	Reserves	Accumulated Surplus/ (Deficit)	Total Equity
		\$	\$	\$	\$
Balance at 1 January 2017		175,161,521	-	(6,878,744)	168,282,777
Surplus/(deficit)		-	-	(24,025,567)	(24,025,567)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	(24,025,567)	(24,025,567)
Transaction with owners in their capacity as owners:	8.7				
Other contributions by owners – capital works		6,577,276	-	-	6,577,276
Other contributions by owners – cash grants		961,444	-	-	961,444
Total		7,538,720	-	-	7,538,720
Balance of 31 December 2017		182,700,241	-	(30,904,311)	151,795,930
Balance at 1 January 2018		182,700,241	-	(30,904,311)	151,795,930
Correction of prior period errors		-	-	(50,273)	(50,273)
Restated balance at 1 January 2018		182,700,241	-	(30,954,583)	151,745,657
Surplus/(deficit)		-	-	(3,141,013)	(3,141,013)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	(3,141,013)	(3,141,013)
Transaction with owners in their capacity as owners:	8.7				
Other contributions by owners – capital works		1,292,953	-	-	1,292,953
Other contributions by owners – cash grants		706,122	-	-	706,122
Total		1,999,075	-	-	1,999,075
Balance at 31 December 2018		184,699,316	-	(34,095,596)	150,603,720

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1 Basis of preparation

North Regional TAFE is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. North Regional 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 North Regional TAFE on 1 March 2019.

Statement of compliance

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

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

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

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and historical cost convention. 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.

Judgements and estimates

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

Contributed equity

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

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

2 Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how NR 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 North Regional TAFE in achieving its objectives and the relevant notes are:

	Notes	2018 \$	2017 \$
Employee benefits expenses	2.1(a)	38,513,455	36,400,709
Employee related provision	2.1(b)	5,793,530	5,388,325
Other expenditure	2.2	17,665,298	36,617,938

2.1(a) Employee benefits expenses

	2018 \$	2017 \$
Wages and salaries	35,603,007	33,276,357
Termination benefits	-	380,218
Superannuation – defined contribution plans ^(a)	2,910,448	2,744,135
Total employee benefits expenses	38,513,455	36,400,709

^(a) Defined contribution plans includes West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS) Government Employees Superannuation Board Schemes (GESBS) and other eligible funds.

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

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when North Regional 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. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

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

North Regional TAFE does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by North Regional TAFE to the GESB.

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

2.1(b) Employee related provisions

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

	2018	2017
	\$	\$
Current		
Employee benefits provision		
Annual leave ^(a)	1,947,479	1,872,637
Long service leave ^(b)	2,392,750	2,205,612
Deferred salary scheme ^(c)	103,894	61,944
Purchased leave ^(d)	2,048	4,157
	4,446,170	4,144,351
Other provisions		
Employment on-costs ^(e)	279,455	262,572
Total current employee benefits provisions	4,725,625	4,406,923
Non-current		
Employee benefits provision		
Long service leave ^(b)	1,003,596	922,265
	1,003,596	922,265

Other provisions

Employment on-costs ^(e)	64,309	59,137
Total non-current employee benefits provisions	1,067,905	981,402
Total employee benefits provisions	5,793,530	5,388,325

(a) **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.

(b) **Long service leave liabilities:** Unconditional long service leave provisions are classified as current liabilities as North Regional 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 North Regional TAFE has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave liabilities are calculated at present value as North Regional 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.

(c) **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.

(d) **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.

(e) **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 2.2 Other expenditure (apart from the unwinding of the discount (finance cost)) and are not included as part of North Regional TAFE's 'employee benefits expense'. The related liability is included in 'Employment on-cost provision'.

Employment on-costs provision	2018	2017
	\$	\$
Carrying amount at start of period	321,709	329,328
Additional / (reversals of) provisions recognised	22,055	(7,619)
Total Carrying amount at end of period	343,764	321,709

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 North Regional 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 Other expenditure

	2018	2017
	\$	\$
Supplies and Services		
Consumables and minor equipment	1,822,076	1,886,855
Communication expenses	130,144	167,563
Utilities expenses	2,740,721	2,795,187
Consultancies and contracted services	4,603,044	4,508,767
Minor works	582,780	314,754
Repairs and maintenance	671,626	742,832
Operating lease and hire charges	772,902	613,974
Travel and passenger transport	1,515,984	1,564,381
Advertising and public relations	251,520	234,301
Staff professional development activities	95,180	92,612
Supplies and services – other	712,352	762,670
Total supplies and services expenses	13,898,329	13,683,896
Other expenses		
Audit fees	185,000	185,000
Building Maintenance	879,740	796,157
Doubtful debts expense	-	(25,024)
Expected credit losses expense ^(a)	(5,888)	-

	2018 \$	2017 \$
Employment on-costs	2,162,196	2,050,949
Student prizes and awards	472	12,606
Losses and write-offs	10,695	38,348
Other	15,106	-
Total other expenses	3,247,321	3,058,035
Asset revaluation decrement		
Land	519,648	9,310,000
Buildings	-	10,566,008
Total asset revaluation decrement	519,648	19,876,008
Total other expenditure	17,665,298	36,617,938

(a) Expected credit losses were not measured in 2017.

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

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

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

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

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

3 Our funding sources

How we obtain our funding

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

	Notes	2018 \$	2017 \$
Income from State Government	3.1	48,955,665	46,075,04
User charges and fees	3.2	4,453,188	5,230,037
Trading profit	3.3	7,110	10,986
Commonwealth grants and contributions	3.4	732,983	750,000
Interest revenue	3.5	474,162	494,148
Other revenue	3.6	885,316	1,254,785
Gains/(Losses)	3.7	15,139	(205,227)

3.1 Income from State Government expenditure

	2018 \$	2017 \$
Appropriation received during the period:		
Service appropriation ^(a)		
Delivery and Performance Agreement (DPA)	46,034,831	43,913,879
Non-DPA Grants from Department of Training and Workforce Development	771,407	589,710
	46,806,237	44,503,590
Services received free of charge from other State Government agencies during the period:		
Department of Training and Workforce Development (DTWD)		
- Corporate systems support	2,009,197	1,463,049
- Human resources and industrial relations support	71,679	59,897
- Other	68,551	48,504
	2,149,428	1,571,450
Total income from State Government	48,955,665	46,075,040

^(a) Service Appropriations are recognised as revenues at fair value in the period in which North Regional TAFE gains control of the appropriated funds. North Regional TAFE gains control of appropriated funds at the time those funds are deposited in the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

3.2 User charges and fees

	2018 \$	2017 \$
Fee for service		
Fee for service - general	1,389,394	1,991,778
Fee for service - Government (other than DTWD)	-	355,976
International fees	106,876	140,599

	2018 \$	2017 \$
Total fee for service	1,496,269	2,488,353
Student fees and charges		
Tuition fees	2,283,165	2,109,792
Enrolment and Resource fees	448,802	376,233
Recognition of prior learning (RPL) fees	144,841	122,338
Incidental fees	36,172	47,650
Other College fees	6,580	8,533
Total student fees and charges	2,919,559	2,664,547
Ancillary trading		
Liveworks (not a trading activity)	20,884	12,465
Contracting & Consulting Revenue	3,727	-
Other Ancillary Revenue	12,749	64,673
Total ancillary trading	37,360	77,137
Total User charges and fees	4,453,188	5,230,037

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

3.3 Trading profit

	2018 \$	2017 \$
Bookshop		
Sales	15,754	19,779
Cost of Sales		
Opening Inventory	(21,132)	(22,828)
Purchases	33,621	35,168
	12,488	12,340
Closing Inventory	(21,132)	(21,132)
Cost of Good Sold	(8,644)	(8,793)
Total trading profit/(loss) - Bookshop	7,110	10,986
Total trading profit/(loss)	7,110	10,986
Closing inventory comprises:		
Finished goods		
At cost	21,132	21,132
Total current inventories	21,132	21,132

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 Commonwealth grants and contributions

	2018	2017
	\$	\$
Commonwealth specific purpose grants and contributions	732,983	750,000

3.5 Interest revenue

	2018	2017
	\$	\$
Interest revenue	474,162	494,148

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

3.6 Other revenue

	2018	2017
	\$	\$
Rental and facilities fees	418,618	623,998
Other direct grants and subsidy revenue	8,000	15,000
Sponsorship and donations revenue	-	7,276
Miscellaneous revenue ^(a)	458,699	608,511
	885,316	1,254,785

(a) Miscellaneous revenue mainly relates to insurance claims and insurance rebates.

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.

3.7 Gains/(Losses)

	2018	2017
	\$	\$
Net proceeds from disposal of non-current assets		
Motor vehicles, caravans and trailers	19,450	-
Plant, furniture and general equipment	977	126,882
Marine craft	5,376	-
Total proceeds from disposal of non-current assets	25,804	126,882
Carrying amount of non-current assets disposed		
Buildings	-	(73,240)

	2018	2017
	\$	\$
Motor vehicles, caravans and trailers	(10,664)	(6,890)
Plant, furniture and general equipment	-	(185,146)
Computers and communication network	-	(66,826)
Marine craft	-	(6)
Net gain/(loss)	15,139	(205,227)
Other gains		
Gain arising from revaluation increment on buildings	2,106,193	-
Other gains	2,106,193	-
Total gains	2,121,332	-

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

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

4 Key assets

Assets utilised for economic benefit or service potential

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

	Notes	2018	2017
		\$	\$
Property, plant and equipment	4.1	142,805,377	143,525,764
Intangibles	4.2	194,174	339,657
Total key assets		142,999,551	143,865,421

4.1 Property, plant and equipment

	Land \$	Buildings \$	Work in progress \$	Motor vehicles, caravans and trailers \$	Plant, furniture and general equipment \$	Computer equipment, communica- tion network \$	Marine craft \$	Total \$
Year ended 31 December 2018								
1 January 2018								
Gross carrying amount	11,418,000	129,546,442	851,722	477,223	2,085,160	372,067	19,979	144,770,593
Accumulated depreciation	-	-	-	(239,802)	(777,347)	(223,195)	(4,485)	(1,244,829)
Carrying amount at start of period	11,418,000	129,546,442	851,722	237,421	1,307,813	148,872	15,494	143,525,764
Additions	-	-	-	40,000	749,105	42,480	76,000	907,585
Correction of prior period errors ^(a)	-	-	-	-	(50,273)	-	-	(50,273)
Transfers from DTWD ^(b)	519,648	722,205	-	-	51,100	-	-	1,292,953
Transfer from Work in Progress	-	-	(851,722)	-	844,017	-	-	(7,705)
Revaluation increments/(decrements)	(519,648)	2,106,193	-	-	-	-	-	1,586,545
Disposals	-	-	-	(10,664)	-	-	-	(10,664)
Depreciation	-	(3,719,588)	-	(107,858)	(520,911)	(82,023)	(8,448)	(4,438,829)
Carrying amount 31 December 2018	11,418,000	128,655,252	-	158,899	2,380,851	109,329	83,046	142,805,377

^(a) Correction of prior period errors related to the derecognition of an asset that had been damaged in a cyclone but had not been removed from the asset register.

^(b) Transfers from DTWD included:

- capital works at Karratha campus of \$372,487 including replacements of block 700 and block 600 verandas; and
- capital works at the Pundulmurra campus of \$ 920,466, including landscaping, reticulation and shade structures.

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).

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of land and buildings. Land is carried at fair value.

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

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

Land and buildings were revalued as at 1 July 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 31 December 2018 and recognised at 31 December 2018. In undertaking the revaluation, fair value was determined by reference to market values for land: \$1,280,000 (2017: \$1,280,000) and buildings: \$1,150,000 (2017: \$1,150,000). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

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 current replacement cost. Where the fair value of buildings is determined on the current replacement cost basis, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset

and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset.

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

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

4.1.1 Depreciation and impairment

	2018 \$	2017 \$
Depreciation		
Buildings	3,719,588	3,877,892
Motor vehicles, caravans and trailers	107,858	131,793
Plant, furniture and general equipment	520,911	455,082
Computers and communication network	82,023	114,544
Marine craft	8,448	2,601
Total depreciation for the period	4,438,829	4,581,913

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

Please refer to Note 4.2 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:

Assets	Useful life: years
Buildings	40 years
Motor vehicles, caravans and trailers	5 to 8 years
Plant, furniture and general equipment	4 to 8 years
Computer and communication equipment	2 to 8 years
Marine craft	5 to 8 years

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

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

Impairment

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

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

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

As North Regional 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.

4.2 Intangible assets

Computer software

	2018	2017
	\$	\$
At 1 January		
Gross carrying amount	383,581	23,886
Accumulated amortisation	(43,924)	(9,148)
Carrying amount at start of period	339,657	14,738
Additions	-	359,695
Transfers from Work in progress	7,705	-
Amortisation expense	(153,188)	(34,776)
Carrying amount at 31 December	194,174	339,657

Initial recognition

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 below), are capitalised.

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

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

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.

4.2.1 Amortisation and impairment

Charge for the period	2018 \$	2017 \$
Amortisation		
Computer Software	153,188	34,776
Total amortisation for the period	153,188	34,776

As at 31 December 2018 there were no indications of impairment to intangible assets.

North Regional TAFE held no goodwill or intangible assets with an indefinite useful life during the reporting period.

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 North Regional 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) 2 to 3 years

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

Impairment of intangible assets

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

5. Other assets and liabilities

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

	Notes	2018 \$	2017 \$
Receivables	5.1	810,358	1,219,391
Other assets	5.2	480,584	505,215
Payables	5.3	1,552,583	1,699,000
Other liabilities	5.4	2,977,771	4,457,734

5.1 Receivables

	2018 \$	2017 \$
Current		
Receivables – Trade	431,157	915,389
Receivables - Students	231,905	118,709
Allowances for impairment of receivables	(35,356)	(41,244)
Accrued revenue	174,753	226,537
GST receivable	7,899	-
Total current receivables	810,358	1,219,391

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment).

The carrying amount of net receivables is equivalent to fair value as it is due for settlement within 30 days.

5.2 Other assets

	2018 \$	2017 \$
Current		
Prepayments	480,584	505,215
Total current other assets	480,584	505,215

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

5.3 Payables

	2018 \$	2017 \$
Current		
Trade payables	3,799	58,812
GST payable	-	43,463
Accrued expenses	1,180,471	1,388,782
Accrued salaries and related costs	366,587	203,495
Paid parental leave payable	1,726	4,448
Total current payables	1,552,583	1,699,000

Payables are recognised at the amounts payable when North Regional 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. North Regional TAFE considers the carrying amount of accrued salaries to be equivalent to its fair value.

5.4 Other liabilities

	2018	2017
	\$	\$
Current		
Income received in advance ^(a)	429,872	529,746
Grants and advances ^(b)	2,547,899	3,927,988
Balance at end of period	2,977,771	4,457,734
^(a) Income received in advance comprises:		
Other Government – VET Fee Help	(34,312)	167,808
Student fees and charges	464,185	361,938
Balance at end of period	429,872	529,746
^(b) Grants and advances comprises:		
Provision for DTWD refund for under delivery of training courses	2,471,849	3,769,090
Rural & Remote training contract unspent funds	76,050	158,898
Balance at end of period	2,547,899	3,927,988

6. Financing

This section shows material balances and disclosures associated with the financing and cashflows of North Regional TAFE.

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

6.1 Cash and cash equivalent

	2018	2017
	\$	\$
Current		
Cash and cash equivalents		
Cash on Hand	1,200	1,300
Cash at Bank	13,639,561	13,320,019
Total cash and cash equivalents	13,640,761	13,321,319

	2018 \$	2017 \$
Restricted cash and cash equivalents current		
VET Fee HELP funding received in advance	-	167,808
DPA refund due to DTWD for SCH shortfall	2,471,850	3,769,090
Dept of Health grant funds received not yet expended	76,050	158,898
Total restricted cash and cash equivalents current	2,547,900	4,095,797
Total current	16,188,661	17,417,115
Non-current		
Restricted cash and cash equivalents non-current		
Accrued salaries suspense account – 27 th pay	427,318	312,714
Total non-current	427,318	312,714
Balance at end of period	16,615,979	17,729,829

The accrued salaries suspense account (27th Pay provision) consists of amounts set aside annually to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26 pay days.

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

6.2 Commitments

6.2.1 Non-cancellable operating lease commitments

	2018 \$	2017 \$
Commitments for non-cancellable lease commitments for vehicles:		
Within 1 year	436,492	398,903
Later than 1 year and not later than 5 years	840,027	761,080
Later than 5 years	36,320	43,885
Balance at end of period	1,312,839	1,203,868

The totals presented for operating lease commitments are GST inclusive.

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

Non-cancellable operating lease commitments for premises:	2018	2017
	\$	\$
Within 1 year	235,699	83,701
Later than 1 year and not later than 5 years	298,221	147,094
Balance at end of period	533,920	230,795

The totals presented for operating lease commitments are GST inclusive.

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

6.2.2 Capital expenditure commitments

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

	2018	2017
	\$	\$
Within 1 year	129,824	564,707
The capital commitments include amounts for:		
Plant & Equipment - solar installation	30,048	556,721
Plant & Equipment - other	99,776	7,986
Balance at end of period	129,824	564,707

The totals presented for capital commitments are GST inclusive.

6.2.3 Other expenditure commitments

Other expenditure commitments such as contracted services (cleaning and gardening) contracted for at the end of the reporting period but not recognised as liabilities are payable as follows:

	2018	2017
	\$	\$
Within 1 year	87,041	340,844
Balance at end of period	87,041	340,844

The totals presented for other expenditure commitments are GST inclusive.

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

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

7. Risk and Contingencies

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

	Notes
Financial Instruments	7.1
Contingent assets and liabilities	7.2.1

7.1 Financial Instruments

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

	2018	2017
	\$	\$
Financial assets		
Cash and cash equivalents	13,640,761	13,321,319
Restricted cash and cash equivalents	2,975,218	4,408,511
Receivables ^(a)	802,459	1,219,391
Total financial assets	17,418,438	18,949,220

	2018	2017
	\$	\$
Financial liabilities		
Financial liabilities measured at amortised cost ^(a)	1,552,583	1,655,537
DPA refund due to DTWD	2,471,849	3,769,090
Total financial assets	4,024,432	5,424,626

^(a) The amount excludes GST recoverable from the ATO (statutory receivable) and GST payable to the ATO (statutory liability).

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 and liabilities

North Regional TAFE has no contingent assets or liabilities.

8 Other disclosures

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

	Notes
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3

Related parties	8.4
Related and affiliated bodies	8.5
Remuneration of auditors	8.6
Equity	8.7
Supplementary financial information	8.8
Explanatory statement	8.9

8.1 Events occurring after the end of the reporting period

There were no significant events occurring after the reporting period that require disclosure.

8.2 Initial application of Australian Accounting Standards

AASB 9 Financial instruments

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

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

The effect of adopting AASB 9 was assessed as not material, and therefore no remeasurement was made at the start of the financial period.

(a) Classification and measurement

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

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

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

- Receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and

interest. These are classified and measured as Financial assets at amortised cost beginning 1 January 2018

- North Regional TAFE did not designate any financial assets as at fair value through P/L.

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

	AASB 9 category		
	Amortised cost \$	Fair value through OCI \$	Fair value through P/L \$
AASB 139 category			
Receivables	992,854	-	-
	992,854	-	-

(b) Impairment

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

Upon adoption of AASB 9, the effect was assessed as not material, and therefore no remeasurement was made at 1 January 2018.

8.3 Key management personnel

North Regional TAFE has determined key management personnel to include the Managing Director, senior officers of North Regional TAFE, the Governing Council members, and the Minister that North Regional TAFE assists. North Regional TAFE does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for key management personnel of North Regional TAFE for the reporting period are presented within the following bands:

	2018	2017
Compensation Band (\$)		
330,001 – 340,000	1	1
220,001 – 230,000	1	-
210,001 – 220,000	-	2
200,001 – 210,000	1	1
180,001 – 190,000	-	1
170,001 – 180,000	1	-
120,001 – 130,000	1	-
80,001 – 90,000	1	-
20,001 – 30,000	1	1
0 – 10,000	9	9

	2018	2017
	\$	\$
Short-term employee benefits	1,085,177	1,097,854
Post-employment benefits	92,389	93,109
Other long-term benefits	25,456	5,856
Total compensation of key management personnel	1,203,022	1,196,819

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

8.4 Related parties

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

Related parties of North Regional TAFE include:

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

Material transactions with other related parties

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

8.5 Related and affiliated bodies

North Regional TAFE has no related or 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:

	2018	2017
	\$	\$
Auditing the accounts, financial statements, controls and key performance indicators	185,000	185,000

8.7 Equity

	2018	2017
	\$	\$
Contributed equity		
Balance at start of period	182,700,241	175,161,521

	2018	2017
	\$	\$
Other contributions by owners:		
Transfer of Capital Works on Electrical Instrumentation Centre of Specialisation from DTWD	198,909	2,078,815
Transfer of Capital Works on Health & Allied Services Training Centre from DTWD	179,915	1,325,652
Transfer of Sundry Upgrade Works at Pundulmurra and Karratha campuses from DTWD	914,129	2,275,338
Transfer of Air-conditioning Upgrade Works from DTWD	-	897,470
Other capital contributions by DTWD	706,122	961,444
Total contributions by owners during the year	1,999,075	7,538,719
Balance at the end of period	184,699,316	182,700,240

8.8 Supplementary financial information

(a) Write-offs

During the financial year, \$12,159 (2017: \$24,774) of debts due to North Regional TAFE were written off and \$13,574 (2017: \$Nil) was written off the asset register under the authority of:

	2018	2017
	\$	\$
Governing Council	12,159	38,348
	12,159	38,348

(b) Losses through theft, defaults and other causes

There have been no losses of public money and public and other property through theft or defaults.

(c) Gifts of public property

There have been no gifts of public property provided by North Regional TAFE.

8.9 Explanatory statement

All variances between estimates (original budget) and actual results for 2018, and between the actual results for 2018 and 2017 are shown below. Narratives are provided for key major variances, which are generally greater than:

- 5% and 2% of Total cost of Services (\$1.1 million) for the Statements of comprehensive income and cash flows, and
- 5% and 2% of Total Assets (\$3.3 million) for the Statement of financial position.

8.9.1 Statement of Comprehensive Income

	Variance Note	Estimate 2018	Actual 2018	Actual 2017	Variance between estimate and actual	Variance between actual results for 2018 and 2017
		\$	\$	\$	\$	\$
Expenses						
Employee benefits expense	1.a	36,854,387	38,513,455	36,400,709	1,659,068	2,112,746
Supplies and services		13,316,866	13,898,329	13,683,896	581,463	214,433
Asset revaluation decrement	2.b	-	519,648	19,876,008	519,648	(19,356,359)
Other expenses		2,888,831	3,247,321	3,058,035	358,490	189,286
Cost of sales		13,922	8,644	8,793	(5,278)	(149)
Loss on disposal of non-current assets		-	-	205,227	-	(205,227)
Depreciation and amortisation expenses		3,771,178	4,592,017	4,616,688	820,839	(24,672)
Total cost of services		56,845,184	60,779,413	77,849,355	3,934,229	(17,069,942)
Income						
Revenue						
Fee for service		2,403,020	1,496,269	2,488,353	(906,751)	(992,084)
Student fees and charges		2,305,182	2,919,559	2,664,547	614,377	255,012
Ancillary Trading		27,025	37,360	77,137	10,335	(39,778)
Sales		25,301	15,754	19,779	(9,547)	(4,025)
Commonwealth grants and contributions		376,216	732,983	750,000	356,767	(17,017)
Interest revenue		492,479	474,162	494,148	(18,317)	(19,986)
Other revenue		644,321	885,316	1,254,785	240,995	(369,468)
Total Revenue		6,273,544	6,561,403	7,748,749	287,859	(1,187,345)

8.9.1 Statement of Comprehensive Income (cont.)

	Variance Note	Estimate 2018	Actual 2018	Actual 2017	Variance between estimate and actual	Variance between actual results for 2018 and 2017
		\$	\$	\$	\$	\$
Gains						
Gain on disposal on non-current assets		-	15,139	-	15,139	15,139
Gain arising from revaluation of buildings	3.b	-	2,106,193	-	2,106,193	2,106,193
Total gains		-	2,121,332	-	2,121,332	2,121,332
Total income other than income from State Government		6,273,544	8,682,736	7,748,749	2,409,192	933,987
NET COST OF SERVICES		50,571,640	52,096,678	70,100,607	1,525,038	(18,003,929)
Income from State Government						
Service appropriation	4.c	45,681,082	46,806,237	44,503,590	1,125,155	2,302,648
Services received free of charge		1,323,722	2,149,428	1,571,450	825,706	577,977
Total income from State Government		47,004,804	48,955,665	46,075,040	1,950,861	2,880,625
SURPLUS/(DEFICIT) FOR THE PERIOD		(3,566,836)	(3,141,013)	(24,025,567)	425,823	20,884,554

Major Estimate and Actual (2018) Variance Narratives

- 2018 Employment costs were higher than the estimate due to higher than expected staff numbers, primarily required for the new student management system (SMS) implementation.
- No asset revaluation increment or decrement was included in the estimate due to the uncertainty of estimating its value.
- Service appropriation from DTWD was \$1.1m higher than the estimate due to a small increase in DPA funding.

Major Actual 2018 and Comparative (2017) Variance Narratives

- 2018 Employment costs were higher than the prior year due to an increase in staff numbers, primarily required for the SMS system implementation.
- The asset revaluation decrement was considerably lower than the prior year due to the real estate market having stabilised during 2018.
- A gain arising from revaluation of buildings in 2018 compared to a deficit arising on revaluation in 2017 due to a stabilisation of the economic environment.
- Service appropriation from DTWD was \$2.3m higher than the prior year due to a small increase in DPA funding and slightly higher achievement of SCH.

8.9.2 Statement of Financial Position Variances

	Variance Note	Estimate 2018	Actual 2018	Actual 2017	Variance between estimate and actual	Variance between actual results for 2018 and 2017
		\$	\$	\$	\$	\$
ASSETS						
Current Assets						
Cash and cash equivalents		12,884,218	13,640,761	13,321,319	756,543	319,443
Restricted cash and cash equivalents		1,413,147	2,547,900	4,095,797	1,134,753	(1,547,897)
Receivables		1,465,368	810,358	1,219,391	(655,010)	(409,033)
Inventories		22,828	21,132	21,132	(1,696)	-
Other current assets		723,247	480,584	505,215	(242,663)	(24,631)
Total Current Assets		16,508,808	17,500,735	19,162,854	991,927	(1,662,118)
Non-Current Assets						
Restricted cash and cash equivalents		398,966	427,318	312,714	28,352	114,604
Property, plant and equipment	d.	147,917,452	142,805,377	143,525,764	(5,112,075)	(720,387)
Intangible assets		183,865	194,174	339,657	10,309	(145,483)
Total Non-Current Assets		148,500,283	143,426,869	144,178,135	(5,073,414)	(751,266)
TOTAL ASSETS		165,009,091	160,927,604	163,340,989	(4,081,487)	(2,413,384)
LIABILITIES						
Current Liabilities						
Payables		1,540,440	1,552,583	1,699,000	12,143	(146,417)
Employee related provisions		4,494,096	4,725,625	4,406,923	231,529	318,703
Other current liabilities		1,441,970	2,977,771	4,457,734	1,535,801	(1,479,963)
Total Current Liabilities		7,476,506	9,255,980	10,563,656	1,779,474	(1,307,677)

8.9.2 Statement of Financial Position Variances (cont.)

	Variance Note	Estimate 2018	Actual 2018	Actual 2017	Variance between estimate and actual	Variance between actual results for 2018 and 2017
		\$	\$	\$	\$	\$
Non-Current Liabilities						
Employee related provisions		1,224,414	1,067,905	981,402	(156,509)	86,503
Total Non-Current Liabilities		1,224,414	1,067,905	981,402	(156,509)	86,503
TOTAL LIABILITIES		8,700,920	10,323,885	11,545,058	1,622,965	(1,221,174)
NET ASSETS		156,308,171	150,603,720	151,795,930	(5,704,451)	(1,192,210)
EQUITY						
Contributed equity		186,809,522	184,699,316	182,700,241	(2,110,206)	1,999,075
Accumulated surplus/(deficit)		(30,501,349)	(34,095,596)	(30,904,311)	(3,594,247)	(3,191,285)
TOTAL EQUITY		156,308,173	150,603,720	151,795,930	(5,704,453)	(1,192,210)

Major Estimate and Actual (2018) Variance Narratives

- d. Property plant and equipment is lower than estimated due to asset revaluation decrement not being factored into the estimates and higher depreciation than estimated.

8.9.3 Statement of Cash Flows Variances

	Variance Note	Estimate 2018	Actual 2018	Actual 2017	Variance between estimate and actual	Variance between actual results for 2018 and 2017
		\$	\$	\$	\$	\$
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation - DTWD	6.e	43,331,083	45,426,148	42,566,203	2,095,065	2,859,945
Capital appropriations - DTWD		350,000	-	-	(350,000)	-
Total Net cash provided by State Government		43,681,083	45,426,148	42,566,203	1,745,065	2,859,945
CASHFLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	7.f	(36,795,117)	(37,947,880)	(36,569,397)	(1,152,763)	(1,378,483)
Supplies and Services		(12,019,177)	(11,987,594)	(13,081,988)	31,583	1,094,394
Grants and subsidies		-	-	(7,097)	-	7,097
GST payments on purchases		(30,396)	(1,462,476)	(1,427,047)	(1,432,080)	(35,429)
Other payments		(2,836,229)	(3,262,649)	(3,083,059)	(426,420)	(179,590)
Fee for service	8.	2,309,697	1,496,269	2,680,908	(813,428)	(1,184,639)
Student fees and charges		2,321,165	3,243,302	2,880,834	922,137	362,468
Ancillary trading		27,025	53,114	96,917	26,089	(43,803)
Commonwealth grants and contributions		376,216	732,983	750,000	356,767	(17,017)
Interest received		493,296	474,162	494,148	(19,134)	(19,986)
GST receipts on sales		-	248,661	306,384	248,661	(57,723)
GST receipts from ATO		30,396	1,162,453	1,295,014	1,132,057	(132,561)
Other receipts		638,324	885,316	1,254,785	246,992	(369,469)
Net cash used in operating activities		(45,484,800)	(46,364,339)	(44,409,598)	(879,539)	(1,954,741)

8.9.3 Statement of Cash Flows Variances

	Variance Note	Estimate 2018	Actual 2018	Actual 2017	Variance between estimate and actual	Variance between actual results for 2018 and 2017
		\$	\$	\$	\$	\$
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current physical assets		(550,000)	(907,586)	(747,673)	(357,586)	(159,913)
Receipts						
Proceeds from sale of non-current assets		-	25,804	961,444	25,804	(935,640)
Capital contribution		-	706,122	140,455	706,122	565,667
Net cash provided by investing activities		(550,000)	(175,660)	354,226	374,340	(529,886)
Net increase/(decrease) in cash and cash equivalents		(2,353,717)	(1,113,850)	(1,489,169)	1,239,867	375,319
Cash and cash equivalents at the beginning of the period		17,050,049	17,729,829	19,219,000	679,780	(1,489,171)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		14,696,332	16,615,979	17,729,829	1,919,647	(1,113,851)

Major Estimate and Actual (2018) Variance Narratives

- e. Service appropriation from DTWD was higher than the estimate due to an increased payment in the final quarter.
- f. Refer to note (a).

Major Actual 2018 and Comparative (2017) Variance Narratives

- 6. Refer to note (e).
- 7. Refer to note (1).
- 8. Fee For Service receipts were lower than the prior year due partially to a fall in revenue from the Maritime Simulator.

KEY PERFORMANCE INDICATORS

CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the North Regional TAFE's performance, and fairly represent the performance of North Regional TAFE for the financial period ended 31 December 2018.



Ian Smith
Chairperson, Governing Council
North Regional TAFE

1 March 2019



Kevin Doig
Managing Director
Member, Governing Council

1 March 2019

Desired Outcome

The desired outcome of North Regional TAFE is the provision of vocational education and training services to meet community and industry training needs.

North Regional TAFE has developed the following Key Performance Indicators (KPIs) to provide an overall indication of its performance relating to the effectiveness and efficiency in the achievement of the above outcome. North Regional TAFE uses these indicators in reviewing its performance and in its ongoing commitment to improve its programs and services.

Effectiveness Indicators

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

Overall Student Satisfaction

The table below presents information about the satisfaction levels amongst students at North Regional TAFE. The figures are derived from the WA Student Satisfaction Survey which is used to measure the quality of the service provided by North Regional TAFE, and to gain a better understanding of their customers and their needs. The 2018 survey was conducted by EY Sweeney on behalf of the Department of Training and Workforce Development (DTWD).

The overall student satisfaction rating expresses the number of 'satisfied' and 'very satisfied' respondents. The results provide an overall expression of how satisfied students are with various services provided by North Regional TAFE.

In the 2018 Training WA Student Satisfaction Survey, 93.1% of students who responded were either very satisfied or satisfied with their chosen course at North Regional TAFE. Compared to the State average of 88.2%, North Regional TAFE achieved a higher satisfaction rating. It also exceeded the 2018 target and 2017 result.

Table 1

2018 Student Satisfaction	2016 Actual	2017 Actual	2018 Target	2018 Actual
North Regional TAFE	92.3%	90.9%	90%	93.1%
Western Australia	88.9%	87.3%		88.2%

Source: EY Sweeney (2018) Student Satisfaction Survey; Patterson Market Research (2016-2017) Student Satisfaction Survey

Notes: The response rate for the survey was 16.3%. Confidence level is 95% and a margin of error +/- 1.8%. Total population of 4,057 with a sample size of 661 students.

The WA Student Satisfaction Survey is an annual survey amongst students who are funded under the National Agreement for Skills and Workforce Development. The following student groups have been excluded from the scope of the survey: international full fee paying students, students undergoing training through a school-based program (VET in schools), students who are in a correctional facility and students aged less than 15 years.

Graduate Destination Rate

This KPI measures the proportion of graduates in employment, demonstrating the extent to which North Regional TAFE is providing relevant training that improves student employability. The performance indicator shows the proportion of graduates responding to the National Centre for Vocational Education Research (NCVER) Student Outcomes Survey who are in paid employment as at the 25th May, the year following graduation.

The Student Outcomes Survey is conducted on behalf of NCVER by Ipsos Public Affairs. The aim of the survey is to measure vocational education and training students' employment, further study and the opinions of the training undertaken. The Student Outcomes Survey is conducted annually.

North Regional TAFE achieved its 2018 target, and exceeded the state and TAFE Australia averages.

Table 2

	2017 Actual	2018 Target	2018 Actual
North Regional TAFE	88.0%	88.1%	88.4%
Western Australia	73.6%		68.5%
TAFE Australia	73.1%		72.4%

Source: NCVER, Student Outcomes Survey

Notes: Population 542. 174 graduates responded to the survey, giving a response rate of 32.1%. +/-4.0 margin of error and confidence level of 95%.

Graduate Achievement Rate

This KPI measures the extent to which North Regional TAFE graduates have wholly or partly achieved their main reason for undertaking the course.

Figures for this KPI are obtained from the Student Outcomes Survey, conducted on behalf of NCVER by Ipsos Public Affairs. The Student Outcomes Survey is conducted annually.

The 2018 result exceeded the target and 2017 result, as well as the state and TAFE Australia averages.

Table 3

	2017 Actual	2018 Target	2018 Actual
North Regional TAFE	90.5%	90.6%	92.4%
Western Australia	83.4%		79.7%
TAFE Australia	83.2%		82.1%

Source: NCVER, Student Outcomes Survey

Notes: Population 542. 174 graduates responded to the survey, giving a response rate of 32.1%. +/-3.2 margin of error and confidence level of 95%.

Achievement of Profile Delivery

North Regional TAFE is resourced to deliver courses under Government-purchased funding guidelines to meet consumer demand and respond to local community needs, individual requirements and workforce development plans. This performance indicator reports the effectiveness of North Regional TAFE in meeting Delivery and Performance Agreement (DPA) targets.

Achievement of 2018 (DPA) Profile, Planned vs Achieved SCH

Table 4 shows the percentage of student curriculum hours (SCH) achieved for activities as contracted with DTWD for vocational education and training delivery through the DPA.

Profile Achievement = Actual Delivery and Performance Agreement SCH Achieved/Target SCH contained within Delivery and Performance Agreement

The full year 2018 figures represent TAFE performance for the reporting period 31 December 2018.

Table 4

<u>PROFILE SUMMARY TABLE</u>	Year	Target SCH	Actual SCH	% Achievement
Achievement of profile delivery	2018	1,100,000	1,101,631	100.1%
	2017	1,211,324	1,078,535	89.0%
	2016	1,211,324	959,914	79.2%

Source: North Regional TAFE Delivery and Performance Agreement for planned SCH, and College Management Information System for Actual SCH.

Notes: Planned targets are based on the original DPA.

Table 5 gives a detailed breakdown indicating the extent to which North Regional TAFE has met its strategic training needs as defined in the State Training Profile.

Table 5

Detailed breakdowns by ANZSCO					
ANZSCO Group		2017 Profile SCH Achieved	2018 Planned Profile SCH	2018 Profile SCH Achieved	2018 % Achieved
1	MANAGERS	24,895	13,260	15,970	120.4%
11	Chief Executives, General Managers and Legislators	9,780	9,050	14,305	158.1%
12	Farmers and Farm Managers	13,070	200	100	50.0%
13	Specialist Managers	1,290	2,050	270	13.2%
14	Hospitality, Retail and Service Managers	755	1,960	1,295	66.1%
2	PROFESSIONALS	119,430	87,950	71,224	81.0%
21	Arts and Media Professionals	16,973	25,700	21,220	82.6%
22	Business, Human Resource and Marketing Professionals	6,915	7,700	9,330	121.2%
23	Design, Engineering, Science and Transport Professionals	80,212	28,550	34,964	122.5%
24	Education Professionals	14,145	24,750	4,850	19.6%
26	ICT Professionals	1,185	1,250	860	68.8%
3	TECHNICIANS AND TRADES WORKERS	134,239	140,740	152,455	108.3%
31	Engineering, ICT and Science Technicians	16,402	19,200	17,399	90.6%
32	Automotive and Engineering Trades Workers	36,640	39,300	41,715	106.1%
33	Construction Trades Workers	33,519	28,900	35,453	122.7%
34	Electrotechnology and Telecommunications Trades Workers	24,825	23,200	38,439	165.7%
35	Food Trades Workers	6,653	9,490	5,854	61.7%
36	Skilled Animal and Horticultural Workers	12,385	17,100	10,160	59.4%
39	Other Technicians and Trades Workers	3,815	3,550	3,435	96.8%
4	COMMUNITY AND PERSONAL SERVICE WORKERS	231,958	245,236	234,145	95.5%
41	Health and Welfare Support Workers	73,245	74,396	72,055	96.9%
42	Carers and Aides	113,549	124,800	103,668	83.1%
43	Hospitality Workers	9,008	8,000	8,356	104.5%
44	Protective Service Workers	6,124	7,650	3,292	43.0%
45	Sports and Personal Service Workers	30,032	30,390	46,774	153.9%

5	CLERICAL AND ADMINISTRATIVE WORKERS	103,175	129,990	112,390	86.5%
51	Office Managers and Program Administrators	11,400	13,050	16,685	127.9%
53	General Clerical Workers	72,075	86,190	68,905	79.9%
55	Numerical Clerks	10,015	17,600	15,275	86.8%
59	Other Clerical and Administrative Workers	9,685	13,150	11,525	87.6%
7	MACHINERY OPERATORS AND DRIVERS	57,452	51,834	71,989	138.9%
71	Machine and Stationary Plant Operators	19,095	13,000	23,417	180.1%
72	Mobile Plant Operators	36,977	38,050	46,377	121.9%
74	Storepersons	1,380	784	2,195	280.0%
8	LABOURERS	174,664	217,038	224,469	103.4%
82	Construction and Mining Labourers	34,178	39,200	42,697	108.9%
83	Factory Process Workers	26,578	28,400	26,946	94.9%
84	Farm, Forestry and Garden Workers	44,957	86,058	105,474	122.6%
85	Food Preparation Assistants	417	500	565	113.0%
89	Other Labourers	68,534	62,880	48,787	77.6%
G	GENERAL EDUCATION	232,722	213,952	218,989	102.4%
GB	Adult Literacy/ESL	74,595	94,652	59,840	63.2%
GE	Targeted Courses	158,127	119,300	159,149	133.4%
NORTH REGIONAL TAFE TOTAL		1,078,535	1,100,000	1,101,631	100.1%

Note: 2018 DPAs for TAFES were produced on a full-year basis

Profile Analysis for North Regional TAFE

Definition: The table indicates delivery profile by major Australian and New Zealand Standard Classification of Occupations (ANZSCO) groupings. The classification definitions are based on the skill level and specialisation usually necessary to perform the tasks of the specific occupation, or of most occupations in the group.

Derivation: DPA data represents the actual achievement of SCH in respective years. Planned data is obtained from the DPA and actual SCH from the Student Management Systems (SMS).

Variances in delivery by more than 10% are explained by the following reasons:

Demand less than expected ANZSCO Groups

2 – 19% less than planned delivery due to less demand in Aboriginal and Torres Strait Islander (ATSI) Cultural Arts, Visual Arts, Conservation and Land Management. Training and Assessment were less than anticipated due to a delay in the registration for delivery.

5 – 16.4% less delivery than planned in Clerical and Administrative Workers. Student enrolment trend moved towards accounts administration and human resource skills, rather than the historically popular lower level business administration skills and digital media.

Demand greater than expected ANZSCO Groups

1 – More actual delivery than planned in the general management courses (28.7%) due to increased demand in Diploma of Leadership.

7 – 38.8% more actual delivery than planned in Machinery Operators and Drivers due to the increase in maritime operations, construction and roadwork projects in the northwest.

North Regional TAFE achieved its 2018 target SCH, and exceeded the 2017 actual SCH by 2.1%.

EFFICIENCY INDICATOR

Cost per Student Curriculum Hours

This is a measure of which North Regional TAFE demonstrates its efficiency in using its resources for the delivery of vocational education and training. The overall cost per SCH is an efficiency measure that shows the aggregate unit cost of delivery output per SCH based on the delivery costs (Total Cost of Services) as detailed in the Financial Statements.

In 2018, despite improving on its 2017 performance, North Regional TAFE did not achieve its target due partly to increased staff required as a result of the SMS implementation and partly due to some recruitment of lecturers to achieve the revised target of 1.2m SCH. The extended wet season in the Kimberley also delayed training delivery for several weeks. In 2019 North Regional TAFE intends to contain staff levels following the SMS implementation completion; this combined with the targeted higher SCH of 1.2m will reduce the costs per SCH.

Table 6

	2017 Actual	2018 Target	2018 Actual
North Regional TAFE	\$63.76	\$45.29	\$52.27

