



GOVERNMENT OF
WESTERN AUSTRALIA



North
Regional

2019 Annual Report

NORTH REGIONAL TAFE



CONTENTS

STATEMENT OF COMPLIANCE	ii
AGENCY OVERVIEW	2
EXECUTIVE SUMMARY.....	2
OPERATIONAL STRUCTURE.....	9
AGENCY PERFORMANCE	13
PERFORMANCE MANAGEMENT FRAMEWORK	13
STRATEGIC GOALS	14
REPORT ON OPERATIONS.....	15
A BRIGHT FUTURE	18
REGIONAL PROSPERITY.....	22
A STRONG ECONOMY	27
ABORIGINAL TRAINING	30
DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES	32
SIGNIFIANT ISSUES IMPACTING THE AGENCY	35
DISCLOSURES AND LEGAL COMPLIANCE	36
INDEPENDENT AUDITORS REPORT	36
FINANCIAL STATEMENTS	40
CERTIFICATION OF FINANCIAL STATEMENTS.....	40
STATEMENT OF COMPREHENSIVE INCOME.....	41
STATEMENT OF FINANCIAL POSITION.....	42
STATEMENT OF CASH FLOWS.....	43
STATEMENT OF CHANGES IN EQUITY.....	44
NOTES TO THE FINANCIAL STATEMENTS.....	45
MINISTERIAL DIRECTIVES	81
OTHER FINANCIAL DISCLOSURES	81
PERSONAL EXPENDITURE	82
GOVERNANCE DISCLOSURES	83
OTHER LEGAL REQUIREMENTS	83
OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT.....	85
CERTIFICATION OF KEY PERFORMANCE INDICATORS.....	88



STATEMENT OF COMPLIANCE

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 2019. 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*.



Kevin Doig
Managing Director and Accountable Officer

13 March 2020



Ian Smith
Governing Council Chair

13 March 2020

North Regional TAFE acknowledges the Traditional Custodians of both the Kimberley and Pilbara regions of Australia and their continuing connection to the land, sea, and community. We pay our respect to them and their cultures, and to the elders both past and present.



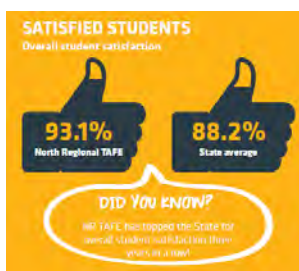
2019 HIGHLIGHTS

Winner 2019 Large Training Provider of the year



North Regional TAFE's focus on the student experience has earned the College the title of 2019 WA Large Training Provider of the Year.

Top student satisfaction rating in the WA



Among the satisfaction survey results, 91.1 per cent of respondents were satisfied with their overall course, 91.1 per cent with the quality of their lecturer and 89.3 per cent with the facilities available at NR TAFE.

This result is a credit to the great work and commitment of every staff member in ensuring our students are satisfied with the training and services being delivered.

WorkSafe Plan Gold Award

It is with great pleasure that we can announce North Regional TAFE has fulfilled the requirements for a Worksafe GOLD Certificate of Achievement. It demonstrates the significant progress that we have made in maintaining high safety standards.



AGENCY OVERVIEW

EXECUTIVE SUMMARY

Governing Council Chair



During 2019, North Regional TAFE's Governing Council worked hard to ensure the organisation achieved a position of strength and maximised opportunities for growth in both the public and private sector. Our endeavours culminated in being named the 2019 WA Large Training Provider of the year.

Early in 2019, a PULSE Survey was conducted to gather insight to our staff morale. Overall, the results were very positive with three main areas chosen for attention. The Governing Council acknowledged the issue of joining two Colleges that operated differently had highlighted that teamwork across the organisation could be further optimised. I am pleased to report that nearly one year later, North Regional TAFE, through implementing a number of process enhancements, has shown a significant improvement towards employee satisfaction.

To further this agenda, Governing Council members visited most campuses in the region by holding their meetings in Derby, Karratha, Kununurra, Roebourne and Perth to engage with staff at the local level and meet key stakeholders.

Going into the future we have provided more opportunities for staff to become involved in our direction:

- established a working group to explore ways to create a stronger connection of feeling, of being one team at North Regional TAFE;
- reviewed and confirmed best practice principles ranging from the confirmation of job descriptions to effective recruitment, induction and performance development of all staff; and
- established an employee engagement working group to have oversight of all employee engagement activities and commence a plan for North Regional TAFE for the next 2-3 years.

In addition to overseeing the development of these fundamental frameworks for our operation, the Council continues to engage in energetic discussion with industry and community stakeholders.

The College's new training delivery in the areas of Heavy Diesel, Process Control and Automation in the Pilbara sets the standard for future partnerships with new industry, not only in terms of upgrading training equipment but also in terms of raising the College's profile in the region.

Our lecturers are role models and key to the delivery of quality training. The Governing Council has supported the implementation of project QSTAR (Quality Suites of Training and Assessment Resources) to enable the development of consistent quality-assured training and assessment documents for every unit of competency we deliver.

AGENCY OVERVIEW

I would like to thank my fellow members for their contribution during the year, as well as North Regional TAFE staff and the Executive Management Team for their ongoing dedication to providing quality training and workforce development to the northwest region and its thriving communities.



Ian Smith
Governing Council Chair

13 March 2020



AGENCY OVERVIEW

Managing Director's Report



A major focus for North Regional TAFE this year was our Employee Engagement. We centred our attention on our ability to meet our staff's needs and understand their expectations so that we could solidify our position as being the College with the highest satisfaction rating in the state of WA. To this end, two Business Leadership Forums were held in 2019 with an emphasis on employee engagement, leadership and the 2020 Business Plan. A special Communications Corridor - video-conference meeting across all campuses was also held to provide staff with an overview of what was discussed throughout the Forums and outline how NR TAFE plans to move forward to improve the college.

To highlight our commitment, EMT held their executive meetings on different campuses throughout the year. This gave EMT the opportunity to walk around each campus and meet with staff. Visits included Kununurra, Derby, South Hedland, Karratha and Broome.

Our work with industry and enterprises has been a major priority and we have seen partnerships gather strength as we forge relationships with key stakeholders. The College is represented on regional groups across the northwest and is actively involved in regional planning.

NR TAFE has signed a collaborative agreement with the other Colleges (South Regional, Central Regional, South Metropolitan and North Metropolitan) to work together by developing and delivering programs in teaching, research and other activities. This agreement has now been finalised whereas previously informal arrangements were in place.

Collaborative activities include sharing resources (learning materials/equipment), co-design and delivery of education and training programs, sharing staff, consultancy advice and support of infrastructure design and implementation, collaborative decision-making and information exchange regarding commercial opportunities and opportunities for student exchange for culture and/or study purposes.

It has been pleasing to see the commitment of staff in aligning their activities throughout the year to the State Governments Plan for Jobs through the five strategic business priorities articulated in our Strategic Plan. Achievements in these areas highlight the need to continue to engage with industry, build the capability of our staff and focus on delivering training that not only leads to employment but also addresses any skills shortages in the region.

North Regional TAFE was proud to host Minister for Education and Training Hon. Sue Ellery MLC for the official launch of the Karratha Jobs and Skills Centre (JSC) this June.



Leadership Workshop - Broome

AGENCY OVERVIEW

Together with EPIC and Bloodwood Tree Association Inc., the JSC centres offer a free one-stop shop for employers, jobseekers and career changers looking to improve their skills and job prospects.

The newly formed relationship between North Regional TAFE and the JSCs has provided training options for young school leavers, disengaged youth, small businesses and not for profit organisations. In 2019, the JSCs facilitated a series of workshops covering topics such as finance, business health, superannuation, strategic planning and start-up and operating structures.

We maintained key relationships with Aboriginal corporations throughout the Kimberley and Pilbara to support the College initiative to improve the number of Aboriginal student enrolments and their retention to completion of training

North Regional TAFE continued to focus on the priorities outlined in the 2019 Business Plan. The following report highlights the achievement of the College in accordance with the strategic goals defined in our Strategic Plan 2018 – 2020 and in conjunction with the WA Labor Plan for Jobs and the priorities outlined in the State Government Our Priorities – Sharing Prosperity.

On behalf of the Executive Team, I would like to thank North Regional TAFE staff for their efforts during 2019. Our aim is to provide relevant skills to people of the northwest region and its community. Staff are committed to this cause, working across significant distances in harsh and sometimes dangerous conditions. It is this ongoing commitment that enables educational delivery and services to be maintained for the College and the communities we serve.



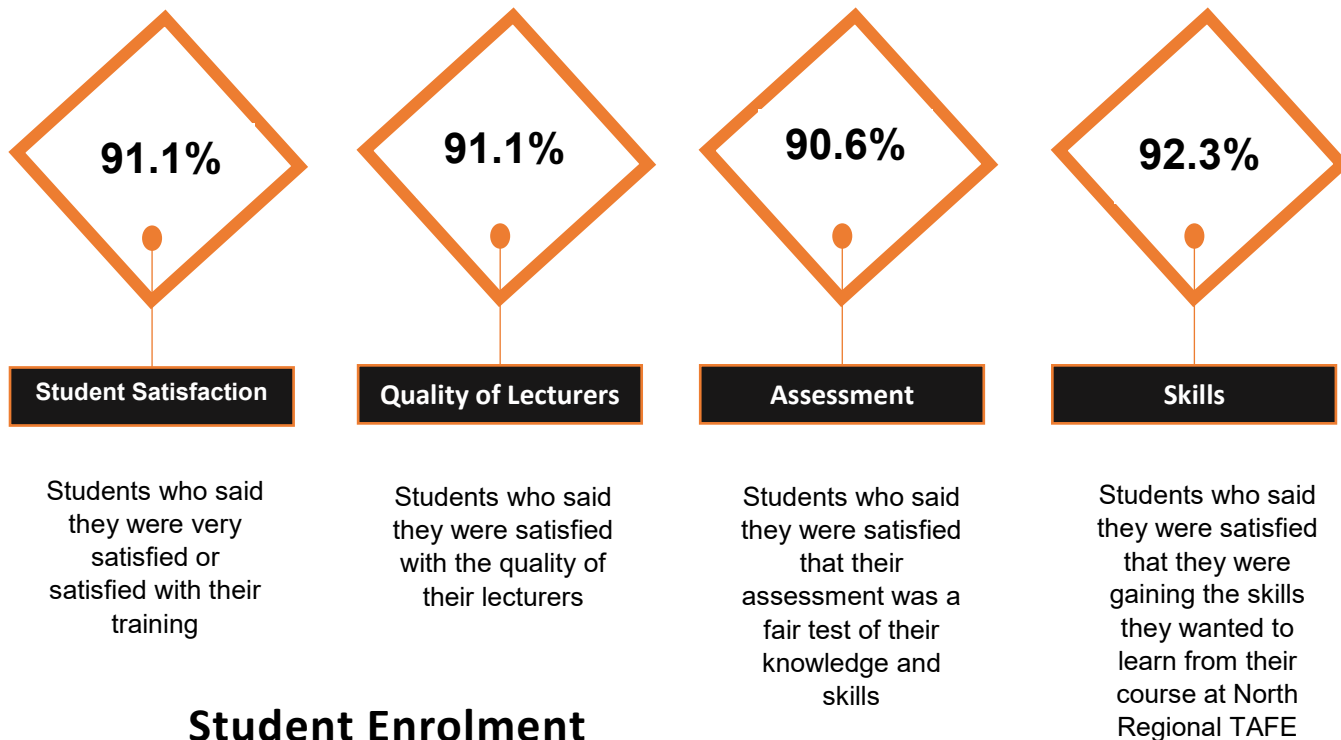
Kevin Doig
Managing Director

13 March 2020

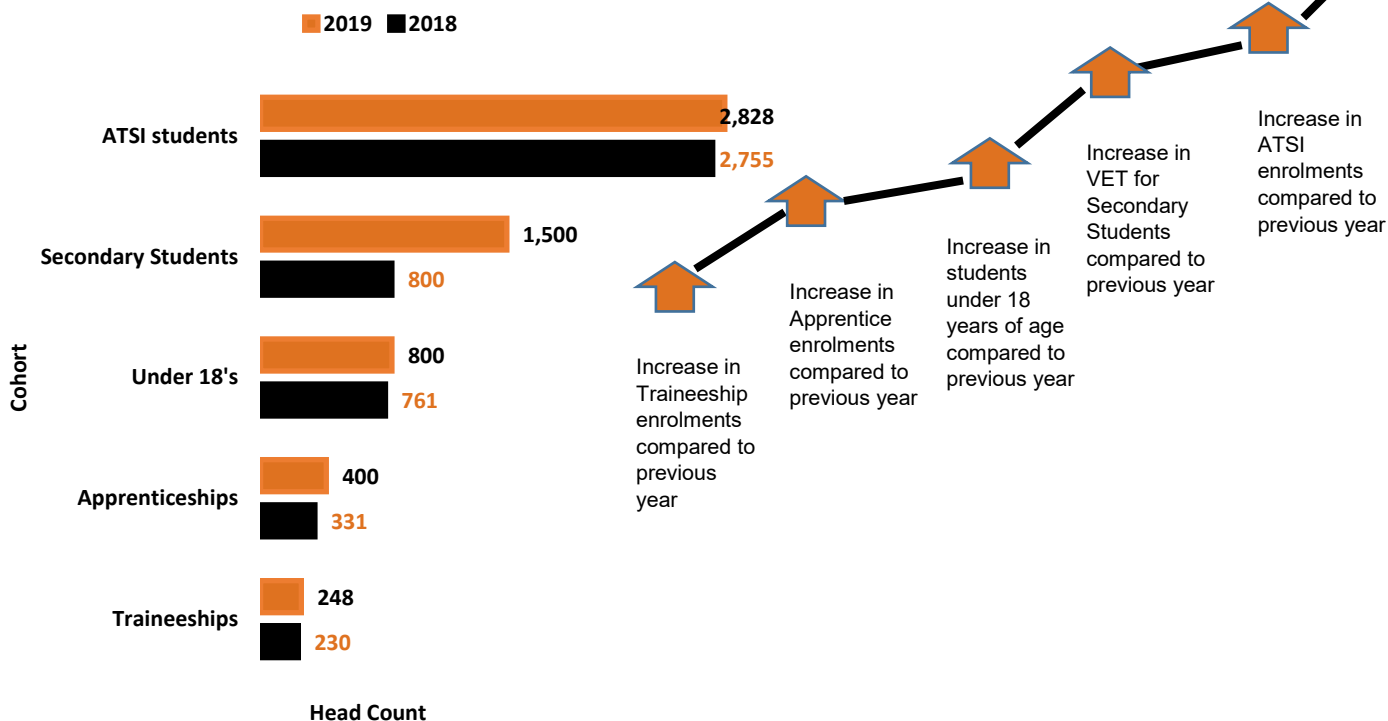


AGENCY OVERVIEW

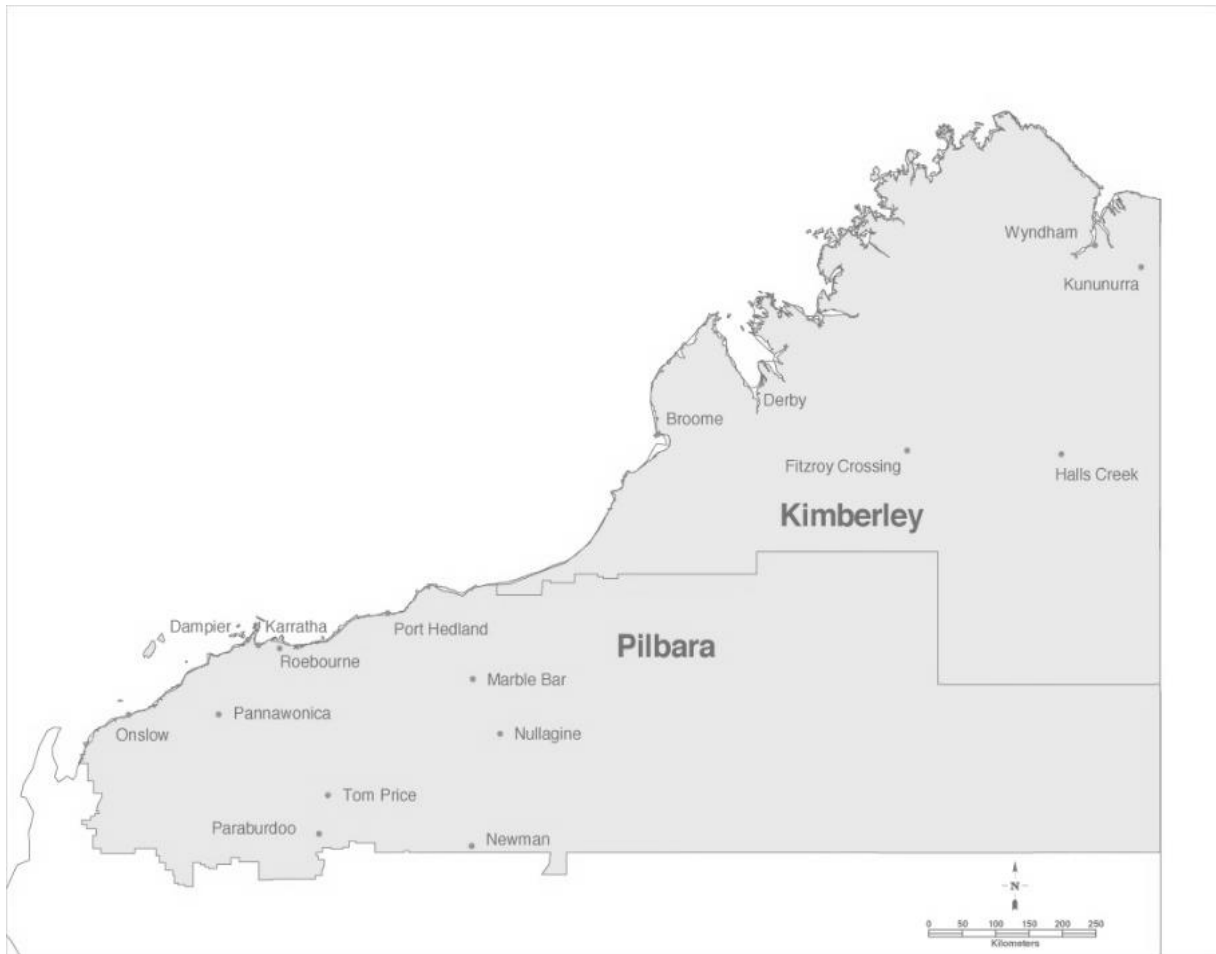
2019 Highlights



Student Enrolment 2019 v 2018



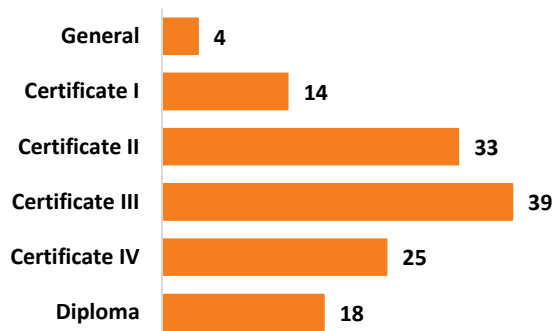
AGENCY OVERVIEW



Profile Delivery

North Regional TAFE was profiled to deliver 133 qualifications and accredited courses to support workforce development across a range of skill sets.

Qualifications per AQF Level



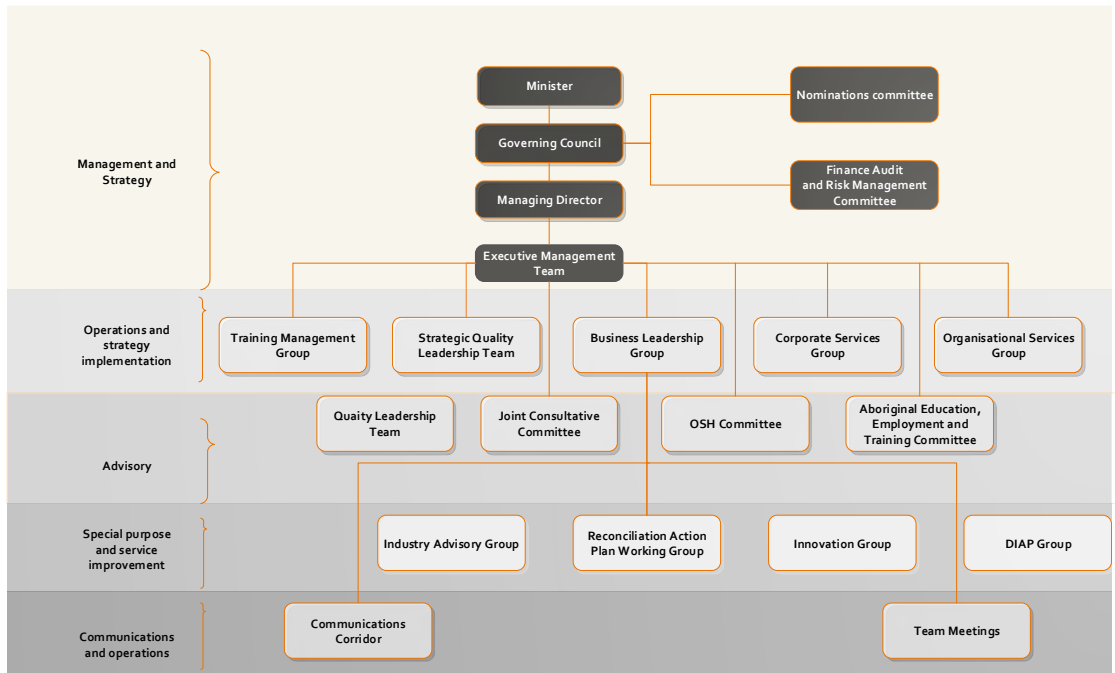
Top 5 Skill sets

- Provide First Aid
- White Card
- Forklift Licence
- Working at heights
- Drive and recover 4WD vehicle



AGENCY OVERVIEW

Governance Structure



Governing Council

The College's 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.

Executive Management Team

The Executive Management Team (EMT) is responsible for ensuring the College strategic objectives are being met. The EMT works collegially to plan, monitor performance, and take corrective measures where required.



Kevin Doig
Managing Director



Jan Edwards
A/Director Organisational Services



Jeff Cooper
A/Director Training Services



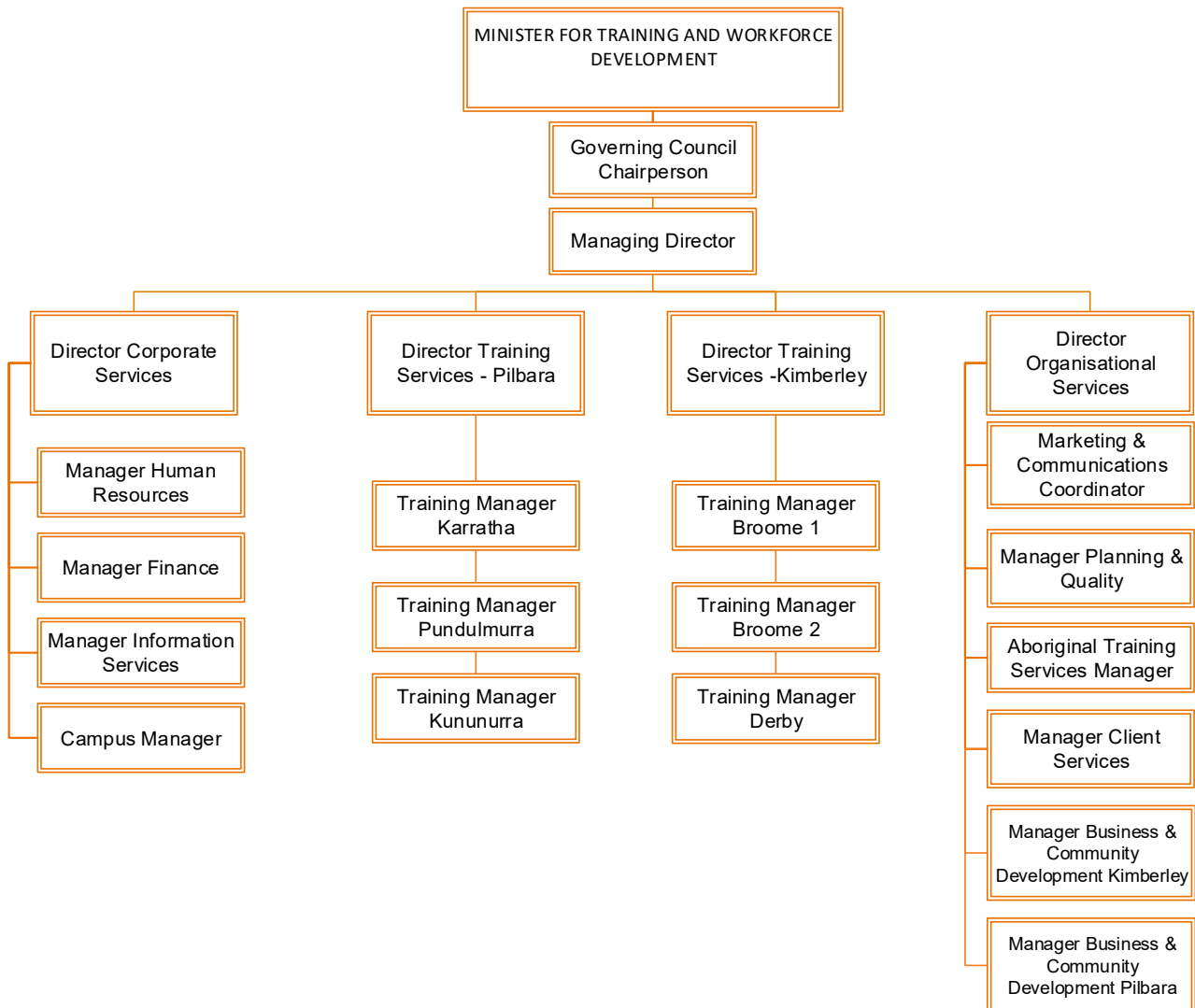
Markus Beuke
Director Training Services



Tim McLachlan
Director Corporate Services

AGENCY OVERVIEW

OPERATIONAL STRUCTURE



AGENCY OVERVIEW

Directorates



AGENCY OVERVIEW

Business Leadership Group (BLG)

North Regional TAFE's Business Leadership Group is comprised of all the managers across the College.

The 2019 members of the College Business Leadership Group are:

Kevin Doig	Chair, Managing Director
Tim McLachlan	Director Corporate Services
Jan Edwards	A/Director Organisational Services
Markus Beuke	Director Training Services Kimberley
Jeff Cooper	A/Director Training Services - Pilbara
Nathan Aucote	Manager Aboriginal Training Services
Andrew Orford	Manager Business and Community Development Kimberley
Cheryl Song Loong	Manager Business and Community Development Pilbara
Lee-Anne Springer	Manager Client Services
Katherine Reeves	Manager Finance
Kelly Luskan	Manager Human Resources
Jake Chorlton	Manager Information Services
Carol Tregonning	Manager Planning and Quality
John Bate	Quality Development Coordinator
Liz Thomas	A/Training Manager Broome 1
Wayne Russell	Training Manager Broome 2
Kevin Evans	Training Manager Derby
Michelle Scally	Training Manager Karratha
Rosemary Taffinder	Training Manager Kununurra
Carissa Myers	Training Manager Pundulmurra
Murray Levis	Campus Manager NR TAFE



AGENCY OVERVIEW

Risk Management

North Regional TAFE identifies and oversees its risk by ensuring that risk is managed according to the requirements of:

- Public Sector Commissioners Circular 2009/19
- Relevant Treasurer's instructions
- Relevant Australian standards

The College has a risk management plan and register which is regularly reported to Governing Council through the Finance Audit and Risk Management Committee (FARM).

Relevant Legislation

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

State Legislation

- Auditor General Act 2006
- Building Act 2011
- Corruption and Crime Commission Act 2003
- Disability Services Act 1993
- Electoral Act 1907
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Minimum Conditions of Employment Act 1993
- Government Employees Superannuation Act 1987
- Industrial relations Act 1979
- State Records Act 2000
- State Supply Commission Act 1991
- Freedom of Information Act 1992
- Occupational Safety and Health Act 1984
- Public and Bank Holidays Act 1972
- Public Interest Disclosure Act 2013
- Public Sector Management Act 1994
- Workers Compensation and Injury Management Act 1981
- Working with Children (Criminal Record Checking) Act 2004
- Vocational Education and Training Act 1996

Commonwealth Legislations

- Copyright Act 1968
- Constitution Act 1889
- Fair Work Act 2009
- Fringe Benefits Tax Act 1986
- Goods and services Tax Act 1999
- Privacy Act 1988
- Racial Discrimination Act 1975
- Sex Discrimination Act 1984
- Skilling Australia's Workforce Act 2005
- Student Identifiers Act 2014

AGENCY PERFORMANCE

PERFORMANCE MANAGEMENT FRAMEWORK

Links between State Government goals and strategic outcomes

North Regional TAFE continued to focus on the priorities outlined in the Business Plan 2019. The following examples highlight the achievement of the College in accordance with the strategic goals defined in our Strategic Plan 2018 – 2020 and in conjunction with the WA Labor Plan for Jobs and the priorities outlined in the State Government: Our Priorities – Sharing Prosperity.

NR TAFE's Strategic goals:

- Train for the future
- Build a high performing culture
- Exceed stakeholder expectations
- Grow and diversify revenue streams
- Achieve business sustainability

Our goals align with two Government Plan for Jobs goals: **Training for the Future** and **Jobs for the Regions**.

- That strong partnerships will be fostered with industry to increase training opportunities and create apprenticeships and traineeships at every opportunity;
- That regional TAFEs support regional growth by being more responsive to the employment needs of the regions; and
- Ensure regional TAFEs are delivering training that aligns with future job growth in the regions.

Our goals also align with the three Government priorities:

- A bright future
- Regional prosperity
- A strong economy



AGENCY PERFORMANCE

STRATEGIC GOALS

GOAL 1

Train for the future

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.

GOAL 2

Build a high performing culture

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.

GOAL 3

Exceed stakeholder expectations

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.

GOAL 4

Grow and diversify revenue streams

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.

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.



NRT VALUES

RESPECT and INTEGRITY through
PROFESSIONALISM and TEAMWORK

AGENCY PERFORMANCE

REPORT ON OPERATIONS

Stakeholder Satisfaction

Indicators	2019 Target	2019 Actual	Variation
Student Satisfaction			
Overall Student satisfaction (Source: WA Student Satisfaction Survey)	90%	91.1%	+ 1.1%

Comment: NR TAFE exceeds the state average of 87.5% by 3.3%

Graduate Achievement Rate			
Achieved main reason for doing course. (Source: Student Outcomes Survey NCVET)	88.1%	83.3%	- 4.8%

Comment: NR TAFE exceeds state average of 78.8% by 4.5%

Graduate Destination Rate			
Employed (Source: Student Outcomes Survey NCVET)	90.6%	84.4%	- 6.2%

Comment: NR TAFE exceeds state average of 67.3% by 17.1%

Training outcomes

Achievement of Profile Delivery			
Profile Achieved SCH % of Profile Achieved	1,180,620	978,071	-202,549

Comment: 17% less than planned delivery due to a decline in direct and related training demand from industry.

Financial Efficiency indicator

Delivery costs per curriculum hour			
The efficiency in which the college manages its resources (Source: Statement of Comprehensive Income)	\$45.64	\$54.64	-\$9.00

Comment: there was a SCH shortfall against targeted SCH which contributed to the higher than budgeted cost per SCH.

AGENCY PERFORMANCE

North Regional TAFE delivered a total of 1,096,848 student curriculum hours (SCH) to 7,529 students over the 2019 academic year. SCH delivery includes both State Government subsidised training (profile funded training) and non-profile training, including domestic and international fee-for-service delivery, and Commonwealth Government funded activity.

State Government subsidised training saw 978,071 SCH delivered to 5,928 students.

Benchmarks for Training in priority areas

State Training Plan SCH

The table below are the achievements for the College in terms of performance against the original contract targets in the 2019 Delivery Performance Agreement (DPA).

Apprenticeships, traineeships and work placements required as part of a qualification are an important, highly valued aspect of North Regional TAFE's training delivery and provide critical learning experiences and pathways to skilled employment.

Strong partnerships with employers, group training organisations, apprenticeship network providers, secondary schools and other agencies were fostered to increase training opportunities and support apprenticeships and traineeships at every opportunity.

Training Priority	Original Target	Actual	%
Apprenticeship	108,670	104,571	96.2%
Traineeship	43,267	45,805	105.8%
Employment Based Training (EBT) subtotal	151,937	152,661	100.5%
Priority Industry	230,758	195,360	84.6%
State Priority Delivery Total	382,695	348,021	90.9%
Youth (15-24 years)	495,403	401,164	80.9%

Engagement with apprenticeship service providers is an ongoing priority for the College. Our aim is to increase opportunities for collaboration between these organisations and to establish stronger connections with services providers. The goal is to grow the market share of the apprenticeship and traineeship business across the College and continue being responsive to employer enquiries and requirements.

2019 initiatives included:

- The use of social media for targeted marketing campaigns;
- Improved feedback to employers on apprentice and trainee progress;
- Development of a Reconciliation Action Planning highlighting the priority of providing Aboriginal and Torres Strait Islander students with a positive and inclusive training experience.

AGENCY PERFORMANCE

Qualification completions

Priority areas	Benchmark	Actual	%
Certificate III and above	697	332	47.6%
Aboriginal and Torres Strait Islanders	311	157	50.4%
Students with a disability	49	27	55.1%

Shortfall against benchmark due to students enrolling into skill sets rather than whole qualifications.

Student Demographic Response Rates

At enrolment time, students are asked to answer two demographic questions:

- Are you of Aboriginal or Torres Strait Islander origin?
- Do you consider yourself to have a disability, impairment or long-term condition?
- The table below shows the response rate to these questions.

Demographic	Benchmark	Actual	%
Aboriginal Question	90%	92.2%	102.4%
Disability Question	90%	92.3%	102.5%

AGENCY PERFORMANCE

A BRIGHT FUTURE

Train for the Future

NR TAFE's Strategic Goal "Training for the future" has five clear priorities:

- Provide excellence in training delivery and skill development
- Understand our student' 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
- Undergo ongoing product review to ensure relevance to local needs

Provide excellence in training delivery and skill development

91.1%

Excellence in training

Exceeded target of 90% for overall student satisfaction.

Understand our student' needs through increased engagement to ensure training services are contemporary and reflect industry and local needs Development

157

Skillsets

Skillsets are a combination of units of competency that individuals choose to study to improve a skill found in a particular industry area. NR TAFE delivers 157 unique Skillsets in 2019.

Deliver innovative training using the latest technology where appropriate



Virtual Spaces

Virtual spaces have been established through the availability of wireless network on all campuses.

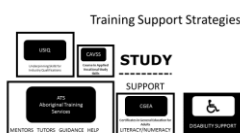
Undergo ongoing product review to ensure relevance to local needs



Quality Suit of Training & Assessment Resources

To ensure the integrity and quality of courses delivered, we work diligently on updating and developing new learning and assessment resources.

Optimise existing delivery models to achieve full potential market share



Language, literacy and numeracy support

We have maintained a pool of literacy numeracy specialists to ensure students have access to support throughout their studies

AGENCY PERFORMANCE

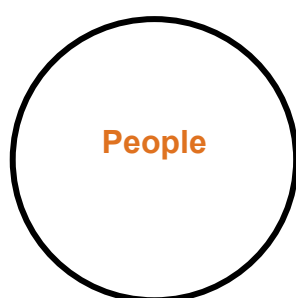
Build a high performing culture

NR TAFE's Strategic Goal "Build a high performing culture" has five priorities:

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

Develop workforce capacity, agility, capability, relevance and credibility

We aspire to operate within an open culture where our teaching and support staff enjoy visible leadership, effective communications and opportunities for involvement.



People Development

In 2019 the College focused on introducing key initiatives aimed at transforming its organisational structure and culture.



Health & Wellbeing

A number of staff health and wellbeing programs were successfully delivered throughout the year, including:

- R U OK?
- Mental health programs and awareness weeks
- Annual flu vaccinations
- Return-to-work assistance



Planning for the future

A series of campus based conversations provided staff opportunities to become involved in our future direction, explore ways to create a stronger connection of feeling and of being one team at NRT.



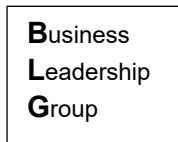
AGENCY PERFORMANCE

Foster environments for teamwork, collaboration and communication to build one NRT team



Executive Roadshow

The Executive team travelled across the four main campuses in late April to meet with staff. The focus of these sessions was to share key priorities for 2019 with staff.



Leadership Workshops

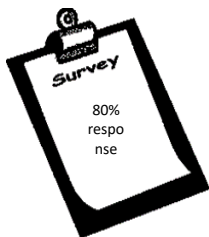
The focus of the Business Leadership Forum was to identify priorities for reconciliation, employee engagement, leadership and the 2020 Business Plan.

Develop, attract and retain exceptional individuals



Employee Engagement

A working group was established to have oversight of all employee engagement activities and produce a plan for NRT for the next 2-3 years to implement an Employee Engagement Plan including innovative attraction and retention strategies.



Staff PULSE Survey

The Pulse Survey Project has enabled the College to measure staff engagement. All staff were invited to participate in the survey to share their views and included our areas for focus for 2019, training up new starters, NR TAFE leadership, and teamwork and cooperation.

Communicate and model the NRT values in all we do



Staff Training

NRT held three days of training for Contact, Mental Health First Aid and Grievance Officers.

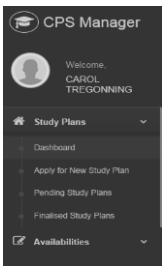
AGENCY PERFORMANCE

Achieve business sustainability

NR TAFE's Strategic Goal "Achieve business sustainability" has five priorities:

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

Establish systems and adopt new technologies that support customer-centred services simply and efficiently.



MY Student Hub

The new "My Student Hub" system developed in-house by NR TAFE will become the standard 'go-to' for most commonly needed enrolment and resulting business requests.

Optimise assets, shared delivery sites and maximise use of resources

Shared Sites



NR TAFE is always looking for opportunities to optimise assets and maximise our resources. Over 36 organisations use NR TAFE College's facilities

Identify opportunities for business improvements across all operational areas

Technology



A significant issue at NR TAFE is geographic isolation especially between campuses and staff. Emerging technologies such as ZOOM has led to savings in time and money for travel; improved attendance at meetings; team collaboration and staff engagement.



Solar Power

Solar energy is now utilised on 11 campuses.

AGENCY PERFORMANCE

REGIONAL PROSPERITY

Grow and diversify revenue streams

NR TAFE's Strategic Goal "Grow and diversify revenue streams" has four priorities:

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

Celebrate and share successes to build a strong reputation as a provider of quality training.

Large Training Provider of the year



2019 winner of the Large Training Provider of the Year. North Regional TAFE topped the Department of Training and Workforce Development's 2018 Student Satisfaction Survey, making it the third year in a row the education institution has earned the high score.



WOW Day

NR TAFE was proud to celebrate yet another WOW Day in support of our wonderful SES volunteers. It was fantastic to see staff across our campuses show their thanks by sporting orange clothing for the day



NAIDOC Week

The week was celebrated across all campuses of NR TAFE. Insights into Aboriginal leadership were shared and staff had the opportunity to learn about Aboriginal history and culture from the displays and posters on show. Everyone was treated to great food, music and art activities.



Finalist – Apprentice of the Year

Karratha student Jesse Maiorana was one of four finalists selected for WA Apprentice of the Year. Jesse Maiorana completed his Certificate III in Engineering — Mechanical Trade with Programming through host employer Woodside



Worksafe Plan Gold Award

North Regional TAFE fulfilled the requirements for a GOLD Certificate of Achievement as a result of the external OSH Audit conducted at the Kununurra and Karratha campuses.

AGENCY PERFORMANCE

Nurture relationships that grow North Regional TAFE



Commercial Cookery class

Commercial Cookery

For the first time since 2015, NR TAFE Commercial Cookery Apprenticeship training has been reintroduced in the Pilbara, allowing Compass FIFO apprentices to upskill and prepare for work in the industry. A total of 16 Compass apprentices commenced in February 2019, with six completing their training at Port Haven Accommodation Village (Port Hedland) and ten at Gateway Village (South Hedland).

Electrical and Mechanical trades

An initiative between the McGowan Government and the West Australian resources sector allowed Year 11 students from Karratha Senior High School to obtain a Certificate II Pre-Apprenticeship qualification at North Regional

TAFE.

The Pilbara Collaboration Charter gives students the ability to get a certification in electro-technology electrician or engineering mechanical trade and be guaranteed an interview with the Pilbara's major resource companies at the end of their course.



Education Minister Sue Ellery with representatives from Karratha Senior High School and North Regional TAFE



Collecting bush foods

Hospitality

Top calibre chefs from Paul Iskov's Fervor wowed Broome once again with two spectacular pop-up dining experiences along the Kimberley coast. Owner Paul Iskov brought the team together with a mission to showcase the oldest foods on the planet alongside the most modern techniques. This is the third year in a row that Fervor has visited Broome and worked with NR TAFE's Commercial Cookery students to prepare for the event

AGENCY PERFORMANCE



South Hedland students aged 15 – 18 took part in the Certificate I in Automotive Preparation

Ranger Program

Local rangers include the Gooniyandi Rangers, the Ngurrara Rangers & the Nykina Mngala. In February, visiting Dambi Mangari & Balangarra Rangers travelled to Fitzroy to participate in an LLN block organised by NR TAFE and the Kimberley Land Council.

Automotive Vocational Preparation

The first of its kind to be run in WA, the program offers an alternative educational pathway for students, who in a number of cases, have been disengaged from mainstream education for a significant period of time. Run by North Regional TAFE and supported by WA Police Force, Department of Education and FMG, the program has been constructed to allow the students the opportunity to commence at various stages during the school term, providing opportunity for all and flexibility.



Rangers gathered at Fitzroy Crossing campus for training



Nursing student at South Hedland campus

Bachelor of Nursing

The Bachelor of Nursing degree is delivered by CQU University and based at our South Hedland campus, has been accredited and a residential school program formally set up for practical studies.

Students previously had to leave the region to complete the practical components of the course, but accreditation will allow them to do that training locally.

AGENCY PERFORMANCE



Apprenticeship and Traineeship information session at Broome Campus

Jobs and Skills Centres

NR TAFE and Jobs Centre are now firmly established in centres located on TAFE campuses from Broome in the Kimberley and Karratha in the Pilbara, with additional outreach locations for regional areas in Kununurra, South Hedland and Newman.

Services continued to go from strength to strength to meet the needs of individuals through the provision of responsive career counselling services, workshops, and industry panels.

In 2019 Pilbara JSC held two workshops delivered to end of May and three group “info sessions”. Broome JSC held an information session for jobseekers in March this year regarding apprenticeships and traineeships.



EPIC board chairman Wayne Lemke, Member for the Pilbara Kevin Michel, Minister for Education and Training Sue Ellery, client service user Aleisha King and North Regional TAFE Managing Director Kevin Doig.



Automation lab

Automation

North Regional TAFE, in collaboration with the resources sector, developed a one semester preparatory course for students entering year 11.

The course provides students with an opportunity to gain skills and knowledge to prepare them for further vocational education and training studies.

On completion of this course, students are able to understand and demonstrate the use of technology; the application of logic control systems; and how to use a variety of hand and power tools that are commonly applied in the resources sector.

AGENCY PERFORMANCE

Agriculture

NR TAFE conducts training in Certificates II, III and IV in Agriculture on numerous cattle stations in the Kimberley and Pilbara. Our key focus in 2019 has been: Animal Husbandry; Horsemanship; Chemical Handling; Machinery Operation; Fencing and Water Supply Operations.



Agriculture workplace training

Implement the NR TAFE marketing communications and brand strategy

Career Expos



Careers Expo South Hedland

Interactive attendance at South Hedland expo

NR TAFE had a vibrant presence at the annual Careers Expo in South Hedland. More than 350 students, along with members of the community, attended the event with many engaging with the NR TAFE's interactive display. Lecturers were on-hand to answer any queries. The result was a high number of course leads to follow up.

Success at the West Kimberley Careers EXPO

Careers Week 2019 saw students from across the West Kimberley participate in a range of different activities and events. NR TAFE and the Jobs and Skills Centre were instrumental in organising TAFE tours, workplace tours and keynote panels. A total of 42 employers registered for this year's event.

Over 1000 students from high schools, primary schools and agency groups met with employers, businesses and industry to create a connection between their current education choices and future employment opportunities, a critical step towards inspiring students to achieve their goals and understand what is on offer within their own community.

AGENCY PERFORMANCE

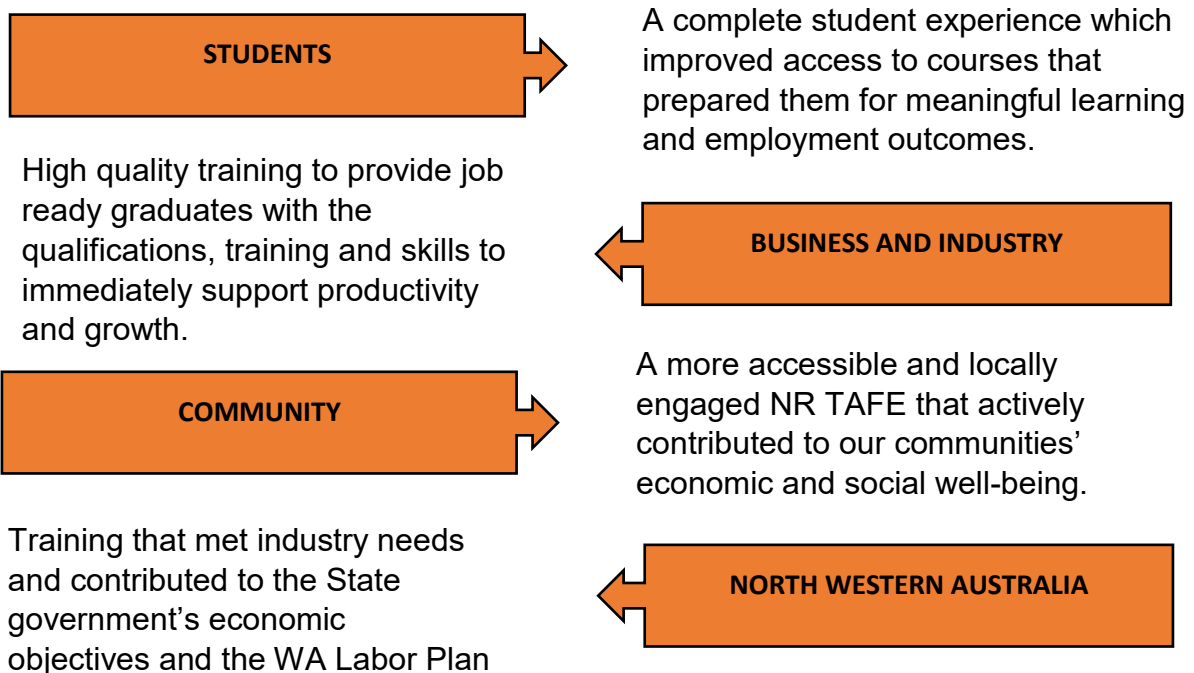
A STRONG ECONOMY

Exceed stakeholder expectations

* Develop and maintain strong industry relationships

Effective stakeholder engagement is critical to the success of the training implemented by North Regional TAFE. In 2019 NR TAFE aligned its training with current and emerging demands of industry and the needs of students.

NR TAFE has strengthened its performance for the following stakeholders by delivering:



NR TAFE continues its close relationships with industry and business in the north-west region. Domestic commercial activity has delivered outcomes with the following organisations:

CRCNA - Cooperative Research Centre for Developing Northern Australia

Midwest Safety and Training Services

Woodside

Kimberley Aboriginal Medical Services Rural and Remote Training

Broome Maritime Simulation Centre (BMSC) - Seaways

AGENCY PERFORMANCE

Communicate effectively with students

* Customer Service

NR TAFE strives to communicate effectively with all students from commencement to completion of training. We:

- Use positive and respectful communication styles with students in all situations.
- Explore students' interests and concerns through conversation where appropriate.
- Adapt style and language to accommodate different cultural values, practices and cultural sensitivities.
- Seek and act on feedback to continuously improve the effectiveness of our processes and provision of Information.
- Give progress reports so students know how their studies are progressing at any time.
- Publish information, publications and processes on our North Regional TAFE website for easy access.

* Seek feedback to enhance the value of our services

Strategy	Measure	Achievement	Done
Ensure the College product offerings meet the needs of students and industry.	Student Satisfaction Survey.	92.3% satisfaction that students gained the skills they wanted to learn from their course.	✓
High standard of facilities		91.3% believe the buildings are well maintained and 92.1% agree that the campus is a pleasant place to learn.	

* Increase understanding of our students and their support needs

We deliver a student experience that is seamless, personalised and inclusive, accommodating the needs of all student cohorts including Indigenous students, those with special needs and at risk students. We want to support students at every step to succeed.

Strategy	Measure	Achievement	Done
Identify students at risk and implement early intervention strategies.	Student Satisfaction Survey.	96.2% satisfaction of assistance where English is not student's first language.	✓
Mentors to provide increased support for student participation and completion.		95.3% satisfaction with literacy and numeracy support provided.	
		96.9% satisfaction with the provision of mentor or person to support student during their studies.	

AGENCY PERFORMANCE

* Industry Scholarship Program

The Industry Scholarship Program has four scholarship streams outlined below

- TAE40116 Certificate IV in Training and Assessment Scholarship
- Aspire Scholarship
- HLT54115 Diploma of Nursing Scholarship
- Priority Industry Qualification Scholarship

NR TAFE's Industry Scholarship Program provides opportunities for north-west communities to progress their career aspirations in a range of eligible industry areas. The Industry Scholarship Program has been designed to create opportunities for a better future through education and training, and are open to prospective students who can demonstrate educational disadvantage and financial hardship.

* Ensure accountability and ownership of exceptional service

NR TAFE staff are willing to make commitments and be responsible for their actions. By doing so they know it promotes trust between the people around them and enhances a strong “work as one team” culture. Integrity is a key NR TAFE value along with respect, professionalism and teamwork.



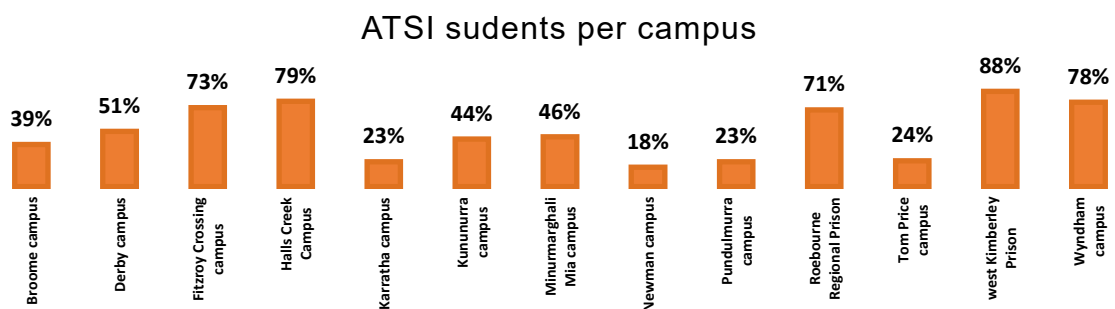
AGENCY PERFORMANCE

ABORIGINAL TRAINING

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

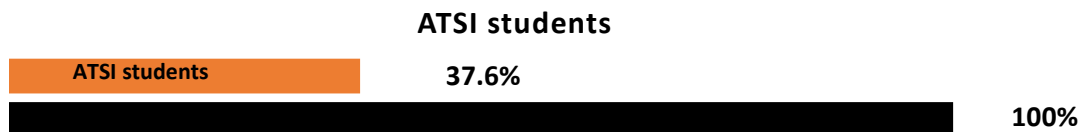
- To promote NR TAFE training programs and ATS to Aboriginal Youth (15-24 years old) to increase participation and completion in School Based/Youth Engagement training programs and enrolment in traineeships/apprenticeships.
- To provide social, academic and administrative support to overcome barriers and increase the likelihood of Aboriginal students completing their course of study and transitioning into further training, education or employment
- To achieve continuous improvement in ATS support services to Aboriginal students and NR TAFE training service staff to assist achievement or exceed NR TAFE performance benchmarks/targets for Aboriginal participation in training and regional workforce
- To facilitate Aboriginal consultation, representation and leadership in project planning, ATS service delivery, NR TAFE official events and the environment on all NR TAFE campuses/learning facilities is culturally appropriate for Aboriginal clients

Over 37.6% of profile students at North Regional TAFE's students are Aboriginal or Torres Strait Islander. As a result, the College has become a specialist provider for Aboriginal students. There are over 200 Aboriginal communities within the Kimberley and Pilbara regions therefore much of the College training delivery is off-campus in remote or very remote areas, or in communities where people live and work.

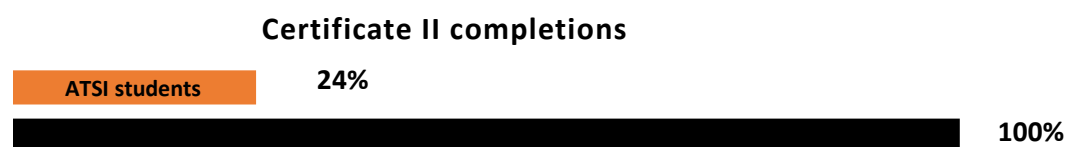


AGENCY PERFORMANCE

Percentage of ATSI student enrolments compared to total enrolments



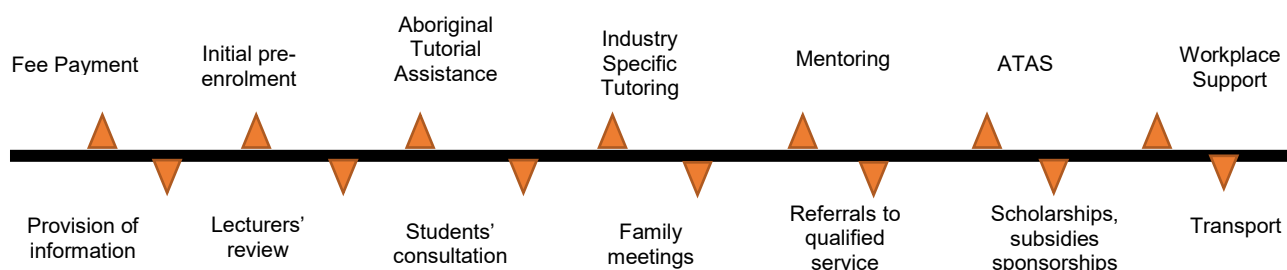
Percentage of ATSI students who completed a Certificate II qualification compared to total Certificate II completions



Aboriginal Training Support Plan

The 2019 NR TAFE Aboriginal Training Plan provides a delivery profile with measurable performance indicators based on the support services provided by the NR TAFE Aboriginal Training Service, collaborating with NR TAFE client and training services' staff together with other regional stakeholders.

Some of the strategies that ATS implemented were:



Reconciliation Action Plan

Our collective vision is for a positive and inclusive organisation in which all employees and students have mutual respect for each other. We believe that we will be a better organisation if we develop a shared understanding of what it means to be similar and what it means to be different. We want all of our College community to recognise the way in which diverse cultures enrich our lives. Our vision for reconciliation is to publicly acknowledge and respect the historical and ongoing connection Aboriginal peoples have across the Pilbara and Kimberley, and to promote the College's responsibility in representing the needs and interests of Aboriginal and Torres Strait Islanders.



AGENCY PERFORMANCE



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

the Minister for Disability Services.

North Regional TAFE’s DAIP comprises of 28 tasks to be implemented over five years (2017-2021).

The development of the North Regional TAFE DAIP 2017 - 2021 has been in accordance with the *Disability Services Act Regulations 2004*.

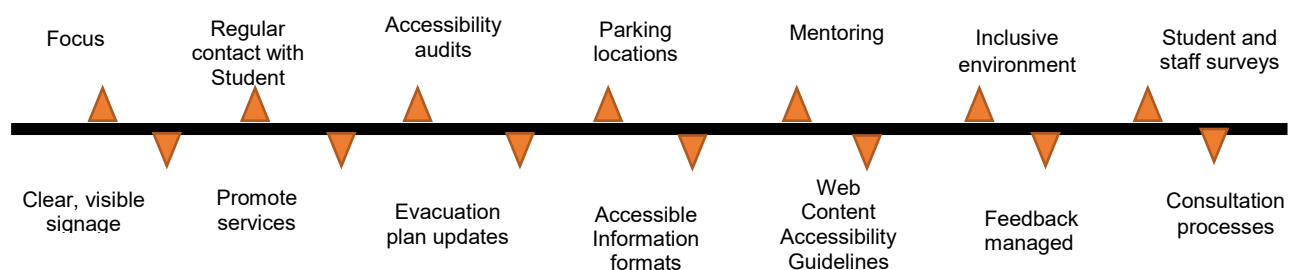
The DAIP service improvement team undertook desktop research to review organisational policies and procedures to identify interrelated documents. Each policy was updated with a reference and linkage to the Disability Access and Inclusion Plan.

Policies amended included:

- Student Privacy and Personal Information Policy
- Grievance procedure
- Student Fair Treatment and Equal Opportunity Policy
- NRT Committee Handbook
- Student Disability Support Policy
- “Have your say” procedure
- North Regional TAFE Code of Conduct

The service improvement team are responsible in overseeing the implementation of the DAIP and to ensure regular communication to all staff and stakeholders, receiving feedback, ongoing regular monitoring, review, revisions and reporting achievements and outcomes.

Throughout 2019, NRT implemented 20 of the 28 DAIP tasks planned over five years (2017–2021). Initiatives included:



AGENCY PERFORMANCE

DAIP outcomes at a glance

Outcome 1: People with disability have the same opportunities as other people to access the services of, and any events organised by North Regional TAFE.

Strategy <input checked="" type="checkbox"/> complete	
1.1 Maintain an Access and Inclusion Focus Group to guide the implementation of DAIP activities.	<input checked="" type="checkbox"/>
1.2 Ensure that all people are provided with opportunities to comment on access to services.	<input checked="" type="checkbox"/>
1.3 Ensure that College policies and practices are inclusive of people with disability and medical conditions and consistent with the College's Access Policy, Disability Services Act, Disability Discrimination Act (1992) and Educational Standards.	<input checked="" type="checkbox"/>
1.4 Ensure that resources and equipment required to access and participate in training at the College are provided.	<input checked="" type="checkbox"/>
1.5 Ensure that College events, both on and off campus, are inclusive and accessible for all.	<input checked="" type="checkbox"/>
1.6 Ensure that College staff, agents and contractors are aware of the relevant requirements of the Disability Services Act and the College's Disability Access and Inclusion Plan.	<input checked="" type="checkbox"/>

Outcome 2: People with disability have the same opportunities as other people to access the buildings and other facilities of North Regional TAFE.

Strategy <input checked="" type="checkbox"/> complete	
2.1 Ensure that all buildings and facilities are accessible	

2.2 Ensure staff and students are aware of emergency evacuation procedures and plans.	
2.3 Ensure that all future premises leased by the College are accessible.	<input checked="" type="checkbox"/>
2.4 Ensure that the quantity and location of easy access parking meets the needs of people with a disability.	<input checked="" type="checkbox"/>

Outcome 3: People with disability receive information from North Regional TAFE in a format that will enable them to access the information as readily as other people are able to access it.

Strategy <input checked="" type="checkbox"/> complete	
3.1 Ensure that information about the College's services, facilities and events is available in alternative formats and is clear and concise.	
3.2 Inform staff, students and the community that College information is available in alternative formats on request.	
3.3 Inform staff of accessible information needs and how to provide and obtain information in other formats.	
3.4 Ensure learning resources, including online learning resources, are available in accessible formats, complying with copyright regulations.	<input checked="" type="checkbox"/>
3.5 Ensure that the College's website meets Web Content Accessibility Guidelines WCAG2.0.	

AGENCY PERFORMANCE

Outcome 4: People with disability receive the same level and quality of service from the staff of North Regional TAFE as other people receive from the staff of North Regional TAFE.

Strategy <input checked="" type="checkbox"/> complete	
4.1 Raise staff awareness of disability and access issues and provide training to improve skills to provide good service.	
4.2 Ensure that College staff are aware of the relevant requirements of the Disability Services Act, Disability Discrimination Act and Education Standards.	<input checked="" type="checkbox"/>
4.3 Ensure that the College provides an inclusive environment free from harassment and discrimination.	<input checked="" type="checkbox"/>

Outcome 5: People with disability have the same opportunities as other people to make complaints to North Regional TAFE.

Strategy <input checked="" type="checkbox"/> complete	
5.1 Ensure that feedback and grievance mechanisms are accessible for all people.	<input checked="" type="checkbox"/>
5.2 Provide support for people with disability in making complaints, if requested.	<input checked="" type="checkbox"/>

Outcome 6: People with disability have the same opportunities as other people to participate in any public consultation by North Regional TAFE.

Strategy <input checked="" type="checkbox"/> complete	
6.1 Inform students and staff about consultation processes at the College.	<input checked="" type="checkbox"/>

Significant achievements can be attributed to:

- Increased staff and student awareness of a Disability Support Officer that supports all campuses
- A consistent process for students registering and accessing support

6.2 Monitor the DAIP to ensure implementation and satisfactory outcomes.	<input checked="" type="checkbox"/>
6.3 Develop and maintain strategic partnerships with key agencies to maximise access to services for people with disability.	

Outcome 7: People with a disability have the same opportunities as other people to obtain and maintain employment with North Regional TAFE.

Strategy <input checked="" type="checkbox"/> complete	
7.1 All College facilities will continue to be compliant with Disability Access Inclusion requirements (with relevant guidelines and processes).	<input checked="" type="checkbox"/>
7.2 Recruitment, induction and performance development processes for staff will identify and support diversity requirements.	<input checked="" type="checkbox"/>
7.3 The College will develop and maintain relationships with key stakeholders, for example, Group Training Companies, EPIC, Disability Services Commission, Australian Apprenticeship Centre, Employment agencies.	<input checked="" type="checkbox"/>
7.4 The College will provide a supportive environment for students seeking employment e.g.: Open Days, Careers Days, and VET Program at schools.	<input checked="" type="checkbox"/>
7.5 Ensure equitable employment practices at the College.	<input checked="" type="checkbox"/>

SIGNIFICANT ISSUES IMPACTING THE AGENCY

Key Challenges in 2019

Geographic isolation continues to challenge our capacity to work as one North Regional TAFE. Communication relies heavily on both the use of technology and staff travel.

The establishment of continuous improvement processes and a systematic approach to the College's quality proposition, business process and the achievement of outcomes.

The implementation of Microsoft 365.

The implementation of Content Manager (CM9).

The attraction and retention of staff and students.

Low-level student language, literacy and numeracy (LLN).

Developing / implementing a consistent set of training and assessment strategies and practices across North Regional TAFE.

Key influences in 2019

Government direction and priorities.

The introduction of flights between the Kimberley and Pilbara.

Key influences for 2020

Industry and community expectations on the College to meet their training and workforce development requirements.

A tight College operating budget.

A continuing focus on quality and compliance in delivery and assessment.

The ability to recruit suitably qualified and experienced staff, particularly in Training Services.

Key activities for 2020

Achieving Training Targets.

Reconciliation Action Plan (RAP) – Launch in 2020.

Leadership – continue to provide clear strategic direction and shared understanding of core business; clarity in roles of staff and line management responsibilities.

Student Experience – An ongoing review of how to improve the student experience from the first contact with the College to completion of their training.

Technology Roadmap – that clearly outlines how technologies will be deployed to improve training outcomes and harness business systems.

Employee Engagement – continuing to develop a work environment that supports the engagement and wellbeing of staff.

Quality training and assessment – continue developing learning and assessment resources.

Critical success factors

Achievement of 2020 profile.

Financial sustainability and performance including growth and options for diversification across the business.

An increase in commercial training.



DISCLOSURES AND LEGAL COMPLIANCE

INDEPENDENT AUDITORS REPORT



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 the North Regional TAFE which comprise the Statement of Financial Position as at 31 December 2019 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 the North Regional TAFE for the year ended 31 December 2019 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.

DISCLOSURES AND LEGAL COMPLIANCE

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.

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

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the North 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 the 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 2019.

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.

DISCLOSURES AND LEGAL COMPLIANCE

Limitations of Controls

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

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the North Regional TAFE for the year ended 31 December 2019. 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 the 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 2019.

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.

DISCLOSURES AND LEGAL COMPLIANCE

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the North Regional TAFE for the year ended 31 December 2019 included on 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
10 March 2020



DISCLOSURES AND LEGAL COMPLIANCE

FINANCIAL STATEMENTS

CERTIFICATION OF FINANCIAL STATEMENTS

For the year ended 31 December 2019

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 reporting period ended 31 December 2019 and the financial position as at 31 December 2019.

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



Ian Smith
Governing Council Chair

4 March 2020



Kevin Doig
Managing Director

4 March 2020



Katherine Reeves
Chief Financial Officer

4 March 2020

DISCLOSURES AND LEGAL COMPLIANCE

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	2019	2018
		\$	\$
Cost of services			
<i>Expenses</i>			
Employee benefits expense	2.1	36,698,100	38,513,455
Supplies and services	2.2	12,174,629	13,898,329
Finance Cost	6.3	81,271	-
Asset revaluation decrement	2.2	2,528	519,648
Other expenses	2.2	3,146,759	3,247,321
Cost of sales	3.3	12,671	8,644
Depreciation and amortisation expense	4.1(d), 4.2.1	7,813,119	4,592,017
Total cost of services		59,929,078	60,779,413
Income			
<i>Revenue</i>			
Fee for service	3.2	1,608,074	1,496,269
Student fees and charges	3.2	2,523,665	2,919,559
Ancillary trading	3.2	223,770	37,360
Sales	3.3	15,809	15,754
Commonwealth grants and contributions	3.4	764,900	732,983
Interest revenue	3.5	353,460	474,162
Other revenue	3.6	644,286	885,316
Total revenue		6,133,964	6,561,403
<i>Gains</i>			
Gain on disposal of non-current assets	3.7	273	15,139
Gain arising from changes in fair value - land	3.7	140,000	-
Gain arising from revaluation of buildings	3.7	3,230,981	2,106,193
Total gains		3,371,253	2,121,332
Total income other than income from State Government		9,505,218	8,682,736
Net cost of services		(50,423,860)	(52,096,678)
Income from the State Government			
Grants and subsidies	3.1	43,894,525	46,806,237
Services received free of charge	3.1	1,313,150	2,149,428
Total income from State Government		45,207,675	48,955,665
Surplus/(Deficit) for the period		(5,216,185)	(3,141,013)
Other comprehensive income			
Changes in asset revaluation surplus			-
Total other comprehensive income			-
Total comprehensive income/(deficit) for the period		(5,216,185)	(3,141,013)

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

DISCLOSURES AND LEGAL COMPLIANCE

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	2019	2018
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	6.1	9,642,832	13,640,761
Restricted cash and cash equivalents	6.1	4,564,362	2,547,900
Receivables	5.1	597,885	810,358
Inventories	3.3	-	21,132
Other current assets	5.2	495,431	480,584
Total Current Assets		15,300,510	17,500,735
Non-Current Assets			
Restricted cash and cash equivalents	6.1	539,462	427,318
Property, plant and equipment	4.1(a)	146,455,056	142,805,377
Right-of-use assets	4.1(b)	3,291,187	-
Intangible assets	4.2	162,976	194,174
Total Non-Current Assets		150,448,681	143,426,869
Total assets		165,749,192	160,927,604
Liabilities			
Current Liabilities			
Payables	5.3	1,320,289	1,552,583
Lease liabilities	6.2	1,794,204	-
Employee related Provisions	2.1	5,192,190	4,725,625
Other current liabilities	5.4	5,057,465	2,977,771
Total Current Liabilities		13,364,148	9,255,980
Non-Current Liabilities			
Lease liabilities	6.2	1,472,624	-
Employee related Provisions	2.1	1,222,710	1,067,905
Total Non-Current Liabilities		2,695,334	1,067,905
Total liabilities		16,059,482	10,323,885
Net assets		149,689,710	150,603,720
Equity			
Contributed equity	8.7	189,001,491	184,699,316
Accumulated surplus/(deficit)		(39,311,781)	(34,095,596)
Total Equity		149,689,710	150,603,720

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

DISCLOSURES AND LEGAL COMPLIANCE

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Notes	2019	2018
		\$	\$
Cash flows from State Government			
Grants and subsidies from Dept. of Training and Workforce Development		45,910,988	45,426,148
Total Net cash provided by State Government		45,910,988	45,426,148
<i>Utilised as follows:</i>			
Cash flows from operating activity			
Payments			
Employee benefits		(35,935,222)	(37,947,880)
Supplies and services		(11,249,333)	(11,987,594)
Finance costs		(81,271)	-
GST payments on purchases		(1,383,144)	(1,462,476)
Other payments		(3,045,463)	(3,262,649)
Receipts			
Fee for service		1,608,074	1,496,269
Student fees and charges		2,961,813	3,243,302
Ancillary trading		239,578	53,114
Commonwealth grants and contributions		671,874	732,983
Interest received		353,460	474,162
GST receipts on sales		182,681	248,661
GST receipts from taxation authority		1,071,763	1,162,453
Other receipts		644,286	885,316
Net cash provided used in operating activities		(43,960,904)	(46,364,339)
Cash flow from investing activities			
Payments			
Purchase of non-current physical assets		(1,193,879)	(907,586)
Receipts			
Proceeds from sale of non-current physical assets		273	25,804
Capital Contribution - equity investments by DTWD		400,000	706,122
Net cash provided by investing activities		(793,606)	(175,660)
Cash flow from financing activities			
Payments			
Principal elements of lease payments		(3,025,801)	
Net cash used in financing activities		(3,025,801)	
Net increase in cash and cash equivalents		(1,869,323)	(1,113,850)
Cash and cash equivalents at the beginning of period		16,615,979	17,729,829
Cash and cash equivalents at the end of period	6.1	14,746,656	16,615,979

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

DISCLOSURES AND LEGAL COMPLIANCE

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2019

	Note	Contributed Equity	Reserves	Accumulated Surplus/ (Deficit)	Total Equity
		\$	\$	\$	\$
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	-	(30,954,584)	151,745,657
Surplus/(deficit)				(3,141,013)	(3,141,013)
Other comprehensive income			-	-	-
Total comprehensive income for the period		-	-	(3,141,013)	(3,141,013)
<i>Transaction with owners in their capacity as owners :</i>	8.7				
Other contributions by owners – capital works		1,292,953	-		1,292,953
Capital appropriation		706,122	-		706,122
Distributions to owners		-	-		-
Total		1,999,075	-	-	1,999,075
Balance at 31 December 2018		184,699,316	-	(34,095,596)	150,603,720
Balance at 1 January 2019		184,699,316	-	(34,095,596)	150,603,720
Surplus/(deficit)				(5,216,185)	(5,216,185)
Other comprehensive income			-	-	-
Total comprehensive income for the period		-	-	(5,216,185)	(5,216,185)
<i>Transaction with owners in their capacity as owners:</i>	8.7				-
Other contributions by owners – capital works		4,076,804	-		4,076,804
Capital appropriation		400,000	-		400,000
Distribution to owners		(174,630)	-		(174,630)
Total		4,302,174	-	-	4,302,174
Balance at 31 December 2019		189,001,491	-	(39,311,781)	149,689,710

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

DISCLOSURES AND LEGAL COMPLIANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1 Basis of preparation

North Regional TAFE (NR TAFE) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. NR 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 NR TAFE on 4th March 2020.

Statement of compliance

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

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

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several 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.

Significant judgements and estimates have been made to meet the requirements of the new standards AASB 16, AASB 15 and AASB 1058.



DISCLOSURES AND LEGAL COMPLIANCE

AASB 16:

Key judgements to be made for AASB 16 include identifying leases within contracts, determination whether there is reasonable certainty around exercising extension and termination options, identifying whether payments are variable or fixed in substance and determining the stand-alone selling prices for lease and non-lease components.

Estimation uncertainty that may arise is the estimation of the lease term, determination of the appropriate discount rate to discount the lease payments and assessing whether the right-of-use asset needs to be impaired.

AASB 15:

Key judgements include determining the timing of revenue from contracts with customers in terms of timing of satisfaction of performance obligations and determining the transaction price and the amounts allocated to performance obligations.

Estimation uncertainty include determining the transaction prices (estimating variable consideration, adjusting the consideration for the time value of money and measuring non-cash considerations), allocating the transaction price, including estimating stand-alone selling prices and allocating discounts and variable consideration.

AASB 1058:

Key judgements include determining the timing in the satisfaction of obligations and judgements used in determining whether funds are restricted.

Refer to Note 8.2 for the impact of the initial adoption and the practical expedients applied in the initial recognition.

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



DISCLOSURES AND LEGAL COMPLIANCE

incurred by NR TAFE in achieving its objectives and the relevant notes are:

	Notes	2019	2018
Employee benefits expenses	2.1(a)	36,698,100	38,513,455
Employee related provision	2.1(b)	6,414,900	5,793,530
Other expenditure	2.2	15,323,916	17,665,298

2.1(a) Employee benefits expenses

	2019	2018
Short-term employee benefits ^(a)	33,716,870	35,603,007
Termination benefits	9,671	-
Superannuation – defined contribution plans ^(b)	2,971,558	2,910,448
Total employee benefits expenses	36,698,100	38,513,455
Add: AASB 16 Non-monetary benefits ^(c)		
Provision of vehicle benefits	25,190	-
Less: Employee Contributions	(11,753)	-
Provision of housing benefits	2,425,727	-
Less: Employee Contributions	(1,048,795)	-
Net employee benefits expenses	38,088,469	38,513,455

^(a) Include wages, salaries and social contributions, paid annual leave and paid sick leave, profit-sharing and bonuses; and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees.

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

^(c) Additional non-monetary benefits include the provision of vehicle and housing benefits measured at cost in accordance with the application of AASB 16.

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 NR 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.

DISCLOSURES AND LEGAL COMPLIANCE

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 NR TAFE purposes because the concurrent contributions (defined contributions) made by NR TAFE to GESB extinguishes NR TAFE's obligations to the related superannuation liability.

NR 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 NR 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.

	2019	2018
Current		
Employee benefits provision		
Annual leave ^(a)	2,242,753	1,947,479
Long service leave ^(b)	2,497,075	2,392,750
Deferred salary scheme ^(c)	146,227	103,894
Purchased leave ^(d)	855	2,048
	4,886,910	4,446,170
Other provisions		
Employment on-costs ^(e)	305,280	279,455
Total current employee benefits provisions	5,192,190	4,725,625
Non-current		
Employee benefits provision		
Long service leave ^(b)	1,149,104	1,003,596
	1,149,104	1,003,596
Other provisions		
Employment on-costs ^(e)	73,606	64,309
Total non-current employee benefits provisions	1,222,710	1,067,905
Total employee benefits provisions	6,414,900	5,793,530

^(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.

DISCLOSURES AND LEGAL COMPLIANCE

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 NR 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 NR 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 NR 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 NR TAFE's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

Employment on-costs provision	2019	2018
Carrying amount at start of period	343,764	321,709
Additional / (reversals of) provisions recognised	35,122	22,055
Total Carrying amount at end of period	378,886	343,764

DISCLOSURES AND LEGAL COMPLIANCE

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 NR 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

	2019	2018
Supplies and Services		
Consumables and minor equipment	1,620,727	1,822,076
Communication expenses	138,358	130,144
Utilities expenses	2,875,496	2,740,721
Consultancies and contracted services	3,437,874	4,603,044
Minor works	536,496	582,780
Repairs and maintenance	676,321	671,626
Rental cost	148,321	772,902
Travel and passenger transport	1,636,279	1,515,984
Advertising and public relations	241,616	251,520
Staff professional development activities	110,232	95,180
Supplies and services – other	752,908	712,352
Total supplies and services expenses	12,174,629	13,898,329
Other expenses		
Audit fees	167,000	185,000
Building maintenance	770,936	879,740
Expected credit losses expense	(12,992)	(5,888)
Employment on-costs	2,107,401	2,162,196
Student prizes and awards	-	472
Losses and write-offs	105,828	10,695
Other	8,586	15,106
Total other expenses	3,146,759	3,247,321
Asset revaluation decrement		
Asset revaluation decrement	2,528	519,648
Total asset revaluation decrement	2,528	519,648
Total other expenditure	15,323,916	17,665,298

DISCLOSURES AND LEGAL COMPLIANCE

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.

The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date. NR 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.

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

3 Our funding sources

How we obtain our funding

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

	Notes	2019	2018
Income from State Government	3.1	45,207,675	48,955,665
User charges and fees	3.2	4,355,509	4,453,188
Commonwealth grants and contributions	3.4	764,900	732,983
Interest revenue	3.5	353,460	474,162
Other revenue	3.6	644,286	885,316
Gains/(Losses)	3.7	273	15,139

DISCLOSURES AND LEGAL COMPLIANCE

3.1 Income from State Government

	2019	2018
Grants and subsidies:		
Delivery and Performance Agreement (DPA) ^(a)	42,838,072	46,034,831
Non-DPA Grants from Department of Training and Workforce Development	1,056,453	771,407
	43,894,525	46,806,237
Services received free of charge from other State Government agencies during the period:		
Department of Training and Workforce Development		
- Corporate systems support	1,061,492	2,009,197
- Human resources and industrial relations support	79,033	71,679
- Other	172,626	68,551
	1,313,150	2,149,428
Total income from State Government	45,207,675	48,955,665

(a) Revenue is recognised when performance obligations are satisfied.

3.2 User charges and fees

	2018	2018
Fee for service		
Fee for service - general	1,568,140	1,389,394
International fees	39,934	106,876
Total fee for service	1,608,074	1,496,269
Student fees and charges		
Tuition fees	1,984,548	2,283,165
Resource fees	415,623	484,974
Recognition of prior learning (RPL) fees	117,057	144,841
Other College fees	6,438	6,580
Total student fees and charges	2,523,665	2,919,559
Ancillary trading		
Liveworks (not a trading activity)	204,395	20,884
Contracting & Consulting Revenue	-	3,727
Other Ancillary Revenue	19,375	12,749
Total ancillary trading	223,770	37,360
Total User charges and fees	4,355,509	4,453,188

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

DISCLOSURES AND LEGAL COMPLIANCE

3.3 Trading profit

	2019	2018
Bookshop		
Sales	15,809	15,754
Cost of Sales		
Opening Inventory	(21,132)	(21,132)
Purchases	8,461	33,621
	(12,671)	12,488
Closing Inventory	-	(21,132)
Cost of Good Sold	(12,671)	(8,644)
Total trading profit/(loss) - Bookshop	3,137	7,110
Closing inventory comprises:		
Finished goods		
At cost	-	21,132
Total current inventories	-	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

	2019	2018
Commonwealth specific purpose grants and contributions	764,900	732,983

This grant was received from the Department of Health in relation to health training delivered in Rural and Remote regions.

Revenue is recognised when or as the performance obligations are satisfied.

3.5 Interest revenue

	2019	2018
Interest revenue	353,460	474,162

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

DISCLOSURES AND LEGAL COMPLIANCE

3.6 Other revenue

	2019	2018
Rental and facilities fees	546,809	418,618
Other direct grants and subsidy revenue	-	8,000
Sponsorship and donations revenue	5,000	-
Miscellaneous revenue ^(a)	92,477	458,699
	644,286	885,316

(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. Other revenue is recognised when the service or goods are provided.

3.7 Gains/(Losses)

	2019	2018
<u>Net proceeds from disposal of non-current assets</u>		
Motor vehicles, caravans and trailers	-	19,450
Plant, furniture and general equipment	273	977
Marine craft	-	5,376
Total proceeds from disposal of non-current assets	273	25,804
<u>Carrying amount of non-current assets disposed</u>		
Motor vehicles, caravans and trailers	-	(10,664)
Plant, furniture and general equipment	-	-
Marine craft	-	-
Net gain/(loss)	273	15,139
<u>Other gains</u>		
Gain arising from revaluation increment on land	140,000	-
Gain arising from revaluation increment on buildings	3,230,981	2,106,193
Other gains	3,370,981	2,106,193
Total gains	3,371,253	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).

DISCLOSURES AND LEGAL COMPLIANCE

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	2019	2018
Property, plant and equipment	4.1(a)	146,455,056	142,805,377
Right-of-use assets	4.1(b)	3,291,187	-
Intangibles	4.2.1	162,976	194,174
Total key assets		149,909,219	142,999,551

DISCLOSURES AND LEGAL COMPLIANCE

4.1(a) Property, plant and equipment

	Land \$	Buildings \$	Dwellings \$	Motor vehicles, caravans and trailers \$	Plant, furniture and general equipment \$	Computer equipment, communica- tion network \$	Marine craft \$	Total \$
2019								
Cost at the start of the year	11,418,000	126,414,192	2,241,060	488,756	3,636,313	414,548	95,979	144,708,847
Accumulated depreciation at the start of the year	-	-	-	(329,857)	(1,255,462)	(305,218)	(12,933)	(1,903,470)
Carrying amount at start of the year	11,418,000	126,414,192	2,241,060	158,899	2,380,851	109,330	83,046	142,805,377
Additions	-	765,051	-	-	126,445	131,284	-	1,022,780
Transfers between categories	-	(61,049)	-	-	61,049	-	-	-
Transfers from DTWD ^(a)	-	3,007,313	-	-	1,069,492	-	-	4,076,805
Transfer to DTWD ^(b)	-	(174,630)	-	-	-	-	-	(174,630)
Disposals	-	(34,349)	-	-	-	-	-	(34,349)
Revaluation increments/(decrements)	140,000	3,230,981	(2,528)	-	-	-	-	3,368,453
Depreciation	-	(3,753,820)	(61,532)	(90,296)	(608,221)	(83,030)	(12,481)	(4,609,380)
Carrying amount at end of period	11,558,000	129,393,689	2,177,000	68,602	3,029,616	157,584	70,564	146,455,056

(a) Transfers from DTWD included:

- capital works at Karratha campus of \$926,949 including replacement of the air conditioning and chillers;
- capital works at Karratha campus of \$430,023 including installation of holding yard and car park;
- capital works at Karratha campus of \$654,713 including upgrade of the ablutions block; and
- capital works at the Pundulmurra campus of \$1,938,485, including refurbishment of buildings into a student flexible learning hub.

(b) Transfers to DTWD comprised the transfer of room 806 on the Karratha campus to the Department of Education via DTWD.

DISCLOSURES AND LEGAL COMPLIANCE

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 and dwellings 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, buildings and dwellings 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, buildings and dwellings were revalued as at 01 January 2019 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 31 December 2019 and recognised at 31 December 2019. In undertaking the revaluation, fair value was determined by reference to market values for land: \$1,380,000 (2018: \$1,280,000) and buildings: \$1,150,000 (2018: \$1,150,000) For the remaining balance, fair value of buildings was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Revaluation model:

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

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

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

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

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

DISCLOSURES AND LEGAL COMPLIANCE

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(b) Right-of-use-assets

	2019	2018
Land	50,258	
Buildings	211,759	-
Government Regional Officers' Housing	1,983,707	-
Vehicles	1,045,464	-
Total Right-of-use assets	3,291,187	-

4.1(c) Depreciation charge of right-of-use assets

	2019	2018
Land	31,879	
Buildings	176,296	-
Government Regional Officers' Housing	2,381,935	-
Vehicles	411,332	-
Total Right-of-use assets	3,001,442	-
Lease interest expense (included in 6.3 Finance cost)	81,271	

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

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

Right-of-use assets are generally depreciated on a straight line basis over the shorter of the asset's useful life and the lease term. If the agency is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

4.1(d) Depreciation and impairment

<u>Depreciation</u>	2019	2018
Buildings	3,815,353	3,719,588
Motor vehicles, caravans and trailers	90,296	107,858
Plant, furniture and general equipment	608,089	520,911
Computers and communication network	83,030	82,023
Marine craft	12,481	8,448
Right of use assets	3,001,442	-
Total depreciation for the period	7,610,692	4,438,829

DISCLOSURES AND LEGAL COMPLIANCE

As at 31 December 2019 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 including dwellings	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.

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

Impairment

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

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

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

DISCLOSURES AND LEGAL COMPLIANCE

As NR 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

<u>Computer software</u>	2019	2018
1 January 2019		
Cost	391,286	383,581
Accumulated amortisation	(197,112)	(43,924)
Carrying amount at start of period	194,174	339,657
Additions	171,229	-
Transfers from Work in progress	-	7,705
Amortisation expense	(202,427)	(153,188)
Carrying amount at 31 December	162,976	194,174

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

<u>Amortisation</u>	2019	2018
Computer Software	202,427	153,188
Total amortisation for the period	202,427	153,188

DISCLOSURES AND LEGAL COMPLIANCE

As at 31 December 2019 there were no indications of impairment to intangible assets.

NR 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 NR 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(d) Depreciation and impairment.

5 Other assets and liabilities

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

	Notes	2019	2018
Receivables	5.1	597,885	810,358
Other assets	5.2	495,431	480,584
Payables	5.3	1,320,289	1,552,583
Other liabilities	5.4	5,057,465	2,977,771

5.1 Receivables

	2019	2018
Current		
Receivables – Trade	392,527	431,157
Receivables - Students	13,587	231,905
Allowances for impairment of receivables	(22,364)	(35,356)
Accrued revenue	77,536	174,753
GST receivable	136,599	7,899
Total current receivables	597,885	810,358

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

	2019	2018
Current		
Prepayments	495,431	480,584
Total current	495,431	480,584
Balance at end of period	495,431	480,584

DISCLOSURES AND LEGAL COMPLIANCE

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

	2019	2018
Current		
Trade payables	2,389	3,799
Accrued expenses	808,079	1,180,471
Accrued salaries and related costs	509,821	366,587
Paid parental leave payable	-	1,726
Total current payables	1,320,289	1,552,583

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

The accrued salaries suspense account (see Note 6.1 Cash and cash equivalents) consists of amounts paid annually from NR TAFE appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26 pay days.

5.4 Other liabilities

	2019	2018
Current		
Income received in advance ^(a)	493,103	429,872
Grants and advances ^(b)	4,564,362	2,547,899
Balance at end of period	5,057,465	2,977,771

(a) Income received in advance comprises:	2019	2018
Other Government – VET Fee Help	-	(34,312)
Student fees and charges	493,103	464,185
Balance at end of period	493,103	429,872

(b) Grants and advances comprises:	2019	2018
Provision for DTWD refund for under delivery of training courses	4,487,247	2,471,849
Rural & Remote training contract unspent funds	77,115	76,050
Balance at end of period	4,564,362	2,547,899

DISCLOSURES AND LEGAL COMPLIANCE

6 Financing

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

	2019	2018
		Notes
Cash and cash equivalents		6.1
Leases		6.2
Finance costs		6.3
Commitments		6.4
Non-cancellable operating lease commitments		6.4.1
Finance lease commitments		6.4.2
Other expenditure commitments		6.4.3
Current		
Cash and cash equivalents		
Cash on Hand	1,200	1,200
Cash at Bank	9,641,632	13,639,561
Total cash and cash equivalents	9,642,832	13,640,761
Restricted cash and cash equivalents current		
DPA refund due to DTWD for SCH shortfall	4,487,247	2,471,850
Dept of Health grant funds received not yet expended	77,115	76,050
Total restricted cash and cash equivalents current	4,564,362	2,547,900
Total current	14,207,194	16,188,661
Non-current		
Restricted cash and cash equivalent non-current		
Accrued salaries suspense account – 27 th pay	539,462	427,318
Total non-current	539,462	427,318
Balance at end of period	14,746,656	16,615,979

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 pays instead of the normal 26 pays.

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.

DISCLOSURES AND LEGAL COMPLIANCE

6.2 Leases

a. The statement of financial position shows the following amounts relating to lease liabilities:

6.2.1 Lease liabilities

	2019	2018
Current	1,794,204	-
Non-current	1,472,624	-
Balance at end of period	3,266,828	-

b. NR TAFE leasing activities and how these are accounted for:

When a lease contract contains a lease component and non-lease component, and if the non-lease component is material, NR TAFE account for the amount of the non-lease component separately, where practicable from the lease amount by applying other applicable Standards.

Immaterial non-lease component(s) may be included in the lease amount, and accounted for as a single lease.

Lessees were required to classify leases as either finance leases or operating leases until 31 December 2018.

From 1 January 2019, at the commencement date, lessees are required to recognise leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

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

c. Variable Lease payments

Variable lease payments that are dependant on sales are recognised in profit or loss in the period in which the condition that triggers those payment occurs.

d. Extension and termination options

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

e. Short-term and low-value leases

Payments associated with short-term and low-value leases are recognised as an expense in the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets that are individually valued less than \$5,000 at cost. This excludes leases with

DISCLOSURES AND LEGAL COMPLIANCE

another wholly-owned public sector entity lessor agency. These expenses are included within note 2.2 Other Expenditure.

6.3 Finance costs

Finance costs	2019	2018
Lease interest expense	81,271	-
Finance costs expensed	81,271	-

Finance cost includes the interest component of lease liability repayments.

6.4 Commitments

6.4.1 Non-cancellable operating lease commitments

Commitments for non-cancellable lease commitments for vehicles are as follows	2019	2018
Within 1 year	-	436,492
Later than 1 year and not later than 5 years	-	840,027
Later than 5 years	-	36,320
Balance at end of period	-	1,312,839

The totals presented for operating lease commitments are GST inclusive.

Non-cancellable lease commitments for premises (incl residential properties)	2019	2018
Within 1 year	-	1,088,157
Later than 1 year and not later than 5 years	-	1,250,679
Balance at end of period	-	2,338,836

The totals presented for operating lease commitments are GST inclusive.

From 1 January 2019, NR TAFE has recognised the right-of-use assets and corresponding lease liability for all non-cancellable operating lease commitments, apart from short term leases. Refer to Note 6.2.

6.4.2 Capital commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:	2019	2018
Within 1 year	679,721	129,824
Balance at end of period	679,721	129,824

DISCLOSURES AND LEGAL COMPLIANCE

6.4.3 Other expenditure commitments

	2019	2018
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:		
Within 1 year	260,573	87,041
Later than 1 year and not later than 5 years	122,424	-
Balance at end of period	382,997	87,041

The totals presented for other expenditure commitments are GST inclusive.

7 Risks and Contingencies

This note sets out the key risk management policies and measurement techniques of NR 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:

	2019	2018
<u>Financial assets</u>		
Cash and cash equivalents	9,642,832	13,640,761
Restricted cash and cash equivalents	5,103,824	2,975,218
Receivables ^(a)	461,285	802,459
Total financial assets	15,207,941	17,418,438

	2019	2018
<u>Financial liabilities</u>		
Payables	1,320,289	1,552,583
Lease liabilities	3,266,828	-
DPA refund due to DTWD	4,487,247	2,471,849
Total financial assets	9,074,364	4,024,432

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

7.2 Contingent assets and liabilities

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

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

DISCLOSURES AND LEGAL COMPLIANCE

7.2.1 Contingent assets and liabilities

NR TAFE has no contingent assets to disclose at the end of the reporting period.

NR TAFE has one litigation in process. NR TAFE does not consider that the legal action, if successful, would result in material loss. There are no other contingent liabilities to disclose."

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.

8.2 Initial application of Australian Accounting Standards

(a) AASB 15 Revenue from Contract with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue and AASB 111 Construction Contracts for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service and is based upon the transfer of control rather than transfer of risks and rewards.

AASB15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers.

Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

DISCLOSURES AND LEGAL COMPLIANCE

In addition, the agency derives income from appropriations which are recognised under AASB 1058. AASB 1058 is applied to Not-for-Profit Entities for recognising income that is not revenue from contracts with customers. Timing of income recognition under AASB 1058 depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) recognised by an agency

The agency will adopt the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information will be restated under this approach, and the agency will recognise the cumulative effect of initially applying the standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 January 2019).

Under this transition method, agency may elect to apply the Standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Refer to Note 3.1, 3.2 and 3.3 for the revenue and income accounting policies adopted from 1 January 2019.

The effect of adopting AASB 15, AASB 16 and AASB 1058 as at 1 January 2019 was, as follows:

		1 January 2019
Assets		
Right-of-use asset	8.2(a)	3,337,755
Total Assets		3,337,755
Liabilities		
Lease liabilities	8.2(a)	3,337,755
Total Liabilities		3,337,755
Total adjustments on Equity		
Accumulated surplus/(deficit)		-
		-

With these changes, the net impact on retained earnings on 1 Jan 2019 was \$nil.

AASB 15 Revenue from Contracts with Customers

When either party to the contract has performed the obligation, the agency shall present the contract in the statement of financial position as a contract asset or a contract liability. The agency shall present any unconditional rights to consideration separately as a receivable.

- (a) A receivable is the agency's right to consideration that is unconditional and only passage of time is required before payment of the consideration is due.
- (b) A contract asset is recognised if the agency transfers goods or services to a customer before the customer pays consideration or the payment is due.

DISCLOSURES AND LEGAL COMPLIANCE

- (c) A contract liability is recognised if a customer pays consideration before the agency transfers a good or service to the customer.

The implementation of this policy has not resulted in any contract liability.

(b) AASB 16 Leases

From 1 January 2019, AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The main changes introduced by the new Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as a right-of-use asset and lease liability, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (valued less than \$5,000). The operating lease and finance lease distinction for lessees no longer exists.

The agency has applied the modified retrospective approach on initial adoption. As permitted under the specific transition provisions in the standard, comparatives have not been restated. The cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings. Lease liabilities recognised are measured at present value of the remaining lease payments, discounted using the incremental borrowing rate.

The agency is permitted on a lease-by-lease basis to apply the following practical expedients.

- (a) A single discount rate may be applied to a portfolio of leases with reasonably similar characteristics.
- (b) Agency relies on its assessment of whether leases are onerous applying AASB 137 Provisions, Contingent Liabilities and Contingent Assets immediately before 1 Jan 2019 as an alternative to performing an impairment review, the agency shall adjust the right-of-use asset at the date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application.
- (c) Exclusion of initial direct costs from the measurement of right-of-use asset at the date of initial application.
- (d) Use of hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

AASB 16 takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- a) Right of use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate on 1 January 2019.
- b) Depreciation of right-of-use assets and interest on lease liabilities in the statement of comprehensive income.

DISCLOSURES AND LEGAL COMPLIANCE

- c) The total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the statement of cash flows.

Measurement of lease liabilities

Operating Lease Commitments disclosed as at 31 December 2018	\$3,651,675
Discounted using incremental borrowing rate at date of initial application	\$3,337,755
Lease liability recognised at 1 January 2019	
Current lease liabilities	\$1,435,771
Non-current lease liabilities	\$1,901,984

8.3 Key management personnel

NR TAFE has determined key management personnel to include the Managing Director, senior officers of NR TAFE, the Governing Council members, and the Minister that NR TAFE assists. NR 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 NR TAFE for the reporting period are presented within the following bands:

Compensation Band (\$)	2019	2018
330,001 - 340,000	1	1
220,001 – 230,000	1	1
200,001 – 210,000	2	1
170,001 – 180,000	-	1
120,001 – 130,000	-	1
80,001 – 90,000	-	1
70,001 – 80,000	1	-
50,001 – 60,000	1	-
20,001 – 30,000	1	1
0 – 10,000	9	9
Short-term employee benefits	1,031,954	1,085,177
Post-employment benefits	97,406	92,389
Other long-term benefits	26,579	25,456
Total compensation of key management personnel	1,155,939	1,203,022

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

8.4 Related parties

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

DISCLOSURES AND LEGAL COMPLIANCE

Related parties of NR 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 NR 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

NR 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: Auditing the accounts, financial statements, controls and key performance indicators.

	2019	2018
Auditing the accounts, financial statements, controls and key performance indicators	167,000	185,000

8.7 Equity

Contributed equity

	2019	2018
Balance at start of period	184,699,316	182,700,241
<i>Other contributions by owners:</i>		
Transfer of Capital Works on Electrical Instrumentation Centre of Specialisation from DTWD	-	198,909
Transfer of Capital Works on Health & Allied Services Training Centre from DTWD	-	179,915
Transfer of Sundry Upgrade Works at Pundulumurra and Karratha campuses from DTWD	1,084,736	914,129
Transfer of flexible learning hub at Pundulumurra campus from DTWD	1,938,485	-
Transfer of Air-conditioning Upgrade Works from DTWD	926,949	-
Other capital contributions by DTWD	126,636	-
Capital appropriation	400,000	706,122
Total contributions by owners	189,176,122	184,699,316
Distribution to owners		
Transfer of net assets to DTWD	(174,630)	-
Balance at the end of period	189,001,491	184,699,316

DISCLOSURES AND LEGAL COMPLIANCE

8.8 Supplementary financial information

(a) Write-offs

During the financial year, \$71,478 (2018: \$12,159) of debts due to NR TAFE were written off and \$34,349 (2018: \$nil) was written off the asset register under the authority of:

	2019	2018
Governing Council	105,827	12,159
	105,827	12,159

(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 NR TAFE.

8.9 Explanatory statement

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018. 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 (\$3.2 million) for the Statement of financial position.

DISCLOSURES AND LEGAL COMPLIANCE

8.9.1 Statement of Comprehensive Income

	Note	Estimate 2019	Actual 2019	Actual 2018	Variance between estimate and actual	Variance between actual for 2019 and 2018
		\$	\$	\$	\$	\$
Expenses						
Employee benefits expense	a.	36,676,508	36,698,100	38,513,455	21,592	(1,815,356)
Supplies and services	1.b	13,241,456	12,174,629	13,898,329	(1,066,827)	(1,723,699)
Finance cost		-	81,271	-	81,271	81,271
Asset revaluation decrement		-	2,528	519,648	2,528	(517,121)
Other expenses		2,794,968	3,146,759	3,247,321	351,791	(100,562)
Cost of sales		8,922	12,671	8,644	3,749	4,028
Depreciation and amortisation expenses	2.c	4,664,885	7,813,119	4,592,017	3,148,234	3,221,102
Total cost of services		57,386,739	59,929,078	60,779,413	2,542,339	(850,336)
Income						
Revenue						
Fee for service		1,817,949	1,608,074	1,496,269	(209,875)	111,804
Student fees and charges		2,643,562	2,523,665	2,919,559	(119,897)	(395,894)
Ancillary Trading		27,025	223,770	37,360	196,745	186,410
Sales		25,301	15,809	15,754	(9,492)	55
Commonwealth grants		375,000	764,900	732,983	389,900	31,917
Interest revenue		447,630	353,460	474,162	(94,170)	(120,702)
Other revenue		580,067	644,286	885,316	64,219	(241,030)
Total Revenue		5,916,534	6,133,964	6,561,403	217,430	(427,439)

DISCLOSURES AND LEGAL COMPLIANCE

8.9.1 Statement of Comprehensive Income cont.	Note	Estimate 2019	Actual 2019	Actual 2018	Variance between estimate and actual	Variance between actual for 2019 and 2018
		\$	\$	\$	\$	\$
Gains						
Gain on disposal on non-current assets		-	273	15,139	273	(14,866)
Other gain	3.d	-	3,370,981	2,106,193	3,370,981	1,264,788
Total gains		-	3,371,253	2,121,332	3,371,253	1,249,921
Total income other than income from State Government		5,916,534	9,505,218	8,682,736	3,588,684	822,482
NET COST OF SERVICES		51,470,205	50,423,860	52,096,678	(1,046,345)	(1,672,818)
Income from State Government						
Grants and subsidies from DTWD	4.e	45,795,357	43,894,525	46,806,237	(1,900,832)	(2,911,712)
Services received free of charge		1,353,301	1,313,150	2,149,428	(40,151)	(836,277)
Total income from State Government		47,148,658	45,207,675	48,955,665	(1,940,983)	(3,747,990)
SURPLUS/(DEFICIT) FOR THE PERIOD		(4,321,547)	(5,216,185)	(3,141,013)	(894,638)	(2,075,172)

Major Estimate and Actual (2019) Variance Narratives

- Supplies and Services cost was lower than estimate by \$1.1m primarily due to the change in accounting for leased properties under AASB 16 (\$0.6m) and a reduction in resources provided free of charge by \$0.8m.
- Depreciation and amortisation increased in 2019 by \$3.1m due to the change of accounting for leased properties under AASB 16.
- Other gains related to gains on revaluation of land and buildings. No gains or losses are estimated due to the uncertainty of prediction.
- DPA Grants and subsidies were lower than estimate by \$1.9m due to a shortfall in SCH delivery achieved in the year.

DISCLOSURES AND LEGAL COMPLIANCE

Major Actual 2019 and Comparative (2018) Variance Narratives

- The change of accounting for leased residential properties under AASB16 reduced employee benefits expense by \$2.5m in 2019. If this impact is excluded the employee benefits expense would have increased by \$0.7m due to higher staff numbers than estimated.
- Supplies and Services cost was lower than the prior year by \$1.7m primarily due to the change in accounting for leased properties and vehicles under AASB 16. This change of accounting standard reduced 2019 supplies and services costs by \$0.6m and increased 2019 depreciation and amortisation by \$3.0m.
- Depreciation and amortisation increased in 2019 by \$3.2m compared to prior year due to the change of accounting for leased properties and vehicles under AASB 16.
- Other gains related to gains on revaluation of land and buildings which exceeded prior year gain by \$1.2m due to an improvement in the property market.
- DPA Grants and subsidies was lower than the prior year by \$2.9m due to lower SCH delivery being achieved than was achieved in the prior year.

8.9.2 Statement of Financial Position	Note	Estimate 2019	Actual 2019	Actual 2018	Variance between estimate and actual	Variance between actual for 2019 and 2018
		\$	\$	\$	\$	\$
ASSETS						
Current Assets						
Cash and cash equivalents	f.	12,323,309	9,642,832	13,640,761	(2,680,477)	(3,997,929)
Restricted cash and cash equivalents		2,045,797	4,564,362	2,547,900	2,518,565	2,016,462
Receivables		1,225,767	597,885	810,358	(627,882)	(212,474)
Inventories		21,132	-	21,132	(21,132)	(21,132)
Other current assets		505,216	495,431	480,584	(9,785)	14,847
Total Current Assets		16,121,221	15,300,510	17,500,735	(820,711)	(2,200,225)

DISCLOSURES AND LEGAL COMPLIANCE

8.9.2 Statement of Financial Position cont.	Note	Estimate 2019	Actual 2019	Actual 2018	Variance between estimate and actual	Variance between actual for 2019 and 2018
		\$	\$	\$	\$	\$
ASSETS cont.						
Non-Current Assets						
Restricted cash and cash equivalents		512,714	539,462	427,318	26,748	112,144
Property, plant and equipment	5.g	142,118,854	146,455,056	142,805,377	4,336,202	3,649,678
Right-of-use assets	6.h	-	3,291,187	-	3,291,187	3,291,187
Intangible assets		325,187	162,976	194,174	(162,211)	(31,198)
Other non-current assets		-	-	-	-	-
Total Non-Current Assets		142,956,755	150,448,681	143,426,869	7,491,926	7,021,812
TOTAL ASSETS		159,077,976	165,749,192	160,927,604	6,671,216	4,821,587
LIABILITIES						
Current Liabilities						
Payables		1,789,304	1,320,289	1,552,583	(469,015)	(232,294)
Lease liabilities		-	1,794,204	-	1,794,204	1,794,204
Employee related provisions		4,455,383	5,192,190	4,725,625	736,807	466,565
Other current liabilities		2,396,952	5,057,465	2,977,771	2,660,513	2,079,694
Total Current Liabilities		8,641,639	13,364,148	9,255,980	4,722,509	4,108,168
Non-Current Liabilities						
Lease Liabilities		-	1,472,624	-	1,472,624	1,472,624
Employee related provisions		994,775	1,222,710	1,067,905	227,935	154,805
Total Non-Current Liabilities		994,775	2,695,334	1,067,905	1,700,559	1,627,429
TOTAL LIABILITIES		9,636,414	16,059,482	10,323,885	6,423,068	5,735,597
NET ASSETS		149,441,562	149,689,710	150,603,720	248,148	(914,010)

DISCLOSURES AND LEGAL COMPLIANCE

8.9.2 Statement of Financial Position cont.

	Note	Estimate 2019	Actual 2019	Actual 2018	Variance between estimate and actual	Variance between actual for 2019 and 2018
		\$	\$	\$	\$	\$
EQUITY						
Contributed equity		189,139,615	189,001,491	184,699,316	(138,124)	4,302,174
Accumulated surplus/(deficit)		(39,698,053)	(39,311,781)	(34,095,596)	386,272	(5,216,185)
TOTAL EQUITY		149,441,562	149,689,710	150,603,720	248,148	(914,010)

Major Estimate and Actual (2019) Variance Narratives

5. Property, plant and equipment was \$4.3m higher than estimate primarily due to the revaluation of land and buildings increasing the valuation by \$3.4m, which had not been estimated.
6. Right of Use assets of \$3.2m were recognised on leases for the first time in 2019 under AASB16. No amount had been included in the estimate in respect of the introduction of this new accounting standard.

Major Actual 2019 and Comparative (2018) Variance Narratives

- f. Cash and cash equivalents were lower than the prior year by \$4.0m primarily due to the College's income not matching the expenditure as a result of the SCH shortfall.
- g. Property, plant and equipment was \$3.6m higher than prior year primarily due to the revaluation of land and buildings increasing the valuation by \$3.4m.
- h. Right of Use assets of \$3.2m were recognised on leases for the first time in 2019 under AASB16. No amount was recognised in the prior year.



DISCLOSURES AND LEGAL COMPLIANCE

8.9.3 Statement of Cash Flows Variances	Note	Estimate 2019	Actual 2019	Actual 2018	Variance between estimate and actual	Variance between actual for 2019 and 2018
		\$	\$	\$	\$	\$
CASH FLOWS FROM STATE GOVERNMENT						
Grants and subsidies from DTWD		45,795,357	45,910,988	45,426,148	115,631	484,840
Total Net cash provided by State Government		45,795,357	45,910,988	45,426,148	115,631	484,840
CASHFLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	i.	(36,535,041)	(35,935,222)	(37,947,880)	599,819	2,012,658
Supplies and Services		(11,928,356)	(11,249,333)	(11,987,594)	679,023	738,261
Finance cost		-	(81,271)	-	(81,271)	(81,271)
GST payments on purchases		(30,396)	(1,383,144)	(1,462,476)	(1,352,748)	79,332
Other payments		(2,734,866)	(3,045,463)	(3,262,649)	(310,597)	217,186
Receipts						
Fee for service		2,005,770	1,608,074	1,496,269	(397,696)	111,805
Student fees and charges		2,349,257	2,961,813	3,243,302	612,556	(281,489)
Ancillary trading		27,025	239,578	53,114	212,553	186,464
Commonwealth grants and contributions		375,000	671,874	732,983	296,874	(61,109)
Interest received		448,430	353,460	474,162	(94,970)	(120,702)
GST receipts on sales		-	182,681	248,661	182,681	(65,980)
GST receipts from ATO		30,396	1,071,763	1,162,453	1,041,367	(90,690)
Other receipts		574,070	644,286	885,316	70,216	(241,030)
Net cash used in operating activities		(45,418,711)	(43,960,904)	(46,364,339)	1,457,807	2,403,435
CASH FLOWS FROM INVESTING ACTIVITIES						

DISCLOSURES AND LEGAL COMPLIANCE

8.9.3 Statement of Cash Flows Variances	Note	Estimate 2019	Actual 2019	Actual 2018	Variance between estimate and actual	Variance between actual for 2019 and 2018
		\$	\$	\$	\$	\$
Payments		(900,000)	(1,193,879)	(907,586)	(293,879)	(286,293)
Purchase of non-current physical assets						
Receipts						
Proceeds from sale of assets		-	273	25,804	273	(25,531)
Capital contribution		-	400,000	706,122	400,000	(306,122)
Net cash provided by investing activities		(900,000)	(793,606)	(175,660)	106,394	(617,946)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Principal elements of lease payments	7.j	-	(3,025,801)	-	(3,025,801)	(3,025,801)
Net cash provided by financing activities		-	(3,025,801)	-	(3,025,801)	(3,025,801)
Net increase in cash and cash equivalents		(523,354)	(1,869,323)	(1,113,850)	(1,345,969)	(755,473)
Cash and cash equivalents at the beginning of the period		15,405,174	16,615,979	17,729,829	1,210,805	(1,113,851)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		14,881,820	14,746,656	16,615,979	(135,164)	(1,869,322)

DISCLOSURES AND LEGAL COMPLIANCE

Major Estimate and Actual (2019) Variance Narratives

7. Principal elements of lease payments were recognised for the first time in 2019 due to the change of accounting to comply with the new AASB16 accounting standard. No amount had been included in the estimate.

Major Actual 2019 and Comparative (2018) Variance Narratives

- i. Employee benefits fell between 2018 and 2019 by \$2.0m due to the change of accounting for leases with the cash costs of GROH residential leases being disclosed within principal elements of lease payments for the first time in 2019.
- j. Principal elements of lease payments were recognised for the first time in 2019 under AASB16. No amount was recognised in the prior year.



KEY PERFORMANCE INDICATORS

MINISTERIAL DIRECTIVES

Treasurer's Instruction 903 (12) requires North Regional TAFE to disclose details of any Ministerial directives relevant to the setting of desired outcomes or operational objectives, the achievements of desired outcomes or operational objectives, investment activities and financing activities.

No directives were issued to North Regional TAFE

OTHER FINANCIAL DISCLOSURES

Employment and Industrial Relations

Staff Profile

FTE and Headcount – Quarter Sept 2019		
FTE	Average FTE	Head Count
283.03	282.59	299

Appointment Type	2018 FTE	2019 FTE
Permanent Full Time	206.00	236.00
Permanent Part Time	24.92	24.82
Fixed Term Full Time	33.00	22.00
Fixed Term Part Time	5.58	1.07
Casual	23.90	11.31

Substantive equality

Indicator	2018 Target	2018 Result	2019 Target	2019 Result*
Women in the Senior Executive Service	N/A	0.0%	N/A	0.0%
Women in management – Tier 1	N/A	0.0%	N/A	0.0%
Women in management – Tier 2	45%	50.0%	50.0%	33.3%
Women in management – Tier 3	45%	50.0%	50.0%	50.0%
Women in management – Tier 2 and 3 combined	45%	50.0%	50.0%	46.7%
People from culturally diverse backgrounds	13.4%	13.1%	14%	11.9%
Aboriginal Australians	2.7%	9.9%	10%	11.1%
People with disability	1.6%	2.1%	2%	2.6%
Youth	4.0%	2.6%	3%	3.4%

*Results taken from North Regional TAFE Quarterly entity report

KEY PERFORMANCE INDICATORS

Capital projects

2019 capital expenditure spend – key items were as follows:

- Karratha room 806 (prior to handing to KSHS) - \$24,773
- Derby reroof - \$414,055
- Kununurra reception refurbishment - \$27,162
- Kununurra cafeteria - \$7,414
- South Hedland workshops 3 & 4 - \$326,093

PERSONAL EXPENDITURE

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 2019

a) the number of instances the WA Government Purchasing Card has been used for a personal purpose;	6
b) the aggregate amount of personal use expenditure for the reporting period;	\$213.07
c) the aggregate amount of personal use expenditure settled by the due date (5 working days);	\$213.07
d) the aggregate amount of personal use expenditure settled after the period (5 working days);	Nil
e) the aggregate amount of personal use expenditure outstanding at the end of the reporting period;	Nil
f) the number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	Nil

KEY PERFORMANCE INDICATORS

GOVERNANCE DISCLOSURES

Public Interest Disclosures

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.

Board and Committee Remuneration

Position	Name	Type of Remuneration	Period of Membership	Gross/actual remuneration 2019
Chair, Albany	Ian Smith	Annual	12 months	\$23,780
Deputy Chair, Perth	Mick Unger	Sessional	12 months	\$3,794
Member, Perth	Melissa Hartmann	Sessional	12 months	Not eligible
Member, Kununurra	Kristy Brittain	Sessional	12 months	\$2,955
Member, Perth	Kate George	Sessional	12 months Resigned 5/12/2019	\$1,773
Member, Perth	Gary Arcus	Sessional	12 months	\$4,491
Member, Broome	Veronica (Maggie) MacFie	Sessional	6 months Membership expired	\$1,182
Member, Port Hedland	Charlene Peters	Sessional	12 months Resigned 25/10/2019	On leave of absence
Member, Broome	Emma White	Sessional	6 months	\$4,107
Member, South Hedland	Fran Haintz	Sessional	12 months	\$2,955
Member, Newman	Barbara O'Driscoll	Sessional	6 months	Nil

OTHER LEGAL REQUIREMENTS

In accordance with section 175ZE of the *Electoral Act 1907*, the agency incurred the following expenditure in advertising, market research, polling, direct mail and media advertising.

Total expenditure for 2019 was \$160,068.12

Expenditure was incurred in the following areas:

Advertising

Expenditure	Total Expenditure	Account
Advertising agencies	\$159,348.04	Initiative, Facebook and Instagram
Direct mail	\$720.08	Mailchimp
Market research organisations	Nil	Nil
Polling organisation	Nil	Nil

KEY PERFORMANCE INDICATORS

Freedom of Information

NR TAFE had no Freedom of Information requests in 2019.

Compliance with Working with Children (WWC)

NR TAFE has an obligation under the *Working with Children (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.

Code of Ethics and Code of Conduct

In 2019, the College received one allegation for breaches pertaining to the recruitment standards which was not upheld.

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 2019 were 0.

Standard	Outcome	Actions
Disciplinary Issues Raised - 5	Reprimand and/or Warning - 2	Discipline matters still ongoing - 2

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 Section 19 of the *State Records Act 2000*.

During 2019, NR TAFE upgraded to a new production dataset of Content Manager hosted by the Department Training and Workforce Development. The previous Pilbara and Kimberley legacy datasets are still accessible to staff in read only format.

Record management policies and procedures have been reviewed and updated to reflect changes resulting from Content Manager upgrades.

Recordkeeping training program

Content Manager licenses are currently limited to a core group of administrators.

The on-line Record Awareness Training (RAT) is part of all employee's induction process and is required to be completed prior to receiving access to Content Manager. The records department is notified when new employees start at NR TAFE, prompting Content Manager training which incorporates the practical aspects of capturing business records to maintain compliant recordkeeping practice. The impact of large geographical distances between NR TAFE campuses means that

KEY PERFORMANCE INDICATORS

training delivery also relies on local delivery through experienced colleagues or supervisors. All recordkeeping information and instructions are available to staff on the TAFE Intranet.

The efficiency and effectiveness of the recordkeeping training program

Administrative responsibility for Content Manager resided with the Department of Training and Workforce Development until quite recently. Full administration rights have been handed back to colleges mid November 2019, therefore this is a transitional time. The Records Management Network (RMN) team are working now to ensure monitoring and the effectiveness of the new record keeping system.

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

1. Achieved – A 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
- Set measurable OSH targets and objectives to achieve continuous improvement
- Integrate OSH into the workplace through established safe systems of work
- Communicate and consult with the workforce and stakeholders on OSH matters
- Investigate all incidents and implementing measures to prevent reoccurrence
- Reduce risk through hazard identification, assessment, control and monitoring
- 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.

2019 OSH achievements/initiatives were as follows:

- As a first time in the history of NR TAFE and/or the former Institutes, the College received Gold WorkSafe Certification as an assessment outcome of the OSH Management System
- Continued progress towards a combined (Kimberley and Pilbara region) NR TAFE Occupational Management System
- Ensuring all required WorkSafe Plan OSH documentation are implemented

KEY PERFORMANCE INDICATORS

- A revised OSH Committee member structure to include nominated OSH Representatives as standing members
- Roll out of “Chemwatch” throughout the organisation, which is an on-line system used for hazardous chemical compliance requirements.

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

The revised OSH structure of the College from two regional OSH Coordinator positions, to a structure which consists of one OSH Consultant and a Senior OSH Officer, both located in Broome, has contributed to consistent interpretation and OSH advice to all staff.

OSH Representatives are appointed throughout the College. All OSH Representatives used to be members of the NRT OSH Committee. The Terms of Reference has been revised to include 4 standing OSH Representative members, instead of 17 OSH Representatives. This change includes a reporting and consultation mechanism between non-standing OSH Representatives and the standing OSH Committee OSH Representative members to discuss OSH concerns, initiatives and continuous improvements. The standing OSH Representative members escalate information to and from the OSH Committee.

The existing NRT 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, NRT 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*.

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.

The last external OSHMS assessments for the College were undertaken respectively for the former Institutes during 2015 (Pilbara region) and 2014 (Kimberley region).

KEY PERFORMANCE INDICATORS

The first external OSHMS assessment for the amalgamated College was undertaken during August 2019. The WorkSafe Plan was used as recognised assessment tool by Switched-Onto-Safety as accredited auditors. The campuses of Karratha and Kununurra were assessed and both awarded with Gold WorkSafe certification with an average of 76% compliance.

5 A report of Performance against the following targets:

Measure	Actual Results						Results against target	
	2017		2018		2019		Target	Comment
	NRT Actual	Riskcover statistical	NRT Actual	Riskcover statistical	NRT Actual	Riskcover statistical		
Number of Fatalities	0	0	0	0	0	0	Zero (0)	Achieved
Lost Time Injury/ Disease Rate	0.39	0.39	0.70	1.41	1.42	1.77	Zero or 10% improvement on the previous three (3) years	An increase of time loss injuries during 2019 together with consistent staff capacity during 2018 and 2019. Refer **
Lost Time Injury Severity Rate	0	0	0	50	25	60	Zero or 10% improvement on the previous three (3) years	One actual severe injury with consequential increase of stats. Refer **

Measure	Actual Results (Not reported through Riskcover)			Results against target	
	2017	2018	2019	Target	Comment
	NRT Actual	NRT Actual	NRT Actual		
% of injured workers returned to work within 13 weeks	100%	100%	100%	Greater than or equal to 80%	Achieved
% of injured workers returned to work within 26 weeks	100%	100%	100%	Greater than or equal to 80%	Achieved
Percentage of managers & supervisors trained in OSH & Injury Mgt responsibilities	90%	58%	70%	Greater or Equal to 80%	An increase of more than 10% compared to 2018. Training has been scheduled for 11 Feb 2020 which will increase the result to 88%.

** Riskcover data is produced based on estimated outcome at the commencement of a claim, prior to the claim being investigated.

** NRT actual results are based on actual time loss, whilst Riskcover statistical information is based on estimated time loss.

Government Building Training Policy

North Regional TAFE did not issue in-scope contracts and is not required to report against this policy.

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 2019.



Ian Smith
Chairperson, Governing Council
North Regional TAFE

4 March 2020



Kevin Doig
Managing Director
Member, Governing Council

4 March 2020

KEY PERFORMANCE INDICATORS

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 2019 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 2019 Training WA Student Satisfaction Survey, 91.1% of students who responded were either very satisfied or satisfied with their chosen course at North Regional TAFE. Compared to the State average of 87.5%, North Regional TAFE achieved a higher satisfaction rating.

Table 1

2019 Student Satisfaction	2016 Actual	2017 Actual	2018 Actual	2019 Target	2019 Actual
North Regional TAFE	92.3%	90.9%	93.1%	90%	91.1%
Western Australia	88.9%	87.3%	88.2%		87.5%

Source: EY Sweeney (2018-2019) Student Satisfaction Survey; Patterson Market Research (2016-2017) Student Satisfaction Survey

Notes: The response rate for the survey was 24.1%. Confidence level is 95% and a margin of error +/- 1.8%. Total population of 3,268 with a sample size of 787 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.

KEY PERFORMANCE INDICATORS

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.

Our target, based on an expectation of rapid regional growth in 2019, has not yet filtered to an increase in local employment. Consequently North Regional TAFE did not achieve its ambitious 2019 target, however did significantly exceed both the State and TAFE Australia averages.

Table 2

	2017 Actual	2018 Actual	2019 Target	2019 Actual
North Regional TAFE	88.0%	88.4%	90.6%	84.4%
Western Australia	73.6%	68.5%		67.3%
TAFE Australia	73.1%	72.4%		71.3%

Source: NCVER, Student Outcomes Survey

Notes: 119 graduates responded to the survey, giving a response rate of 26.7%. +/-5.5% 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.

North Regional TAFE's 2019 survey result was below target but exceeded the State and TAFE Australia averages.

KEY PERFORMANCE INDICATORS

Table 3

	2017 Actual	2018 Actual	2019 Target	2019 Actual
North Regional TAFE	90.5%	92.4%	88.1%	83.3%
Western Australia	83.4%	79.7%		78.8%
TAFE Australia	83.2%	82.1%		81.9%

Source: NCVET, Student Outcomes Survey

Notes: 119 graduates responded to the survey, giving a response rate of 26.7%. +/-5.6% 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 2019 (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 2019 figures represent TAFE performance for the reporting period 31 December 2019.

Table 4

<u>PROFILE SUMMARY TABLE</u>	Year	Target SCH	Actual SCH	% Achievement
Achievement of profile delivery	2019	1,200,246	978,071	81.5%
	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 internal Management Information System for Actual SCH.

Notes: Planned targets are based on the original DPA.

KEY PERFORMANCE INDICATORS

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 Profile SCH Achieved	2019 Planned Profile SCH	2019 Profile SCH Achieved	2019 % Achieved
1	MANAGERS	24,895	15,970	12,440	10,430	83.8%
11	Chief Executives, General Managers and Legislators	9,780	14,305	9,700	8,970	92.5%
12	Farmers and Farm Managers	13,070	100	-	95	100.0%
13	Specialist Managers	1,290	270	510	935	183.3%
14	Hospitality, Retail and Service Managers	755	1,295	2,230	430	19.3%
2	PROFESSIONALS	119,430	71,224	76,761	68,537	89.3%
21	Arts and Media Professionals	16,973	21,220	23,480	26,514	112.9%
22	Business, Human Resource and Marketing Professionals	6,915	9,330	6,200	4,580	73.9%
23	Design, Engineering, Science and Transport Professionals	80,212	34,964	34,495	17,908	51.9%
24	Education Professionals	14,145	4,850	10,986	19,165	174.4%
26	ICT Professionals	1,185	860	1,600	370	23.1%
3	TECHNICIANS AND TRADES WORKERS	134,239	152,455	158,300	148,556	93.8%
31	Engineering, ICT and Science Technicians	16,402	17,399	11,909	7,229	60.7%
32	Automotive and Engineering Trades Workers	36,640	41,715	48,024	48,417	100.8%
33	Construction Trades Workers	33,519	35,453	37,613	29,965	79.7%
34	Electrotechnology and Telecommunications Trades Workers	24,825	38,439	38,674	35,724	92.4%
35	Food Trades Workers	6,653	5,854	6,000	9,975	166.3%
36	Skilled Animal and Horticultural Workers	12,385	10,160	7,920	8,675	109.5%
39	Other Technicians and Trades Workers	3,815	3,435	8,160	8,571	105.0%
4	COMMUNITY AND PERSONAL SERVICE WORKERS	231,958	234,145	226,996	203,861	89.8%

KEY PERFORMANCE INDICATORS

ANZSCO Group		2017 Profile SCH Achieved	2018 Profile SCH Achieved	2019 Planned Profile SCH	2019 Profile SCH Achieved	2019 % Achieved
41	Health and Welfare Support Workers	73,245	72,055	79,010	69,255	87.7%
42	Carers and Aides	113,549	103,668	96,875	88,369	91.2%
43	Hospitality Workers	9,008	8,356	8,885	12,731	143.3%
44	Protective Service Workers	6,124	3,292	2,940	-	0.0%
45	Sports and Personal Service Workers	30,032	46,774	39,286	33,506	85.3%
5	CLERICAL AND ADMINISTRATIVE WORKERS	103,175	112,390	119,810	113,140	94.4%
51	Office Managers and Program Administrators	11,400	16,685	13,540	20,880	154.2%
53	General Clerical Workers	72,075	68,905	77,555	66,205	85.4%
55	Numerical Clerks	10,015	15,275	15,760	12,465	79.1%
59	Other Clerical and Administrative Workers	9,685	11,525	12,955	13,590	104.9%
7	MACHINERY OPERATORS AND DRIVERS	57,452	71,989	72,892	55,036	75.5%
71	Machine and Stationary Plant Operators	19,095	23,417	22,784	6,511	28.6%
72	Mobile Plant Operators	36,977	46,377	49,243	46,055	93.5%
74	Storepersons	1,380	2,195	865	2,470	285.5%
8	LABOURERS	174,664	224,469	247,433	170,835	69.0%
82	Construction and Mining Labourers	34,178	42,697	49,495	18,406	37.2%
83	Factory Process Workers	26,578	26,946	26,915	29,551	109.8%
84	Farm, Forestry and Garden Workers	44,957	105,474	114,615	92,985	81.1%
85	Food Preparation Assistants	417	565	870	256	29.4%
89	Other Labourers	68,534	48,787	55,538	29,637	53.4%
G	GENERAL EDUCATION	232,722	218,989	285,614	207,676	72.7%
NORTH REGIONAL TAFE TOTAL		1,078,535	1,101,631	1,200,246	978,071	81.5%

Note: 2019 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).

KEY PERFORMANCE INDICATORS

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

Demand less than expected ANZSCO Groups

Group 1 – 16.2% decrease, which relates mainly to reduced demand for Hospitality Manager (Diploma) type courses.

Group 2 – 10.7% decrease, which relates to mainly reduced demand in the Accounting field as well as reduced demand for ICT courses.

Group 4 – 10.2% decrease, which relates to mainly reduced demand in the field of Beauty type courses as well as NR TAFE deregistering courses in Security due to very low demand over the last couple of years.

Group 7 – 24.5% decrease due to a significant change of the Maritime training package with new regulations and hence a reduction in the uptake for the whole of the second part of the year.

Group 8 – 31.0% delivery decreases relate to mainly reduced demand in the pathway courses for Building & construction, entry type cookery courses as well as the significant changes in the Maritime training package as above.

General Education – 27.3% due to the decline in training demand from Community Development Employment Projects (CDEP) providers, mainly in the area of East & West Kimberley, related to employment readiness and entry type courses.

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.

The shortfall of SCH achieved in 2019 directly impacts the SCH efficiency indicator. The North Regional TAFE was resourced with staffing to achieve 1,200,246 SCH in 2019 and achieved 81.5% of that target. This underachievement flows through to the cost of SCH and therefore increased the cost of SCH by \$9 to \$54.64 per SCH.

Table 6

	2017 Actual	2018 Actual	2019 Target	2019 Actual
North Regional TAFE	\$63.76	\$52.27	\$45.64	\$54.64