



**South
Metropolitan**

*We're working for
Western Australia.*



SOUTH METROPOLITAN TAFE 2020 ANNUAL REPORT

*Skilling Western Australians
for a smart future*

Statement of Compliance

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

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for information and presentation to Parliament, the annual report of South Metropolitan TAFE for the period ending 31 December 2020.

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



Elizabeth Carr AM
Chair of Governing Council

15 March 2021



Terry Durant
Managing Director

15 March 2021

Acknowledgement

We acknowledge the Whadjuk and Gnaala Karla peoples as the traditional custodians of the lands that South Metropolitan TAFE's campuses are situated upon.

We acknowledge the wisdom of Aboriginal Elders past and present, and pay respect to Aboriginal communities of today.



While every effort has been made to assess the contents of this report, it may contain references to, or images, of people who are now deceased. South Metropolitan TAFE regrets any offence this might cause.

The term 'Aboriginal' is intended to include reference to Torres Strait Islanders and Indigenous Australians.

This publication is available in alternative formats upon request.

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Contents



4

OVERVIEW OF THE AGENCY 4

Welcome from the Chair and Managing Director 4

Executive Summary 6

About South Metropolitan TAFE 7

Operational Structure 7

Performance Management Framework 8

Governing Council 10

Partners in education and skills 14

Performance Management Framework 15



16

AGENCY PERFORMANCE 16

2020 Key college statistics 16

SM TAFE's COVID-19 Response: Adaptation and Innovation 17

Training in priority areas 18

Training highlights and challenges 19

Connecting with our communities 22

Strategic projects 23

Review of Skills, Training and Workforce Development 26

Feedback 27



29

DISCLOSURES AND LEGAL COMPLIANCE 29

Financial Statements – Certification of Financial Statements 29

Auditor's Opinion 30

Financial Statements 34

Key Performance Indicators 60

Ministerial Directives 66

Other Financial Disclosures 66

Compliance with public sector standards and ethical codes 68

Other Legal Requirements 72

Welcome from the Chair and Managing Director

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Welcome to South Metropolitan TAFE's (SM TAFE) 2020 Annual Report

While every year is defined by its own unique challenges, 2020 will be remembered as a year that changed the world. Marked by disruption and isolation for people globally, the impact of COVID-19 on education and training has been significant – affecting not just the way we teach and train, but the additional role for organisations such as ours in supporting social recovery and the post-COVID economy.

Through the critical stage of the pandemic in Western Australia, SM TAFE joined organisations across the country in adapting to a new way of doing business. For SM TAFE, this meant transitioning our training to a blended model of delivery, adapting many conventionally face to face courses to entirely new ways of teaching and learning. While this has meant SM TAFE has been able to ensure continuity of delivery and mitigate the impact of the pandemic on our students – the unprecedented transition has not been without difficulties for lecturers and students alike.

The operational challenges of COVID-19 have extended beyond new models of delivery. Additional resources necessitated by COVID-19 for catch-up classes, smaller group sizes, an increased workload and other costs has placed pressure on the college's finances. The disruption of COVID-19 to the local and national economy and the closure of international borders has also impacted our organisation to varying degrees.

While 2020 has been challenging, it has offered in equal parts a sense of perspective and reflection. The transition to blended learning has produced innovative results in surprising areas and offered an opportunity to reflect on the future of our delivery – where

we need to embrace online learning with wider arms, and where there remains a strong case to retain the hands-on training that our students expect from vocational education and training (VET). It has also reaffirmed the importance of VET to our economic and social prosperity, with the training that we deliver supporting diverse facets of our community and workforce – from health to construction to resources. The outcomes of the Review of Skills, Training and Workforce Development initiated in response to the COVID-19 pandemic is supporting VET to respond to the needs of industry following the major disruption of the pandemic.

The expansion of the Lower Fees, Local Skills initiative by the State Government, as well as the Recovery Skill Sets program in response to the pandemic, has ensured that our community can access the skills they need to prosper in our evolving economy.

Despite the impact of COVID-19, we were able to maintain our pre-pandemic levels of government funded training and anticipate even stronger demand for training in 2021, helping to support robust economic recovery in WA.



Bethany Clarke,
named WA Apprentice
of the Year

We commenced 2020 with a strong sense of what we wanted to achieve. Our strategic plan, *Skilling Western Australia for a Smart Future*, articulated a number of priorities aligned to our strategic vision and the priorities of the Western Australian State Government. Those priorities included a focus on future skills and preparing the workforce for the needs of significant projects in defence. While the pandemic resulted in an inevitable refocussing of priorities we are pleased with the achievements of 2020, which included progressing strategic partnerships with the Future Battery Industries CRC and UWA's Industry 4.0 ERDi Testlab. The excellent work of SM TAFE's WA Defence Industry Workforce Office in analysing the defence workforce needs of the State has placed the college in an advantageous position to support this critical skilling area.

SM TAFE was recognised internationally for developing Australia's first qualifications in automation, winning gold in 'Partnership with Industry' at the World Federation of Colleges and Polytechnics 2020 Awards of Excellence. We were also honoured to be a finalist in the Academic Institution of the Year category at the 2020 Australia Defence Industry Awards.

Elizabeth Carr AM
Chair of Governing Council

Terry Durant
Managing Director

While we are always impressed by the achievements of our students, this year highlighted the commitment of Western Australians to succeed in their training despite highly unusual circumstances. We were proud to have SM TAFE student and participant in Programmed's National Energy Technician Training Scheme, Bethany Clarke, named WA Apprentice of the Year, an exciting achievement that highlights excellence in the college and in our industry partnerships.

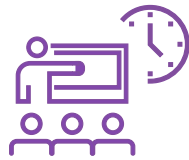
Exemplary work has been achieved this year by our staff members, who have managed to support over 25,000 students through their training during a global pandemic, as well as working closely with employers and work placement providers to navigate training requirements in an ever-changing operating environment. The efforts of our business support staff in rapidly adapting our practices to accommodate social distancing has also been critical to our success this year. We recognise this as testament to the dedication and hard work of our staff, who have truly demonstrated our values of integrity, excellence, agility and innovation throughout 2020.

Finally, we would like to thank our staff, students, industry partners, and fellow Board members for their support, commitment, and professionalism over the course of this year who have all contributed to the positive results we have managed to achieve. We also extend our gratitude to the Minister for Education and Training, the Hon Sue Ellery MLC, for her support throughout 2020.

At the time of writing this report, the majority of Western Australians have entered a second lockdown in swift response to the first community case of COVID-19 in WA in some many months, highlighting the ongoing reality of the pandemic in our personal and working lives. I am confident from the experience of 2020 that our staff, students and college partners will be able to rise to the new challenges that 2021 will inevitably bring.

Executive summary

DELIVERED
OVER 7.6 MILLION
GOVERNMENT FUNDED
(PROFILE) STUDENT
CURRICULUM HOURS



DELIVERED SKILLS
TO OVER 9,091
STUDENTS ENROLLED IN
LOWER FEES, LOCAL
SKILLS QUALIFICATIONS



ENGAGED **OVER 1,905**
NEW APPRENTICES
IN 2020



ACHIEVED A **93.3%**
STUDENT SATISFACTION
IN THE LQ SURVEY,
INCREASING FROM 2019



IMPLEMENTED **35 SKILL SETS**
TO SUPPORT COVID-19 RECOVERY



IN 2020, THERE WERE
3,397 STAFF
PARTICIPANTS IN
228 PROFESSIONAL
DEVELOPMENT
SESSIONS



PROVIDED TRAINING
TO OVER 25,000
STUDENTS



DELIVERED
QUALIFICATIONS ACROSS
OVER 30 INDUSTRY AREAS



JOBS & SKILLS
CENTRE
PROVIDED **4,947**
JOBS & SKILLS CENTRE SERVICES
TO JOBSEEKERS, UPSKILLERS
AND CAREER CHANGERS



JOBS & SKILLS
CENTRE

92% OF SURVEYED
EMPLOYERS WERE SATISFIED
OVERALL WITH SM TAFE'S
TRAINING (EQ SURVEY)



About South Metropolitan TAFE

Establishment

SM TAFE is established under the *Vocational Education and Training Act 1996*. We exist for the purpose of providing skills, training and education to the community, businesses and industry.

Our purpose

We provide students with skills to enable employment and career development

SM TAFE works with leaders in industry to provide Western Australia with the skills and capabilities for a smart future. Working collaboratively with global industries, our partnerships support economic and community development goals to ensure our graduates are ready to work with emerging technologies, engage in our diversifying economy and support our community.

We do this by:

- Providing students with high quality training that equips them with the skills and attributes to thrive.
- Collaborating and working with industry to deliver skills that reflect the current and emerging needs for the workforce.
- Strengthening our communities through lifelong learning opportunities for all Western Australians.

Operational structure

Responsible minister

In 2020, SM TAFE was responsible to the Minister for Education and Training, the Honourable Sue Ellery MLC.

Enabling legislation

South Metropolitan TAFE is established as a state training provider under section 35 of the *Vocational Education and Training Act 1996*.

Accountable authority

SM TAFE is a statutory authority governed by a Governing Council. The Governing Council is directly accountable to the public and the Minister for Education and Training.

Ms Elizabeth Carr AM is the Chair of the Governing Council.

Agency Structure

SM TAFE has 1203 staff based across twelve campuses, located in the southern metropolitan region of Perth, between Carlisle and Mandurah. SM TAFE is led by the Managing Director and supported by the Corporate Executive which is comprised of four General Managers and four Executive Directors spanning Training Services, Corporate Services, Organisational Services and Strategic Partnerships.

SM TAFE's services in 2020 were delivered through five key business areas:

- 1. Training Services:** Responsible for delivery of training across three key training directorates, including AMEP, Access, Community & Health; Construction, Commerce and Hospitality; and Engineering, Transport and Defence.
- 2. Corporate Services:** Responsible for finance, human resources, procurement and risk, information and communication technology, records management, and facilities.
- 3. Organisational Services:** Responsible for planning and reporting, client services, marketing and communications, and quality and development.
- 4. Strategic Partnerships:** Responsible for industry engagement, developing commercial opportunities and supporting international partnerships
- 5. Jobs and Skills Centres:** Responsible for delivering contracted services in partnership with the Department of Training and Workforce Development (DTWD), including career and training advice, community engagement, employer engagement, and job readiness services.

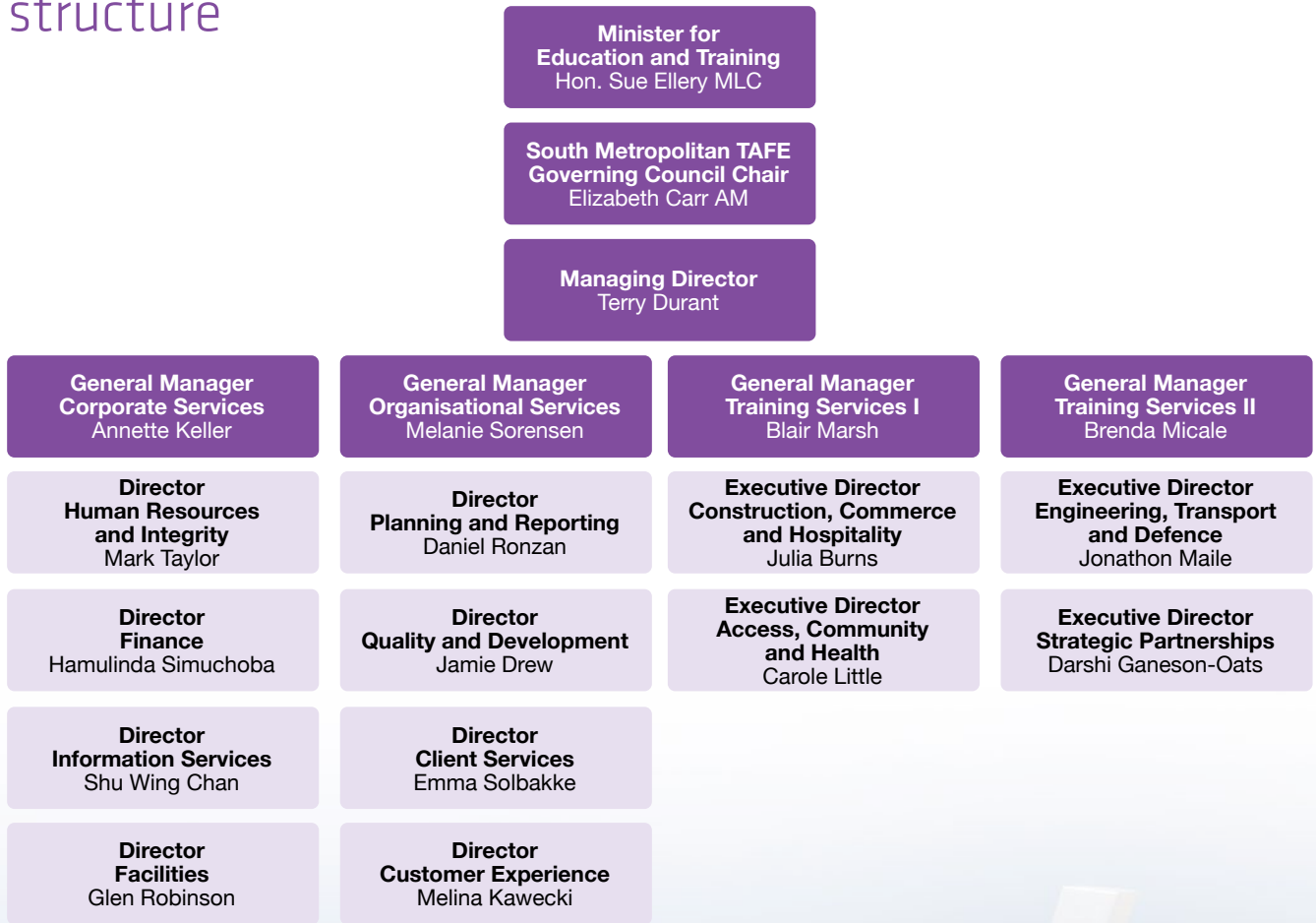
Legislative Environment

The Minister for Education and Training administers the *Vocational Education and Training Act 1996* (the Act).

SM TAFE complies with the following relevant legislation:

- *Aboriginal and Torres Strait Islander Commission Amendment Act 2005*
- *Commercial Tenancy (Retail Shops) Agreements Act 1985*
- *Corruption and Crime Commission Act 2003*
- *Disability Discrimination Act 1992*
- *Disability Services Act 1993*
- *Education Services for Overseas Students Registration Charges Act 1997*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1982*
- *Higher Education Support Act 2003*
- *Industrial Relations Act 1979*
- *Library Board of Western Australia Act 1951*
- *Occupational Safety and Health Act 1984*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *School Education Act 1999*
- *State Records Act 2000*
- *State Supply Commission Act 1991*
- *Tertiary Education Quality and Standards Agency Act 2011*
- *Vocational Education and Training Act 1996*
- *Workers Compensation and Injury Management Act 1981*
- *Working with Children (Criminal Record Checking)*

Organisational structure



Governing Council

The *Vocational Education and Training Act 1996 (VET Act)* establishes the Governing Council as the governing body of SM TAFE. Members are appointed by the Western Australian Government for their experience and expertise in education and training, industry or community affairs and for their ability to contribute to the strategic direction of the college. The Governing Council met six times in 2020.

In 2020 the Governing Council membership was as follows:



Elizabeth Carr AM
Chair

Elizabeth Carr AM has been the Chair of the Governing Council since its inception in April 2016. Elizabeth is a full-time non-executive director with a board portfolio covering government, private, education and not-for-profit organisations in Western Australia and New South Wales.

Her background incorporates the private and public sectors. She has worked in senior executive positions for IBM and Macquarie Group and within senior levels of politics and government in NSW, WA, Papua New Guinea and the United States.

She also chairs St Mary's Anglican Girls School (WA), St Catherine's Aged Care Services (NSW), and the Murrumbidgee Local Health District Audit and Risk Committee (NSW). She is President of the Harvard Club of Australia, Deputy Chair of the Kokoda Track Foundation (National), a Director of Insurance and Care (NSW), and on the Audit and Risk Committee for Trustees and Guardians (NSW). She is a facilitator for the Australian Institute of Company Directors NFP Programs. Elizabeth holds a BA (Hons) from UWA, a master's degree from Harvard University and is a Fellow of the Australian Institute of Company Directors.



Deborah Hamblin
Deputy Chair

Deborah Hamblin is the Deputy Mayor of the City of Rockingham. She has promoted the importance of education in the region for the past twelve years while on the City of Rockingham Council. She is passionate about the value of education and its importance in developing a strong community. Cr Hamblin has been a member of a variety of management boards and is a valuable contributor to SM TAFE's Governing Council. She holds a bachelor degree from Murdoch University, a post graduate qualification from Curtin University and is an Associate Member of the Australian Library and Information Association.

**Kelly Townson**

Kelly Townson has over twenty years' experience in strategy development, brand building, partnership development, and change leadership having worked across a diverse portfolio of industry sectors including tourism, higher education and training and financial services.

She has private and government sector exposure and previous board experience. She serves on the Board of Bicycling Western Australia and currently she is the General Manager of Marketing for Crown Resorts Perth.

**Niegel Grazia**

Niegel Grazia is currently the Deputy Director General, Industry and Economic Development at the Department of Primary Industries and Regional Development. His contribution to SM TAFE is informed by experiences working with communities, NGOs, the media and governments on remote and complex development projects in Australia and overseas.

Niegel worked in the oil and gas industry for 21 years, including senior corporate and project based roles and for five years as the Australian Petroleum Production and Exploration Association's representative in WA. He has led the corporate affairs function in an ASX top twenty company and has undertaken residential postings in the Pilbara and Kimberley regions. Niegel has formerly served as Governing Council Chair of the Kimberley Training Institute.

Prior appointments also include roles with the Kimberley Development Commission, the Department of Premier and Cabinet and other agencies within the WA public service. He also

served for seven years on the staff of WA State Government ministers across the local government, mines, energy and emergency services portfolios.

Niegel holds a Bachelor of Business from Curtin University and offers proven leadership, communication, advocacy, strategic thinking and problem solving skills.

**Julian Coyne**

Julian Coyne brings entrepreneurship, engineering and technology together. After graduating with honours in Computer and Mathematical Science in 2002, Julian founded his first company Unified - which has since delivered successful technology solutions to major clients including Toyota, Rio Tinto, INPEX, IBM, Microsoft, Landgate, Lotterywest, UWA and State and Federal Government agencies throughout Australia. Julian has since launched several other successful companies and initiatives, and has been invited to Oxford University, Silicon Valley and Singapore to present and work on the future of technology, industry, academia and government.

Julian presently serves as WA Chairman for the Australian Information Industry Association (AIIA) - Australia's peak body for the technology industry. In 2006 Julian was selected for the Commonwealth Government's inaugural ICT Industry Entrepreneur Accelerator Program, hosted at Macquarie Graduate School of Management (MGSM) in partnership AusIndustry and AIIA. Julian is also a graduate of the Australian Institute of Company Directors (AICD), a Senior Certified Professional with the Australia Computer Society (ACS), a member of the Institute of Electrical and Electronic Engineers (IEEE) and a member of the Commonwealth Club of California.

In addition to serving on the Governing Council of SM TAFE, Julian serves as Chairman of the Autism Academy of Software Quality Assurance (AASQA) and Chairman of the Advisory Board for the State Government's Regional New Industries Fund.

**Zaneta Mascarenhas**

Zaneta Mascarenhas is a passionate, pragmatic, socially minded professional with sustainability, community and engineering skills. She is an engineer, mother, and daughter of a fitter and turner. She leads the WA team for Energetics, Australia's leading carbon and energy management consultancy. At Energetics she provides advice to mining, oil and gas, and industrial clients.

She was born and brought up in the Goldfields and has worked in the mining and construction sectors; here she has seen the importance for having a recognised vocational qualification.

Zaneta has extensive governance experience having served on the following boards of Curtin University, Professionals Australia, Welfare Rights and Advocacy Service (current), Curtin Student Guild, and National Union of Students.

She has degrees in Chemical Engineering and Chemistry and is studying a Masters in Community Development. Volunteering is important to Zaneta. She worked for the World Bank's Water and Sanitation Program as part of AusAid's Youth Ambassador program and has volunteered in the sustainability and union movements. Today she volunteers with the Vic Park Transition Network and she anticipates joining the Uniting Church WA's Social Justice Commission shortly. Zaneta's diverse work, volunteer and education background allows her to provide unique strategic advice to not-for-profit organisations.

**Lina Dickins**

Lina Dickins has led training and competency functions for a number of major oil and gas projects in Australia and overseas. In executing these projects, her strategies always promote collaboration with vocational institutes, indigenous employment, and the development of trainees and apprentices.

Lina will bring her experience to drive closer alignments between industry and educational institutions, which she sees as one of the key areas for developing future skills in Australia.

**Dr Elena Limnios**

Elena Limnios is motivated by a passion and understanding of purpose-driven businesses, aligning business models with organisational purpose and strategy for resilient growth. She has consulted, large, multi-billion dollar businesses on strategy, governance models and process restructuring for organisational change. As an Assistant Professor at the UWA Business School she has researched, presented, and published on diverse topics of governance, strategy, finance and stakeholder engagement over more than a decade. Elena is considered an international expert on co-operative and mutual business models, having published and consulted extensively in this area, as well as co-created an Executive Leadership course for Mutuals at the level of the AICD course, delivered through the Australian Institute of Management in WA.

Elena is an accredited Civil Engineer, holds an MBA, a PhD on organisational resilience (UWA) and a post-doctorate on cooperative enterprise. She applies her engineering and management skills through Limnios Projects, a Project Management and Development Management business with experience in delivering complex residential, commercial and industrial projects in Perth.

Elena is passionate about entrepreneurship and assists start-up and NFP businesses as a Board Member, through pro-bono consulting and advisory roles. She has taught entrepreneurship, small business and marketing at the UWA Business School at undergraduate and postgraduate courses, where she was awarded for Excellence in Teaching in 2015.



Erica Haddon
FCPA FAICD

Erica Haddon is an experienced chair, non-executive director, and executive. In addition to being both a member of the Governing Council of SM TAFE and the Chair of the SM TAFE Finance, Audit and Risk Management Committee, Erica holds non-executive Chair roles at Uniting WA, MNG Survey and AusVet, is a member of the CPA Australia WA Divisional Council, and Founder and Director of Navigating Innovation, her own advisory business.

Throughout her career, Erica has honed skills in strategy, innovation, transformational change and the connection of profit and purpose. Erica has worked for RAC WA, Wesfarmers Energy (Wesfarmers Limited) and Argyle Diamonds (Rio Tinto Limited).

Erica has been a Certified Practising Accountant for over 20 years and has completed the Advanced Management Program at Harvard Business School.



Brian Delamont

Brian Delamont was born and raised in Bowral, NSW, from where he joined the Royal Australian Navy, graduating from the Naval College with a Diploma of Applied Science. He also holds a Master of Business Administration.

Brian specialised in information Technology, responsible for managing warship communications and data exchange networks. He has lived and worked in Australia, Malaysia and the United States, and was seconded to the US military in Florida with responsibility for designing US communications and collaborative networks. In 2011 he led a team of US engineers to Afghanistan fielding the new network linking the regional commands with combat outposts, for which he was awarded the United States Joint Service Commendation.

Brian has been Director General of Navy Communications and Information Warfare, highlighted by his establishment of the Australian Navy Cyber Directorate and Deputy Mission Commander for Pacific Partnership, a US Navy deployment providing medical and humanitarian assistance to regional communities. He returned as the Commanding Officer of the HMAS Stirling Navy base.

Brian has transitioned to the Naval Reserve and lives in Rockingham with his wife Robin, a native of Washington DC, and their three children.



Terry Durant

Terry Durant is the Managing Director of SM TAFE and is an ex-officio member of the Governing Council.

Partners in education and skills

Aboriginal Employment, Education and Training Committee (AEETC)

SM TAFE has an active and engaged AEETC comprised of Aboriginal community members from across local businesses and industry. The AEETC play an important role in supporting the development and monitoring the college's Aboriginal Training Plan (ATP). The ATP is built on a foundation of three key areas - attraction, retention, and transition to work. In 2020, the AEETC endorsed the 2020 to 2021 ATP.

The Chair of the AEETC in 2020 was Mr Andrew Yarran.

Industry Advisory Committees

SM TAFE has Industry Advisory Committees representing SM TAFE's diverse range of qualifications and specialities, across industry areas such as community services, construction, health and beauty, and children's services. SM TAFE's advisory committees is comprised of members from across local industry and businesses who provide a direct source of feedback on the quality of graduates and the expectations of industry. They help us to deliver contemporary, industry relevant training.

In 2020, SM TAFE had 22 Industry Advisory Committees.

Australian Centre for Energy and Process Training (ACEPT) Board

SM TAFE's Australian Centre for Energy and Process Training (ACEPT) is located at the Munster Campus. It is a world-class, specialist training facility aligned with training requirements of the oil and gas, processing and resources industries. The ACEPT board is comprised of representatives from across major employers including Rio Tinto, Chevron and Shell.

In 2020, Mr Kory Judd was the Chair of the ACEPT Board, and 3 meetings were held.



Performance Management Framework

Outcome Based Management Framework

Government goal	Desired outcome	SM TAFE services
Future jobs and skills	Grow and diversify the economy, create jobs and support skills development.	<ol style="list-style-type: none"> 1) Provision of a diverse mix of government funded and commercial, fee for service training. 2) Delivery of apprenticeships and traineeships. 3) Partnerships with industry to build capability and support future workforce skilling requirements. 4) Flexible, responsive and nationally accredited training ranging from certificate I to advanced diplomas. 5) Delivery of Jobs and Skills Centres that engage with local communities, businesses and industry, providing employment and workforce development services.

CHANGES TO OUTCOME BASED MANAGEMENT FRAMEWORK

There was no change to SM TAFE's Outcome Based Management Framework in 2020.

SHARED RESPONSIBILITIES WITH OTHER AGENCIES

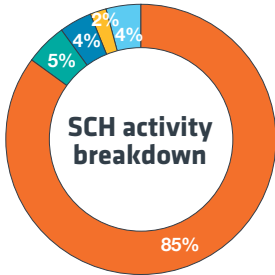
SM TAFE receives funding from the State Government through an annual resource agreement, the Delivery and Performance Agreement, with the DTWD. The college reports to DTWD for outcomes under that agreement.

2020 Key college statistics

Total number of unique students:
25,924

Total Student Curriculum Hours (all sources)
8,939,499

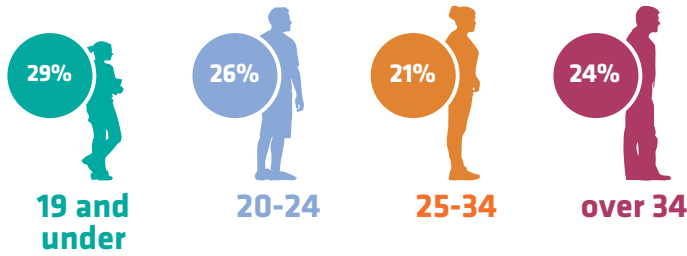
Total government funded student curriculum hours
7,630,080



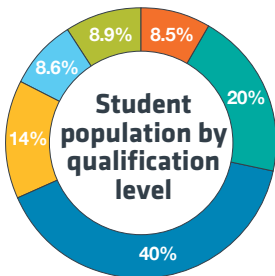
- Profile: 85%
- International fee for service: 5%
- Domestic fee for service: 4%
- State funded delivery: 2%
- Commonwealth funded delivery: 4%

Female - 15,297 (59%)
Male - 10,605 (41%)
Indeterminate/Intersex/Unspecified - 22 (<1%)

Student age group breakdown



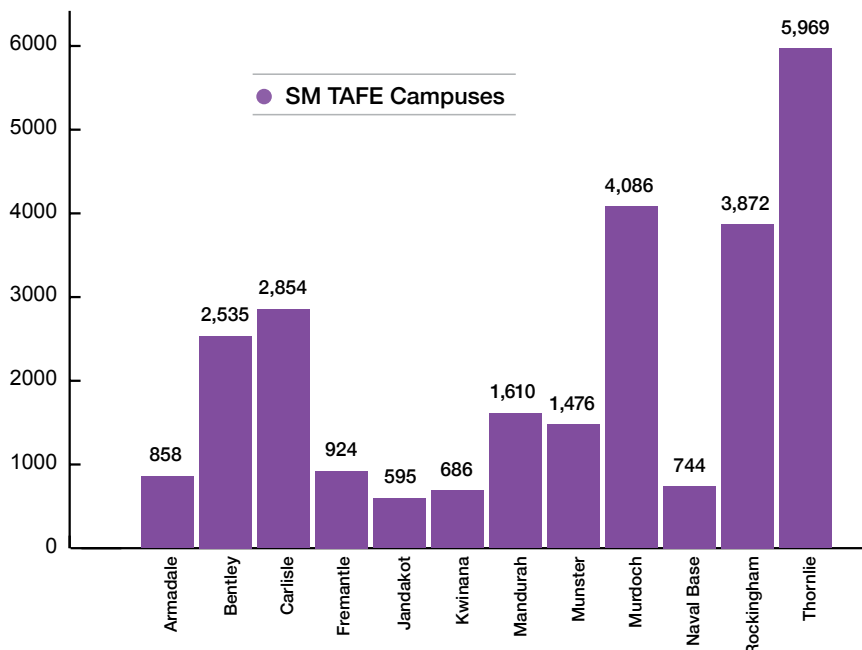
Offshore and international students
595



- Certificate I and below: 8.5%
- Certificate II: 20%
- Certificate III: 40%
- Certificate IV: 14%
- Skill Sets: 8.6%
- Diploma and above: 8.9%



Student population by campus



Note: Some students study at multiple campuses

SM TAFE's COVID-19 response

Adaptation and innovation

In the early stages of the COVID-19 pandemic, SM TAFE responded to short term needs by adapting training to a blended style of delivery. This rapid transition supported the continuation of training activity throughout Semester One. In many areas, the transition to blended learning rendered positive results and has driven a cultural shift toward online delivery and embedding more flexible practice.

For most areas, the magnitude of change was significant. Staff capability had to be rapidly developed in the use of interactive technology (including Zoom etc, Collaborate, and Microsoft Teams). Learning objects and resources needed to be uploaded into learning management systems and effective communication channels established and tested with students. The IT infrastructure to enable online delivery were rapidly procured, new software purchased, and key systems tested to ensure the load could be managed.

During the course of 2020, SM TAFE:



DELIVERED **154**
BLACKBOARD PROFESSIONAL
DEVELOPMENT SESSIONS TO
1,228 PARTICIPANTS TO
SUPPORT ONLINE LEARNING



INCREASED THE NUMBER
OF QUALIFICATIONS WITH
AN ONLINE PRESENCE
BY **46%**

REMOTELY DELIVERED
DISABILITY SUPPORT **145**



AND **139** ABORIGINAL
STUDY SUPPORT SESSIONS



PUT **14** NEW RECOVERY
SKILL SETS ON SCOPE
TO SUPPORT ECONOMIC
AND SOCIAL RECOVERY

Supporting recovery

EXPANSION OF THE LOWER FEES, LOCAL SKILLS PROGRAM AND RECOVERY SKILL SETS

In July 2020, the state government announced an expansion of the existing Lower fees, local skills (LFLS) program, adding an additional 39 courses to the initial LFLS program which was launched in late 2019. The expansion of the program will enhance opportunities for those affected financially by COVID-19 to upskill or reskill. SM TAFE anticipates demand to increase significantly in 2021 as a result of the incentives, and as the economy responds to the pandemic.

REVIEW OF SKILLS, TRAINING AND WORKFORCE DEVELOPMENT

In response to the impact of COVID-19 on the workforce, an urgent review of skills, training and workforce development (the Review) was announced by the WA State Government in May 2020. The review was supported by SM TAFE Managing Director, Terry Durant, who along with the Director General of DTWD and Managing Director of North Metropolitan TAFE, met with business, industry and community stakeholders to understand the skilling and workforce needs of WA.

The Review found strong agreement for rapid and targeted training responses to address skill and workforce needs of the State in five key areas with 46 recommendations. Many of these recommendations were supported by SM TAFE in 2020.

REBUILDING OUR TAFE_s PLAN

In late July, the Rebuilding our TAFE_s plan was announced by the WA State Government. As part of the plan, a significant capital works program was announced for TAFE, including \$22.6 million for a new Armadale campus and \$14.67 million for the development of hospitality, tourism, hair and beauty facilities at Mandurah campus. Planning for these projects are currently underway.

Training in priority areas

Aboriginal and Torres Strait Islanders

During 2020, SM TAFE developed a new Aboriginal Training Plan in consultation with the college's Aboriginal Education, Employment and Training Committee (AEETC). The plan is focussed on four key areas – Attraction, Retention, Transition to Work, and Consultation and Oversight.

SM TAFE delivered 229,973 Student Curriculum Hours (SCH) to 809 students who identified as Aboriginal and/or Torres Strait Islander.

There was a 7.1% decrease in SCH delivery to Aboriginal and/or Torres Strait Islander students compared to 2019.

SM TAFE achieved 88.5% student satisfaction among Aboriginal students in 2020.

Students with a disability

SM TAFE delivered training to 1,826 of students who identify as living with a disability. Of these students, 578 completed a Certificate II or above, representing an 93.4% achievement against the agency benchmarks.

During 2020, 1042 of students were registered with the college's disability services team for support.

The college's Disability and Inclusion Plan Outcomes (DAIP) highlight initiatives in 2020 to support students with a disability.

SM TAFE achieved 80.6% student satisfaction among students with a disability.

Youth engagement

SM TAFE delivered training to 14,118 students (4,900,971 SCH) aged between 15 to 24 years. This was 54.8% of the Student Curriculum Hour (SCH) benchmark.

There was a 3.2% decrease in SCH delivery to students aged between 15 to 24 years compared to 2019.

Training highlights and challenges

Engineering, Transport and Defence

Oil and Gas Process Engineering, Defence Mechanical and Fabrication, Applied Engineering, Light Automotive Technology, Heavy Automotive and Refrigeration and Aerospace, Maritime and Logistics

The Defence, Mechanical and Fabrication portfolio partnered with the Kwinana Industries Council (KIC) to develop the KIC Female Engineering Pre-apprenticeship. The two-year program was piloted this year with fourteen Year Eleven students, who completed the program alongside their school studies. The program was customised by SM TAFE and designed to support an industry desire for more females to enter the sector through programs such as these that facilitate gender diversity. The program gives students an opportunity to gain exposure into a number of exciting career pathways.



Kwinana Industries
Council Female Engineering
Apprenticeship

The portfolio transitioned theory units of the Certificate III in Engineering - Mechanical Trade and the Certificate III in Engineering - Fabrication Trade to Blackboard, supporting online learning during COVID-19, as well as the college's strategic goal to develop a minimum online presence across all units. Consultation with major employers such as Austal, Civmec and Alcoa ensured the transition will give flexibility to industry, providing the opportunity for apprentices to complete online training onsite and in remote locations. SM TAFE is seeking to overcome barriers such as technology access by making SM TAFE's facilities available to students outside of class time, which to date has been well received.

In 2020, SM TAFE became the first training provider in WA to be awarded Part 147 Maintenance Training Organisation (MTO) status by the Civil Aviation Safety Authority (CASA). This status will enable SM TAFE students in the Certificate IV in Aeroskills (Avionics and Mechanical) to achieve an Aircraft Maintenance Engineer licence, enhancing career opportunities and helping SM TAFE to contribute to servicing WA's local and rural aviation needs.

Construction, Creative Industries, Hospitality and Commerce

Construction, Creative Industries and Lifestyle, Business and Financial Services, Information Technology, and Hospitality and Culinary Arts

The Information Technology (IT) portfolio rapidly responded to the State Government's efforts to skill for the post COVID economy by implementing the Cyber Security Skill Set training course. The courses were offered in both face to face and online modes to promote accessibility, and will provide additional skills for people seeking re-employment, improving their knowledge to secure systems in their businesses, or those wanting to dip their toes into a new career.

SM TAFE held the Cyber Security Networking Event in partnership with AustCyber at our Murdoch campus. The event provided a unique opportunity for cyber security students to network with industry and employers and featured a 'My Career in Cyber' panel discussion with engaging panellists from across industry.

The Creative Industries and Lifestyle portfolio adapted SM TAFE's renowned annual graduate fashion show to an innovative film model in response to social distancing requirements. As an alternative to the normal live fashion parade, which was challenging to plan during the pandemic, the film enabled an even wider audience to view the incredible work of final year Advanced Diploma of Fashion Design and Merchandising students. The event was supported by local sponsors from the industry, with national and international judges coming on board to support the major student awards.

Twelve SM TAFE fashion students were chosen as finalists by the Australian Red Cross's annual Bindaring Clothing Sale as part of their 50/50 project. The fashion diploma students celebrated our 50th year of fashion training by creating designs from the 1970s with 50% of the garment created from Bindaring donations and 50% future styling. Finalist Indira Ortega Schettino chose the first 'Earth Day' in 1970 as her inspiration and Megan French's woven and quilted Technicolour Dream was inspired by 70s home décor.



SM TAFE fashion students were chosen as finalists by Australian Red Cross's annual Bindaring Clothing Sale

The portfolio responded to COVID-19 by rapidly developing online resources to enable the shift to blended delivery. The period provided the opportunity for staff to develop products for now and into the future. Although the transition to blended learning was successful, remaining connected to students was challenging, with some students lacking access to appropriate technology.

Access, Community and Health

Foundation Skills, Children's Services, Adult Migrant English Program, Health, Vet Nursing and Animal Studies, Community Services, and Science and Environment

The Foundation Skills portfolio continued to work with the Commonwealth Department of Education, Skills and Employment to deliver the Career Transition Assistance (CTA) program aimed at supporting people aged over 45 to build skills and engage with the workforce. The impact of the pandemic meant that delivery of the CTA program was transitioned to an online model, with SM TAFE working the Commonwealth to ensure continuity of the service as the impact of COVID-19 on the workforce intensified. Despite the complexities of COVID-19, the portfolio worked closely with Jobactive providers and the Jobs and Skills Centres to successfully match jobseekers with new careers. In 2020, over 85 participants were transitioned into employment outcomes.

SM TAFE will continue to work with the Department of Education, Skills and Employment in 2021 after successfully tendering for the Your Future Program focussing on language, literacy, numeracy and digital skills training in the workplace. SM TAFE will work closely with existing industry partners to provide customised training to the workplace, positioning SM TAFE to deliver innovative learning solutions to engage employers and build foundation skills in the WA's workforce.

The Foundation Skills portfolio continued to provide critical foundation vocational study skills through delivery of the Course in Underpinning Skills for Industry Qualifications (USIQ) and Course in Applied Vocational Study Skills (CAVSS) by developing online delivery strategies through Blackboard, Microsoft Teams and Collaborate. The continued delivery of CAVSS and USIQ was critical to ensure students could continue to receive language, literacy and numeracy support and were not disadvantaged by the impacts of COVID-19, ensuring students could achieve success in their chosen training pathways.

The Community Services portfolio responded to the growing community need for skilled financial counsellors by scoping and delivering the first intake of the Diploma of Financial Counselling. Working proactively with Anglicare WA, SM TAFE is now the only training provider in WA to deliver this important qualification, supporting our *Commitment to Community* strategic priority.

The Community Services portfolio also responded to the critical need to skill the State's workforce and community in infection control by rapidly developing five skill sets, which became available to TAFE colleges across the state. Developed with consultation across key industry sectors including aged care and disability, the State Government's focus on Recovery Skill Sets will enable people to seek employment with enhanced infection control skills, now and into the future.

Connecting with our communities

Jobs and Skills Centre

SM TAFE's four WA Jobs and Skills Centres (JSCs) are located at Armadale, Mandurah, Rockingham, and Thornlie campuses. The JSCs support local communities by providing careers, training and employment advice and assistance. Support services for employers and businesses include recruitment and screening assistance, workforce training solutions and resources and advice on Aboriginal employment and retention strategies.

In 2020, the JSCs specialised services continued to assist all clients to access and maximise opportunities to get back into training and employment. JSCs contributed to local area recovery by preparing job seekers to access local opportunities to support post COVID-19 economic recovery. Achievements in 2020 include:

- First point of contact for all information on Skills Ready free courses, skill sets, half price and online courses
- Adjusted JSC services to meet COVID-19 impacts including delivery of employability workshops and school presentations via Zoom and digital career and job expos
- Working collaboratively and in partnership with local community and industry, government and schools to engage youth into training and employment
- Hosting the pop up 'Jobs Shop' at the Rockingham Centre, connecting JSCs services with the local community.



**JOBS & SKILLS
CENTRE**



DELIVERED **142**
EMPLOYER SEMINARS AND
EMPLOYABILITY WORKSHOPS



PROVIDED **JSC SERVICES**
TO **4,947** CLIENTS



ENGAGED WITH
OVER 529 LOCAL
BUSINESSES, ORGANISATIONS
AND NOT-FOR-PROFITS

TAFE Specialist Employment Partnership (TSEP)

This year, SM TAFE became the first Western Australian training provider to pilot the Australian Government's National Disability Coordination Officer (NDCO) Program. Working in partnership with BIZLINK, the TSEP pilot saw a dedicated support officer working to support students with a disability access and participate in education, training and subsequent employment. Students from almost all campuses participated over the academic year. Given the positive results of the pilot and the increasing need to support employment outcomes for students and Jobs and Skills Centre clients with a disability, SM TAFE will be seeking to extend the TSEP program into 2021.

Effective ways to lead, manage and retain an Aboriginal Workforce Program

Throughout 2020, the Jobs and Skills Centres continued to work with Aboriginal Services to deliver the highly regarded *Effective ways to Lead, Manage and Retain an Aboriginal Workforce program*. Despite the interruption of COVID, workshops with representation from across the public and private sector, including the Department of Justice, Rio Tinto, WA Policy, Centurion and John Holland, were successfully held supporting the development of culturally aware work environments. The program was shortlisted in the IPAA WA Achievement Awards in the Corporate Social Responsibility category, receiving a commendation.

Strategic projects

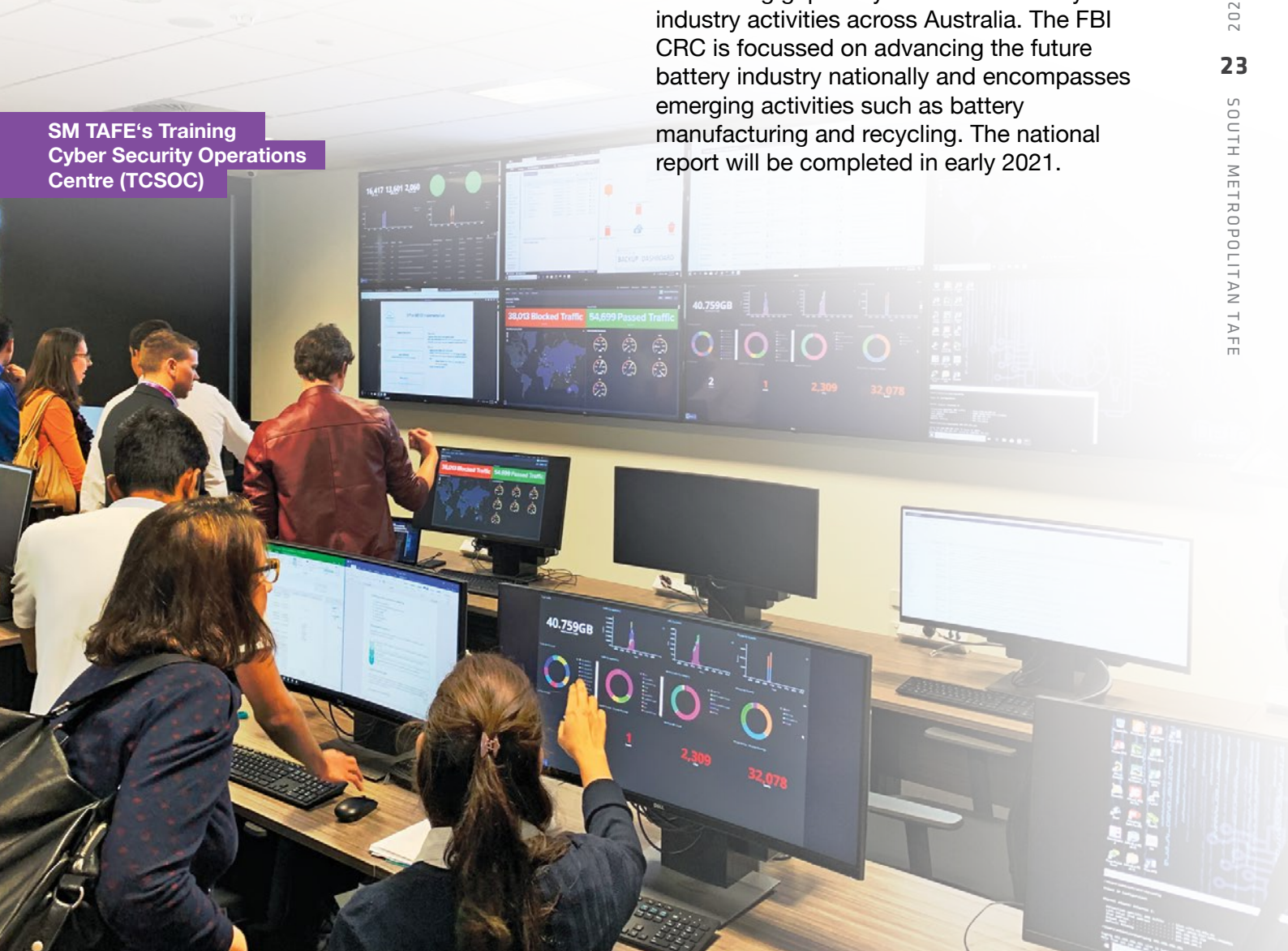
Cyber Skills for today and tomorrow: Leading the TAFEcyber project

SM TAFE is the lead member of the TAFEcyber consortium, collaborating with Austcyber to support the development of Australia's cyber security training capabilities. An initiative awarded funding through the Austcyber Projects Fund, the project is being led and coordinated by SM TAFE with a consortium of training providers across Australia. In 2020, several milestones were progressed as part of the project, including establishing a strong, national brand and progressing the creation of high-quality training materials and resources to produce the workforce for a fast growing cyber security industry.

SM TAFE's Training
Cyber Security Operations
Centre (TCSOC)

Skilling for the Future Battery Industry

In February 2020, SM TAFE finalised a training gap analysis for current emerging battery minerals and production industry in Western Australia. The report was commissioned by the WA Department of Training and Workforce Development. The key findings were that battery minerals refining requires new skills to achieve the high purity levels required of battery precursor chemicals. The report will be used as a basis to progress the WA Future Battery Industry Strategy which aims to accelerate all aspects of the lithium-ion and other rechargeable batteries value chain. SM TAFE also commenced a project under the Future Battery Industry Cooperative Research Centre (FBI CRC) to extend the training gap analysis to other battery industry activities across Australia. The FBI CRC is focussed on advancing the future battery industry nationally and encompasses emerging activities such as battery manufacturing and recycling. The national report will be completed in early 2021.



Pathways to Skills and Jobs in the 21st Century– Rio Tinto Automation Skills Partnership

In late 2017, a partnership between SM TAFE and Rio Tinto was launched with the purpose of developing new, industry first qualifications in automation for the resource industry’s evolving workforce. The project has been funded by Rio Tinto through their community investment fund, with the organisation recognising the impact such an investment would have within the resources sector and the Western Australian community generally.

The automation project has seen the development of three Australian first qualifications in automation - the Certificate II in Autonomous Workplace Operations, the Course in Working Effectively in an Automated Workplace (Micro-Credential), and the Certificate IV in Autonomous Control and Remote Operations. They are the first accredited automation qualifications in Australia.

RIO TINTO MICRO-CREDENTIAL SCHOLARSHIP TRAINING FUND

In response to the COVID-19 pandemic, Rio Tinto established a micro-credential Scholarships Training Fund enabling displaced apprentices to complete the micro-credential Course in Working Effectively in an Automated Workplace. The fund was designed to provide future skills and greater mobility to displaced apprentices. Rio Tinto partnered with SM TAFE to deliver the program from our Munster campus.

GRADUATION OF CERTIFICATE II AUTOMATION PILOT

In September, students from the pilot of the Certificate II in Autonomous Workplace Operations program (VET Delivered to Secondary School Students) successfully graduated from the course. The pilot involved students from across several schools in the southern metropolitan region.



Students from the
certificate II in Autonomous
workplace operations



SM TAFE Defence
Industry Training

WA Defence Industry Workforce Office and Defence Industries Strategic Plan

The Western Australian Defence Industry Workforce Office (WADIWO) was established at SM TAFE's Naval Base campus in May 2019 as an outcome of the Advancing Education, Training and Skilling strategy. The office leads the development of the WA Defence Workforce Development Plan working collaboratively with the other TAFE colleges and education and training providers, taking input from the WA defence industry and the support of the Department of Training and Workforce Development. In 2020, WADIWO progressed several initiatives, including:

- Establishing the Higher Education Advisory Committee to inform the development of a plan to grow the white and grey collar workforce for the WA defence industry.
- Delivering an interim report on the Maritime Defence Industry Workforce Development Plan focussed on the tertiary qualified professional workforce for the Maritime and Anti-Submarine Warfare Stream.
- Developing a comprehensive maritime defence industry job roles taxonomy in consultation with the defence industry and the university sector.
- Collaborating with Defence West and DTWD to launch "The Other Force" campaign to promote the defence industry and raise awareness of career pathways available in defence.

ERDi UWA Partnership

In 2020, SM TAFE progressed its vocational partnership with the University of Western Australia's I4.0 ERDi Testlab, one of six Testlabs in Australia. Each Testlab provides innovation support for businesses in priority industry growth sectors and builds the skills required to capitalise on technological opportunities presented by Industry 4.0. The partnership is providing the college with an exciting opportunity to explore Industry 4.0 applications in our process plant training.

Review of skills, training and workforce development

Reconciliation Action Plan (RAP) Achievements

SM TAFE was proud to have its second RAP endorsed by Reconciliation Australia in 2020. SM TAFE's RAP sets the foundations of our RAP Working Group's (RWG) strategies and priorities. Despite the disruption of COVID-19, 2020 was a fruitful year for the RWG as a number of projects were progressed and key cultural events observed and celebrated, including National Reconciliation Week and 2020 NAIDOC Week.

CULTURAL PROTOCOLS GUIDE

In 2020, a Cultural Protocols guide was developed in consultation with the college's AEETC committee. Designed to provide staff and students with an understanding of the appropriate ways to acknowledge and pay respect to Aboriginal culture, the document is a key part of the RAP's broader cultural learning strategy.

BENTLEY BUSH TUCKER KITCHEN GARDEN

A collaborative effort across the college, the Bentley Bush Tucker Garden was developed in 2020 with the aim of creating a shared space that celebrates native culinary plants and herbs. Established opposite newly refurbished hospitality facilities, the garden will support the goal of bringing Australia's unique traditional flavours into the mainstream and provide a valuable learning opportunity for Hospitality students to promote modern Australian flavours in their cooking. The kitchen garden was a collaborative effort between the areas across the college, as well as students studying horticulture. Support from Aboriginal Elder Juanita Knapp and Marissa Verma of Bindi Bindi Dreaming helped bring this project to life.

REFURBISHED KOORA-MARR CENTRE

The Koora-Marr Aboriginal Resource Centre based at Thornlie campus was refurbished as part of the RWG Cultural Safe Spaces initiative. The aim of this program is to ensure that SM TAFE has safe spaces that support Aboriginal people while at SM TAFE and encourage greater understanding, respect and celebration of Aboriginal culture.

NAIDOC WEEK - ALWAYS WAS, ALWAYS WILL BE

SM TAFE embraced the 2020 NAIDOC week theme of *Always Was, Always Will Be*, with a celebration at Mandurah campus. The event featured a Welcome to Country by Theo Kearing, a keynote address by prominent Whadjuk businesswoman Karen Jacobs, and live artwork by Tyrown Waigana – the amazing artist behind the 2020 National NAIDOC Poster. As part of the event, Tyrown painted three benches in a design that reflects the vibrant colours and story of the Noongar seasons Makaru, Djilba and Kambarang of which three of SM TAFE's Jobs and Skill Centres are named after.



Feedback

SM TAFE collects and analyses feedback from stakeholders through a range of mechanisms, including actively surveying students and employers about their experience with the college. Customer comments (complaints and compliments) are also received through our feedback form and via other sources.

Learner and Employer Questionnaire



**92% OF SURVEYED
EMPLOYERS** WERE SATISFIED
OVERALL WITH SM TAFE'S TRAINING



**93.3% OF SURVEYED
STUDENTS** WERE SATISFIED
OVERALL WITH SM TAFE'S TRAINING

SM TAFE measures learner and employer satisfaction as a component of its Key Performance Indicator (KPI) Framework and as a requirement of compliance with the *Standards for Registered Training Organisations (2015)*

SM TAFE has approximately 370 qualifications on its scope of registration. The College aims to survey each qualification on its scope at least once during a three-year period, resulting in approximately 100 qualifications surveyed each year. Qualifications are also selected based on a risk assessment as identified by the Quality and Development Directorate as part of our Internal Quality Audit Strategy or as suggested by Portfolio Managers.

LEARNER QUESTIONNAIRE (LQ)

2,282 complete LQ responses were received in 2020, representing a 13.7% response rate. 73 additional responses were received to an adapted LQ survey for English as an additional language (EAL) students. SM TAFE scored 93.3% for the scale 'Overall Satisfaction' in the 2020 LQ survey, exceeding the college's KPI of 85%, and there was a 2.9% increase compared with 2019 results. There was a general trend of increased satisfaction across all scales.

EMPLOYER QUESTIONNAIRE (EQ)

423 survey responses were received during 2020 from a total of 1,922 unique employers contacted representing a response rate of 22.0%. SM TAFE scored 92.1% for the scale 'Overall Satisfaction' in the 2020 EQ survey, exceeding the college's KPI of 80%. There was an increase of 1.9% compared with 2019 results.



95% OF EMPLOYERS AGREED
TRAINERS WERE EFFECTIVE
IN THEIR TEACHING



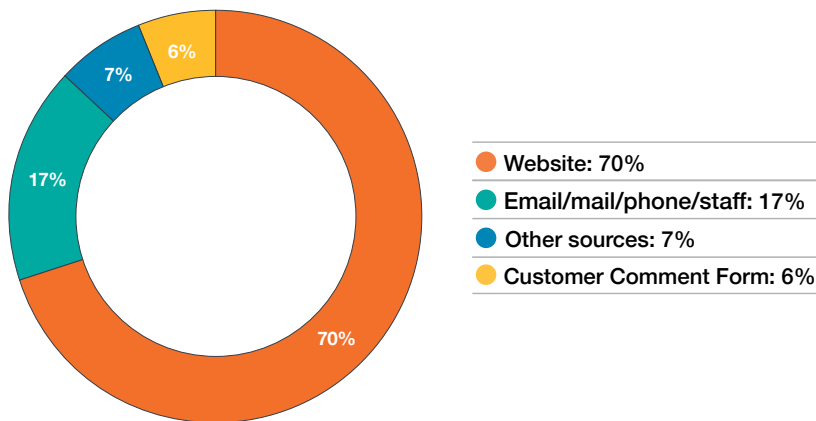
94% AGREED THE WAY
EMPLOYEES WERE ASSESSED WAS
A FAIR TEST OF THEIR SKILLS
AND KNOWLEDGE

Customer comments

SM TAFE’s Complaints and Feedback Policy is focused on encouraging feedback from all stakeholders (students, employers, staff and third parties). Customers can lodge feedback (complaints, compliments, suggestions, and academic appeals) online via the college’s website, in person, over the telephone or email to a college staff member, or by post.

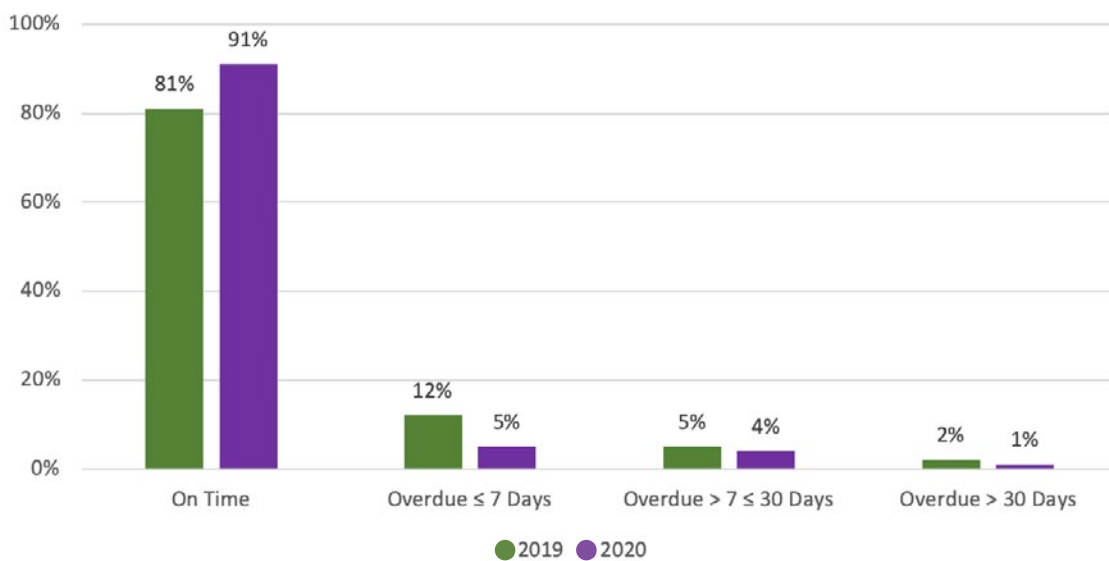
SM TAFE received 322 comments during 2020 which represents a 19.3% decrease in the total number of customer comments compared with 2019.

CUSTOMER COMMENT SOURCES



SM TAFE aims to respond to customer feedback within ten days. In 2020, SM TAFE achieved this target with 91% of feedback received, a significant improvement on 2019 results (81%). This increased efficiency was a result of an increase in online form submissions (70%) and a reduction in hard copy forms (6%).

FEEDBACK RESPONSE TIMES



Financial Statements

Certification of Financial Statements

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

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



Elizabeth Carr AM
Chair of Governing Council



Terry Durant
Managing Director



Hamulinda Simuchoba CPA
Chief Financial Officer

15 March 2021



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

SOUTH METROPOLITAN TAFE Report on the Financial Statements

Opinion

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

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

Basis for Opinion

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

The Governing Council's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

A further description of my responsibilities for the audit of the annual financial report 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 South Metropolitan TAFE. The controls exercised by the TAFE are those policies and procedures established by the Governing Council to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

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

In my opinion, in all material respects, the controls exercised by the South Metropolitan TAFE are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 December 2020.

The Governing Council's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the key Performance Indicators

Opinion

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

In my opinion, in all material respects, the key performance indicators of the South Metropolitan TAFE are relevant and appropriate to assist users to assess the TAFE's performance and fairly represent indicated performance for the year ended 31 December 2020.

The Governing Council's Responsibility for the Key Performance Indicators

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

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

Auditor General's Responsibility

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

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

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

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

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

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

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



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
22 March 2021

South Metropolitan TAFE		2020	2019
STATEMENT OF COMPREHENSIVE INCOME			
FOR THE YEAR ENDED 31 DECEMBER 2020			
	Notes	\$	\$
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1(a)	125,349,640	119,299,634
Supplies and services	2.3	30,595,561	30,289,050
Grants and subsidies	2.2	260,069	367,635
Finance costs	6.3	277,033	258,443
Asset revaluation decrement	2.3	1,359,709	500,000
Other expenses	2.3	11,967,657	12,612,472
Cost of sales	3.3	256,539	253,773
Loss on disposal of non-current assets	3.6	301,633	130,381
Loss on disposal of lease arrangements	3.6	763	-
Depreciation and amortisation expense	4.1.1, 4.3.1	9,627,668	9,328,435
Total cost of services		179,996,272	173,039,823
Income			
Fee for service	3.2	26,421,892	23,874,702
Student fees and charges	3.2	20,023,832	23,303,887
Ancillary trading	3.2	895,778	1,276,749
Sales	3.3	383,521	388,980
Interest revenue	3.4	266,544	860,950
Other revenue	3.5	1,376,336	4,218,599
Total revenue		49,367,903	53,923,867
Gains			
Gain arising from changes in fair value - buildings	3.6	-	5,647,235
Gain on disposal of lease arrangements	3.6	-	5,332
Total gains		-	5,652,567
Total income other than income from State Government		49,367,903	59,576,434
NET COST OF SERVICES		130,628,369	113,463,389
Income from State Government			
Grants and subsidies	3.1	109,847,223	101,024,799
Resources received	3.1	6,900,959	5,377,200
Total income from State Government	3.1	116,748,182	106,401,999
DEFICIT FOR THE PERIOD		(13,880,187)	(7,061,390)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		(34,463)	357,676
Total other comprehensive income		(34,463)	357,676
TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD		(13,914,650)	(6,703,714)

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

South Metropolitan TAFE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020		2020	2019
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	33,247,873	37,562,235
Restricted cash and cash equivalents	6.1	501,480	277,566
Receivables	5.1	6,697,439	4,140,259
Other current assets	5.2	1,060,197	1,035,730
Non-current assets classified as held for transfer	8.7	-	950,074
Total Current Assets		41,506,989	43,965,864
Non-Current Assets			
Restricted cash and cash equivalents	6.1	2,255,977	1,712,471
Property, plant and equipment	4.1	296,986,347	301,737,364
Right-of-use assets	4.2	6,143,743	6,400,269
Intangible assets	4.3	337,165	71,079
Total Non-Current Assets		305,723,232	309,921,183
TOTAL ASSETS		347,230,221	353,887,047
LIABILITIES			
Current Liabilities			
Payables	5.3	4,298,326	3,611,756
Lease liabilities	6.2	585,230	666,801
Employee related provisions	2.1(b)	24,079,077	22,289,382
Other current liabilities	5.4	5,139,465	3,309,596
Total Current Liabilities		34,102,098	29,877,535
Non-Current Liabilities			
Lease liabilities	6.2	5,567,649	5,881,440
Employee related provisions	2.1(b)	4,478,877	4,573,483
Other non-current liabilities	5.4	221,255	-
Total Non-Current Liabilities		10,267,781	10,454,923
TOTAL LIABILITIES		44,369,879	40,332,458
NET ASSETS		302,860,342	313,554,589
EQUITY			
Contributed equity	8.8	350,509,310	347,288,907
Reserves	8.8	383,240	417,703
Accumulated deficit		(48,032,208)	(34,152,021)
TOTAL EQUITY		302,860,342	313,554,589

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

South Metropolitan TAFE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
Notes		
CASH FLOWS FROM STATE GOVERNMENT		
Grants and subsidies - Department of Training and Workforce Development	108,700,443	103,157,410
Capital appropriation - Department of Training and Workforce Development	-	117,184
Total Net cash provided by State Government	108,700,443	103,274,594
Utilised as follows:		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee benefits expense	(122,963,874)	(116,834,689)
Supplies and services	(23,718,639)	(25,216,116)
Finance costs	(275,945)	(258,443)
Grants and subsidies	(260,069)	(367,635)
GST payments on purchases	(2,718,400)	(2,939,671)
GST payments to taxation authority	-	(10,429)
Other payments	(11,671,665)	(11,777,810)
Receipts		
Fee for service	25,985,005	24,315,828
Student fees and charges	20,224,751	23,886,466
Ancillary trading	1,022,759	1,665,729
Interest received	355,966	1,031,433
GST receipts on sales	589,092	734,269
GST receipts from taxation authority	2,073,410	2,118,456
Other receipts	1,549,545	2,912,977
Net cash used in operating activities	(109,808,064)	(100,739,635)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments		
Purchase of non-current physical assets	(1,737,963)	(2,450,401)
Receipts		
Proceeds from sale of non-current physical assets	-	77,600
Net cash used in investing activities	(1,737,963)	(2,372,801)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments		
Principal elements of lease payments	(701,359)	(738,837)
Net cash used in financing activities	(701,359)	(738,837)
Net decrease in cash and cash equivalents	(3,546,943)	(576,679)
Cash and cash equivalents at the beginning of period	39,552,272	40,128,951
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	36,005,329	39,552,272

6.1

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

South Metropolitan TAFE STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2020					
	Notes	Contributed Equity	Reserves	Accumulated Surplus / (Deficit)	Total Equity
		\$	\$		\$
Balance at 1 January 2019		364,022,814	60,026	(27,090,631)	336,992,209
Deficit				(7,061,390)	(7,061,390)
Other comprehensive income	8.8	-	357,677	-	357,677
Total comprehensive income for the period		-	357,677	(7,061,390)	(6,703,713)
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		4,501,656	-	-	4,501,656
Distributions to owners		(21,235,563)	-	-	(21,235,563)
Total		(16,733,907)	-	-	(16,733,907)
Balance at 31 December 2019		347,288,907	417,703	(34,152,021)	313,554,589
Balance at 1 January 2020		347,288,907	417,703	(34,152,021)	313,554,589
Deficit				(13,880,187)	(13,880,187)
Other comprehensive income	8.8	-	(34,463)	-	(34,463)
Total comprehensive income for the period		-	(34,463)	(13,880,187)	(13,914,650)
Transactions with owners in their capacity as owners:	8.8				-
Capital appropriations		4,136,403	-	-	4,136,403
Distributions to owners		(916,000)	-	-	(916,000)
Total		3,220,403	-	-	3,220,403
Balance at 31 December 2020		350,509,310	383,240	(48,032,208)	302,860,342

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

South Metropolitan TAFE (SM TAFE) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. SM TAFE is a not-for-profit entity (as profit is not its principal objective).

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 SM TAFE on 15 March 2021.

Statement of compliance

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

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

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

Basis of preparation

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

Going concern basis of preparation

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

Judgements and estimates

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

Contributed equity

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

2 Use of our funding
Expenses incurred in the delivery of services

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

	Notes	2020	2019
Employee benefits expense	2.1(a)	125,349,640	119,299,634
Employee related provisions	2.1(b)	28,557,954	26,862,867
Grants and subsidies	2.2	260,069	367,635
Supplies and services	2.3	30,595,561	30,289,050
Asset revaluation decrement	2.3	1,359,709	500,000
Other expenditure	2.3	11,967,657	12,612,472

NOTES TO THE FINANCIAL STATEMENTS

2.1(a) Employee benefits expense

	2020	2019
Employee benefits	114,610,317	108,820,353
Termination benefits	14,250	259,320
Superannuation - defined contribution plans	10,725,073	10,219,961
Total employee benefits expense	125,349,640	119,299,634
Add: AASB 16 Non-monetary benefits		
Provision of vehicle benefits	198,386	242,279
Less: Employee contributions	(59,085)	(57,022)
Net employee benefits expense	125,488,941	119,484,891

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

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when SM 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 SM TAFE. Employee Contributions: this line item includes contributions made to the SM TAFE by employees towards employee benefits that have been provided by the SM TAFE. This includes both AASB-16 and non-AASB 16 employee contributions.

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

2.1(b) Employee related provisions

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

	2020	2019
Current		
<u>Employee benefits provision</u>		
Annual leave	4,971,617	4,536,425
Long service leave	17,259,811	15,939,910
Deferred salary scheme	446,154	513,542
Purchased leave	2,491	2,031
	22,680,073	20,991,908
<u>Other provisions</u>		
Employment on-costs	1,399,004	1,297,474
Total current employee related provisions	24,079,077	22,289,382
Non-current		
<u>Employee benefits provision</u>		
Long service leave	4,213,809	4,301,798
	4,213,809	4,301,798
<u>Other provisions</u>		
Employment on-costs	265,068	271,685
Total non-current employee related provisions	4,478,877	4,573,483
Total employee related provisions	28,557,954	26,862,865

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

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

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

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

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

Employment on-costs provisions

Carrying amount at start of period	1,569,159	1,483,312
Additional / (reversals of) provisions recognised	94,913	85,847
Total Carrying amount at end of period	1,664,072	1,569,159

	2020	2019
Carrying amount at start of period	1,569,159	1,483,312
Additional / (reversals of) provisions recognised	94,913	85,847
Total Carrying amount at end of period	1,664,072	1,569,159

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 SM 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.

NOTES TO THE FINANCIAL STATEMENTS

2.2 Grants and subsidies**Recurrent**

Scholarships for students
Total grants and subsidies

	2020	2019
	260,069	367,635
	260,069	367,635

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

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

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

2.3 Other expenditure**Supplies and services**

Consumables and minor equipment
 Communication expenses
 Utilities expenses
 Consultancies and contracted services
 Minor works
 Repairs and maintenance
 Rental cost
 Travel and passenger transport
 Advertising and public relations
 Staff professional development activities
 Software licence expense
 Insurance expense
 Supplies and services - other

	2020	2019
	6,463,019	6,331,320
	592,489	464,586
	2,707,591	3,233,139
	17,225,317	16,140,351
	265,612	453,851
	571,650	518,133
	207,434	565,582
	100,319	217,990
	314,349	130,890
	153,538	182,774
	1,092,202	1,089,829
	709,216	709,954
	192,825	250,651
	30,595,561	30,289,050

2.3s Total supplies and services expenses**Other expenses**

Audit fees
 Building maintenance
 Expected credit losses
 Employment on-costs
 Donations
 Student prizes and awards
 Losses and write-offs
 Refunds of revenue (prior year)

	176,572	176,581
	3,190,660	3,252,178
	346,993	512,020
	8,163,188	7,976,742
	-	1,000
	1,500	1,890
	560	3,950
	88,184	688,111
	11,967,657	12,612,472

Total other expenses**Asset revaluation decrement**

Asset revaluation decrement

	1,359,709	500,000
	1,359,709	500,000

Total asset revaluation decrement**Total other expenditure**

	13,327,366	13,112,472
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Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Rental expenses include:

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

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

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

Expected credit losses is an allowance of trade receivables and is measured at the lifetime expected credit losses at each reporting date. SM 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. 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 SM TAFE obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by SM TAFE and the relevant notes are:

	Notes	2020	2019
Income from State Government	3.1	116,748,182	106,401,999
User charges and fees	3.2	47,341,502	48,455,339
Trading profit	3.3	126,981	135,207
Interest revenue	3.4	266,544	860,950
Other revenue	3.5	1,376,336	4,218,599
Gains/(Losses)	3.6	(302,396)	5,522,186

3.1 Income from State Government

Grants and subsidies received during the period:

Grants and subsidies

Delivery and Performance Agreement (DPA)

Non-DPA Grants from Department of Training and Workforce Development (DTWD)

Total grants and subsidies

Resources received free of charge from other State Government agencies during the period:

Department of Training and Workforce Development

- Corporate systems support

- Marketing and publications

- Human resources and industrial relations support

- Other

Total Resources Received

Total income from State Government

	2020	2019
Grants and subsidies received during the period:		
Grants and subsidies		
Delivery and Performance Agreement (DPA)	107,116,605	97,454,776
Non-DPA Grants from Department of Training and Workforce Development (DTWD)	2,730,618	3,570,023
Total grants and subsidies	109,847,223	101,024,799
Resources received free of charge from other State Government agencies during the period:		
Department of Training and Workforce Development		
- Corporate systems support	3,700,126	3,305,230
- Marketing and publications	6,913	34,842
- Human resources and industrial relations support	87,742	79,033
- Other	3,106,178	1,958,095
Total Resources Received	6,900,959	5,377,200
Total income from State Government	116,748,182	106,401,999

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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
Fee for service		
Fee for service - general	10,555,411	10,358,115
Fee for service - Government (other than DTWD)	10,605,792	7,223,627
International fees	5,260,689	6,282,021
Higher education	-	10,939
Total fee for service	26,421,892	23,874,702
Student fees and charges		
Tuition fees	13,617,139	17,368,649
Enrolment and resource fees	5,625,475	5,363,629
Recognition of prior learning (RPL) fees	393,398	337,719
Other college fees	387,820	233,890
Total student fees and charges	20,023,832	23,303,887
Ancillary trading		
Liveworks (not a trading activity)	834,633	1,206,511
Contracting & consulting revenue	-	5,091
Other ancillary Revenue	61,144	65,147
Total ancillary trading	895,778	1,276,749
Total user charges and fees	47,341,502	48,455,338

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
Cafeteria (non-training related)		
Sales	383,521	388,980
Cost of Sales:		
Opening Inventory	-	-
Purchases	(256,539)	(253,773)
	(256,539)	(253,773)
Closing Inventory	-	-
Cost of Goods Sold	(256,539)	(253,773)
Total trading profit - Cafeteria (non-training related)	126,981	135,207

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.

3.4 Interest revenue

	2020	2019
Interest revenue	266,544	860,950

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

NOTES TO THE FINANCIAL STATEMENTS

3.5 Other revenue

	2020	2019
Employee contributions	59,085	57,022
Rental and facilities fees	176,329	206,498
Sponsorship and donations revenue	49,998	1,292,139
Recoups from external organisations	437,431	479,965
RiskCover performance adjustment and insurance recoveries	279,626	1,375,190
Prior year revenue	250,623	580,753
Miscellaneous revenue	123,243	227,032
Total other revenue	1,376,336	4,218,599

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

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

3.6 Gains/(Losses)

	2020	2019
<u>Net proceeds from disposal of non-current assets</u>		
Plant, furniture and general equipment	-	22,093
Marine craft	-	55,507
Total proceeds from disposal of non-current assets	-	77,600
<u>Carrying amount of non-current assets disposed</u>		
Buildings	(256,493)	-
Motor vehicles, caravans and trailers	(11,860)	-
Plant, furniture and general equipment	(33,280)	(116,218)
Computers and communication network	-	(30,233)
Marine craft	-	(61,530)
Net losses	(301,633)	(130,381)
<u>Other gains/(losses)</u>		
Gain/(loss) arising from lease arrangements	(763)	5,332
Gain arising from changes in fair value - buildings	-	5,647,235
Other gains/(losses)	(763)	5,652,567
Total gains/(losses)	(302,396)	5,522,186

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

	Notes	2020	2019
Property, plant and equipment	4.1	296,986,347	301,737,364
Right-of-use assets	4.2	6,143,743	6,400,269
Intangibles	4.3	337,165	71,079
Total key assets		303,467,255	308,208,712

NOTES TO THE FINANCIAL STATEMENTS

4.1 Property, plant and equipment

Year ended 31 December 2020

1 January 2020

Gross carrying amount

Accumulated depreciation

Carrying amount at start of period

Additions

Transfers

Other disposals

Revaluation increments/(decrements)

Depreciation

Carrying amount 31 December 2020

Gross carrying amount

Accumulated depreciation

	Land	Buildings	Work in Progress	Motor vehicles, caravans and trailers	Leasehold improvements	Plant, furniture and general equipment	Computer equipment, communication network	Marine craft	Library collection	Works of art	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross carrying amount	82,720,000	204,505,830	598,677	420,096	10,564,146	11,815,121	5,450,457	553,650	1,556,540	1,875,066	320,059,584
Accumulated depreciation	-	-	-	(234,469)	(8,839,259)	(5,235,511)	(3,277,673)	(142,914)	(592,392)	-	(18,322,219)
Carrying amount at start of period	82,720,000	204,505,830	598,677	185,627	1,724,887	6,579,610	2,172,784	410,736	964,148	1,875,066	301,737,364
Additions	-	3,605,399	79,893	7,000	-	985,182	1,083,667	-	139,773	450	5,901,364
Transfers	-	-	(598,677)	-	-	16,408	261,392	(2,562)	-	-	(323,439)
Other disposals	-	(256,493)	-	(11,860)	-	(33,280)	-	-	-	-	(301,633)
Revaluation increments/(decrements)	-	(1,560,177)	-	-	-	-	-	200,079	-	-	(1,360,098)
Depreciation	-	(5,134,629)	-	(36,758)	(89,239)	(1,748,310)	(1,267,845)	(73,254)	(317,177)	-	(8,667,212)
Carrying amount 31 December 2020	82,720,000	201,159,930	79,893	144,009	1,635,647	5,799,610	2,249,998	535,000	786,743	1,875,516	296,986,347
Gross carrying amount	82,720,000	201,159,930	79,893	414,096	10,564,146	12,756,057	6,746,508	535,000	1,513,951	1,875,516	318,365,097
Accumulated depreciation	-	-	-	(270,087)	(8,928,499)	(6,956,447)	(4,496,510)	-	(727,207)	-	(21,378,750)

Initial recognition

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

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

Subsequent measurement

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

Land is carried at fair value.

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

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

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

Land and buildings were revalued as at 01 July 2020 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 31 December 2020 and recognised at 31 December 2020. In undertaking the revaluation, fair value was determined by reference to market values for land: \$16,400,000 (2019: \$13,500,000)

For the remaining balance, fair value of buildings was determined on the basis of depreciated replacement cost and the fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Revaluation model:

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

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

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

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

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

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

c) Marine craft are valued every 3 years by professional valuer. The last valuation occurred as at 30/11/2020 and was undertaken by Maritime Engineers Pty Ltd.

d) Works of art are revalued every 3 years by an independent artwork valuer to ensure The carrying amount does not differ materially from fair value. The last valuation occurred as at 30/09/2019.

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

4.1.1 Depreciation and impairment charge for the period

	2020	2019
<u>Depreciation</u>		
Buildings	5,134,628	5,086,355
Leasehold improvements - buildings	89,239	59,900
Motor vehicles, caravans and trailers	36,758	52,093
Plant, furniture and general equipment	1,748,310	1,629,598
Computers and communication network	1,267,845	1,088,026
Marine craft	73,254	75,515
Library Collection	317,177	410,030
Right-of-use assets	854,058	892,140
Total depreciation for the period	9,521,270	9,293,657

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

Finite useful lives

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

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

Asset	Useful life: years
Building	40 years
Leasehold improvements	1 to 2 years
Motor vehicles, caravans and trailers	1 to 25 years
Plant, furniture and general equipment	1 to 30 years
Computer and communication equipment	1 to 14 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.

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

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

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

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

Impairment

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

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

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

As SM 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
Land	749,328	770,554
Buildings	4,881,177	5,225,748
Vehicles	513,239	403,967
Net Carrying Amount:	6,143,743	6,400,269

Additions to right-of-use assets during the 2020 financial year were \$305,067 (2019: \$7,245,807)

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.

SM 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 SM TAFE at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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

The following amounts relating to leases have been recognised in the Statement of Comprehensive Income:

	2020	2019
Land	44,296	41,739
Buildings	633,676	625,173
Vehicles	176,087	225,228
Total right-of-use asset depreciation	854,059	892,140
Lease interest expense	277,033	258,443
Gains or losses arising from sale and leaseback transactions	(763)	5,332

The total cash outflow for lease in 2020 was \$977,304 (2019: \$997,280)

SM TAFE has leases for vehicles and office accommodation.

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

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

4.3 Intangible assets

	Computer software and licences
Year ended 31 December 2020	
1 January 2020	
Cost	492,522
Accumulated amortisation	(421,443)
Carrying amount at start of period	71,079
Additions	372,484
Amortisation expense	(106,397)
Carrying amount at 31 December 2020	337,165

Initial recognition

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

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

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

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

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

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

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
<u>Amortisation</u>		
Computer Software	106,397	34,778
Total amortisation for the period	106,397	34,778

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

SM 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 SM TAFE have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

NOTES TO THE FINANCIAL STATEMENTS

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

Computer software ^(a)

3 to 5 years

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

Impairment of intangible assets

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

5 Other assets and liabilities

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

	Notes	2020	2019
Receivables	5.1	6,697,439	4,140,259
Other assets	5.2	1,060,197	1,035,730
Payables	5.3	4,298,327	3,611,756
Other liabilities	5.4	5,360,720	3,309,596

5.1 Receivables

	2020	2019
Current		
Receivables - Trade	1,200,015	1,972,480
Receivables - Students	2,845,602	1,084,673
Allowance for impairment of receivables	(267,306)	(414,760)
Accrued revenue	2,541,092	1,145,197
GST receivable	378,036	352,669
	6,697,439	4,140,259
Total current	6,697,439	4,140,259
Total receivables	6,697,439	4,140,259

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
Current		
Prepayments	1,063,557	1,036,373
Other	(3,360)	(643)
Total current	1,060,197	1,035,730
Balance at end of period	1,060,197	1,035,730

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
Current		
Trade payables	69,161	539,539
Accrued expenses	1,904,427	1,548,674
Accrued salaries and related costs	2,320,518	1,521,321
Paid parental leave payable	4,222	2,222
Total current	4,298,327	3,611,756
Balance at end of period	4,298,327	3,611,756

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

NOTES TO THE FINANCIAL STATEMENTS

5.4 Other liabilities

	2020	2019
Current		
Income received in advance ^(a)	3,967,700	1,261,483
Grants and advances other	30,000	-
Monies/deposits held in trust	233,740	445
Delivery and Performance Agreement Refund due to DTWD	870,890	2,047,668
Provision for restoration costs	37,135	-
Total current	5,139,465	3,309,596
Non-current		
Other non-current liabilities	221,255	-
Total non-current	221,255	-
Balance at end of period	5,360,720	3,309,596

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

6 Financing

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

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

6.1 Cash and cash equivalents

	2020	2019
Current		
Cash and cash equivalents		
Cash on hand	18,310	18,210
Cash at bank	33,229,563	37,544,025
Total cash and cash equivalents	33,247,873	37,562,235
Restricted cash and cash equivalents current		
Capital works grants received from DTWD	268,495	277,566
Australian Cyber Security Project	232,985	-
	501,480	277,566
Total current	33,749,352	37,839,801
Non-current		
Restricted cash and cash equivalents non-current		
Restricted cash 27th pay ^(a)	2,255,977	1,712,471
Total non-current	2,255,977	1,712,471
Balance at end of period	36,005,329	39,552,272

^(a) Represents an amount set aside for the 27th pay occurring in the year 2025.

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

6.2 Lease liabilities

	2020	2019
Current	585,230	666,801
Non-current	5,567,649	5,881,440
Balance at end of period	6,152,879	6,548,240

Initial measurement

SM 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, SM TAFE uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by SM 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 SM 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 SM 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.

Assets pledged as security

Assets pledged as security

The carrying amounts of non-current assets pledged as security are:

	2020	2019
Right-of use asset Land	749,327	770,554
Right-of use asset Buildings	4,881,177	5,225,748
Right-of use asset vehicles	513,239	403,967
Total assets pledged as security	6,143,743	6,400,269

SM 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.

6.3 Finance costs

	2020	2019
Finance costs		
Lease interest expense	277,033	258,443
Finance costs expensed	277,033	258,443

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

NOTES TO THE FINANCIAL STATEMENTS

6.4 Commitments**6.4.1 Capital commitments**

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

Within 1 year

Later than 1 year and not later than 5 years

Later than 5 years

Balance at end of period

The totals presented for capital commitments are GST inclusive.

	2020	2019
Within 1 year	8,400	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Balance at end of period	8,400	-

7 Risks and contingencies

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

	Notes
Financial instruments	7.1
Contingent assets	7.2.1
Contingent liabilities	7.2.2

7.1 Financial instruments

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

	2020	2019
Financial assets		
Cash and cash equivalents	33,247,873	37,562,235
Restricted cash and cash equivalents	2,757,457	1,990,037
Financial assets at amortised cost ^(a)	6,319,403	3,787,590
Total financial assets	42,324,732	43,339,862
Financial liabilities		
Financial liabilities measured at amortised cost ^(b)	11,555,836	12,208,110
Total financial liabilities	11,555,836	12,208,110

^(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

SM TAFE has no contingent assets.

7.2.2 Contingent liabilities

SM Tafe is currently reviewing its obligations under the Long Service Leave Act 1958 and early estimates indicate a potential liability of \$2.4m. SM Tafe has no other contingent liabilities.

8 Other disclosures

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

	Notes
Events occurring after the end of the reporting period	8.1
Key management personnel	8.2
Related parties	8.3
Related bodies	8.4
Affiliated bodies	8.5
Remuneration of auditors	8.6
Non-current assets classified as held for transfer	8.7
Equity	8.8
Supplementary financial information	8.9
Explanatory statement	8.10

8.1 Events occurring after the end of the reporting period

There are no significant events occurring after the reporting period up until the date of this report which are likely to materially affect SM TAFE's financial position.

8.2 Key management personnel

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

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

Compensation of the accountable authority (\$)		
Compensation Band (\$)	2020	2019
270,001 - 280,000	1	-
250,001 - 260,000	-	1
20,001 - 30,000	1	1
0 - 10,000	8	9
Compensation of the senior officers (\$)		
Compensation Band (\$)	2020	2019
330,001 - 340,000	-	1
200,001 - 210,000	-	1
190,001 - 200,000	3	1
180,001 - 190,000	2	1
170,001 - 180,000	1	3
160,001 - 170,000	1	2
150,001 - 160,000	3	1
140,001 - 150,000	-	1
130,001 - 140,000	2	-
50,001 - 60,000	1	-
30,001 - 40,000	1	-
Total compensation of accountable authority	318,848	303,854
Total compensation of senior officers	2,116,767	2,076,636
Total compensation of key management personnel	2,435,615	2,380,490

Total compensation includes the superannuation expense incurred by SM TAFE in respect of key management personnel.

8.3 Related parties

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

Related parties of SM 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 SM TAFE, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.4 Related bodies

SM TAFE has no related bodies.

8.5 Affiliated bodies

SM TAFE has no affiliated bodies.

NOTES TO THE FINANCIAL STATEMENTS

8.6 Remuneration of auditors

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

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

8.7 Non-current assets classified as held for transfer

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

	2020	2019
Transfer of the Murray House Cultural Precinct to the City of Melville was completed in the current year.	-	950,074

8.8 Equity**Contributed equity**

Balance at start of period	347,288,907	364,022,814
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Contributions by owners

Capital appropriation	4,136,403	4,501,656
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Total contributions by owners

	351,425,310	368,524,470
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Distributions to owners

Transfers to other government agencies	(916,000)	(21,235,563)
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Total distributions to owners

	(916,000)	(21,235,563)
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Balance at the end of period

	350,509,310	347,288,907
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Asset revaluation surplus

Balance at start of period	417,703	60,026
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Net revaluation increments / (decrements)

Buildings	(234,542)	234,543
Works of art	-	92,925
Marine craft	200,079	30,209

Balance at end of period

	383,240	417,703
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8.9 Supplementary financial information**(a) Write-offs**

During the financial year, \$496,385 (2019: \$497,600) of debts due to SM TAFE were written off and \$14,779 (2019: \$0) was written off the asset register under the authority of:

	2020	2019
The accountable authority	511,164	497,600
	511,164	497,600

(b) Losses through theft, defaults and other causes

	2020	2019
Losses of public money and public and other property through theft or defaults	559	100
	559	100

8.10 Explanatory statement (controlled operations)

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

8.10.1 Statement of Comprehensive Income Variances

	Variance Note	Estimate 2020 \$	Actual 2020 \$	Actual 2019 \$	Variance between estimate and actual \$	Variance between actual results for 2020 and 2019 \$
Expenses						
Employee benefits expense		119,628,066	125,349,640	119,299,634	5,721,574	6,050,005
Grants and subsidies		456,289	260,069	367,635	(196,220)	(107,566)
Finance costS		-	277,033	258,443	277,033	18,590
Supplies and services		31,214,516	30,595,561	30,289,050	(618,955)	306,512
Asset revaluation decrement	1	-	1,359,709	500,000	1,359,709	859,709
Other expenses		11,372,836	11,967,657	12,612,472	594,821	(644,816)
Cost of sales		205,031	256,539	253,773	51,508	2,767
Loss on disposal of non-current assets		-	301,633	130,381	301,633	171,252
Loss on disposal of lease arrangements		-	763	-	763	763
Depreciation and amortisation expense	2	8,503,015	9,627,668	9,328,435	1,124,653	299,233
Total cost of services		171,379,753	179,996,272	173,039,823	8,616,519	6,956,449
Income						
Fee for service	(a)	24,802,857	26,421,892	23,874,702	1,619,035	2,547,190
Student fees and charges	3, (b)	22,776,400	20,023,832	23,303,887	(2,752,568)	(3,280,055)
Ancillary trading		1,562,793	895,778	1,276,749	(667,015)	(380,971)
Sales		359,517	383,521	388,980	24,004	(5,459)
Interest revenue		1,134,014	266,544	860,950	(867,470)	(594,405)
Other revenue	4, (c)	3,185,128	1,376,336	4,218,599	(1,808,792)	(2,842,263)
Total revenue		53,820,709	49,367,903	53,923,867	(4,452,806)	(4,555,964)
Gains						
Other gains	(d)	-	-	5,647,235	-	(5,647,235)
Gain on disposal of lease arrangements		-	-	5,332	-	(5,332)
Total gains		-	-	5,652,567	-	(5,652,567)
Total income other than income from State Government		53,820,709	49,367,903	59,576,434	(4,452,806)	(10,208,531)
NET COST OF SERVICES		117,559,044	130,628,369	113,463,389	13,069,325	17,164,980
Income from State Government						
Grants and subsidies		105,265,903	109,847,222	101,024,799	4,581,319	8,822,423
Resources received	5, (e)	4,233,029	6,900,959	5,377,200	2,667,930	1,523,759
Total income from State Government		109,498,932	116,748,182	106,401,999	7,249,250	10,346,183
DEFICIT FOR THE PERIOD		(8,060,112)	(13,880,187)	(7,061,390)	(5,820,075)	(6,818,797)
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	(34,463)	357,676	(34,463)	(392,139)
Total other comprehensive income		-	(34,463)	357,676	(34,463)	(392,139)
TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD		(8,060,112)	(13,914,650)	(6,703,714)	(5,854,538)	(7,210,936)

Major Estimate and Actual (2020) Variance Narratives

- 1) Loss arising from changes in fair value - buildings relates to revaluations for which a budget cannot be set.
- 2) The variance is due to transfer of assets from Department of Training and Workforce Development (DTWD)
- 3) The variance is due to the expansion of the Lower Fees, Local Skills program as part of the WA recovery plan in response to COVID 19, resulting in an increase in reduced fee enrolments.
- 4) The variance is due to a reduction in donated assets received.
- 5) The variance is due to an increase in cost of services by SMTs shared services provider DTWD.

Major Actual 2020 and Comparative (2019) Variance Narratives

- a) The variance is due to a COVID 19 rate change for the Adult Migrant Education Program.
- b) The variance is due to the expansion of the Lower Fees, Local Skills program as part of the WA recovery plan in response to COVID 19, resulting in an increase in reduced fee enrolments.
- c) The variance is due to a reduction in donated assets and prior year Risk Cover refund.
- d) Gains arising from changes in fair value - buildings relates to revaluations.
- e) The variance is due to an increase in cost of services by SMTs shared services provider DTWD.

8.10.2 Statement of Financial Position Variances

	Variance Note	Estimate 2020 \$	Actual 2020 \$	Actual 2019 \$	Variance between estimate and actual \$	Variance between actual results for 2020 and 2019 \$
ASSETS						
Current Assets						
Cash and cash equivalents		38,248,665	33,247,873	37,562,235	(5,000,793)	(4,314,363)
Restricted cash and cash equivalents		926,588	501,480	277,566	(425,108)	223,914
Receivables		4,617,710	6,697,439	4,140,259	2,079,729	2,557,180
Inventories		24,238	-	-	(24,238)	-
Other current assets		1,053,167	1,060,197	1,035,730	7,030	24,467
Non-current assets classified as held for transfer		950,074	-	950,074	(950,074)	(950,074)
Total Current Assets		45,820,442	41,506,989	43,965,864	(4,313,454)	(2,458,875)
Non-Current Assets						
Restricted cash and cash equivalents		1,787,893	2,255,977	1,712,471	468,084	543,506
Property, plant and equipment		314,538,771	296,986,347	301,737,364	(17,552,424)	(4,751,017)
Right-of-use assets	6	-	6,143,743	6,400,269	6,143,743	(256,526)
Intangible assets		31,877	337,165	71,079	305,288	266,087
Total Non-Current Assets		316,358,541	305,723,232	309,921,183	(10,635,309)	(4,197,951)
TOTAL ASSETS		362,178,983	347,230,221	353,887,047	(14,948,762)	(6,656,826)
LIABILITIES						
Current Liabilities						
Payables		5,471,207	4,298,327	3,611,756	(1,172,880)	686,570
Lease liabilities		-	585,230	666,801	585,230	(81,571)
Employee related provisions		22,921,359	24,079,077	22,289,382	1,157,718	1,789,695
Other current liabilities	7, (f)	1,364,037	5,139,465	3,309,596	3,775,428	1,829,870
Total Current Liabilities		29,756,603	34,102,099	29,877,535	4,345,496	4,224,564
Non-Current Liabilities						
Lease liabilities	8	-	5,567,649	5,881,440	5,567,649	(313,791)
Employee related provisions	9	3,300,310	4,478,877	4,573,483	1,178,567	(94,606)
Other non current liabilities		-	221,255	-	221,255	221,255
Total Non-Current Liabilities		3,300,310	10,267,781	10,454,923	6,967,471	(187,142)
TOTAL LIABILITIES		33,056,913	44,369,880	40,332,458	11,312,967	4,037,422
NET ASSETS		329,122,070	302,860,342	313,554,589	(26,261,729)	(10,694,248)
EQUITY						
Contributed equity		372,370,111	350,509,310	347,288,907	(21,860,801)	3,220,403
Reserves		60,026	383,240	417,703	323,214	(34,463)
Accumulated deficit		(43,308,067)	(48,032,208)	(34,152,021)	(4,724,141)	(13,880,187)
TOTAL EQUITY		329,122,070	302,860,342	313,554,589	(26,261,728)	(10,694,247)

Major Estimate and Actual (2020) Variance Narratives

- 6) Right-of-use assets estimates were developed subsequent to and outside of the 2020 section 40 estimates process.
- 7) The variance is due to an increase in student fees received in advance due to 2021 enrolments commencing earlier and for an extended period compared to estimate in response to COVID 19 social distancing guidelines.
- 8) Lease liabilities estimates were developed subsequent to and outside of the 2020 outside of the section 40 estimates process.
- 9) The variance is due to the impact of COVID-19 on employee expenses requiring extra staff to run split classes to meet social distancing requirements, develop and deploy additional online learning capabilities and less leave taken by staff.

Major Actual 2020 and Comparative (2019) Variance Narratives

- f) The variance is due to an increase in student fees received in advance due to 2021 enrolments commencing earlier and for an extended period compared to prior year in response to COVID 19 social distancing guidelines.

8.10.3 Statement of Cash Flows Variances

	Variance Note	Estimate 2020 \$	Actual 2020 \$	Actual 2019 \$	Variance between estimate and actual \$	Variance between actual results for 2020 and 2019 \$
CASH FLOWS FROM STATE GOVERNMENT						
Grants and subsidies - DTWD		105,265,903	108,700,443	103,157,410	3,434,540	5,543,033
Capital appropriation - DTWD		-	-	117,184	-	(117,184)
Total Net cash provided by State Government		105,265,903	108,700,443	103,274,594	3,434,540	5,425,849
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits expense		(116,628,066)	(122,963,874)	(116,834,689)	(6,335,808)	(6,129,185)
Supplies and services	10	(28,443,184)	(23,718,639)	(25,216,116)	4,724,545	1,497,477
Finance costs		-	(275,945)	(258,443)	(275,945)	(17,502)
Grants and subsidies		(456,289)	(260,069)	(367,635)	196,220	107,566
GST payments on purchases	11	-	(2,718,400)	(2,939,671)	(2,718,400)	221,271
GST payments to taxation authority		(4,680)	-	(10,429)	4,680	10,429
Other payments	12	(10,056,478)	(11,671,665)	(11,777,810)	(1,615,187)	106,145
Receipts						
Fee for service	13	22,579,902	25,985,005	24,315,828	3,405,103	1,669,177
Student fees and charges	14, (g)	23,812,335	20,224,751	23,886,466	(3,587,584)	(3,661,715)
Ancillary trading		1,562,793	1,022,759	1,665,729	(540,034)	(642,970)
Interest received		1,130,612	355,966	1,031,433	(774,646)	(675,467)
GST receipts on sales		-	589,092	734,269	589,092	(145,177)
GST receipts from taxation authority	15	-	2,073,410	2,118,456	2,073,410	(45,046)
Other receipts	16, (h)	3,577,276	1,549,545	2,912,977	(2,027,731)	(1,363,432)
Net cash used in operating activities		(102,925,778)	(109,808,064)	(100,739,635)	(6,882,286)	(9,068,429)
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current physical assets		(2,630,000)	(1,737,963)	(2,450,401)	892,037	712,438
Receipts						
Proceeds from sale of non-current physical assets		-	-	77,600	-	(77,600)
Net cash used in investing activities		(2,630,000)	(1,737,963)	(2,372,801)	892,037	634,838
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Principal elements of lease		-	(701,359)	(738,837)	(701,359)	37,478
Net cash used in financing activities		-	(701,359)	(738,837)	(701,359)	37,478
Net increase in cash and cash equivalents		(289,875)	(3,546,943)	(576,679)	(3,257,068)	(2,970,264)
Cash and cash equivalents at the beginning of period		41,253,021	39,552,272	40,128,951	(1,700,749)	(576,679)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		40,963,146	36,005,329	39,552,272	(4,957,817)	(3,546,943)

Major Estimate and Actual (2020) Variance Narratives

- 10) Supplies & Services were lower than estimate due to timing differences in the payment of utility bills, cleaning charges, course materials and printing which were unpaid at year end resulting in reduced cash paid for supplies & services in 2020.
- 11) GST payments on purchases was not estimated as part of the section 40 estimates process.
- 12) The variance is due to higher than estimated Building maintenance and Employee on-costs.
- 13) The variance is due to a COVID 19 rate change for the Adult Migrant Education Program.
- 14) The variance is due to the expansion of the Lower Fees, Local Skills program as part of the WA recovery plan in response to COVID 19, resulting in an increase in reduced fee enrolments.
- 15) GST receipts from taxation authority was not estimated as part of the section 40 estimates process.
- 16) The variance is due to a reduction in donated assets.

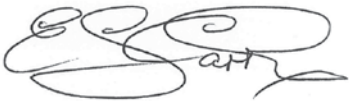
Major Actual 2020 and Comparative (2019) Variance Narratives

- g) The variance is due to the expansion of the Lower Fees, Local Skills program as part of the WA recovery plan in response to COVID 19, resulting in an increase in reduced fee enrolments.
- h) The variance is due to a reduction in donated assets and prior year Risk Cover refund.

Key Performance Indicators

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess SM TAFE's performance, and fairly represent the performance of SM TAFE for the period ending 31 December 2020.



Elizabeth Carr AM
Chair of Governing Council



Terry Durant
Managing Director

15 March 2021

South Metropolitan TAFE 2020 KEY PERFORMANCE INDICATORS

DESIRED OUTCOME:

The provision of vocational education and training services to meet community and industry training needs.

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.

Student Satisfaction Survey

The *Student Satisfaction Survey* is administered annually on behalf of the Department of Training and Workforce Development by a third-party research agency. In 2020 the fieldwork and analysis were conducted by EY Sweeney. The key focus is to attain an understanding of the students' training requirements and measure the quality of the delivery of training and services provided by South Metropolitan TAFE. Students who were enrolled in either the first or second semester of 2020 were invited to complete the survey online via e-mail, SMS, through the WA Student Satisfaction Survey website and via posters on campuses. Students were also able to complete a hard copy questionnaire provided by staff at each of the campuses. A subset of students were called in order to complete the survey using telephone surveying.

KPI 1 – Student Satisfaction

The overall student satisfaction rating is obtained from the 2020 *Student Satisfaction Survey* and measures the extent to which students were satisfied with the training they received from South Metropolitan TAFE. The measure represents the proportion of 'satisfied' and 'very satisfied' (on a five point scale) responses received from students responding to the question 'Overall how satisfied were you with your course?'

Table 1 – Overall Student Satisfaction

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Target	2020 Actual	Target Variance
South Metropolitan TAFE	88.7%	87.1%	87.8%	87.7%	>85%	86.8%	1.8%
All WA TAFEs & WAAPA	88.9%	87.3%	88.2%	87.5%	n/a	87.6%	N/A

Source: Department of Training and Workforce Development, 2020 Student Satisfaction Survey.

Notes: 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), Adult community education (ACE) students, students who are in a correctional facility and students aged less than 15 years.

All data described in this report have been weighted back to the total student population based on a combination of gender (male, female), age group (15-19, 20-29, 30-44, 45+), student status (IBS, EBS), and the specific training provider (each of the six colleges plus private providers as one group), resulting in 112 different weighted cell possibilities. Weight cells with a zero count for both the population and survey data were removed.

Percentages are rounded to the nearest whole percentage.

In 2020, of the 15,514 South Metropolitan TAFE students contacted, there were 3,314 usable returns representing a response rate of 21.4%. South Metropolitan TAFE's standard error for 2020 was 0.5%, with a relative sampling error of +/- 1.0% at the 95% level of confidence.

The 2020 target overall student satisfaction at South Metropolitan TAFE was met and exceeded, with 86.8% of respondents claiming to be either satisfied or very satisfied. This is lower than the level of student satisfaction reported in 2019 (87.7%).

Student Outcomes Survey

The *Student Outcomes Survey* is conducted on behalf of the National Centre for Vocational Education Research (NCVER) by the Social Research Centre. The survey measures vocational education and training students' employment levels, further study and opinions on the training undertaken.

South Metropolitan TAFE 2020 KEY PERFORMANCE INDICATORS

Out of scope of the survey are:

- international students
- students who undertook recreational, leisure or personal enrichment (short) courses
- students who undertook VET delivered in schools, where training activity was undertaken as part of a senior secondary certificate
- students under 18 years of age.

KPI 2 - Graduate Achievement

Graduate achievement is a question in the NCVET *Student Outcomes Survey* and measures the extent to which South Metropolitan TAFE Graduates have “*Achieved their main reason for doing the training*”. The measure shows the proportion of graduates who indicated they had fully achieved or partly achieved their main reason for doing the training.

Table 2 – Graduate Achievement

	2017 Actual	2018 Actual	2019 Actual	2020 Target	2020 Actual	Target Variance
South Metropolitan TAFE	81.0%	79.5%	76.8%	80.0%	78.6%	-1.4%
TAFE Western Australia	n/a	79.7%	78.8%	n/a	79.5%	n/a
TAFE Australia	83.2%	82.1%	81.9%	n/a	81.8%	n/a
All VET providers Australia	84.2%	84.2%	83.9%	n/a	83.6%	n/a

In 2020, of the 6,849 South Metropolitan TAFE graduates asked, there were 2,274 usable returns representing a response rate of 33.2%. South Metropolitan TAFE’s relative sampling error for this result was +/- 1.4% at the 95% level of confidence.

62

The 2020 South Metropolitan TAFE’s target for graduate achievement was not met, with 78.6% of respondents claiming to have achieved their main reason for doing the training.

KPI 3 - Graduate Destination

Graduate destination data is also taken from the *Student Outcomes Survey* and measures the proportion of graduates in employment. This measure shows the extent to which the college is providing relevant, quality training that enhances student employability. Graduate employment status measures who was employed, unemployed or not in the labour force, and was obtained by calculating the graduates in each category compared to the total valid responses over the total responses and expressed as a percentage.

Table 3 – Graduate Destination Rate - Employed

	2017 Actual	2018 Actual	2019 Actual	2020 Target	2020 Actual	Variance
South Metropolitan TAFE	73.2%	68.4%	66.3%	>75%	59.3%	-15.7%
TAFE Western Australia	n/a	68.5%	67.3%	n/a	60.3%	n/a
TAFE Australia	73.1%	72.4%	71.3%	n/a	65.7%	n/a
All VET providers Australia	77.7%	77.3%	76.6%	n/a	68.6%	n/a

In 2020, of the 6,849 South Metropolitan TAFE graduates contacted, there were 2,210 usable returns representing a response rate of 32.3%. South Metropolitan TAFE’s relative sampling error for this result was +/- 1.7% at the 95% level of confidence.

The 2020 target for graduate destination rate (employed) was not met, with 59.3% of respondents claiming to be employed after training. It should be noted that the Graduate Destination result has seen a large decrease in rating Australia wide. One reason for this significant result change is due to the inclusion of students aged 15 to 17 years and VET in Schools students in the 2020 survey.

South Metropolitan TAFE 2020 KEY PERFORMANCE INDICATORS

KPI 4 – Achievement of profile delivery (by ANZSCOs)

This achievement of profile delivery indicator reports the effectiveness of South Metropolitan TAFE in meeting its Delivery and Performance Agreement (DPA) targets. The delivery profile is negotiated directly with the Department of Training and Workforce Development and constitutes South Metropolitan TAFE's profile funded training delivery plan. The delivery profile takes into consideration government priorities, the needs of individuals, industry and the local community.

It should be noted that the KPI reporting is based on the originally negotiated DPA. The Department of Training and Workforce Development allows South Metropolitan TAFE to review and make any modifications to the original DPA targets twice a year. This provides the opportunity to consider any changes in the operating environment and modify the DPA to set realistic targets. In 2020, the final amended profile SCH target was 7,700,000 SCH.

Table 4: Profile Achievement (DPA)

	Actual Achievement 2016	Actual Achievement 2017	Actual Achievement 2018	Actual Achievement 2019	Actual Achievement 2020
Profile Achievement % (DPA Original)	93.4%	101.7%	102.2%	97.2%	101.7%

The Profile delivered by South Metropolitan TAFE was above the original planned target of 7,500,000 SCH by 130,080 SCH, resulting in an overall achievement of 101.73%.

South Metropolitan TAFE's profile delivery by ANZSCO (Australia and New Zealand Standard Classification of Occupations) levels for 2020 are provided in Table 5.

As per the data presented in Table 5, in 2020, the following ANZSCO sub groups constituted over 51% of total SCH achievement: Adult Literacy / ESL (14%); Automotive and Engineering Trades Workers (13%); Carers and Aides (10%); Health and Welfare Support Workers (8%); and Engineering, ICT and Science Technicians (7%).

The ANZSCO levels that were significantly above target (more than 50,000 SCH of positive variance) were: Carers and Aides and Automotive and Engineering Trades Workers.

The ANZSCO level that was significantly below target (more than 50,000 SCH of negative variance) was: Sports and Personal Service Workers.

Table 5: Achievement of 2020 Profile Delivery (DPA) by ANZSCO sub groups

ANZSCO Major Group Title	ANZSCO Sub Group Title	2020 Census Actual	2020 Target Planned	2020 Target Achievement
1. Managers	11 – Chief Executives, General Managers and Legislators	7,455	10,630	70.1%
	12 – Farmers and Farm Managers	7,510	0	0.0%
	13 – Specialist Managers	27,637	47,350	58.4%
	14 – Hospitality, Retail and Service Managers	113,820	127,480	89.3%
2. Professionals	21 – Arts and Media Professionals	880	3,150	27.9%
	22 – Business, Human Resource and Marketing Professionals	13,190	21,955	60.1%
	23 – Design, Engineering, Science and Transport Professionals	200,229	186,303	107.5%
	24 – Education Professionals	42,240	42,350	99.7%
	26 – ICT Professionals	340,750	297,231	114.6%
	27 – Legal, Social and Welfare Professionals	2,050	0	0.0%

South Metropolitan TAFE 2020 KEY PERFORMANCE INDICATORS

3. Technicians and Trades Workers	31 – Engineering, ICT and Science Technicians	520,244	517,927	100.4%
	32 – Automotive and Engineering Trades Workers	992,510	917,527	108.2%
	33 – Construction Trades Workers	175,879	214,177	82.1%
	34 – Electro-technology and Telecommunications Trades Workers	214,771	205,794	104.4%
	35 – Food Trades Workers	231,186	208,887	110.7%
	36 – Skilled Animal and Horticultural Workers	342,649	364,500	94.0%
	39 – Other Technicians and Trades Workers	202,631	218,273	92.6%
4. Community and Personal Service Workers	41 – Health and Welfare Support Workers	604,965	564,308	107.2%
	42 – Carers and Aides	741,914	639,858	115.9%
	43 – Hospitality Workers	65,799	76,790	85.7%
	44 – Protective Service Workers	1,672	0	0.0%
	45 – Sports and Personal Service Workers	353,944	437,501	80.9%
5. Clerical and Administrative Workers	51 – Office Managers and Program Administrators	29,910	33,280	89.9%
	53 – General Clerical Workers	114,645	107,315	106.8%
	54 – Inquiry Clerks and Receptionists	28,905	35,800	80.7%
	55 – Numerical Clerks	122,400	136,260	89.8%
	59 – Other Clerical and Administrative Workers	92,791	81,032	114.5%
7. Machinery Operators and Drivers	71 – Machine and Stationary Plant Operators	38,006	45,363	83.8%
	72 – Mobile Plant Operators	14,243	31,226	45.6%
	74 – Store-persons	22,370	2,401	931.7%
8. Labourers	82 – Construction and Mining Labourers	87,287	89,575	98.0%
	83 – Factory Process Workers	136,148	112,015	121.5%
	84 – Farm, Forestry and Garden Workers	115,076	107,242	107.3%
	85 – Food Preparation Assistants	26,248	25,055	104.8%
	89 – Other Labourers	361,036	363,025	99.5%
G. General Education	GB – Adult Literacy / ESL	1,039,980	1,001,082	103.9%
	GE – Targeted Courses	197,110	227,288	86.7%
TOTAL		7,630,080	7,500,000	101.7%

South Metropolitan TAFE 2020 KEY PERFORMANCE INDICATORS

EFFICIENCY INDICATORS:

The efficiency indicators measure the efficiency with which South Metropolitan TAFE manages its resources to enable the provision of vocational education and training programs.

KPI 5 – Delivery Cost per Student Curriculum Hour (SCH)

The overall cost per SCH shows the aggregate unit cost of delivery output per SCH, based on the delivery costs (total cost of service) as detailed in the 2020 Financial Statements.

Table 6 – Delivery Cost per SCH

	2017	2018	2019	2020
Actual Cost per SCH	\$18.43	\$17.70	\$19.69	\$20.15
Target Cost per SCH	\$16.16	\$17.80	\$17.91	\$18.58
Variance	\$2.27	-\$0.10	\$1.78	\$1.57

*Note: The total delivery cost per SCH is calculated by dividing the total cost of services as defined in the Financial Statements by the total SCH delivered including profile and non-profile delivery.
Non-profile delivery in 2020 was 1,301,302 SCH.*

The reporting of the positive and negative sign in the variance total has been switched in a way that is consistent with the movement between the Actual Cost per SCH and the Target Cost Per SCH

The 2020 actual delivery cost per student curriculum hour (SCH) is above the target specified in the 2020 Section 40 Estimates. The higher actual unit delivery cost was driven by the impact of COVID-19, as a result of an increase in employee costs. Additional employee resources were required to support the transition to a blended delivery model, enable reduced class sizes to maintain social distancing requirements, and to provide additional catch-up classes to affected student cohorts.

The 2016 comparatives have not been presented as the College was granted a partial exemption by the Under Treasurer from the reporting of this efficiency indicator for 2016.

Ministerial Directives

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

No such directives were issued to SM TAFE in 2020.

Other Financial Disclosures

Pricing policies for services provided

Under the *Vocational Education and Training Regulations 1996*, the college may determine fees and charges for services, other than for services prescribed by the Minister for Training and Workforce Development.

Fees and charges levied by the college were in accordance with the requirements of the following:

- *Vocational Education and Training Act, 1996*
- *Vocational Education and Training Regulations, 1996*
- *Department of Training and Workforce Development 2019 Fees and Charges Policy*
- *Policy Guidelines for Publicly Funded Registered Training Organisations (RTO)*

Annual Estimates

In accordance with Section 40 of the *Financial Management Act 2006*, SM TAFE has submitted Annual Estimates to the Minister at an appropriate time during the financial year, as determined by the Treasurer.

Capital Works

SM TAFE's capital works program consists of projects funded by the Department of Training and Workforce Development and through internal revenue allocations. Details of major capital works that are ongoing and completed in 2020 are outlined below:

COMPLETED CAPITAL WORKS

Bentley Commercial Kitchen and Barista Training Facility

A \$3.2 million investment in hospitality training at Bentley campus saw the conversion of the previously underutilised butchery laboratory to create a new commercial kitchen and barista training space. The project is stage one of a seven-year program of remedial grade works to the campus, assisting to position Bentley as a specialist training centre for hospitality.

Fremantle Workshop Restoration

Restoration work was completed at the Heritage-listed workshops at Fremantle campus. The \$1.3 million project included the repair and replacement of deteriorated building elements, including corrugated iron cladding and window frames.

Rockingham Aged Care Training Facility

Underutilised laboratories at Rockingham campus were renovated to meet the need for specialised, simulated home and institutional aged care training environments. The facility supports critical training in aged care in the southern metropolitan region, and the project was completed at a cost of \$700,000.

Rockingham Roof Replacement

\$450,000 maintenance was conducted at Rockingham campus (H Block), including roof replacement and air-conditioning upgrades.

ONGOING CAPITAL WORKS

Carlisle Roof Replacement

Roof maintenance at the Carlisle campus automotive trade workshops, including the replacement of roof sheeting and box gutters is currently ongoing. The project cost is \$500,000.

CAPITAL WORKS IN PLANNING

New Armadale Campus

\$22.6M has been allocated for the development of a new state-of-the-art Armadale campus to replace three leased premises from which SM TAFE currently delivers training. Architects Armstrong Parkin are currently in the process of design development. The project has an anticipated completion date of June 2023.

Mandurah Hospitality, Hairdressing and Beauty Training Centre

Documentation is underway for a new Hospitality, Hairdressing and Beauty Training Centre at Mandurah Campus. With a budget of \$14.67M, the new centre will accommodate a training restaurant, production kitchen, two training kitchens, hairdressing and beauty rooms, plus a student hub. The project is expected to be completed by late 2022.

Bentley Campus Upgrade – Fire Services

Fire-fighting services are to be upgraded at Bentley campus. With a budget of \$1.5M, and expected to be completed in 2021, the project will include the installation of storage tanks and booster pumps as well as the replacement of fire-fighting infrastructure.

Bentley Campus Upgrade – Electrical Services

Electrical services are to be upgraded at Bentley campus in 2021 to 2022. With a budget of \$2.5M this project will involve the upgrade of electrical switchboards and associated infrastructure.

Carlisle Campus Upgrade – Hydraulic, Electrical and Mechanical Services

Planning has commenced on work to upgrade hydraulic, electrical, and Mechanical services at Carlisle campus.

Compliance with public sector standards and ethical codes

SM TAFE has policies, procedures and guidelines in place to ensure agency obligations are met with respect to the Public Sector Standards in Human Resource Management, the Western Australian Code of Ethics and the Code of Conduct.

These policies and supporting guidelines are actively promoted throughout SM TAFE's intranet site and by the Human Resource directorate. In addition, SM TAFE continues to provide training for all staff on Accountable and Ethical Decision Making in line with the Public Sector Commission's Instruction Codes of Conduct and Integrity Training.

In accordance with section 31(1) of the Public Sector Management Act 1994, SM TAFE provides the following statements regarding compliance with the *Public Sector Standards*, the *Public Sector Code of Ethics* and the SM TAFE Code of Conduct.

Compliance Category	2020 results
Public Sector Standards in Human Resource Management	0
WA Code of Ethics/SM TAFE Code of Conduct	4

Employee Assistance Program

SM TAFE is committed to maintaining a safe and healthy work environment. As part of this commitment, the college values the importance of the contribution of its staff.

SM TAFE's Employee Assistance Program is available to help staff identify, explore and resolve work or personal problems that may adversely affect their wellbeing, including anxiety, depression, relationships, conflict with others, coping with change and communication breakdown. This free service is available to all staff and their immediate family.

Family and Domestic Violence

SM TAFE is committed to supporting employees experiencing family and domestic violence by helping them to maintain their employment and participate safely in the workplace. All employees, including those employed on a casual basis, can access up to an additional 10 days, non-cumulative paid leave per calendar year. All employees are reminded of this form of leave at an annual workplace information session attended by all staff.

SM TAFE has trained Family and Domestic Violence (FDV) officers available to provide information and assistance to staff experiencing FDV.

Integrity Awareness Sessions

SM TAFE conducts compulsory Integrity Awareness Sessions annually for all staff. The sessions are designed to be an engaging face-to-face refresher of the key messages contained within Accountable and Ethical Decision Making training, which is a requirement for public sector employees. During the course of 2020, 26 Integrity Awareness Sessions were delivered to 1159 employees.

Staff Profile

SM TAFE is a large and diverse organisation delivering a large number of specialist and unique vocational education and training services, which requires an equally diverse and high-quality workforce. As at December 31 2020, SM TAFE employed 919 Full-time Equivalent (FTE) staff. SM TAFE's staffing levels by employment category for 2020 is presented below.

		2020			2019			2018		
		Full-time (FTE)	Part-time (FTE)	Total (FTE)	Full-time (FTE)	Part-time (FTE)	Total (FTE)	Full-time (FTE)	Part-time (FTE)	Total (FTE)
Lecturer	Contract	90	19	109	75	17	92	44	34	78
	Permanent	459	101	560	436	133	569	352	96	448
GOSAC	Contract	46	13	59	39	12	51	30	19	49
	Permanent	324	55	379	335	78	413	253	81	334
Total		919	188	1106	885	240	1125	679	230	909

Equal Employment Opportunity and Diversity

SM TAFE is committed to ensuring a discrimination and harassment free workplace, and to promoting equal employment opportunity for all people. This is an integral part of the college's values and is reflected in our policies, programs and personnel practices such as the Code of Conduct, grievance procedures and recruitment processes.

SM TAFE continues to work to create a workforce that matches the diversity in the Western Australian community. SM TAFE promotes a work environment that is inclusive and free from discrimination in accordance with its obligations under Part IX of the *Equal Opportunity Act 1984*.

In 2020, SM TAFE launched the Aboriginal Employment Program, which saw six new Aboriginal employees recruited to SM TAFE to work in administration roles across the college. The employees will be rotated across different directorates, providing an opportunity to gain exposure to different roles and opportunities. The new employees will be mentored by existing Aboriginal employees, supporting their success in the college's community.

SM TAFE commenced the development of its Multicultural Plan in 2020, a requirement for public sector agencies under the Western Australian Multicultural Policy Framework. SM TAFE's plan is aligned to the three policy priorities of the framework and will be launched in 2021.

The table below compares our workforce composition to the public sector workforce in relation to different equity groups. Representation is based on the number of employees who identified themselves as belonging to a diversity group.

	SM TAFE	WA Public Sector
Aboriginal people representation	1.31%	2.7%
People with culturally diverse background representation	18.29%	14.2%
People with disability representation	3.37%	1.6%

Contracts with senior officers

At the date of reporting, no senior officer or Governing Council member, or firms of which senior officers are members, or entities in which senior officers or council members have substantial interest, had any interests in existing or proposed contracts with South Metropolitan TAFE other than normal contracts of employment service.

Unauthorised use of purchasing cards

Staff members of SM TAFE hold corporate credit cards where their role warrants such usage. During the reporting period, 13 officers inadvertently used a corporate credit card for personal use, to the value of \$730.44.

This amount has been repaid in full by the officers concerned. The details as required by Treasurer's Instruction 903 (15) (ii) are set out below.

Unauthorised use of purchasing cards	\$
Aggregate amount of personal use expenditure for the reporting period	\$730.44
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	\$652.36
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	\$78.08
Aggregate amount of personal use expenditure outstanding at balance date	Nil

Governing Council Remuneration

The Governing Council are the accountable authority of SM TAFE. Over the course of 2020, six formal meetings were held. The individual and aggregate cost of remunerating Governing Council members in 2020 was as follows:

Position	Name	Type of Remuneration	Period of membership	No. of Meetings	\$
Chair	Elizabeth Carr AM	Annual salary	12 months	6	\$22,665.24
Deputy Chair	Deborah Hamblin	Per meeting	12 months		\$2,215.00
Member	Dr Elena Limnios	Per meeting	12 months		\$2,304.00
Member	Erica Haddon	Per meeting	12 months		\$2,304.00
Member	Julian Coyne	Per meeting	12 months		\$2,304.00
Member	Kelly Towson	Per meeting	12 months		\$2,304.00
Member	Lina Dickins	Per meeting	12 months		\$1,920.00
Member	Niegel Grazia	Per meeting	12 months		Does not receive sitting fees
Member	Zaneta Mascarenhas	Per meeting	12 months		\$1,536.00
Member	Captain Brian Delamont	Per meeting	12 months		\$1,920.00
Total payments					\$39,472.24

NB. Figures are not inclusive of superannuation entitlements.

Other legal requirements

Advertising Expenditure

In accordance with Section 175ZE of the *Electoral Act 1907*, the following is a statement of all expenditure incurred by SM TAFE during 2020 in relation to advertising, market research, polling, direct mail and media advertising organisations.

Expenditure was incurred in the following areas:

	Total	Expenditure	Amount
Advertising agencies	\$167,488.00	Rare	\$167,488.00*
Market research organisations			
Polling organisations			Nil
Direct mail organisations			Nil
Media advertising agencies	\$73,523.35	Carat	\$5,653.40
		Facebook	\$44,213.08
		LinkedIn	\$1,031.05
		Google Ads	\$12,413.77
		Campaign Monitor	\$9,365.47
		Spotify	\$846.58

* State-wide Defence Industries Advertising Campaign. Funded by the Department of Training and Workforce Development.

Recordkeeping Plan

Under the *State Records Act 2000*, all government agencies are required to have a recordkeeping plan. SM TAFE has an approved record keeping plan in place as prescribed by the *State Records Act 2000*. This consolidated recordkeeping plan covers the WA TAFE sector as a whole and has been submitted to the State Records Office. The plan was approved by the State Records Commission on August 10, 2018.

SM TAFE implemented a new record-keeping system in January 2019. As prescribed by the State Records Commission, a compliant recordkeeping system is to be evaluated not less than once in every five years. An evaluation of the record-keeping system including the efficiency and effectiveness of recordkeeping training was undertaken in 2020 and SM TAFE are in the process of implementing key recommendations made. This includes implementing a pilot project in 2021 to look at the practical aspects of capturing significant business and corporate records as well as development of refresher training for staff to be rolled out during 2021.

Records awareness training remains a key component of SM TAFE's induction process, addressing staff roles and responsibilities in regard to compliance with the recordkeeping plan. All staff are required to complete the records awareness training.

Freedom of Information

- SM TAFE received no Freedom of Information (FOI) applications during 2020.
- SM TAFE's FOI Information Statement is available on our website.

Public interest disclosures

The *Public Interest Disclosure Act 2003* facilitates the disclosure of information in the public interest about matters of wrongdoing, corruption or improper conduct within the Western Australian public sector. The legislation provides protections for the person raising the disclosure and any person about whom the disclosure is made. During the reporting period, SM TAFE had three Public Interest Disclosure officers.

There were no public interest disclosures during 2020.

Disability Access and Inclusion Plan Outcomes 2020

1. People with a disability have the same opportunities as other people to access the services of, and any events organised by, a public authority

- The Implementation of remote study support sessions via Zoom was introduced in April 2020 as part of our COVID-19 response strategy. This response included additional capacity to link AUSLAN interpreters and notetakers into online teaching sessions where necessary.
- The offer of additional mental health support to all registered students over and above reasonable adjustments already in place, in response to the onset of COVID-19.
- Establishment of TAFE Specialist Employment Service (TSEP) Pilot program on campus to support students and Jobs and Skills Centre (JSC) clients with a disability or medical condition find employment. This pilot was the first to be conducted at a TAFE college in Western Australia.

2. People with a disability have the same opportunities as other people to access the buildings and other facilities of a public authority

- Manual to automatic conversion modifications were made to some bathroom doors at Bentley, Mandurah and Thornlie campuses
- Installation of ramp behind Customer Service Centre as part of the Bentley campus redevelopment project.

3. People with a disability receive information from a public authority in a format that will enable them to access the information as readily as other people

- In conjunction with TAFESA and TAFE Queensland, SM TAFE's Student Support Services contributed to the development of a new resource to assist educators in improving their understanding and implementation of access plans and reasonable adjustment.
- Disability awareness training modules via Blackboard were introduced by Student Support Services and made available to all staff. These disability awareness training modules have now become a mandatory part of induction for all new staff.
- Creation of an online AVETMISS form to assist in increasing accessibility and encouraging further responses from students.

4. People with a disability receive the same level and quality of service from the staff of a public authority as other people

- A new orientation resource was added to the External Support Worker application process in an effort to support the upskilling of support staff and promote understanding of the vocational training environment.
- A range of professional development opportunities for staff were provided throughout 2020 aimed at increasing understanding of the needs of students with a disability. The workshops delivered included mental health first aid, gender identity, psychosis and schizophrenia.

5. People with a disability have the same opportunities as other people to make complaints to a public authority

- Building on our previous success in using social media as a means of raising awareness of Student Support Services at SM TAFE. Social media has been used to promote questions, compliments and further discussion.
- Student Support Services availability to assist students with a disability to submit complaints and compliments if required.

6. People with a disability have the same opportunities as other people to participate in any public consultation by a public authority

- Ongoing general surveying of students, including state student satisfaction surveys, college-based learner surveys and disability support effectiveness surveys. Assistance completing surveys is provided where needed, such as providing hard copy versions.
- Submission to the review of the Disability Standards for Education 2005 by Student Support Services.

7. People with a disability have the same opportunities as other people to obtain and maintain employment with a public authority

- An increase in the number of staff recruited through the SM TAFE Inclusive Employment Strategy from 10 to 12 employees.
- A number of employees recruited through this program have entered into mainstream employment opportunities within the College over the reporting period.

Occupational Safety and Health (OSH) Management

SM TAFE is committed to promoting a safe workplace that adheres to and promotes the *Occupational Safety and Health Act 1984* and the *Workers Compensation and Injury Management Act 1981*. SM TAFE, as far as practicable, will provide for the safety and health at work of all its employees and others affected by the delivery of its services at all its workplaces. SM TAFE's senior managers and line managers are responsible for verifying that the Code of Practice on Occupational Safety and Health in the Western Australian Public Sector 2007 is adopted and implemented.

MECHANISM FOR CONSULTATION

SM TAFE supports the formation of safety and health committees across the organisation. In 2020, eight committees represented the major campuses. They were comprised of 84 elected safety and health representatives as well as management representatives. The committees meet regularly to address local issues, review incident and hazard reports along with reported accidents.

SM TAFE supports its occupational safety and health representatives and the role they undertake. All occupational safety and health representatives are provided with the five-day mandatory training and are registered with WorkSafe WA.

SM TAFE also has an Occupational Safety and Health Standing Committee chaired by the General Manager Corporate Services. This committee ensures matters unable to be addressed at local committee level are given appropriate attention as well as endorsing safety related policies.

To facilitate consultation on injury management matters, SM TAFE has dedicated staff within the occupational safety and health team to provide information and assistance.

COMPLIANCE WITH INJURY MANAGEMENT REQUIREMENTS

SM TAFE supports and promotes the injury management requirements of the *Workers' Compensation and Injury Management Act 1981*. SM TAFE has worked and will continue to work closely with our insurer and vocational rehabilitation providers to develop and manage return to work strategies that ensure injured employees return to the workplace as quickly and successfully as possible.

In the management of claims, SM TAFE's aim is to ensure that every opportunity is given to the employee to return to their pre-injury role.

SM TAFE continues to work closely with RiskCover to minimise claims and determine the best course of action to effectively manage claims.

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT SYSTEM

SM TAFE is committed to maintaining a high level of safety within the work environment. A robust system of safety committees at both the worksite and senior management level exists across the organisation to ensure safety outcomes are achieved. The SM TAFE occupational safety and health team will continue to ensure uniformity is applied across all sites in the field of safety and as part of this process provide up to date policies and procedures which cover the entire organisation. An independent audit will be undertaken to assess the organisation against the WorkSafe Plan to ensure the college's safety strategy meets industry best practice standards.

Measure	Actual Results			Results against targets	
	2018	2019	2020	Target	Comment on Result
Number of fatalities	0	0	0	Zero (0)	Target achieved
Lost time injury and disease incidence rate	0.44	0.51	0.25	Zero (0) or 10% reduction on previous year.	Target achieved
Lost time injury and severity rate	50	0	0	Zero (0) or 10% reduction on the previous year	Target achieved
Percentage of injured workers returned to work within 13 weeks	100%	100%	100%	Greater than or equal to 80% return to work within 13 weeks	Target achieved
Percentage of injured workers returned to work within 26 weeks	100%	100%	100%	Greater than or equal to 80% return to work within 26 weeks	Target achieved
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	50%	80%	90%	Greater than or equal to 80%	Target achieved

Note:

- Fatalities: number of compensated work-related fatalities
- Lost time injury/disease incidence rate: The lost time injury/disease incidence rate is the number of lost time injury/disease claims lodged, divided by the number of employees (FTE) and multiplied by 100
- Lost time injury severity rate: The lost time injury severity rate is the number of severe injuries (over 60 days lost from work) divided by the number of lost time injury/disease claims multiplied by 100.

Section 40 estimates for 2021

In accordance with section 40 of the *Financial Management Act 2006* and Treasurer's Instruction 953 the annual estimates for the 2021 financial year are hereby included in the Annual Report. These estimates do not form part of the financial statements and are not subject to audit.

South Metropolitan TAFE 2021 S40 SUBMISSION Statement of Comprehensive Income	
	2021 Budget Estimate \$
COST OF SERVICES	
Expenses	
Employee benefits expense	126,221,809
Supplies and services	29,706,104
Depreciation and amortisation expense	9,350,800
Finance costs	0
Grants and subsidies	458,171
Loss on disposal of non-current assets	0
Cost of sales	207,594
Revaluation decrement	0
Other expenses	11,892,205
Total Cost of Services	177,836,683
Income	
Revenue	
Fee for service	20,874,904
Student charges and fees	19,815,626
Ancillary trading	1,284,996
Sales	365,179
Commonwealth grants and contributions	0
Interest revenue	576,127
Other revenue	3,196,004
Total Revenue	46,112,837
Gains	
Gain on disposal of non-current assets	0
Gain from disposal of lease arrangements	0
Other gains (Asset Revaluation Increment)	0
Total Gains	0
Total income other than income from State Government	46,112,837
NET COST OF SERVICES	(131,723,847)
INCOME FROM STATE GOVERNMENT	
State funds	116,602,277
Assets assumed/(transferred)	0
Resources received free of charge	4,300,757
Royalties for regions	0
Total income from State Government	120,903,034
SURPLUS (DEFICIT) FOR THE PERIOD	(10,820,813)
OTHER COMPREHENSIVE INCOME	
Changes in asset revaluation reserve	0
Gains/(losses) recognised directly in equity	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(10,820,813)

**South Metropolitan TAFE
2021 S40 SUBMISSION
STATEMENT OF FINANCIAL POSITION**

	2021
	Budget Estimate \$
ASSETS	
Current Assets	
Cash and cash equivalents	31,601,769
Restricted cash and cash equivalents	177,567
Inventories	505
Receivables	3,751,338
Other current assets	866,238
Other financial assets	0
Non-current assets classified as held for sale	950,074
Total Current Assets	37,347,491
Non-Current Assets	
Restricted cash and cash equivalents	2,066,895
Inventories	0
Receivables	0
Property, plant and equipment	295,385,322
Right of use assets	6,400,269
Intangible assets	71,079
Other non-current assets	0
	0
Total Non-Current Assets	303,923,565
TOTAL ASSETS	341,271,055
LIABILITIES	
Current Liabilities	
Payables	5,111,756
Lease liabilities	666,800
Borrowings	0
Amounts due to the Treasurer	0
Provisions	22,289,382
Other current liabilities	5,136,470
Liabilities directly associated with non-current assets classified as held for sale	0
Total Current Liabilities	33,204,408
Non-Current Liabilities	
Payables	0
Lease liabilities	5,881,440
Borrowings	0
Provisions	4,573,483
Other non-current liabilities	0
Total Non-Current Liabilities	10,454,923
TOTAL LIABILITIES	43,659,331
NET ASSETS	297,611,725
EQUITY	
Contributed Equity	354,227,665
Reserves	417,703
Changes in Accounting Policy	0
Accumulated surplus/(deficiency)	(57,033,644)
TOTAL EQUITY	297,611,725

**South Metropolitan TAFE
2021 S40 SUBMISSION
STATEMENT OF CHANGES IN EQUITY**

	2021 Budget Target \$
Balance of equity at start of period	304,899,537
CONTRIBUTED EQUITY	
Balance at start of period	350,694,664
Capital contribution	0
Other contributions by owners	3,533,000
Distributions to owners	0
Distributions to owners	0
Balance at end of period	354,227,664
RESERVES	
Asset Revaluation Reserve	
Balance at start of period	417,704
Changes in accounting policy or correction of prior period error	0
Restated balance at start of period	417,704
Other comprehensive income	0
Gains/(losses) from asset revaluation	0
Balance at end of period	417,704
ACCUMULATED SURPLUS (RETAINED EARNINGS)	
Balance at start of period	(46,212,831)
Changes in accounting policy or correction of prior period error	0
Restated balance at start of period	(46,212,831)
Surplus/(deficit) or profit/(loss) for the period	(10,820,813)
Gains/(losses) recognised directly in equity	0
Balance at end of period	(57,033,644)
Balance of equity at end of period	297,611,725
Total income and expense for the period	(10,820,813)

	2021
	Budget Target \$
CASH FLOWS FROM STATE GOVERNMENT	
State funds	116,602,277
Capital contributions	0
Special purpose grant/cash transferred from DTWD	0
Royalties for Regions	0
Net cash provided by State Government	116,602,277
Utilised as follows:	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Payments	
Employee benefits	(123,221,809)
Supplies and services	(25,376,546)
Finance costs	0
Grants and subsidies	(458,171)
GST payments on purchases	0
GST payments to taxation authority	(3,341)
Cost of goods sold	0
Other payments	(9,513,172)
Operating Receipts	
Fee for service	12,096,493
Student fees and charges	24,948,642
Ancillary trading	1,284,996
Commonwealth grants and contributions	0
Interest received	573,698
GST receipts on sales	0
GST receipts from taxation authority	0
Sale of Goods	339,230
Other receipts	3,245,251
Net cash provided by/(used in) operating activities	(116,084,729)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of non-current physical assets	0
Purchase of non-current physical assets	(2,630,000)
Purchase/Sale of Investments	0
Investments in other current financial assets	0
Net cash provided by/(used in) investing activities	(2,630,000)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowings	0
Repayment of borrowings	0
Other proceeds	0
Other repayments	0
Finance lease repayment of principal	0
Net cash provided by/(used in) financing activities	0
Net increase/(decrease) in cash held and cash equivalents	(2,112,452)
Cash and cash equivalents at the beginning of the period	35,958,683
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	33,846,231