



West Pilbara College of TAFE

2002

ANNUAL REPORT

REGISTERED
TRAINING
ORGANISATION

NATIONALLY
RECOGNISED
TRAINING

TRAINING AND
CONSULTANCY
SERVICES



28 March 2003

The Hon Alan Carpenter MLA
Minister for Education and Training
Level 12
2 Havelock Street
WEST PERTH WA 6005

Dear Minister

In accordance with Section 66 of the Financial and Administration Audit Act 1985, we hereby submit for your information and presentation to Parliament, the Annual Report of West Pilbara College of TAFE for the year ending 31 December 2002.

Yours sincerely

A handwritten signature in black ink, appearing to be "John Jakobson".

John Jakobson
Chairperson
Governing Council

A large, stylized handwritten signature in black ink, appearing to be "Brian Lucas".

Brian Lucas
A/Managing Director
Pilbara TAFE

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CAMPUS LOCATIONS: KARRATHA • SOUTH HEDLAND • PUNDULMURRA • MINURMARGHALI MIA • JIGALONG
NEWMAN • ONSLOW TELECENTRE • PANNAWONICA • PARABURDOO • TOM PRICE



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Managing Director's Message

The 2002 Annual Report of the West Pilbara College of TAFE provides an account of what has proven to be a very significant year in the college's history. This is the final annual report for the college as it amalgamated with Eastern Pilbara College of TAFE to form the Pilbara TAFE as at 1 January 2003.

In the provision of training and community services for the West Pilbara region, the college continued to work towards its vision of achieving recognition firstly as an outstanding training provider, secondly for the integrity and professionalism of its work, and thirdly for growth in both structure and service.

In 2002, the college moved substantially towards achieving its vision.

- The college won the Access and Equity category of the WA Training Excellence Awards for its work with the Cheeditha Aboriginal Community; and was one of three finalists in the Small Training Provider category.
- The college represented Western Australia in the National Training Awards and with the Cheeditha Aboriginal Community was presented with the Australian Training Initiative Award.
- The integrity and professionalism of our work and commitment to customer service was evidenced by our implementation of the Australian Quality Training Framework (AQTF) and the high levels of satisfaction recorded in surveys of students and graduates.
- There was steady growth in our business, in particular from commercial training services with earnings increasing by 28 per cent. The college also expanded its Lifestyle program offerings, ensuring that all sectors of the community continue to be catered for.
- The college was able to increase training activity geared towards providing opportunities for apprentices and trainees, thereby continuing to meet the needs of local industry.

The college has a commitment to quality management and a philosophy of continuous improvement. This commitment, together with the successes of 2002 provides a solid foundation on which to establish the new college.



Mr Bill Swetman
A/Managing Director

28 March 2003

2002 has again been a very successful year for West Pilbara College of TAFE. The college delivered a wider range of training programs with increased high participation and a consistently high standard of student performance.

Nationally Recognised Training Excellence

In November 2002, the college in partnership with the Cheeditha Aboriginal Community was presented with the 'The Australian Training Initiate Award' at the National Training Awards held in Sydney.

State Training Excellence

The college won the 'Access and Equity Award', for its work with the Cheeditha Aboriginal Community, at the WA Training Excellence Awards in September 2002. The college was also one of four finalists in the Small Training Provider category.

Continued Growth in Fee for Service Training

The college's commercial training services arm, West Pilbara Training Solutions, again enjoyed a particularly successful year. Lifestyle programs were very successful in 2002 with participation rates improving by 103%. The contract with Hamersley Iron to manage all of its in-house training and staff development in the Pilbara continues to grow in strength with over 450 courses co-ordinated in 2003.

Indigenous Training

The college again enjoyed a very successful year delivering indigenous training services, both at college campuses and on-site within Aboriginal communities. Of particular note were the training programs in indigenous Cultural Tourism and Art studies at the Cheeditha Aboriginal community. Students in these programs have built upon previous studies and have now activated enterprises to market and sell goods that they are producing.

Graduate Employment Outcomes

The college continued to deliver a high standard of training for employment. Eighty eight (88) per cent of college graduates gained employment, an outcome some 17 percentage points above the state average. College graduates also reported improvements in graduate satisfaction, and this rating was also above the state average.

Australian Quality Training Framework

The college has adopted the standards of the AQTF as a means of ensuring that its training products and services are consistent with national standards. AQTF provides the framework by which the college has developed processes to provide flexible and responsive training and assessment services for its clients. A successful internal audit was conducted by external auditors to measure the college's level of compliance against the standards of the AQTF. College policies and processes have been reviewed and deployed to ensure that the college meets its obligations as an RTO.

Improving Facilities

The college has up-graded a number of facilities in order to focus on improved training delivery and to make more efficient use of teaching space. Relevant projects in this regard include the design and construction of a Flow Rig Test area, refurbishments to the Student Residences, and improvements to access areas surrounding the main training workshops.

Vision, Mission and Core Values

Vision

The college seeks to achieve recognition as an outstanding training provider, with respect for the integrity and professionalism of our work, and growth in both stature and service.

We intend to achieve this by:

- becoming the most flexible, dynamic and customer driven provider of training and cultural services in the North West;
- acting in ways that encourage team work and loyalty from staff and engender a sense of pride in our students and the community; and
- being innovative and entrepreneurial in the efficient and effective management and delivery of our services.

Mission

To contribute to the economic and social development of the West Pilbara region by delivering to industry and the community, innovative and competitive education, training and cultural services in a manner that is quality-based and client-focussed.

Core Values

Community Orientation and a commitment to serving the West Pilbara region through consultation with industry and community groups and through the involvement of these groups in governing and advising the college.

Customer Focus makes the satisfaction of the requirements of clients, students and stakeholders the primary and central focus of the college.

Competitiveness in improving our performance in existing programs and developing new operations by seizing and creating opportunities to do so.

Quality Service through a commitment to the measured continual improvement of the processes of the education, training and cultural services we provide.

Integrity in the use of public resources and in relationships and dealings with colleagues, clients and students.

Professional Standards are maintained by involving staff in decision making and empowering them to effect improvements, by encouraging team work and by improving staff knowledge and skills through continued training and development.

Innovation which takes maximum advantage of emerging technologies and methods and provides staff with the knowledge and skills to improve the effectiveness of our services.

Respect for People underpins relationships between all involved in the college so that they are treated with equity and with concern for a safe and healthy environment.

A consultative strategic planning process in 1998 established five key result areas that define the strategic directions to be taken by the college in the coming year. Each of these Key Result Areas will serve to focus the development of strategies and actions at both a strategic and operational level. The Strategic Plan 1999-2003 outlines the college's response to a rapidly changing training market. Stakeholders are invited to consult the Strategic Plan for further information.

Maximise Relevant Training Delivery

The college aims to meet profile targets and expand fee for service activity with relevant high quality training.

Respond to Client Training Needs

The objective of college training services is to meet the education and training needs of industry and the education training and employment requirements of individuals.

Utilise Resources Effectively and Efficiently

The college seeks to ensure maximum returns on public investment.

Grow and Develop the Organisation

College business in training and associated services is to be improved and increased.

Optimise Cultural Services

The community library and performing arts services are to be improved and developed in a way that maximises the effective use of public investment.

Governing Council

The governing body of the college is the Governing Council, with functions, duties and powers as specified in Sections 39 to 47 of the Vocational Education and Training (VET) Act 1996.

Membership of the Governing Council as at 31 December 2002 was as follows:

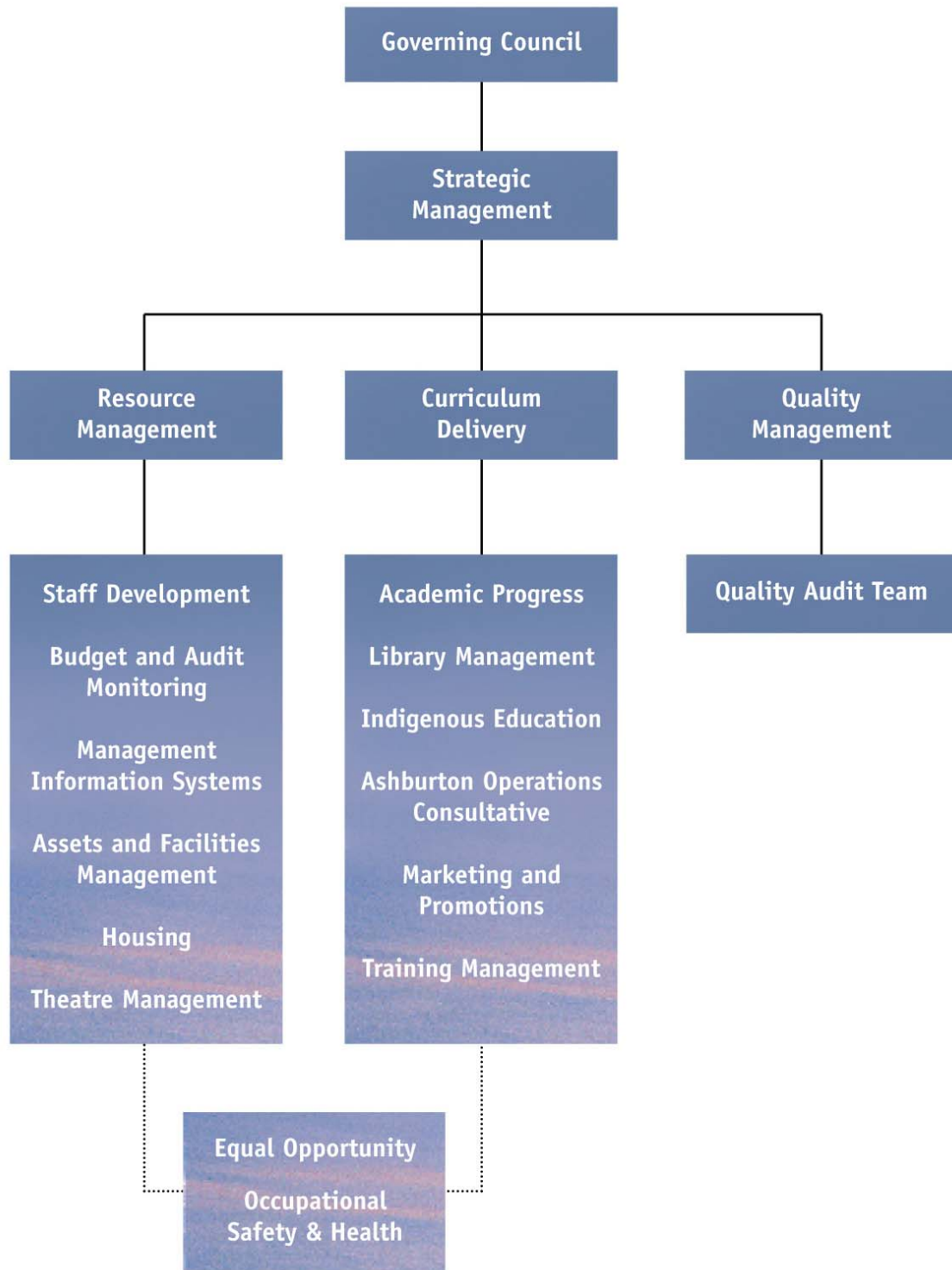
Chairperson:

Mr Graeme Rowley, AM General Manager, Projects Hamersley Iron

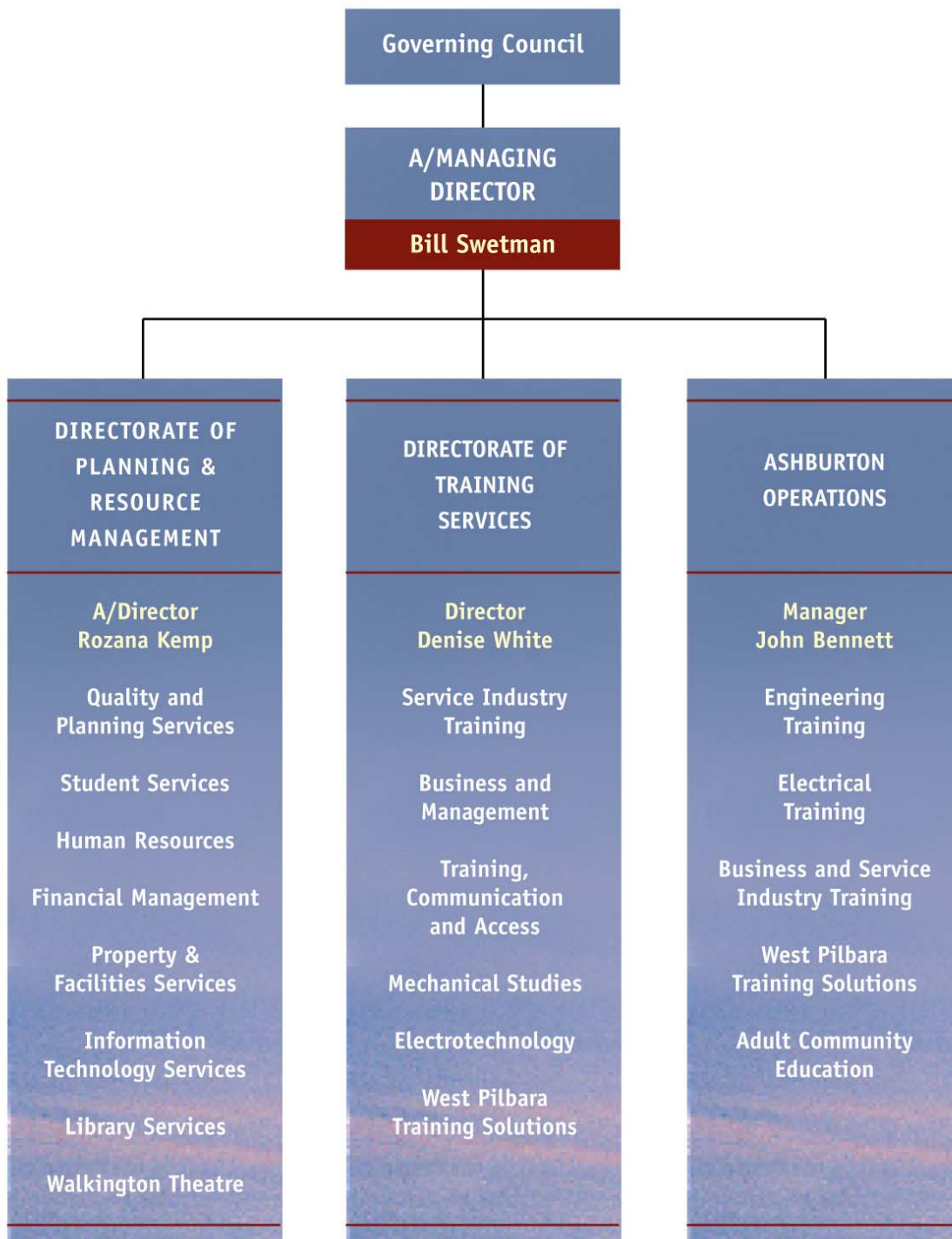
Members:

Ms Leann Cooper	Owner/Manager, Harvey World Travel
Mr Michael Fisher	Director, Savannah Engineering Pty Ltd
Ms Regina Flugge	Specialist Environmental Adviser, Hamersley Iron
Mr Peter Long	Managing Director, Astron Engineering
Mr Chris Morgan	SSTU Representative, West Pilbara College of TAFE
Ms Judie Pettitt	Director, Judie Pettitt & Associates
Ms Fatima Rebola-Gibson	Owner/Manager, Karratha Florist
Ms Jessica Worrell	Senior Instrument/Electrical Engineer, Woodside Energy Limited
Mr Camis Smith	Specialist Community Development and Training, ATAL, Hamersley Iron
Mr Bill Swetman	A/Managing Director, West Pilbara College of TAFE
Ms Audra Stanton	Chartered Accountant
Executive Officer:	
Ms Rozana Kemp	A/Director, Planning and Resource Management, West Pilbara College of TAFE

To assist the governing council, committees have been established to provide advice in specific areas. Council members, community and industry representatives, and college staff serve as members of these committees providing valuable expertise and customer feedback on college services.



Organisational Structure



PLANNING AND RESOURCE MANAGEMENT

This Directorate is responsible for a range of college operations.

Student Services - student enrolments and records, student residences and bookshop operations.

Financial Services - debtor and creditor control, assets management, budgeting, and child care services.

Human Resources - recruitment and staff administration, industrial relations, staff development, and payroll.

Information Technology - computing services, network administration and user support.

Quality and Planning Services - quality management, profile planning, records management, marketing, promotions and student information, scope of registration, and data administration.

Property Services - minor works, cafeteria, vehicle fleet, grounds and stores.

Library Services – college and community library services.

Walkington Theatre - cinema and community theatre services.

Throughout 2002, each section provided a high level of service to both internal and external customers. Major activities of each section is listed below.

Student Services

Student Services has continued to provide a high level of customer service through the Apprentice/Trainee Administration Officer, facilitating a reliable and well-informed point of contact for employers, students and lecturers.

The Student Services section and Business Systems Administrator have implemented an improved system to track and audit student enrolment data, roll results for training managers and a variety of data monitoring and reporting processes.

To meet client needs, processes to provide Qualification Certificates to all students requesting Certificates prior to Graduation, were improved.

Bookshop and student accommodation facilities were reviewed and altered to provide an improved service to customers. The refurbishment program for the student residences was also maintained to improve the quality of the facility.

Student Services continued to support college marketing initiatives, with participation in the Karratha Shopping Centre information session, the Graduation Ceremony and the Career Expo. The Student Services team also spent considerable time analysing and preparing the business requirements for the impending amalgamation with Eastern Pilbara College of TAFE. Of particular importance in this regard was the merging of the two CMIS databases in preparation for enrolments on 1 January 2003, and the standardisation of a number of key enrolment processes.

Human Resources

The college continued its innovative strategy of conducting two dedicated training conference weeks for all staff, focussing on generic and specific training requirements.

The Human Resources section effectively and efficiently processed over 40 vacancies.

The Human Resources section refined a number of the staff development procedures to improve linkages to the annual review process, and to improve the capture of current data related to staff training and qualifications. The Staff Training and Development Plan, and Human Resource Plan were also revised and updated.

During 2002 substantial revision was undertaken of the college's human resource policies to reflect the Public Sector Standards in Human Resource Management. Revisions to reflect the new standards occurred in relation to policies and procedures for Equal Opportunity and Occupational Health & Safety.

In line with the recommendations from a review of business process, Human Resources adopted the full function of payroll late in 2002. A business needs analysis was also conducted to assess the payroll requirements of the new Pilbara TAFE. As a consequence of this analysis, Fujitsu was adopted at Karratha, allowing a common base for both payroll systems to be merged for the new Pilbara TAFE in 2003.

Cab vouchers were introduced for staff travel purposes, minimising processing and freeing up time for other duties by finance and human resources staff.

The Human Resources office area was reorganised, enabling the Human Resources team to better serve clients and improve functioning.

The Human Resources team spent considerable time analysing and preparing the business requirements for the impending amalgamation with Eastern Pilbara College of TAFE. Of particular importance in this regard was the work undertaken in analysing procedural requirements for a new organisational structure, along with providing support for the reclassification, and recruitment and selection, of relevant positions within the new structure.

Information Technology

Microsoft Windows XP and Office XP Professional was trialled in a number of classrooms throughout the second half of 2002 to give IT Services the opportunity to fully test the new software environment. Feedback from this trial was invaluable in preparing for the implementation of Windows XP for 2003.

A total of 72 Pentium IV 1.6GHz computers were purchased and installed in line with the Information Technology policy to remain within 3 to 5 years of leading edge technology. An important component of this process is the deployment of upgraded technology, including improved printing capacity, to all areas of the college, including the regional campuses.

The IT team continued to provide opportunities for youth in the region by again hosting a number of IT trainees.

As part of its on-going programme of up-dating infrastructure, IT Services completed the up-graded of internal server links at Karratha from 100 Mb to 1 Gb, and the roll out of a 1 Gb capacity to 5 remote switches. To improve productivity and responsiveness of websites for staff and students, Windows NT was replaced with Windows 2000.

To improve email communication facilities at the college, GroupWise V5.X was upgraded to V6.X. The network system was also improved by upgrading a number of the LAN switches, and the student internet link was improved through a bandwidth up-grade. The IT team also worked with the Western Australian Department of Training (WADT) to prepare for the implementation of a suite of new Enterasys switches which will improve LAN connections to the PC, thereby resulting in improved technical productivity irrespective of location.

The IT team supported the Regional Library Network TAFE (RLNT) by making available specialised advice and consultancy services for the college's librarian, who was undertaking the role of RLNT convenor.

The IT team spent considerable time planning for the impending amalgamation with Eastern Pilbara College of TAFE. Of particular importance was the business case analysis for a standard operating system, and the adoption of a consistent standard for the replacement of PCs. Consequently, appropriate documentation was prepared for the procurement of 150 PCs for Pilbara TAFE.

Quality and Planning Services

The data reporting system is continually reviewed with user group needs a priority to allow for more timely and effective monitoring of college training delivery activity.

The college intranet site was again reviewed to provide staff with relevant information to assist with their day-to-day work requirements. In particular, the intranet provides a framework for the organisation's quality management system and sections have been added to assist staff with meeting the compliance requirements of the Australian Quality Training Framework (AQTF).

The college worked closely with the Quality Assurance and Recognition Branch of WADT to establish the college's defined Scope of Registration.

To meet the compliance requirements for the maintenance of the Scope of Registration, the college has reviewed its processes for registration of qualifications and courses to ensure that the college maintains its status as a Registered Training Organisation (RTO).

A successful internal audit was conducted by external auditors to measure the college's level of compliance against the standards of the AQTF. College policies and processes have been reviewed and deployed to ensure that the college meets its obligations as an RTO.

The college participated in the Pilbara Career Expo which was held at the high schools in the region. This gave the college the opportunity to promote its services to high school aged students and promote TAFE as a viable alternative to other post secondary pathways.

In response to the national and state training priority area of apprenticeships and traineeships, the college's marketing team produced a corporate newsletter for local industry and businesses operating in the region. The newsletters highlighted training partnerships between the college and businesses; the college and Apprenticeships WA; and promoted the apprenticeships and traineeships to increase local awareness and promote the value of these schemes.

A great deal of work was undertaken to review marketing strategies to be employed throughout the Pilbara region for the development of the corporate identity for Pilbara TAFE. The result of this

work is structured marketing campaigns with clear objectives and outcomes which to increase the college profile in a cost effective manner.

The college administers a client feedback system that provides clients with a mechanism to comment on the positive or negative aspects of their college experiences. The system was reviewed and a new collection database has been developed to improve the timeliness of tracking, response to clients and reporting to senior management for monitoring and review.

The college maintains a rigorous process of document control and records management to ensure that the quality management system of the college meets the needs of the college staff and the standards of a quality endorsed organisation.

Financial Services

The major focus of the section this year has been the successful implementation of a new Financial Management Information System, which went into production in October 2002. Planning for the new FMIS commenced in February, with training activities for the section's staff and other personnel across the college being conducted during May and June. System customisation and testing took place during July and August. The section's staff is to be commended for meeting all implementation deadlines with minimal interruption to normal processing schedules.

A new Chart of Accounts was developed as part of the FMIS project, which will enable better analysis of revenues and costs across all areas of the college. The new system will ultimately provide budget managers with direct access to their financial data, reporting and analysis tools.

As part of the new FMIS implementation schedule and the impending amalgamation with Eastern Pilbara College of TAFE, a complete review of financial policies, procedures and practices was undertaken to ensure that efficiencies associated with the new system's functionality could be maximised. The full effect of these efficiencies will be realised once integration processes are completed.

The FMIS implementation's project management and system testing activities were outsourced to 2020 Global Business Consultants, a Perth-based accountancy and consulting practice. 2020 Global also provided financial management services to the college throughout 2002 and worked closely with the college's staff through monthly site visits and regular communication, ensuring that accurate and timely financial information was available.

Property Services

The Property Services section completed a number of up-grades at the college including:

- up-grades at the student residence facilities;
- external painting at the Tom Price training facility;
- repair and refurbishment of the emergency exit lighting for the Walkington Theatre;
- working with the instrumentation training delivery staff to refurbish the flow rig test area training facility;
- a planting program to improve the environs of the college, particularly the student residences; and
- planning and implementing improvements to the concrete roadways surrounding the Karratha Campus workshop.

Together with the Department of Housing and Works, the Property Services section continued to plan and implement all maintenance requirements for the college. A major project that was commenced was planning for the replacement of the college air conditioning system. This system has already been tendered and will be commissioned and installed in mid 2003 resulting in improved energy efficiencies for the college.

Library Services

Karratha Community Library was acknowledged in a 2002 Shire Community Services survey as one of the top three most popular community services in the Shire of Roebourne.

Karratha loans statistics continued an upward trend during 2002 with a total increase of 10%.

Community based programs run by the library are listed below.

- The exhibition, "Baudin – Voyage of Discovery to the Southern Lands", opened on 4 February 2002. The exhibition, on loan from the Western Australian Museum, contained very high quality reproduction prints and specimens collected on the French expedition.
- The second annual "Write your Own Storybook" competition was held in August and attracted more than 40 entries. Children of all ages were encouraged to participate. All entrants received a special certificate for participating. The winners had their books professionally bound and catalogued.
- The Library successfully secured a grant from the Children's Book Council. The grant provided funds to contract local author, Jane Cheedy and travel to schools in the Roebourne and Ashburton Shires promoting Jane's work "Olive Python Dreaming".
- The library worked with Roebourne Prison staff to exhibit the works produced by Roebourne Prison inmates. The exhibition attracted many members of the community to the library and several paintings were sold.
- The Year 12 Art Exhibition was on display in the library during August and September. The library co-ordinated the exhibition with Art Gallery WA and major sponsor, Woodside.

Regional Libraries Network TAFE (RLNT)

The Manager, Library Services and Manager, Information Technology took responsibility for convening and supporting the RLNT for 2002. Some of the tasks undertaken are listed below.

- Representing the RLNT on the Learning Resources Systems Project (LRSP) Procurement Committee. The Procurement committee was formed to select and recommend a suitable automated library system for WA TAFE libraries.
- Overseeing the project to merge Eastern Pilbara TAFE library data onto the Regional Libraries Network System.
- Co-ordinating the project to prepare the RLNT shared system for migration to a new TAFE wide automated library system.
- Working closely with Metropolitan Library representation, to produce a joint metro/regional model for shared services to the LRSP Committee.

Roebourne Shire Libraries

Representatives from the state library visited the region, visiting branch libraries including the Roebourne Regional Prison library.

The college librarian co-ordinated the project that enabled Wickham Library to successfully migrate data from the Microfusion library automated system to Dynix.

Karratha Community Library projects and maintenance

New table and seating arrangement for the public access computer area were designed and installed in 2002, providing additional resources for the public.

Walkington Theatre

Audience attendance rates for the Walkington Theatre were again strong in 2002. Live performances were attended by 7,906 people and movies by 6,837. These figures do not include the community events as most of these are either not ticketed or ticketed by the community organisation themselves.

One of the major achievements for 2002 was the opening of the Telstra Country Wide Moonrise Cinema. A number of organisations and community groups have been responsible for the creation of this outdoor venue. Donations were provided by: the Karratha Drive-in, Friends of the Theatre, the Shire of Roebourne and West Pilbara College of TAFE - Telstra Country Wide was the major sponsor. This new facility has received very positive feedback and has broadened the scope of amphitheatre usage for the community.

Another initiative of 2002 has been the partnership between the Karratha International Hotel and the Walkington Theatre. The partnership has allowed the development of a cabaret style facility at the hotel whilst offering an alternative venue to enjoy such performances. This initiative will be continuing in 2003.

The Black Swan Theatre Company, Pilbara Writers Group and the Walkington Theatre collaborated to produce an evening of short plays that had been written by locals. This followed on from writer's workshops held the previous year and provided encouragement, guidance and personal development for the writers as well as producing a two nights of great entertainment.

Some of the highlights of this year's theatre and music offerings included the Australian String Quartet, Daylight Saving, Sirocco, Snugglepot and Cuddlepie, Ali Wood, Jazz Divas, Mika's Tribal Hollywood, Unforgettable, the WA Ballet Company and the Melbourne Comedy Festival Roadshow.

Live performances	21
Music	7
Live Performance hires	3
Workshops (in house)	15
Movies	14
Community events	32
Conferences	3
Rehearsals	28
Yoga	20
Theatre talks	3
Festival (week long)	1
TOTAL	247
Major outside equipment hires	21

TRAINING SERVICES

This directorate is responsible for the delivery of college training. Sections within this Directorate include:

Business and Management
Electrotechnology
Mechanical Studies
Service Industry Training
Training, Communication and Access

The most significant activities and achievements of this section for the year 2002 are reported below.

Business and Management

The new Business Services Training Package (BSB01) was implemented which provided the section with an excellent opportunity to rationalise courses across the Administration and Management areas. Courses have been evaluated for common units of competency to maximise enrolments while using resources more efficiently.

Better scheduling of day release training in flexible study mode for trainees employed/hosted by local small businesses resulted in the student intake increasing 133%.

Enrolments in Certificates II and III of Business Administration steadily increased during the year and in particular, there was an increase in Open Learning enrolments for these certificates in the second semester.

The Diploma of Business (direct entry) attracted sufficient enrolments to run in full-time mode. The direct entry method allows the student to pick up the pre-requisite knowledge and skills from Certificate III and IV levels to successfully undertake the Diploma level units. The direct entry method also increases student exit points at Certificate III and Certificate IV.

38% of the students enrolled in the Diploma of Business completed the year. 23% were successful in achieving the Diploma qualification. Of the 61% who left the course 46% left to commence local employment (directly related to the field of study) and 15% relocated from the area.

The staff has been involved in the development of processes for AQTF compliance, moderation and graded performance for the delivery area and in promoting awareness of these issues through plenary and training sessions during the 2002 Staff Conference weeks.

The business studies staff has actively implemented new processes to increase completion rates of students enrolling in business units through open learning. These processes have resulted in the development and completion of Training Assessment Plans, programs of work and assessment tools specifically designed for open learning students.

Electrotechnology

The Electrotechnology training delivery area continued the development of excellent customised electronic teaching resources. Central to this development is the ongoing use of The Learning

Manager (TLM), an on-line learning delivery and management platform. The section continues to strongly advocate the use of TLM to other teams within the college and provides training and assistance in the use of this technology. The 24-hour access Open Learning room, and Cisco/PLC lab were increasingly utilised, and proved particularly popular with students who have shift work obligations.

The section maintains active industry links with a significant number of small, medium and large companies.

Information Technology at Karratha Campus commenced the 2002 academic year with a very small student base. However, by changing the traditional teaching mode for all qualifications to open learning, sourcing better study materials, providing on-line support via TLM, and carefully screening all enrolments, student numbers grew to over 150 actively participating students within six months.

Information Technology offered nine qualifications to Certificate IV level, and developed resources to increase this list with the inclusion of website development, and multimedia qualifications. The last of the Cisco certification programmes was delivered at Karratha in 2002, with many students successfully completing their certification exams.

The electrical studies lecturing staff introduced the new qualification Certificate III in Engineering (Electrical) to replace Certificate III in Electrotechnology (Systems Electrician). This was in response to industry requirements and necessitated a change in approach from modules to competency standard units, or CSUs. The change from one training package to another has involved rewriting all existing learning materials, and developing new material based upon the online TLM platform.

Instrumentation tendered for and won funding to develop an industry-grade Test Flow Rig. Housed in its own refurbished building, the Rig allows the use of a broad range of instrumentation testing in a wide variety of applications, both on-site, and worldwide via internet link-up. This is believed to be the first online instrumentation laboratory of its type in Australia, and currently services students from across Australia, and has the potential to be used by students outside Australia. The service to students in remote locations by our travelling instrumentation lecturer continued throughout 2002, with many students completing their studies in their remote workplaces.

Mechanical Studies

This was a challenging year as there were several key staff changes. However, the commitment to achieving good student outcomes and improving facilities and equipment continued.

The Pre-Apprentice program was revamped under the guidance of a coordinator with the new program proving rewarding for students. There were 15 applicants for the program with 9 completing. Those who did not complete their studies either found employment, relocated or benefited from the program to make other vocational choices.

The number of first year apprentices was very encouraging with the commencement of twenty mechanical, four automotive and nine fabrication apprentices.

Improvements to facilities continued as the workshop was refurbished with painting of floors, classrooms and the workshop interior. Repairs were also made to brickwork and the louvres were re-conditioned.

The CAT diesel engine was completed and commissioned by the Westrac technician in May. Modifications were finished to the hydraulic dyno to load the CAT engine so that a range of load situations could be provided. Connections for computer interface were also installed so that training could commence. Metal Fabrication purchased a Bropho metal cutting saw. A Tech 2 analyser for the automotive area was purchased, as was new furniture for the classroom. Automotive teaching aids continued to be developed and improved.

A successful machining class was delivered to students from Karratha Senior High School as part of the VET for schools program. Evening sessions for Coded welding were commenced in March.

Service Industry Training

Service Industry training experienced a very successful year with an increased range of qualifications and improved student numbers.

The Art Department has significantly increased delivery into courses with full time students being enrolled to complete the entire Certificate. This has not happened for some time as there had been insufficient students for a full time course, hence necessitating part time delivery. Students progressed from lower into higher level Certificates. The annual Student Art exhibition was proof of the success in this area with one of the most interesting and comprehensive exhibitions seen for a number of years. The success of the Art programmes in 2002 could well be attributed to the fact that Art Studies was relocated back onto the main campus at Karratha, and is hence accessible by a broader range of students.

Ongoing demand in the area of Security training has resulted in this area extending its delivery into Certificate III in Security (Guarding). The Security training will be reviewed in 2003 as demand has been identified for training at the Certificate IV and the Diploma level.

Hairdressing has continued to be successful but with little growth in this area. This is a trend being felt throughout the State and Australia and is being addressed as a national issue. Hairdressing training, however, provides an important regional service as the Karratha centre provides the only hairdressing training north of Geraldton.

Hospitality has again delivered a successful Food and Beverage course and has been actively involved in graded performance. Moderation of assessment tools has also been a very important area of activity in the section in 2002. The college has worked collaboratively with Eastern Pilbara College of TAFE successfully running joint training. Eastern Pilbara provided the apprentice Chefs and West Pilbara supplied the food and beverage students to fully maximise the training facilities at Eastern Pilbara.

Training Communication and Access

Training programs delivered by the Training, Communication and Access section were instrumental in the college winning the National Training Innovation Award in 2002. This award recognises the work achieved through the partnership between the Cheeditha community and the college in providing on-site relevant training resulting in the development of commercial enterprises.

Additional qualifications were registered to ensure student needs were met including Certificate II in Introduction to Public Art. This program was chosen because it better served the students studying art at Cossack in assisting them to display and sell their art. The college formed partnerships with the Cheeditha Aboriginal Community and the Ministry of Justice to allow inmates to join members of their community studying art at Cossack, through the Section 94, day release programme.

Operational Reports

Certificates in English Literacy were chosen to improve literacy training to Australians with little or no English; thereby increasing the number of English tuition hours available per week for student requiring intensive practice.

The college also won a tender to deliver Indigenous Corporate Governance training. Eighteen indigenous students enrolled, resulting in the formation of their own governing council and election of officers to govern the operations of the art and tourism businesses. The training received high praise from the participants, so much so that Gumala and Hamersley Iron representatives approached the college to deliver similar training to their committee members at Tom Price in 2003.

An indigenous student who completed his training in art in 2002, and who is currently undertaking training in Certificate IV Assessment and Workplace Training is working as a sessional lecturer at Roebourne Regional Prison in Art.

Certificates in Community Services had exceptionally high enrolments with a 30% increase in delivery particularly in the Disability Worker stream - the college was the only TAFE in WA offering the course through open learning. 2002 also saw the first enrolment of an Indigenous trainee in Youth Work.

The Community Services lecturer delivered training in the Parent Link program for the Department of Community Development (DCD) and trained volunteers to take part in a home visiting program funded by DCD. Students in Community Services trialled the first on-line toolbox from Westone, and this initiative is now offered to other students in the area.

ASHBURTON OPERATIONS

This section promotes and delivers training throughout the Shire of Ashburton in the following locations:

- Tom Price
- Paraburdoo
- Pannawonica
- Onslow

The most significant activities and achievements of this section for the year 2001 are reported below.

Business and General Studies

The introduction of the new Business Services training package required considerable realignment of the unendorsed components for the Office and Secretarial trainees. While such change was manageable for block release student groups it did present challenges for individual self paced students working to complete their qualification over a longer period. Units from these qualifications were in demand at Pannawonica and sessional lecturers were available to assist. Through the course of the year these sessional lecturers successfully completed the required units from the Certificate IV in Assessment and Workplace Training.

At least monthly, training delivery and/or administration staff from the Tom Price campus travelled to the outlying centres of Paraburdoo, Pannawonica and Onslow. Lecturers, in the business studies and access and participation programmes, from Tom Price conducted a number of tutorial style workshops in Pannawonica and Onslow for students enrolled through open learning. These visits provided valuable opportunities to meet with sessional lecturers as mentors, conduct moderation and to ensure that student's needs are being.

The Certificates in General Education for Adults are gaining popularity in Tom Price as a valid entry level qualification. This was the second year that these certificates have been delivered at the Tom Price campus. Lessons learned during the first year of delivery produced a modified delivery approach. The diversity of the student group being used positively to stimulate interest and enhance the learning situation.

Delivery of profiled programs in Paraburdoo continues to be challenging. The turn over in population makes it difficult to attract viable class enrolments. Consequently there is often a lack of commitment, with potential students cautious about enrolling unless face to face delivery is guaranteed. The most successful offering has been the Teachers Assistant program. Fortunately the college has maintained the services of a very well qualified sessional lecturer in this field at Paraburdoo.

A successful visual arts program was delivered at the Wakuthuni indigenous community during first semester with lecturers travelling from Tom Price several times each week.

Engineering Trades

The year was punctuated by staff resignations, initially by that of the electrical trades lecturer and later in the year by those of the mechanical trades lecturers. The difficulty of attracting suitable staff to these remote areas was emphasised when the electrical position was not filled until the third round of recruitment. During this period, a full semester, the apprentice block program was maintained through being able to access the services of three semi-retired lecturers from Perth. While the recruitment of suitable replacement mechanical trades lecturers was less drawn out, again the discontinuity in delivery resulted in on-going challenges

The planned pre-apprentice programme did not eventuate due to insufficient demand. The demographics of the Tom Price community are changing and the a similar situation is likely in 2003. However the otherwise spare capacity in the engineering trades area was absorbed by other demands. There was an increase in mechanical trades apprentice numbers, necessitating two groups for some units and a pre-employment program for CDEP employees was successfully delivered. This programme was set up with the co-operation of the Ashburton CDEP, ECS Gumala, Hamersley Iron ATAL and the West Pilbara College of TAFE Tom Price campus.

The Apprentice Intensive Skills training program, which has been delivered on a fee for service basis for a number of years, was reviewed jointly by the client and training delivery staff at this campus. This resulted in some minor alterations to the program, however in general the client was satisfied and the program appears likely to be in demand for the foreseeable future.

General Issues

The buildings and much of the equipment at the Tom Price campus will soon require up-grade and increased maintenance. The services of Western Property have been effective for the repair and

maintenance of the specialist property services. For example the much needed exterior repainting of the Stadium Road buildings was completed. However the most noticeable improvement has resulted from the employment of a part time mechanical maintenance technician. This has dramatically improved the upkeep of minor building services and equipment.

WEST PILBARA TRAINING SOLUTIONS

West Pilbara Training Solutions (WPTS) is the commercial arm of the college and co-ordinates the fee-for-service customised training activities of the college. Functions co-ordinated include:

- Fee-for-service training
- Lifestyle courses
- Seminar Centre
- General purpose room hire
- Video-conferencing
- Tenders
- Consultancy services

Major activities for this section, reported against the five key result areas from the college strategic plan are listed below.

Training Programs – Karratha

One hundred fee for service courses were delivered by West Pilbara Training Solutions to a wide range of clientele throughout the West Pilbara region. Over 900 students attended these courses.

Better planning resulted in more relevant training being offered to industry. Fewer courses were scheduled in 2002, however the income per course increased by 7%. There were fewer cancellations and in the majority of programs, a higher attendance rate.

The number of computer skills training courses increased by 50% and the number of safety related courses increased by 57%. Some of the newer courses in the Occupational Health and Safety area in 2002 included Snake Awareness; Ventilation Officer, HACCP Awareness - Food Safety Standards; Power Generation.

Delivery of a dogging course to indigenous students under the CAT 2002 Tenders was completed in 2002. The course was customised to include literacy and numeracy skills as well as the dogging competencies. Four students successfully obtained a Worksafe certificate and will hopefully obtain employment in the construction area.

As a result of funding received from the Pilbara Area Consultative Committee, WPTS was able to offer MYOB workshops to small businesses in Karratha, Tom Price and Onslow. The workshops delivered by a local accountant, provided participants with skills to help them use MYOB to complete their BAS statements.

Hamersley Iron

West Pilbara Training Solutions continued to deliver its three year contract for administering training for Hamersley Iron. The contract, coordinated by the Tom Price office, involves managing and

organising training activities for the five inland mine sites, as well as Dampier and Perth. During the 12 month period there were 7,865 individual attendances at training events managed under this contract and the team completed the administration for 460 courses for the year at the equivalent of nearly two courses per working day.

Also during 2002, WPTS completed a review of all training providers for Hamersley Iron. This was done to ensure that all providers met the standards of AQTF as well as meeting requirements for qualifications, insurance and relevant site inductions.

Lifestyle

2002 was a fantastic year for Lifestyle courses with 18 courses being delivered throughout the year. Participation increased by 103% with an average number of 11 people attending each course, and the revenue from each course also increased by 93%. New courses for 2002 included Meditation, Thought you Couldn't Draw, Aromatherapy, Cuban Salsa Dancing, and Italian for Beginners.

Seminar Centre

The Seminar Centre was hired out by 85 external clients for various types of functions ranging from training activities, staff and contractor inductions, policy launches and staff meetings.

Although occupation was slightly down from 2001 figures, income per hour for the Seminar Centre increased by 33%. This was due to a higher usage of equipment rental items, provision of catering; and sundry items such as administration assistance and photocopying.

The Seminar Centre hosted a successful trade display in conjunction with Pilbara Development Commission's "Natural Advantages" Conference. Local businesses displayed products and services to over 150 conference delegates. A "Business After Hours" organised by the Karratha and Districts Chamber of Commerce was also hosted in the forecourt of the centre.

A bit of Hollywood came to the Seminar Centre with the Gecko Film Company hiring it to view its daily rushes for a film which starred Toni Collette and was being shot at various locations around the Pilbara.

The Seminar Centre was also the venue for the first time for the local TEE exams. Nervous students spent 60 hours attending various exams. The venue was well suited to the occasion - it is quiet and spacious.

Total Hours	1,825.00
No of days (average)	243.33
No of days (average) External	155.93
No of days (average) Internal	87.4
Income external per hour	31.47
Income internal per hour	18.89

Videoconference

In 2002 there was an increased usage of the college's videoconferencing by 33% on 2001 figures. The demand was such that the college invested in another unit. This unit will be located in the conference room and will be used to conduct management and team meetings.

Operational Reports

There was also an increased demand from staff from local government offices who used the equipment to conduct meetings in preference to travelling to Perth.

Another highlight of the year was the use of the videoconference equipment to deliver the Diploma of Enrolled Nursing by East Pilbara College of TAFE.

Total Hours	545.67
No of days (average)	72.76
No of days (average) External	29.47
No of days (average) Internal	43.29
Income external per hour	91.46
Income internal per hour	28.87

Other Facilities Hire (classrooms and cafeteria)

The cafeteria was hired by external groups on 9 occasions, for functions ranging from Quiz nights and AGMs to birthday parties. Other facilities used by external groups included computer rooms and general classrooms.

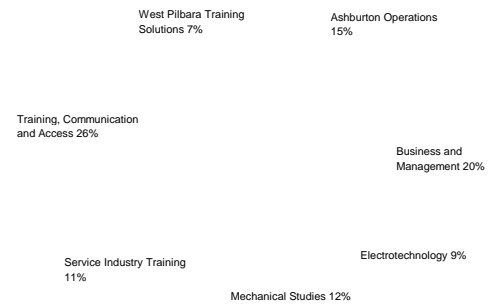
Total Hours	562
No of days (average)	74.93
No of days (average) External	51.2
No of days (average) Internal	23.73

Staff Training Conference

West Pilbara Training Solutions again successfully coordinated two training conferences for staff of West Pilbara College. Participants enjoyed a week of training and awareness sessions covering topics such as Graded Performance, Moderation, and Cross Cultural Training. The highlight of the year was the running of the second West Pilbara Challenge Cup in September which saw staff undertaking various team sporting games. Activities were planned to cover all fitness levels and gave staff an excellent opportunity to network with staff from other areas.

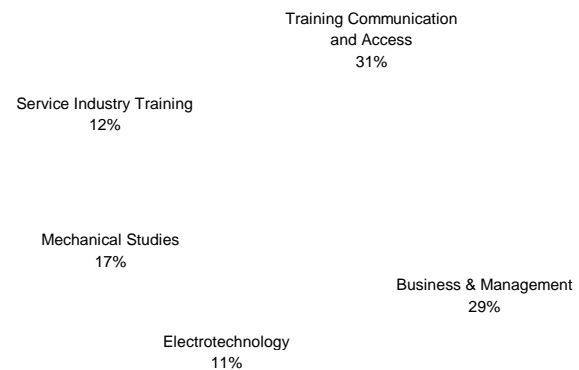
Training Delivery by Section (SCH)

TRAINING DELIVERY SECTION	SCH
Ashburton Operations	39,936
Business and Management	52,848
Electrotechnology	22,770
Mechanical Studies	31,904
Service Industry Training	29,499
Training, Communication and Access	70,696
West Pilbara Training Solutions	19,118
TOTAL	266,771



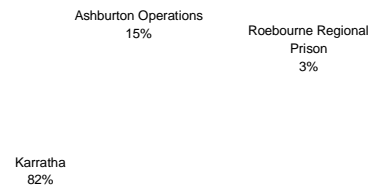
Training Delivery by WADT Descriptor Group (SCH)

TRAINING DELIVERY SECTION	WADT GROUP	SCH
Business and Management	5A, 16A, 16B, 16C	70,458
Electrotechnology	15A, 15B, 17A	25,693
Mechanical Studies	2A, 9A, 9B	42,469
Service Industry Training	1B, 1C, 7A, 12A, 12B, 13B, 13C	30,004
Training Communication and Access	3A, 4A, 4B, 19B, 19E	75,189
TOTAL		243,813



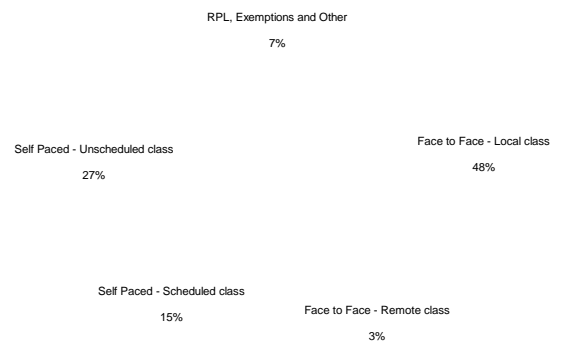
Training Delivery by Campus (SCH)

CAMPUS	SCH
Karratha	229,790
Ashburton Operations	42,173
Roebourne Regional Prison	7,634
TOTAL	279,597



Training Delivery by Mode (SCH)

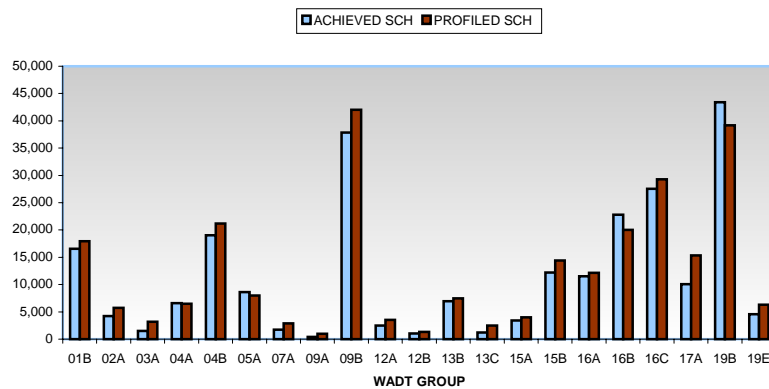
DELIVERY MODE DESCRIPTION	SCH
Face to Face - Local class	114,346
Face to Face - Remote class	7,812
Self Paced - Scheduled class	37,017
Self Paced - Unscheduled class	66,421
RPL, Exemptions and Other	18,217
TOTAL	243,813



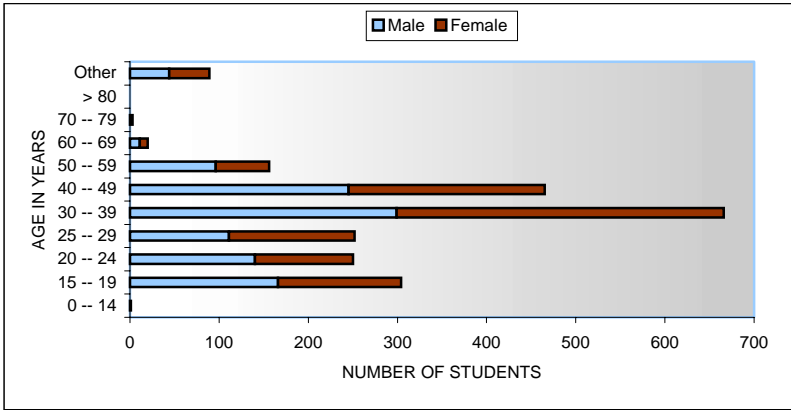
Figures at a Glance

College Training Delivery Profile - Achieved vs Profiled

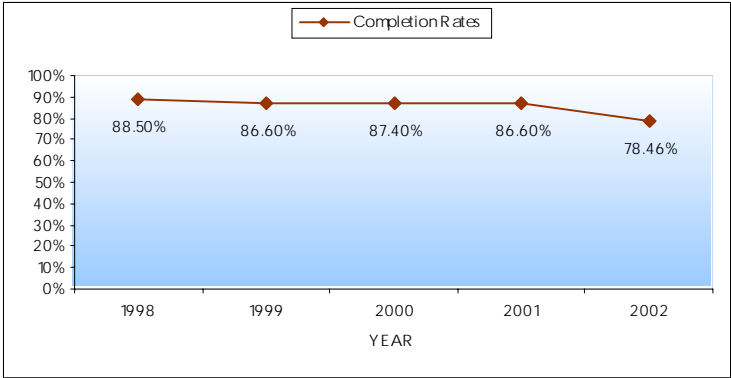
WADT GROUP	WADT DESCRIPTION	ACHIEVED SCH	PROFILED SCH
01B	Visual and Performing Arts	16,560	17,955
02A	Automotive	4,198	5,724
03A	Building and Constructions	1,532	3,200
04A	Community Service Workers	6,594	6,510
04B	Education and Childcare	19,037	21,180
05A	Finance Insurance Property Service Workers	8,614	8,000
07A	Clothing Footwear and Soft Furnishings	1,720	2,880
09A	Engineering and Drafting	396	1,000
09B	Metal and Mining	37,875	42,004
12A	Personal Service	2,505	3,552
12B	Retail	1,047	1,352
13B	Hospitality	6,935	7,440
13C	Tourism	1,237	2,500
15A	Electrical and Electronic Engineering	3,420	4,000
15B	Electrical Trades	12,183	14,432
16A	Accounting and Other Business Services	11,492	12,142
16B	Management	22,826	20,021
16C	Office and Clerical	27,526	29,281
17A	Computing	10,090	15,310
19B	Adult Literacy/ESL	43,430	39,180
19E	Targeted Access and Participation Courses	4,596	6,298
	TOTAL	243,813	263,961



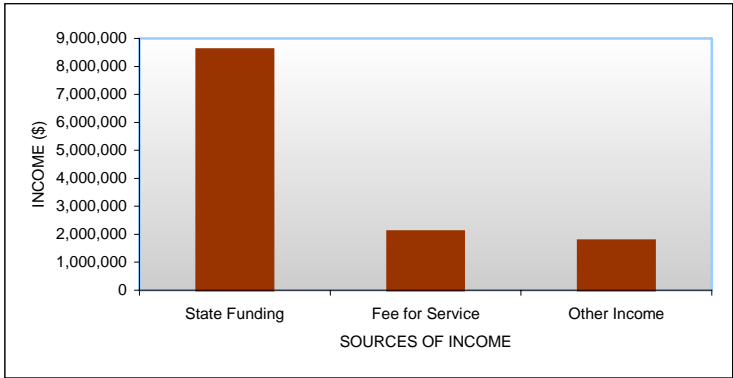
Student Population by Age and Gender



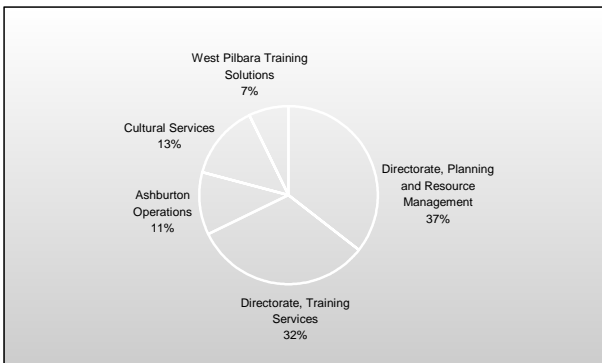
Successful Subject Completion Rate



Summary of Income



Staff Profile



Statement of Compliance

Public Sector Standards

West Pilbara College of TAFE has complied with the Public Sector Standards in Human Resources, the Western Australian Public Sector Code of Ethics and our own code of conduct. Procedures have been designed to ensure such compliance and internal audits, which form part of the college's wider quality management system, have been conducted to satisfy that compliance with the standards is maintained. In addition, the college has in place a series of checklists for transactions which effectively minimise the risk of non-compliance, and feedback from audit and review data is incorporated into existing policies and procedures. This occurred most recently in 2002 with the Equal Opportunity and Grievance policies being updated.

In accordance with Section 31(1) of the Public Sector Management Act, Human Resource standards have been complied with to the following extent:

- The college continued to maintain a high level of compliance with the Standards listed below:

- Recruitment, Selection and Appointment
- Transfer
- Secondment
- Performance Management
- Redeployment
- Termination
- Discipline
- Temporary Deployment (Acting)
- Grievance Resolution

- The college received no applications for review against alleged breach of standards in 2002.

Redeployees

During 2002 one staff member was registered for redeployment with the Public Sector Management Office. This staff member continued to be located in the metropolitan area and was placed in project work positions with a variety of government agencies while alternative employment opportunities were sourced.

Due to geographical location, the college obtained assistance from the Western Australian Department of Training to case manage the staff member. This arrangement has worked well, with the staff member having face-to-face contact with a redeployment officer and the college having a stronger link to agencies in the metropolitan area.

Equal Opportunity

West Pilbara College of TAFE complies with the Equal Opportunity Act 1984 (1992) and is fully committed to the promotion of equal opportunity. A full annual report is submitted to the Director of Equal Opportunity in Public Employment in September each year. The following tables outline data on Equal Employment Opportunity (EEO) groups for the year ended 30 June 2002:

CATEGORIES OF EMPLOYEES BY GENDER

EMPLOYMENT TYPE	FEMALE	MALE	TOTAL
Permanent FT	10	15	25
Permanent PT	15	0	15
Fixed term FT	30	22	52
Fixed term PT	1	1	2
Casual	57	19	76
Other	2	1	3
Total	115	58	173

CATEGORIES OF EMPLOYEES BY EEO GROUPS

EMPLOYMENT TYPE	CLDB	INDIGENOUS	PWD
Permanent FT	0	3	1
Permanent PT	0	0	0
Fixed term FT	1	2	0
Fixed term PT	1	0	0
Casual	4	0	0
Other	0	0	0
Total	6	5	1

CLDB Culturally and Linguistically Diverse Background
Indigenous Aboriginal & Torres Strait Islander
PWD People with Disabilities

Disability Services

West Pilbara College of TAFE is committed to meeting its responsibilities under the Disability Services Act 1993. To this end, the college has been working steadily towards the objectives set down in its Disability Services Plan, which was originally submitted to the Disability Services Commission on 1 January 1996. The purpose of the plan is to ensure that people with disabilities can fully access college facilities, functions and services. A report on progress is made annually to the Commission, and regular reviews are made of the plan, the most recent being in January 2002.

The college continues to maintain the role of Disability Liaison Officer and an active Equal Opportunity Consultative Committee which addresses, as part of the equal opportunity framework, issues relating to people with disabilities. The committee includes college staff and community representation.

Women

Women at the college are well represented at the middle (Tier 3) management level, occupying 7 out of 13 (54%) of these positions. Women also make up 33% of upper (Tier 2) management at the college.

Staff Training and Development

The college is committed to providing access to relevant training and development opportunities for its staff. An annual Staff Training and Development Plan is formulated by the Staff Development Committee based on training requirements specified in operational plans and other key college plans such as the Strategic Plan, Human Resource Management Plan and Equal Opportunity Plan. The committee, using relevant selection criteria, considers each application for staff development. A total of \$63,613 (excluding wages) was invested in Staff Development for 2002, with a total of 530 training activities and 3,997 hours of training taking place. Included in this is training undertaken at the week long Staff Conferences held in April and September annually.

2002 Staff Development and Training statistics were reported against the following categories:

Statement of Compliance

CATEGORIES OF STAFF DEVELOPMENT AND TRAINING

TRAINING CATEGORY	NO. TRAINING ACTIVITIES	% OVERALL TRAINING ACTIVITY	HOURS OF TRAINING
Customer Service and Marketing	6	1%	69
Management and Supervision	46	9%	237.5
Equity and Access	148	28%	375
Occupational Safety and Health	52	10%	218.5
Information Technology Support	34	6%	169
Subject Specialisation	68	13%	327.5
Training and Delivery Skills	176	33%	2600.5
Other	0	0%	0

Occupational Safety and Health

West Pilbara College of TAFE complies with the Occupational Safety and Health Act of 1984 (1995). The college has fully documented policies and procedures in its Occupational Safety and Health Manual. Statistics for 2002 can be found in the following table:

ACCIDENT STATISTICS 2002

	STUDENTS	STAFF
No. of incidents (includes incidents and accidents but not hazards)	5	7
Accidents requiring no treatment	3	4
Accidents requiring First Aid only	1	3
Accidents requiring medical/hospital treatment	0	2
Workers Compensation claims	0	1
Time Lost	0	12.5

Risk Management

In accordance with Treasurer's Instruction 109, the college has defined a systematic process of policies, procedures and practices to identify, analyse, assess, treat and monitor those risks that are inherent to the operations of the college.

Quality Assurance

The college's registration with the Training Accreditation Council as a registered training organisation is current until December 2003. The college has implemented and deployed policies and processes across college operations to meet compliance with the Australian Quality Training Framework.

Evaluations

Many clients are keen to provide feedback on the college's products and services. The college implements a feedback process, which is convenient for the client, and ensures that sufficient detail is available to action suitable outcomes. All clients who complete a feedback form and deposit it in the feedback box receive a response from the Managing Director within two weeks. At the college level, all feedback is actioned and a regular Feedback report is discussed at the peak Strategic Management Committee to 'close the loop', and ensure action and follow-up.

The college has developed a system to obtain qualitative and quantitative feedback from students and teaching staff to evaluate training delivery at the completion of courses. Opinion is obtained through the use of an evaluation questionnaire system. This data is evaluated and used to develop action plans to improve training delivery on an operational level and to allow for more effective planning and use of resources. Lecturers are also required to evaluate completed courses thereby providing feedback to improve the quality of the curricula and training delivery.

Customer Focus

The college continues to maintain its commitment to providing a high level of service to its customers. Quality Management has enabled the college to focus on a number of elements of service delivery for both internal and external customers. Through the continuous improvement strategy, the college strives to emphasise excellence and foster a “best practice” mentality.

To meet the challenge of effectively servicing the remote and sparsely populated West Pilbara Region the college has developed a responsive and flexible approach. The college offers a variety of flexible delivery strategies and services utilising modes of delivery that are appropriate to the needs of clients. The college has processes in place which encourage staff to adapt training to the needs of learners.

The resource industries of the Pilbara and the businesses that support them are important clients of the college and a variety of training services are provided which are specifically targeted to their needs.

Freedom of Information

West Pilbara College of TAFE complies with the Freedom of Information Act 1992. The college received no requests for information in 2002.

Government Purchase Charter

The college complies with the requirements of the State Supply Commission for the purchase of goods and services. Appropriate policies and procedures have been developed and deployed throughout the college and are documented in the “Physical and Financial Resources Manual” and on the staff intranet site.

The purchase of goods and services is subject to the following guidelines: items less than \$1,000 require at least two verbal quotes; items more than \$1,000 require three written quotes; items over \$50,000 are subject to a tender process unless specific other rules have been prescribed. The issue of quotations and the evaluations of responses are monitored.

Advertising

The college undertook advertising campaigns to raise the profile of college services and to promote course offerings. The college utilised the services of the government appointed media advertising agency, Market Force Productions and a number of other local advertising media organisations. Total expenditure for college wide advertising, which included recruitment advertising, was approximately \$106,333.48. This represents a 28% decrease in advertising spending from the previous year.

Publications

In accordance with Treasurer's Instruction 903(vii), the following is a list of publications that have been produced by West Pilbara College of TAFE during 2002:

- Annual Report 2001
- West Pilbara College of TAFE Student Information Guide
- Various Course/Qualification Information Sheets
- Strategic Plan 1999-2003: Revisions in April and October
- College Website

Statement of Compliance with Relevant Written Law

Legislation impacting on college activities:

- Vocational Education and Training Act 1996
- Financial Administration and Audit Act 1985
- Public Sector Management Act 1994
- Salaries and Allowances Act 1975
- Public and Bank Holidays Act 1972
- Equal Opportunity Act 1984

Statement of Compliance

Government Employees Superannuation Act 1987
Occupational Health, Safety and Welfare Act 1984; (1995)
Workers Compensation and Assistance Act 1981
Industrial Relations Act 1979
State Supply Commission Act 1991
Government Employees Housing Act 1964
Workplace Agreements Act 1993
Freedom of Information Act 1992
Disability Services Act 1993
Industrial Training ACT 1975
Copyright Act 1968
Liquor Licensing Act 1988 (2000)
Electricity (Licensing) Regulations 1991
Security and Related Activities (Control) Act 1996
Children's Services Licensing Unit for Childcare



Bill Swetman
A/Managing Director

28 March 2003



AUDITOR GENERAL

To the Parliament of Western Australia

WEST PILBARA COLLEGE OF TAFE PERFORMANCE INDICATORS FOR THE YEAR ENDED DECEMBER 31, 2002

Matters Relating to the Electronic Presentation of the Audited Performance Indicators

This audit opinion relates to the performance indicators of the West Pilbara College of TAFE for the year ended December 31, 2002 included on the Pilbara TAFE's web site. The Governing Council of Pilbara TAFE is responsible for the integrity of the Pilbara TAFE's web site. I have not been engaged to report on the integrity of this web site. The audit opinion refers only to the performance indicators named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these performance indicators. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance indicators to confirm the information included in the audited performance indicators presented on this web site.

Scope

I have audited the final key effectiveness and efficiency performance indicators of the West Pilbara College of TAFE for the year ended December 31, 2002 under the provisions of the Financial Administration and Audit Act 1985.

The Governing Council was responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. Following the amalgamation of the College with the Eastern Pilbara College of TAFE with effect from January 1, 2003, the Minister for Training made the Governing Council of Pilbara TAFE under the provisions of the College Amalgamation Order (No. 2) 2002 responsible for preparing and presenting the final performance indicators. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the College's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the West Pilbara College of TAFE are relevant and appropriate for assisting users to assess the College's performance and fairly represent the indicated performance for the year ended December 31, 2002.

D D R PEARSON
AUDITOR GENERAL
May 30, 2003

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664

REGISTERED
TRAINING
ORGANISATION

NATIONALLY
RECOGNISED
TRAINING

TRAINING AND
CONSULTANCY
SERVICES



28 March 2003

CERTIFICATION OF PERFORMANCE INDICATORS

West Pilbara College of TAFE

FOR THE YEAR ENDED 31 DECEMBER 2002

We hereby certify that the performance indicators are based on proper records, are relevant and appropriated for assisting users to assess the West Pilbara College of TAFE's performance, and fairly represent the performance of the West Pilbara College of TAFE for the financial year ended 31 December 2002.

A handwritten signature in black ink, appearing to read "John Jakobson".

John Jakobson
Chairperson
Governing Council

A handwritten signature in black ink, appearing to read "Brian Lucas".

Brian Lucas
A/Managing Director
Member of Governing Council

Tel: 9159 6700 Fax: 9159 6711 Karratha Campus, Millstream Road, PO Box 315, Karratha WA 6714 pilbaratafe.wa.edu.au

CAMPUS LOCATIONS: KARRATHA • SOUTH HEDLAND • PUNDULMURRA • MINURMARGHALI MIA • JIGALONG
NEWMAN • ONSLOW TELECENTRE • PANNAWONICA • PARABURDOO • TOM PRICE



Key Performance Indicators

VOCATIONAL SKILLS FORMATION AND DEVELOPMENT

DESIRED OUTCOME:

To meet individual, community and industry skills formation and development needs with quality service in education and training resulting in an employable and adaptable workforce.

Key Result Areas

Maximise Relevant Training Delivery

The college aims to meet profile targets and expand fee for service activity with relevant high quality training.

Respond To Client Training Needs

College training services meet the education and training needs of industry, and the education, training and employment requirements of individuals.

Utilise Resources Effectively & Efficiently

The college seeks to ensure maximum returns on public investment.

Grow and Develop the Organisation

College business in training and associated services is to be improved and increased.

CULTURAL SERVICES

DESIRED OUTCOME:

To contribute to the self fulfilment of individuals and the quality of the community by the development and provision of performing arts and community library services.

Key Result Areas

Optimise Cultural Services

The community library and performing arts services are to be improved and developed in a way that maximises the effective use of public investment.

VOCATIONAL SKILLS FORMATION AND DEVELOPMENT

DESIRED OUTCOME:

To meet individual, community and industry skills formation and development needs with quality services in education and training resulting in an employable and adaptable work force.

1.1 Effectiveness Indicators

1.1.1 Graduate Satisfaction

The satisfaction rating of course graduates whose motivation for taking the course was job-related is measured by the extent to which the course met their requirements. Graduate satisfaction is the proportion of graduates, responding to the annual TAFE Student Outcomes Survey, who have indicated that the course had fully or partially achieved their main reason for undertaking the course.

	1998	1999	2000	2001	2002
West Pilbara College	83.5%	88.5%	82.7%	84.2%	85.7%
Western Australia	81.2%	82.1%	79.2%	76.3%	76.98%

The National Centre for Vocational Education Research (NCVER) contracted NSC Pearson to conduct a nation wide survey. Of the 131 graduates included in the census, 52 valid responses were returned which represents a response rate of 39.7%. The college continues to rate well in this area with a graduate satisfaction rate again well above the state and Australian average. The national comparison for graduate satisfaction is 78%.

1.1.2 Student Satisfaction Rate

A measure of the extent to which the college met individual student needs with quality training services. Student satisfaction is measured as a proportion of total respondents. This indicator has been reported for the overall satisfaction rate with college services.

	1998	1999	2000	2002
West Pilbara College	85.0%	79.2%	77.3%	82%
Western Australia	82.0%	82.5%	79.3%	83%

The Western Australian Department of Training conducted a student satisfaction survey that was prepared and produced by Market Equity. Of the 1,239 students surveyed, 255 responses were received. This represents a response rate of 21% and a relative standard error of +/-4.45. As for previous years (except 2000) the satisfaction rating includes institution based students and employment based students. The proportion of students expressing satisfaction is in line with the state average.

Please note, the figures for 2001 have not been included as the response rate for the survey was such that the data was deemed unreliable.

1.1.3 Graduates in Employment

The extent to which the college was successful in achieving its goal of providing training resulting in an employable and adaptable workforce may be indicated by the proportion of graduates in employment. There may of course be other variables explaining the rate of employment of graduates in addition to college training, however the indicator does at least provide some measure of college performance. The performance indicator shows the proportion of graduates responding to the Student Outcomes Survey who were in paid employment as at 31 May of the year following graduation.

	1998	1999	2000	2001	2002
West Pilbara College	68.2%	80.8%	92.4%	89.5%	88.2%
Western Australia	72.0%	71.4%	72.8%	67.8%	71.1%

The 2002 indicator is similar to the 2001 outcome, and also represents an excellent outcome that is 17.1 percentage points higher than the state average. The national figure for graduates in employment is 73.1%.

1.1.4 Graduates in Further Study

A further indicator of the college's effectiveness in meeting individual and community needs with quality education and training services is the proportion of college graduates who enrol in further study. The indicator is taken to be the proportion of graduates responding to the annual Student Outcomes Survey who were enrolled in further study as at 31 May of the following year.

	1998	1999	2000	2001	2002
West Pilbara College	30.6%	30.8%	37.0%	31.6%	25.5%
Western Australia	40.0%	41.2%	40.2%	44.3%	42.7%

The fact that the proportion of graduates entering further study is consistently less than the state average probably reflects the higher proportion entering employment. The national figure for graduates in further study is 39.3%.

1.2 Efficiency Indicators

Key Performance Indicators

1.2.1 Total Cost Per Student Curriculum Hour (Total Operating Expenses)

This is a measure of the extent of which the college is able to efficiently utilise resources for the delivery of vocational education and training. The indicator is measured by dividing total college expenditure on training delivery by total college SCH.

1998	1999	2000	2001	2002
\$31.75	\$30.79	\$34.93	\$30.44	\$37.62

The calculation of the total operating expenditure does not include a Community Service Obligation (CSO) allocation for the Karratha Community Library and the Walkington Theatre. Total college SCH includes activity related to profile, fee for service, adult community education and tendered delivery.

The significant increase in cost per SCH in 2002 can be attributed to a number of factors including a 15 percent decline in SCH, and an increase in college expenditure of \$1.57m. College expenditure increased due to rises in staffing costs, GEHA costs, and FBT charges.

It should be noted that the calculation does not include the Capital User Charge of \$1,172,530. The total cost per SCH with the inclusion of the Capital User Charge is \$41.19. Similarly, expenses for a major outsourced fee-for-service contract have not been included as the contract did not generate any SCH for the college.

CULTURAL SERVICES

DESIRED OUTCOME:

To contribute to the self fulfilment of individuals and the quality of the community by the development and provision of performing arts and community library services.

2.1 Effectiveness Indicators

2.1.1 Library Membership

The main library at the Karratha Campus serves as the college library, community library, and the West Pilbara regional library. An indication of its effectiveness in reaching the community may be measured by the number of members on the library database on 31 December, as a proportion of the estimated population of Karratha. The membership lists are updated annually.

1998	1999	2000	2001	2002
63.4%	70.9%	59.1%	67%	68.3%

It should be noted that the membership for 2000 was abnormally low due to the introduction of regular purging of the database initiated to remove inactive members. The library has undertaken a committed awareness campaign to raise the public profile of the library, including extra exhibitions, greater interaction with the public and new stock, and this has been reflected in the improved library membership rate.

2.1.2 Walkington Theatre Seat Utilisation Rate

The extent to which the Walkington Theatre contributes towards the quality of life of the community is shown by the use of the Walkington Theatre for commercial screenings, commercial live performances and community live performances in both the theatre and the amphitheatre. This indicator is calculated by dividing the total tickets available by the number of tickets issued. Performances for which the venue is hired are not included in this calculation.

1998	1999	2000	2001	2002
36.7%	23.4%	21.9%	21.9%	24.0%

This indicator has shown an increase due to the impact of targeted marketing and promotional campaigns for niche client groups, and improvements in the number of events and community participation.

Key Performance Indicators

2.2 Efficiency Indicators

2.2.1 Cost per Library Item issued

The efficiency of the Library may be reported as the cost of issuing an item. This indicator is calculated by dividing the direct library costs by the number of items issued. An item may be defined as any resource borrowed from the library (ie, pamphlets, magazines, videos, books, audio cassettes and CDs). Karratha Community Library is a joint venture between West Pilbara College of TAFE and the Shire of Roebourne.

1998	1999	2000	2001	2002
\$6.58	\$7.08	\$7.76	\$5.43	\$5.85

Direct library costs increased marginally in 2002 and combined with an increase in the range of items available to support customer needs, the overall cost per item issued has slightly increased.

2.2.2 Cost per Theatre Event Hour

An indicator of the efficiency of the Walkington Theatre, is the cost for each hour in which the theatre or amphitheatre is in use. The Walkington Theatre is a joint venture and costs are divided between West Pilbara College of TAFE and the Shire of Roebourne.

This indicator is calculated by dividing the total cost of the theatre by the total number of hours which the theatre or amphitheatre is in use. Theatre use includes: rehearsals; all performances; all film screenings; and all venue hiring hours. Costs include the total expenditure in the theatre minus income from ticket sales, venue hire or equipment hire.

1998	1999	2000	2001	2002
\$846.00	\$618.39	\$1 307.60	\$1 131.81	\$1,103.08

The number of event hours was marginally lower than in 2001, however, direct theatre costs continue to decrease and were 5.5% lower than the previous year. Combined, the overall position for the theatre is a slightly lower cost per event hour.



AUDITOR GENERAL

To the Parliament of Western Australia

WEST PILBARA COLLEGE OF TAFE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2002

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit opinion relates to the financial statements of the West Pilbara College of TAFE for the year ended December 31, 2002 included on the Pilbara TAFE's web site. The Governing Council of Pilbara TAFE is responsible for the integrity of the Pilbara TAFE's web site. I have not been engaged to report on the integrity of this web site. The audit opinion refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these financial statements. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Scope

I have audited the final accounts and financial statements of the West Pilbara College of TAFE for the year ended December 31, 2002 under the provisions of the Financial Administration and Audit Act 1985.

The Governing Council was responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rested with the Governing Council. Following the amalgamation of the College with the Eastern Pilbara College of TAFE with effect from January 1, 2003, the Minister for Training made the Governing Council of Pilbara TAFE under the provisions of the College Amalgamation Order (No. 2) 2002 responsible for preparing and presenting the final financial statements.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the College to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the College's financial position, its financial performance and its cash flows.

The audit opinion expressed below has been formed on the above basis.

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664

West Pilbara College of TAFE
Financial statements for the year ended December 31, 2002

Audit Opinion

In my opinion,

- (i) the controls exercised by the West Pilbara College of TAFE provide reasonable assurance that the receipt, expenditure and investment of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the College at December 31, 2002 and its financial performance and its cash flows for the year then ended.



D D R PEARSON
AUDITOR GENERAL
May 30, 2003

REGISTERED
TRAINING
ORGANISATION

NATIONALLY
RECOGNISED
TRAINING

TRAINING AND
CONSULTANCY
SERVICES



28 March 2003

**CERTIFICATION OF FINANCIAL STATEMENTS
West Pilbara College of TAFE
FOR THE YEAR ENDED 31 DECEMBER 2002**

The accompanying financial statements of the West Pilbara College of TAFE have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the year ending 31 December 2002 and the financial position as at 31 December 2002.

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

A handwritten signature in black ink, appearing to be "John Jakobson".

John Jakobson
Chairperson
Governing Council

A handwritten signature in black ink, appearing to be "Brian Lucas".

Brian Lucas
A/Managing Director
Member of Governing Council

A handwritten signature in black ink, appearing to be "Ray McManus".

Ray McManus
Principal Accounting Officer

Tel: 9159 6700 Fax: 9159 6711 Karratha Campus, Millstream Road, PO Box 315, Karratha WA 6714 pilbaratafe.wa.edu.au

CAMPUS LOCATIONS: KARRATHA • SOUTH HEDLAND • PUNDULMURRA • MINURMARGHALI MIA • JIGALONG
NEWMAN • ONSLOW TELECENTRE • PANNAWONICA • PARABURDOO • TOM PRICE



Statement of Financial Performance As at 31 December 2002

		2002	2001
	Note	\$	\$
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	2	7,134,106	6,173,631
Borrowing costs expense	3	19,356	20,505
Supplies and services	4	3,857,025	3,734,121
Depreciation expense	6	930,241	888,199
Net loss on disposal of non-current assets	7	774	18,403
Capital User Charge		1,172,530	540,560
Other expenses from ordinary activities	8	25,727	166,766
Total Cost of Services		13,139,761	11,542,185
Revenues from ordinary activities			
<i>Revenue from Operating Activities</i>			
Fee for service	9	2,104,581	1,647,654
Student fees and charges	10	281,187	301,890
Ancillary trading	11	479,533	447,257
Commonwealth grants and contributions	12	5,800	-
Trading profit	13	20,826	9,886
<i>Revenue from Non-Operating Activities</i>			
Other revenues from ordinary activities	14	853,141	851,310
Interest revenue		131,949	148,170
Total revenues from ordinary activities		3,877,017	3,406,167
NET COST OF SERVICES	31	(9,262,744)	(8,136,018)
REVENUES FROM GOVERNMENT			
State government grants and subsidies	15	8,636,022	7,428,600
Resources received free of charge	16	323,399	216,663
Liabilities assumed by the Treasurer	17	5,291	171,315
Total revenues from Government		8,964,712	7,816,578
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS			
		(298,032)	(319,440)

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

Statement of Financial Position For the Year Ended 31 December 2002

		2002	2001
	Note	\$	\$
CURRENT ASSETS			
Cash assets	18	2,480,144	2,253,091
Inventories	19	49,221	56,521
Receivables	20	1,338,763	998,679
Other assets	21	140,488	120,005
Total Current Assets		4,008,616	3,428,296
NON-CURRENT ASSETS			
Property, Plant and Equipment	22	12,065,149	12,519,622
Other assets	21	244,737	-
Total Non-Current Assets		12,309,886	12,519,622
TOTAL ASSETS		16,318,502	15,947,918
CURRENT LIABILITIES			
Payables	23	352,779	293,107
Interest bearing liabilities	24	13,572	11,437
Provisions	25	543,877	310,215
Other liabilities	26	712,822	364,125
Total Current Liabilities		1,623,050	978,884
NON-CURRENT LIABILITIES			
Interest bearing liabilities	24	196,066	211,979
Provisions	25	714,742	674,381
Total Non-Current Liabilities		910,808	886,360
TOTAL LIABILITIES		2,533,858	1,865,244
NET ASSETS		13,784,644	14,082,674
EQUITY			
Reserves	28	1,861,318	1,861,318
Accumulated surplus	27	11,923,324	12,221,356
TOTAL EQUITY		13,784,642	14,082,674

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

Statement of Cash Flows For the Year Ended 31 December 2002

	2002	2001
Note	\$	\$
	Inflows (Outflows)	Inflows (Outflows)
Cash Flows From Government		
Recurrent State Funding - Department of Training	6,284,630	6,582,068
Capital State Funding - Department of Training	622,512	50,000
NET CASH PROVIDED BY GOVERNMENT	6,907,142	6,632,068
Utilised as follows:		
Cash Flows From Operating Activities		
Payments		
Employee costs	(6,346,404)	(5,719,147)
Supplies and Services	(3,252,030)	(3,584,810)
Borrowing costs	(19,738)	(21,352)
Other payments	(21,265)	(73,650)
Capital User Charge	(274,780)	
GST payments on purchases	(379,074)	(460,407)
GST payments to taxation authority	(14,157)	-
Receipts		
Fee For Service	1,649,259	1,564,187
Student Fees and Charges	280,379	301,704
Ancillary Trading	673,281	337,939
Interest received	145,509	168,684
Other receipts	985,397	607,638
GST receipts on sales	208,005	171,730
GST receipts from taxation authority	105,215	212,179
NET CASH USED IN OPERATING ACTIVITIES	(6,260,403)	(6,495,305)
Cash Flows From Investing Activities		
Purchase of Non-Current Physical Assets	(418,232)	(991,514)
Proceeds from the sale of Non-Current Physical Assets	11,617	16,066
NET CASH USED IN INVESTING ACTIVITIES	(406,615)	(975,448)
Cash Flows From Financing Activities		
Repayment of Borrowings	(13,071)	(11,590)
NET CASH USED IN FINANCING ACTIVITIES	(13,071)	(11,590)
NET INCREASE (DECREASE) IN CASH HELD	227,053	(850,275)
Cash assets at the beginning of the financial year	2,253,091	3,103,367
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	2,480,144	2,253,092

1 Significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statement. Unless otherwise stated these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standard Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

The statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at valuation.

(a) Acquisition of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(b) Valuation of Non Current Assets

Non current assets have been brought to account at historical cost with the exception that certain assets have been brought to account as follows:

Land and Buildings

Land is reported on the "current existing use" valuation basis for primarily all Crown Land and "market valuation" basis for freehold title land. Buildings were valued at current depreciated replacement cost effective 31 December 1999 based upon building area and market valuation.

Plant and Equipment, Motor Vehicles, Computer Equipment, Furniture and Fittings
These have been included as fixed assets if the purchase value is greater than \$1,000 and the economic life is expected to be two years or more.

Plant and Equipment, Computer Equipment and Furniture and Fittings are reported on the "Market Value for the Existing Use" value. Deprival value is the concept upon which the basis of valuation was applied. Plant and Equipment, Computer Equipment and Furniture and Fittings were valued on 1 January 2000.

Notes to the Financial Statements For the Year Ended 31 December 2002

(c) Depreciation of Non Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumptions of their future economic benefits. Depreciation is calculated on the straight line basis, using rates which are reviewed annually. Useful lives for each class of depreciable assets are:

Buildings	20 to 40 years
Plant, Furniture and General Equipment	5 to 10 years
Computer Equipment, Communication Network and Software	2 to 4 years

(d) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis.

(e) Employee Entitlements

(i) Annual Leave

This entitlement is recognised at current remuneration rates and is measured at the amount unpaid at the reporting date in respect to employees' service up to that date.

(ii) Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using interest rates to obtain the estimated future cash outflows.

This method of measurement of the liability is consistent with the requirements of Australian Accounting Standard AAS 30 "Accounting for Employee Entitlements".

As in previous years the provision for long service leave has been determined by an independent actuarial assessment performed by Mr Denis Barton of Barton Consultancy Pty Ltd in March 2003.

(iii) Superannuation

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme also closed to new members. All staff who do not contribute to either one of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The Pension Scheme and the pre-transfer benefit for employees who transferred to the Gold State Superannuation Scheme are unfunded and the liability for future payments is provided for at reporting date.

Notes to the Financial Statements For the Year Ending 31 December 2002

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by payment of employer contributions to the GESB.

The note disclosure required by paragraph 6.10 of AASB 1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The GESB's records are not structured to provide the information for the College. Accordingly, deriving the information for the College is impractical under current arrangements and thus any benefits thereof would be exceeded by the cost of obtaining the information.

(f) Leases

The College has entered into a number of operating lease arrangements for property, plant and equipment and motor vehicles where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the lease property.

(g) Revenue Recognition

The funds received from the Department of Training in respect of the delivery of services forming part of the Delivery Performance Agreement, capital grants and other monies have been disclosed as Revenues from Government. Revenue is recognised in the period in which the College gains control of the funds.

The majority of operating revenue of the College represents revenue earned from student fees and charges, fee for service, ancillary services, trading activities and Commonwealth grants and subsidies, as well as revenue received from the Department of Training as a result of training successfully tendered for under competitive tendering arrangements.

Revenue from the sale of goods and disposal of other assets, and the rendering of services is recognised when the College has passed control of the goods or other assets, or delivery of the service to the customer.

(h) Grants and Other Contributions Revenue

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the College obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased in not donated.

(i) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses, as appropriate at fair value.

Notes to the Financial Statements For the Year Ended 31 December 2002

(j) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

(k) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of accounts receivable is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubts as to collection exists and in any event where the debt is more than 60 days overdue.

(l) Payables

Payables, including accruals not yet billed, are recognised when the College becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days or where required by suppliers on shorter terms.

(m) Prepaid Salaries

Prepaid salaries represent the amount paid to staff in the current financial year, but relates to the next financial year as the last pay period for that financial year does not coincide with the end of the financial year. The College considers the carrying amount approximates net fair value.

(n) Interest-bearing Liabilities

Loans from the Department of Treasury and Finance are recorded at an amount equal to the net proceeds received. Borrowing costs expense is recognised on an accrual basis.

(o) Revaluation of Land and Buildings

The College has a policy of valuing land and buildings at fair value. The transitional provisions in AAS 38 (10.9) (b) have been applied to land and buildings.

(p) Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

(q) Rounding

Amounts in the financial statements have been rounded to the nearest dollar.

Notes to the Financial Statements For the Year Ending 31 December 2002

	2002	2001
	\$	\$
2 Employee expenses		
Wages and Salaries	5,026,629	4,732,566
Superannuation (a)	439,561	350,381
Annual Leave	211,222	60,148
Long Service Leave	126,243	33,362
Other Related Expenses (b)	1,330,451	997,174
	<u>7,134,106</u>	<u>6,173,631</u>
(a) Since 1 July 2001, the superannuation contributions for West State and Gold State schemes are met by the Department of Training on behalf of the College. The revenue is recognised under State Funds. (Refer to Note 15).	389,910	179,066
Represents the notional superannuation expense amount as advised by the Government Employees Superannuation Board. The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by quarterly payment of employer contributions to the Government Employees Superannuation Board. (Refer to Note 17).	5,291	171,315
Increase in Provision for Superannuation	44,361	-
	<u>439,562</u>	<u>350,381</u>
(b) These expenses include superannuation, payroll tax, workers compensation premiums and other employment on-costs associated with the recognition of annual and long service leave liabilities. The related on-costs liabilities is included in employee benefit liabilities at not 25.		
3 Borrowing costs expense		
Interest Paid to WA Treasury Corporation	19,356	20,505
	<u>19,356</u>	<u>20,505</u>
4 Supplies and services		
Communications	111,225	112,675
Energy Costs	361,566	344,381
Contracted Services (excludes contract staff)	1,310,872	1,035,255
Consumables - General Supplies	543,284	654,049
Consumables - Minor Equipment Purchases	177,195	68,141
Consumables - Minor Capital Works	3,958	264
Repairs and Maintenance	293,083	334,467
Travel and Transport	426,334	587,822
Rent and Operating Lease Charges	282,928	117,342
Finance Charges (Bank, Interest)	14,906	15,480
Advertising	179,680	133,227
Accommodation	5,780	-
Legal expenses	43,897	1,177
Insurance	98,528	87,200
Other	3,789	242,641
	<u>3,857,025</u>	<u>3,734,121</u>
6 Depreciation		
Buildings	493,748	503,086
Plant, Furniture & General Equipment	162,880	169,663
Computers, Communication Network & Software	253,613	215,450
Total Depreciation	<u>930,241</u>	<u>888,199</u>
7 Net gain/(loss) on disposal of non-current assets		
Plant, Furniture & General Equipment Proceeds	11,000	16,066
Written Down Value	(15,616)	(21,740)
Net Loss on Sale	(4,616)	(5,674)
Computer Equipment, Communication Network and Software Proceeds	11,617	-
Written Down Value	(7,775)	(12,729)
Net Profit/(Loss)	3,842	(12,729)
	<u>(774)</u>	<u>(18,403)</u>
8 Other expenses from ordinary activities		
Donations & Gifts/Student Prizes & Awards	5,358	-
Write-offs and Losses (refer to note 35)	19,837	129,506
Miscellaneous	532	37,260
	<u>25,727</u>	<u>166,766</u>
9 Fee for service		
Fee For Service -General Adult Community Education Fees	2,400	-
International Division Fees	-	16,860
Fee For Service - Other	-	-
	<u>2,104,581</u>	<u>1,647,654</u>
10 Student fees and charges		
Tuition Fees	198,208	224,121
Service/Enrolment Fees	37,229	43,452
Resource Fees	33,524	30,035
Other Fees and Charges	12,226	4,282
	<u>281,187</u>	<u>301,890</u>
11 Ancillary Trading		
Live Works (not a trading activity)	1,343	-
Child Care Fees	35,052	38,855
Other Ancillary Revenue	443,138	408,402
	<u>479,533</u>	<u>447,257</u>

Notes to the Financial Statements For the Year Ended 31 December 2002

12 Commonwealth grants and contributions		
Capital	5,800	-
	<u>5,800</u>	<u>-</u>
13 Trading Profit/(Loss)		
(a) Bookshop		
Sales	80,029	92,689
Less: Cost of Sales:		
Opening Inventory	56,521	57,084
Purchases	51,903	82,240
	<u>108,424</u>	<u>139,324</u>
Less: Closing Inventory	49,221	56,521
Cost of Goods Sold	<u>59,203</u>	<u>82,803</u>
Trading Profit/(Loss) - Bookshop	<u>20,826</u>	<u>9,886</u>
	<u>20,826</u>	<u>9,886</u>
14 Other revenues from ordinary activities		
Donations	15,152	122,081
Recoveries, Refunds and Recoups	83,504	7,747
Local Government Grants and Contributions	563,131	526,867
Miscellaneous Revenue	191,354	194,615
	<u>853,141</u>	<u>851,310</u>
15 State government grants and subsidies		
Recurrent Funding - DoT (Delivery and Performance Agreement)	6,228,524	6,054,799
Recurrent Funding - DoT (Other receipts)	194,201	604,175
Funding for Capital User Charge (a)	1,172,530	540,560
Funding for Superannuation	389,910	179,066
Total Recurrent Funding - DoT	7,985,165	7,378,600
Capital Funding - DoT	650,857	50,000
	<u>8,636,022</u>	<u>7,428,600</u>
<p>(a) During January-June 2002, the levy was paid to the Department of Treasury and Finance by the Department of Training. From July 2002, the funding for the payment of the levy was provided by the Department of Training to the College, who in turn paid the Department of Treasury and Finance.</p>		
16 Resources received free of charge	-	-
Department of Training		
* Corporate Systems Support (personnel/payroll, accounting, asset management, ... communications network, college management information systems)	161,951	158,112
* Marketing and Publications	13,582	25,577
* Human Resources/Industrial Relations Support	1,960	1,974
* Other - Assets and FMIS costs	109,906	-
Office of the Auditor General - External Audit Services	287,399	185,663
Total Resources Received Free of Charge	<u>323,399</u>	<u>216,663</u>
<p>Where assets or services have been received free of charge or for nominal consideration, the college recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.</p>		
17 Liabilities assumed by the Treasurer		
Superannuation	5,291	171,315
	<u>5,291</u>	<u>171,315</u>
<p>Where liability has been assumed by the Treasurer or other entity, the College recognises revenues equivalent to the amount of the liability assumed and an expense relating to the nature of the event or events that initially gave rise to the liability.</p>		
18 Cash assets		
Cash on Hand	4,050	3,800
Bank Accounts	2,476,094	(174,380)
Short Term Deposits/ Bank Bills	-	2,423,671
	<u>2,480,144</u>	<u>2,253,091</u>
19 Inventories		
Current		
Trading Inventory - Book Shop at lower of cost or net realisable value	49,221	56,521
	<u>49,221</u>	<u>56,521</u>
20 Receivables		
Current		
Current Receivables includes trade debtors, student debtors and over-paid salaries.		
Receivables	870,411	677,104
Less: Provision for Doubtful Debts	(2,594)	(2,124)
Net Receivables	867,817	674,980
GST Receivable	12,894	-
Other Current Receivables	458,052	323,699
	<u>1,338,763</u>	<u>998,679</u>
21 Other assets		
Current		
Prepayments	139,968	120,005
Other	520	-
	<u>140,488</u>	<u>120,005</u>
Non-Current		
Capital Works In progress	244,737	-
	<u>244,737</u>	<u>-</u>

Notes to the Financial Statements For the Year Ending 31 December 2002

22 Property, Plant and Equipment

Land			
	At Valuation (a)	357,963	357,963
		<u>357,963</u>	<u>357,963</u>
Buildings			
	At Valuation (a)	10,752,279	10,752,279
	Less: Accumulated Depreciation	<u>(1,422,154)</u>	<u>(946,026)</u>
		9,330,125	9,806,253
	At Cost	719,825	703,304
	Less: Accumulated Depreciation	<u>(31,884)</u>	<u>(14,264)</u>
		687,941	689,040
	Total Land and Buildings	<u>10,376,029</u>	<u>10,853,256</u>
Plant, Furniture & General Equipment			
	At Cost	525,413	328,837
	Less: Accumulated Depreciation	<u>(99,912)</u>	<u>(40,871)</u>
		425,501	287,966
	At Valuation (a)	324,625	329,164
	Less: Accumulated Depreciation	<u>(99,695)</u>	<u>(67,582)</u>
		224,930	261,582
	At Valuation (b)	804,446	815,618
	Less: Accumulated Depreciation	<u>(270,857)</u>	<u>(184,933)</u>
		533,589	630,685
	Total Plant, Furniture & Equipment	<u>1,184,020</u>	<u>1,180,233</u>
Computer Equipment, Communication Network and Software			
	At Cost	893,165	619,427
	Less: Accumulated Depreciation	<u>(399,084)</u>	<u>(195,072)</u>
		494,081	424,355
	At Valuation (a)	4,900	4,900
	Less: Accumulated Depreciation	<u>(3,681)</u>	<u>(2,450)</u>
		1,219	2,450
	At Valuation (b)	141,774	201,074
	Less: Accumulated Depreciation	<u>(131,974)</u>	<u>(141,746)</u>
		9,800	59,328
	Total Computer Equipment, Communication Network and Software	<u>505,100</u>	<u>486,133</u>
	Total Written Down Value of Property, Plant, and Equipment	<u>12,065,149</u>	<u>12,519,622</u>

(a) The valuation of land and buildings was performed on 31 December 1999 in accordance with an independent valuation by Synergy Valuation Services. The valuation has been performed on the basis of Integrity 3.

(b) Valuation of Computing Equipment & Network Communications, Plant Furniture and General Equipment was performed on 1 January 2000 in accordance with an independent valuation by the Valuer Generals Office. The valuation has been performed on the basis of Integrity 3.

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year are set out below.

2002	Carrying amount at start of year \$000	Additions \$000	Disposals \$000	Depreciation \$000	Revaluation Increments \$000	Write-off of assets \$000	Carrying amount at end of year \$000
Land	357,963	-	-	-	-	-	357,963
Buildings	10,495,293	16,521	-	(493,748)	-	-	10,018,066
Plant, Furniture & General Equipment	1,180,233	213,138	(15,616)	(182,880)	-	(10,855)	1,184,020
Computer Equipment, Communication Network & Software	486,133	280,913	(7,775)	(253,613)	-	(558)	505,100
Total	12,519,622	510,572	(23,391)	(930,241)	-	(11,413)	12,065,149

23 Payables

Current			
	Trade Payables	77,999	8,107
	Capital User Charge Payable	274,780	285,000
		352,779	293,107

24 Interest bearing liabilities

Current			
	Western Australian Treasury Corporation	13,572	11,437
	Total Current Borrowings	13,572	11,437
Non-Current			
	Western Australian Treasury Corporation	196,066	211,979
	Total Non-Current Borrowings	196,066	211,979

25 Provisions

a) Current:			
	Annual Leave	322,877	190,215
	Long Service Leave	221,000	120,000
		543,877	310,215
b) Non-Current:			
	Long Service Leave	320,000	324,000
	Superannuation (a)	394,742	350,381
		714,742	674,381

Notes to the Financial Statements For the Year Ended 31 December 2002

- (a) The superannuation liability has been established from data supplied by the Government Employees Superannuation Board.

The college considers the carrying amount of employee entitlements approximates the net fair value.

Employee Entitlements

The aggregate employee entitlements liability recognised and included in the financial statements is as follows:

Provision for employee entitlements:		
Current	543,877	310,215
Non-Current	714,742	674,381
	<u>1,258,619</u>	<u>984,596</u>

26 Other liabilities

Current

Accrued Expenses for Supplies and Services	537,735	193,725
Accrued Expenses for Capital Expenditure	-	7,105
Income Received in Advance (a)	10,087	163,295
Other - Estimated refund of DPA funding due to DoT	165,000	-
	<u>712,822</u>	<u>364,125</u>

- (a) Income Received In Advance Comprises:

Department of Training - Grants & Equipment	-	60,000
Department of Training - Special Purpose	-	103,095
Other Government (Commonwealth/Local)	-	200
Student Fees & Charges	4,939	-
Other	5,148	-
	<u>10,087</u>	<u>163,295</u>

27 Accumulated surplus

Opening Balance	12,221,356	12,540,796
Change in net assets	(298,032)	(319,440)
Closing Balance	<u>11,923,324</u>	<u>12,221,356</u>

28 Reserves

Asset Revaluation Reserve

Opening Balance	1,669,712	1,669,712
Net revaluation increments	-	-
Closing Balance	<u>1,669,712</u>	<u>1,669,712</u>

Other Reserves

Opening Balance	191,606	191,606
Net revaluation increments	-	-
Closing Balance	<u>191,606</u>	<u>191,606</u>

This Reserve was established for the purchase of equipment for the Walkington Theatre

Total Reserves	<u>1,861,318</u>	<u>1,861,318</u>
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29 Contingent Liabilities

An Agreement dated 13 June 1985 exists between the College and The Shire of Roebourne under which the Walkington Theatre was constructed and currently operates. This Agreement includes a termination clause that comes into effect either upon:

- the expiration of 40 years from the date of the Agreement, provided that if the College and the Shire agree to continue the Agreement after the expiration of 40 years, then it will be presumed to continue from year to year.
- either party giving to the other party 12 months notice of termination of the Agreement at any time.

The Agreement provides that in the event of its termination by either of these methods, the College shall pay to the Shire and the State, the value of the Theatre at that time (as determined by the Valuer General), proportionate to the contributions made by the Shire and the State respectively, to the total cost of the development and the construction of the Complex, excluding land.

As at 31 December 2002, the College estimates this contingent liability to be approximately \$2.2 million.

30 Commitments for Expenditure

(a) Capital Expenditure Commitments

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

Notes to the Financial Statements For the Year Ending 31 December 2002

Non-cancellable Operating Lease Commitments

The College had the following commitments under non cancellable operating leases. Commitments under non cancellable operating leases are not recognised as liabilities.

Within 1 year	78,509	150,485
Later than 1 year and not later than 5 years	46,594	12,847
Total Operating Lease Commitments	125,103	163,332

31 Reconciliation of Net Cash used in Operating Activities to Net Cost of Services

Net cash (used in) from operating activities	(6,260,403)	(6,495,305)
Increase/(Decrease) in assets:		
Receivables	207,094	371,919
Inventories	(7,300)	(563)
Prepayments	19,963	(13,840)
Other assets	520	-
(Increase)/Decrease in liabilities:		
Payables	(59,672)	58,022
Income received in advance	(9,887)	(200)
Provisions	(274,023)	2,285
Other liabilities	(344,010)	(10,895)

Notes to the Financial Statements For the Year Ended 31 December 2002

Non Cash Items:		
Loss on disposal on non-current assets	(774)	(18,403)
Donated assets received (a)	25,612	77,000
Discovered assets	-	30,820
FBT Offset from GST	(104,763)	(16,228)
Depreciation expense	(930,241)	(888,199)
Increase to doubtful debts provision	(471)	-
Losses and write-offs (excludes cash shortages / thefts of money)	(19,837)	(126,264)
Non-cash opening balances & fixed asset adjustments	(11,000)	(37,263)
Resources Received Free of Charge	(213,493)	(216,663)
Notional superannuation (liability assumed by the Treasurer)	(395,201)	(350,381)
Capital User Charge (Paid by DoT)	(897,750)	(540,560)
GST Cashflows recoverable from ATO	12,894	38,700
Net cost of services	(9,262,742)	(8,136,018)

32 Reconciliation of Cash

Cash assets at the end of the financial year, as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash Assets	2,480,144	2,253,091
	<u>2,480,144</u>	<u>2,253,091</u>

33 Remuneration of Members of the Accountable Authority and Senior Officers

Remuneration of members of the Accountable Authority

The number of members of the Accountable Authority whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$			
\$100,001 - \$110,000	-		1
\$110,001 - \$120,000	1		-
\$130,001 - \$140,000	-		1
\$310,001 - \$320,000 (a)	1		

The total remuneration of the members of the Accountable Authority is:

424,942	236,498
<u>424,942</u>	<u>236,498</u>

The superannuation included here represents the superannuation expense incurred by the College in respect of members of the Accountable Authority.

No members of the Accountable Authority are members of the Pension Scheme.

(a) The Managing Director of the College, Mr Peter Smith, resigned during 2002 and the remuneration above reflects the payment of this employees entitlements. This has resulted in a significant increase in his emoluments compared with the previous years.

Remuneration of Senior Officers

The number of Senior Officers other than senior officers reported as members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits receivable for the financial year, fall within the following bands are:

\$			
\$80,001 - \$90,000	-		1
\$90,001 - \$100,000	1		1
\$100,001 - \$110,000	1		-

The total remuneration of senior officers is:

198,232	183,364
<u>198,232</u>	<u>183,364</u>

The superannuation included here represents the superannuation expense incurred by the College in respect of Senior Officers other than senior officers reported as members of the Accountable Authority.

No Senior Officers are members of the Pension Scheme.

34 Events Occurring After Reporting Date

As a result of a December 2001 Report entitled "Positioning the Training Sector for Excellence", the Minister of Training endorsed the Amalgamation of the West and Eastern Pilbara Colleges effective from 1 January 2003. This was formalised by the publishing of the "Colleges Amalgamation Order (No.2) 2002" in the Government Gazette, WA on 17 December 2002. From 1 January 2003, Eastern Pilbara ceased to exist as a separate entity, and the combined West and Eastern Pilbara College changed its name to Pilbara TAFE. Pilbara TAFE will be responsible for the assets, liabilities and obligations of the two former colleges.

35 Supplementary Financial information

(a) Write-offs

The following losses and write-offs are incorporated in other expenses from ordinary activities (refer to note 8)

Revenue and debts and public and other property written off by the College Council	19,837	129,506
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(b) Gifts of Public Property

Gifts of public property provided by the college	5,791	6,500
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Notes to the Financial Statements For the Year Ending 31 December 2002

37 Segment Information

The College has only one segment (as defined by Treasurer's Instruction 1101 (2) (viii)) and that is Vocational Education and Training Delivery

The college operates in one geographical segment being within the State of Western Australia.

38 Related Bodies

The College has no related bodies.

39 Affiliated Bodies

The College has no affiliated bodies.

40 Explanatory Statement

Explanations for significant variations

(a) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year

Significant variations in revenues and expenditures between actual revenue (income) and expenditure and the corresponding item of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$20,000.

	2002 \$	2001 \$	Variance	% Variance
(i) Expenditure				
1) Employee expenses	\$ 7,134,106	\$ 6,173,631	\$ 960,475	16%
2) Superannuation	\$ 439,561	\$ 350,381	\$ 89,180	25%
3) Supplies and services	\$ 3,857,025	\$ 3,734,121	\$ 122,904	3%
4) Depreciation expense	\$ 930,241	\$ 888,199	\$ 42,042	5%
5) Capital User Charge	\$ 1,172,530	\$ 540,560	\$ 631,970	117%
6) Other expenses from operating activities	\$ 25,727	\$ 166,766	\$ (141,039)	-85%
(ii) Revenue				
7) Fee for service	\$ 2,104,581	\$ 1,647,654	\$ 456,927	28%
8) Student fees and charges	\$ 281,187	\$ 301,890	\$ (20,703)	-7%
9) Ancillary trading	\$ 479,533	\$ 447,257	\$ 32,276	7%
10) Interest revenue	\$ 131,949	\$ 148,170	\$ (16,221)	-11%
11) Trading profit	\$ 20,826	\$ 9,886	\$ 10,940	111%
12) State government grants and subsidies	\$ 8,636,022	\$ 7,428,600	\$ 1,207,422	16%
13) Resources received free of charge	\$ 323,399	\$ 216,663	\$ 106,736	49%
14) Liabilities assumed by the Treasurer	\$ 5,291	\$ 171,315	\$ (166,024)	-97%

- 1) Greater use of contract labour hire staff to fill vacant positions in 2002 arising from Amalgamation, additional termination costs with the departure of the Managing Director and other long serving employees. Further more, additional FBT cost from the under payment of FBT in 2001. A large increase in annual leave and long service leave expenses that arose from the increase in provisions.
- 2) Increase in employer contributions by 1% to 9% and increase in provision for superannuation for employees in the Gold State fund.
- 3) Greater use of consultants than in previous years arising from Amalgamation issues and new projects such as the implementation of the new FMIS system.
- 4) Increase in higher depreciation rate assets such as Computer and Communication Network asset balances (+\$270,000), and change in calculation of depreciation from a monthly to a daily balance arising from the new FMIS asset register.
- 5) CUC was in place for a full 12 months in 2002 compared with only 6 months in 2001.
- 6) There was a significant writeoff and reclassification of assets recorded in 2001 compared with a smaller write-off in 2002.
- 7) Higher fee for service activity due to greater industrial activity in the area, and the Hamersley contract was in operation for its first full year.
- 8) Lower than anticipated student enrolments in 2002 compared with those in 2001.
- 9) Increased Theatre revenues arising from more activity with live performances and movies.
- 10) Decline in the average interest rates from 2001 to 2002 adversely affected the returns from College monies invested.
- 11) Bookshop profit is higher from better management of sales margins and costs.
- 12) Additional funding from the Department in 2002 for CUC, superannuation and capital infrastructure technology funding and reversal of income received in advance in 2001.
- 13) Additional costs paid by the Department for the new FMIS project, computers and CMS server, that did not occur in 2001.
- 14) Superannuation is now paid by the Department on behalf of the College, rather than assumed by the Treasurer as has been the case in previous years.

(b) Significant variations between estimates and actual results for the financial year

Section 42 of the Financial Administration and Audit Act requires the college to prepare annual budget estimates.

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10% of budget (or \$20,000).

	Actual \$	Estimate \$	Variance	% Variance
(i) Expenditure				
1) Employee expenses	\$ 7,134,106	\$ 5,996,139	\$ 1,137,967	19%
2) Superannuation	\$ 439,561	\$ 338,671	\$ 100,890	30%
3) Supplies and services	\$ 3,857,025	\$ 3,277,329	\$ 579,696	18%
4) Depreciation expense	\$ 930,241	\$ 850,000	\$ 80,241	9%
5) Capital user charge expense	\$ 1,172,530	\$ 1,090,000	\$ 82,530	8%
6) Other expenses from operating activities	\$ 25,727	-	\$ 25,727	100%
(ii) Revenue				
7) Fee for service	\$ 2,104,581	\$ 1,562,505	\$ 542,076	35%
8) Ancillary trading	\$ 479,533	\$ 386,800	\$ 92,733	24%
9) Interest Income	\$ 131,949	\$ 85,000	\$ 46,949	55%
10) Gross profit on trading activities	\$ 20,826	\$ 10,000	\$ 10,826	108%
11) Other revenues from ordinary activities	\$ 853,141	\$ 627,230	\$ 225,911	36%
12) State Funds	\$ 8,636,022	\$ 8,382,574	\$ 253,448	3%
13) Resources received free of charge	\$ 323,399	\$ 231,000	\$ 92,399	40%

Notes to the Financial Statements For the Year Ended 31 December 2002

There were many unexpected costs that arose from the Amalgamation process that were not anticipated at the time of framing the 2002 Estimates. This has adversely affected some expenditure areas.

- 1) There was an unbudgeted salary increase to most staff throughout the year. In addition there was greater use of contract labour hire staff to fill vacant positions in 2002 arising from Amalgamation, additional termination costs with the departure of the Managing Director and other long serving employees. Furthermore, additional FBT cost from the under payment of FBT in 2001 that was not anticipated.
- 2) Increase in employer contributions by 1% from 8 to 9%. This was also affected by the increased salary and wages costs per 1) above.
- 3) Greater use of consultants than in previous years arising from Amalgamation issues and new projects such as the implementation of the new FMIS system.
- 4) Originally estimated a lower net asset position that did not eventuate, particularly computing assets with a large purchase of assets early in 2002.
- 5) CUC commenced in July 2001 and the quarterly net asset position was under-estimated resulting in higher CUC. Increased asset balances in computing assets due to a large purchase in early 2002 and the college cash balance did not decline as much as estimated.
- 6) There was no estimate made for other operating expenditure in 2002 as material expenditure was anticipated.
- 7) Underestimation of the industrial activity and training requirements of fee for service clientele due to increased activity in Karratha.
- 8) Increase revenues for Theatre activities from live performances and movies.
- 9) Over estimation of the decline in interest rates and the estimated decline in cash balances to the end of 2002 did not eventuate.
- 10) Under-estimation of bookshop profit.
- 11) Greater recovery of costs and overheads from Community Service obligations, than originally estimated.
- 12) Additional Capital Infrastructure Technology funds received for the Department of Training that were not anticipated.
- 13) Additional costs paid by the Department for the new FMIS project, computers and CMIS server.

41 Financial Instruments

(a) Interest Rate Risk Exposure

The College's exposure to interest rate risk, and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

	Weighted average effective interest rate	Variable interest rate	Fixed Interest Rate Maturity			Non Interest Bearing	Total
			1 year or less	1 to 5 years	Over 5 years		
			\$	\$	\$		
2002	%	\$	\$	\$	\$	\$	
Financial Assets							
Cash assets	3.30%	2,476,094			4,050	2,480,144	
Receivables					1,338,763	1,338,763	
Total Financial Assets		2,476,094	-	-	1,342,813	3,818,907	
Financial Liabilities							
Payables					352,779	352,779	
Interest bearing liabilities	9.46%	209,637				209,637	
Other liabilities					712,822	712,822	
Total Financial Liabilities		209,637	-	-	1,065,601	1,275,238	
Net Financial Assets (Liabilities)		2,266,457	-	-	277,212	2,543,669	

	Weighted average effective interest rate	Floating interest rate	Fixed Interest Rate Maturity			Non Interest Bearing	Total
			1 year or less	1 to 5 years	Over 5 years		
			\$	\$	\$		
2001	%	\$	\$	\$	\$	\$	
Financial Assets							
Cash assets	3.70%	(174,380)	2,423,670		3,800	2,253,090	
Receivables					998,679	998,679	
Total Financial Assets		(174,380)	2,423,670	-	1,002,479	3,251,769	
Financial Liabilities							
Payables					293,107	293,107	
Interest bearing liabilities	10.51%	223,416				223,416	
Other liabilities					364,125	364,125	
Total Financial Liabilities		223,416	-	-	657,232	880,648	
Net Financial Assets (Liabilities)		(397,796)	2,423,670	-	345,247	2,371,121	

(b) Credit Risk Exposure

All financial assets are unsecured. Amounts owing by other government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets the carrying amounts represent the College's maximum exposure to credit risk in relation to those assets as indicated in the Statement of Financial Position.

The following is an analysis of amounts owing by other government agencies:

	\$
Western Australian Government agencies	40,021
Government agencies of other jurisdictions	195,173
Total	235,194

(c) Net fair values

The carrying amount of financial assets and liabilities recorded in the financial statements are not materially different from their net fair values, as determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

**Notes to the Financial Statements
For the Year Ending 31 December 2002**

2003 Estimates Statement of Financial Performance For the 12 Months to 31 December 2003

Treasurer's Instruction 953 requires statutory authorities to publish approved estimates in their Annual Reports. The following are the estimates approved by the College and the Minister for 2003. These estimates do not form part of the financial statements submitted for audit.

	2003 \$ Estimate
COST OF SERVICES	
Expenses from ordinary activities	
Employee Expense	15,972,765
Superannuation Expense	911,614
Supplies and Services	7,315,887
Depreciation Expense	
- Buildings	2,040,000
- Other	225,000
Total	2,265,000
Borrowing Cost Expense	100,000
Grants and Subsidies	4,500
Net Loss on Disposal of Non-Current Assets	0
Charges to Provisions	2,500
Trading Loss	
Capital User Charge	3,130,592
Other Expenses from Ordinary Activities	438,696
Total Cost of Services	30,141,553
Revenue from Ordinary Activities	
<i>Revenue from operating activities</i>	
Fee for Service	2,478,880
Student Fees and Charges	912,843
Ancillary Trading	1,400
Commonwealth grants and contributions	0
Net Profit on Disposal of Non-Current Assets	10,000
Trading Profit	496,000
Other Revenue from Ordinary Activities	
<i>Revenue from non-operating activities</i>	
Interest Revenue	240,000
Other Revenue from Ordinary Activities	1,786,943
Total Revenue from Ordinary Activities	5,926,065
Net Cost of Services	-24,215,488

2003 Estimates
Statement of Financial Performance
For the 12 Months to 31 December 2003

REVENUES FROM GOVERNMENT

State Government Grants and Subsidies	
DPA and other	22,782,074
Capital works transferred from DoT	1,000,000
Total	23,782,074
Resources Received Free of Charge	231,000
Liabilities Assumed by the Treasurer	5,000
Asset Assumed/(Transferred)	0

Total revenues from Government	24,018,074
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Change in net assets before extraordinary items	-197,414
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Loss from Extra-Ordinary Item

CHANGE IN NET ASSETS	-197,414
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Net increase/(decrease) in asset revaluation reserve	0
Net initial adjustments on adoption of a new accounting standard (<i>state which standard</i>) or UIG consensus view.	

Total revenues, expenses and valuation adjustments recognised directly in equity	0
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TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING

FROM TRANSACTION WITH WA STATE GOVERNMENT AS OWNERS	-197,414
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**2003 Estimates
Statement of Financial Performance
For the 12 Months to 31 December 2003**

**2003 Estimates
Statement of Financial Position
For the 12 Months to 31 December 2003**

	2003
	\$
	Estimate
CURRENT ASSETS	
Cash Assets	3,944,278
Restricted Cash Assets	0
Inventories	146,988
Receivables	1,500,000
Other Assets	469,529
Other Financial Assets	0
Total Current Assets	6,060,795
NON-CURRENT ASSETS	
Inventories	0
Receivables	0
Property, Plant and Equipment	39,108,721
Intangible Assets	0
Other Assets	0
Other Financial Assets	0
Total Non-Current Assets	39,108,721
TOTAL ASSETS	45,169,516
CURRENT LIABILITIES	
Payables	695,000
Interest Bearing Liabilities	55,000
Provisions	1,260,742
Other Liabilities	592,150
Total Current Liabilities	2,602,891
NON-CURRENT LIABILITIES	
Payables	0
Interest Bearing Liabilities	907,178
Provisions	1,177,924
Other Liabilities	0
Total Non-Current Liabilities	2,085,102
TOTAL LIABILITIES	4,687,993
NET ASSETS	40,481,523
EQUITY	
Accumulated Surplus (Deficit)	21,457,710
Reserves	19,023,813
Contributed Equity	
TOTAL EQUITY	40,481,523

2003 Estimates
Statement of Cash Flows
For the 12 Months to 31 December 2003

	2003 \$ Estimate
CASH FLOWS FROM GOVERNMENT	
Recurrent appropriations	22,782,074
Capital appropriations	0
Net cash provided by Government	22,782,074
Utilised as follows:	
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments	
Employee Cost	16,884,379
Supplies and services	-7,315,887
Borrowing costs	-100,000
GST Payments on purchases	-150,305
GST Payments to taxation authority	-1,170,542
Capital User Charge	-3,130,592
Other payments	-438,696
Receipts	
Sale of goods and services	2,645,552
User charges and fees	1,373,622
Commonwealth grants and contributions	0
Interest received	240,000
GST receipts on sales	313,188
GST receipts from taxation authority	1,086,956
Other receipts	1,874,832
Net cash provided by/(used in) operating activities	21,656,253
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of non-current physical assets	10,000
Purchase of non-current physical assets	-1,243,875
Net cash provided by/(used in) investing activities	-1,233,875
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowings	0
Repayment of borrowings	-55,442
Other proceeds	0
Other repayments	0
Net cash provided by/(used in) financing activities	-55,442
Net increase/(decrease) in cash held	-163,496
Cash assets at the beginning of the financial year	4,107,774
Cash assets transferred from other sources	
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	3,944,278

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