



North
Regional

2020 *Annual Report*

NORTH REGIONAL TAFE



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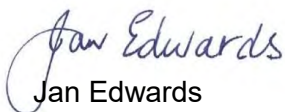
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Statement of Compliance

In accordance with Section 63 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 2020. 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*.

The financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board.



Jan Edwards
Acting Managing Director and Accountable Officer
12 March 2021



Ian Smith
Governing Council Chair
12 March 2021

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 past, present and emerging.

AGENCY OVERVIEW

Executive Summary

Governing Council Chair and Managing Director

On behalf of North Regional TAFE, we are pleased to present the 2020 Annual Report.

North Regional TAFE delivered to thousands of local students within the expansive and diverse north of Western Australia and we play a vital role training the workforces within our communities. Our important responsibility in skilling our community is something that drives our strategic direction and ensures our primary focus is to meet the needs of all of our stakeholders.

COVID-19 had a significant impact on North Regional TAFE's training delivery in 2020, with many apprenticeships and traineeships affected and other face-to-face delivery not available or postponed.

Approximately 35% of North Regional TAFE's students identify as Aboriginal and Torres Strait Islander across north of Western Australia. North Regional TAFE offers training delivery within remote Aboriginal communities where some residents are more vulnerable to COVID-19 than other West Australians. On the 26th March 2020 access was restricted to remote Aboriginal communities, restrictions which was enforceable through emergency determination powers under the *Biosecurity Act 2015 (Cth)* and the State Government's remote Aboriginal Communities Directions continue to apply. Face-to-face delivery in these areas either had to be postponed or other methods of delivery explored.

North Regional TAFE is proud to report that our Student Satisfaction Rating of 88.9% continues to exceed the state average (87.6%).

Whilst COVID-19 indeed brought challenges for the college, it was heartening to see all staff work collaboratively to meet those challenges. In response to these challenges, North Regional TAFE;

- accelerated our technology roadmap
- upgraded internet network capacity
- enabled greater mobile access
- utilised better communication tools, and
- introduced cloud-based data management to improve efficiencies and maximise resources.

North Regional TAFE's adoption of online communication tools such as Zoom and Microsoft Teams, as well as consolidation of training resources incorporated within the BlackBoard software application, enabled us to increase our capacity to provide flexible online training delivery options.

Accredited WorkSafe auditors visited the campuses of Karratha and Kununurra during our 2020 WorkSafe assessment and the College was awarded with Gold WorkSafe certification with an average of 76% compliance.

North Regional TAFE was proud to host Hon. Sue Ellery MLC, Minister for Education and Training and Hon. Stephen Dawson MLC, Minister for Disability Services to officially open our new National Disability Insurance Scheme (NDIS) training facilities in Broome and Karratha.

The number of students identifying as a student with a disability increased in comparison to 2019 to 348, which equates to approximately 5% of the student population.

Premier Mark McGowan announced \$43 million towards capital works projects at North Regional TAFE as part of the biggest TAFE investment in Western Australia's history:

- With a visit to the Broome campus on the 30th July 2020 announcing a \$10 million investment for a new building to expand its training in hospitality and tourism;

- a visit to the Kununurra campus on the 21st September 2020 announcing a \$6 million investment to create a specialist facility which will expand training for NDIS related courses, as well as hospitality and tourism training;
- a visit to the Pundulmurra campus in South Hedland announcing a \$22 million investment for a new workshop to expand training for plant mechanic and engineering needs as well as a new commercial cookery facility focused on resource sector requirements; and
- a visit to the Minurmarghali Mia campus in Roebourne to also announce a \$5 million boost for a new classroom block.

In 2020, North Regional TAFE's Strategic Plan – *Looking Ahead 2021 -2023* was developed and approved by the College Governing Council following consultation with Governing Council, staff, the Business Leadership Group and the Executive team. In particular, the Plan highlights the college's Purpose statement, revised organisational values and the four strategic priorities.

The Strategic Plan incorporates our new Purpose of 'Creating Opportunities through Great Learning Experiences' and provides ultimate direction to everything we do.

Our core values were developed by consulting with staff extensively and thanks to them, we were proud to launch Our Shared Values towards the end of 2020, incorporating Integrity, Respect, Continuous Improvement, Leadership and Teamwork.

North Regional TAFE recently completed recruitment of two Manager Industry Engagement positions across the north of Western Australia. These positions were created based on industry feedback across all regional TAFEs and will align with our 2021 strategic priority to strengthen our student, employer and community focus.

These new roles are dedicated to working directly with our key industry stakeholders, identifying unmet and emerging training demand including the need for new training programs, different delivery methods and factors affecting access to training.

Complementing this, North Regional TAFE continued to work closely with existing and new stakeholders in partnership with the Jobs and Skills Centres. The Jobs and Skills Centres are located on TAFE campuses in Broome and Karratha, with additional outreach sites operated in Kununurra, South Hedland and Newman.

The Centres provide support to employers and business owners in the form of recruitment assistance, including apprentices and trainees, providing essential information on training solutions.

Our college was involved at the WA Training Awards. Notable achievements included:

- Winner, Joel Pearson, WA School-based Apprentice of the Year (studying remotely)
- Finalist, Chantelle Un, WA Vocational Student of the Year (Kununurra campus)
- Finalist, Philemon Pearson, WA Aboriginal and Torres Strait Islander Student of the Year (Pundulmurra campus)

The State Government's investment in training to reduce course fees and provide free training resulted in a significant increase in TAFE enrolments across Western Australia.

This is especially pertinent with the multiple announcements of heavily reduced fees for 2020 and beyond for a large number of courses relevant to driving the state economy and forming part of the Lower Fees, Local Skills initiative.

In response to the State Government's WA Recovery Plan initiatives and subsequent increased training demand, North Regional TAFE took part in the largest recruitment drive in our history, seeking skilled workers to join the North Regional TAFE team as lecturers, to complement our existing team of highly skilled staff and ensure we are well-positioned to train our future workforce to address the issue of attraction and retention of staff.

2020 was a significant year in North Regional TAFE's reconciliation journey with the College's Innovate Reconciliation Action Plan (RAP) approved by Reconciliation Australia. The RAP will be officially launched in early 2021.

During National Reconciliation Week and NAIDOC Week several successful events were hosted on multiple major campuses across the college.

On behalf of Governing Council and the Executive Team, we would like to thank North Regional TAFE staff for their efforts during an extraordinary 2020. Our aim is to provide relevant skills to people of the north of Western Australia region and its community. Staff are committed to this cause, working across significant distances in harsh and sometimes challenging conditions. It is this ongoing commitment that enables educational delivery and services to be maintained for the College and the communities we serve.



Ian Smith
Governing Council Chair



Kevin Doig
Managing Director

2020 North Regional TAFE SNAPSHOT

STUDENT DEMOGRAPHICS

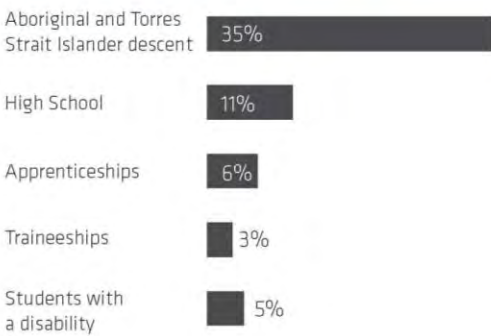


6,733 total students

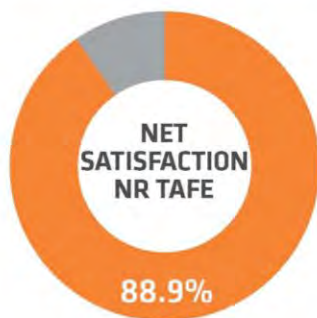


3,568 male
3,165 female

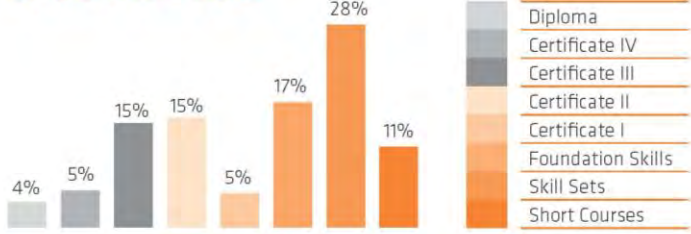
STUDENT ENROLMENTS



STUDENT SATISFACTION



STUDY LEVELS



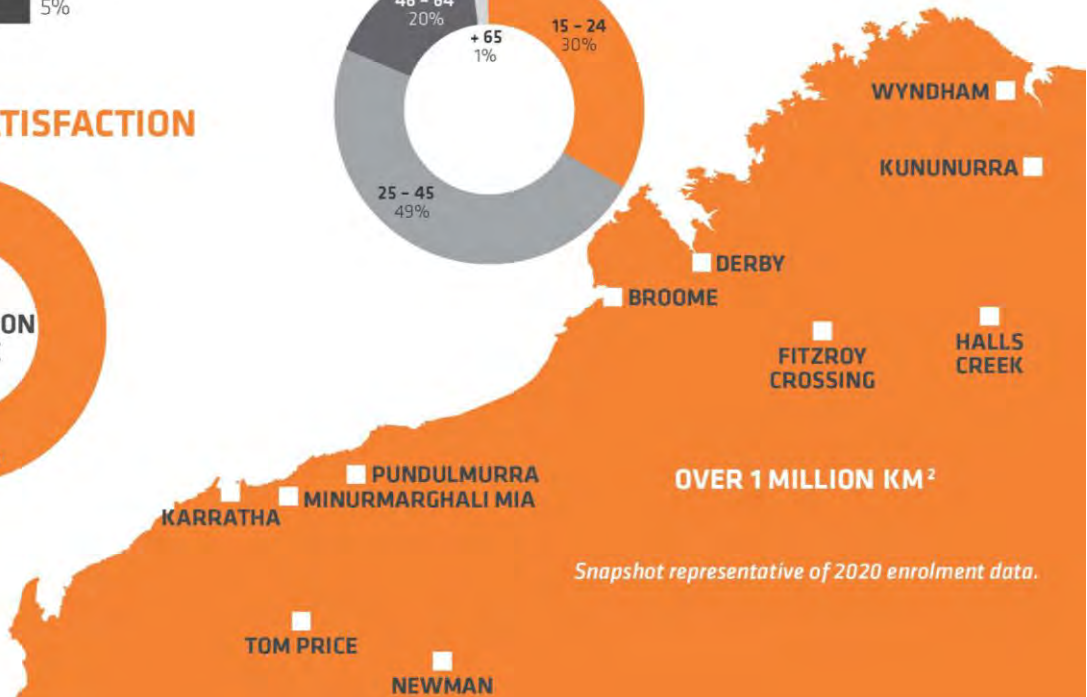
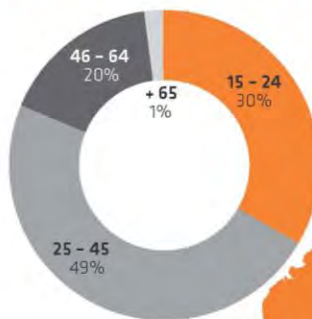
Top 10 Qualifications 2020

- 1 Certificate II in Conservation and Land Management
- 2 Certificate I in Gaining Access to Training and Employment (GATE)
- 3 Certificate III in Individual Support
- 4 Certificate II in Business
- 5 Certificate III in Early Childhood Education and Care
- 6 Certificate III in Community Services
- 7 Certificate III in Electrotechnology Electrician
- 8 Certificate IV in Training and Assessment
- 9 Certificate II in Visual Arts
- 10 Certificate II in Engineering Pathways

Top 5 Skill Sets

- 1 First Aid Skill Set
- 2 Forklift Skill Set
- 3 White Card Skill Set
- 4 Civil Construction Plant Operations (Midwest Safety) Skill Set
- 5 Work Safely at Heights Skill Set

STUDENT AGE CATEGORIES



Agency Overview

Enabling legislation

North Regional TAFE was established as an agency on 11 April 2016, under the *Vocational Education and Training Act 1996*.

Responsible Minister

The Hon. Sue Ellery, BA MLA, Minister for Education and Training.

Strategic direction

North Regional TAFE recently merged our Mission and Vision into the one single Purpose that drives everything we do:

Our Purpose

Creating Opportunities through Great Learning Experiences.

Our Pillars

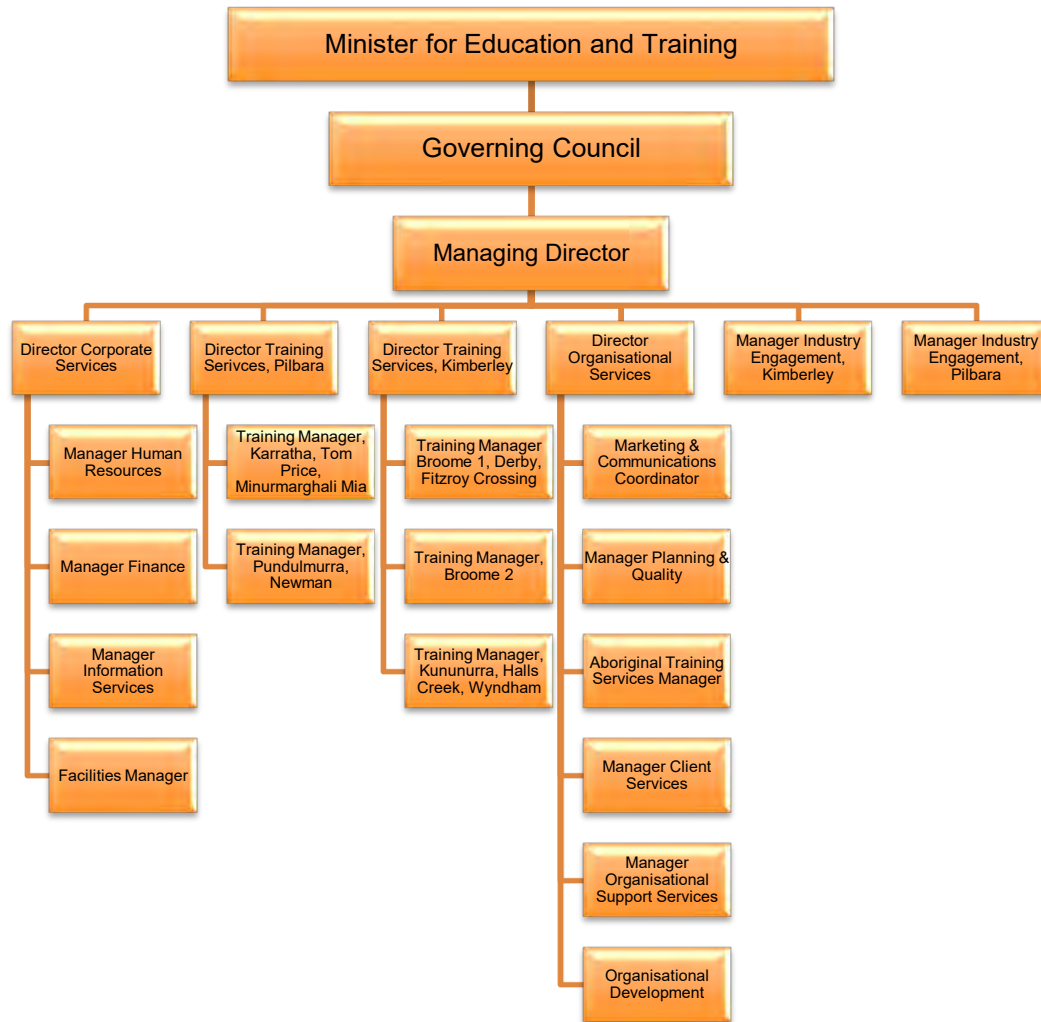
Our College is built on five pillars that reflect our commitment to providing quality and accessible vocational education and training that meets the needs of the individual, industry and the broader community.

- Respect and Human Rights
- Accountability
- Responsiveness
- Diversity of cultures, ideas and peoples
- Aboriginal perspectives and reconciliation



Disability Services Minister Stephen Dawson and Education and Training Minister Sue Ellery at the opening of the NDIS training facility at Broome campus. July 2020.

Organisational 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.



Ian Smith
Chair
(Albany)



Mick Unger
Deputy Chair
(Perth)



Gary Arcus
(Perth)



Melissa Hartmann
(Perth)



Kristy Brittain
(Kununurra)



Emma White
(Broome)



Barbara O'Driscoll
(Newman)



Fran Haintz
(Port Hedland)



Wendy Dunne
(Perth)



Maree Stallard
(Broome)

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
Director Organisational Services



Jeff Cooper
Director Training Services Pilbara



Markus Beuke
Director Training Services Kimberley



Tim McLachlan
Director Corporate Services

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 Legislation

- 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

Performance Management Framework

Links between State Government goals and strategic outcomes

North Regional TAFE's Strategic Plan 2018-2020 outlined our key strategic goals and priorities that linked to State Government goals and the State Training Plan throughout 2020.



Premier Mark McGowan visiting Pundulmurra campus to announce facility upgrades as part of the Rebuilding TAFEs initiative. August 2020.

North Regional TAFE's 2020 strategic goals and how we measured these goals are listed below:

Strategic Goal	Measurement
<ul style="list-style-type: none"> • Train for the future • Build a high performing culture • Exceed stakeholder expectations • Grow and diversify revenue streams • Achieve business sustainability 	<ul style="list-style-type: none"> • Understanding student satisfaction and needs • Staff surveys / Delivery of SCH targets • Student surveys (Graduate, Satisfaction) • Commercial revenues • \$ Cost / SCH

North Regional TAFE's strategic performance is also measured via the Key Performance Indicators within this Annual Report.

The Business Plan 2020 describes the vocational education and training and other priorities executed in order to meet our strategic outcomes.

Changes to outcome-based framework

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

Shared responsibilities with other agencies

North Regional TAFE receives an annual funding allocation from the State Government through a resource agreement (Delivery and Performance Agreement) with the Department of Training and Workforce Development. North Regional TAFE reports to the Department on outcomes under that agreement.

AGENCY PERFORMANCE

Report on Operations

Stakeholder Satisfaction

Indicators	2020 Target	2020 Actual	Variation
Student Satisfaction			
Overall Student Satisfaction	90.1%	88.9%	- 1.2%

(Source: WA Student Satisfaction Survey)

Comment: North Regional TAFE exceeds the State average of 87.6% by 1.3%

Graduate Achievement Rate			
Achieved main reason for doing course	88.2%	86.0%	- 2.2%

(Source: Student Outcomes Survey NCVET)

Comment: North Regional TAFE exceeds the State average of 79.5% by 6.5%

Graduate Destination Rate			
Employed	90.7%	73.8%	- 16.9%

(Source: Student Outcomes Survey NCVET)

Comment: Although North Regional TAFE exceeds the State average of 60.3% by 13.5%, North Regional TAFE and the State average were much lower than previous years, possibly to the timing of the survey in May 2020, at a time where many graduates were stood down from their employment due to COVID-19.

Training outcomes

Achievement of Profile Delivery

Profile achieved SCH	1,250,620	913,032	-337,588
% of Profile achieved		73%	

Comment: 27% less than planned delivery due to many industry areas affected by COVID-19 throughout 2020.

Financial efficiency indicator

Delivery costs per curriculum hour	\$45.64	\$60.39	-\$14.75
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(Source: Statement of Comprehensive Income)

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

North Regional TAFE delivered a total of 913,032 student curriculum hours (SCH) to 6,733 students over the 2020 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.



Electrotechnology students training at Karratha campus.

Benchmarks for training in priority areas

The table below are the achievements for the College in terms of performance against the contract targets in the 2020 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.

Training Priority	Target (SCH)	Actual (SCH)	%
Apprenticeship	122,502	94,408	77%
Traineeship	48,267	45,081	93%
Employment Based Training (EBT) Total	170,769	139,489	82%
Priority Industry Training	375,466	246,341	66%
General Industry Training	453,862	327,645	72.2%
Foundation Skills and General Education	250,523	199,557	79.7%
Age 15-24	524,775	358,166	68.3%

Qualification Completions

Priority areas	Benchmark	Actual	%
Certificate III and above	739	388	52.5%
Aboriginal and Torres Strait Islanders Certificate II and above	330	176	53.3%
Students with a disability Certificate II and above	52	28	53.8%



Hairdressing apprentice in Salon 700 training facility at Karratha campus.

Student demographic response rates

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

1. Are you of Aboriginal or Torres Strait Islander origin?
2. 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	Variation
Aboriginal Question	90%	91.3%	+1.3%
Disability Question	90%	92.2%	+2.2%

Key Performance Indicators and Certification

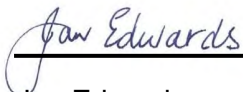
Certification of Key Performance Indicators

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 2020.



Ian Smith
Chair, Governing Council,
North Regional TAFE

12 March 2021



Jan Edwards
Acting Managing Director
and Member, Governing Council,
North Regional TAFE

12 March 2021

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 our customers and their needs. The 2020 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 2020 Training WA Student Satisfaction Survey, 88.9% of students who responded were either very satisfied or satisfied with their chosen course at North Regional TAFE. North Regional TAFE achieved a higher satisfaction rating than the State average of 87.6%.

Our new 2021-2023 Strategic Plan introduced a new strategic priority: Strengthen our Student, Employer and Community Focus. As a result, North Regional TAFE will interpret the data from this survey in greater detail in an effort to find opportunities to improve student satisfaction.

Table 1

2020 Student Satisfaction	2017 Actual	2018 Actual	2019 Actual	2020 Target	2020 Actual
North Regional TAFE	90.9%	93.1%	91.1%	90.1%	88.9%
Western Australia	87.3%	88.2%	87.5%	N/A	87.6%

Source: EY Sweeney (2018-2020) Student Satisfaction Survey; Patterson Market Research (2017) Student Satisfaction Survey
Notes: The response rate for the survey was 24.7%. Confidence level is 95% and a margin of error +/- 2.2%. Total population of 2,493 with a sample size of 615 students.

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

Graduate Destination Rate

This KPI measures the proportion of graduates (qualification completers) 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 May 2020, the year following graduation.

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.

The 2020 Actual figure is down significantly on the target, likely due to the timing of the survey – during peak impact of COVID-19 in Western Australia. It is a trend also observed across the state and nationally.

This is also supported by additional information provided by NCVER, unique to 2020, demonstrating that of the graduates employed, 8.2% were temporarily stood down due to COVID-19.

Further, of the students not employed, 21.6% lost their job due to COVID-19 which demonstrates the significant disruption the pandemic caused for students.

North Regional TAFE will revise its target for 2021 after a close examination of the available data and the current employment environment. This will be complemented by two new State Government appointed Manager Industry Engagement roles.

Table 2

	2017 Actual	2018 Actual	2019 Actual	2020 Target	2020 Actual
North Regional TAFE	88.0%	88.4%	84.4%	90.7%	73.8%
Western Australia	73.6%	68.5%	67.3%		60.3%
TAFE Australia	73.1%	72.4%	71.3%		65.7%

Source: NCVER, Student Outcomes Survey

Notes: 161 graduates responded to the survey, giving a response rate of 28.8% and a confidence level of 95%.

Graduate Achievement Rate

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

Figures for this KPI are obtained from the Student Outcomes Survey, conducted by NCVER. The Student Outcomes Survey is conducted annually.

North Regional TAFE again exceeded the state and national average for TAFE Colleges and maintained a commendable outcome in a year like no other where students were subjected to COVID-19 related disruptions.

North Regional TAFE will revise its target for 2021 after consideration of a range of factors including examination of data behind the main reasons graduates undertake a course.

The new Manager Industry Engagement roles will also act as direct conduits to some of the key stakeholders, identifying demand for new training programs, different delivery methods and factors affecting access to training.

Table 3

	2017 Actual	2018 Actual	2019 Actual	2020 Target	2020 Actual
North Regional TAFE	90.5%	92.4%	83.3%	88.2%	86.0%
Western Australia	83.5%	79.7%	78.8%		79.5%
TAFE Australia	83.2%	82.1%	81.9%		81.8%

Source: NCVER, Student Outcomes Survey – Qualification completers

Notes: 161 graduates responded to the survey, giving a response rate of 28.8% and a 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 2020 (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 2020 figures represent TAFE performance for the reporting period 31 December 2020.

Table 4

PROFILE SUMMARY TABLE	Year	Target SCH	Actual SCH	% Achievement
Achievement of profile delivery	2020	1,250,620	913,032	73.0%
	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%

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.

COVID-19 had a significant impact on training delivery during 2020 which resulted in a lower than expected result against the target. State Government initiatives such as Lower Fees, Local Skills and free skill sets have resulted in a high level of interest and North Regional TAFE anticipates a strong recovery in 2021 with an improved Actual SCH figure.

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 breakdown by ANZSCO**

ANZSCO Group	2017 Profile SCH Achieved	2018 Profile SCH Achieved	2019 Profile SCH Achieved	Planned 2020	Achieved 2020	2020 Achieved %
1 MANAGERS	24,895	15,970	10,430	9,870	16,519	167.4%
11 Chief Executives, General Managers and Legislators	9,780	14,305	8,970	7,260	13,315	183.4%
12 Farmers and Farm Managers	13,070	100	95	95	0	0.0%
13 Specialist Managers	1,290	270	935	1,695	1,354	79.9%
14 Hospitality, Retail and Service Managers	755	1,295	430	820	1,850	225.6%
2 PROFESSIONALS	119,430	71,224	68,537	103,715	48,371	46.6%
21 Arts and Media Professionals	16,973	21,220	26,514	44,833	17,491	39.0%
22 Business, Human Resource and Marketing Professionals	6,915	9,330	4,580	5,875	5,510	93.8%
23 Design, Engineering, Science and Transport Professionals	80,212	34,964	17,908	25,492	11,390	44.7%
24 Education Professionals	14,145	4,850	19,165	26,145	13,940	53.3%
26 ICT Professionals	1,185	860	370	1,370	40	2.9%

ANZSCO Group	2017 Profile SCH Achieved	2018 Profile SCH Achieved	2019 Profile SCH Achieved	Planned 2020	Achieved 2020	2020 Achieved %
3 TECHNICIANS AND TRADES WORKER	134,239	152,455	148,556	174,415	146,785	84.2%
31 Engineering, ICT and Science Technicians	16,402	17,399	7,229	11,995	10,547	87.9%
32 Automotive and Engineering Trades Workers	36,640	41,715	48,417	55,644	50,230	90.3%
33 Construction Trades Workers	33,519	35,453	29,965	34,806	16,812	48.3%
34 Electrotechnology and Telecommunications Trades Workers	24,825	38,439	35,724	39,644	34,222	86.3%
35 Food Trades Workers	6,653	5,854	9,975	15,480	14,061	90.8%
36 Skilled Animal and Horticultural Workers	12,385	10,160	8,675	6,920	18,460	266.8%
39 Other Technicians and Trades Workers	3,815	3,435	8,571	9,926	2,453	24.7%
4 COMMUNITY AND PERSONAL SERVICE WORKERS	231,958	234,145	203,861	302,472	201,507	66.6%
41 Health and Welfare Support Workers	73,245	72,055	69,255	112,345	67,140	59.8%
42 Carers and Aides	113,549	103,668	88,369	117,184	90,779	77.5%
43 Hospitality Workers	9,008	8,356	12,731	25,050	9,105	36.3%
44 Protective Service Workers	6,124	3,292	0	0	0	0.0%
45 Sports and Personal Service Workers	30,032	46,774	33,506	47,893	34,483	72.0%
5 CLERICAL AND ADMINISTRATIVE WORKERS	103,175	112,390	113,140	148,593	111,451	75.0%
51 Office Managers and Program Administrators	11,400	16,685	20,880	24,800	21,520	86.8%
53 General Clerical Workers	72,075	68,905	66,205	91,448	61,526	67.3%
55 Numerical Clerks	10,015	15,275	12,465	15,175	12,305	81.1%
59 Other Clerical and Administrative Workers	9,685	11,525	13,590	17,170	16,100	93.8%
7 MACHINERY OPERATORS AND DRIVERS	57,452	71,989	55,036	67,482	60,228	89.3%
71 Machine and Stationary Plant Operators	19,095	23,417	6,511	6,659	15,000	225.3%
72 Mobile Plant Operators	36,977	46,377	46,055	55,138	41,398	75.1%
74 Store persons	1,380	2,195	2,470	5,685	3,830	67.4%

ANZSCO Group	2017 Profile SCH Achieved	2018 Profile SCH Achieved	2019 Profile SCH Achieved	Planned 2020	Achieved 2020	2020 Achieved %
8 LABOURERS	174,664	224,469	170,835	193,550	139,689	72.2%
82 Construction and Mining Labourers	34,178	42,697	18,406	21,012	10,499	50.0%
83 Factory Process Workers	26,578	26,946	29,551	30,409	25,797	84.8%
84 Farm, Forestry and Garden Workers	44,957	105,474	92,985	97,443	71,488	73.4%
85 Food Preparation Assistants	417	565	256	225	612	272.0%
89 Other Labourers	68,534	48,787	29,637	44,461	31,293	70.4%
G GENERAL EDUCATION	232,722	218,989	207,676	250,523	188,482	75.2%
GEN19B Adult Literacy/ESL	74,595	59,840	47,655	66,270	48,385	73.0%
GEN19E Targeted Courses	158,127	159,149	160,021	184,253	140,097	76.0%
NORTH REGIONAL TAFE TOTAL	1,078,535	1,101,631	978,071	1,250,620	913,032	73.0%

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

Profile Analysis for North Regional TAFE

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

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

Variances in delivery by more than 10% (compared to planned achievement of 100%) are explained by the following reasons:

Demand more than expected ANZSCO Groups

Group 1 – 67.4% increase. This increase mainly relates to uptake in Management (Diploma) type courses in Leadership and Hospitality delivered online during COVID-19 restrictions.

Demand less than expected ANZSCO Groups

Group 2 – 53.4% decrease. This is linked to COVID-19 related demand reduction in lower-level qualifications that are typically delivered in a face-to-face based model. Specific areas most impacted include Art, Music and Conservation and Land Management (CALM) as well as reduced demand for higher Information and Communications Technology (ICT) courses.

Group 3 – 15.8% decrease, which mainly relates to Employment Based Training (EBT) type courses in Carpentry & Joinery, Electrotechnology and Hairdressing; and are due to COVID-19 related reduced ability to deliver these face-to-face type qualifications, as well as a period of layoffs and suspensions of apprentices. The resource sector, specifically, implemented very strong COVID-19 controls on staff movements that impacted the ability for trainees and apprentices in some areas to undertake training that was scheduled.

Group 4 – 33.4% decrease, which relates mainly to COVID-19 related reduced demand in qualifications that are face-to-face based delivery for front line Community Services, Aged Care, Sport and Recreation, Hospitality and Beauty, which also had extended periods of restricted access and temporary closures of businesses. North Regional TAFE undertakes a considerable amount of delivery in remote areas, and the establishment of Biosecurity zones significantly impeded the ability for training to occur in these areas through the year.

Group 5 – 25% decrease, relate mainly to COVID-19 related reduced demand in qualifications that are face-to-face based delivery in Administration, as well as a shift in demand from Business, Business Administration and Accounts, to free business-related skill sets.

Group 8 – 27.8% delivery decreases are mainly COVID-19 related reduced demand in lower qualification that are face-to-face based delivery in Construction, Resource & Infrastructure, Engineering, Maritime, Automotive, Horticulture, Agriculture and CALM.

General Education – 24.8% decrease, due to the decline in training demand from Job Seeker Agencies or Community Development Employment Project (CDEP) providers, related to Job Seeker payment, as well as a decrease in Language, Literacy and Numeracy support delivery that are linked to main vocational courses which were in decline as described above.

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 2020 directly impacts the SCH efficiency indicator. North Regional TAFE was resourced with staffing to achieve 1,250,620 SCH in 2020 and achieved 73% of that target. This underachievement flows through to the cost of SCH and therefore increased the cost of SCH to \$60.38 per SCH.

Table 6

	2017 Actual	2018 Actual	2019 Actual	2020 Target	2020 Actual
North Regional TAFE	\$63.76	\$52.27	\$54.64	\$45.64	\$60.38

SIGNIFICANT ISSUES IMPACTING THE AGENCY

Current and emerging issues and trends

Whilst COVID-19 brought about the biggest change for North Regional TAFE in 2020, it also provided the biggest opportunity.

North Regional TAFE continues to be dedicated to utilising technological advancements where possible, in order to reduce costs and create opportunities to deliver efficiencies.

Our technology roadmap will see us moving away from local server-based data storage and taking full advantage of cloud-based technology to enable our staff to access information from anywhere and on any device. This will provide flexibility for staff who may be travelling which is often a requirement of our staff.

We are currently exploring, with the option to take advantage of, software applications that will enable greater workflow automation and reduce manual administrative burden within some teams.

We also intend to have direct engagement with industry via our newly incorporated Manager Industry Engagement positions. These roles will act as direct conduits to some of our key stakeholders, identifying demand for new training programs, different delivery methods and factors affecting access to training.



Student and lecturer in automation and instrumentation facility at Karratha campus.

Economic and social trends

North Regional TAFE has seen an increase in our students and industry seeking shorter Skillsets or Short Courses as opposed to qualifications.

As a result, North Regional TAFE has increased the capacity for feedback to be received specifically in relation to shorter training delivery, in order to be best positioned to accommodate any increases in this trend.

Changes in written law

There were no legislative changes that impacted North Regional TAFE in 2020.

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 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, as well as notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the North Regional TAFE for the year ended 31 December 2020 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

The Governing Council Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

Report on Controls

Opinion

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

The Governing Council's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the North Regional TAFE for the year ended 31 December 2020. The key performance indicators are the Under Treasurer approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

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

The Governing Council's Responsibility for the Key Performance Indicators

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

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

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance, and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

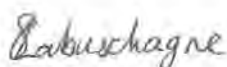
My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

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

compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

This auditor's report relates to the financial statements and key performance indicators of the North Regional TAFE for the year ended 31 December 2020 included on the TAFE's website. The TAFE's management is responsible for the integrity of the TAFE's website. This audit does not provide assurance on the integrity of the TAFE's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



SANDRA LABUSCHAGNE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
22 March 2021

DISCLOSURES AND LEGAL COMPLIANCE

Certification of financial statements

For the year ended 31 December 2020

The accompanying financial statements of North Regional TAFE have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the year ended 31 December 2020 and the financial position as at 31 December 2020.

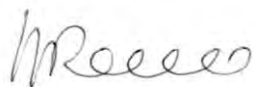
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Ian Smith
Governing Council Chair
12 March 2021



Jan Edwards
Acting Managing Director
12 March 2021



Katherine Reeves
Chief Financial Officer
12 March 2021

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	2020 \$000	2019 \$000
Cost of services			
<i>Expenses</i>			
Employee benefits expense	2.1	37,116	38,041
Supplies and services	2.2	11,242	12,175
Finance Cost	6.4	82	81
Asset revaluation decrement	2.2	2	3
Other expenses	2.2	3,354	3,147
Cost of sales	3.3	-	13
Depreciation and amortisation expense	4.1.1, 4.2, 4.3.1	8,100	7,813
Total cost of services		59,896	61,272
Income			
Fee for service	3.2	1,100	1,608
Student fees and charges	3.2	1,653	2,524
Ancillary trading	3.2	88	224
Sales	3.3	-	16
Commonwealth grants and contributions	3.4	463	765
Interest revenue	3.5	106	353
Other revenue	3.6	2,083	1,987
Total revenue		5,493	7,476
<i>Gains</i>			
Gain on disposal of non-current assets	3.7	238	-
Gain arising from changes in fair value - land	3.7	-	140
Gain arising from revaluation of buildings	3.7	8,071	3,231
Total gains		8,310	3,371
Total income other than income from State Government		13,803	10,848
Net cost of services		46,093	50,424
Income from the State Government			
Grants and subsidies	3.1	46,675	43,895
Services received free of charge	3.1	1,296	1,313
Total income from State Government		47,971	45,208
Surplus/(Deficit) for the period		1,878	(5,216)
Other comprehensive income			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		-	-
Total other comprehensive income		-	-
Total comprehensive income/(deficit) for the period		1,878	(5,216)

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 \$000	2019 \$000
Assets			
Current Assets			
Cash and cash equivalents	6.1	8,092	9,643
Restricted cash and cash equivalents	6.1	2,349	4,564
Receivables	5.1	280	598
Other current assets	5.2	434	495
Total Current Assets		11,156	15,301
Non-Current Assets			
Restricted cash and cash equivalents	6.1	612	539
Property, plant and equipment	4.1	151,639	146,455
Right-of-use assets	4.2	2,679	3,291
Intangible assets	4.3	78	163
Total Non-Current Assets		155,008	150,449
Total assets		166,164	165,749
Liabilities			
Current Liabilities			
Payables	5.3	1,455	1,320
Lease liabilities	6.2	1,360	1,794
Employee related Provisions	2.1	5,362	5,192
Other current liabilities	5.4	2,919	5,057
Total Current Liabilities		11,096	13,364
Non-Current Liabilities			
Lease liabilities	6.2	1,280	1,473
Employee related Provisions	2.1	1,215	1,223
Total Non-Current Liabilities		2,496	2,695
Total liabilities		13,592	16,059
Net assets		152,572	149,690
Equity			
Contributed equity	8.8	190,006	189,001
Accumulated surplus/(deficit)		(37,434)	(39,312)
Total Equity		152,572	149,690

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Notes	2020 \$000	2019 \$000
Cash flows from State Government			
Grants and subsidies from Department of Training and Workforce Development		44,460	45,911
Total Net cash provided by State Government		44,460	45,911
<i>Utilised as follows:</i>			
Cash flows from operating activity			
Payments			
Employee benefits expense		(36,736)	(37,278)
Supplies and services		(9,997)	(11,249)
Finance costs		(82)	(81)
GST payments on purchases		(1,124)	(1,383)
Other payments		(3,316)	(3,045)
Receipts			
Fee for service		1,100	1,608
Student fees and charges		1,901	2,962
Ancillary trading		88	240
Commonwealth grants and contributions		463	672
Interest received		106	353
GST receipts on sales		182	183
GST receipts from taxation authority		1,108	1,072
Other receipts		2,083	1,987
Net cash provided used in operating activities		(44,224)	(43,961)
Cash flow from investing activities			
Payments			
Purchase of non-current physical assets		(1,009)	(1,194)
Receipts			
Proceeds from sale of non-current physical assets		238	-
Capital Contribution - equity investments by DTWD		-	400
Net cash provided by investing activities		(771)	(794)
Cash flow from financing activities			
Payments			
Principal elements of lease payments		(3,158)	(3,026)
Net cash used in financing activities		(3,158)	(3,026)
Net increase in cash and cash equivalents		(3,692)	(1,870)
Cash and cash equivalents at the beginning of period		14,747	16,616
Cash and cash equivalents at the end of period	6.1	11,054	14,747

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

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2020

	Note	Contributed Equity	Reserves	Accumulated Surplus/ (Deficit)	Total Equity
		\$000	\$000	\$000	\$000
Balance at 1 January 2019		184,699	-	(34,096)	150,604
Surplus/(deficit)				(5,216)	(5,216)
Other comprehensive income			-	-	-
Total comprehensive income for the period		-	-	(5,216)	(5,216)
<i>Transaction with owners in their capacity as owners:</i>	8.8				
Capital appropriation		400	-		400
Other contributions by		4,077	-		4,077
Owners Distributions to owners		(175)	-		(175)
Total		4,302	-	-	4,302
Balance at 31 December 2019		189,001	-	(39,312)	149,690
Balance at 1 January 2020		189,001	-	(39,312)	149,690
Surplus/(deficit)				1,878	1,878
Other comprehensive income			-	-	-
Total comprehensive income for the period		-	-	1,878	1,878
<i>Transaction with owners in their capacity as owners:</i>	8.8				-
Other contributions by owners		2,084	-		2,084
Distributions to owners		(1,080)	-		(1,080)
Total		1,004	-	-	1,004
Balance at 31 December 2020		190,006	-	(37,434)	152,572

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 12 March 2021.

Statement of compliance

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

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

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

Basis of preparation

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

Judgements and estimates

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

Contributed equity

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

2 Use of our funding

Expenses incurred in the delivery of services

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

	Notes	2020 \$000	2019 \$000
Employee benefits expenses	2.1(a)	37,116	38,041
Employee related provisions	2.1(b)	6,578	6,415
Other expenditure	2.2	14,598	15,324

2.1(a) Employee benefits expenses

	2020 \$000	2019 \$000
Employee benefits	34,055	35,059
Termination benefits	118	10
Superannuation – defined contribution plans	2,943	2,972
Total employee benefits expenses	37,116	38,041
Add: AASB 16 Non-monetary benefits ^(c)		
Provision of vehicle benefits	29	25
Less: Employee Contributions	(12)	(12)
Provision of housing benefits	2,602	2,426
Less: Employee Contributions	(1,311)	(1,343)
Net employee benefits expenses	38,424	39,137

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

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when 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.

AASB 16 Non-monetary benefits: non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of Vehicle and Housing benefits are measured at the cost incurred by the NR TAFE.

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

2.1(b) Employee related provisions

	2020	2019
	\$000	\$000
Current		
Employee benefits provision		
Annual leave	2,201	2,243
Long service leave	2,751	2,497
Deferred salary scheme	89	146
Purchased leave	2	1
	5,043	4,887
Other provisions		
Employment on-costs	319	305
Total current employee benefits provisions	5,362	5,192
Non-current		
Employee benefits provision		
Long service leave	1,142	1,149
	1,142	1,149
Other provisions		
Employment on-costs	73	74
Total non-current employee benefits provisions	1,215	1,223
Total employee benefits provisions	6,578	6,415

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

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

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

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

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

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

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

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of Note 2.2 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	2020	2019
	\$000	\$000
Carrying amount at start of period	379	344
Additional/(reversals of) provisions recognised	13	35
Total Carrying amount at end of period	392	379

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

Supplies and Services	2020	2019
	\$000	\$000
Consumables and minor equipment	1,920	1,621
Communication expenses	146	138
Utilities expenses	2,642	2,875
Consultancies and contracted services	3,483	3,438
Minor works	143	536
Repairs and maintenance	545	676
Rental cost	160	148
Travel and passenger transport	1,064	1,636
Advertising and public relations	301	242
Staff professional development activities	93	110
Supplies and services – other	745	753
Total supplies and services expenses	11,242	12,175

	2020	2019
	\$000	\$000
Other expenses		
Audit fees	167	167
Building maintenance	1,117	771
Expected credit losses expense	(8)	(13)
Employment on-costs	2,059	2,107
Losses and write-offs	18	106
Other	0	9
Total other expenses	3,354	3,147
Asset revaluation decrement		
Asset revaluation decrement	2	3
Total asset revaluation decrement	2	3
Total other expenditure	14,598	15,324

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.

Rental expenses include:

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

Repairs, maintenance and cleaning are recognised as expenses as incurred.

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

Building and infrastructure maintenance and equipment repairs and maintenance: 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.

Expected credit losses is an allowance of trade receivables and 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. Please refer to note 5.1. Movement in the allowance for impairment of trade receivables.

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

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

3 Our funding sources

How we obtain our funding

This section provides additional information about how 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	2020	2019
		\$000	\$000
Income from State Government	3.1	47,971	45,208
User charges and fees	3.2	2,841	4,356
Commonwealth grants and contributions	3.4	463	765
Interest revenue	3.5	106	353
Other revenue	3.6	2,083	1,987
Gains/(Losses)	3.7	238	-

3.1 Income from State Government

	2020	2019
	\$000	\$000
Grants and subsidies received during the period:		
Grants and subsidies		
Delivery and Performance Agreement (DPA)	45,462	42,838
Non-DPA Grants from Department of Training and Workforce Development (DTWD)	908	1,056
Grant for delivery from Department of Justice	305	-
	46,675	43,895

^(a) The grant from Department of Justice relates to the Kimberley Juvenile Justice Strategy.

Resources received free of charge from other State Government agencies during the period:
Department of Training and Workforce Development

- Corporate systems support	1,019	1,061
- Human resources and industrial relations support	88	79
- Other	189	173
	1,296	1,313
Total income from State Government	47,971	45,208

Grants and subsidies is recognised as income when the performance obligations are satisfied. Grants and subsidies fund the net cost of services delivered. Appropriate revenue comprises a cash component less the refund due to DTWD (a liability).

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

3.2 User charges and fees

	2020	2019
	\$000	\$000
Fee for service		
Fee for service - general	1,095	1,568
International fees	5	40
Total fee for service	1,100	1,608
Student fees and charges		
Tuition fees	1,252	1,985
Resource fees	347	416
Recognition of prior learning (RPL) fees	51	117
Other College fees	4	6
Total student fees and charges	1,653	2,524
Ancillary trading		
Liveworks (not a trading activity)	69	204
Other Ancillary Revenue	19	19
Total ancillary trading	88	224
Total User charges and fees	2,841	4,356

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.

3.3 Trading profit

	2020	2019
	\$000	\$000
Bookshop		
Sales	-	16
Cost of Sales		
Opening Inventory	-	(21)
Purchases	-	8
	-	(13)
Closing Inventory	-	-
Cost of Goods Sold	-	(13)
Total trading profit/(loss) - Bookshop	-	3

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. The NR TAFE bookshop was closed during 2019.

3.4 Commonwealth grants and contributions

	2020	2019
	\$000	\$000
Commonwealth specific purpose grants and contributions	463	765

This grant was received from the Department of Health in relation to health training delivered in Rural and Remote regions. Revenue was recognised as the performance obligations were satisfied. The contract with the Department of Health ceased on 30 June 2020.

3.5 Interest revenue

	2020	2019
	\$000	\$000
Interest revenue	106	353

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

3.6 Other revenue

	2020	2018
	\$000	\$000
Employee contributions ^(a) 2.1(a)	1,323	1,354
Rental and facilities fees	353	547
Sponsorship and donations revenue	2	5
Miscellaneous revenue ^(b)	406	81
Total other revenue	2,083	1,987

^(a) Employee contributions includes \$1,311,000 (2019: \$1,342,500) housing rental contributions and \$12,000 (2019: \$12,000) vehicle contributions.

^(b) 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)

	2020	2019
	\$000	\$000
<u>Net proceeds from disposal of non-current assets</u>		
Plant, furniture and general equipment	238	-
Total proceeds from disposal of non-current assets	238	-
<u>Carrying amount of non-current assets disposed</u>		
Plant, furniture and general equipment	-	-
Net gain/(loss)	238	-
<u>Other gains</u>		
Gain arising from changes in fair value - land	-	140
Gain arising from changes in fair value - buildings	8,071	3,231
Other gains/(losses)	8,071	3,371
Total gains/(losses)	8,310	3,371

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

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

4 Key assets

Assets utilised for economic benefit or service potential

This section includes information regarding the key assets 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	2020	2019
		\$000	\$000
Property, plant and equipment	4.1	151,639	146,455
Right-of-use assets	4.2	2,679	3,291
Intangibles	4.3	78	163
Total key assets		154,396	149,909

4.1 Property, plant and equipment

2020	Land	Buildings	Dwellings	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment, communication network	Marine craft	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost at the start of the year	11,558	129,386	2,185	489	4,893	553	96	149,160
Accumulated depreciation at the start of the year	-	-	-	(420)	(1,864)	(396)	(25)	(2,705)
Carrying amount at start of the year	11,558	129,386	2,185	69	3,030	158	71	146,455
Additions	-	45	-	-	725	197	-	968
Transfers between categories	-	-	-	-	(28)	28	-	-
Transfers from DTWD	-	1,889	-	-	168	-	-	2,057
Transfer to DTWD	(1,080)	-	-	-	-	-	-	(1,080)
Disposals	-	-	-	-	-	-	-	-
Revaluation increments/(decrements)	-	8,071	(2)	-	-	-	-	8,069
Depreciation	-	(3,948)	(62)	(43)	(669)	(96)	(12)	(4,830)
Carrying amount at end of period	10,478	135,443	2,121	26	3,226	287	58	151,639

Transfers from DTWD included:

- airconditioning replacement and associated works of \$124,467 at Karratha campus;
- roofing upgrade of \$712,627 across Karratha campus buildings;
- refurbishment of block 900 at Karratha campus of \$246,274 to house the NDIS training facility;
- a new building costing \$789,501 to house the NDIS training facility at Broome campus.

Transfers to DTWD comprised the transfer of surplus vacant land in South Hedland to DTWD.

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 1 July 2020 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 31 December 2020 and recognised at 31 December 2020. In undertaking the revaluation, fair value was determined by reference to market values for land: \$1,380,000 (2019: \$1,380,000) and buildings: \$1,150,000 (2019: \$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 to equal the difference between the gross carrying amount and the carrying amount of the asset.

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

Significant assumptions and judgements: The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement

by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

4.1.1 Depreciation and impairment

Depreciation	2020	2019
	\$000	\$000
Buildings	4,010	3,815
Motor vehicles, caravans and trailers	43	90
Plant, furniture and general equipment	669	608
Computers and communication network	96	83
Marine craft	12	12
Total depreciation for the period	4,830	4,609

As at 31 December 2020 there were no indications of impairment to property, plant and equipment.

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

Finite useful lives

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

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

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

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

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

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

Impairment

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

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

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

As 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 Right-of-use-assets

	2020	2019
	\$000	\$000
Land	18	50
Buildings	35	212
Government Regional Officers' Housing	1,735	1,984
Vehicles	890	1,045
Net Carrying Amount	2,679	3,291

Additions to right-of-use assets during the 2020 financial year were \$2,665,103 (2019: \$6,543,661).

Initial recognition

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

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

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

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

Subsequent measurement

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

Depreciation and impairment of right-of-use assets

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

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

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

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

Depreciation charge of right-of-use assets

	2020	2019
	\$000	\$000
Land	32	32
Buildings	176	176
Government Regional Officers' Housing	2,562	2,382
Vehicles	374	411
Total Right-of-use assets	3,144	3,001
Lease interest expense (included in 6.4 Finance cost)	82	81
Expenses relating to variable lease payments not included in lease liabilities	-	-
Short-term leases	1,690	1,504
Low-value leases	-	-

The total cash outflow for leases in 2020 was \$4,930,184 (2019: \$4,611,417).

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

NR TAFE has leases for vehicles, office and residential accommodation.

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

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

4.3 Intangible assets

<u>Computer software</u>	2020	2019
	\$000	\$000
1 January 2020		
Cost	554	391
Accumulated amortisation	(391)	(197)
Carrying amount at start of period	163	194
Additions	41	171
Disposals	-	-
Amortisation expense	(126)	(202)
Carrying amount at 31 December	78	163

Initial recognition

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

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

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

Subsequent measurement

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

4.3.1 Amortisation and impairment

Charge for the period

	2020	2019
	\$000	\$000
Amortisation		
Computer Software	126	202
Total amortisation for the period	126	202

As at 31 December 2020 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. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by 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 4.1.1.

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	2020	2019
		\$000	\$000
Receivables	5.1	280	598
Other assets	5.2	434	495
Payables	5.3	1,455	1,320
Other liabilities	5.4	2,919	5,057

5.1 Receivables

	2020	2019
	\$000	\$000
Current		
Receivables – Trade	219	393
Receivables - Students	14	14
Allowances for impairment of receivables	(14)	(22)
Accrued revenue	61	78

	2020	2019
	\$000	\$000
GST receivable	-	137
Total current receivables	280	598

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

	2020	2019
	\$000	\$000
Current		
Prepayments	434	495
Total current other assets	434	495

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

	2020	2019
	\$000	\$000
Current		
Trade payables	3	2
GST payable	29	-
Accrued expenses	696	808
Accrued salaries and related costs	717	510
Paid parental leave payable	10	-
Total current payables	1,455	1,320

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. No interest is received on this account.

5.4 Other liabilities

	2020	2019
	\$000	\$000
Current		
Income received in advance ^(a)	570	493
Grants and advances ^(b)	2,349	4,564
Total current other liabilities	2,919	5,057
^(a) Income received in advance comprises:		
Student fees and charges	570	493
Balance at end of period	570	493

^(b) Grants and advances comprises:

	2020	2019
	\$000	\$000
Provision for DTWD refund for under delivery of training courses	2,349	4,487
Rural & Remote training contract unspent funds	-	77
Balance at end of period	2,349	4,564

6 Financing

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

	Notes
Cash and cash equivalents	6.1
Lease liabilities	6.2
Finance costs	6.4
Commitments	6.5

6.1 Cash and cash equivalents

	2020	2019
	\$000	\$000
Current		
Cash and cash equivalents		
Cash on Hand	1	1
Cash at Bank	8,091	9,642
Total cash and cash equivalents	8,092	9,643
Restricted cash and cash equivalents current		
DPA refund due to DTWD for SCH shortfall	2,349	4,487
Commonwealth specific purpose	-	77
	2,349	4,564
Total current restricted cash	10,442	14,207
Non-current		
Restricted cash 27 th pay – non current	612	539
Total non-current restricted cash	612	539
Balance at end of period	11,054	14,747

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.

6.2 Lease liabilities

	2020	2019
	\$000	\$000
Current	1,360	1,794
Non-current	1,280	1,473
Balance at end of period	2,640	3,267

Initial measurement

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

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

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

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

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

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

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

Subsequent measurement

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

6.3 Assets pledged as security

	2020	2019
	\$000	\$000
The carrying amounts of non-current assets pledged as security are:		
Right-of use asset	2,679	3,291
Total assets pledged as security	2,679	3,291

NR TAFE has secured the right-of-use assets against the related lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor

6.4 Finance costs

	2020	2019
	\$000	\$000
Finance costs		
Lease interest expense	82	81
Finance costs expensed	82	81

'Finance cost' includes the interest component of lease liability repayments.

6.5 Commitments

6.5.1 Capital commitments

	2020	2019
	\$000	\$000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	583	680
Later than 1 year and not later than 5 years	-	-
Balance at end of period	583	680

The totals presented for capital commitments are GST inclusive.

6.5.2 Other expenditure commitments

	2020	2019
	\$000	\$000
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	433	261
Later than 1 year and not later than 5 years	-	122
Balance at end of period	433	383

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.

Financial Instruments	Notes 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:

	2020	2019
	\$000	\$000
Financial assets		
Cash and cash equivalents	8,092	9,643
Restricted cash and cash equivalents	2,962	5,104
Receivables ^(a)	280	461
Total financial assets	11,334	15,208

Financial liabilities		
Payables ^(b)	1,426	1,320
Lease liabilities	2,640	3,267
DPA refund due to DTWD	2,349	4,487
Total financial assets	6,416	9,074

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

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

7.2 Contingent assets and liabilities

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

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

7.2.1 Contingent assets and liabilities

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

NR TAFE is currently reviewing its obligations under the Long Service Leave Act 1958 and early estimates indicate a potential liability of \$41,789. 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
Correction of period errors/changes in accounting policies	8.2
Key management personnel	8.3
Related parties	8.4
Related and affiliated bodies	8.5
Remuneration of auditors	8.6
Non-current assets classified as held for transfer	8.7
Equity	8.8
Supplementary financial information	8.9
Explanatory statement	8.10

8.1 Events occurring after the end of the reporting period

There are no significant events occurring after the reporting period which are likely to materially affect the NR TAFE financial position.

8.2 Correction of period errors/changes in accounting policies

There were no prior period errors adjustments or changes in accounting policy during the period.

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 senior officers of NR TAFE for the reporting period are presented within the following bands:

Compensation Band (\$)	2020	2019
350,001 - 360,001	1	-
330,001 - 340,000	-	1
220,001 - 230,000	3	1
200,001 - 210,000	-	2
190,001 - 200,001	1	-
70,001 - 80,000	-	1
50,001 - 60,000	-	1
20,001 - 30,000	1	1
0 - 10,000	9	9
	\$000	\$000
Short-term employee benefits	1,146	1,032
Post-employment benefits	105	97
Other long-term benefits	25	27
Termination benefits	-	-
Total compensation of senior officers	1,276	1,156

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.

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:

	2020	2019
	\$000	\$000
Auditing the accounts, financial statements, controls and key performance indicators	167	167

8.7 Non-current assets classified as held for transfer

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

8.8 Equity

	2020	2019
	\$000	\$000
Contributed equity		
Balance at start of period	189,001	184,699
Other contributions by owners:		
NDIS training facility in Block 900 Karratha	246	-
NDIS training centre new building Broome	817	-
Roofing upgrade across Karratha campus buildings	713	-
Transfer of Sundry Upgrade Works at Pundulmurra and Karratha campuses from DTWD	184	1,085
Transfer of flexible learning hub at Pundulmurra campus from DTWD	-	1,938
Transfer of Air-conditioning Upgrade Works from DTWD	124	927
Other capital contributions by DTWD	-	127
Capital appropriation	-	400
Total contributions by owners	191,086	189,176
Distributions to owners		
Net assets transferred to DTWD	(1,080)	(175)
Total distributions to owners	(1,080)	(175)
Balance at the end of period	190,006	189,001

8.9 Supplementary financial information

(a) Write-offs

During the financial year, \$18,325 (2019: \$71,478) of debts due to NR TAFE were written off and \$nil (2019: \$34,349) was written off the asset register under the authority of:

	2020	2019
	\$000	\$000
Governing Council	18	106
	18	106

(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.

8.10 Explanatory statement

All variances between estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019. Narratives are provided for key major variances, which are greater than 10% and \$1m for the Statements of Comprehensive Income, Cash Flows and Statement of Financial Position.

8.10.1 Statement of Comprehensive Income Variances

	Note	Estimate 2020	Actual 2020	Actual 2019	Variance between estimate and actual	Variance between actual for 2020 and 2019
		\$000	\$000	\$000	\$000	\$000
Expenses						
Employee benefits expense	1	40,548	37,116	38,041	(3,432)	(925)
Supplies and services	2	13,473	11,242	12,175	(2,231)	(933)
Finance cost		-	82	81	82	1
Asset revaluation decrement		-	2	3	2	(1)
Other expenses		3,283	3,354	3,147	71	207
Cost of sales		14	-	13	(14)	(13)
Depreciation and amortisation	3	4,660	8,100	7,813	3,440	287
Total cost of services		61,978	59,896	61,272	(2,082)	(1,376)
Income						
Fee for service		1,765	1,100	1,608	(665)	(508)
Student fees and charges	4	2,691	1,653	2,524	(1,038)	(871)
Ancillary Trading		87	88	224	1	(136)
Sales		-	-	16	-	(16)
Commonwealth grants		350	463	765	113	(302)
Interest revenue		423	106	353	(317)	(247)
Other revenue	5	590	2,083	1,987	1,493	97
Total Revenue		5,906	5,493	7,476	(413)	(1,983)

8.10.1 Statement of Comprehensive Income
Variances cont.

	Note	Estimate 2020	Actual 2020	Actual 2019	Variance between estimate and actual	Variance between actual for 2020 and 2019
		\$000	\$000	\$000	\$000	\$000
Gains						
Gain on disposal on non-current assets		-	238	-	238	238
Gain from changes in fair value - land		-	-	140	-	(140)
Gain from changes in fair value - buildings	6.a	-	8,071	3,231	8,071	4,840
Total gains		-	8,310	3,371	8,310	4,939
Total income other than income from State Government		5,906	13,803	10,847	7,897	2,955
NET COST OF SERVICES		56,072	46,093	50,424	(9,979)	(4,331)
Income from State Government						
Grants and subsidies	7.b	49,517	46,675	43,895	(2,842)	2,781
Resource received free of charge		1,242	1,296	1,313	54	(18)
Total income from State Government		50,759	47,971	45,208	(2,788)	2,763
SURPLUS/(DEFICIT) FOR THE PERIOD		(5,313)	1,878	(5,216)	7,191	7,095

Major Estimate and Actual (2020) Variance Narratives

1. The 2020 estimate did not include any change in accounting for leased properties under AASB 16, this change of accounting reduced employment costs by \$2.6m. In addition employment costs were under estimate due to savings as a result of the temporary pause in face to face training during the COVID-19 restrictions.
2. Supplies and services costs were lower than estimate by \$2.2m due to savings in travel and operating costs as a result of the temporary pause in face to face training as a result of COVID-19. The change in accounting for leases under AASB 16 also reduced supplies and services costs by \$0.5m.
3. Depreciation and amortisation increased by \$3.1m due to the change of accounting for leased properties under AASB16.
4. Student fees reduced by \$1.0m compared to estimate due to the introduction of half priced and fee free skill sets as part of the WA recovery plan from July 2020 onwards, combined with a reduction in activity as a result of COVID-19.
5. The 2020 estimate included employee housing rental contributions of \$1.3m as a credit against employee benefits expense, whereas the actual includes this \$1.3m employee housing rental contributions in other revenue.
6. No revaluation gains or losses are estimated due to the uncertainty of prediction.

7. DPA Grants and subsidies were lower than estimate by \$2.8m due to a shortfall in SCH delivery primarily due to the temporary pause in face to face training as a result of COVID-19.

Major Actual 2020 and Comparative (2019) Variance Narratives

- a. Revaluation gains on buildings of \$8.0m compared to \$3.2m in the prior year. These revaluation gains primarily related to the South Hedland annex of the Pundulmurra campus that had been devalued in prior years whilst not being utilised or maintained. The workshops have been refurbished and are now fully utilised.
- b. DPA Grants and subsidies were higher than prior year by \$2.8m due to additional support funding provided by DTWD. This support funding is provided to assist the College to manage the financial impact of COVID-19 on profile funded operations.

8.10.2 Statement of Financial Position Variances	Note	Estimate 2020	Actual 2020	Actual 2019	Variance between estimate and actual	Variance between actual for 2020 and 2019
		\$000	\$000	\$000	\$000	\$000
ASSETS						
Current Assets						
Cash and cash equivalents	8.c	9,942	8,092	9,643	(1,850)	(1550)
Restricted cash and cash equivalents	d	2,448	2,349	4,564	(99)	(2,215)
Receivables		972	280	598	(692)	(318)
Other current assets		481	434	495	(47)	(61)
Total Current Assets		13,843	11,156	15,301	(2,687)	(4,145)
Non-Current Assets						
Restricted cash and cash equivalents		627	612	539	(15)	73
Property, plant and equipment	9.e	141,894	151,639	146,455	9,745	5,184
Right of use assets	10	-	2,679	3,291	2,679	(612)
Intangible assets		180	78	163	(102)	(85)
Total Non-Current Assets		142,701	155,008	150,449	12,307	4,560
TOTAL ASSETS		156,544	166,164	165,749	9,620	415

8.10.2 Statement of Financial Position Variances cont.	Note	Estimate 2020	Actual 2020	Actual 2019	Variance between estimate and actual	Variance between actual for 2020 and 2019
		\$000	\$000	\$000	\$000	\$000
LIABILITIES						
Current Liabilities						
Payables		1,714	1,455	1,320	(259)	135
Lease liabilities	10	-	1,360	1,794	1,360	(434)
Employee related provisions		4,691	5,362	5,192	671	170
Other current liabilities	f	3,178	2,919	5,057	(259)	(2,138)
Total Current Liabilities		9,583	11,096	13,364	1,513	(2,268)
Non-Current Liabilities						
Lease Liabilities	10	-	1,280	1,473	1,280	(192)
Employee related provisions		986	1,215	1,223	229	(7)
Total Non-Current Liabilities		986	2,496	2,695	1,510	(200)
TOTAL LIABILITIES		10,569	13,592	16,059	3,023	(2,467)
NET ASSETS		145,975	152,572	149,690	6,597	2,882
EQUITY						
Contributed equity	11.g	191,548	190,006	189,001	(1,542)	1,004
Accumulated surplus/(deficit)		(45,573)	(37,434)	(39,312)	8,139	1,878
TOTAL EQUITY		145,975	152,572	149,690	6,597	2,882

Major Estimate and Actual (2020) Variance Narratives

8. Cash and cash equivalents were lower than estimate by \$1.9m primarily due to the College's income being lower than estimate by \$2m (after the \$1.9m additional support funding) due to the SCH shortfall.
9. Property, plant and equipment was \$9.7m higher than estimate primarily due to the \$8.1m gain on revaluation of buildings which was not estimated.
10. No provision was included for Right of Use assets or lease liabilities in the estimate as these were prepared under the previous accounting treatment.
11. Contributed equity was lower than estimate by \$1.5m due to the transfer of vacant land to DTWD for \$1.08m during the year.

Major Actual 2020 and Comparative (2019) Variance Narratives

- c. Cash and cash equivalents were lower than the prior year by \$1.6m primarily due to the College's income not matching the expenditure as a result of the SCH shortfall.
- d. Restricted cash was lower than the prior year by \$2.2m due to a reduction of \$1.8m in the DPA refund due to DTWD.
- e. Property, plant and equipment was \$5.2m higher than prior year primarily due to the \$8.1m gain on revaluation of buildings. Capital work transfers from DTWD of \$2.0m were partially offset by the transfer of vacant land of \$1.1m to DTWD.
- f. Other current liabilities includes a provision for DPA refund of \$2.3m in relation to the SCH shortfall, this refund is partially offset by the \$1.9m additional support funding from DTWD which reduces the refund due.
- g. Contributed equity was higher than prior year by \$1.0m due to capital works transferred of \$2.1 less the transfer of vacant land to DTWD for \$1.08m.

8.10.3 Statement of Cash Flows Variances

	Note	Estimate 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Variance between estimate and actual \$000	Variance between actual for 2020 and 2019 \$000
CASH FLOWS FROM STATE GOVERNMENT						
Grants and subsidies from DTWD	12.h	49,517	44,460	45,911	(5,057)	(1,451)
Total Net cash provided by State Government		49,517	44,460	45,911	(5,057)	(1,451)
CASHFLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	13	(40,406)	(36,736)	(37,278)	3,670	542
Supplies and Services	14.i	(12,229)	(9,997)	(11,249)	2,232	1,252
Finance cost		-	(82)	(81)	(82)	(1)
GST payments on purchases		(1,180)	(1,124)	(1,383)	56	259
Other payments		(3,225)	(3,316)	(3,045)	(91)	(271)
Receipts						
Fee for service		1,695	1,100	1,608	(595)	(508)
Student fees and charges	j	2,647	1,901	2,962	(746)	(1,061)
Ancillary trading		62	88	240	26	(152)
Commonwealth grants and contributions		350	463	672	113	(209)

8.10.3 Statement of Cash Flows Variances	Note	Estimate 2020	Actual 2020	Actual 2019	Variance between estimate and actual	Variance between actual for 2020 and 2019
		\$000	\$000	\$000	\$000	\$000
Interest received		424	106	353	(318)	(247)
GST receipts on sales		150	182	183	32	(1)
GST receipts from taxation authority		1,030	1,108	1,072	78	36
Other receipts	15	584	2,083	1,987	1,499	97
Net cash used in operating activities		(50,098)	(44,224)	(43,961)	5,874	(263)
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current physical assets		(650)	(1,009)	(1,194)	(359)	185
Receipts						
Proceeds from sale of non-current physical assets		-	238	-	238	238
Capital contribution – cash grant		-	-	400	-	(400)
Net cash provided by investing activities		(650)	(771)	(794)	(121)	23
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Principal elements of lease payments	16	-	(3,158)	(3,026)	(3,158)	(132)
Net cash provided by financing activities		-	(3,158)	(3,026)	(3,158)	(132)
Net increase in cash and cash equivalents		(1,231)	(3,692)	(1,870)	(2,461)	(1,823)
Cash and cash equivalents at the beginning of the period		14,250	14,747	16,616	497	(1,869)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		13,019	11,054	14,747	(1,965)	(3,692)

Major Estimate and Actual (2020) Variance Narratives

12. DPA Grants and subsidies were lower than estimate by \$5.1m due to the shortfall in SCH resulting from the temporary pause in face to face training as a result of COVID-19. The College reduced the SCH estimate from 1.2m to 1.1m SCH in the May addendum, reducing the quarterly DPA instalments from DTWD.

13. The 2020 estimate did not incorporate AASB 16, this change reduced employment cash flows by \$2.6m. In addition employment cost savings were achieved by reduced hire of casuals and short term contracts during the temporary pause in face to face training during the COVID-19 restrictions.
14. Supplies and services costs were lower than estimate by \$2.2m due to savings combined with the change of accounting treatment for leases.
15. The 2020 estimate included employee housing rental contributions of \$1.3m as a credit against the employee benefits expense, actual includes this \$1.3m employee housing rental contributions in other receipts.
16. The 2020 estimate did not incorporate AASB 16, this accounting discloses principal elements of lease payments.

Major Actual 2020 and Comparative (2019) Variance Narratives

- h. DPA Grants and subsidies were lower than prior year by \$1.4m due to the shortfall in SCH resulting from the temporary pause in face to face training as a result of COVID-19.
- i. Supplies and services costs were lower than prior year by \$1.3m due to savings in travel and operating costs as a result of the reduction in activity as a result of COVID-19.
- j. Student fees reduced by \$1.1m compared to the prior year due to the introduction of half priced and fee free skill sets as part of the WA recovery plan from July 2020 onwards, combined with a reduction in activity as a result of COVID-19.
- k.

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.



Nursing student training in simulated environment at the Health and Community Services Training Centre at Pundulmurra campus.

Other Financial Disclosures

Capital projects

2020 capital expenditure spend – key items were as follows:

Project details	Date complete	\$ Total cost of project	Significant cost variation comment
Supply and Installation of an Axon CCTV System at South Hedland Annex	May 2020	\$30,888	N/A
Karratha Cool Room Upgrades	April 2020	\$97,736	N/A
Supply and installation of 12 lathes at Karratha	April 2020	\$214,680	N/A
Supply and installation of 12 lathes at South Hedland	October 2020	\$231,398	Additional costs associated with upgrading power supply.

Employment and Industrial Relations

Staff Profile

FTE and Headcount – Quarter Sept 2020		
FTE	Average FTE	Head Count
280	280	311

Appointment Type	2018 FTE	2019 FTE	2020 FTE*
Permanent Full Time	206.00	236.00	225.00
Permanent Part Time	24.92	24.82	25.09
Fixed Term Full Time	33.00	22.00	18.00
Fixed Term Part Time	5.58	1.07	4.14
Casual	23.90	11.31	10.31

*As per Payroll Reports for Pay Period Ending 24 Dec 2020

Substantive equality

Indicator	2019 Target	2019 Result	2020 Target	2020 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	50.0%	33.3%	50.0%	20.0%
Women in management – Tier 3	50.0%	50.0%	50.0%	60.0%
Women in management – Tier 2 and 3 combined	50.0%	46.7%	50.0%	50.0%
People from culturally diverse backgrounds	14%	11.9%	15.0%	11.9%
Aboriginal Australians	10%	11.1%	12.0%	12.1%
People with disability	2%	2.6%	2.0%	4.7%
Youth	3%	3.4%	4.0%	0.6%

*Results taken from North Regional TAFE Quarterly entity report

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 North Regional TAFE.

Board and Committee Remuneration

Position	Name	Type of remuneration	Period of Membership	Gross/actual remuneration 2020
Chair, Albany	Ian Smith	Annual	12 months	\$25,023
Deputy Chair, Perth	Mick Unger	Sessional	12 months	\$3,579
Member, Broome	Melissa Hartmann	Sessional	12 months	\$0 (Not eligible)
Member, Kununurra	Kristy Brittain	Sessional	12 months	\$768 (No longer eligible)
Member, Perth	Wendy Dunne	Sessional	6 months	\$1,950
Member, Perth	Gary Arcus	Sessional	12 months	\$5,022
Member, Broome	Maree Stallard	Sessional	6 months	\$1,950
Member, Broome	Emma White	Sessional	12 months	\$4,638
Member, South Hedland	Fran Haintz	Sessional	12 months	\$3,588
Member, Newman	Barbara O'Driscoll	Sessional	12 months	\$3,102

OTHER LEGAL REQUIREMENTS

Personal Expenditure

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 2020

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;	\$246.07
c) the aggregate amount of personal use expenditure settled by the due date (5 working days);	\$246.07
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

Advertising

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 2020 was \$278,526.

Expenditure was incurred in the following areas:

Expenditure	Total Expenditure	Account
Newspaper advertising	\$109,935	Initiative Media
TAFE state-wide campaign - Skills Ready	\$100,000	DTWD
Website hosting	\$9,000	Drupal
Purchase of artwork/graphics	\$21,492	Louise McLeod, Renny Penny, Fiverr
Social Media advertising	\$5,896	Facebook, Instagram
Subscriptions and purchase of images & videos	\$7,393	Shutterstock, Austockphoto, Wave.Video, Mailchimp, Mossend, Neverbounce
General	\$3,198	Miscellaneous
Recruitment advertising	\$21,612	Adcorp
Market research organisations	Nil	Nil
Polling organisation	Nil	Nil

Freedom of Information

North Regional TAFE had one formal Freedom of Information request in 2020, which was ultimately dealt with outside of the formal process with documents provided to the applicant at no cost.

Compliance with Working with Children (WWC)

North Regional 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

No breaches pertaining to the recruitment standards were raised in 2020.

There were no 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 2020.

Standard	Outcome	Actions
Disciplinary Issues Raised: 1	Reprimand and/or Warning: 1	Discipline matters still ongoing: 1

A disciplinary process commenced late in 2020 related to a breach of North Regional TAFE's Code of Conduct and North Regional TAFE's policies which is ongoing.

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 2020, North Regional TAFE continued to use Content Manager hosted by the Department Training and Workforce Development as its main record keeping platform. 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.

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

Online Record Awareness Training is part of all employee's induction process and is required to be completed prior to receiving access to Content Manager. This training incorporates the practical aspects of capturing business records to maintain compliant recordkeeping practice.

The impact of large geographical distances between North Regional TAFE campuses means that 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.

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 objectives for the College were:

- **Student, Apprenticeship and Trainee Support:** Increase the likelihood of Aboriginal students participating in North Regional TAFE training programs, completing their existing course of study and transitioning into further training (Cert II, III & above) and/or increase participation in employment through apprenticeships, traineeships and work placements.
- **Youth Engagement and Support:** To address underlying issues that affect young people at risk such as family dysfunction, substance abuse and mental health; including appropriate referrals made to streamline support offered to Aboriginal students.
- **Aboriginal representation on Aboriginal Education Employment and Training Committee (AEETC):** Assist North Regional TAFE with appropriate, representative membership of AEETC and other committees as required.
- **Aboriginal cultural awareness across North Regional TAFE:** Provide leadership with embedding Aboriginal cultural awareness across North Regional TAFE operations generally; staff cultural competency in the planning and delivery of training programs and cultural appropriateness on North Regional TAFE campus and learning environments.
- **Aboriginal Training Services resources and delivery of services:** Manage Aboriginal Training Services (ATS) resources and delivery of services in a transparent and accountable manner.



ATS staff member assisting student in Youth Access and Re-engagement Project for women at Broome campus.

Operational activities within each objective are measured via various performance indicators, such as target number of engagement hours or other such measurement as documented within the Aboriginal Training Plan.

The below table is an overall summary of 2020 Aboriginal Training Services engagement hours results compared to 2019:

Aboriginal Training Services Hours			% Variance
Hours type	2019	2020	+/-
ATS Support & Admin Activity	33,989	25,831	-24.0%
ATS Staff Leave & Professional Development	7,218	8,789	+21.7%
Totals	41,207	34,620	-16.0

In comparison to 2019, it is apparent that COVID-19 had an impact on training delivery with some of our remote Aboriginal communities being closed for the safety of their communities.

These closures and other COVID-19 precautions led to an increase in leave taken by Aboriginal Training Services staff, however 55% of Aboriginal Training Service performance indicators were still met for 2020.

Further to this, staff turnover and the time taken to fill vacancies contributed to the 16% variance in expected hours of support.

Although the remaining performance indicators were below original targets, progress was deemed satisfactory based on COVID-19 challenges.

Disability Access and Inclusion Plan Outcomes

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), some of which are ongoing and rolling into our new DAIP 2021-2025.

The development of the North Regional TAFE DAIP is in accordance with the *Disability Services Act Regulations 2004*.

The Organisational Support Services 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.

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	Outcome
1.1 Maintain an Access and Inclusion Focus Group to guide the implementation of DAIP activities. – The Disability Access and Inclusion Focus Group	Completed – ongoing in 2021 – 2025 meeting at a minimum of four times a year
1.2 Ensure that all people are provided with opportunities to comment on access to services.	Campus checks undertaken at some locations by Disability Support Coordinator – ongoing in 2021 - 2025 with awareness campaign and seeking feedback from local staff and students
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, <i>Disability Services Act 1993</i> , <i>Disability Discrimination Act 1992</i> and Educational Standards.	Strategy revised and moved Outcome 4.3 in 2021 – 2025 - Ensure all new and revised documents are checked for compliance in Equity, Access and Inclusion principles
1.4 Ensure that resources and equipment required to access and participate in training (include employment in 2021 - 2025) at the College are provided.	Resources purchased when identified, new assistive technology and equipment being Audited and researched in 2021 - 2025
1.5 Ensure that College events, both on and off campus, are inclusive and accessible for all.	Moving to 2021 -2025 more staff information and promotional material that identifies Services and Events and locate information on Intranet/SharePoint to assist with the planning for access and
1.6 Ensure that College staff, agents and contractors are aware of the relevant requirements of the <i>Disability Services Act</i> and the College's Disability Access and Inclusion Plan.	Moving to make available to all staff information relevant to Policies, Procedures and Forms relative to services. Communicate and locate information on Intranet/SharePoint to assist with creation of all new and revised organisational documents.

Outcome 2:

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

Strategy	Outcome
2.1. Ensure that all buildings and facilities are accessible.	Continuing to investigate accessibility of campus buildings and facilities. Conduct access audit on building accessibility and carparks needs annually.
2.2. Ensure staff and students are aware of emergency evacuation procedures and plans.	Seeking to establish and update evacuation plans at each campus are reviewed annually and made available to all staff and students
2.3. Ensure that all future premises leased by the College are accessible.	Incorporated in 2.1
2.4. Ensure that the quantity and location of easy access parking meets the needs of people with a disability.	Incorporated into 2021 -2025 DAIP as Outcome 2.1

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	Outcome
3.1 Ensure that information about the College's services, facilities and events is available in alternatives formats, is clear, and concise.	Ongoing, continue developing in 2021 -2025 DAIP
3.2 Inform staff, students and the community that College information is available in alternative formats on request.	Ongoing and continue developing in 2021 - 2025 DAIP
3.3 Inform staff of accessible information needs and how to provide and obtain information in other formats.	Staff briefings to inform staff conducted. Links on the Intranet. Incorporate in 3.2
3.4 Ensure learning resources, including online learning resources, are available in accessible formats, complying with copyright regulations.	Ongoing, undertake annual internal review of online Copyright information in accordance with DTWD Copyright advice.
3.5 Ensure that the College's website meets Web Content Accessibility Guidelines WCAG2.0.	Marketing confirmed this is checked by DTWD but will continue to ensure WCAG2.0 standards are adhered to.

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	Outcome
4.1 Raise staff awareness of disability and access issues and provide training to improve skills to provide good service.	Ongoing action and initiatives planned for 2021.
4.2 Ensure that College staff are aware of the relevant requirements of the Disability Services Act, Disability Discrimination Act and Education Standards.	Initiative going forward to make available relevant Access, Equity and Inclusion Acts and Standards available in one location Intranet/SharePoint
4.3 Ensure that the College provides an inclusive environment free from harassment and discrimination.	Already captured within our Values and Code of Conduct.

Outcome 5:

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

Strategy	Outcome
5.1 Ensure that feedback and grievance mechanisms are accessible for all people.	Achieved. Complaints are accepted in a variety of formats, such as by phone, email, written feedback/complaint form, in person or via the website online Feedback portal.
5.2 Provide support for people with disability in making complaints, if requested.	Continue and publicise and communicate assistance is available for people to make complaints, if requested. Website updated Dec 2020 / Jan 2021 to make it easier to locate Feedback area, directly from home page.

Outcome 6:

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

Strategy	Outcome
6.1 Inform students and staff about consultation processes at the College.	Continuing
6.2 Monitor the DAIP to ensure implementation and satisfactory outcomes.	Included in Outcome 1. By Focus Group
6.3 Develop and maintain strategic partnerships with key agencies to maximise access to services for people with disability.	Continuing

Outcome 7:

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

Strategy	Outcome
7.1. All NRT facilities will continue to be compliant with Disability Access Inclusion requirements (with relevant guidelines and processes).	Incorporated in 7.2 in the new plan Ensure employees with disability are given support to undertake their role and meet long term career goals
7.2. Recruitment, induction and performance development processes for staff will identify and support diversity requirements.	Incorporated modified in 7.1 and 7.2 in 2021-2025 DAIP - Ensure recruitment practices are inclusive of and accessible to people with disability Ensure employees with disability are given support to undertake their role and meet long term career goals
7.3. NRT will develop and maintain relationships with key stakeholders. for example, Group Training Companies, EPIC, Disability Services Commission, Australian Apprenticeship Centre, Employment agencies.	Incorporated in Outcome 6.2 Seek a broad range of views from the community on disability and develop and maintain strategic partnerships with key agencies to maximise access to services for people with disability.
7.4. NRT will provide a supportive environment for students seeking employment e.g.: Open Days, Careers Days, VET Programme at schools.	Ongoing and will be carried into 2021 -2025 DAIP.
7.5. Ensure equitable employment practices at the College.	Public Sector report is completed annually by Human Resources

GOVERNMENT POLICY REQUIREMENTS

Occupational Safety and Health (OSH) 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.**

North Regional TAFE is committed to providing a safe work environment for employees, clients and visitors.

Health, safety and injury management are values of the College that are displayed through its culture and management system, endorsed and supported by the College Executive.

North Regional TAFE Management will:

- Provide a safe, healthy and injury free workplace
- Monitor and revise safety standards in all work areas as required
- 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

2020 OSH achievements/initiatives were as follows:

- A fully integrated (Kimberley and Pilbara region) North Regional TAFE OSH Management System
- Development and implementation of COVID-19 guidelines and safe practises in the work place
- A revised OSH structure, which includes an OSH Manager and OSH Coordinator
- Commencement of a baseline hearing program to be finalised during 2021
- Development of an Annual OSH Operational Plan, in line with the organisational Strategic Plan

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

A revised OSH structure to include an OSH Coordinator (located in Karratha) and an OSH Manager (located in Broome) contributing to improved face-to-face coverage over the regions.

A total of 17 OSH Representatives positions throughout the College of which four OSH Representatives are standing OSH Committee Members. This arrangement is forming 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. OSH related documents, 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.

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

Recommendations for improvement were made by the auditor, of which 75% have been implemented.

5 A report of Performance against the following targets:

Measure	Actual Results						Results against target	
	2018		2019		2020		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	0.70	1.41	1.42	1.77	0.35	0.35	Zero or 10% improvement on the previous three (3) years	Achieved
Lost Time Injury Severity Rate	0	50	25	60	0	0	Zero or 10% improvement on the previous three (3) years	Achieved

Measure	Actual Results (Not reported through RiskCover)			Results against target	
	2018	2019	2020	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	100%	100%	100%	Greater or Equal to 80%	Achieved
Percentage of managers & supervisors trained in OSH Injury Mgt responsibilities	58%	70%	95%	Greater or Equal to 80%	Achieved

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

** Figures are accurate as at time of reporting

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