This Annual Report provides comprehensive data on the number, characteristics and cost of training programs and related services provided to the people of Western Australia by Challenger TAFE, a member of TAFEWA, for the calendar year 2006.

The data on the quantity of training contracted to be delivered by Challenger TAFE is based on the Challenger TAFE 2006 Delivery and Performance Agreement (DPA) and Addendum Five, and the Census summary of 2006 delivery from the College Curriculum Management Information System, as of mid February 2007.

Colmar Brunton Intelligence contracted on behalf of TAFEWA by the Western Australian Department of Education and Training provided the data on the quality of training delivered by Challenger TAFE in 2006. Of a potential population of 9,025 students, 5,967 individual students were contacted. The sample number achieved was 1,337 being a 19% response rate with a standard error of +/-1.98% at the 95% confidence level. The data are collected according to Australian National Training Authority requirements and standardised at State level to take into account sample size.

These externally gathered measures are supplemented with internal measures of efficiency and effectiveness.

The Office of the Auditor General, Australian Quality Training Framework and Bureau Veritas audits confirm the authenticity of the processes applied. These data and processes provide accountability, inform long-term planning and check the efficacy of internal processes.
The Hon Mark McGowan  
Minister for Education and Training  
12th Floor Dumas House  
2 Havelock Street  
West Perth WA 6005

Dear Minister

PRESENTATION OF THE CHALLENGER TAFE ANNUAL REPORT 2006

In accordance with Section 54 of the Vocational Education and Training Act 1996 and Section 66 of the Financial Administration and Audit Act 1985, I have pleasure in submitting seven hard copies and one electronic copy on CD ROM of the ninth Annual Report of Challenger TAFE for your information and for your presentation to Parliament.

The Annual Report is for the year ending 31 December 2006 and has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

Paddi Creevey  
CHAIR, GOVERNING COUNCIL

Liz Harris  
MANAGING DIRECTOR

28 February 2007
CONTENTS

PREFACE
Challenger TAFE in Western Australia 7
2006 Achievements at a glance 8

CHAPTER 1 – CHALLENGER TAFE AS PART OF TAFEW A 10
1.1 Legislative Functions 10
1.2 State Priorities 10
1.3 Shaping our Future: Australia’s National Strategy for VET 2004-2010 11
1.4 Australian Quality Training Framework (AQTF) Requirements 11
1.5 Bureau Veritas Qualite Internationale (BVQI) Registration 12

CHAPTER 2 – BETTER PLANNING: BETTER SERVICES 13
2.1 People and Communities 13
2.2 The Economy 14
2.3 The Environment 15
2.4 The Regions 15
2.5 Governance 16
2.6 Across Public Sector Initiatives 16
2.7 Financial/Economic Reporting Requirements 16

CHAPTER 3 – KEY PRIORITIES FOR VET FOR 2006-2007 17
3.1 Apprenticeships and Traineeships 17
3.2 Indigenous Students 17
3.3 Lecturers Having Certificate IV 17
3.4 Management Accountability 17
3.5 Strong Leadership and Effective Governance 17
3.6 Ensure a Capable and Equipped Workforce 18
3.7 Improve Pathways and Choices for Students 18
3.8 Work with Business and Industry 18

CHAPTER 4 – CHAIRPERSON’S REPORT 19
4.1 Aligning with Industry and Community Needs 19
4.2 Strategic Responsiveness 19
4.3 Infrastructure Development 19
4.4 Contractual Obligations 20
4.5 Governing Council Business 21
4.6 A Strong Future 21

CHAPTER 5 – MANAGING DIRECTOR’S REPORT 22
5.1 Minister’s Outcomes Summary 22
5.2 Industry Driven Training to Skill the Workforce 22
5.3 Training Provider for Industry, Labour Market and the Community 22
5.4 A Viable Training Organisation in a Global Market 23
5.5 An Employer of Choice 23
5.6 Improving Our Business Processes 23

CHAPTER 6 – STRATEGIC SUMMARY 24
6.1 Challenger TAFE’s Vision, Mission and Values 24
6.2 Desired Outcomes for 2006 24
6.3 Strategic Goals 24
6.4 Organisational Development 26
CONTENTS

CHAPTER 7 – OVERVIEW OF OPERATIONS  27
7.1 Committees and Consultation  27
7.2 Delivery Profile  27
    Table 7.1  27
    Table 7.2  27
7.3 Blended Delivery  28

CHAPTER 8 – OPERATIONAL SUMMARY  32
8.1 Table: Cost Per SCH 2002-2006  32
8.2 Figure: Cost Per SCH 2002-2006  35
8.3 Table: Targeted Profile Achievement 2002-2006  36
8.4 Figure: Targeted Profile Achievement 2002-2006  37
8.5 Table: Matrix Target to Actual Delivery of Funded Training by SCH  38
8.6 Table: College, State Student Satisfaction Percentages 2002-2006  39
8.7 Figure: College, State Student Satisfaction Percentages 2002-2006  39
8.8 Table: Graduates' Achievement Main Reason for Study  41
8.9 Table: Graduates' Main Reason for Study  41
8.10 Table: Graduate Labour Market Status May 2005  42
8.11 Figure: Graduate Labour Market Status 2005  43
8.12 Table: Non-Profile Delivery as a Proportion of Total Delivery  44
8.13 Figure: Non-Profile Delivery as a Proportion of Total Delivery  45
8.14 Figure: Non-Profile Delivery Categories 2002-2006  45
8.15 Table: Profile and Non Profile VET Delivery 2002-2006  46
8.16 International Students on Campus 2002-2006  46
8.17 Apprentice and Trainee Annual Targets  46
8.18 Total Indigenous Students Cert III and Above  47
8.19 Indigenous Apprentices and Trainees  47
8.20 Figure: Volume of Evaluations Returned  48
8.21 Figure: Levels of Student Satisfaction (Internal Measures)  48
8.22 Figure: Customer Comments 2005-2006  49
Glossary of Terms  49

CHAPTER 9 – MANAGEMENT STRUCTURE  51
9.1 Challenger TAFE Governing Council  51
9.2 College Executive  55
9.3 Staff of Challenger TAFE  56
    Table: 9.1 FTE and Headcount Dec 2006  56

CHAPTER 10 – CUSTOMER FOCUS  57
10.1 Client Services, Client Relationships and Infrastructure Support  58
10.2 Teaching and Learning  60
10.3 Business Services  61
## CONTENTS

### CHAPTER 11 – OUTPUT REPORTS

11.1 Quinlan’s Hospitality & Tourism Training Centre
11.2 Community Services Training Centre
11.3 Visage Training Centre for Health & Wellbeing
11.4 Information Technology & Business Skills Centre
11.5 Defence & Resources
11.6 Construction & Transport
11.7 WA Maritime Training Centre – Fremantle
11.8 WA Horticulture & Environmental Science Skills Centre
11.9 WA Centre for Leadership & Community Development
11.10 Australian Centre for Energy and Process Training
11.11 Kadjadjiny Mia - Centre for Aboriginal Learning
11.12 Peel Education and TAFE Campus
11.13 Apprentices and Trainees
11.14 Centre for Adult Education

### CHAPTER 12 – STATEMENT OF COMPLIANCE

12.1 Compliance with Written Law
12.2 Access and Equity
12.3 Advertising and Sponsorship
12.4 Energy Smart Government Policy
12.5 Equal Employment Opportunities
12.6 Evaluations
12.7 Disability Services Plan Outcomes
12.8 Information Statement
12.9 Public Interests Disclosures
12.10 Public Sector Standards and Ethical Codes
12.11 Regional Development Policy
12.12 Reporting and Recording Plans
12.13 Sustainable Action Plan
12.14 Waste Paper Recycling
12.15 Corruption Prevention

### CHAPTER 13

13.1 Financial Statements
13.2 Forward Estimates
CHALLENGER TAFE IN WESTERN AUSTRALIA

AREA COVERED
In 2006 Challenger TAFE had 21 delivery sites in South-West of the Perth Metropolitan Region, extending south from the Swan River for 100kms. An additional two locations are anticipated to open in 2007. The region’s population is approximately 275,000 people and growing at a rate of 5% per annum in some sub regions. The College employs nearly 1,000 full-time, part-time and casual staff of which approximately two thirds are involved in training delivery and support for learning programs. Challenger TAFE enrolled over 21,000 students in 2006.
2006 ACHIEVEMENTS AT A GLANCE

1 Information Technology & Business Skills Centre
- World Skills Australia 2006 Bronze Medal for Business Services Ms Tama Williams from Hamilton Senior High School (auspiced by Challenger TAFE)
- World Skills Australia 2006 staff member Ms Marilyn McCutcheon from Office Administration and Technology was Chief Judge for the national VET in Schools Competition

2 Quinlan’s Hospitality & Tourism Training Centre
- World Skills Australia 2006 Silver Medal Ms Toia Miorada Cookery
- World Skills Australia 2006 staff member Mr Leo Smith was mentor to Cookery competitor Ms Toia Miorada in the national competition
- Fremantle City Council Fremantle Friendly Access and Inclusion Award Disability Award for fostering people with a disability, in the workplace

3 WA Horticulture & Environmental Science Skills Centre
- Floristry student Ms Kristy Yew won the 2005 and then 2006 State and National Wildflower Competitions. Kristy’s 2006 arrangement was entitled Living with Flowers – Contemporary Style
- Conservation and Land Management student Ms Tammy Goad won a national Commonwealth Bank Green Ambassador Award 2006 in recognition of her active protection of the local environment
- World Skills Australia 2006 Gold Medal to VET for Schools student Ms Emma Dunham from Kwinana Senior High School
- World Skills 2006 Australian Bronze Medal winner Mr Matthew Landers (Floristry)
- World Skills 2006 Australia Ms Leonie Joss was mentor to floristry entrant Mr Matthew Landers in the national competition
- Parks and Leisure Australia WA Region Annual Regional Award to Ms Monica Cicconi for her excellent academic record in three year traineeship
- Parks and Leisure Australia WA Region Annual Regional Award to Mr Ben Chappells as best Third Year Apprentice for 2005

4 WA Applied Engineering & Shipbuilding Training Centre
- World Skills Australia 2006 – Mr Shaun Holland – Auto Fremantle was mentor to Dale McMullen World Skills 2006 Australian Gold Medal winner Mr McMullen (Automotive Mechanics)
- Workpac Engineering Scholarship 2006 Mr Brodie Smith (Mechanical Drafting)
- Workpac Engineering Scholarship 2006 Mr Earl Aguilar (Civil Engineering)
- Source Personnel Engineering Scholarship 2006 Mr Jacob Duncan (Mechanical Drafting)
- Lecturer Mr Brian Jenkins from the Metals section Rockingham led the Metals team of mentors and competitors for the National World Skills Australia 2006 competitions

5 Construction & Transport
- 2006 National World Skills Australia Gold Medal winner Mr Dale McMullen (Automotive Mechanics)
- A Source Personnel Engineering Scholarship for 2006 was awarded to Mr Shane Carey (Electrical Drafting)
- Lecturer Mr Shaun Holland from the Automotive section Fremantle mentored competitor Mr Dale McMullen (Automotive Mechanics) for the national World Skills Australia Competition

6 WA Maritime Training Centre – Fremantle
- China Classification Society Scholarships – Four winners of training scholarships for marine engineers: Mr Glen Hair, Mr Ben Luxmoore, Mr Peter Maddocks, Mr James Ogborne
- The Centre won Best Recreational Enhancement Project award at the inaugural RecfishWest Annual Awards for work associated with restocking the Blackwood River including their innovative work in monitoring water quality, temperature and the survival rate of the introduced stock populations
- Staff member Mr Greg Jenkins was appointed to the Board of the WA Aquaculture Development Council
7 Kadadjiny Mia – Centre for Aboriginal Learning
• Ms Sue Barron awarded Alcoa Aboriginal Student Scholarship 2006
• Mr Shane Edmunds awarded Alcoa Aboriginal Student Scholarship 2006

8 Visage Training Centre for Health & Lifestyle
• Ms Toni Sanders Student Fashion Award for Clothing Design: Category – Garment Construction (prize donated by Charles Parsons Pty Ltd)
• Ms Tina Tantya Student Fashion Award for Clothing Design: Category – Innovative Design for an (identified) Target Market (prize donated by Martin and Savage Pty Ltd)
• Ms Tina Tantya and Ms Jessica Frood Student Fashion Designers chosen to present their clothing ranges at the Fremantle Fashion Festival 2007. (The awards were sponsored by the City of Fremantle and the Fremantle Chamber of Commerce.)
• Lecturer Ms Heather Slaven 2006 nominee Premier’s Teaching Award
• Connections to Living and Learning Program for people with Schizophrenia and Bipolar Disorders Coordinator Dr Suzette Thompson Winner of the WA Mental Health Good Outcomes Award – 2006

Fleet St – new wing
• Best WA Public Institution Architecture Award 2006
• National Award for Most Outstanding work of Architecture in Australia using steel 2006

Income and Costs
In the calendar year 2006, Challenger TAFE achieved 100.53% of WA Department of Education and Training’s training delivery, as set out in Addendum 5 to the 2006 Delivery and Performance Agreement. In total 4,785,212 hours of training were delivered within Australia. In 2006 the Cost of One Hour of training was calculated at $15.22. In December 2006, the College achieved a level of expenditure consistent with estimates provided by the College under Section 42 of the Financial Administration and Audit Act 1985. The 2006 target was a Total Equity of $117,903,984 and the 2006 Outcome resulted in a Total Equity of $147,715,289, the difference in value being primarily due to changes to valuation.

Training was also provided to the Department of Defence and offshore in a number of countries. These activities do not accrue Student Curriculum Hours which form a measure of the College’s efficiency.
CHAPTER 1 - CHALLENGER TAFE AS PART OF TAFEWA

1.1 - LEGISLATIVE FUNCTIONS
The TAFE colleges were established under Section 35 of the Vocational Education and Training Act 1996 by the Minister for Training. The State’s training system, as reflected in the Act, comprises four key functions:
> the Training Accreditation Council (TAC);
> a network of statutory colleges delivering VET;
> coordination of the vocational education and training system by the WA Department of Education and Training; and
> coordination of apprenticeship and traineeship arrangements.
TAFEWA consists of ten colleges with 50 campuses throughout Western Australia. Challenger TAFE is one of four colleges in metropolitan Perth.

1.2 - STATE PRIORITIES
Key priorities for VET for 2005-2006 are linked to the five state goals outlined in the WA government publication Better Planning: Better Services A Strategic Planning Framework for the Western Australian Public Sector.

People and Communities: To enhance the quality of life and wellbeing of all people throughout Western Australia.
The Economy: To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.
The Environment: To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.
The Regions: To ensure that regional Western Australia is strong and vibrant.
Governance: To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.

The Minister’s Key priorities for TAFEWA colleges are therefore to:
• Increase Apprenticeships and Traineeships in traditional trades areas
• Increase the number of Indigenous students enrolled in employment based qualifications (Certificate III and above)
• Ensure all new and existing TAFEWA permanent and contract lecturers hold a Certificate IV in Training and Assessment or equivalent.

Other duties and priorities for the TAFEWA colleges for 2006:
Work with the Department of Education and Training to assist in meeting other State Government training commitments.

Provide strong leadership and effective governance by:
• achieving a level of expenditure consistent with estimates provided by the College under Section 42 of the Financial Administration and Audit Act 1985;
• meeting Delivery & Performance Agreement targets for effective delivery of training to students and industry; and
• leading academic delivery to improve outcomes for students and increasing the student satisfaction rate by 1% in 2006.

Ensure a capable and equipped workforce to counter an ageing demographic and meet future challenges of the Department by:
• meeting all relevant requirements of the AQTF;
• registering with the Training Accreditation Council and ensuring that the training services are delivered in accordance with the AQTF;
• identifying lecturers' skills gaps and developing and implementing programs to up-skill as required.
Improve pathways and choices for students by:

- making a commitment to skills recognition delivery
- maintaining and fostering a close working relationship with the WA Department of Education and Training’s Career Development Centre (formerly the Training Information Centre) to build a stronger focus upon career guidance services for students
- implementing the Western Australian Certificate of Education requirements through cooperative delivery of VET for Schools programs; and

Work with business and industry to:

- deliver training in flexible ways to ensure graduates have expertise and skills relevant to current industry standards;
- provide on the job training for existing and new workers in order to maximise training and up-skilling opportunities;
- reduce skill shortages and align outcomes to meet future industry needs;
- develop and implement programs to expand and increase the flexibility of apprenticeships and traineeships;
- increase market share of apprenticeship training in TAFEWA colleges; and
- develop and implement programs to meet the needs of high priority industry sectors with special skills needs.

1.3 - SHAPING OUR FUTURE: AUSTRALIA’S NATIONAL STRATEGY FOR VET 2004-2010

Shaping our Future sets out four objectives and 12 broad strategies for progressing vocational education and training (VET) in Australia until the end of the decade.

The four objectives for 2004–2010 are that:

1. Industry will have a highly skilled workforce to support strong performance in the global economy.
2. Employers and individuals will be at the centre of vocational education and training.
3. Communities and regions will be strengthened economically and socially through learning and employment.
4. Indigenous Australians will have skills for viable jobs and their learning culture will be shared.

1.4 - AUSTRALIAN QUALITY TRAINING FRAMEWORK (AQTF) REQUIREMENTS

Challenger TAFE is a Registered Training Organisation (RTO) and ongoing registration is dependent upon our adherence to the ten Australian Quality Training Framework (AQTF) standards. The AQTF was developed by the National Training Quality Council of the Australian National Training Authority Board in conjunction with States and Territories, the Commonwealth and industry. Ministers for vocational education and training endorsed the AQTF on 8 June 2001.

In 2006, Challenger TAFE was one of ten sites across Australia for trialling a new quality framework. It is anticipated that this will roll out in 2007, as a Commonwealth government initiative.

The key objective of the AQTF is to provide the basis for a nationally consistent, high quality vocational education and training system. The current AQTF Standards for Registered Training Organisations are:

- Systems for quality training and assessment
  • The RTO has systems in place to plan for and provide quality training and assessment across all of its operations.

- Compliance with Commonwealth, State/Territory legislation and regulatory requirements
  • The RTO ensures that compliance with Commonwealth, State/Territory legislation and regulatory requirements relevant to its operations is integrated into its policies and procedures and that compliance is maintained.

- Effective financial management procedures
  • The RTO has effective financial management procedures in place.

- Effective administrative and records management procedures
  • The RTO has effective administrative and records management procedures in place.
Recognition of qualifications issued by other RTOs

- The RTO recognises the AQF qualifications and Statements of Attainment issued by any other RTO.

Access and equity and client service

- The RTO applies access and equity principles and provides timely and appropriate information, advice and support services, which assist clients to identify and achieve their desired outcomes.

The competence of RTO staff

- Each member of the RTO’s staff who is involved in training, assessment or client service is competent for the functions they perform.

RTO assessments

- The RTO’s assessments meet the requirements of the endorsed components of Training Packages and the outcomes specified in accredited courses within the scope of its registration.

Learning and assessment strategies

- The RTO identifies, negotiates, plans and implements appropriate learning and assessment strategies to meet the needs of each of its clients.

Issuing AQF qualifications and Statements of Attainment

- The RTO issues AQF qualifications and Statements of Attainment that meet the requirements of the AQF Implementation Handbook and the endorsed Training Packages and accredited courses within the scope of its registration.

Use of national and State/Territory logos

- The RTO complies with the requirements for the use of national and State/Territory logos.

Ethical marketing and advertising

- The RTO’s marketing and advertising of training and assessment products and services is ethical.

1.5 - BUREAU VERITAS QUALITE (BVQ) REGISTRATION

The College has been certified to the ISO 9000 series of International Quality Management Standards since 1992. The accrediting agency is Bureau Veritas. The Scope of Certification approved by BV for Challenger TAFE covers ‘The design, development and provision of vocational education and training and associated services’. The College is certified to the highest level of this series of standards; ISO 9001:2000.
CHAPTER 2 – BETTER PLANNING: BETTER SERVICES

The Premier circulated the Western Australian Government’s Better Planning: Better Services -Strategic Planning Framework for the Western Australian Public Sector in December 2003. The aim of the framework, built around five strategic goals, is to deliver cohesive, holistic and coordinated public services. The College’s strategic framework has been crafted to incorporate these outcomes and the following table is provided to show the alignment with Challenger TAFE’s Strategic Planning Framework 2006-2011.

2.1 People and Communities

<table>
<thead>
<tr>
<th>From State Goal 1</th>
<th>Challenger TAFE Strategic Goals</th>
</tr>
</thead>
</table>
| Enhance the quality of life and wellbeing of all people throughout Western Australia | Challenger TAFE Goal 2  
Being the training provider of choice for industry, labour market entrants and community members by:  
Fostering positive attitudes to lifelong learning and assisting people to respond to new skill demands in the workplace, community and family life, including balancing work, community and family life  
Making learning solutions relevant for identified groups while being culturally and socially sensitive to the needs of individuals, youth, indigenous students, people from culturally diverse backgrounds, international students and people with a disability  
Developing excellence in training delivery and providing responsive student support and career services  
Refer to Chapters 10, 11, 12 |
### 2.2 The Economy

<table>
<thead>
<tr>
<th>From State Goal 2</th>
<th>Challenger TAFE Strategic Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing a strong economy that delivers more jobs, more opportunities and</td>
<td><strong>Challenger TAFE Goal 1</strong></td>
</tr>
<tr>
<td>greater wealth to Western Australians</td>
<td><em>Providing industry-driven training to skill the workforce by:</em></td>
</tr>
<tr>
<td></td>
<td>Developing learning pathways across education sectors and transitions to and from employment</td>
</tr>
<tr>
<td></td>
<td>Delivering flexible, customised and innovative training solutions for industry</td>
</tr>
<tr>
<td></td>
<td>Strengthening and extending our strategic partnerships and alliances with industry, other</td>
</tr>
<tr>
<td></td>
<td>education and training providers and expert groups</td>
</tr>
<tr>
<td></td>
<td><strong>Challenger TAFE Goal 2</strong></td>
</tr>
<tr>
<td></td>
<td>*Being the training provider of choice for industry, labour market entrants and community</td>
</tr>
<tr>
<td></td>
<td>members by:*</td>
</tr>
<tr>
<td></td>
<td>Undertaking research and environmental audits to inform us of current and future trends</td>
</tr>
<tr>
<td></td>
<td>Improving industry, community and individual access to our resources and expertise through</td>
</tr>
<tr>
<td></td>
<td>viable fee for service training, research and development, and other services</td>
</tr>
<tr>
<td></td>
<td><strong>Challenger TAFE Goal 3</strong></td>
</tr>
<tr>
<td></td>
<td>*Building and maintaining a viable training organisation in a competitive global training</td>
</tr>
<tr>
<td></td>
<td>market by:*</td>
</tr>
<tr>
<td></td>
<td>Integrating training outcomes into enterprise and community project activities</td>
</tr>
<tr>
<td></td>
<td>Refer to Chapters 10, 11, 12</td>
</tr>
</tbody>
</table>
### 2.3 The Environment

<table>
<thead>
<tr>
<th>From State Goal 3</th>
<th>Challenger TAFE Strategic Goals</th>
</tr>
</thead>
</table>
| Ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected | **Challenger TAFE Goal 2**  
Being the training provider of choice for industry, labour market entrants and community members by:  
Improving industry, community and individual access to our resources and expertise through research and development and other services | **Challenger TAFE Goal 3**  
Building and maintaining a viable training organisation in a competitive global training market by:  
Improving industry, community and individual access to our resources and expertise through research and development and other services  
Integrating training outcomes into enterprise and community project activities | **Obligatory reporting**  
Energy Management  
Waste Management  
Progress on Challenger TAFE Environmental Plan |

### 2.4 The Regions

<table>
<thead>
<tr>
<th>State Goal 4</th>
<th>Challenger TAFE Strategic Goals</th>
</tr>
</thead>
</table>
| Ensure that regional Western Australia is strong and vibrant.                | **Challenger TAFE Goal 3**  
Building and maintaining a viable training organisation in a competitive global training market by:  
Integrating training outcomes into enterprise and community project activities  
Improving industry, community and individual access to our resources and expertise through research and development and other services  
Making learning solutions relevant for identified groups while being culturally and socially sensitive to the needs of individuals |
### 2.5 Governance

| An open, effective and efficient government that also ensures a sustainable future | Challenger TAFE Goal 2  
Being the training provider of choice for industry, labour market entrants and community members  
Training services will be delivered to the community in conducive, accessible and timely ways  
Challenger TAFE Goal 3  
Building and maintaining a viable training organisation in a competitive global training market  
Creating environments that facilitate effective working and learning |

### 2.6 Across Public Sector Initiatives – all government agencies

| Leading, promoting and preparing for Corporate Services reform  
Within your agency  
At a whole of government level | Ensure compliance with agency readiness requisites such as agency data prior to roll in.  
Reform agency corporate services structures, systems and processes and provide staff where required to assist with the reform process.  
Participate and engage in the Whole of Government Steering Committee or the respective Client Management Councils. |
|---|---|
| Leading, promoting and preparing for Procurement reform  
Within your agency  
At a whole of government level | Reform agency buyer behaviours to maximise benefits from reforms to procurement policy, systems and new contracting arrangements.  
Maximise use of common use contracting arrangements established by the Department of Treasury and Finance.  
Meet savings targets set by the Expenditure Review Committee. |
| Leading, promoting and preparing for E-Government initiatives  
Within your agency  
At a whole of government level | Demonstrate active collaboration with other agencies to identify and implement e-government initiatives that lead to more coordinated service delivery.  
Establish agency processes that lead to improvements in knowledge and information sharing for better decision-making and service delivery.  
Put in place processes for managing agency data and information as a strategic asset of government. |

### 2.7 Financial/Economic Reporting Requirements

- Auditor General’s Audit Opinion – refer to Chapter 13
- Financial Statements – refer to Chapter 13
- Certification of Performance Indicators – refer to Chapter 8
- Performance Indicators – refer to Chapter 8
- Reports on Operations – refer to Chapters 10 and 11
- Statements of Compliance – refer to Chapter 12
CHAPTER 3 – KEY PRIORITIES FOR TAFEWA FOR 2006

The Minister for Education and Training identified key priorities for TAFEWA Colleges 2006, based on the state’s goals outlined in Better Planning: Better Services - Strategic Planning Framework for the Western Australian Public Sector in December 2003. These priorities for Challenger TAFE are:

3.1 Increase Apprenticeships and Traineeships in conjunction with appropriate branches of the WA Department of Education and Training:
- Link with Apprenticeships and Traineeship branch.
- Link with Industry and Community Planning branch.
- Link with VET Teaching and Learning branch.
- Link with Career Development branch.

### Challenger TAFE’s Targets
Increase apprenticeships and traineeships from a base of 1,817 in the June quarter 2004 to 2,638 by June 2009, with an emphasis on apprenticeships in traditional trades in the initial years.

<table>
<thead>
<tr>
<th></th>
<th>2005/06</th>
<th>2006/07</th>
<th>2007/08</th>
<th>2008/09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,349</td>
<td>2,414</td>
<td>2,520</td>
<td>2,638</td>
</tr>
<tr>
<td></td>
<td>(10.6% increase on 2004 actual)</td>
<td>(2.8% increase on 2005/06 target)</td>
<td>(4.4% increase on 2006/07 target)</td>
<td>(4.7% increase on 2007/08 target)</td>
</tr>
</tbody>
</table>

3.2 Increase the number of Indigenous students enrolled in employment based outcomes (Certificate III and above) from a base of 206 in 2004 to 258 by 2009.
- Link with Aboriginal Services branch.
- Link with VET Teaching and Learning branch.

### Challenger TAFE’s Targets
Increase apprenticeships and traineeships from a base of 1,817 in the June quarter 2004 to 2,638 by June 2009, with an emphasis on apprenticeships in traditional trades in the initial years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Challenger TAFE’s Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>221</td>
</tr>
<tr>
<td>2007</td>
<td>237</td>
</tr>
<tr>
<td>2008</td>
<td>252</td>
</tr>
<tr>
<td>2009</td>
<td>258</td>
</tr>
</tbody>
</table>

3.3 Ensure all new and existing TAFEWA permanent and contract lecturers, as a minimum, hold a Certificate IV in Training and Assessment or equivalent.
- Link with VET Teaching and Learning branch.

### Challenger TAFE’s Target
Fifteen existing lecturers not holding Certificate IV in Training and Assessment to be up-skilled by December 2006.

### Other duties and priorities

3.4 Work with the WA Department of Education and Training to assist in meeting other State Government training commitments.

3.5 Provide strong leadership and effective governance by:
- achieving level of expenditure consistent with estimates provided by College under section 42 of the Financial Administration and Audit Act 1985;
- meeting DPA targets for effective delivery of training to students and industry; and
- leading academic delivery to improve outcomes for students and increase student satisfaction rate by 1% in 2006.
3.6 Ensure a capable and equipped workforce to counter an ageing demographic and meet future challenges of the Department by:
• meeting all relevant requirements of the AQTF;
• registering with the Training Accreditation Council and ensuring that the training services are delivered in accordance with the AQTF;
• identifying lecturers’ skills gaps, and developing and implementing programs to up-skill as required.

3.7 Improve pathways and choices for students by:
• making a commitment to skills recognition delivery;
• maintaining and foster a close working relationship with the WA Department of Education and Training’s Career Development Centre (formerly the Training Information Centre) to build a stronger focus upon career guidance services for students;
• implementing the Western Australian Certificate of Education requirements through cooperative delivery of VET for Schools program; and

3.8 Work with business and industry to:
• deliver training in flexible ways to ensure graduates have expertise and skills relevant to current industry standards;
• provide on the job training for existing and new workers in order to maximise training and up-skilling opportunities;
• reduce skill shortages and align outcomes to meet future industry needs;
• develop and implement programs to expand and increase the flexibility of apprenticeships and traineeships;
• increase market share of apprenticeship training in TAFEWA colleges; and develop and implement programs to meet the needs of high priority industry sectors with special skills needs.
CHAPTER 4 – CHAIRPERSON’S REPORT

The dynamic demand-driven Australian VET environment and its impacts on the TAFEWA sector have presented both exciting opportunities and challenges for our decision-making and employees in 2006. Our awareness of pressures of the global economy at local level helps us shape Challenger activities, the skill sets we have and should extend, and the niche areas of our business activity. The changing structures of work prompt us to respond using new training solutions for our learners including mature workers, labour market entrants and community members.

4.1 Aligning With Industry and Community Needs
At a time of expansion in WA’s resources and housing sectors, training demands placed on Challenger TAFE in the light transport, construction, defence and resources industries were addressed with some regrouping and up-skilling of staff in our specialist training centres. The construction of an Automotive Industry Training Centre to be located within the Kwinana Education and Training Precinct and strategically located close to the Kwinana Motorplex and the proposed Wattleup heavy transport terminal formed a strand of the changed industry orientation. Within the community sector, there was a similar consolidation of staff skills in an amalgamated community development portfolio.

In 2006, the increase by one year in the age a young person could leave school has encouraged Challenger TAFE to be increasingly proactive with emergent technologies to assist Generation Y learners to acquire new skills in ways they can readily respond to. The learning strategies devised also increase the learning options away from traditional classrooms for our other learners.

4.2 Strategic Responsiveness
The focus in 2006 was on consolidation, particularly after the college won the National Training Award of the Year and Australian Adult Education Provider of the Year in 2005. We welcomed a new Managing Director in March.

To consolidate strong programs, student scholarship programs were extended to include, by the close of 2006, two Alcoa Scholarships for Indigenous students, five LionOre scholarships to Challenger students, two Workpac Engineering Scholarships, two Source Personnel Engineering Scholarships, four China Classification Society Scholarships awarded to Marine Engineering students, and City of Fremantle and Fremantle Chamber of Commerce awards to allow two students to present their fashion ranges at the 2006 Fremantle Fashion Festival.

Support for staff scholarships was again a feature of 2006 activity, with two staff members extending their formal expertise using staff scholarship grants and 88 staff working within Learnscope and Reframing the Future project funding to develop additional training solutions.

Career Advisory Services to prospective and current students were extended in 2006 to provide expert staff at all major campuses and at the Fremantle Chamber of Commerce. Employment placement services also grew with an increase in job opportunities available to our students and the launch of a Jobs Expo conducted in October in Fremantle that featured a number of employers with ready vacancies in their companies.

The Hospitality and Tourism Training Centre was re-badged as Quinlan’s Hospitality and Tourism Training Centre with Quinlan’s Training Restaurant at the Fremantle Campus, Quinlan’s On High training café in the West End of Fremantle, Quinlan’s Galley at the Maritime Campus and Quinlan’s at the Point, proposed for the Peninsula redevelopment site in Mandurah.

4.3 Infrastructure Development
Australian Centre for Energy and Process Training (ACCEPT)
ACCEPT is a consortium of six (6) TAFE Colleges, with the Secretariat based at Fremantle, and current operational delivery at Subiaco. A new location for ACCEPT is currently under construction in the Australian Marine Complex (AMC) Henderson. The project budget is $22m with a further land acquisition value of $1.4m. Forward works were completed in June 2006 and the Centre is scheduled for completion in April-May 2007, with the process plant completed by August 2007. An extension to ACCEPT training delivery has included a recent initiative to provide safety induction on behalf of Worley Parsons through an Induction Centre in Kwinana.
Kwinana Automotive Centre

The Centre will provide a specialised learning campus for light vehicle automotive training, in the first instance. It is strategically located close to the Kwinana Motorplex and the Wattleup proposed heavy transport terminal, to allow for some diversification in future training programs. The facility at Kwinana has a budget of $12.35m. The Centre is scheduled for completion in December 2007-January 2008, ready for operation in February 2008.

Fiona Stanley Hospital

With the establishment of the Fiona Stanley Hospital in 2012, adjustments to the Challenger TAFE Murdoch Campus will be required. A Master Plan project with a budget of $0.025m was allocated to consider planning options for a reconfigured Murdoch TAFE Campus and to make recommendations to the Department of Planning and Infrastructure following the release of the Murdoch Activity Centre Structure Plan.

Alignment along transport routes

The recently completed TAFEWA Infrastructure Review has identified Rockingham as a Building and Construction apprenticeship and paraprofessional training centre for the Southern Metropolitan Corridor, complementing the existing metals engineering delivery. This development is consistent with a strategy to decant the Beaconsfield campus and, where possible, align training facilities close to major transport routes eg the Perth to Fremantle and Perth to Mandurah rail lines.

Learn Local

Initiated in 2005, Learn Local is a Challenger TAFE program to improve access to education and training for people in the Peel region’s smaller communities. Residents close to Waroona, Mundijong, Boddington and Pinjarra are able to access course information, complete an enrolment, utilise computer and internet facilities and access flexible study options at these Challenger TAFE Regional Access Centres. Fruitful planning has occurred in 2006 with Alcoa World Alumina Australia and Newmont Australia both interested in developing learning partnership, linked with the Learn Local facilities.

Elder’s House Fremantle West End

As part of the move to decant the Beaconsfield site and to relocate staff currently accommodated in the Fremantle Port Authority main building, the lease and refurbishment of Elders House on the corner of Cliff and Phillimore Streets Fremantle has been initiated. Staff should be located in this alternative accommodation by Term 2 2007.

Live Work Facilities in Fremantle’s West End

Two live-work training outlets in Fremantle’s West End will shortly expand to three in 2007 with the opening of a Visage Fashion Design Studio facility which will accommodate students training for Certificate IV in Clothing Production and will also provide a venue to showcase students’ work by the start of Term 2 2007. The two other live-work training outlets in Fremantle are
- Quinlan’s on High St training café, and
- Visage Health and Beauty Clinic Cliff St.

4.4 Contractual Obligations

The Governing Council is pleased with the outcomes achieved with the College’s Delivery and Performance Agreement in 2006. As part of our contractual obligation as a semi-autonomous government instrumentality, in 2006, Challenger TAFE received a total of $37,294,225 to deliver 3,795,265 Student Curriculum Hours (SCH), an increase of $2,665,684 and 224,203 Student Curriculum Hours (SCH) on our 2005 Agreement. The College had been able to negotiate a small increase in the contracted hours in response to demand for workplace related training places. The College achieved 100% delivery of the 2006 Delivery and Performance Agreement including achieving 118% delivery in the government high priority areas of apprenticeships and trainee delivery. Challenger TAFE also earned $29,533,276 from other sources, including delivering training and related services within the State and overseas. As part of this activity, 969,670 Student Contact Hours (SCH) (as of 17 February 2007 roll trawl) were delivered as fee-for-service training, not including additional training for the Ministry for Defence and work undertaken entirely off-shore.
4.5 Governing Council Business
The Governing Council welcomed the expertise of seven new members during 2006. It met on six occasions and both the Finance Performance and Audit and Planning and Development committees met on five occasions. The Governing Council approved the use of Challenger TAFE’s Corporate Seal on contracts on 26 occasions and approved the directions set out in the 2007-2012 Strategic Planning Framework.

4.6 A Strong Future
The Governing Council is committed to providing Challenger TAFE with strategic advice and direction; oversight of operations; advice on local industry and community needs and on the needs of the expanding populations in the southern metropolitan corridor and Peel region. This year Governing Council has had opportunities to strengthen and review the college’s developmental work in the context of a buoyant state economy.

Paddi Creevey
CHAIR, GOVERNING COUNCIL
CHAPTER 5 – MANAGING DIRECTOR’S REPORT

2006 was a year of consolidation, following the College’s national successes in 2005 with dual awards as National Large Training Provider of the Year and Australian Adult Education Provider of the Year.

5.1 Minister’s Outcomes Summary 2006

<table>
<thead>
<tr>
<th>TARGET</th>
<th>OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase Apprenticeships and Traineeships from an outcome of 2,123 in the December quarter 2005 to 2,349 in December in 2006</td>
<td>3,238</td>
</tr>
<tr>
<td>Increase number of Indigenous students enrolled in employment based outcomes (Certificate III and above) to 237 in 2006.</td>
<td>261</td>
</tr>
<tr>
<td>Ensure all new and existing TAFEWA permanent and contract lecturers, as a minimum, hold a Certificate IV in Training and Assessment or equivalent by December 2006.</td>
<td>By December 2006, 21 lecturers had completed training in Certificate IV in Training and Assessment. In 2007, Challenger TAFE is establishing a fee free policy for staff undertaking the Certificate IV and establishing a more comprehensive Recognition of Prior Learning program to encourage all lecturing staff to complete their studies.</td>
</tr>
</tbody>
</table>

5.2 Industry-driven Training to Skill the Workforce

Under the Fifth Addendum to the 2006 Delivery and Performance Agreement with the Western Australian Department of Education and Training, Challenger TAFE received a total of $337,294,225 to deliver 3,795,265 Student Curriculum Hours (SCH). The initial 2006 target was re-negotiated upwards from $34,739,407 to deliver 3,675,319 Student Curriculum Hours (SCH). The additional resources allowed the College to address the increased demand for places in traditional trade training and traineeships training.

The College delivered 3,815,542 Student Curriculum Hours (roll trolley 17 February 2007) in response to this contract, representing 100.53% of the number of contracted hours and reflected the College’s commitment to address skills shortages in a financially sustainable way. The increases assisted Challenger TAFE to address training needs in the growing populations of the South West corridor of the metropolitan region and the Peel region (including Mandurah) which are two of the fastest growing areas of WA. These regions encompass the heavy industry areas of Kwinana; Defence industries associated with the Australian Navy’s presence at Garden Island; the fast ferry, shipbuilding and Australian Marine Complex industries located at Henderson; the light and service industries associated with regional housing and population growth in Cockburn, Kwinana, Rockingham and Peel and the increase in resource extraction activities in the Peel region.

5.3 Training Provider for Industry, Labour Market and the Community

In 2006, Challenger’s links with industry were strengthened with a range of initiatives. For example, the College developed a staff sharing program with Austal Ships to ensure Challenger training staff understands current shipbuilding practices and to provide Austal staff with expertise in delivering on-the-job competency assessments. Another example of Challenger’s response in enhancing its flexibility in training delivery in the workplace has been the initiation of a Mobile Skills Recognition Unit for Bookkeepers that assesses workers in their workplace and designs on-the-job tasks and background study to cover any skill gaps. Participants have undertaken activities at levels ranging from Certificate III to Diploma.

The College was delighted when a customer of Quinlan’s on High training café nominated the café for a Fremantle City Council Fremantle Friendly Access and Inclusion Award on two accounts, the students’ fine customer service to customers with a disability, and on the training program run through Quinlan’s on High which includes students with a disability.

In honing our students’ skills and supporting their success, the college worked with partnering schools, providing venues for World Skills Australia competitions and staff as mentors and judges. Our students’ industry skills sharpened in response, with nine students progressing beyond regional competition levels. Similarly floristry and fashion students successfully showcased their skills with great success at State and National levels in industry competitions.
Within the College's training and development services to the community sector, there was a consolidation of staff skills so that the Centre for Adult Education, the WA Centre for Leadership and Community Development and the Diversity and Community Development section were gathered under one portfolio with a view to refocusing their efforts to respond to community needs through government funded and short course training programs.

5.4 A Viable Training Organisation in a Global Market
Challenger TAFE services were promoted to the labour market with an extension to the CareerConnect and Career Advisory Services which provide guidance to prospective and current students and provide expert staff at all major campuses and the Fremantle Chamber of Commerce.

The College concentrated on responding quickly and effectively to industry demand. This was demonstrated through a 30% increase in the number of IT trainees enrolled through the College; more than 19,000 hrs of skills recognition delivered for Business and IT; extended provision of training in the south of the region to include training delivered at smaller centres such as Boddington, Waroona, Pinjarra, and Serpentine/Jarrahdale; scoping a Diploma of Enrolled Nursing to commence in 2007 which involved partnering with Notre Dame University and Fremantle Hospital and then mapping the Diploma to the Bachelor of Nursing for Notre Dame University.

Challenger TAFE’s share of international students undertaking VET studies in Australia grew in 2006. The College’s total of international students grew by 38%. To provide successful transition of recently arrived international students into the College and local community, a new Mentoring Program for Overseas Students was introduced. The service provides advice and guidance based on the mentors’ own experience.

To ensure ongoing viability of our off shore activities, training activities were maintained and strengthened with our international partnerships with DCDM Business School Quatre Bourne, Mauritius and Swami Dayanand Institute of Management, Pamplemousses, Mauritius (SDIM).

An important community project that encourages young people with Schizophrenia and Bipolar Disorders to access our training and resources was formally recognised for its ability to respond to a particular sector of the community with special requirements. The Connections to Living and Learning Program was the winner of the WA Mental Health Good Outcomes Award – 2006. Coordinator Dr Suzette Thompson has been working with the Health industry and students to develop exciting responsive programs that provide effective pathways to further studies for these students.

5.5 An Employer of Choice
Developing a highly skilled and motivated workforce is an important feature of becoming an employer of choice. Close to ninety teaching staff were involved in up-skilling projects funded through Learnscope and Reframing the Future and 219 staff participated in the Challenger TAFE one week staff development program, Octoberfest. Support for staff scholarships was also a feature of 2006 activity, with two staff members extending their formal expertise using staff scholarship grants.

An example of exceptional professional performance was recognised in individual lecturers in the Visage Training Centre for Health & Lifestyle. Ms Heather Slaven Lecturer Fitness & Sport & Recreation was nominated for a Premier’s Teacher of the Year Award; Ms Margaret Rhodes, Fitness Lecturer, was awarded WA Fitness Leader of the Year and the National Fitness Leader of the Year; and Ms Nicola Ruane, Lecturer from Remedial Massage, was appointed to the National Australian Association of Massage Therapists (AAMT) Board.

5.6 Improving Our Business Processes
Developing business systems with Education and Training Shared Services Centre formed an important function of Business Services in 2006. The continued development of Voice Over IP has resulted in its implementation and at the close of 2006 our telephony services were migrating to a digital protocol. The College anticipates generating savings for 2007 and providing improved connectivity for the many staff who work in more than one location.

Liz Harris
A/MANAGING DIRECTOR
CHAPTER 6 – STRATEGIC SUMMARY

6.1 Challenger TAFE’s Vision, Mission and Values

Vision
To be a high performance, visionary training organisation

Mission
To provide training and related services that are enterprise and community driven, and career courses aligned with WA current and future skills requirements

College Culture
We are building a culture that reflects the following guiding principles on how we will behave towards each other and with clients and customers. Fostering a shared culture across a large organisation is an on-going task with good practice starting from the top.

We value and foster:
Excellence – achieving high quality outcomes in the development of programs and provision of services
Innovation – developing new and improved ways of doing business and meeting client and customer needs
Integrity – applying honest and ethical practice in all transactions
Empowerment – supporting informed decisions at every level within policy and resource parameters
Accountability – accepting responsibility at each level for achieving agreed outcomes
Collaboration – building positive working relationships with each other and with the community, government, industry and other education and training agencies.

6.2 Desired Outcomes for 2006
Timely, efficient and effective vocational education and training and employment services, successfully addressing employment, enterprise and community needs.

6.3 Strategic Goals

Goal 1 – Providing industry-driven training and related services to skill the workforce
Key Result Area: Provision of training solutions to meet industries’ current and future requirements.
Challenger TAFE’s primary focus is in training people for the workforce. State and federal governments fund us to deliver these outcomes. We therefore contribute to the growth of the WA economy and workforce capacity and capability by providing industry-driven and career-aligned courses addressing WA’s current and future skill requirements.

Strategies:
• Delivering flexible, customised and innovative training solutions to industry
• Developing learning pathways across education and training sectors and transitions to and from employment
• Strengthening and extending our strategic partnerships and alliances with industry, other education and training providers and expert groups
• Developing staff and student expertise aligned with existing, emerging and niche markets
• Developing students’ positive attributes relating to learning and work through their industry-focused training programs

Goal 2 – Being the training provider of choice for industry, labour market entrants and community members
Key Result Area: In an environment of user choice, Challenger TAFE is the preferred WA training provider for industry, labour market entrants and community members.

Challenger TAFE will provide high quality vocational education and training services and products, designed to address the needs of the workplace, community, family and personal life. These services will be delivered to industry, the labour market and community in conducive, accessible and timely ways.
Strategies:
- Developing a staff that seeks excellence in training delivery and provides responsive student support and career services
- Creating differentiation for ourselves in the training market
- Fostering positive attitudes to lifelong learning and assisting people to respond to new skill demands in the workplace, community and family life
- Making learning solutions relevant for identified groups while being culturally and socially sensitive to the needs of individuals, e.g., indigenous students, people from culturally diverse backgrounds, international students and people with disabilities
- Improving the image of Challenger TAFE studies by recognising and promoting the achievements of our students
- Providing opportunities for students to form, or work in and with, expert teams

Goal 3 – Building and maintaining a viable training organisation in a competitive global training market

Key Result Area: Challenger TAFE will maintain its viability by learning and growing as an organisation through developing: expert staff, innovative products and services; and succession planning.

To ensure our viability Challenger TAFE will continue to provide training and related services that are enterprise and community driven, and career courses aligned with WA current and future skills requirements. We will achieve this using a solutions focus and by providing training services and products that promote industry relevance, diversity, leadership in the field, knowledge and community building, and environmental responsibility. We will be risk aware but not risk averse.

Strategies:
- Integrating training outcomes into enterprise and community project activities
- Undertaking commercially viable activities to build on our core business
- Undertaking research and environmental audits to inform us of current and future trends
- Marketing ourselves to existing and potential client groups by improving student retention, responding proactively to student feedback and increasing the number of students returning to study
- Increasing the export of education and training products and services through provision of training to international students
- Integrating industry, community, and individual access to our resources and expertise through fee-for-service training, research and development, and other services
- Maintaining an organisational culture of continuous improvement
- Promoting a culture of being risk aware but not risk averse
- Developing the organisational agility to respond quickly and effectively to market demand
- Creating environments that facilitate effective working and learning
- Identifying innovative activities at all levels within the college and finding opportunities to publicise and reward innovative behaviour

Goal 4 – Being an employer of choice

Key Result Area: Attracting, developing and retaining skilled staff who perform at their best

We will attract and retain staff who will perform at their best when they work in a professionally supportive environment that is conducive to innovation and good work practices. We are committed to providing a safe work environment where our staff have the necessary tools and equipment to provide timely appropriate services.

Strategies:
- Developing a highly skilled and motivated workforce
- Improving our workplace culture to better reflect workplace practices we value and foster
- Implementing the Workforce Development Strategy
- Devising means for staff to refresh their skills through return-to-industry or other professional development arrangements
- Continuously improving our means of recognising the contributions of our staff and celebrating their achievements
- Increasing the capacity for leadership at all levels of the college
- Allocating funding dedicated to further building staff skills
- Assisting staff to develop a balance in work, community and family life
- Enhancing our occupational safety and health programs
Goal 5 – Continuously improving our business processes
Key Result Area: Efficient and effective business processes

In order to provide training and related services that are enterprise and community driven, and career courses aligned with WA current and future skills requirements, we must be an agile and responsive organisation. We therefore rely on maintaining timely, efficient and reliable business processes and financial tools.

Strategies:
• Continuously improving our administrative processes to enable delivery areas to focus on servicing our clients
• Creating environments that facilitate effective working and learning with the necessary tools and equipment for efficient work practices
• Using innovative information and communication technologies solutions to support training delivery and business services
• Implementing the college Sustainability Action Plan 2005-2007
• Implementing the college Risk Management Plan
• Implementing energy efficient practices in all aspects of training delivery and in the provision of support services

6.4 Organisational Development
Challenger TAFE’s planning is activated throughout the organisation with a Directorate Business Plan, Division Business Plans and Unit Operational Plans. Individual Performance and Development Plans are negotiated so that personal and professional development activities are aligned with College outcomes.

Table 6.1 Goal Achievement Framework
CHAPTER 7 – OVERVIEW OF OPERATIONS

7.1. Committees and Consultation
Consistent with the brief of TAFEWA Governing Councils to oversee and monitor progress in implementing agreed policies and strategies and to enact its right and duty to be properly informed so that it can accept with confidence its accountability for college performance, Challenger TAFE Governing Council conducts a comprehensive internal and external consultation system through its two standing committees attached to Governing Council.

Governing Council Committees
The two committees deal with issues of strategic planning and governance. In 2006 Governing Council members were invited to join one of these two committees.

The Planning and Development Committee
The committee was chaired by Governing Council member Ms Helen Cattalini OAM and its role is to oversee the strategic directions set by the College. The Planning and Development Committee met five times. It oversaw the development and production of the Challenger TAFE Strategic Planning Framework 2007-2012 and conducted a planning session in September, which was attended by more than 80 staff. The work of the Planning and Development Committee links with the college's Industry Boards that are attached to each of the Specialist Training Centres. These Boards have an industry leader as chair and their strategic advice is passed to the Planning and Development Committee for incorporation in forward planning.

The Finance Performance and Audit Committee
This committee was convened five times during the year and its role is to enact its right and duty to be properly informed so that it can make recommendations to Governing Council on issues relating to accountability for college performance. The Committee was chaired by Mr Kim Bailey, Deputy Chair of the Governing Council for the first half of 2006 and then, following the retirement of Mr Bailey from Governing Council, by Mr Stephen Cain, for the remainder of the year. In 2006 the Committee was able to report a reduction in the cost per Student Curriculum Hour of $0.55 on the projected cost set out in January 2006 in the Section 42 Forward Estimates. This increase in predicted efficiency was created by the delivery of 100.53% of agreed training delivery (17 February 2007 roll trawl) for a cost lower than that anticipated.

Industry Advisory Committees
Each Specialist Training Centre hosts one or more Industry Advisory Boards to provide current informed views from local industry members on training needs, contexts and future demand. These groups meet as required and provide invaluable assistance in linking with industries and enterprises and in facilitating industry partnerships. In 2006, some notable examples have been the expansion of sponsoring and partnering arrangements to include placement in industry for some lecturing staff and industry staff working in a training context. In addition, sponsorships within the oil and gas, building and construction, mining, and hospitality industries, in particular, are presenting new opportunities for our students.

Occupational Health and Safety Committee
A regular meeting schedule for the Challenger TAFE Occupational Health and Safety Committee forms part of the College OHS Business Plan. The Committee has overseen the Business Plan implementation as a means of executing OSH best practices. Each campus has an OHS working group at the local level. The dynamism and vigilance of the Committee has played an important part in reducing the level of Workers Compensation claims and the Riskcover insurance premiums at Challenger TAFE (2002-2005).

7.2 Delivery Profile
Challenger TAFE delivered a total of 4,785,212 Student Curriculum Hours (17 February 2007 roll trawl) of training of which 3,815,542 were delivered within the 2006 Delivery and Performance Agreement with the WA Department of Education and Training. A comparison of 2006 Targets with 2006 Outcomes is contained in Table 7.1 below.
<table>
<thead>
<tr>
<th>WADT Group</th>
<th>WADT Group Description</th>
<th>Profile Targets</th>
<th>Actual SCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>01A</td>
<td>Recreation Sports and Entertainment</td>
<td>111,105</td>
<td>131,857</td>
</tr>
<tr>
<td>01B</td>
<td>Visual and Performing Arts</td>
<td>40,950</td>
<td>35,495</td>
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<tr>
<td>02A</td>
<td>Automotive</td>
<td>90,189</td>
<td>91,735</td>
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<tr>
<td>03A</td>
<td>Building and Construction</td>
<td>231,505</td>
<td>253,322</td>
</tr>
<tr>
<td>03B</td>
<td>Surveying and Building</td>
<td>26,000</td>
<td>27,360</td>
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<tr>
<td>04A</td>
<td>Community Service Workers</td>
<td>250,878</td>
<td>256,406</td>
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<tr>
<td>04B</td>
<td>Education and Childcare</td>
<td>112,642</td>
<td>124,719</td>
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<tr>
<td>04C</td>
<td>Health</td>
<td>17,834</td>
<td>17,925</td>
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<td>05A</td>
<td>Finance Insurance Property Service Workers</td>
<td>16,080</td>
<td>15,752</td>
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<td>06A</td>
<td>Food Trades and Processing</td>
<td>4,520</td>
<td>5,165</td>
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<td>07A</td>
<td>Clothing Footwear and Soft Furnishings</td>
<td>46,121</td>
<td>45,020</td>
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<tr>
<td>09A</td>
<td>Engineering and Drafting</td>
<td>162,118</td>
<td>151,822</td>
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<tr>
<td>09B</td>
<td>Metal and Mining</td>
<td>308,380</td>
<td>307,945</td>
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<tr>
<td>10A</td>
<td>Animal Care</td>
<td>24,216</td>
<td>19,250</td>
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<tr>
<td>10B</td>
<td>Forestry, Farming and Landcare</td>
<td>128,842</td>
<td>126,557</td>
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<tr>
<td>10C</td>
<td>Fishing</td>
<td>81,340</td>
<td>78,952</td>
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<tr>
<td>10D</td>
<td>Horticulture</td>
<td>258,753</td>
<td>246,357</td>
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<tr>
<td>11A</td>
<td>Process Manufacturing</td>
<td>37,020</td>
<td>42,299</td>
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<td>12A</td>
<td>Personal Service</td>
<td>153,593</td>
<td>154,576</td>
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<tr>
<td>12B</td>
<td>Retail</td>
<td>41,000</td>
<td>42,799</td>
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<tr>
<td>13A</td>
<td>Cooking</td>
<td>56,822</td>
<td>59,358</td>
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<tr>
<td>13B</td>
<td>Hospitality</td>
<td>100,857</td>
<td>95,771</td>
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<tr>
<td>13C</td>
<td>Tourism</td>
<td>57,550</td>
<td>46,000</td>
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<tr>
<td>14A</td>
<td>Transport Trades, Storage and Associated</td>
<td>185,818</td>
<td>183,948</td>
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<tr>
<td>15A</td>
<td>Electrical and Electronic Engineering</td>
<td>82,351</td>
<td>83,236</td>
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<td>15B</td>
<td>Electrical Trades</td>
<td>126,005</td>
<td>141,201</td>
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<tr>
<td>16A</td>
<td>Accounting and Other Business Services</td>
<td>122,625</td>
<td>121,850</td>
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<td>16B</td>
<td>Management</td>
<td>170,453</td>
<td>162,891</td>
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<td>16C</td>
<td>Office and Clerical</td>
<td>114,605</td>
<td>119,470</td>
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<tr>
<td>17A</td>
<td>Computing</td>
<td>247,934</td>
<td>241,716</td>
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<tr>
<td>18A</td>
<td>Science and Technical Workers</td>
<td>126,719</td>
<td>140,010</td>
</tr>
<tr>
<td>19B</td>
<td>Adult Literacy/ESL</td>
<td>107,500</td>
<td>101,780</td>
</tr>
<tr>
<td>19E</td>
<td>Targeted Access and Participation Courses</td>
<td>152,940</td>
<td>143,198</td>
</tr>
<tr>
<td><strong>TOTAL SCH</strong></td>
<td><strong>3,795,265</strong></td>
<td><strong>3,815,542</strong></td>
<td></td>
</tr>
</tbody>
</table>
Table 7.2 All delivery 2006 by funding source category (Roll trawl 17 Feb 07)

<table>
<thead>
<tr>
<th>Fund</th>
<th>SCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery &amp; Performance Agreement 2006 Addendum 5</td>
<td>3,815,542</td>
</tr>
<tr>
<td>Competitively Allocated Training</td>
<td>63,354</td>
</tr>
<tr>
<td>State tendered training</td>
<td>4,260</td>
</tr>
<tr>
<td>Auspiced VET for Schools Delivery</td>
<td>301,859</td>
</tr>
<tr>
<td>Commonwealth special funded activities</td>
<td>13,038</td>
</tr>
<tr>
<td>Overseas students</td>
<td>22,691</td>
</tr>
<tr>
<td>Adult Community Education</td>
<td>64,976</td>
</tr>
<tr>
<td>Fee for Service</td>
<td>607,389</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,785,212</strong></td>
</tr>
</tbody>
</table>

Overall, the College delivered 0.53% above target roll trawl 17 February 2007.

7.3 Blended Delivery

In 2006, most training featured a range of delivery modes to suit the students, the subject matter and/or industry involved. Teaching, learning and assessment strategies covered in learning programs included, but were not limited to:

- teacher-centred classroom delivery
- tests, presentations, and other classroom based assessments
- educational support/remediation
- self-paced delivery and associated assessment
- on-line delivery and assessment
- live work programs and associated assessments
- tutorial sessions for learning support
- on-line and telephone supported coaching
- work placement
- on-the-job training
- work place assessment
- assessment for skills recognition
- clustering of competencies as required and
- combinations of the above.

In 2007 further attention will be placed on the application of Recognition of Prior Learning in the workplace as well as extending the models for delivering training in the workplace, based upon successful models developed and trialled during 2006.
CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, which are appropriate and relevant to assisting users to assess the performance of Challenger TAFE and fairly represent the performance of the college for the financial year 2006.

Ms Paddi Creevey
Chair, Governing Council

28 February 2007
INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

CHALLENGER TAFE
FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS
FOR THE YEAR ENDED 31 DECEMBER 2006

Audit Opinion
In my opinion,
(i) the financial statements are based on proper accounts and present fairly the financial position of Challenger TAFE at 31 December 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer’s Instructions;
(ii) the controls exercised by the College provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
(iii) the key effectiveness and efficiency performance indicators of the College are relevant and appropriate to help users assess the College’s performance and fairly represent the indicated performance for the year ended 31 December 2006.

Scope
During the year the Governing Council was responsible for keeping proper accounts and maintaining adequate systems of internal control, for preparing the financial statements and performance indicators, and complying with the Financial Administration and Audit Act 1985 and other relevant written law. The Financial Administration and Audit Act 1985 was repealed and replaced by the Financial Management Act 2006 and the Auditor General Act 2006 from 1 February 2007. This did not impact on the agency’s operations or the audit work conducted during the year ended 31 December 2006.


The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role
As required by the Auditor General Act 2006, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer “http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf”.

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators is error free. The term “reasonable assurance” recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and performance indicators.

COLIN MURPHY
ACTING AUDITOR GENERAL
16 March 2007
**CHAPTER 8. OPERATIONAL SUMMARY**

**OUTCOME, OUTPUTS AND PERFORMANCE INFORMATION**

**Outcome:** The provision of effective and efficient vocational education and training services to meet community and industry training needs.

**Output:** Development and delivery of quality vocational education and training services and products which contribute to the social and employment-related skills of Challenger TAFE’s clients and promote industrial, community and regional growth and development.

**Output Measures** - reported in accordance with Treasurer’s Instruction 904.

<table>
<thead>
<tr>
<th></th>
<th>2006 Targets</th>
<th>2006 Actuals</th>
<th>Change</th>
<th>Explanatory Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. QUANTITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Total Student Curriculum Hours (SCH) delivered (profile + non-profile)</td>
<td>3,795,265 + 756,370 = 4,551,635</td>
<td>3,815,542 + 969,670 = 4,785,212</td>
<td>+20,277 + 212,700 = 232,977</td>
<td>Increases in profile targets and delivery (DPA Fifth Addendum) provided an additional 119,946 funded hours</td>
</tr>
<tr>
<td>1.2 Profled Delivery Target Achievement</td>
<td>100%</td>
<td>100.53%</td>
<td>+0.53%</td>
<td>Profile includes employment-based and institution-based delivery. Employment-based training delivery improved, exceeding this year's target of 2,349 students by 889.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2005 Outcomes</th>
<th>2006 Actual</th>
<th>Change</th>
<th>Explanatory Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2. QUALITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Student Satisfaction - Apprentices &amp; Trainees EBT</td>
<td>84</td>
<td>84</td>
<td>0%</td>
<td>The level of satisfaction in Challenger TAFE’s 2006 apprentices and trainees, as measured by the Colmar Brunton State survey remained similar to 2005 measures.</td>
</tr>
<tr>
<td>2.2 Student Satisfaction - Other Students (IBT)</td>
<td>85</td>
<td>86</td>
<td>1.0%</td>
<td>There was a 1% increase in satisfaction levels of institution based Challenger TAFE’s students, as measured by the 2006 Colmar Brunton State survey. This meets the Minister’s target for 2006.</td>
</tr>
<tr>
<td>2.3 Graduates Achieved Main Reason for Study</td>
<td>81.00%</td>
<td>81.00% (2005 measure)</td>
<td>2005 Data</td>
<td>The comparative measure was derived from a 2005 national survey of 2004 graduates, as data was unavailable in 2006 for the 2005 cohort.</td>
</tr>
<tr>
<td>2.4 Graduate Labour Market Status: students employed</td>
<td>76.00%</td>
<td>76.00% (2005 measure)</td>
<td>2005 Data</td>
<td>The comparative measure was derived from a 2005 national survey of 2004 graduates, as data was unavailable in 2006 for the 2005 cohort. 2004 outcomes were unavailable. Note: In the 2005 survey of 2004 graduates 3.8% more graduates who were no longer enrolled in a VET course reported they were employed. This measures differs slightly from the last measure taken in 2005 when 72.2% of all graduates reported being in employment.</td>
</tr>
<tr>
<td>2.5 Module Load Completion Rate (MLCR) - Successful training completions</td>
<td>75.8%</td>
<td>72.94%</td>
<td>-2.64%</td>
<td>The target was revised in 2004 (72.4%). The outcome for 2006 was below target and 2005 outcomes. Apprentice and trainee enrolments increased in 2006 and their completion rates are lowest at about 50% at course end. This has impacted negatively on 2006 results.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2006 Targets</th>
<th>2006 Actuals</th>
<th>Change</th>
<th>Explanatory Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3. TIMELINESS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2006 Targets</th>
<th>2006 Actuals</th>
<th>Change</th>
<th>Explanatory Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4. COST</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1 Cost per SCH</td>
<td>$15.77</td>
<td>$15.22</td>
<td>-$0.55</td>
<td>The target was set in Sections 42 preview Jan 06. The reduced cost per SCH was accounted for by the lower than estimated salary costs for 2006.</td>
</tr>
</tbody>
</table>

The method of calculating students in employment was altered in 2005 to exclude students who were enrolled in TAFE at the time the survey was taken (May 2005). In previous years this group had been included in the total.
Key Performance Indicators

CHALLENGER TAFE’S VISION AND MISSION
The College’s aims to be a high performance, visionary organisation. As a member of TAFEWA, our mission is to provide training and related services that are enterprise and community driven, and career courses aligned with WA current and future skills requirements.

CHALLENGER TAFE’S KEY DIRECTIONS FOR 2006:
To improve skill development and employment outcomes by:
Goal 1 – Providing industry-driven training and related services to skill the workforce
Goal 2 – Being the training provider of choice for industry, labour market entrants and community members
Goal 3 - Building and maintaining a viable training organisation in a competitive global training market
Goal 4 – Being an employer of choice
Goal 5 – Continuously improving our business processes

DESIRED OUTCOMES FOR 2006
A key desired outcome for 2006 was timely, efficient and effective vocational education and training and employment services successfully addressing employment, enterprise and community needs.

The following effectiveness and efficiency indicators have been developed to assist in the College’s monitoring and management processes and to enhance its accountability to its stakeholders. They are subject to audit under the provisions of the Financial Administration and Audit Act 1985.

KEY INDICATORS OF PERFORMANCE EFFICIENCY
The efficiency and effectiveness of Challenger TAFE’s efforts to meet its community and industry training needs have been measured using four Key Performance Indicators. The measure of efficiency that the College has applied is: Total delivery cost per SCH

PERFORMANCE INDICATORS FOR EFFICIENCY BASED ON TOTAL DELIVERY COST PER SCH
Every student at Challenger TAFE enrols in one or more modules. Each module is linked to a relevant course and has a nominal number of curriculum hours. Students’ enrolments in these modules generate Student Curriculum Hours (SCH). For each year, a cost per SCH target has been established based on the previous year’s results. The total operating costs include Capital User Charge and the costs have not been indexed against annual Cost of Living measures.

The level of expenditure required to produce an output or product unit is a standard measure of efficiency. The major unit of product output for the Challenger TAFE is the Student Curriculum Hour and the cost per SCH provides an indicator of efficiency.

This year, there was an increase in delivery of employment-based training with the College exceeding its agreed targets. Delivery costs for this category are significantly higher per SCH than for other State contracted delivery. A second factor impacting on the cost per SCH in 2006 was the salary increases for both lecturers and non-lecturing staff and the costs associated with the development of additional delivery site facilities. This has led to an increase in the Capital User Charge and the costs have not been indexed against annual Cost of Living measures.

COST PER SCH OF CHALLENGER TAFE TRAINING DELIVERY
The output of Challenger TAFE’s training services and products are quantified through the standard measure of Student Curriculum Hours (SCH). A measure of the College’s efficiency is the cost per SCH.

Source The Financial Data applied in the measure is from the 2006 Financial Statements included in this report. The total of the Student Curriculum Hours of training delivered is as reported in Table 8.4 from the 2006 census provided to the Western Australian Department of Education and Training in February 2007.

Methodology: The average cost per Student Curriculum Hour is derived from the amount identified as Cost of Services divided by the total Student Curriculum Hours delivered. The Cost per SCH inclusive of the Capital User Charge of $4,785,212 is shown in
**Explanation:** The average cost of $15.22 per SCH in 2006 shows an increase in cost over last year’s outcome of $14.60 ie $0.62 per SCH however it represents a substantially reduced cost from the target recorded in the Section 42 Forward Estimates of January 2006 ($15.77). Factors that influence the cost per SCH rise from 2005 but may not directly contribute to SCH production include:

- the depreciation and amortisation of the College’s capital stock. Challenger TAFE has 21 sites across an extensive geographic region and the cost of these multiple facilities increases the influence of its capital elements on its operating costs. Depreciation is included in the cost of services and therefore influences the cost per SCH
- consultancy services, especially those related to the development of overseas training programs. These have no Australian “on-shore” delivery, are externally funded and incur costs reflected in the cost per SCH but do not contribute to the production of SCH
- the contracted training provided to the Australian Submarine Corporation by Challenger TAFE. This affects the revenue and expenditure of the College but due to security arrangements, the Navy staff undertaking the submarine training program are not enrolled on Challenger TAFE’s systems. The program is taught by Challenger TAFE staff and the associated costs are reflected in the cost of services but the enrolments are not included in the Student Curriculum Hours recorded on the CMIS.
- Increases in valuation of capital stock.

**Table 8.1: Cost per SCH (Capital User Charge Included)**

<table>
<thead>
<tr>
<th>Year</th>
<th>SCH</th>
<th>Cost per SCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>4,180,540</td>
<td>$12.71</td>
</tr>
<tr>
<td>2003</td>
<td>4,114,949</td>
<td>$13.53</td>
</tr>
<tr>
<td>2004</td>
<td>4,286,082</td>
<td>$14.17</td>
</tr>
<tr>
<td>2005</td>
<td>4,468,758</td>
<td>$14.60</td>
</tr>
<tr>
<td>2006</td>
<td>4,785,212</td>
<td>$15.22*</td>
</tr>
</tbody>
</table>

* **Explanatory Note:** While the Cost per SCH of $15.22 in 2006 in relation to 2005, represented a $0.62 increase the result for 2006 was -$0.55 lower than the target set in the January 2006 Section 42 Forward Estimates. The reduced cost per SCH produced in comparison with the price established in the January Forward Estimates was accounted for by the 0.53% delivery of contracted training at a lower cost than that estimated.
KEY INDICATORS OF PERFORMANCE EFFECTIVENESS
Challenger TAFE provides four KPI measures of effectiveness, including data based upon NCVER Graduate Satisfaction and Graduate Employment Outcomes from 2004. This material was available in 2005 but not made available in 2004 or 2006; therefore internal measures of effectiveness have been included below to supplement the four key measures provided.

Achievement of College Profile (%) using 2006 enrolment data confirmed at 17 February 2007 from Challenger TAFE’s College’s Management Information System (CMIS) enrolment data.

Student Satisfaction (%) using data from the WA government contracted annual 2006 Student Satisfaction Survey conducted by contractor Colmar Brunton Intelligence.

Note: In previous years the College has been able to report on Graduate Satisfaction (%) using data from the Student Outcomes Survey that is conducted Australia-wide and contracted to NCVER. This arrangement was discontinued in 2004 (for 2003 Graduates) and resumed on a bi-annual basis from 2005. No data was provided in 2006 on the 2005 graduates.

Similarly, the Graduate Employment (%) using data from the Student Outcomes Surveys conducted Australia wide and contracted to NCVER to complete were not available in 2004 (for 2003 Graduates) or 2006 (for 2005 Graduates) having been resumed on a biennial basis from 2005.
PERFORMANCE INDICATORS FOR EFFECTIVENESS BASED ON DATA FROM THE COLLEGE’S MANAGEMENT INFORMATION SYSTEMS (CMIS) ON ACHIEVEMENT OF COLLEGE PROFILE TARGETS

Every student at Challenger TAFE enrols in one or more modules. Each module is linked to a relevant course and has a nominal number of curriculum hours. Students’ enrolments in these modules generate Student Curriculum Hours (SCH). Module enrolments and therefore the SCH are coded in the system according to funding source, delivery location, method of study, occupational category to which the course has been assigned (WADT Group) and a variety of other categories. Data are aggregated according to the number of students enrolled in each module in any designated category.

Aggregated data using the standard SCH measure have been applied in Table 8.2, Figure 8.3 and Table 8.4. The data for this Key Performance Indicator is also generated from CMIS. The measures have been generated from the 2006 CMIS Census provided by Challenger TAFE in February 2007 to the Western Australian Department of Education and Training and was extracted according to the Business Rules of the Australian Vocational Education and Training Management Information Statistical Standards (AVETMISS).

ACHIEVEMENT OF COLLEGE PROFILE TARGET

Profile delivery is training which the Western Australian Department of Education and Training purchases from Challenger TAFE under the terms of the annual Delivery and Performance Agreement. The training programs are specified by occupational category and course level in Student Curriculum Hour targets. The extent to which the College meets its profile targets is a measure of its effectiveness in contributing to the State Training Strategy by meeting industry and community training needs.

Table 8.3: Targeted Profile Achievement 2002-2006

<table>
<thead>
<tr>
<th>Year</th>
<th>SCH Profile Target</th>
<th>SCH Actual Delivery</th>
<th>% Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>3,411,761</td>
<td>3,419,298</td>
<td>100.22%</td>
</tr>
<tr>
<td>2003</td>
<td>3,545,000</td>
<td>3,544,878</td>
<td>100.00%</td>
</tr>
<tr>
<td>2004</td>
<td>3,551,062</td>
<td>3,612,644</td>
<td>101.73%</td>
</tr>
<tr>
<td>2005</td>
<td>3,675,319</td>
<td>3,707,596</td>
<td>100.88%</td>
</tr>
<tr>
<td>2006</td>
<td>3,795,265</td>
<td>3,815,542</td>
<td>100.53%</td>
</tr>
</tbody>
</table>
Figure 8.4: Targeted Profile Achievement 2002-2006

Source:
Challenger TAFE 2006 Delivery and Performance Agreement (DPA) and Fifth Addendum and the College CMIS Census summary

Methodology:
The profiled delivery targets for 2006 were initially included in the College’s Delivery and Performance Agreement with the Western Australian Department of Education and Training and were finalised in a Fifth Addendum. The targets are detailed in the purchasing matrix, cross-matched by WADT Group and WADT Level (see glossary for description of WADT Group etc.)

Derivation:
The percentage achieved in each WADT Group and overall was calculated by dividing the achieved delivery by the SCH targets specified in the final addendum to the 2006 Delivery and Performance Agreement.

Explanation:
Profile delivery achieved in 2006 was 107,946 SCH more than that achieved in 2005 and was 20,277SCH above target.

In 2006, training delivery was achieved on or above target in WADT groups 1A, 2A, 3A, 3B, 4A, 4B, 6A, 11A, 12A, 12B, 13A, 15A, 13B, 16C and 18A. Both enterprise-based and Institution delivery met the revised targets.
Table 8.5: Matrix Target to Actual Achieved Delivery of SCH 2006

<table>
<thead>
<tr>
<th>WADT Group</th>
<th>WADT Group Description</th>
<th>Profile Targets</th>
<th>Profile SCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>01A</td>
<td>Recreation Sports and Entertainment</td>
<td>111,105</td>
<td>131,857</td>
</tr>
<tr>
<td>01B</td>
<td>Visual and Performing Arts</td>
<td>40,950</td>
<td>35,495</td>
</tr>
<tr>
<td>02A</td>
<td>Automotive</td>
<td>90,189</td>
<td>91,735</td>
</tr>
<tr>
<td>03A</td>
<td>Building and Construction</td>
<td>231,505</td>
<td>253,122</td>
</tr>
<tr>
<td>03B</td>
<td>Surveying and Building</td>
<td>26,000</td>
<td>27,360</td>
</tr>
<tr>
<td>04A</td>
<td>Community Service Workers</td>
<td>250,878</td>
<td>256,406</td>
</tr>
<tr>
<td>04B</td>
<td>Education and Childcare</td>
<td>112,642</td>
<td>124,719</td>
</tr>
<tr>
<td>04C</td>
<td>Health</td>
<td>17,834</td>
<td>17,925</td>
</tr>
<tr>
<td>05A</td>
<td>Finance Insurance Property Service Workers</td>
<td>16,080</td>
<td>15,752</td>
</tr>
<tr>
<td>06A</td>
<td>Food Trades and Processing</td>
<td>4,520</td>
<td>5,165</td>
</tr>
<tr>
<td>07A</td>
<td>Clothing Footwear and Soft Furnishings</td>
<td>46,121</td>
<td>45,020</td>
</tr>
<tr>
<td>09A</td>
<td>Engineering and Drafting</td>
<td>162,118</td>
<td>151,822</td>
</tr>
<tr>
<td>09B</td>
<td>Metal and Mining</td>
<td>308,380</td>
<td>307,945</td>
</tr>
<tr>
<td>10A</td>
<td>Animal Care</td>
<td>24,216</td>
<td>19,250</td>
</tr>
<tr>
<td>10B</td>
<td>Forestry, Farming and Landcare</td>
<td>128,842</td>
<td>126,557</td>
</tr>
<tr>
<td>10C</td>
<td>Fishing</td>
<td>81,340</td>
<td>78,952</td>
</tr>
<tr>
<td>10D</td>
<td>Horticulture</td>
<td>258,753</td>
<td>246,357</td>
</tr>
<tr>
<td>11A</td>
<td>Process Manufacturing</td>
<td>37,020</td>
<td>42,299</td>
</tr>
<tr>
<td>12A</td>
<td>Personal Service</td>
<td>153,593</td>
<td>154,576</td>
</tr>
<tr>
<td>12B</td>
<td>Retail</td>
<td>41,000</td>
<td>42,799</td>
</tr>
<tr>
<td>13A</td>
<td>Cooking</td>
<td>56,822</td>
<td>59,358</td>
</tr>
<tr>
<td>13B</td>
<td>Hospitality</td>
<td>100,857</td>
<td>95,771</td>
</tr>
<tr>
<td>13C</td>
<td>Tourism</td>
<td>57,550</td>
<td>46,000</td>
</tr>
<tr>
<td>14A</td>
<td>Transport Trades, Storage and Associated</td>
<td>185,818</td>
<td>183,948</td>
</tr>
<tr>
<td>15A</td>
<td>Electrical and Electronic Engineering</td>
<td>82,351</td>
<td>83,236</td>
</tr>
<tr>
<td>15B</td>
<td>Electrical Trades</td>
<td>126,005</td>
<td>141,201</td>
</tr>
<tr>
<td>16A</td>
<td>Accounting and Other Business Services</td>
<td>122,625</td>
<td>121,850</td>
</tr>
<tr>
<td>16B</td>
<td>Management</td>
<td>170,453</td>
<td>162,891</td>
</tr>
<tr>
<td>16C</td>
<td>Office and Clerical</td>
<td>114,605</td>
<td>119,470</td>
</tr>
<tr>
<td>17A</td>
<td>Computing</td>
<td>247,934</td>
<td>241,716</td>
</tr>
<tr>
<td>18A</td>
<td>Science and Technical Workers</td>
<td>126,719</td>
<td>140,010</td>
</tr>
<tr>
<td>19B</td>
<td>Adult Literacy/ESL</td>
<td>107,500</td>
<td>101,780</td>
</tr>
<tr>
<td>19E</td>
<td>Targeted Access and Participation Courses</td>
<td>152,940</td>
<td>143,198</td>
</tr>
<tr>
<td>TOTAL SCH</td>
<td></td>
<td>3,795,265</td>
<td>3,815,542</td>
</tr>
</tbody>
</table>
PERFORMANCE INDICATORS FOR EFFECTIVENESS STUDENT SATISFACTION SURVEY – DATA BASED ON THE STATE SURVEY OF ENROLLED STUDENTS

A survey managed by the Western Australian Department of Education and Training during the 2006 academic year measured student satisfaction at College and State levels and provides an indicator of the effectiveness of Challenger TAFE’s training services and products. The survey asked students about their degree of satisfaction with the quality and relevance of their courses and the teaching, student support, learning resources and facilities provided.

Table 8.6: College and State Student Satisfaction Percentages 2002 –2006 (all students)

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006*</th>
</tr>
</thead>
<tbody>
<tr>
<td>College</td>
<td>83.5</td>
<td>82.9</td>
<td>82.2</td>
<td>84</td>
<td>85</td>
</tr>
<tr>
<td>State</td>
<td>83</td>
<td>85.4</td>
<td>84.7</td>
<td>85</td>
<td>86</td>
</tr>
</tbody>
</table>

*NB: Percentage only reported to whole number level from 2005.

Explanatory Note: The 2005-2006 Challenger TAFE Managing Director’s Performance Agreement contained a target for increasing the College’s Student Satisfaction level by 1% in 2006, based on the previous College overall 2005 level of satisfaction of 85%. This target was met.

Please also see the internal measures of Student Satisfaction contained in Figure 8.17.

The results documented in Table 8.8: Graduates Achievement of Main Reason for Study 2002-2006 Challenger TAFE indicate Challenger TAFE has a lower than State average outcome. This matter has been included for addressing in Challenger planning activities in 2007.

Figure 8.7: College and State Student Satisfaction Percentages 2002 –2006 (all students)
Source: 2006 Student Satisfaction Survey: (The Western Australian Department of Education and Training contracted Colmar Brunton Intelligence to conduct the surveys at all Western Australian TAFE Colleges).

Methodology: The 2006 Student Satisfaction Survey was conducted as a two-stage mail out to Challenger Students, augmented with an on-line facility. The WA data was increased with the use of Computer Assisted Telephone Interviewing in areas exhibiting low response rates. A prize draw was used as an incentive to encourage a higher level of response. As in prior years, the results were weighted to overcome sampling error and were based on the satisfaction levels of students who were enrolled in publicly funded courses at either a TAFE College or a publicly funded private training institution in semester one or semester two of 2006. Two surveys instruments were used, one focused on the needs of enterprise-based students and the other on those of institution based students.

Derivation: The performance indicator was calculated using the collective responses to a question that was in common to both survey instruments and which asked students about their level of satisfaction with their course at the TAFE College or private institution in which they had been or were enrolled in 2006.

Explanation: The satisfaction rating for Challenger TAFE was at the 85% level, performing slightly below an overall State performance average of 86%. The change from 2005 was very positive however Challenger TAFE satisfaction levels continue to be lower than State measures.

Statistical Details: Of the potential population of 9025 students, 7017 individual students were contacted. The usable sample number achieved was 1337 being a 19% response rate. The sampling error for the survey of Challenger TAFE students was +/- 2.00% at the 95% confidence level.

OVERALL STUDENT SATISFACTION WITH COURSE (DEPARTMENT OF EDUCATION SCIENCE AND TRAINING SCOPE ONLY)
In 2006, a student satisfaction measure based on graduate outcomes was not made available from the Department of Education Science and Training. This is a biennial measure, due again in 2007.
Collated results from the study evaluation process continue to show high levels of satisfaction of students. The following graphs are representation of the process and outcomes.

PERFORMANCE INDICATORS FOR EFFECTIVENESS GRADUATE SATISFACTION
In the 2005 survey of 2004 graduates, all the graduates surveyed had completed their course with a VET provider and had an Australian address as their usual address. In 2005, the survey collected key information on the employment status of graduates, further study destinations and satisfaction with their training program of graduates in each Australian State and territory, who successfully completed a vocational education and training (VET) award during 2004. Hobby, recreational and short courses were excluded from the survey.

The same questionnaire was sent to graduates and module completers in a stratified randomly selected sample. In previous years in Western Australia, the survey was based on a census. Because the survey was undertaken as a sample rather than a census, responses were weighted to the total population of graduates. One of the effects of weighting data is that proportions are based on the population rather than on the actual number of responses. For instance, the survey shows that 50% of VET graduates at the national level were female. In contrast, the actual proportion of female VET graduates who responded was 59%.

The survey was conducted by I-view on behalf of the National Centre for Vocational Education Research (NCVER). . All the graduates surveyed had completed their course with a VET provider and had an Australian address as their usual address.

Graduate Satisfaction
In data collection in previous years, achieved or partly achieved their main purpose in studying have been reported together using actual number of responses. In 2005, once again, achieved or partly achieved their main purpose in studying were reported together. Rather than based on actual numbers of responses, the percentages were weighted to reflect the total population. Trend data was expressed in percentages only and the source data differed from that available in previous years.
The percentage of Challenger respondents who indicated that they achieved or partly achieved their main purpose in studying increased by 2.3% on the previous measure taken in 2003. This is one indicator of the students' degree of satisfaction with their training program and its relevance. In 2005, 81% of Challenger TAFE’s graduates (compared with 84% of Western Australian TAFE graduates and 86% of Australian TAFE graduates) achieved or partly achieved their main reason for studying. 72% of the student weighted population indicated their main reason for studying was employment-related, a decrease of 1.17% on the previous measure completed in 2003 on the 2002 cohort. Within that response, the most frequently given single reason was: to get a job (24%) to improve general education skills (14%) the skills being a requirement of the job (12%) and requiring extra skills (12%). 31% of the respondents identified that they had sought to improve their work circumstances through a different career or extra skills or a better job or promotion and 6% indicated that their reasons included improving skills for starting or building their own business.

**Methodology:** The measures were drawn from the survey report titled “Student Outcomes Survey Western Australian Institute Report for Challenger TAFE November 2005” that provides comparative data on an institution, State and national basis.

**Derivation:** In each of the Student Outcomes Surveys (previously called Graduate Destination Surveys) conducted since 1997, the same question regarding the main reason for doing the course was asked of graduates and the same rating scale used enabling maintenance of trend data to 2003. To 2003, the measure was re-based and reflected as a percentage of those who answered “Yes” or “Partly” as a proportion of all those who gave a valid response to the question. In 2005 the exact number of respondents was not available and results were provided as weighted samples.

**Statistical Details:** A weighted sample of 760 Challenger TAFE graduates responded to a question about whether they achieved their main reason for undertaking a course. The estimated Challenger graduate student population was 5339. A standard error measure was provided based on the response population for each question. The standard error was +/− 2.6 with a confidence level of 95%.

**Explanation:** The results indicated that most TAFE graduates, including those from Challenger TAFE, were studying for vocational reasons in 2004 and the majority of these students sought to get a job. Note that national data on graduate satisfaction was not available prior to 2000 nor in 2004 based on the 2003 graduate population nor 2006 based on the 2005 graduate population.

The lower result for Challenger TAFE compared with the state and national figures may relate to an older profile for its students. Older graduates experience less success when seeking their desired employment. Challenger TAFE’s Internal measures of levels of student satisfaction remains very high. Please see Figure 8.17.

**Table 8.8: Graduates Achievement of Main Reason for Study 2001-2005**

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Challenger TAFE</td>
<td>77.99%</td>
<td>81.16%</td>
<td>79.70%</td>
<td>N/A</td>
<td>81.00%</td>
</tr>
<tr>
<td>Western Australia</td>
<td>76.33%</td>
<td>76.98%</td>
<td>77.96%</td>
<td>N/A</td>
<td>84.00%</td>
</tr>
<tr>
<td>Australia</td>
<td>78.96%</td>
<td>77.98%</td>
<td>78.80%</td>
<td>N/A</td>
<td>86.00%</td>
</tr>
</tbody>
</table>

**Table 8.9: Graduates’ Main Reasons for Study 1999-2005**

| Graduates’ Main Reasons for Study | 1999   | 2000   | 2001   | 2002   | 2003   | 2004*  | 2005*
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment-related</td>
<td>73.60%</td>
<td>73.60%</td>
<td>71.50%</td>
<td>71.30%</td>
<td>73.17%</td>
<td>N/A*</td>
<td>72.00%</td>
</tr>
<tr>
<td>To enter further study</td>
<td>9.30%</td>
<td>9.80%</td>
<td>10.00%</td>
<td>9.10%</td>
<td>9.20%</td>
<td>N/A*</td>
<td>9.00%</td>
</tr>
<tr>
<td>Personal or Interest</td>
<td>13.90%</td>
<td>14.10%</td>
<td>12.70%</td>
<td>16.80%</td>
<td>14.98%</td>
<td>N/A*</td>
<td>19.00%</td>
</tr>
<tr>
<td>Other Reasons or Unknown</td>
<td>3.20%</td>
<td>2.50%</td>
<td>5.80%</td>
<td>2.70%</td>
<td>2.65%</td>
<td>N/A*</td>
<td></td>
</tr>
</tbody>
</table>
Note: The College is unable to provide an update to this KPI on an annual basis, as statistically valid College level data was not available in 2004 or in 2006.
The National Centre for Vocational Education Research (NCVER) intends to conduct surveys with an appropriate weighted sample design to produce statistically reliable College level data in alternate years and commenced this arrangement in 2005.

PERFORMANCE INDICATORS FOR EFFECTIVENESS GRADUATE EMPLOYMENT OUTCOMES
Graduate Employment Outcomes (Destination)
Graduates’ employment status after the completion of a training program provides an indicator of Challenger TAFE’s effectiveness in providing relevant skills for the workforce and contributing to the development of industries, regions and the economy.

The 2005 Student Outcomes Survey report indicated that of a weighted sample of 750 students who responded to a question on their employment and had completed their course at Challenger TAFE, the graduate employment rate was calculated at 76% across the Challenger graduate population and this compared with a weighted sample of students across Western Australia where 78% were employed after their course and nationally 79% were employed after their course. The standard error measure was +/-2.4% and confidence level at 95%.

Source: The following Key Performance Indicator relating to Graduate Destination was derived from the national 2005 Student Outcomes Survey, funded by the Department of Education Science and Training (DEST) and conducted by the National Centre for Vocational Education Research (NCVER) through contractor 1-View.

Methodology: The measures were drawn from the survey report titled “Student Outcomes Survey Western Australian Institute Report for Challenger TAFE November 2005” that provides comparative data on an institution, State and national basis. In 2005 3.8% more graduates who were no longer enrolled in a VET course reported they were employed. This measures differed slightly from the previous measure taken in 2003 when 72.2% of all graduates reported being in employment.

Statistical Details: Out of an estimated student population of 5226 who had completed their course at Challenger TAFE, 750 students responded to a question on their employment. A standard error measure was provided based on the response population for each question. The standard error overall was +/-2.4% the confidence level was at 95%.

Table 8.10: Graduate Labour Market Status May 2005

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Challenger TAFE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>64.08%</td>
<td>65.18%</td>
<td>72.20%</td>
<td>N/A</td>
<td>76.00%*</td>
</tr>
<tr>
<td>Unemployed</td>
<td>14.89%</td>
<td>13.34%</td>
<td>11.81%</td>
<td>N/A</td>
<td>11.00%*</td>
</tr>
<tr>
<td>Not in the labour force</td>
<td>21.04%</td>
<td>19.93%</td>
<td>14.65%</td>
<td>N/A</td>
<td>12.00%*</td>
</tr>
<tr>
<td>Western Australia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>67.85%</td>
<td>70.50%</td>
<td>72.36%</td>
<td>N/A</td>
<td>78.00%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>13.85%</td>
<td>12.55%</td>
<td>11.72%</td>
<td>N/A</td>
<td>9.00%</td>
</tr>
<tr>
<td>Not in the labour force</td>
<td>18.34%</td>
<td>16.05%</td>
<td>13.77%</td>
<td>N/A</td>
<td>13.00%</td>
</tr>
<tr>
<td>Australia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>72.90%</td>
<td>72.50%</td>
<td>74.76%</td>
<td>N/A</td>
<td>79.00%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>12.28%</td>
<td>12.77%</td>
<td>11.93%</td>
<td>N/A</td>
<td>10.00%</td>
</tr>
<tr>
<td>Not in the labour force</td>
<td>14.82%</td>
<td>13.96%</td>
<td>11.36%</td>
<td>N/A</td>
<td>11.00%</td>
</tr>
</tbody>
</table>
Derivation: Graduate employment status was measured by questions asked each year on whether graduates were employed, unemployed or not in the labour force at a specified date at the end of May 2005. The measure is expressed as a percentage of the respondents in each category as a proportion of weighted responses. Note that national data on graduate employment outcomes were not available prior to 2000 nor in 2004 nor in 2006.

Explanation: The data for 2001 through to 2003 was recalculated so that the percentage was based on the number of valid responses to each question. This was to maintain a comparative analysis based upon a consistent methodology. The percentage of graduates who reported that they were in employment increased from the previous survey in 2003 by 3.8% and the percentage of those who reported that they were unemployed or not in the workforce declined since the 2003 measure was taken. The standard error measure was +/-2.4% and confidence level at 95%.
Additional Internal Performance Indicators (Not Audited)

**Non-profile Training Delivery**

Most of Challenger TAFE’s training programs are specified and funded in the annual Delivery and Performance Agreement through a formula-driven resource-allocation process. Funds to support the delivery of additional training programs are secured through a variety of alternative sources. These include tendering for public funds targeting specific enterprise or community training needs; fee-for-service customised training or provision for overseas students (in partnership with Education and Training International). Adult Community Education courses that cater for community and personal development, including hobby courses, are included here and are conducted on a self-supporting basis.

The College’s non-profile training delivery (not including the Collins Class Submarine Training) has shown progressive growth in SCH since 2003, with the percentage of total delivery (20.65% in 2006) also trending upward since 2003. There has been a consistent upward trend in SCH generated from overseas students since 2002. The training recorded on the CMIS for overseas students relates only to delivery to those students whose usual address is overseas but who are located within Western Australia while studying and does not include training delivered in other countries. In 2006, ACE SCH has shown an improvement on the downturn experienced in 2005.

**Source:** Non-profiled delivery is all training delivery outside of the annual Delivery and Performance Agreement between the College and the Western Australian Department of Education and Training. Non-profile delivery will include programs funded through the State and Commonwealth sources other than the annual Delivery and Performance Agreement. Student enrolment in non-profile courses is identified on the College Management Information System (CMIS) by funding source codes other than “C” or “10”.

**Explanation:** The quantity of non-profile delivery increased from the 2005 outcome, with fee for service and international student categories being the best performers by quantity. Non-profile delivery of 1,004,239 SCH is an increase on all previous years.

Training delivered to submariners under a subcontracted arrangement with Australian Submarine Corporation is not included in the final tally of student Contact Hours (SCH).

**Table 8.12 Comparison Non-Profile and Profile Delivery 2002-2006**

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Specif ___</td>
<td>61,746</td>
<td>93,475</td>
<td>83,768</td>
<td>78104*</td>
<td>67,614</td>
</tr>
<tr>
<td>Fee-for-Service</td>
<td>563,309</td>
<td>507,398</td>
<td>437,131</td>
<td>415569</td>
<td>607,389</td>
</tr>
<tr>
<td>Overseas Students</td>
<td>74,962</td>
<td>95,026</td>
<td>148,416</td>
<td>207445</td>
<td>64,976</td>
</tr>
<tr>
<td>ACE</td>
<td>93,122</td>
<td>62,673</td>
<td>84,653</td>
<td>60,044</td>
<td>229,691</td>
</tr>
<tr>
<td>Non-profile</td>
<td>761,242</td>
<td>570,071</td>
<td>673,438</td>
<td>761,162</td>
<td>969,670</td>
</tr>
<tr>
<td>Profile</td>
<td>3,419,298</td>
<td>3,544,878</td>
<td>3,612,644</td>
<td>3,707,596</td>
<td>3,815,542</td>
</tr>
<tr>
<td>Total SCH</td>
<td>4,180,540</td>
<td>4,114,949</td>
<td>4,286,082</td>
<td>4,468,758</td>
<td>4,785,212</td>
</tr>
<tr>
<td>% Non-profile</td>
<td>18.21%</td>
<td>13.85%</td>
<td>15.71%</td>
<td>17.03%</td>
<td>20.3%</td>
</tr>
</tbody>
</table>

* NB: Competitive Allocated Tenders 2006 included 68,428 SCH

**Explanation:** Table 8.12 and Figure 8.14 (below) demonstrate that while the extent of activity in delivering training to overseas students has experienced consistent growth, other areas such as fee for service commercial delivery and Adult Community Education activity have experienced fluctuations in their annual outcomes.
Reputation And Growth

The Specialist Training Centres have developed a strong rapport with industry and community organisations, providing customised training programs when and where their clients require them. It is anticipated that fee-for-service training delivered to clients in Western Australia; nationally and in overseas locations will remain a reliable source of substantial income. For 2007, the College aims to produce the following outcomes in Profile and Non Profile VET Delivery.
Table 8.15 - Profile and Non Profile VET Delivery 2002 – 2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Profile Delivery</th>
<th>Non Profile Delivery (1)</th>
<th>Total Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>3,419,298</td>
<td>761,242</td>
<td>4,180,540</td>
</tr>
<tr>
<td>2003</td>
<td>3,544,878</td>
<td>570,071</td>
<td>4,114,949</td>
</tr>
<tr>
<td>2004</td>
<td>3,612,644</td>
<td>673,438</td>
<td>4,286,082</td>
</tr>
<tr>
<td>2005</td>
<td>3,707,596</td>
<td>761,162</td>
<td>4,468,758</td>
</tr>
<tr>
<td>2006</td>
<td>3,815,542</td>
<td>969,670</td>
<td>4,785,212</td>
</tr>
<tr>
<td>2007</td>
<td>3,955,414 (2)</td>
<td>994,424 (3)</td>
<td>4,949,838</td>
</tr>
</tbody>
</table>

Notes:  
(1) Non-profile delivery does not include training for the Navy (submarine school) or delivery offshore.  
(2) Delivery recorded in the 2007 Delivery and Performance Agreement December 2006  
(3) Estimated Non-profile delivery included in Forward Estimates 2007

NB: Competitive Allocated Tenders won for 2007 will include a further Student Curriculum Hours Variation to the Delivery and Performance Agreement not included in the above total.

Reputation And Growth
The number of overseas students undertaking vocational qualifications in Australia has increased and Challenger TAFE has reflected this change in trend, with a steady increase in numbers.

Table 8.16 International Students on Campus 2002 – 2006

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sem 1</td>
<td>Sem 2</td>
<td>Sem 1</td>
<td>Sem 2</td>
<td>Sem 1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>61</td>
<td>77</td>
<td>90</td>
<td>100</td>
<td>116</td>
</tr>
</tbody>
</table>

Apprenticeships And Traineeships
The Minister has established annual targets for Apprenticeships and Traineeships applying a base of 1817 in the June quarter 2004 and seeking a target of 2,638 Apprenticeships and Traineeships by June 2009, with an emphasis on apprenticeships in traditional trades in the initial years.

Table 8.17 Apprenticeships and Traineeships Annual Target

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>Actual</th>
<th>% Target increase</th>
<th>% Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005/6</td>
<td>1817</td>
<td>2531</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006/7</td>
<td>2,349 (rev)</td>
<td>3238</td>
<td>10.6</td>
<td>16.4</td>
</tr>
<tr>
<td>2007/8</td>
<td>2,414 (rev)</td>
<td>2.8</td>
<td></td>
<td>34.1</td>
</tr>
<tr>
<td>2008/9</td>
<td>2,520 (rev)</td>
<td>4.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>2,638 (rev)</td>
<td>4.7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Indigenous Students
Explanation: The Minister has established annual targets for indigenous students in order to increase the number enrolled in employment related qualifications, Certificate III and above. Very successful coordination across government agencies has led to increased enrolments in 2006.
Table 8.18 Total Indigenous Students (Certificate III Level and above)

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>Actual</th>
<th>% Target</th>
<th>% Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004/5</td>
<td>206</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005/6</td>
<td>232</td>
<td>224</td>
<td>12.60</td>
<td>8.7</td>
</tr>
<tr>
<td>2006/7</td>
<td>237</td>
<td>261</td>
<td>2.15</td>
<td>26.7%</td>
</tr>
<tr>
<td>2007/8</td>
<td>252</td>
<td></td>
<td>6.32</td>
<td></td>
</tr>
<tr>
<td>2008/9</td>
<td>258</td>
<td></td>
<td>2.38</td>
<td></td>
</tr>
</tbody>
</table>

Explanation: Apprenticeships and Traineeships form an important sub category of the Indigenous student group undertaking employment related qualifications.

In 2006, increases in Apprenticeships and Traineeships at Certificate III level and above were achieved in Information Technology, Retail, Business & Office Administration, Engineering, Automotive & Construction and Horticulture & Science. Numbers in the remaining industry areas remained as for 2005.

Table 8.19 Indigenous Apprentices and Trainees (Certificate III Level and above)

<table>
<thead>
<tr>
<th>Indigenous</th>
<th>2005</th>
<th></th>
<th>2006</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Trainees</td>
<td>Apprentices</td>
<td>Trainees</td>
<td>Apprentices</td>
</tr>
<tr>
<td>Information Technology, Retail, Business &amp; Office Administration</td>
<td>1</td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Engineering, Automotive &amp; Construction</td>
<td>1</td>
<td>20</td>
<td></td>
<td>28</td>
</tr>
<tr>
<td>Horticulture &amp; Science</td>
<td>3</td>
<td>6</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Hospitality, Hairdressing, Beauty, Fashion &amp; Human Services</td>
<td>7</td>
<td></td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Maritime, Transport &amp; Distribution</td>
<td>2</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>33</td>
<td>14</td>
<td>40</td>
</tr>
</tbody>
</table>

Challenger TAFE Improvement Process

The Challenger TAFE improvement process conducts and collates the results from students’ evaluation of their training experiences.

Explanation: Students are asked to rank their experiences on a scale of 1 to 5 in four areas of their learning experience at Challenger TAFE. These areas are: Unit Content; Delivery; Assessment; and Resources.

Objective: The feedback obtained by this process is used to improve training delivery and assessment in line with the students’ expectations. It also allows College management to recognise staff contribution to achieving the College goals, where this has been recognised by students.

The volume of evaluations returned by students while declining overall (2002-2006), experienced an increase from the number received in 2005. The College’s target of evaluating 10% of delivery was achieved. During 2006 a new electronic facility was introduced which allows students to submit their feedback on line and may be a contributing factor in the upswing in the number of feedback forms received. The electronic process has provided managers with timely access to feedback. This has enabled Challenger TAFE to address concerns more quickly.
Table 8.20 Volume of Evaluations returned by students

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10351</td>
<td>8529</td>
<td>8446</td>
<td>6873</td>
<td>6971</td>
</tr>
</tbody>
</table>

The internal audit of students’ levels of satisfaction for 2006 demonstrates reduced levels of satisfaction over the four categories measured. Three of the four categories continue to measure above 80% satisfaction however the outcomes are currently being reviewed with a view to improving results in 2007.

Figure 8.21 Student Satisfaction (Internal Measure)

Customer Comments

The College’s Customer Compliments and Complaints process identifies areas for improvement and provides an opportunity for customers to identify examples of good practice. A feedback form is available in hard copy or electronically via the Internet.

Outcomes: In 2006 there was an increase in the number of customer comments received, with 259 comments submitted compared with a total of 170 in 2005. 37% of the comments submitted in 2006 were positive feedback while 31% were comments of a positive nature in 2005.

An important adjustment to the management of complaints and comments in 2006 has been the inclusion of feedback from the annual Student Satisfaction Survey conducted in 2006 by Colmar Brunton and correspondence with the Minister of Training, relating to Challenger TAFE, into the Customer Compliments and Complaints process. The number of comments addressed through the Client Services Improvement Unit has therefore increased.

The College has also committed to expanding and improving it’s complaints handling process by introducing a new data base which will improve the efficiency of capturing and dealing with all client feedback. A further enhancement to the Customer Comment process in 2006 is the development of a close out survey which is now sent to each complainant seeking feedback on how well their concerns were dealt with. These adjustments are consistent with the outcomes sought by the Department of Education and Training to ensure all complaints handling processes are speedily expedited and that customer feedback has been gained wherever possible.
The College has been certified to the ISO 9000 series of International Quality Management Standards since 1992. The accrediting agency is Bureau Veritas. The Scope of Certification approved by BV for Challenger TAFE covers “The design, development and provision of Vocational Education and Training and associated services”. The College is certified to the highest level of this series of standards; ISO 9001:2000. The College is audited twice each year and for 2006 no non-compliances were reported; however a few opportunities for improvement were suggested. The College incorporated these suggestions into its continuous improvement program. The internal audit process was improved in 2006 and continued to provide a practical approach to testing standards across the College.

**Glossary of Terms used in the Key performance Indicators**

**Census**
The student-based information gathered on the College Management Information System (CMIS) and provided to the Western Australian Department of Education and Training (WADT) periodically and at the conclusion of the academic year as specified in the Delivery and Performance Agreement. The census has a formal set of Business Rules, complies with the Australian Vocational Education and Training Information Statistical Standards (AVETMISS) and is the source of the measures of target achievement for the College. Delivery is measured in Student Curriculum Hours (SCH).

The following categories of activity do not produce SCH and are excluded from the census:
> exam only (no tuition) enrolments
> enrolments which commenced prior to 1 January of the calendar year or which were reported in a previous full year collection
> exemptions
> unsupervised field placements
> module enrolments in which no attendance or submission of work are recorded.

**Course**
Every module must be attached to a course, which usually comprises one or more modules. The same module may be assigned to more than one course.

**Delivery and Performance Agreement (DPA)**
Constitutes a Resource Agreement, as per Section 5 of the Vocational and Training Act 1996, between the Western Australia Department of Education and Training representing the Minister for Training, and the Governing Council of the College for the delivery of vocational education and training for the agreed calendar year.
Module
A unit of training, usually with a prescribed curriculum, in which a client enrolls within a course structure. Modules may or may not be assessable. All modules must be assigned to a course for enrolment purposes.

Profiled Matrix
Refers to the approved planned delivery by the College as described in Schedule 1 of the DPA. This consists of the SCH for each combination of WADT Group and WADT Level.

Student Curriculum Hours (SCH)
The nominal hours assigned to a program of study by the curriculum or, in the absence of an endorsed curriculum, by common agreement with the Western Australian Department of Education and Training’s Statistical Unit.

WADT Group
A classification of courses based on the Australian Standard Classification of Occupations and related to the occupation or outcome the course is intended to serve. This classification provides the horizontal or “X” axis of the Profile Matrix. The classification is the value recognised by the Western Australian Department of Education and Training.

WADT Level
A classification which distinguishes new apprenticeships from other delivery as Level 1 and sub-divides the remainder on the basis of the Australian Qualification Framework levels. This classification provides the vertical or “Y” axis of the Profile Matrix. The classification is the value recognised by the Department of Education and Training.
CHAPTER 9 – MANAGEMENT STRUCTURE

9.1 Challenger TAFE Governing Council

Council Membership
The members of the Challenger TAFE Governing Council who served during 2006 are listed below.

Ms Paddi Creevey (Chair) is the Mayor of the City of Mandurah. She has been involved in local government for more than ten years and chaired the City’s Planning and Development Committee for six years. She has strong interests in sustainability and community development, particularly in the Peel region. She retired from a senior social worker role at the Mandurah Community Health Centre in mid-2005. Her qualifications include a Bachelor of Social Work. Paddi serves on the boards of a number of community organisations such as the Women’s Refuge, Peel Community Legal Centre, Peel Community Development Group and WestAus Crisis. She has been appointed to the Peel Development Commission, the Local Government Advisory Board, and the Ministerial Advisory Committee for Women in Local Government and is a State Councillor of the WA Local Government Association. Paddi is also a member of Zonta International and the Mandurah Fishing Club.

Mr Kim Bailey (Deputy Chair) retired from Governing Council and the Finance Performance and Audit Committee in June 2006 but has maintained his connection with the WA Horticulture and Environmental Science Skills Centre Industry Advisory Committee. Kim was a founding member of Governing Council. He has close to 45 years of experience in the family business, Bailey’s Fertilisers, and in the field of horticulture. He is a resident of the College region and a former Rockingham City Councillor. He is also the Chair of the Turf and Landscape Industry Associations Industry Board.

**Term of Appointment: 19/01/04 – 30/06/06**

**Commodore Mike Deeks CSC, RAN (Ret’d) BA MMgmt FAICD**  
Commodore Deeks served for 32 years in the Royal Australian Navy, retiring in 2005. Service included command of three submarines and the Fleet Replenishment ship, HMAS Success. Awards include the Conspicuous Service Cross for service as the Submarine Group Commander and Senior Naval Officer, WA and the Australian Service Medal with Submarine Operations clasp.

He is Vice Patron of the Australian American Association of WA, a Councillor of the Royal United Services Institute of WA, a Governor of the Leeuwin Ocean Adventures Foundation and former President and current Board member of the Submarine Institute of Australia. Since retiring from the Navy, he has been appointed Chairman of the Board of Nautronix Ltd, a Fremantle based company involved in underwater technology. He is also working with the WA Government to develop WA-based defence industry. Commodore Deeks interests include ocean yacht racing, scuba diving, kayaking and reading. He has completed numerous offshore yacht races including four Sydney to Hobart Races.

**Term of Appointment: 1/01/06-31/12/08**

**Ms Tonya Batalin**  
Tonya has worked in a variety of positions around the world including two years in Monte Carlo, five years in Hong Kong / China, and eight years in NSW / Victoria. She has a Law Degree from the University of WA, Postgraduate Diploma in Management from the United Kingdom and fund raising certification from the Fund raising Institute of Australia. With over 20 years experience in a variety of different positions including the Australian Ballet Company, Leeuwin Ocean Adventure Foundation and the Fremantle Chamber of Commerce, Tonya has extensive experience in marketing, donor/sponsor management and strategic planning. She has a passion for education, training and youth development.

**Term of Appointment: 1/01/06-Resigned December 2006**

**Ms Melinda Bolt**  
Melinda is the Community Relations Manager at Alcoa World Alumina Australia’s Pinjarra refinery in Western Australia. Alcoa is the largest alumina producer in the world, and Pinjarra is one of the largest refineries in the world. Melinda commenced her career with Alcoa World Alumina Australia in 2001. During this time she achieved effective results in dealing with the community, government and media in the Peel region.

Prior to joining Alcoa, Melinda worked as a Visitor Interpretation specialist for the Department of CALM coordinating community workshops and delivery training sessions for tour operators, fishermen and staff to enhance the community education and interpretation program of the CALM managed estate and the Shark Bay World Heritage Property.

Melinda has a Bachelor of Arts in Public Relations and Media Studies, Edith Cowan University 1994 and was nominated as WA Public Relations Student of the Year. She has also completed Certificate IV in Management, The Effective Manager, The Open University, South Metropolitan College of TAFE 2000. Amongst her interests Melinda includes swimming, cycling, touch football, hockey and foster caring.

**Term of Appointment: 17/07/06 – 30/6/09**
Mr Stephen Cain
Stephen is the Chief Executive Officer of the City of Cockburn. Over the past 18 years he has held senior management positions in the private and government sectors and has extensive experience in logistics and management. Prior to this he served for 11 years as an Officer in the Australian Regular Army and is a graduate of the Royal Military College, Duntroon. He continues to serve in the Reserve Forces and holds the rank of Colonel.

Stephen holds a Bachelor of Arts Degree (Honours), Graduate Diploma in Information Systems and a Masters of Business Administration. He is a Fellow of the Chartered Institute of Transport and Logistics and is also a Governor of the Corps of Commissionaires, a ‘not for profit’ organisation that assists ex service personnel.

Term of Appointment: 1/01/06-31/12/08

Ms Cheryl Bridge
Cheryl has nine years experience in Vocational Education and Training and for three years was Manager of Kadadjiny Mia Centre for Aboriginal Learning at Challenger TAFE. Cheryl is currently a Program Manager Diversity and Community Development. Cheryl has represented the College on a number of regional committees including the Youth Advantage Strategy and Peel Employment Committee. As a member of the Indigenous community, Cheryl is passionate about ensuring Aboriginal people have access to the best possible training opportunities.

Term of Appointment: 1/01/2005 – 31/12/2008

Ms Helen Cattalini OAM
Helen is the Chair of Challenger TAFE’s Planning and Development Committee. She is a former Commissioner of Multicultural and Ethnic Affairs in the Government of Western Australia. She was awarded a Member of the Order of Australia Medal in 1998 for services to the community. Since 1987, she has been a Director of Helen Cattalini Consultancy Services Pty Ltd, a company specialising in social research, as well as policy and program development in government, local government and community sectors.

Term of Appointment: 01/01/06 – 31/12/08

Mr David English
David has over twenty years experience working in the Western Australian mining and resource industries. He is a degree-qualified Engineer (BE Mech.) and has completed a Masters in Leadership Management through Curtin University. David has held numerous board and committee positions as part of his active support for training and development in industry and the community. He is married with three school-aged children.

Term of Appointment: 1/01/05 – 31/12/07

Ms Liz Harris (A/Managing Director)
Liz has worked in the field of Adult and Vocational Education for the past twenty years. She has been with Challenger TAFE for seven years and has held a number of different positions over this period including Academic Manager and Director, General Manager Training Research & Development. Liz has a diverse range of experience in the VET and Higher Education sectors having spent two years lecturing and researching in the field of Adult Education at Murdoch University, and three and a half years as a National Strategy Director with the former Australian National Training Authority (ANTA). Liz has also spent five years working in VET internationally, having worked in Japan for three years, in Sri Lanka for a year and in Fiji for eighteen months. Among other post-graduate qualifications, Liz holds a Masters degree in Adult Education. Her interests and areas of research included the role of workforce learning in organisational development.

Term of Appointment: December 2006
Mr David Holland is the Chair of the Challenger TAFE Hospitality and Tourism Industry Advisory Committee. He is Managing Director of ‘Yalgorup Eco Park On The Beach’ and a Director of Brighthouse, a consultancy specialising in nature-based tourism developments. He is immediate past chairman of the Peel Region Tourism Association, past member of the WA Tourism Commission’s Industry Development Advisory Committee, and past president of the Caravan Industry Australia (WA).

Term of Appointment: 01/01/06 – 31/12/08

Mr Steve Murdoch
Steve is Chief Operating Officer at Austal Ships. He has extensive experience in Metallurgical Operations and Manufacture, as well as in Underground Mining. Over the previous eight years Steve has worked for Smorgon Steel (General Manager - Manufacturing), Mount Isa Mines (General Manager - Metallurgical Operations; and Maintenance Manager - Metallurgical Plants) and Oaky Creek Coal (Underground Mine Manager - Oaky Creek North Long Wall Recovery; and Surface Manager). He has a Bachelor of Engineering (Metallurgy) University of Queensland 1988 and a strong interest in the area of traineeships and apprenticeships.

Term of Appointment: 1/01/06-31/12/08

Mr Wayne Murray returned to Governing Council after a period working in international markets. He is self-employed and has completed work recently in Indonesia, China and Papua New Guinea. Wayne has many years experience in the petrochemical, refining and logistics industries. He has a working knowledge of Indonesian, Tagalog and Mandarin and has a Trade Certificate (Turner Iron Machinist), a BA in Training and Development and is an accredited Workplace Trainer/Assessor.

Term of Appointment: 1/01/05 – Resigned May 2006

Mr Rod Ogilvie
Rod is a Yamatji man from Naanda Country in Western Australia’s Murchison. He has a Masters in Social Policy and Research and a Bachelor Arts in Adult Education from the University of Technology Sydney. His other qualifications include a Certificate IV in Assessment and Workplace Training (BSZ 40198), Reach Trainer Respecting Ethnic and Cultural Heritages, Department of Community Services NSW, Child Protection Officer, Aboriginal Foster Care’s Training and Community Development Programs, Australian Health Consultancy Services Occupational Health, Safety & Welfare Training, West Australian Institute of Technology Aboriginal Liaison Officers course, Community Services Training College working with committees and community and Residential Child Care Certificate. He has wide knowledge on social issues and a strong commitment to social justice. This is evidenced by his extensive networks, established over many years of community work; in Perth, the Kimberley’s, and the Hunter and Riverina regions of New South Wales.

Since returning to Western Australia in 2002, he has been involved in several areas of work delivering Certificate III courses at Acacia Prison, and Nyoongar / Swan patrol. These courses were sponsored by Community Youth Training Services

Term of Appointment: 3/10/06 – 30/6/09
Mr Rob Player (A/Managing Director)
Robert was A/Managing Director Challenger TAFE from March to December. He came from New South Wales originally to join the Department of Training in 2000. In NSW Robert had over 20 years experience in TAFENSW in teaching, college management and head office positions. As a member of the Committee appointed to review the WA training sector in 2002, (The “McRae Review” - ‘Review Of The Training Sector: Positioning The Training Sector For Excellence’), Robert played a significant part in the reform of vocational education and training in WA. He has represented the WA position as member of a number of National Task Forces and Committees including: the Ministerial Council on Education Employment Training and Youth Affairs (MCEETYA) Task Force – ‘Transition from School’; the Steering Committee on the ‘Report to the National Training Quality Council VET in Schools and the AQTF’; and the NTQC Committee - High Level Review of Training Packages. Within WA, Robert has contributed to a range of State Committees, Reviews and Taskforces, including the Committee appointed to review the interface between the Western Australian Departments of Education and of Training, (The “Tannock Review” - ‘Review of the Interface Between Education and Training In WA’ 2002). Robert is a member of the Western Australian Curriculum Council, and Chair of the Western Australian ACE Advisory Committee. Robert moved to the role of acting Deputy Director General Department of Education and Training in December.

Term of Appointment: March – December 2006

Mr Rasa Subramaniam OAM, JP
Rasa arrived in Australia in 1968 and is Senior Medical Imaging Technologist at Fremantle Hospital. He was the first Asian to be elected to Local Government in Western Australia in 1991. Since its inception, Rasa has been a member of the Multicultural Advisory Committee of the City of Melville. On Australia Day in 1995, he was awarded Citizen of the Year by the City of Melville, as well as a Medal of the Order of Australia for his services to multicultural organisations, the Tamil community and local government. In 2003, he was awarded the Centenary of Federation Medal for his outstanding contribution to the promotion of multiculturalism. He is also a member of the Western Australian Council for Safety and Quality in Health Care.

Term of Appointment: 1/07/06 – 30/06/09

9.2 Challenger TAFE Executive
Ms Liz Harris (General Manager Training Research and Development to Dec 2006) has a Bachelor of Arts (Literature & Media), a Graduate Diploma in Applied Linguistics, a Graduate Diploma in Adult and Tertiary Education and a Master of Education degree. Liz is the General Manager Training, Research and Development and was previously a Training Director in the College. Liz has an extensive and diverse background in the field of vocational education and learning in post-secondary sectors, having worked at the national level with the Australian National Training Authority (ANTA) for three years, as well as in the university sector.

Mr Neil McAullay (General Manager Business Services) has a Diploma in Public Administration and has been responsible for corporate services at Challenger TAFE for approximately 12 years. Prior to that he occupied a senior manager role with the WA Public Service Commission with responsibility for organisational development and human resource management issues.

Mr Jan Lipiec (General Manager Client Services and Communications) has a Bachelor of Business and a Masters of Business Administration. Having spent most of his customer service career in the private sector, including ten years with Qantas Holidays, Jan joined the WA Public Sector in 2000. Commencing his public service at the Department of Transport as Director, Customer Service, Jan then joined Challenger TAFE in 2003. In addition to his passion for effective client service delivery, Jan has experience in marketing and business management.

Ms Cheryll Meade (General Manager Teaching and Learning) has a Bachelor of Applied Science (Mathematics), Graduate Diploma in Education and Statements of Attainment for Assessment & Workplace Training. Cheryll has extensive experience in the education sector including Curriculum Manager at the Curriculum Council and executive roles for the Ministerial Review into the Interface between Education and Training (the Tannock Report) and the Department of Education & Training’s review of the educational needs of 15 to 19 year olds in WA. Cheryll resigned October 2006.
Ms Jill Jamieson (General Manager Teaching and Learning) has a Bachelor of Applied Science (Mathematics), Graduate Diploma in Education and Graduate Diploma in Computer Science. Jill has extensive experience in the field of vocational education and training sector, specialising in building organisational capacity to deliver innovative and flexible customer focused training solutions. From 2004 to late 2006, as the Director of Peel Regional Training Services, Jill worked with key industry and government stakeholders to implement an integrated workforce development plan for the Peel Region. At a national level, Jill has managed a number of Australian Flexible Learning Framework projects and in 2002 undertook a Flexible Learning Leader scholarship.

Mr Rob Meecham (Director Business Development) has worked in the Commonwealth Public Service, the trade union movement, Curtin University and for a mining company before joining Challenger TAFE. Rob has been involved with Indian Ocean region countries and development issues throughout his career, particularly in his role as Associate Director of the Indian Ocean Centre at Curtin University. Rob has an Arts degree with a major in Economics from UWA.

9.3 Staff of Challenger TAFE
The Table below shows both the number of Full Time Equivalent and persons paid for the pay period ending 30 November 2006.

Table 9.3 Staff of Challenger TAFE
FTE and Head Count As at 30 November 2006

<table>
<thead>
<tr>
<th>Group</th>
<th>Head Count</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecturing staff</td>
<td>241</td>
<td>225.18</td>
</tr>
<tr>
<td>Academic Support</td>
<td>75</td>
<td>65.61</td>
</tr>
<tr>
<td>Academic Management</td>
<td>26</td>
<td>25.2</td>
</tr>
<tr>
<td>Support Staff</td>
<td>162</td>
<td>142.67</td>
</tr>
<tr>
<td>Split</td>
<td>11</td>
<td>9.1</td>
</tr>
<tr>
<td>Other</td>
<td>13</td>
<td>10.43</td>
</tr>
<tr>
<td>Casuals (Lecturing/Non Lecturing)</td>
<td>397</td>
<td>163.16</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>925</strong></td>
<td><strong>641.35</strong></td>
</tr>
</tbody>
</table>
CHAPTER 10 - CUSTOMER FOCUS

Australian Centre for Energy and Process Training

Visage Training Centre for Health & Lifestyle

Information Technology & Business Skills Centre

WA Centre for Leadership & Community Development

WA Maritime Training Centre – Fremantle

WA Applied Engineering & Shipbuilding Training Centre

WA Horticulture & Environmental Science Skills Centre

WA Wool Technology Training Centre

Community Services Training Centre

Quinlan’s Hospitality & Tourism Training Centre

Centre for Adult Education

Specialist Training and Support

Kadadjiny Mia Centre for Aboriginal Learning

Peel Education and TAFE Campus
10.1 Client Services, Client Relationships and Infrastructure Support

10.1.1 Client Services

This service area continued to expand the range of support available to students, industry and community clients through flexible, transparent processes that are as much as possible client focused and client managed.

Major outcomes for 2006 were that:

• The college established the Fremantle Career Development Centre, a career advisory service co-located with the Fremantle Chamber of Commerce. The Centre operates in partnership with industry to assist in addressing skills shortages. To further enhance the industry focus of the service a steering committee comprising industry representatives was established to provide advice on input to the Centre’s operations. The Centre’s focus is to provide a one-stop-shop for a broad range of career management services with the twofold aim of: assisting people to access training pathways and career management support; and assisting local industry to address current skills shortages.

• An inaugural Fremantle Jobs Expo, was conducted in partnership with the Fremantle Chamber of Commerce and was sponsored by local businesses. The Expo is intended to be the first of a series of such events in the region. During the two-day event in October 2006 over 42 organisations with more than 200 positions immediately available were brought together with more than 650 visitors/job seekers. A significant number of participants achieved employment outcomes.

• An increased effort by the college to address the needs of less advantaged population groups who would have been traditionally disassociated from training and career pathways has now generated new demands on college support services. A new Student Support section has been formed and structured to provide staff with expertise and the appropriate resources to respond effectively to students during episodes of crisis. Timely responses to these crisis episodes will improve the likelihood of the students’ achieving successful training outcomes despite experiencing temporary but debilitating personal difficulties during their training.

• A Mentoring Program for Overseas Students has been introduced to provide additional support for recently arrived overseas students. Under this program established students are linked with the new students to provide relevant advice and guidance based on first-hand experience thereby facilitating the successful transition of the recent arrivals into the College and local community.

• A new student electronic access to college records and facilities, and changes to the enrolment and student information processes were introduced in 2006. The Student Portal, as the service is titled, provides students with increasingly flexible services that enables them to enrol, access their results, apply for their certificate or diploma and change details on their personal records.

• An on-line customer feedback was developed to allow students to provide evaluations of their courses on-line. The feedback is processed and immediately available to lecturers and academic managers through electronic reports. The feedback has sped the process of making adjustments and improvements to courses.

• A Customer Service Charter was initiated to focus staff on client requirements. Outcomes are now measured and acted upon.

• An integrated career development service shop front that includes a Skills Recognition Service was established in 2006. To trial the Skills Recognition processes the Centre participated in a successful Trade Recognition pilot project that has introduced improved methods of skills recognition.

• The Learning Resource Service completed the introduction of the Voyager library management system, integrating with the library services across the TAFE sector and improved management of learning resources. Students can access more easily, the expanded range of information sources.
10.1.1 CareerConnect, Jan-Nov 2006

This is the second year of operation for CareerConnect. Data indicating the progress of the business unit in 2006 to the end of November is contained in the table below.

Table 10.1 CareerConnect 2006 Outcomes January - November 2006

<table>
<thead>
<tr>
<th>Activity</th>
<th>Target</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job vacancies lodged with CareerConnect</td>
<td>275</td>
<td>453</td>
</tr>
<tr>
<td>Employers who had registered positions with CareerConnect</td>
<td>220</td>
<td>326</td>
</tr>
<tr>
<td>Students registered with CareerConnect</td>
<td>550</td>
<td>577</td>
</tr>
<tr>
<td>Students into Job Placements through CareerConnect</td>
<td>60</td>
<td>77</td>
</tr>
<tr>
<td>Student referrals, direct to employer</td>
<td>165</td>
<td>423</td>
</tr>
<tr>
<td>Referrals, emails to students</td>
<td>2,750</td>
<td>15,200</td>
</tr>
<tr>
<td>Individual Career advice sessions conducted</td>
<td>220</td>
<td>300</td>
</tr>
<tr>
<td>Class workshops conducted</td>
<td>88</td>
<td>69</td>
</tr>
</tbody>
</table>

10.1.2 Client Communications

This service area comprises marketing, course information and prospective student advisory staff and their 2006 outcomes included the following.

Major outcomes for Client Communications in 2006:
- organised Challenger TAFE representation at Careers Choice Expo, Burswood, the Peel Career Showcase and the Careers and Education Expo at the Perth Convention Centre. In addition, Rockingham Campus hosted 12 schools and over 1,100 students from the Kwinana Industries Education Partnership. Prospective Student Advisers conducted 108 school liaison visits and 1,417 individual career guidance appointments, all of which generated over 1,800 full-time first preference applications for Challenger TAFE in 2007.
- co-ordinated the 2006 Challenger TAFE graduation ceremony of graduates from 2005, held at the Esplanade Hotel Fremantle. More than 1,000 guests attended, including 200 graduates.
- co-ordinated a range of publications, including the College’s regular newsletter Seven Waves, new corporate brochures and display materials for eleven training centres, and over 220 flyers, brochures, postcards and invitations to College events and as specialist training centres’ publicity. Other corporate materials produced included a new look 2007 Career Prospectus and promotional materials; layout and printing of the Annual Report; production for a Defence Industry Taskforce report; and of a Challenger TAFE VET pathways publication for schools for 2007.
- placed over 600 advertisements, generated 166 media stories and assisted in 30 corporate and centre events. The division also manages the college website which this year attracted over 436,000 visits, a 50% improvement from 2005.
- our Prospective Student Advisers conducted 108 school liaison visits to 45 secondary schools and 1,417 individual career guidance appointments.

10.1.3 Campus Services

This area of service delivery has continued to provide support to all areas of the college including students, through facilities management, campus bookshops, cashiering services, and managing and monitoring Occupational Health and Safety matters at a local level.
Outcomes for 2006 have included:

- Completion of the fit-out of the Capo d’Orlando site to allow for the WA Maritime Training Centre - Fremantle to improve access to, and security of, their training vessels berthed there.
- Completed the fit-out of offices in the Chamber of Commerce building to house the Fremantle Career Development Centre.
- Completed the relocation and reappointment of the Bookshop at the Rockingham Campus.
- Completed works for the creation of an e-Link Centre in the Administration areas of Fremantle and Rockingham Campuses so students can access on-line facilities.
- Finalised the fit-out of joint facilities at the Murdoch campus for the following student support programs: CareerConnect, Student Services, Disability Services and an International Student Office.
- Refurbishment of a seminar room at Murdoch campus and installation of additional shade gazebo areas in the student courtyard at Rockingham Campus.
- Provided support and advice on provision of utilities, security and the management of Occupational Safety and Health issues for the construction of the initial Wet Trades Facility at Peel Education and TAFE Campus

10.2 Teaching and Learning

10.2.1 Teaching and Learning Team

In 2006, the Teaching and Learning Directorate supported a range of products and learning and development opportunities for lecturers, to allow them to provide high value training and assessment services

Outcomes for 2006 include the following activities:

- establishment of Teaching and Learning Campus Mentors at the five major campuses to enhance and support workplace learning opportunities for lecturing staff at the local level, including sharing and disseminating of quality teaching, learning and assessment materials
- design and provision of different delivery options for lecturers to complete a Certificate IV and/or Diploma of Training and Assessment allowing 56 lecturers to access the program
- to enhance teaching strategies and classroom management of young people, 19 lecturers participated a learning project undertaking Instructional Intelligence design training
- provision of more than 130 different learning and development events designed for Challenger lecturers and coordinated by the Teaching and Learning Division
- co-ordinated programs through Kadadjiny Mia: Centre for Aboriginal Learning for Indigenous students off-campus in culturally appropriate settings close to public transport and where the programs were modified to suit individual learning styles, and included additional literacy and numeracy support
- consulted widely with TAFEWA practitioners, WA Department of Education and Training representatives and the WA branch of the Australian Education Union, to determine the capabilities required of educational leaders for the TAFE sector, in developing a TAFEWA Lecturers Qualification Framework. Once endorsed by stakeholders, these capabilities were developed into competency standards and included in new vocational graduate qualifications in educational leadership.
- designed and implemented a Reframing the Future project around Recognition of Prior Learning (RPL), working with VET practitioners to identify current RPL research and how findings might be applied to industries relevant to Challenger TAFE’s Industry Training Centres.
- researched, developed and piloted a Mobile Technology initiative involving training programs content and assessment accessed through mobile technology devices. These were designed to be used either on campus or in workplaces.
- designed and implemented a Web 2.0 technologies project to assess the potential of a range of new web tools for e-business and e-learning both on- and off-campus
10.2.2 Curriculum Services
This Unit has had a very busy year with an increase in the number of applications to the Training Accreditation Council (TAC) on behalf of the College and the Curriculum Services and Support Network (CSSN). The total number of applications to TAC in 2006 was 263, compared with 122 in 2005 and 151 in 2004.

These comprised:
• accreditation of courses: 13
• extensions of accreditation: 18
• registration of qualifications within existing scope: 69
• extensions to the Scope of Registration: 10
• changes to delivery locations [additions and deletions]: 53
• formal removal of qualifications from scope: 100

Curriculum Services has also provided support for the update of information in the Products and Services Catalogue [PSC] that is the main source of on-line course information for prospective students.

The Primary Industry and Personal Services CSSN is located above the library in Beaconsfield. The CSSN provides advice and curriculum support to a State-wide network encompassing 33 industry areas in WA. Key activities this year have included:
• re-accreditation of the New Opportunities for Women; Wider Opportunities for Work; and Gaining Access to Training and Employment access and participation courses on behalf of the WA Department of Education and Training
• an outreach program to enable visits and a professional development program for regional and remote colleges
• implementation of Trade Reforms in Hairdressing and Primary Industry

10.3 Business Services
Business Services supports and enables Challenger TAFE’s core business to provide high quality training delivery services to industry, the community and individuals.

The following activities formed the core of Business Services work for 2006:
• implementation of the Challenger TAFE Sustainability Action Plan;
• implementation of the Workforce Management Strategy
• implementation of the Risk Management Program
• implementation of assets management
• exercising a watching brief on the major capital works programs projects involving, Kwinana Automotive Centre and the Australian Centre for Energy and Process Training
• Coordinating the College roll-out of Voice Over Internet Protocol telephony
• re-engineering local services in response to the migration of Finance and Human Resources functions to Shared Services.

10.3.1 Human Resource Management and Development
This area of College activity responds to four Challenger TAFE strategic goals:
• providing industry driven training and related services to skill the workforce;
• building and maintaining a viable training organisation in a competitive global training market;
• being an employer of choice, and
• continuously improving our business processes.

Important outcomes during 2006 were:
• successfully transferring operational processes such as payroll into the Education and Training Shared Services Centre;
• implementing a new chemical inventory management system (ChemWatch);
• revising the Challenger TAFE Staff Diversity and Equity Plan;
• developing new recruitment documentation for senior managers, in line with the Government’s Leadership Capability Framework;
• developing an Indigenous Recruitment Program with the College’s Kadadjiny Mia Centre for Aboriginal Learning, and
• conducting the annual College awards program, which recognises the importance of roles and voluntary efforts of more than 100 employees in such essential activities as fire wardens and first aid officers.
In moving towards the college goal to become an employer of choice, the Human Resources business unit worked on the following strategies:

- the development of an Indigenous Recruitment Program to attract indigenous Lecturing Cadets, adult and school based indigenous trainees and the placement of indigenous people in mainstream college positions;
- the development of additional Family Friendly policies for example, the Working from Home Policy;
- encouragement of management practices that support flexible working arrangements: that is, flexible working hours, part-time work, job sharing, working from home and a purchased leave scheme;
- the Staff Recognition Award process involving more than 100 staff, including eight staff who obtained College Scholarships and 43 who were nominated for an Award, based on their work achievements in 2006;
- the development of a Leadership Development/Succession Planning Program;
- the implementation of the ChemWatch system as the College's principal hazardous chemical inventory and management system.

The Human Resources business unit worked on the following strategies to address continuous improvement and the efficiency and effectiveness of our business processes:

- the development of new processes to support the implementation of a central shared service for transactional-based payroll and recruitment functions;
- enhancement of the Executive Information System to provide managers with HR information to support improved management of their staff; and
- the development and introduction of HR electronic forms and approval processes.

In 2007, the section will work on providing managers with a range of improved business solutions and additional tools.

10.3.2 Information Systems

Information Systems addressed a range of core activities to improve communications facilities and business tools for improved outcomes for staff and students. The business unit:

- increased the net fleet of computers and computer labs available at Challenger TAFE, as well as injecting over 200 new computers and 10 new file servers into the environment;
- expanded the College information systems environment to new sites, to facilitate greater collaboration and sharing of resources by staff and students;
- supported the continued use of technologies and implemented new technologies in both the classroom and administrative areas;
- undertook a pilot study into the rollout of Blackberry handheld devices, to allow access to corporate email anywhere / anytime.
- expanded the work from home solutions available to staff;
- provided improved access and quality of imaging resources for all staff and students by extending the number and connect up of Multifunctional Devices.
CHAPTER 11. OUTPUT REPORTS

11.1 Quinlan’s Hospitality & Tourism Training Centre

In 2006 Fremantle Hospitality and Tourism Training Centre changed its name to Quinlan’s Hospitality and Tourism Training Centre, with the kind permission of the Quinlan family and in recognition of the historic role of the Quinlan’s family in providing hospitality services in Fremantle in earlier days; and of delivery of Hospitality and Tourism training in locations in addition to Fremantle.

Public recognition given to our students and the Centre in 2006
- A Silver Medal was awarded to apprentice Ms Toia Miorada in the Cookery Competition within the National World Skills competition.
- Staff member Mr Leo Smith worked as mentor to World Skills Cookery competitor Ms Toia Miorada in the interstate competitions.
- Quinlan’s on High received the Fremantle City Council’s “Fremantle Friendly Award” Category: Access and Inclusion for the training café’s role in fostering people with a disability in the workplace, and providing helpful service to customers with a disability.

2006 Summary of Key Outcomes
- Quinlan’s on High training café in High St Fremantle has an average of 80 customers a day, plus catering for functions.
- Quinlan’s Galley (cafeteria) at the Fremantle Maritime campus included students gaining ‘live work’ experience, using the Galley as training ground for a Work-for-the-Dole program and to provide other students with cafeteria management experience.
- With the co-operation of the Hygiene Officers of the City of Mandurah, a “Food Handlers Hygiene” course was identified and delivered flexibly on-line using CD ROM technology for students to access learning materials. After an industry trial it has received an official thumbs up! At the program’s public launch, a number of other stakeholder groups expressed interest in the Centre customising a program to address their particular requirements.
- Using mobile technologies, the Centre staff developed new assessment tools for providing Recognition of Prior Learning services to already skilled people in their workplaces who were seeking formal endorsement of their capabilities. The model will now be trialled to provide Trade Certificate Skill Recognition for skilled but unqualified workers.
- By re-packaging short courses in second semester the Centre achieved fewer course cancellations and improved commercial revenue by $5,000.
- Global Recruitment recognised the quality of our Hospitality graduates by granting one of its four available scholarships worth $8,000 to one of our Diploma students (current or recently graduated)
- Quinlan’s Restaurant on the Fremantle Campus was a finalist in the State Gold Plate competition, achieving a second place on this occasion. Having won the first Gold Plate awarded within the ‘training restaurant’ category, the restaurant has been in the finals in the two subsequent years.
- Two Hospitality students were awarded the two available ALCOA scholarships for Challenger TAFE students in 2006.
- Based on planning in 2006, in 2007, the Centre will adopt new approaches to delivering training to apprentices and assessing their skills, both in the workplace and when they attend TAFE, in response to the new shortened two-year apprenticeship.
- Approximately 100 industry representatives attended each of two successful graduation and showcasing programs for Hospitality Diploma students, providing additional industry networking opportunities for the students.
- The Centre doubled the level of training provided to DCDM Business School Quatre Bourne, Mauritius resulting in $9,000 turnover; and negotiated the curriculum development and training delivery for a barista program for early in 2007.

11.2 Community & Health Services Training Centre

The community services section has worked hard in 2006 to expand their offerings in the Peel region in the skills shortage areas of aged care and child care, and to build a training website as a platform for workplace training in the future.

2006 Summary of Key Outcomes
- Introduced Certificate III in Children’s Services training in the Peel region;
- Developed and opened a Training Nursery facility at the Peel campus using micro chipped ‘babies’ to enhance students skills within the Child Care Training Package;
• Delivered training for the first time in a ‘Career Combo’ course at Peel, developed in partnership with Murdoch University, doubling the number of students in the Peel region undertaking Aged Care/Nursing training;

• Delivered training for the first time in a ‘Career Combo’ course at Rockingham in Teacher Assistant/Early Childhood Education Career Combo, in partnership with Murdoch University;

• Launched a training website as a platform for workplace training in the future;

• Over 600 full time students were assessed in the workplace to ensure that they are work-ready;

• Created a training ‘aged care suite’ for aged care training at Rockingham;

• Developed successful fee-for-service course in ‘preparation for teacher assistant’;

• Trained over 600 students in First Aid.

11.3 Visage Training Centre for Health & Lifestyle

The Visage Training Centre for Health and Lifestyle consists of Hairdressing, Fashion, Beauty Therapy, Sport and Fitness, Remedial Massage and in 2006 we registered Health Science and Enrolled Nursing, scheduled to be delivered in 2007. Staff worked collaboratively across the six Industry areas, with Fremantle Campus as the primary delivery site.

Public recognition given to our students and staff of the Centre in 2006

• Ms Toni Sander received a Student Fashion Award for Clothing Design in the category ‘Garment Construction’ The prize was donated by Charles Parsons Pty Ltd.

• Ms Tina Tantya received a Student Fashion Award for Clothing Design in the category ‘Innovative Design’ for a particular target market. The prize was donated by Martin and Savage Pty Ltd.

• Ms Tina Tantya and Ms Jessica Frood were the two Student Fashion Designers chosen to present their clothing ranges at the Fremantle Fashion Festival 2007. The awards were sponsored by the City of Fremantle and the Fremantle Chamber of Commerce.

• Lecturer Ms Heather Slaven 2006 was a nominee for the Premier’s Teaching Award and was Semester 1 Challenger TAFE winner.

• The Connections to Living and Learning Program for people with Schizophrenia and Bipolar Disorders, with its Coordinator Dr Suzette Thompson, Winner of the WA Mental Health Good Outcomes Award – 2006.

• Fitness Lecturer Ms Margaret Rhodes was awarded the WA Fitness Leader of the Year and the National Fitness Leader of the Year.

• Lecturer Ms Nicola Ruane from Remedial Massage was appointed to the National Australian Association of Massage Therapists Board.

2006 Summary of Key Outcomes

The Visage Style Team was formed from students in Beauty and Hairdressing. The team very successfully provided make-up and hair styles for a variety of functions and organisations in 2006. Including:

• Fremantle’s Fashion Week for the garment models showing the local industry clothing ranges;

• Fremantle Chamber of Commerce for the garment models The West End academy who showing a clothing range theme, For a Dance, from local fashion designers.

• The Challenger TAFE Certificate IV fashion students’ graduation fashion parade, showcasing the students clothing ranges. Three hundred and fifty people viewed the work of 15 graduating students.

• Short cuts point of sale software was customized to allow for Visage Live works Clinic bookings (Beauty, Hairdressing and Massage) at all locations.

• Eleven indigenous students gained a qualification in Certificate II in Nail Technology, funded through a Department of Education and Training Competitively Allocated Tender.

• Developmental work on a School Apprentice Link Program for Beauty and Hairdressing was completed to allow the program to commence in 2007;

• Fee for Service programs for a Certificate III in Beauty Services, a Certificate II in Nail Technology, a Certificate II in Make-up services Development and Implementation of Beauty were developed for people in the Peel region and proved extremely popular.

• The section participated in a trial audit in anticipation of the implementation of the new National Australian Qualification Framework to be rolled out in 2007. The visiting panel was impressed with the Beauty Clinic’s industry focus.

• The Hairdressing section at Fremantle Campus has had its premises revamped and updated to more accurately reflect the industry standard.
• Lecturers from the Beauty section were funded to attend the Hair and Beauty Expo in Melbourne to gain up to the minute information on current products and practices.

• With Central TAFE Beauty section, Challenger TAFE’s Beauty section jointly staffed a booth at the Hair and Beauty Expo in Perth.

• A research project was undertaken by Ms Yvonne Cilia to explore industry needs in Beauty Therapy and to ascertain the job outcomes of student graduates from Challenger TAFE who had completed the Diploma of Beauty Therapy. Due to the effectiveness of the information gained, similar projects are now being undertaken in the regional TAFEWA Colleges.

• The Health section undertook the mapping of a Diploma of Enrolled Nursing planned to commence in 2007. This project was undertaken with Notre Dame University and Fremantle Hospital.

• The Health section undertook the mapping of Diploma of Nursing outcomes to the skills and knowledge contained within the Bachelor of Nursing for Notre Dame University.

11.4 Information Technology & Business Skills Centre

Public recognition given to our students and staff of the Centre in 2006

• Ms Tama Williams from Hamilton Senior High School was awarded Bronze Medal for Business Services in the national World Skills Australia 2006 VET in Schools Competition. Tama’s program was auspiced by Challenger TAFE.

• Staff member Ms Marilyn McCutcheon from Office Administration and Technology was the Chief Judge for the World Skills Australia 2006 VET in Schools Competition.

2006 Summary of Key Outcomes

This year the workforce attracted many school leavers. This led to a downturn in demand for state funded College based training. The Centre was prompted to implement the following initiatives:

• Developed marketing materials for traineeships; achieving 25,825 Student Contact Hours, a 57% increase overall in Employment Based Training enrolments for 2006, including a 30% improvement in IT traineeships.

• By initiating greater industry engagement, the Centre was able to increase the level of training delivery that involved skills recognition. 1,270 Student Contact Hours of skills recognition in IT and above 17,500 Student Contact Hours in the Business area has demonstrated that the strategy presents us with significant opportunities.

• Expanded the range and quantity of training delivered using flexible delivery options; extending the flexible learning model used by the Business section to Rockingham and Peel Campuses.

• Established industry partnerships with Deskside Computing to enable Certificate III and IV students to undertake work experience opportunities with the company. The relationship with Deskside Computing will extend to include providing work experience for Marketing and Office Administration students in 2007.

• A further opportunity was negotiated with Lenovo to provide remote access network problem solving training for Certificate IV and Diploma level students and fee-for-service training to schools purchasing IBM computers and software solutions from Lenovo, opening a growth in the Centre’s commercial delivery in 2007.

• Provided training to Regional Access Centres in the Peel region at Boddington, Waroona, Pinjarra, and Serpentine/Jarrahdale;

• Maintained and strengthened international partnerships in Mauritius with DCDM Business School Quatre Bourne, Mauritius and Swami Dayanand Institute of Management, Pamplemousses, Mauritius (SDIM) to ensure that ongoing enrolments continued for 2006 and into 2007. Other divisions within Challenger TAFE are now in negotiation with DCDM Business School to implement similar contracts.

11.5 Defence & Resources

In late 2006 the Defence and Resources portfolio was split so that Construction and Transport formed an additional division. The WA Applied Engineering & Shipbuilding Training Centre and state funded training conducted on behalf of the Australian Centre for Energy and Process Training sit within this division.

The buoyant economy has ensured a high demand for workers in traditional trades as well as for Shipbuilding. Henderson Campus works in close partnership with key stakeholders to address the workforce development needs of the Defence Industry in Western Australia. This Training Centre is within the Australian Marine Complex at Henderson, co-located with the defence industry, to provide relevant, responsive and accessible nationally accredited training to meet industry needs.
Public recognition given to our students and staff of the WA Applied Engineering & Shipbuilding Training Centre:

- A Workpac Engineering Scholarship for 2006 was awarded to Mr Brodie Smith (Mechanical Drafting);
- A Workpac Engineering Scholarship for 2006 was awarded to Mr Earl Aguiar (Civil Engineering);
- A Source Personnel Engineering Scholarship for 2006 was awarded to Mr Jacob Duncan (Mechanical Drafting);
- Lecturer Mr Brian Jenkins from the Metals section Rockingham led the Metals team of mentors and competitors for the National World Skills Australia 2006 competition.

2006 Summary of Key Outcomes
The Defence and Resources section focus has been in aligning with industry requirements and to this end the Centre has strengthened its industry partnerships. Some of the important outcomes for 2006 include:

- Four employees of Austal Ships currently lecturing Challenger TAFE students and supporting apprentices are also undertaking a Certificate IV Training and Assessment qualification.
- Increased delivery of "Fast Track" apprenticeships to those who have been in the industry for some time and have no formal lecturer qualifications in the following: Metal Fabrication, Mechanical Fitting, and Marine Fit Out.
- Identified skills gaps and completed staff development in Numerical Control machining training for Fitting and Machining lecturers for increasing their skills in computer-controlled lathe or milling machine operation. This Lecturer Technical Skills Project formed part of a WA Department of Education and Training funded program.
- VET for Schools and School Apprenticeship Link programs successfully run in the Metals areas, boosting employment outcomes in the region.
- Phased approach to training delivery in ship construction using Ship Constructor technology, including the development of computer assisted design based delivery.
- A Junior Trade Assistant program was developed and conducted from Semester 2 for the Shipbuilding Industry.
- Development of a Welding "up skilling" program initiative using flexible delivery mode has been designed to allow shipbuilding industry existing workers to upgrade their skill to meet industry requirements.

11.6 Construction & Transport
In late 2006 the Defence and Resources portfolio was split so that Construction and Transport formed an additional division.

Public recognition given to our students and staff

- 2006 National WorldSkills Australia Gold Medal winner Mr Dale McMullen (Automotive Mechanics);
- A Source Personnel Engineering Scholarship for 2006 was awarded to Mr Shane Carey (Electrical Drafting);
- Lecturer Mr Shaun Holland from the Automotive section Fremantle mentored competitor Mr Dale McMullen (Automotive Mechanics) for the national World Skills Australia 2006 competition.

2006 Summary of Key Outcomes
Construction and Transport looks forward to the completion of the Kwinana Automotive Training Centre to be located within the Kwinana Education Precinct. It will provide a training facility for students in 2008.

- Three new Construction industry School Apprenticeship Links (SAL) programs were developed and delivered, producing excellent employments outcomes for the students and industry.
- A new Bricklaying apprentice program provided industry with a flexible day release model that provided for 600 additional hours of work availability for the 50 apprentices who were able to fast track their course. All Challenger TAFE Bricklaying apprentices finished their training in September and were able to return to full-time work, to assist in addressing worker shortages in the construction industry.
- The Construction Business Unit completed the development of new skills assessment tools for Whole of Trade Assessment. These have now been integrated into all new commencing apprentice programs to formalise a fastracking process to allow students in the construction trade areas to finish their training more quickly and return to full-time work, and so assist in addressing worker shortages in the construction industry.
• Completed new Migrant Assessment and training program for overseas trained plumbers to allow quick progression into the Australian Plumbing industry at trade level. This was funded through the Overseas Qualifications Unit.
• 23% increase in Electrical trades apprentices;
• Increase in the number of Automotive apprentices in the Peel region, applying a different model for training and assessment.
• An indigenous students’ pre-apprenticeship program was conducted for PEEDAC Pty Ltd a not-for-profit Aboriginal corporation that administers Community Development Employment Projects for Noongar people in the Perth region. Outcomes were very positive with six students completing the program and 50% moving to employment.
• In response to financial incentives provided by the State and Commonwealth governments, the Automotive section increased their training in LPG conversions.

11.7 WA Maritime Training Centre – Fremantle
The WA Maritime Training Centre-Fremantle comprises Fishing and Aquaculture, Marine Operations and Engineering and the Aquaculture Development Unit, an applied technology research centre. The division was fortunate to add a Marine Operations Centre in Capo D’Orlando Drive, within the -Fremantle Fishing Boat Harbour complex, to its facilities. Funded by the WA Department of Education and Training, the facility contains a classroom and change rooms and is a shared arrangement with South Fremantle Senior High School.

Public recognition given to our students and staff
• Four students were awarded China Classification Society Scholarships for training Marine Engineers: the scholarship recipients were Mr Glen Hair, Mr Ben Luxmoore, Mr Peter Maddocks, and Mr James Ogborne.
• Aquaculture Development Unit was recognised nationally and received a Recfish Award in the category Best Recreational Enhancement Project for the Unit’s work in re-stocking the Blackwood River and providing water quality and temperature measuring and monitoring of the introduced stock populations.
• Aquaculture Development Unit staff member Greg Jenkins was appointed to the Board of the WA Aquaculture Development Council.

2006 Summary of Key Outcomes
• A total of 4,692 community members completed their Skipper’s Ticket in 2006. Sixty-three affiliated providers assisted in delivering training and practical assessments, operating as College Agents, each was registered with the Department of Planning and Infrastructure as the licensing authority for the Recreational Skippers’ Ticket.
• A partnership with the Maritime Union of Australia provided targeted funding of $125,000 through the WA Department of Education and Training annual funding agreement to provide a National Training Needs Analysis of skill requirements of maritime workers, the provision of crane training courses and commencement of a variety of other training programs, to provide a wider skill set for deck hands and related workers, particularly when they return to shore based employment. The program has been extended into 2007.
• A total of $105,000 was awarded by stakeholders towards the development of an accredited course framework for a national qualifications framework and training program for marine pilots and port operators. The framework includes a graduate diploma with the University of Notre Dame and funds will allow for the development of course materials during 2007.
• The Aquaculture Development Unit with the Fisheries Research and Development Corporation completed a four-year program for re-stocking the Blackwood River with black bream and provided benchmarking activities to monitor, in collaboration with Murdoch University, the water quality and stock survival rates. The project attracted a national award for its restocking activities.
• The Fishing and Aquaculture sections developed a Seafood Safety Handling program in collaboration with the Western Australian Fishing Industry Council, the Fisheries Department of WA and the Health Department of WA and attracted funding support for participants from FarmBiz.
• Marine Operations and Engineering are participants, with other representatives of the very small number of Registered Training Providers in Australia, in the first review of the Maritime Industry Training Package, which is nearing conclusion.
• In response to industry demand, four Remotely Operated Vehicle training programs were conducted, requiring course review and re-accreditation.
• Personal Digital Assistant technology was introduced into the training delivery and assessment for Warehousing trainees. Staff required up-skilling in the use and potential of the technology, as part of a College managed project.
• Five Youth at Risk programs were conducted successfully in Fremantle and Peel, all in consultation with local community and policing groups. The programs used a five-week Marine Entry Skills course as its foundation.
11.8 WA Horticulture & Environmental Science Skills Centre

In 2006, the Centre particularly focused on increasing its levels of flexibility in delivering training and providing assessment and skills recognition in formats that addressed industry requirements.

Public recognition given to our students and staff

- 2006 National Wildflower Competition winner Floristry student Ms Kristy Yew. Her arrangement was entitled Living with Flowers – Contemporary Style.
- 2006 State Wildflower Competition winner Floristry student Ms Kristy Yew. Ms Yew also won her category in 2005;
- A National Commonwealth Bank Green Ambassador Award went to Ms Tammy Goad in 2006 for her commitment to environmental issues.
- World Skills Australia 2006 Gold Medal to VET for Schools student Ms Emma Dunham from Kwinana Senior High School;
- WorldSkills 2006 Australian Bronze Medal winner Mr Matthew Landers for Floristry;
- Lecturer Ms Leonie Joss was appointed mentor to World Skills 2006 Australia WA’s floristry entrant Mr Matthew Landers.

2006 Summary of Key Outcomes

- A new traineeship, a Certificate II in Measurement and Sampling was scoped and registered to meet industry demands;
- The Centre increased the training delivered to apprentices and trainees exceeding a target of 102,065 Student Curriculum Hours by a further 10%;
- The Centre developed self assessment tools for Amenity Horticulture, Conservation & Land Management and Laboratory Operations Training Packages and then delivered 20,000 training hours via the new skills recognition process.
- The Horticulture business unit delivered of Certificate I in Horticulture to Year 10 students whose schools are aligned with the Fremantle District Education.
- The Science business unit provided training delivered in flexible ways to business and industry, for example by clustering ‘skills sets’ in chemical related competencies. The flexible approach included self-paced training delivery, one day workshops and assessment options either in the workplace or in the Training Centre.
- The Turf Management business unit provided on-the-job training for Lawn Doctor employees using skill sets that had been clustered to reflect the Lawn Doctor business model and then training was delivered in the workplace, to suit the employer’s time and location requirements.
- The WA Wool Technology Training Centre provided an increased amount of training in Certificate III in Rural Operations, an identified area of skills shortage.
- The quantity of project based learning and assessment at Certificate III and higher levels was extended in 2006. The number of courses that included an industry placement was increased and College-based research projects were undertaken by students and staff.
- The Centre completed 26,000 Student Curriculum Hours of skills recognition.

11.9 WA Centre for Leadership & Community Development

The WA Centre for Leadership and Community Development offered fourteen programs including Leadership courses across three campuses as well as a Certificate IV in Social Housing, two Certificates III in Business (Frontline Management), two Certificate IV’s in Business (Frontline Management), a Certificate IV in Community Development and a Certificate IV in Business (Governance).

2006 Summary of Key Outcomes

- Final steps in the accreditation of the Vocational Graduate Diploma in Leadership Development;
- Application for re-accreditation of the Certificates 1-IV in Leadership Development, updating and improving course content;
- Delivery of Certificate I in Leadership Development to 105 students in seven schools, including public and private schools;
- Establishment of partnerships with Chicago Bridge and Iron and the Australian Submarine Corporation for delivery of Existing Worker Traineeships in Frontline Management as pilot programs in WA;
- Establishment of a partnership with Pacific Industrial Corporation for the delivery of Certificate III in Leadership Development, incorporating Certificate III in Business (Frontline Management);
- Collaboration with Disability Services Commission, Disability in the Arts, Disabled in the Arts in the delivery of programs for students with mental and physical disabilities;
- Delivery of three day public workshops for members of Public Boards.
11.10 Australian Centre for Energy and Process Training (ACEPT)
ACEPT is a consortium of six (6) TAFE Colleges, with the Secretariat based at Fremantle, and operational delivery at Subiaco. Challenger TAFE is responsible for Government funded delivery through the Defence and Resource Industries Division, while the consortia manages industrial liaison and business development.

Public recognition given to our students
• Challenger TAFE Trainee of the Year Todd Busby from Apache Energy made it two-in-a-row for ACEPT, with Richard Stocker from CSBP being awarded the WA Trainee of the Year.

2006 Summary of Key Outcomes
• Implemented Certificate I in Process Plant Skills VET for Schools program;
• A first student graduated with Certificate IV Process Plant Operations wholly through RPL.
• A first student graduated after completing Certificate IV Process Plant Operations wholly by distance education.
• A first dual-skilled apprentice program trainee graduated with a double major in mechanical engineering and process plant operations.
• ACEPT successfully negotiated with a Hydrocarbon drilling company to provide training opportunities for Woodside Petroleum.

11.11 Kadadjiny Mia – Centre for Aboriginal Learning
Kadadjiny Mia offers support to Indigenous students across the College and encourages program development which builds on strengths and is appropriate and competitive for Indigenous clients.

Public recognition given to our students
• Ms Sue Barron was the successful female recipient of the Alcoa Aboriginal Student Scholarship 2006.
• Mr Shane Edmunds was the successful male recipient of the Alcoa Aboriginal Student Scholarship 2006.
• The Certificate III & IV in Aboriginal and Torres Strait Islander Visual Arts students produced yet another very successful exhibition with sales reaching over $6,000. This exhibition was supported by the shared University/TAFE/Council Library in Rockingham and is a strong example of College and community partnerships.

2006 Summary of Key Outcomes
• Once literacy and/or numeracy issues have been identified Kadadjiny Mia, in consultation with the lecturer and student, provides specialised support to address these issues. For example, the Success-maker computer package which is a self paced numeracy and literacy support package is available for students to access to assist with their class work. A literacy support centre is situated in the Kadadjiny Mia building and was available twice a week for an hour before the start of classes in 2006. Additionally, literacy support teachers were attached to the Hospitality course at Quinlan’s and the Metals course at Peel Campus.
• There continues to be ongoing consultation with ‘mainstream’ Program Managers to develop and implement Indigenous specific programs the outcomes of which include employment, apprenticeships or traineeships within specific industries, for example, Certificate III in Hospitality and Certificate II in Nail Technician courses.
• Kadadjiny Mia piloted a semester long project “Kwobordok Yorgas” which was designed to assist Aboriginal women to develop the skills and knowledge to further their careers. This assistance took the form of practical, highly interactive workshops conducted in a culturally appropriate manner and supported by participants’ workplaces. This project addressed the core issues which present challenges to Aboriginal working women and developed strategies to assist them in successfully meeting these challenges. Participation in this project by Challenger TAFE Indigenous staff was actively encouraged. This program will continue in 2007.
• With the Rockingham Tourism course the Centre developed new partnerships with the Kwinana Town Council where students were involved in the “Spectacles Tour.” This activity allowed the students to demonstrate the skills and knowledge gained from the course by planning, organising and leading guided tours at the site for local and international visitors.
• Kadadjiny Mia in partnership with the Professional Development section of Challenger TAFE delivers Cultural Awareness sessions to non – Indigenous staff across each campus each year. Awareness training will now be conducted in February and May 2007 applying two and one day workshops, designed and developed during 2006.
• During 2006 The Indigenous Recruitment & Development Plan was developed and endorsed by the College executive for implementation in 2007.
This recruitment plan will oversee the establishment of two School-Based Traineeships, two Business Traineeships and two Lecturing Cadetships. Expressions of interest were called for the cadetships with an information session in December 2006.

Funding was allocated for a consultant to work with College staff, including Human Resources and Kadadjiny Mia, to support the implementation of the Indigenous Recruitment and Development Plan and to undertake the following activities:

- carry out an analysis of the College Indigenous Recruitment and Development Plan in relation to national and state policies and current best practice;
- provide recommendations to support the successful implementation of the Indigenous Recruitment and Career Development Strategy;
- review the current resources and capability of Kadadjiny Mia in relation to Kadadjiny Mia providing services that support the implementation of the Indigenous Recruitment and Development Plan;
- recommend strategies to assist in the development and retention of Indigenous people as employees at Challenger TAFE.

From July 2006 student numbers were affected to some extent by the changes to Centrelink payments where students were no longer able to supplement Abstudy payment with a Community Development Employment Program (CDEP) payment. However, the number of Indigenous students studying at a Certificate III and above remained consistent with College data indicating a total of Indigenous students at these levels was:

<table>
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<th>Year</th>
<th>Target</th>
<th>Actual</th>
<th>% Target increase</th>
<th>% Actual increase</th>
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<td>237</td>
<td>261</td>
<td>2.15%</td>
<td>12.5%</td>
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</table>

11.12 Peel Education and TAFE Campus

In August 2006 Challenger TAFE created a new Division within the Training Research Development Directorate, encompassing the three delivery areas of Diversity & Community Development, WA Centre for Leadership Development, and Centre for Adult Education. These three areas were brought together under a common management structure, to facilitate a more coordinated approach to delivery of programs while building upon the common focus on community engagement, lifelong learning and social sustainability which underpin the three areas. Delivery by Challenger TAFE within the Peel region has continued to grow, in response to strong population and economic growth trends within Peel and to address the existing low levels of training and education amongst Peel residents. In 2006 delivery at Peel exceeded 580,000 SCH, compared with 521,000 SCH in 2005. Of all Peel delivery in 2006 (approximately 578,000 Student Curriculum Hours), 6% is VET for Schools delivered by the College for school students, and 9% is VET for Schools auspiced by the College and delivered by school staff.

2006 Summary of Key Outcomes

The bulk of all training provided through the Peel campus was mainly in:

- Computing (14%)
- Building & Construction (13%)
- Community Services & Childcare (13%)
- Accounting, Management & Office/Clerical (12%)
- Adult Literacy/ESL, Access & Bridging (12%)
- Cooking & Hospitality (6%).

In late 2006 there were 2,790 students enrolled at Peel campus, making up 10.9% of total College student number. This proportion increased from 10.5% in 2005, and has increased steadily over recent years.

Peel Region Learn Local Initiative

- Total nominal student contact hours delivered under the Peel Learn Local Initiative in outlying centres, Pinjarra, Mundijong, Waroona and Boddington, continued to increase during 2006. In Semester 2, 15,500 student contact hours were delivered in outlying parts of the Peel region, compared with 7,500 student contact hours in Semester 1.

Growth in delivery under the Learn Local Initiative has included:

- two additional full time courses;
- additional part time delivery;
- an Introductory Metals Course in Boddington;
• New Opportunities for Women full time Course in Pinjarra;
• a new course run for the Dwellingup School of Fine Wood in Auto Computer Assisted Drawing;

In collaboration with the Regional Access Centre Co-ordinators in Boddington, Mundijong and Waroona a range of promotional strategies implemented and supported with these additional activities:
  o Advertisements in all school and community newsletters in the Region;
  o Advertising and features in community newspapers;
  o Promotional activities at the Pinjarra Festival / Byford Fair and
  o Challenger TAFE staff addressing business and community groups.

By adopting a blended mode of delivery, courses can cater to small numbers such as four students, by using e-learning in alternate weeks. This has run very successfully for the first time with a MYOB Course in 2006, and will be expanded to allow more choice in the Centres in 2007.

Peel Apprenticeship & Careers Showcase
The Division worked in partnership with the Peel Development Commission, Murdoch University, Mission Australia, Employment Directions Network, Community First, the City of Mandurah, Mandurah Youth Commitment and many industry representatives from local firms to produce a very successful ‘Expo with a difference’. The Peel Apprenticeship and Careers Showcase provided the opportunity for local firms to showcase their industry to school children from all local Peel high schools (Years 10, 11 and 12 students).

Peel Apprenticeship Roadshow
Two hundred and eighty local school students from Years 11 and 12 participated in the Peel Apprenticeship Roadshow. Fifty different careers in eight workplaces were demonstrated over the period of a week. The Roadshow was coordinated by the Challenger TAFE Peel Regional Development Coordinator. The students selected workplaces they would like to visit and were involved in practical interactive tasks, and talks given by young people working in each area. The City of Mandurah, Alcoa, Mandurah Graphics, and the Peel Health Campus were some of the workplaces that hosted the students.

Australian Flexible Learning Framework: Industry E-Learning Demonstration Project
A partnership was formed with the City of Mandurah to deliver the unit “Follow Workplace Hygiene Procedures” from the Hospitality training package in an e-learning format that would satisfy not only the requirements of the unit of competency but also the health regulations of the City of Mandurah. The new package has now been trialled with ten food businesses from Mandurah in a highly successful pilot program, with excellent feedback from the participants and great interest being shown by other shire councils also concerned about these food safety issues.

Peel Workforce Development Strategy
During 2006 Challenger TAFE collaborated with the Peel Development Commission and the Department of Education and Training in funding a consultancy study which resulted in the production of a Peel Workforce Development Strategy. The ten-year Strategy was launched on 7 December 2006 following a comprehensive process, which included data collection and analysis as well as stakeholder consultations. The Strategy identifies areas of likely skills shortage, training oversupply and undersupply, and includes an Action Plan targeting four key areas: Support, Train, Attract and Retain.

11.13 Apprenticeships & Traineeships
During 2006, the Apprentice and Traineeship Centre administered 3,238 apprentice and traineeship records, identifying Apprentices and Trainees who were at risk of failing or leaving and worked closely with employers and group training agencies to achieve positive outcomes.

2006 Summary of Key Outcomes
  • Managing areas of non-compliance in Apprenticeship and Traineeship matters;
  • Implementing alternative workable processes to minimise or eliminate risk;
  • Conducting Challenger staff induction programs to outline the Apprentice and Traineeship system, Policy Guidelines and Registered Training Organisation Standards as these apply to Apprentices and Trainees;
  • Identifying potential opportunities for increasing Apprentice and Trainee enrolments through the College and providing assistance to various industry training centres on programs available for existing workers;
• Investigating customer comments by employers or trainees/apprentices relating to Challenger TAFE’s quality of services and standards, and providing the complainant with assistance with any related dispute resolution.

Statistics
Challenger TAFE experienced growth in the number of apprenticeships and traineeships registered over the past twelve months. Apprenticeships were up by 29%; whilst Traineeships increased by 22% on the previous year’s figures. There was growth in the Apprentice and Trainee enrolments in Building & Construction and Metals & Engineering because of labour shortages and a boom in resources and the housing market. In addition government strategies were in place to address skill shortages in these industries.

Table 11.2 Total Annual Apprenticeship and Traineeship Registrations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology, Retail, Business &amp; Office Administration</td>
<td>63</td>
<td>96</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering, Automotive &amp; Building and Construction</td>
<td>64</td>
<td>1,512</td>
<td>125</td>
<td>1996</td>
</tr>
<tr>
<td>Horticulture &amp; Science</td>
<td>157</td>
<td>202</td>
<td>194</td>
<td>185</td>
</tr>
<tr>
<td>Hospitality, Hairdressing, Beauty, Fashion &amp; Human Services</td>
<td>43</td>
<td>399</td>
<td>46</td>
<td>484</td>
</tr>
<tr>
<td>Maritime Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aquaculture, Transport and Distribution</td>
<td>48</td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workplace Readiness</td>
<td>41</td>
<td>22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>416</td>
<td>2,115</td>
<td>573</td>
<td>2,665</td>
</tr>
</tbody>
</table>

Data source: Training Records System WA Department of Education and Training

A sub category of this data comprises School Based Traineeship (SBT) programs. Changes to the school leaving age encouraged students to consider learning and employment options. These statistics have been included for the first time this year, and provide a useful indicator of growth patterns anticipated in 2007.

Table 11.3 School Based Traineeships: a sub category of Total Annual Apprenticeship and Traineeships

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology, Retail, Business &amp; Office Administration</td>
<td>13</td>
</tr>
<tr>
<td>Engineering, Automotive and Building and Construction</td>
<td>73</td>
</tr>
<tr>
<td>Horticulture &amp; Science</td>
<td>6</td>
</tr>
<tr>
<td>Hospitality, Hairdressing, Beauty, Fashion &amp; Human Services</td>
<td>8</td>
</tr>
<tr>
<td>Maritime, Transport &amp; Distribution</td>
<td></td>
</tr>
<tr>
<td>Workplace Readiness</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>121</td>
</tr>
</tbody>
</table>

Data source: Training Records System WA Department of Education and Training

A segment of the School Based Traineeship data comprises Indigenous Apprentices and Trainees. There was an increased uptake for 2006, particularly in the Traineeship sector (an increase of 100%, up from 7 to 14 over the past twelve months) with some growth in apprenticeship (growth of 22% overall on the 2005 figure).
### Table 11.4 Indigenous Apprentices and Trainees Certificate 3 Level and above: a sub category of School Based Traineeships

<table>
<thead>
<tr>
<th>Indigenous</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Traineeship</td>
<td>Apprenticeship</td>
</tr>
<tr>
<td>Information Technology, Retail, Business &amp; Office Administration</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Engineering, Automotive &amp; Construction</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>Horticulture &amp; Science</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Hospitality, Hairdressing, Beauty, Fashion &amp; Human Services</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Maritime, Transport &amp; Distribution</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7</td>
<td>33</td>
</tr>
</tbody>
</table>

Data source: Training Records System WA Department of Education and Training

### Future Outlook

Growth in apprenticeships and traineeships numbers is expected to continue. It is anticipated that the Australian Government’s “Skills for the Future” Investment Package will provide a further incentive to workers, primarily those in mid-career, wishing to upgrade their skills through traditional trade apprenticeships. The Apprenticeship “Fast Track” program has been expanded to include the Building and Construction and Hospitality sectors and is expected to provide a much needed opportunity for existing workers in these industries to up skill to tradesperson status; contributing to the growth anticipated in apprenticeship numbers during 2007.

### 11.14 Centre for Adult Education

The Centre continued to operate from Heathcote Campus, delivering a wide range of services at a variety of locations, including short courses for bridging, lifestyle and leisure purposes, a Professional Development Support Program project, online training products and learning resources. The Centre generated in excess of $450,000 in fee-for-service and other revenues, and operated on a self-supporting basis within the College structure. Highlights included:

- Forging successful Community Partnerships with City of Melville’s “Lifestyle Service”, both Melville and Leeming Recreation Centres, and City of Mandurah Library, to foster greater interaction and increased participation for our courses within the community.
- In 2006, the Centre for Adult Education was selected as the pilot centre for two new software business systems (UE & SP3) that have subsequently been rolled out across the TAFEWA network.
STATEMENT OF COMPLIANCE WITH PUBLIC SECTOR STANDARDS 
(PUBLIC SECTOR MANAGEMENT ACT 1994 S311)

In the administration of Challenger TAFE, I have complied with the Public Sector Standards in Human Resource Management, the WA Public Sector Code of Ethics and our Code of Conduct.

I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the statement made above is correct. I conduct and commission appropriate checks and audits, including those associated with endorsement under ISO 9001 and as part of the Australian Quality Training Framework (AQTF) to assure myself that these procedures have been carried out.

Liz Harris
A/Managing Director

28 February 2007
CHAPTER 12 – STATEMENT OF COMPLIANCE

As a TAFEWA college, Challenger TAFE is an autonomous government agency created under the Vocational Education and Training Act 1996. Its purpose is to research, develop and deliver training and related services that support the development of individuals from a range of backgrounds, industry, our communities and the State within a sustainable environment, and focusing particularly on industry areas currently experiencing skills shortages. Challenger TAFE is listed as a government department for the purpose of meeting the requirements of the Public Sector Management Act 1994, Superannuation and Family Benefits Act 1938, Government Employees Superannuation Act 1987 and the Government Employees Housing Act 1964.

12.1 Compliance With Written Law

Challenger TAFE has exercised controls, which provide reasonable assurance that it has complied with all relevant requirements of the written law, including those for the receipt and expenditure of monies, the acquisition and disposal of public properties and the incurring of liabilities.

Challenger TAFE complies with the following legislation in carrying out its functions and activities:

- Equal Employment Act 1984
- Education Act 1928
- Electoral Act 1907
- Financial Administration & Audit Act 1985
- Freedom of Information Act 1992
- Government Employees Superannuation Act 1987
- Industrial Relations Act 1979; 1990 Commonwealth
- Occupational Health, Safety and Welfare Act 1984
- Public Sector Management Act 1994
- Vocational Education and Training Act 1996
- Workers’ Compensation and Assistance Act 1981
- Workplace Agreement Act 1994

12.2 Access and Equity

Challenger TAFE has complied with the requirement to:

- report on cultural diversity and language services outcomes;
- develop, implement and report on programs designed for people with a disability and people seeking access to education and training;
- report on youth outcomes.

Table 12.1 Cultural Diversity and Language Outcomes 2006

Challenger TAFE delivered training within the following qualification that provided cultural awareness training for staff:

<table>
<thead>
<tr>
<th>Training Package</th>
<th>Qualification</th>
<th>Unit of Competence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and Assessment</td>
<td>Certificate IV</td>
<td>Foster and promote an inclusive learning culture</td>
</tr>
<tr>
<td>Business Services</td>
<td>Certificate III</td>
<td>Work effectively with diversity</td>
</tr>
</tbody>
</table>
• Challenger TAFE employed the services of Auslan interpreters for a total of 57 hours during Semester 2 2006 in both industry training (Hospitality sector) and the Adult Community Education sector (Languages). Interpreters were sourced from independent means or the WA Deaf Society Inc. and were Auslan certified to level II or higher.

• A successful Art Exhibition at Winjan Aboriginal Corporation highlighted works by Tourism, Art and Gaining Access to Training and Employment students and was attended by more than 150 people from the local community. This program has fostered a high level of cultural pride for the local indigenous community.

• Eight indigenous students undertook training at a higher level in Certificate IV in Business (Governance).

• Training at higher levels was undertaken by indigenous students in Certificates III and IV in Aboriginal and Torres Strait Island Cultural Arts and in Certificates III and IV in Tourism (Indigenous).

• English in the Workplace Training was provided to employees of Chicago Bridge and Iron at Certificates III and IV levels in Business.

• Numeracy, literacy and English as a Second Language training was delivered by the Access programs section to support vocational programs in current skill shortage areas eg welding courses for the Shipbuilding industry and, in Boddington, to indigenous students undertaking an engineering Pre-apprenticeship course.

Programs designed for people with a disability

• A successful partnership between ACTIV Industries, the Department of Education and Training and Ratio Consultancy trialled the delivery of the new national Certificate I Industry Pathways course to people with a disability. This national project piloted the course for a range of disadvantaged target groups.

• Challenger TAFE won funding to conduct a national e-learning project, through the Australian Flexible Learning Framework’s Inclusive e-Learning Strategy, for people with a disability. Entitled Ch@llenging e-W@res, the project involved students setting up a virtual retail business. The project, designed to increase their employability skills taught students technology skills such as using a PC mouse, emailing, live chat, website maintenance and wikis, all necessary components of a successful online business. Students also learned retail management skills such as invoicing, merchandising and stock control.

• A successful Gaining Access to Training and Employment program was designed for people living with a mental illness was delivered in partnership with the Alma Street Clinic that assists people living with a mental illness. The students participated in a holistic program that incorporated music and art into the skills development program.

Programs designed for people seeking access to education and training

• Challenger TAFE partnered with InfoXchange Australia to deliver training for Mature Aged unemployed people who participated in a Green PC program at Kwinana Business Incubator. GreenPC is a program initiative of InfoXchange Australia and its mission to bridge the ‘digital divide’ by providing eligible disadvantaged members of the community with access to quality refurbished internet-ready computers. The ‘green’ goal encourages sustainability by recycling existing PCs and by reducing the impact of electronic equipment waste on landfill. In Kwinana a new GreenPC project and workshop was established at the start of 2006, incorporated for the first time in Australia the provision of accredited training (a Certificate I in Electrotechnology) to GreenPC participants.

• To encourage community members to participate in lifelong learning, Challenger TAFE forged successful community partnerships with City of Melville’s “Lifestyle Service;” Melville and Leeming Recreation Centres; and the City of Mandurah Library.

• In order to customise learning programs to meet the needs of local community members, Challenger TAFE used information provided by existing students on course evaluation sheets leading to adjustments to the delivery times for courses, their duration. Levels of satisfaction rose in response to the changes.
Youth outcomes

- A partnership between Kwinana Industries Education Partnership, Uniting Care West and South Coastal Women’s Health Services designed developed and delivered the Rockingham Educating Young Parents Program. The program extends for three years and its objectives are to assist young parents, primarily mothers and pregnant teenagers in the Rockingham area who have left school. The program also provides stimulating childcare for the children of the young parents as they participate in the project.

- A survey of all students enrolled in Youth at Risk Gaining Access to Training and Employment courses conducted by Challenger TAFE in Semester One 2006. The following data helped the College to design a more tailored program for Semester 2. Features of the survey included: 75% of the 35 young people surveyed were aged sixteen years or younger. Of this cohort, 43% were in a high-risk category, experiencing drug dependency, homelessness, psychiatric and/or learning disorders. Despite these challenges, 70% of the young people successfully completed the program in Semester One, thereby gaining their Year 10 equivalency. Of the remaining students who did not complete, 36% returned to school, one student entered full time employment and 20% re-enrolled in GATE for Semester Two. Three quarters of the participants were contactable within 10 weeks of the course completion, and of these, all had achieved a successful outcome and had moved into education, training or employment.

- Challenger TAFE formed partnerships with local schools and District Education offices to offer programs designed to cater for the needs of disengaged youth of the region. The courses were well subscribed to at Rockingham, Peel and Kwinana TAFE campuses.

- In Semester Two at the Peel Education and TAFE Campus, a new Certificate in General Education for Adults was trialled with young people as the target group. The program included training delivered off campus and partnerships were formed with local youth organisations eg PCYC and Castlerock Institute for Music, to provide exciting material for the young students.

12.3 Advertising and Sponsorship (Electoral Act 1907 S175ZE)

Challenger TAFE paid $393,305.67 to Media Decisions, a division of Marketforce Advertising and paid Marketforce $50,467.82 for advertising purposes during 2006. This amount included $27,902.02 for advertising for recruitment purposes.

12.4 Equal Employment Opportunities

Under the Equal Opportunity Act 1984, Challenger TAFE has complied with the requirement to develop and implement an Equal Employment Opportunity Management Plan. The development and endorsement of a new Staff Equity and Diversity Plan occurred in 2006, for the period 2007-2009. The College has an active and ongoing commitment to greater representation of Indigenous Australians, people with disabilities, people with culturally and linguistically diverse backgrounds, women in management and youth within the College.

Table 12.2 2006 Workforce Diversity Statistics

<table>
<thead>
<tr>
<th>Representation</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women in Management, Tiers 2 &amp; 3 combined</td>
<td>40%</td>
</tr>
<tr>
<td>People from Culturally Diverse Backgrounds</td>
<td>6.3%</td>
</tr>
<tr>
<td>Indigenous Australians</td>
<td>1.8%</td>
</tr>
<tr>
<td>People with Disabilities</td>
<td>3.4%</td>
</tr>
<tr>
<td>Youth (&lt;25 years)</td>
<td>1.5%</td>
</tr>
</tbody>
</table>
12.5 Evaluations
In accordance with the Circular to Ministers No. 37/94, summaries of evaluations undertaken by Challenger TAFE are published in this Annual Report. Evaluations of organisational performance are reported in Chapter 8 under the Key Performance Indicators, common to all TAFEWA colleges. The College’s internal performance indicators are set out in the same chapter. (Refer to Chapter 8).

Priorities set by the Minister for Training are set out in Chapter 5, Managing Director’s Report. (Refer to Chapter 5.)

12.6 Disability Services Plan Outcomes (Disability Services Act S29)
Challenger TAFE services meet with specific client needs set out in the Australian Quality Training Framework, on which the college is audited annually. Service provision conforms with the requirements set out in:
• Commonwealth Disability Discrimination Act 1992
• Disability Standards for Education 2005 and
• Disability Services Act (1993) Amended 1999 and 2004

These requirements ensure the College addresses the needs of people with medical conditions or disabilities, seeking further education and training.

People with disabilities have the same opportunities as other people to access the services of and events organised by, a public authority.
The college has continued to review, modify and adapt existing services, equipment and facilities in order to appropriately respond to and improve access to facilities and services for people with disabilities. The college has purchased assorted forms of assistive technology during 2006 including hardware (ScannaR) and speech and word recognition programs software; and furniture and resource materials designed to assist students with disability. The College streamlined its referral process for students with a disability and commenced an awareness training program for academic and other staff who deal with students with a disability.

People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority.
Challenger TAFE continues to review its capital and minor works programs priorities to address access and egress for people with disabilities. These priorities are identified through consultation and by conducting access audits. The priority needs identified are incorporated into submissions for on-going capital works improvement program. As a result of small audits on several campuses, a number of minor works projects will commence in early 2007. In addition, in early 2007, a whole of college audit on buildings and facilities will be undertaken. The College will maintain an on-going communication with customers about the physical access to buildings and facilities. In addition, the College practices continuous review and assessment of teaching and learning strategies to cater for individual learning needs and styles.

People with disabilities receive information from a public authority in a format that will enable them to access the information, as readily as other people are able to access it.
The College presents information in clear, concise language and this can be made available in alternative formats, upon request. The College continues to educate and inform staff and raise public awareness of the type and availability of alternative formats, flexible delivery modes and alternative assessment arrangements offered at the college for students with disabilities. Alternative formats include, but are not limited to: large print, audio cassette, digital recorders, and Braille and IBM compatible disks/CD.
People with disabilities receive the same level and quality of service from the staff as would other people.

The college acknowledges that staff awareness education and training is a continuous requirement. The College is currently working to produce a disability awareness-training package designed for all new and contracted staff within the college. A staff awareness /consultation program has been undertaken, involving both academic and administration staff on a number of different campuses and this group will be invited to attend disability awareness training in 2007. An audit of mental health issues on campus was undertaken as part of a recent NCVER research project, capturing the views and experiences of management, specialist disability areas, generalist academic and disability support staff. The project contributed to raising awareness of mental health in TAFE settings.

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

All Challenger TAFE customers are invited to make a comment (positive or negative) on a form and lodge it with Client Services. The college continues to provide access and support to customers to ensure that they can provide feedback on services and participate in public consultations and advisory processes.

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

The College recognises the valuable contribution of people with disabilities, their carers, families, advocates and other interested stakeholders have on the development of College policies and practices. The College continues to provide information available in clear concise language so customers can participate in the decision-making processes, public consultations and grievance mechanisms.

12.7 Information Statement

Freedom of Information – Applications

The college received three applications during the year. One was completed to the satisfaction of the applicant; the others are pending completion, subject to further responses from the applicant.

Freedom of Information – Information Statement

Challenger TAFE has complied with the requirement to report on the management of requests under the Freedom Information Act 1992. Challenger TAFE meets the requirements of the FOI Act to provide for the public right of access to the information, which it holds. Applications for access to documents or for the amendment of personal information can be made to the:

Manager Records
Challenger TAFE
1 Fleet Street
Fremantle WA 6160

Details of the Colleges’ organisational structure, mission, values, goals and policies are incorporated in a range of documents, including its Quality Manual and Annual Report.

Sources of information available to clients and customers without them having to use the FOI instrumentation include:

- Course information (College web-site)
- Enrolment dates
- Handbook
- Advertisements, flyers
- Course Information Officers and Prospective Student Advisers (available at all campuses)
- Challenger TAFE Customer Service Charter
- Student support services brochures and student diary
- Policy and Procedures Manual – available at the Learning Resource Centres
- “Seven Waves” magazine produced by Challenger TAFE (distributed to industry and staff)

The only chargeable publication in the above list is the Handbook. All of the other publications are provided free of charge and can be accessed via the College web site, by mail out or by visiting any of the campuses.
12.8 Public Interests Disclosures
In accordance with the Public Interest Disclosure Act 2003 policy, procedures and guidelines for staff and informants have been developed and approved. During the calendar year 2006 Challenger TAFE did not receive any Public Interest Disclosures.

12.9 Public Sector Standards and Ethical Codes
Challenger TAFE complied with all Public Sector Standards in Human Resource Management and Public Sector Ethical Codes in 2006. There were four breaches lodged against the Recruitment, Selection and Appointment Standard, however none was upheld. There were no other breaches lodged against any of the other Standards or Ethical Codes.

12.10 Regional Development Policy
Challenger TAFE is responsive to the needs of its region in researching, developing and delivering training and related services which support the development of individuals, industry, and communities. In 2005-2006, the College’s planning, program and service delivery were guided by specific strategies listed in the Government’s Regional Development Policy. Conformance with Regional Development Policy requirements is reported under Chapter 13 Financial Statements.

12.11 Reporting and Recordkeeping Plans
As prescribed by the State Records Act 2000, State Records Commission Principles and Standards (Standard 2, Principle 6):

**The efficiency and effectiveness of the Record Keeping system**
A Records Management Baseline Audit was conducted by the Department of Education and Training’s Internal Assurance Directorate including all TAFE Colleges. The objectives of this audit were to determine compliance with:
- The State Records Commission Standard 2 Record Keeping Plans; and
- The policies relating to government record keeping.

**Record Keeping Training Program**
The College will implement an online record keeping awareness and induction course in 2007 in order to further enhance staff exposure to record keeping responsibilities.
- To measure the efficiency and effectiveness of the record keeping training program, an informal process of monitoring and review is undertaken to determine the level of understanding exhibited by staff with record keeping responsibilities.
- The organisation’s induction program - a review is to be made of the College record keeping induction information in 2007. Presently, staff are directed to the College policy and procedures that are available on the intranet.

12.12 Sustainability Action Plan
1. **Social sustainability – contribution to developing social capital and capacity building**
   - The WA Centre for Leadership and Community Development and the Centre for Adult Education have particular briefs relating to building social capital and social sustainability. Their activities in relation to special groups are reported above in Access and Equity and Disability Services Plan, and in Chapter 11.
   - A comprehensive student support program is provided by Client Services and their support programs are reported above in Access and Equity and Disability Services Plan Outcomes.

2. **Economic Sustainability – elements of organisational and financial sustainability**
   - Establishment of a Sustainability Group at the Murdoch Campus to address and implement sustainable strategies as a model for other campuses. See also Chapter 11 for details or organisational sustainability.
   - Development of Business Management Plans:
     - o for the Murdoch Campus;
     - o for the Murdoch Campus’ surrounding bush lands;
     - o formation of a community group, Friends of Murdoch Bush Lands;
     - o formation of a Campus sustainability group of staff and potentially students (2007)
   - Environmental Management students conducted sustainability audits in the areas of waste management, water use and energy use of the Murdoch Campus
   - Production of the third information CD for students/employers and general promotion of courses and campus information for students of the WA Horticulture and Environmental Science Skills Centre
3. Environmental sustainability – responsiveness to energy efficiency, water conservation and waste minimisation

- Continued progress in implementing energy efficient measures during 2006, which were identified in energy audits at 5 campuses within the College. The College has achieved a 5% energy saving against the baseline of 2001/2.
- Completion of the Nursery Water Recycling Project at the Murdoch Campus for the WA Horticulture and Environmental Science Skills Centre
- Waste paper recycling is reported below.

12.13 Waste Paper Recycling
Challenger TAFE is committed to the conservation and preservation of physical resources.

The college conducts a recycling program including waste paper throughout its campuses and offices. In 2006, staff were actively encouraged to recycle all paper. This was achieved by:
- The provision of special recycling bins in store rooms adjacent to photocopier machines
- The provision of a confidential documents disposal system
- The provision of receptacles for staff to use at work stations to collect recyclable paper
- Utilisation of the WA Government’s Waste Paper Contract (146001/CT146011C 2002) Students are actively encouraged to recycle containers manufactured from glass, plastic, paper and cardboard. This is achieved by the provision of receptacles for glass, plastic, paper and cardboard for students to use at stations located at cafeterias to collect recyclable materials.

12.14 Corruption Prevention
Challenger TAFE has developed risk management strategies to minimise the risk of corruption and misconduct.

In 2006, corruption prevention and detection were addressed in the following ways:
- Consistent with an across TAFEWA approach, Challenger TAFE developed and placed on its intranet site documentation to cover Corruption Reporting; Corruption Prevention and Detection; A Corruption Prevention Guide; and A Corruption Control Plan;
- An officer was employed for three months to identify additional features within the Corruption Control Plan that would expand this component of the Challenger TAFE Risk Management Plan; to conduct an audit of all existing Quality policies and procedures and identify those documents requiring adjustment in line with current legislation; and consult with staff on areas where staff considered there might be risk of corruption
- Challenger TAFE conducted a series of staff workshops relating to the Corruption Prevention and Detection legislation;
- Developed a 2007 Corruption Prevention Plan
- Strengthened the Complaints Management procedures to ensure all complaints were addressed but then followed up to ensure the complainant was now satisfied with the outcome.

12.15 Energy Smart Government Policy
The College progressed Phase 3 of its Energy Management initiatives across the college. Energy audits were performed at Henderson, Heathcote, Fremantle e-Tech and Peel and Rockingham campuses, to identify areas of energy waste and potential savings.

Campus Services has achieve a 5% reduction in total energy consumption (non-transport related) during 2005/6, whilst the college has experienced an effective full time student numbers increase of 19%, and floor area has increased by almost 5% since the baseline data was established. In real terms, energy consumption has decreased by 20% per student and 9% per square metre of college floor area.
FINANCIAL STATEMENTS
CHALLENGER TAFE

The accompanying financial statements of CHALLENGER 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 2006 and the financial position as at 31 December 2006.

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

Chair of Governing Council
Dated 13/3/2007

Managing Director
(Member of Governing Council)
Dated 13/3/2007

Chief Financial Officer
Dated 12/3/2007
INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

CHALLENGER TAFE
FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS
FOR THE YEAR ENDED 31 DECEMBER 2006

Audit Opinion
In my opinion,
(i) the financial statements are based on proper accounts and present fairly the financial position of Challenger TAFE at 31 December 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer’s Instructions;
(ii) the controls exercised by the College provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
(iii) the key effectiveness and efficiency performance indicators of the College are relevant and appropriate to help users assess the College’s performance and fairly represent the indicated performance for the year ended 31 December 2006.

Scope
During the year the Governing Council was responsible for keeping proper accounts and maintaining adequate systems of internal control, for preparing the financial statements and performance indicators, and complying with the Financial Administration and Audit Act 1985 and other relevant written law. The Financial Administration and Audit Act 1985 was repealed and replaced by the Financial Management Act 2006 and the Auditor General Act 2006 from 1 February 2007. This did not impact on the agency’s operations or the audit work conducted during the year ended 31 December 2006.


The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role
As required by the Auditor General Act 2006, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer “http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf”.

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators is error free. The term “reasonable assurance” recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and performance indicators.

COLIN MURPHY
ACTING AUDITOR GENERAL
16 March 2007
### Challenger TAFE

#### INCOME STATEMENT 2006 2005

**FOR THE YEAR ENDED 31 DECEMBER 2006**

<table>
<thead>
<tr>
<th>Notes</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COST OF SERVICES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>6</td>
<td>39,558,437</td>
</tr>
<tr>
<td>Supplies and services</td>
<td>7</td>
<td>15,208,837</td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>8</td>
<td>4,654,821</td>
</tr>
<tr>
<td>Finance costs</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>10</td>
<td>185,338</td>
</tr>
<tr>
<td>Capital user charge</td>
<td>11</td>
<td>8,860,514</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>16</td>
<td>571,946</td>
</tr>
<tr>
<td>Loss on disposal of non-current assets</td>
<td>20</td>
<td>73,504</td>
</tr>
<tr>
<td>Other expenses</td>
<td>12</td>
<td>3,725,776</td>
</tr>
<tr>
<td><strong>Total cost of services</strong></td>
<td></td>
<td>72,839,173</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee for service</td>
<td>13</td>
<td>7,218,571</td>
</tr>
<tr>
<td>Student fees and charges</td>
<td>14</td>
<td>5,888,874</td>
</tr>
<tr>
<td>Ancillary trading</td>
<td>15</td>
<td>577,398</td>
</tr>
<tr>
<td>Sales</td>
<td>16</td>
<td>745,929</td>
</tr>
<tr>
<td>Commonwealth grants and contributions</td>
<td>17</td>
<td>44,581</td>
</tr>
<tr>
<td>Interest revenue</td>
<td>18</td>
<td>509,133</td>
</tr>
<tr>
<td>Other revenue</td>
<td>19</td>
<td>1,419,260</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td></td>
<td>16,403,746</td>
</tr>
<tr>
<td><strong>Total income other than income from State Government</strong></td>
<td></td>
<td>16,403,746</td>
</tr>
<tr>
<td><strong>NET COST OF SERVICES</strong></td>
<td>(16,435,427)</td>
<td>(50,184,193)</td>
</tr>
<tr>
<td><strong>INCOME FROM STATE GOVERNMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State funds</td>
<td>21</td>
<td>50,423,755</td>
</tr>
<tr>
<td>Liabilities assumed by the Treasurer</td>
<td></td>
<td>701,735</td>
</tr>
<tr>
<td>Resources received free of charge</td>
<td></td>
<td>1,673,304</td>
</tr>
<tr>
<td><strong>Total income from State Government</strong></td>
<td>(52,798,794)</td>
<td>46,387,723</td>
</tr>
<tr>
<td><strong>SURPLUS/DEFICIT FOR PERIOD</strong></td>
<td></td>
<td>(3,636,633)</td>
</tr>
</tbody>
</table>

The Income Statement should be read in conjunction with the accompanying notes.
### Challenger TAFE

**BALANCE SHEET**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

<table>
<thead>
<tr>
<th>Notes</th>
<th>$</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>33</td>
<td>6,394,447</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>22.33</td>
<td>899,091</td>
</tr>
<tr>
<td>Inventories</td>
<td>23</td>
<td>189,562</td>
</tr>
<tr>
<td>Receivables</td>
<td>24</td>
<td>2,004,261</td>
</tr>
<tr>
<td>Other current assets</td>
<td>25</td>
<td>4,887,516</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>14,374,877</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant, equipment and vehicles</td>
<td>26</td>
<td>148,818,843</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>27</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td>148,818,843</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>163,193,720</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>$</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>29</td>
<td>200,419</td>
</tr>
<tr>
<td>Provisions</td>
<td>30</td>
<td>6,244,792</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>31</td>
<td>6,653,200</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td>13,098,411</td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>30</td>
<td>2,380,020</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td></td>
<td>2,380,020</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td>15,478,431</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td>147,715,289</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed equity</td>
<td>32</td>
<td>13,726,915</td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
<td>82,151,484</td>
</tr>
<tr>
<td>Accumulated surplus (deficit)</td>
<td></td>
<td>51,836,890</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td>147,715,289</td>
</tr>
</tbody>
</table>

The Balance Sheet should be read in conjunction with the accompanying notes.
### STATEMENT OF CHANGES IN EQUITY

#### FOR THE YEAR ENDED 31 DECEMBER 2006

<table>
<thead>
<tr>
<th>Notes</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Balance of equity at start of period</td>
<td>112,264,272</td>
<td>91,257,728</td>
</tr>
<tr>
<td>CONTRIBUTED EQUITY</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Balance at start of period</td>
<td>11,522,966</td>
<td>3,360,443</td>
</tr>
<tr>
<td>Capital Contributions</td>
<td>2,203,949</td>
<td>8,790,923</td>
</tr>
<tr>
<td>Distribution to owners</td>
<td>-</td>
<td>(628,400)</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>13,726,915</td>
<td>11,522,966</td>
</tr>
<tr>
<td>RESERVES</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Asset Revaluation Reserve</td>
<td>45,267,783</td>
<td>31,973,670</td>
</tr>
<tr>
<td>Restated balance at start of period</td>
<td>36,883,701</td>
<td>13,294,113</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>82,151,484</td>
<td>45,267,783</td>
</tr>
<tr>
<td>ACCUMULATED SURPLUS (RETAINED EARNINGS)</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Balance at start of period</td>
<td>55,473,523</td>
<td>59,284,057</td>
</tr>
<tr>
<td>Change in accounting policy or correction of prior period errors</td>
<td>-</td>
<td>(14,064)</td>
</tr>
<tr>
<td>Restated balance at start of period</td>
<td>55,473,523</td>
<td>59,269,993</td>
</tr>
<tr>
<td>Surplus/(deficit) for the period</td>
<td>(3,636,633)</td>
<td>(3,796,470)</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>51,836,890</td>
<td>55,473,523</td>
</tr>
<tr>
<td>Balance of equity at the end of period</td>
<td>147,715,289</td>
<td>112,264,272</td>
</tr>
<tr>
<td>Total income and expenses for the period (a)</td>
<td>33,247,068</td>
<td>9,497,643</td>
</tr>
</tbody>
</table>

(a) The aggregate net amount attributable to each category of equity is: Deficit $3,636,633 plus gain from asset revaluation of $36,833,701 (2005: Deficit $3,796,470 plus gains from asset revaluation of $13,294,113).

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

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

<table>
<thead>
<tr>
<th>Notes</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006</td>
<td>2005</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH FLOWS FROM STATE GOVERNMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recurrent state funding – Department of Education and Training</td>
<td>42,417,141</td>
<td>42,270,495</td>
</tr>
<tr>
<td>Capital state funding – Department of Education and Training</td>
<td>-</td>
<td>(628,400)</td>
</tr>
<tr>
<td>Net cash provided by State Government</td>
<td>42,417,141</td>
<td>41,642,095</td>
</tr>
<tr>
<td>Utilised as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td>(35,796,820)</td>
<td>(33,666,640)</td>
</tr>
<tr>
<td>Supplies and services</td>
<td>(12,950,201)</td>
<td>(11,383,487)</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>(185,338)</td>
<td>(168,418)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>-</td>
<td>(62,503)</td>
</tr>
<tr>
<td>Capital user charge</td>
<td>(4,018,508)</td>
<td>(6,386,313)</td>
</tr>
<tr>
<td>GST payment on purchases</td>
<td>(1,559,973)</td>
<td>(1,454,426)</td>
</tr>
<tr>
<td>GST payments to taxation authority</td>
<td>(799,582)</td>
<td>(717,932)</td>
</tr>
<tr>
<td>Other payments</td>
<td>(4,285,467)</td>
<td>(3,187,282)</td>
</tr>
<tr>
<td>Receipts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee for service</td>
<td>7,153,748</td>
<td>6,441,429</td>
</tr>
<tr>
<td>Student fees and charges</td>
<td>5,738,152</td>
<td>5,358,118</td>
</tr>
<tr>
<td>Ancillary trading</td>
<td>577,398</td>
<td>433,679</td>
</tr>
<tr>
<td>Interest received</td>
<td>482,160</td>
<td>494,749</td>
</tr>
<tr>
<td>Commonwealth grants and contributions</td>
<td>44,581</td>
<td>50,295</td>
</tr>
<tr>
<td>GST receipts on sales</td>
<td>690,026</td>
<td>723,917</td>
</tr>
<tr>
<td>GST receipts from taxation authority</td>
<td>1,634,346</td>
<td>1,440,672</td>
</tr>
<tr>
<td>Other receipts</td>
<td>2,165,189</td>
<td>1,608,206</td>
</tr>
<tr>
<td>Net cash provided by/(used in) operating activities</td>
<td>33</td>
<td>(41,090,289)</td>
</tr>
<tr>
<td>CASH FLOWS FROM INVESTING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of non-current physical assets</td>
<td>241,982</td>
<td>158,536</td>
</tr>
<tr>
<td>Purchase of non-current physical assets</td>
<td>(1,804,123)</td>
<td>(1,671,741)</td>
</tr>
<tr>
<td>Net cash provided by/(used in) investing activities</td>
<td>(1,562,141)</td>
<td>(1,513,205)</td>
</tr>
<tr>
<td>CASH FLOWS FROM FINANCING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other proceeds</td>
<td>323,588</td>
<td>-</td>
</tr>
<tr>
<td>Other repayments</td>
<td>(323,588)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided by/(used in) financing activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net increase/(decrease) in cash and cash equivalents</td>
<td>(235,289)</td>
<td>(327,046)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of period</td>
<td>7,528,827</td>
<td>7,855,873</td>
</tr>
<tr>
<td>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</td>
<td>33</td>
<td>7,293,538</td>
</tr>
</tbody>
</table>

The Cash Flow Statement should be read in conjunction with the accompanying notes.
1 Australian equivalents to International Financial Reporting Standards

The College’s financial statements for the year ended 31 December 2006 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework), Australian Accounting Standards and the Urgent Issues Group (UIG) Interpretation.

In preparing these financial statements the College has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the Australian Accounting Standard Board (AASB) and UIG.

2 Summary of Significant accounting policies

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards. The framework, Statements of Accounting Concepts and other authoritative pronouncements of Australian Accounting Standards Board as approved by the Treasurer’s Instructions.

Several of these are modified 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 the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings, plant equipment which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The judgements that have been made in the process of applying the College’s accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 ‘Judgements made by management in applying accounting policies’.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at note 4 ‘Key sources of estimation uncertainty’.

(c) Reporting Entity

The reporting entity comprises the College and entities listed at note 41 ‘Related bodies’.

(d) Contributed Equity

UIG Interpretation 1038 ‘Contributions by Owners Made to Wholly-Owned Public Sector Entities’ requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) are designated as contributions by owners by Treasurer’s Instruction (TI) 955 ‘Contributions by Owners made to Wholly Owned Public Sector Entities’ and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See note 32 ‘Equity’.
(e) Income

Revenue

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

The funds received from the Department of Education and Training in respect of the delivery of services forming part of the Delivery Performance Agreement have been disclosed as State Funds under 'Revenues from State Government'. This revenue is recognised in the period in which the College meets the terms of the Agreement.

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 Education and 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.

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Rendering of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the College obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners 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 if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Borrowing Costs

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. Other borrowing costs are expensed when incurred.

(g) Property, Vehicles, Plant and Equipment

Capitalisation/Expensing of assets

Items of property, plant and equipment and infrastructure costing over $1,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than $1,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, vehicles, plant and equipment are initially recognised at cost.

For items of property, vehicles, plant and equipment acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.
Subsequent measurement
After recognition as an asset, the revaluation model is used for the measurement of land and buildings and the cost model for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation on buildings and accumulated impairment losses. All other items of property, vehicles, plant and equipment are stated at fair value with the exception of Works of Art which are shown at historical cost.

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

Where market-based evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuation of land and buildings are performed independently on an annual basis by the Department of Land Information (Valuation Services). With sufficient regularity to ensure that the carrying amount does not differ materially from the asset’s fair value at the balance sheet date.

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

Refer to note 26 ‘Property, plant and equipment’ for further information on revaluations.

Depreciation
All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>40 to 95 years</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>4 to 13 years</td>
</tr>
<tr>
<td>Motor Vehicles, Caravans and Trailers</td>
<td>5 to 23 years</td>
</tr>
<tr>
<td>Plant, Furniture and General Equipment</td>
<td>4 to 28 years</td>
</tr>
<tr>
<td>Computing, Communications and Software</td>
<td>1 to 15 years</td>
</tr>
<tr>
<td>Marine Craft</td>
<td>8 to 19 years</td>
</tr>
</tbody>
</table>

Works of art controlled by the College are classified as plant, property and equipment which is anticipated to have a very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

(h) Intangible Assets

Capitalisation/Expensing of assets
Acquisition of intangible assets costing over $5,000 and internally generated intangible assets costing over $50,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.
The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting period indicating that the carrying value may not be recoverable.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the College have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

- **Software**
  - (a) 3 to 4 years
  - (a) Software that is not integral to the operation of any related hardware.

- **Licences**
  - Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

- **Computer Software**
  - Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than $50,000 is expensed in the year of acquisition.

(i) **Impairment of Assets**

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the College is a not for profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset’s fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset’s depreciation is materially understated or where the replacement cost is falling. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset’s future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each balance sheet date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairments at each balance sheet date.

See note 28 ‘Impairment of assets’ for the outcome of impairment reviews and testing. See note 2(p) and note 24 for impairment of receivables.

(j) **Non current Assets (or Disposal Groups) Classified as Held for Sale**

Non current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell and are presented separately from other assets in the Balance Sheet. Assets classified as held for sale are not depreciated or amortised.

(k) **Leases**

Finance lease rights and obligations are initially recognised as assets and liabilities equal in amount to the fair value of the lease item or if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the College is expected to benefit from their use. Minimum lease payments are apportioned between finance charge and reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

The College has entered into a number of operating lease arrangement for premises. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the properties.
(l) Financial Instruments
The College has two categories of financial instrument:
• Loans and receivables (includes cash and term deposits); and
• Non trading financial liabilities (payables)
Initial recognition and measurement is at fair value, which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method. The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable subsequent measurement is not required as the effect of discounting is not material.

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

(n) Accrued Salaries
Accrued salaries (see note 31 ‘Other Liabilities’) represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The College considers the carrying amount to be equivalent to it’s net fair value. See note 23 ‘inventories’.

(o) Inventories
Inventories are measured at the lower of cost and the 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.

Inventories not held for resale are valued at cost unless they are no longer required, in which case they are valued at net realisable value.

(p) Receivables
Receivables are recognised and carried at original invoice amount less an allowance for any provision for uncollectible amounts (impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off. The allowance for uncollectible amounts (doubtful debts) is raised when collectability is there is objective evidence that the College will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(l) ‘Financial Instruments’ and note 24 ‘Receivables’.

(q) Payables
Payables are recognised at the amounts payable when the College becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 2(l) ‘Financial Instruments’ and note 29 ‘Payables’.

(r) Borrowings
All loans are initially recognised at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method. See note 2(l) ‘Financial Instruments’.

(s) Provisions
Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date. See note 30 ‘Provisions’

(i) Provisions - Employee benefits
Annual Leave and Long Service Leave
The liability for annual and long service leave expected to be settled within 12 months after the end of the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in by employees up to the balance sheet date.
When assessing expected future payments consideration is given to expected future wage and salary levels including non salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the College does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members.

The College has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the College to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees who are not members of either the Pension or the GSS Schemes become non contributory members of the West State Superannuation (WSS) Scheme, an accumulation scheme. The College makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government’s Superannuation Guarantee (Administration) Act 1992. The WSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

The GESB makes all benefit payments and is recouped by the Treasurer for the employer share in respect of the Pension and GSS Scheme transfer benefits.

See also note 2(t) ‘Superannuation expense’.

(ii) Provisions -Other

Employment On Costs

Employment on-costs, including workers’ compensation insurance, are not employee benefits and are recognised as separate liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are not included as part of the College’s ‘Employee benefits expense’ and the related liability is included in employment on-costs provision. (See note 12 ‘Other expenses’ and note 30 ‘Provisions’).

(t) Superannuation Expense

The following elements are included in calculating a superannuation expense in the Income Statement:

(a) Defined benefit plans - Change in the unfunded employer’s liability (i.e. current service cost and actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS); and

(b) Defined contribution plans - Employer contributions paid to the GSS and the West State Superannuation Scheme (WSS).

Defined benefit plans - in order to reflect the true cost of services, the movements in the liabilities in respect of the Pension Scheme and the GSS transfer benefits are recognised as expenses. As these liabilities are assumed by the Treasurer (refer note 2(s)(i)), a revenue titled ‘Liabilities assumed by the Treasurer’ equivalent to the expense is recognised under Income from State Government in the Income Statement (See note 21 ‘Income from State Government’).

The Superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided in the current year.
The GSS scheme is a defined benefit scheme for the purpose of employees and whole-of-government reporting. However, apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency’s obligations to the related superannuation liability.

(u) Resources Received Free of Charge or for Nominal Value
Resources received free of charge or for nominal cost which can be reliably measured are recognised as income and as assets or expenses, as appropriate at fair value.

(v) Jointly Controlled Operations
Interests in joint venture operations have been reported in the financial report including the share of assets employed in the joint ventures, the share of liabilities incurred in relation to the joint ventures and the share of any expenses incurred in relation to the joint ventures in their respective classification categories.

(w) Comparative Figures
Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

3 Judgements made by management in applying accounting policies
No significant judgements have been made in the process of applying accounting policies, that have a material effect on the amounts recognised in the financial statements.

4 Key sources of estimation uncertainty
The key estimates and assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

The College revalues it’s Land and Buildings each year. Every three years Plant and Equipment are revalued, during which time estimates of useful life are provided to give guidance on depreciation rates used in intervening years. The Plant and Equipment valuation was not undertaken in 2006, the college will adopt a $5,000 asset limit as from 1 January 2007.

General receivables from other government agencies are considered risk free, no provision, and all others are by individual assessment, with a provision to the full value if required.

5 Disclosure of changes in Accounting Policy and Estimates
Initial application of an Australian Accounting Standard

The College has applied the following Australian Accounting Standards and UIG Interpretations effective for annual reporting periods beginning on or after 1 January 2006

1. AASB 119 ‘Employee Benefits’ as issued in December 2004, AASB 2004-3 ‘Amendments to Australian Accounting Standards’ and AASB 2005-3 ‘Amendments to Australian Accounting Standards’ [AASB 119]’. The revisions to AASB 119 and the amending Standards deal with options regarding the recognition of actuarial gains and losses associated with defined benefit plans and changes to disclosures for defined benefit plans. The College is not affected by these changes and as a result there is no financial impact in applying these Standards.

2. AASB 2005-9 ‘Amendments to Australian Accounting Standards’ [AASB 4, AASB1023, AASB 139 & AASB 132]’ (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an ‘insurance contracts’ under AASB 4 ‘Insurance Contracts’ or as a “financial guarantee contract” under AASB 139 ‘Financial Instruments: Recognition and Measurement’. The College does not currently undertake these types of transactions, resulting in no financial impact in applying the Standard.
3. UIG Interpretation 4 ‘Determining whether an Arrangement Contains a Lease’. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 ‘Leases’. At balance date, the College has not entered into any arrangements as specified in the Interpretation, resulting in no impact in applying the Interpretation.

The following accounting standards and interpretations are not applicable to the College as they have no impact.

AASB Standards and Interpretations

2005-1 Amendments to Australian Accounting Standards’ (AASB 139 - Cash Flow hedge accounting of forecast intragroup transactions)
2005-5 Amendments to Australian Accounting Standards’ [AASB 1 and AASB 139]
2006-1 Amendments to Australian Accounting Standards’ [AASB 121]
2006-2 Amendments to Australian Accounting Standards’ [AASB 1]
2006-3 Amendments to Australian Accounting Standards’ [AASB 1045]

UIG 5 Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds’.
UIG 6 Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment’.

Future impact of Australian Accounting Standards not yet operative.

The College cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 ‘Application of Australian Accounting Standards and Other Pronouncements’ Consequently, the College has not applied the following Australian Accounting Standards and UIG Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 7 ‘Financial Instruments: Disclosures’ (including consequential amendments in AASB 2005-10 ‘Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 1, AASB 4, AASB 1023 & AASB 1038]. This Standard requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both qualitative and quantitative of the College’s exposure to risks, enhanced disclosure regarding components of the College’s financial position and performance, and possible changes to the way of presenting certain items in the financial statements. The College does not expect any financial impact when the Standards is first applied, The Standard is required to be applied to annual reporting periods beginning or after 1 January 2007.

2. AASB 2005-10 ‘Amendments to Australian Accounting Standards (AASB 132, AASB 101 AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, & AASB 1038)’. The amendments are as a result of the issue of AASB 7 ‘Financial Instruments: Disclosure’, which amends the financial instrument disclosure requirements in these standards. The College does not expect any financial impact when the Standard is first applied. This Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

3. UIG 9 ‘Reassessment of Embedded Derivatives’. This Interpretation requires an embedded derivatives that has been combined with a non-derivatives to be separated from the host contract and accounted for as a derivatives in certain circumstances. At balance sheet date, the College has not entered into any contracts as specified in the Interpretation resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2007.

4. AASB 101 ‘Presentation of Financial Statements’. This Standard was revised and issued in October 2006 so that AASB 101 has the same requirements as IAS 1 ‘Presentation of Financial Statements’ (as issued by the IASB) in respect of for-profit entities. The College is a not-for-profit entity and consequently does not expect any financial impact when the Standards is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

The following Accounting Standards and Interpretations are not applicable to the College as they will have no impact:

AASB Standards and Interpretations

AASB 1049 Financial Reporting of General Government Sectors by Governments’
2006-2 Amendments to Australian Accounting Standards (AASB 1)
2006-3 Amendments to Australian Accounting Standards (AASB 1045)
UIG 8 Scope of AASB 2’
UIG 10 Interim Financial Reporting and Impairment’,
6 Employee benefits expense

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries (a)</td>
<td>32,318,623</td>
<td>30,766,212</td>
</tr>
<tr>
<td>Superannuation - defined contribution plans (West State) (b)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Superannuation - defined benefit plans (Gold State) (c)(d)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long service leave (e)</td>
<td>795,229</td>
<td>803,784</td>
</tr>
<tr>
<td>Annual leave (e)</td>
<td>2,163,680</td>
<td>2,126,374</td>
</tr>
<tr>
<td>Other</td>
<td>414,562</td>
<td>387,749</td>
</tr>
<tr>
<td></td>
<td>39,558,437</td>
<td>37,406,696</td>
</tr>
</tbody>
</table>

(a) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component.
(b) Defined contribution plans include West State and Gold State (contribution paid).
(c) Defined benefit plans include Pension scheme and Gold State (pre-transfer benefit).
(d) An equivalent notional income is also recognised (see note 21 ‘Income from State Government’).
(e) Includes a superannuation contribution component.

Employment on-costs such as workers’ compensation insurance are included at note 12 ‘Other expenses’. The employment on-costs liability is included at note 30 ‘Provisions’

7 Supplies and services

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumables and minor equipment</td>
<td>3,286,981</td>
<td>3,234,365</td>
</tr>
<tr>
<td>Communication expenses</td>
<td>717,176</td>
<td>751,004</td>
</tr>
<tr>
<td>Utilities expenses</td>
<td>1,033,477</td>
<td>1,109,982</td>
</tr>
<tr>
<td>Consultancies and contracted services</td>
<td>5,264,129</td>
<td>3,987,234</td>
</tr>
<tr>
<td>Minor works</td>
<td>1,821,063</td>
<td>981,348</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>329,355</td>
<td>222,209</td>
</tr>
<tr>
<td>Operating lease and hire charges</td>
<td>1,173,650</td>
<td>1,080,355</td>
</tr>
<tr>
<td>Travel and passenger transport</td>
<td>268,913</td>
<td>264,248</td>
</tr>
<tr>
<td>Advertising and public relations</td>
<td>622,420</td>
<td>841,957</td>
</tr>
<tr>
<td>Supplies and services - other</td>
<td>701,873</td>
<td>718,659</td>
</tr>
<tr>
<td></td>
<td>15,208,837</td>
<td>13,191,261</td>
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</tbody>
</table>

8 Depreciation and amortisation expense

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>1,794,540</td>
<td>1,628,098</td>
</tr>
<tr>
<td>Leasehold improvements - buildings</td>
<td>711,566</td>
<td>350,051</td>
</tr>
<tr>
<td>Motor vehicles, caravans and trailers</td>
<td>169,127</td>
<td>174,190</td>
</tr>
<tr>
<td>Plant, furniture and general equipment</td>
<td>685,484</td>
<td>625,396</td>
</tr>
<tr>
<td>Computers and communication network</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marine craft</td>
<td>155,597</td>
<td>120,416</td>
</tr>
<tr>
<td>Total depreciation</td>
<td>4,628,928</td>
<td>3,986,320</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software</td>
<td>25,893</td>
<td>56,692</td>
</tr>
<tr>
<td>Total amortisation</td>
<td>25,893</td>
<td>56,692</td>
</tr>
<tr>
<td>Total depreciation and amortisation</td>
<td>4,654,821</td>
<td>4,043,012</td>
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</table>

9 Finance costs

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other interest expense</td>
<td>- 324</td>
</tr>
<tr>
<td></td>
<td>- 324</td>
</tr>
</tbody>
</table>
## Challenger TAFE
### NOTES TO THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2006

| 10 Grants and subsidies |  |  
|-------------------------|---|---|
| Adult and community education organisations |  |  
| Payments to non TAFE Providers for VET service delivery | 13,711 | 10,891 |
| Other | 171,627 | 157,527 |
| | **185,338** | **168,418** |

| 11 Capital user charge |  |  
|------------------------|---|---|
| Capital user charge expense |  |  
| | **8,860,514** | **6,386,313** |

The Government applies a levy for the use of its capital for the delivery of services. It is applied at 8% per annum on the net assets of the College, excluding exempt assets, and is paid to the Department of Treasury and Finance quarterly. (2005 rate 8%)

| 12 Other expenses |  |  
|-------------------|---|---|
| Building Maintenance | 1,246,675 | 790,941 |
| Doubtful debts expense | 33,654 | (2,383) |
| Employment on-costs (a) | 2,385,375 | 2,182,586 |
| Donations | 7,540 | 1,900 |
| Student prizes and awards | 27,179 | 34,040 |
| Losses and write-offs | 33 | 16,407 |
| Other | 25,320 | 157,815 |
| | **3,725,776** | **3,181,306** |

(a) Includes workers’ compensation insurance and other employment on-cost. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 30 ‘Provisions’. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

| 13 Fee for service |  |  
|-------------------|---|---|
| Fee for service - general | 5,448,238 | 4,295,885 |
| Fee for service - Department of Education and Training | 533,733 | 676,934 |
| Fee for service - government (other than Department of Education and Training) | 83,091 | 107,731 |
| Adult Community Education fees | 225,360 | 589,850 |
| International Division fees | 938,149 | 603,444 |
| | **7,218,571** | **6,273,544** |

| 14 Student fees and charges |  |  
|-----------------------------|---|---|
| Tuition fees | 3,064,901 | 2,676,845 |
| Enrolment fees | 360,892 | 318,073 |
| Resource fees | 2,521,032 | 2,275,508 |
| Other college fees | (57,951) | 113,352 |
| | **5,888,874** | **5,383,778** |

| 15 Ancillary trading |  |  
|----------------------|---|---|
| Live works (not a trading activity) | 545,750 | 427,855 |
| Contracting and consulting | 26,334 | 4,742 |
| Other ancillary revenue | 5,314 | 1,082 |
| | **577,398** | **433,679** |
### 16 Trading Profit/(Loss)

**Bookshop:**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>745,929</td>
<td>765,677</td>
</tr>
<tr>
<td>Cost of sales:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening inventory</td>
<td>(196,759)</td>
<td>(181,284)</td>
</tr>
<tr>
<td>Purchases</td>
<td>(185,625)</td>
<td>(144,056)</td>
</tr>
<tr>
<td>Closing inventory</td>
<td>189,562</td>
<td>196,759</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(571,946)</td>
<td>(522,099)</td>
</tr>
<tr>
<td><strong>Trading Profit (Loss) - Bookshop</strong></td>
<td>173,983</td>
<td>243,578</td>
</tr>
</tbody>
</table>

See note 2(o) 'Inventories' and note 23 'Inventories'.

### 17 Commonwealth grants and contributions

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commonwealth specific purpose grants and contributions</td>
<td>44,581</td>
<td>50,295</td>
</tr>
</tbody>
</table>

### 18 Interest Revenue

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest revenue</td>
<td>509,133</td>
<td>486,685</td>
</tr>
</tbody>
</table>

Interest was received from funds on deposit at BankWest and the Commonwealth Bank

### 19 Other revenue

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental and facilities fees</td>
<td>166,793</td>
<td>195,534</td>
</tr>
<tr>
<td>Other direct grants and subsidy revenue</td>
<td>31,205</td>
<td>25,775</td>
</tr>
<tr>
<td>Copyright and royalties revenue</td>
<td>835</td>
<td>-</td>
</tr>
<tr>
<td>Sponsorship and donations revenue</td>
<td>164,250</td>
<td>102,690</td>
</tr>
<tr>
<td>Miscellaneous revenue</td>
<td>1,056,177</td>
<td>1,040,629</td>
</tr>
<tr>
<td><strong>Total Other revenue</strong></td>
<td>1,419,260</td>
<td>1,364,628</td>
</tr>
</tbody>
</table>

### 20 Net gain/(loss) on disposal of non-current assets

<table>
<thead>
<tr>
<th>Non-current assets</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Costs of disposal of non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor vehicles, caravans and trailers</td>
<td>(274,624)</td>
<td>(138,825)</td>
</tr>
<tr>
<td>Plant, furniture and general equipment</td>
<td>(30,553)</td>
<td>(18,572)</td>
</tr>
<tr>
<td>Computers and communication network</td>
<td>(10,259)</td>
<td>(881)</td>
</tr>
<tr>
<td><strong>Total Proceeds from disposal of non-current assets</strong></td>
<td>(315,486)</td>
<td>(155,277)</td>
</tr>
<tr>
<td><strong>Marine craft</strong></td>
<td>239,409</td>
<td>115,227</td>
</tr>
<tr>
<td><strong>Net gain/(loss)</strong></td>
<td>241,982</td>
<td>115,227</td>
</tr>
</tbody>
</table>

See also note 2(j) 'non-current assets classified as held for sale' and note 26 'property, plant and equipment and vehicles'
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

21 Income from State government
State funds (received from Department of Education and Training)
Delivery and Performance Agreement (DPA)
Superannuation 3,164,608 3,077,201
Other recurrent funds 1,104,299 1,255,640
Capital User Charge funding 8,860,514 6,386,314
50,423,755 44,863,327

The following liabilities have been assumed by the Treasurer during the financial year.
Superannuation (a) 701,735 245,376
Total Liabilities assumed by the Treasurer 701,735 245,376

Resources received free of charge determined on the basis of the following estimates provided by agencies
Department of Education and Training (b).
* Corporate systems support 1,224,778 589,882
* Marketing and publications 430,261 142,323
* Human resources, industrial relations support 100,371
* Other 17,524 446,444
1,673,304 1,279,020

(a) The assumption of the superannuation liability by the Treasurer is a nominal income to match the notional superannuation expense reported in respect of current employees who are members of the Pension Scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation Scheme (The notional superannuation expense is disclosed at note 13 'Employee Benefits Expense'.)

(b) Where assets or services have been received free of charge or for nominal consideration, the College recognises revenues (except where the contribution of assets or services is in the nature of contributions by owners, in which case the College shall make a direct adjustment to equity) 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.

22 Restricted cash and cash equivalents
Current
Other - Restricted so as to fund the 27th Pay 175,000 -
Specific capital equipment and minor works (a) 724,091 569,068
Total current 899,091 569,068

(a) Capital equipment funding received from the Department of Education and Training can only be spent for the nominated purpose.

23 Inventories
Current
Inventories held for resale:
Bookshop (at cost) 189,562 196,759
Less: Provision for obsolete stock - -
Total current 189,562 196,759

See also note 2(o) “Inventories” and note 16 “Trading Profit”.
### Notes to the Financial Statements

#### FOR THE YEAR ENDED 31 DECEMBER 2006

#### 24 Receivables

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables - trade</td>
<td>1,450,846</td>
<td>1,387,483</td>
</tr>
<tr>
<td>Receivables - students</td>
<td>322,338</td>
<td>272,442</td>
</tr>
<tr>
<td>Allowance for impairment of receivables</td>
<td>(301,009)</td>
<td>(365,420)</td>
</tr>
<tr>
<td>GST receivable</td>
<td>227,880</td>
<td>217,353</td>
</tr>
<tr>
<td></td>
<td>1,700,275</td>
<td>1,511,858</td>
</tr>
<tr>
<td>Prepayments</td>
<td>303,986</td>
<td>287,714</td>
</tr>
<tr>
<td>Total current</td>
<td>2,004,261</td>
<td>1,799,572</td>
</tr>
</tbody>
</table>

#### 25 Other assets

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued income</td>
<td>4,887,516</td>
<td>-</td>
</tr>
<tr>
<td>Total current</td>
<td>4,887,516</td>
<td>-</td>
</tr>
</tbody>
</table>
### Property, plant, equipment and vehicles

<table>
<thead>
<tr>
<th>Category</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Freehold Land</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At fair value (a)</td>
<td>56,691,000</td>
<td>33,242,500</td>
</tr>
<tr>
<td><strong>Buildings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At fair value (a)</td>
<td>76,696,300</td>
<td>65,123,954</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(159,784)</td>
<td>(1,628,099)</td>
</tr>
<tr>
<td><strong>Buildings under construction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction costs</td>
<td>118,307</td>
<td>-</td>
</tr>
<tr>
<td><strong>Leasehold improvements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>9,040,086</td>
<td>8,728,997</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(1,172,618)</td>
<td>(461,051)</td>
</tr>
<tr>
<td><strong>Motor vehicles, caravans and trailers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At fair value</td>
<td>1,174,879</td>
<td>1,272,408</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(284,116)</td>
<td>(309,926)</td>
</tr>
<tr>
<td><strong>Plant, furniture and general equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At fair value</td>
<td>6,810,795</td>
<td>6,287,959</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(2,362,958)</td>
<td>(1,707,772)</td>
</tr>
<tr>
<td><strong>Computer equipment, communication network</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At fair value</td>
<td>5,275,084</td>
<td>4,922,733</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(3,385,604)</td>
<td>(2,461,299)</td>
</tr>
<tr>
<td><strong>Marine craft</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At fair value</td>
<td>946,156</td>
<td>718,997</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(573,484)</td>
<td>(351,240)</td>
</tr>
<tr>
<td><strong>Works of art</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>4,800</td>
<td>4,800</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Freehold land and buildings were revalued as at 1 July 2006 by the Department of Land Information (Valuation Services). The valuations were performed during the year ended 30 June 2006 and recognised at 1 December 2006. The fair value of all land and buildings was determined by reference to market values.
Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the reporting period are set out below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Land</th>
<th>Buildings</th>
<th>Under Construction</th>
<th>Leasehold Improvements</th>
<th>Motor vehicles, caravans and trailers</th>
<th>Plant, furniture and general equipment</th>
<th>Computer equipment, communication network</th>
<th>Marine craft</th>
<th>Works of art</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Land</th>
<th>Buildings</th>
<th>Under Construction</th>
<th>Leasehold Improvements</th>
<th>Motor vehicles, caravans and trailers</th>
<th>Plant, furniture and general equipment</th>
<th>Computer equipment, communication network</th>
<th>Marine craft</th>
<th>Works of art</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Additions
Disposals
Revaluation Increments
Depreciation expense
Carrying amount at end of year

Carrying amount at start of year
Additions
Disposals
Revaluation Increments
Depreciation expense
Carrying amount at end of year

2006
2005
27 Intangible assets

Computer software
  At cost 144,909 144,909
  Accumulated amortisation (144,909) (119,016)
  - 25,893

Reconciliation

Computer Software
  Carrying amount at start of year 25,893 82,585
  Amortisation Expense (25,893) (56,692)
  Carrying Amount at end of year - 25,893

28 Impairment of Assets

The College held no goodwill or intangible assets with indefinite useful life during the reporting period and at balance sheet date there were no intangible assets not yet available for use.

All surplus assets as at 31 December 2006 have been classified as assets held for sale or written off.

29 Payables

Current
  Trade payables 133,692 627,005
  GST payable 66,727 91,382
  Total current 200,419 718,387

See also note 2(q) ‘Payables’ and note 38 ‘Financial Instruments’
30 Provisions

Current
Employee benefits provision
Annual leave (a) 3,616,629 3,557,306
Long service leave (b) 2,118,408 3,362,989
Salary deferment 173,408 171,785
5,908,445 7,092,080

Other provisions
Employment on-costs (c) 336,347 410,085
336,347 410,085

Total current 6,244,792 7,502,165

Non-current
Employee benefits provision
Long service leave (b) 2,129,489 907,878
Salary deferment 117,979 145,843
2,247,468 1,053,721

Other provisions
Employment on-costs (c) 132,552 55,243
132,552 55,243

Total non current 2,380,020 1,108,964

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follow:

Within 12 months of balance sheet date
2,769,106 2,646,026
More than 12 months after balance sheet date
847,523 911,480
3,616,629 3,557,306

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date
1,715,632 696,302
More than 12 months of balance sheet date
2,776,913 3,574,564
4,492,545 4,270,866

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including payroll tax and workers compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 12 ‘Other expenses’.

Movements in Other Provisions
Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

Employment on-cost provision
Carrying amount at start of year 465,328 464,865
Payments/other sacrifices of economic benefits 3,572 463
Carrying amount at end of year 468,800 465,328
### 31 Other liabilities

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income received in advance (a)</td>
<td>55,473</td>
<td>59,473</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>6,285,237</td>
<td>984,199</td>
</tr>
<tr>
<td>Accrued salaries and related costs</td>
<td>145,588</td>
<td>135,849</td>
</tr>
<tr>
<td>Money/deposits held in trust</td>
<td>41,291</td>
<td>43,477</td>
</tr>
<tr>
<td>Other</td>
<td>125,611</td>
<td>117,226</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>6,653,200</td>
<td>1,340,224</td>
</tr>
</tbody>
</table>

(a) Income received in advance comprises:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student fees and charges</td>
<td>55,473</td>
<td>59,473</td>
</tr>
<tr>
<td></td>
<td>55,473</td>
<td>59,473</td>
</tr>
</tbody>
</table>

### 32 Equity

Equity represents the residual interest in the net assets of the College. The Government holds the equity interest in the College on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at start of year</td>
<td>11,522,966</td>
<td>3,529,285</td>
</tr>
<tr>
<td>Contributions by owners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital contribution</td>
<td>2,203,949</td>
<td>8,622,081</td>
</tr>
<tr>
<td><strong>Total contributions by owners</strong></td>
<td>2,203,949</td>
<td>8,622,081</td>
</tr>
<tr>
<td>Distributions to owners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets transferred to Government</td>
<td>-</td>
<td>(628,400)</td>
</tr>
<tr>
<td>Transfer to Department of Education and Training, relating to the construction of the new Maritime Training Facility, at Fleet Street Fremantle.</td>
<td>-</td>
<td>(628,400)</td>
</tr>
<tr>
<td>Total distributions to owners</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at end of year</strong></td>
<td>13,726,915</td>
<td>11,522,966</td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Revaluation Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at start of year</td>
<td>45,267,783</td>
<td>31,973,670</td>
</tr>
<tr>
<td>Net revaluation increments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>22,048,500</td>
<td>1,447,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>14,815,281</td>
<td>11,847,113</td>
</tr>
<tr>
<td><strong>Balance at end of year</strong></td>
<td>82,151,484</td>
<td>45,285,783</td>
</tr>
<tr>
<td>Accumulated surplus/(deficit) (Retained Earnings)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at start of year</td>
<td>55,473,523</td>
<td>59,284,058</td>
</tr>
<tr>
<td>Result for the period</td>
<td>(3,636,633)</td>
<td>(3,796,471)</td>
</tr>
<tr>
<td>Income and expense recognised directly to equity</td>
<td>-</td>
<td>(14,064)</td>
</tr>
<tr>
<td><strong>Balance at end of year</strong></td>
<td>51,836,890</td>
<td>55,473,523</td>
</tr>
</tbody>
</table>
33 Notes to the Cash Flow Statement

Reconciliation of cash

Cash at the end of the financial year, as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>17,469</td>
<td>13,930</td>
</tr>
<tr>
<td>Cash advances</td>
<td></td>
<td>1,200</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>(569,539)</td>
<td>2,481,232</td>
</tr>
<tr>
<td>Short term deposits</td>
<td>6,446,517</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reconciliation of cash and cash equivalents</td>
<td>6,394,447</td>
<td>6,959,759</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash Flows provided by / (used in) operating activities</td>
<td>7,293,538</td>
<td>7,528,827</td>
</tr>
</tbody>
</table>

Reconciliation of net cost of services to net cash flows provided by / (used in) operating activities

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cost of Services</td>
<td>(56,435,427)</td>
<td>(50,184,193)</td>
</tr>
<tr>
<td>Non-cash items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation expense (note 8)</td>
<td>4,654,821</td>
<td>4,043,012</td>
</tr>
<tr>
<td>Doubtful debts expense (note 12)</td>
<td>33,654</td>
<td>(2,383)</td>
</tr>
<tr>
<td>Superannuation expense (note 6)</td>
<td>3,866,343</td>
<td>3,322,577</td>
</tr>
<tr>
<td>Resources received free of charge</td>
<td>2,184,281</td>
<td>1,279,020</td>
</tr>
<tr>
<td>Net (gain) / loss on sale of property, plant and equipment (note 20)</td>
<td>73,504</td>
<td>174,155</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current receivables (c)</td>
<td>(211,544)</td>
<td>112,318</td>
</tr>
<tr>
<td>Current inventories</td>
<td>7,196</td>
<td>(15,474)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>(61,781)</td>
<td>24,671</td>
</tr>
<tr>
<td>Current payables (c)</td>
<td>(493,313)</td>
<td>213,195</td>
</tr>
<tr>
<td>Current provisions</td>
<td>(1,257,374)</td>
<td>548,147</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>5,312,977</td>
<td>46,097</td>
</tr>
<tr>
<td>Non-current Provisions</td>
<td>1,271,056</td>
<td>(12,260)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net GST receipts/(payments) (a)</td>
<td>(869,946)</td>
<td>(741,961)</td>
</tr>
<tr>
<td>Change in GST in receivables/payables (b)</td>
<td>834,764</td>
<td>734,192</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided by/(used in) operating activities</td>
<td>(41,090,289)</td>
<td>(40,458,887)</td>
</tr>
</tbody>
</table>

(a) This is the net GST paid/received, i.e. cash transactions
(b) This reverses out the GST in receivables and payables
(c) Note that the ATO receivable /payable in respect in respect of the sale/purchase of non-current assets are not included in these items as they are not reconciling items
34 Commitments

Capital expenditure commitments

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

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>405,345</td>
<td>258,215</td>
</tr>
<tr>
<td>The capital commitments include amounts for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Lease commitments

Commitments in relation to leases contracted for at the balance sheet date but not recognised in the financial statements, are payable as follows:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>715,455</td>
<td>488,671</td>
</tr>
<tr>
<td>Later than 1 year and not later than 5 years</td>
<td>2,372,618</td>
<td>1,588,741</td>
</tr>
<tr>
<td>Later than 5 years</td>
<td>3,186,368</td>
<td>3,116,865</td>
</tr>
<tr>
<td>Representing:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cancellable operating leases</td>
<td>6,274,441</td>
<td>5,194,277</td>
</tr>
<tr>
<td>Non-cancellable operating leases</td>
<td>6,274,441</td>
<td>5,194,277</td>
</tr>
</tbody>
</table>

Other expenditure commitments contracted for at the balance sheet date but not recognised as liabilities are payable as follows:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>3,581,260</td>
<td>778,273</td>
</tr>
</tbody>
</table>

These commitments are all inclusive of GST

35 Contingent liabilities and contingent assets

Contingent Liabilities

In addition to the liabilities incorporated in the financial statements, there are the following contingent liability:

Personal Injury Claim

A Workers Compensation claim to the potential value of $150,000 to $200,000 is being pursued.

The claim is expected to be fully covered by insurance.

36 Events occurring after balance sheet date

No events occurred after balance sheet date that would have a significant impact on the College’s financial position as at 31 December 2006.
37 Explanatory Statement

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than $300,000.

Significant variations between estimated and actual results for 2006

<table>
<thead>
<tr>
<th>Expense</th>
<th>2006 Estimate</th>
<th>2006 Actual</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Supplies and services</td>
<td>14,549,661</td>
<td>15,208,837</td>
<td>(659,176)</td>
</tr>
<tr>
<td>2. Depreciation and Amortisation</td>
<td>4,150,000</td>
<td>4,654,821</td>
<td>(504,821)</td>
</tr>
<tr>
<td>3. Capital User Charge</td>
<td>8,301,899</td>
<td>8,860,514</td>
<td>(558,615)</td>
</tr>
<tr>
<td>4. Other expenses</td>
<td>2,713,753</td>
<td>3,755,776</td>
<td>(1,042,023)</td>
</tr>
</tbody>
</table>

Income

<table>
<thead>
<tr>
<th>Expense</th>
<th>2006</th>
<th>2006</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Fee for service</td>
<td>6,689,607</td>
<td>7,218,571</td>
<td>528,964</td>
</tr>
<tr>
<td>6. Other revenue</td>
<td>796,000</td>
<td>1,419,260</td>
<td>623,260</td>
</tr>
<tr>
<td>7. State Funds</td>
<td>46,955,253</td>
<td>50,423,755</td>
<td>3,468,502</td>
</tr>
<tr>
<td>8. Liabilities assumed by the Treasurer</td>
<td>250,000</td>
<td>701,735</td>
<td>451,735</td>
</tr>
<tr>
<td>9. Resources received free of charge</td>
<td>1,300,000</td>
<td>1,673,304</td>
<td>373,304</td>
</tr>
</tbody>
</table>

1. Supplies and services - increased due to increased training delivery levels and resources provided by the Department of Education and Training.
2. Depreciation and Amortisation - reflects increase in building valuations and increased depreciation on plant furniture and equipment.
3. Capital User Charge - CUC increased to meet requirements subsequent to revaluation of land and buildings.
4. Other expenses - Building maintenance costs were higher in 2006.
5. Fee for Service - General Fee for Service activity increased.
6. Other revenue - Salaries recoups including those from external organisations and workers compensation, and donations were higher than anticipated.
7. State Funds - Increased DPA funding due to increased training delivery levels.
8. Liabilities assumed by the Treasurer - a pension scheme employee transferred into the College and the full pension scheme liability was recognised as a revenue.
9. Resources received free of charge - higher due to the increased delivery support system expenditure.

Significant Variances between actual results for 2006 and 2005

<table>
<thead>
<tr>
<th>Expense</th>
<th>2006</th>
<th>2005</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Employee benefits expense</td>
<td>39,558,437</td>
<td>37,406,696</td>
<td>(2,151,741)</td>
</tr>
<tr>
<td>2. Supplies and services</td>
<td>15,208,837</td>
<td>13,191,261</td>
<td>(2,017,576)</td>
</tr>
<tr>
<td>3. Depreciation and Amortisation</td>
<td>4,654,821</td>
<td>4,043,012</td>
<td>(611,809)</td>
</tr>
<tr>
<td>4. Capital User Charge</td>
<td>8,860,514</td>
<td>6,386,313</td>
<td>(2,474,201)</td>
</tr>
<tr>
<td>5. Other expenses</td>
<td>3,725,776</td>
<td>3,181,306</td>
<td>(544,470)</td>
</tr>
</tbody>
</table>

Income

<table>
<thead>
<tr>
<th>Expense</th>
<th>2006</th>
<th>2005</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Fee for Service</td>
<td>7,218,571</td>
<td>6,273,544</td>
<td>945,027</td>
</tr>
<tr>
<td>7. Student fees and charges</td>
<td>5,888,874</td>
<td>5,383,778</td>
<td>505,096</td>
</tr>
<tr>
<td>8. State funds</td>
<td>50,423,755</td>
<td>44,863,327</td>
<td>5,560,428</td>
</tr>
<tr>
<td>9. Liabilities assumed by the Treasurer</td>
<td>701,735</td>
<td>245,176</td>
<td>456,559</td>
</tr>
<tr>
<td>10. Resources received free of charge</td>
<td>1,673,304</td>
<td>1,279,020</td>
<td>394,284</td>
</tr>
</tbody>
</table>
1. Employee benefits expense - increased expenditure on salaries resulted from increases in both salary and delivery loads.
2. Supplies and services - variance results from increased expenditure minor works and resources provided by the Department of Education and Training.
3. Depreciation and Amortisation - reflects increase in building valuations plus a complete year of depreciation for the $8M leasehold improvement.
4. Capital User Charge - CUC increased to meet requirements subsequent to revaluation of land and buildings.
5. Other expenses - increased salary oncosts and building maintenance expense.
6. Fee for Service - increased General Fee for Service activity.
7. Student fees and charges - reflects increased delivery.
8. State Funds - Increased DPA funding due to increased training delivery levels and funding increased Capital User Charge.
9. Liabilities assumed by the Treasurer - a pension scheme employee transferred into the College and the full pension scheme liability was recognised as a revenue.
10. Resources received free of charge - higher due to the increased delivery support system expenditure.

38 Financial Instruments

(a) Financial Risk Management Objectives and Policies
Financial instruments held by the College are cash and cash equivalents, and receivables and payables. The College has limited exposure to financial risks. The College’s overall risk management program focuses on managing the risk identified below:

Credit Risk
The College trades only with recognised, creditworthy third parties. The College has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the College’s exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Liquidity risk
The College has appropriate procedures to manage cash flows including monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Cash flow Interest Rate Risk
The College exposure to market risk for changes in interest rate is low and primarily relates to funds on mid term deposit.

(b) Financial Instrument disclosures
### Interest Rate Risk Exposure

The following table details the College's exposure to interest rate risk at the balance sheet date.

<table>
<thead>
<tr>
<th>Weighted Average Effective Interest Rate</th>
<th>Variable Interest Rate</th>
<th>Within 1 year</th>
<th>1-2 Years</th>
<th>2-3 Years</th>
<th>3-4 Years</th>
<th>4-5 Years</th>
<th>More than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalent</td>
<td>5.73%</td>
<td>6,394,447</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,394,447</td>
</tr>
<tr>
<td>Restricted cash and cash equivalent</td>
<td>5.73%</td>
<td>899,091</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>899,091</td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>7,293,538</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,293,538</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weighted Average Effective Interest Rate</th>
<th>Variable Interest Rate</th>
<th>Within 1 year</th>
<th>1-2 Years</th>
<th>2-3 Years</th>
<th>3-4 Years</th>
<th>4-5 Years</th>
<th>More than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalent</td>
<td>5.09%</td>
<td>3,032,465</td>
<td>4,481,232</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,514,897</td>
</tr>
<tr>
<td>Restricted cash and cash equivalent</td>
<td>5.09%</td>
<td>569,068</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>569,068</td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>3,601,533</td>
<td>4,481,232</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,082,765</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values.

39 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 fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

<table>
<thead>
<tr>
<th>$</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $10,000</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>$10,001 - $20,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>$100,001 - $110,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>$150,001 - $160,000</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>$190,001 - $200,000</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

The total remuneration of the members of the Accountable Authority is: 317,830

The total remuneration includes the superannuation expense incurred by the Authority in respect of members of the Accountable Authority.

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

Remuneration of Senior Officers

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

<table>
<thead>
<tr>
<th>$</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,001 - $40,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>$90,001 - $100,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>$100,001 - $110,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>$110,001 - $120,000</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>$120,001 - $130,000</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>$130,001 - $140,000</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

The total remuneration of senior officers is: 600,524

The total remuneration includes the superannuation expense incurred by the Authority 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.

40 Remuneration of auditor

Remuneration to the Auditor General for the financial year is as follows

<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditing the accounts, financial statements and performance indicators</td>
<td>71,000</td>
<td>64,500</td>
</tr>
</tbody>
</table>

41 Related Bodies

The College has no related bodies.
42 Affiliated Bodies
The College has no affiliated bodies.

43 Supplementary Financial Information

<table>
<thead>
<tr>
<th>Write-Offs</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public property</td>
<td>-</td>
<td>49,249</td>
</tr>
<tr>
<td>Bad Debts</td>
<td>98,065</td>
<td>99,883</td>
</tr>
</tbody>
</table>

Losses Through Theft, Defaults And Other Causes

<table>
<thead>
<tr>
<th>Losses of public and other moneys and public and other property through theft, default or otherwise</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount recovered</td>
<td>-</td>
<td>1,468</td>
</tr>
</tbody>
</table>

44 Schedule of Income and Expenditure by Service

The college provides only one service (as defined by Treasurer’s Instruction 1101 (2) (viii)) and that is Vocational Education and Training Delivery.
Section 42 Estimates for 2007

In accordance with Treasurer’s Instructions 953 the annual estimates for the current financial year (i.e. 2007) are hereby included in the annual report. These estimates do not form part of the financial statement and are not subject to audit.

INCOME STATEMENT $

COST OF SERVICES

Expenses
- Employee Expenses 42,536,612
- Supplies and Services 17,118,397
- Depreciation and amortisation expense 4,212,474
- Grants and Subsidies 190,000
- Capital User Charge 6,049,017
- Other Expenses 3,403,549
- Cost of sales 600,000
**Total Cost of Services** 74,110,049

Income
- Revenue
  - Fee for service 7,146,806
  - Student fees and charges 6,690,188
  - Sales 835,000
  - Ancillary trading 795,000
  - Commonwealth grants and contributions 100,000
  - Interest Revenue 465,000
  - Other Revenue 687,500
**Total Revenue** 16,719,494

**NET COST OF SERVICES** $(57,390,555)

INCOME FROM STATE GOVERNMENT

State Funds 48,711,996
Liabilities assumed by the treasurer 250,000
Resources Received Free of Charge 1,700,000
**Total Income from State Government** 50,661,996

**CHANGE IN NET ASSETS** $(6,728,559)
### BALANCE SHEET

#### CURRENT ASSETS
- Cash Assets: 4,247,822
- Restricted Cash Assets: 500,000
- Inventories: 197,000
- Receivables: 1,934,000

**Total Current Assets:** 6,878,822

#### NON-CURRENT ASSETS
- Property, plant, equipment and vehicles: 155,546,973

**Total Non-Current Assets:** 155,546,973

**TOTAL ASSETS:** 162,425,795

#### CURRENT LIABILITIES
- Payables: 186,000
- Provisions: 7,981,387
- Other Liabilities: 1,822,393

**Total Current Liabilities:** 9,989,780

#### NON-CURRENT LIABILITIES
- Provisions: 1,210,598

**Total Non-Current Liabilities:** 1,210,598

**TOTAL LIABILITIES:** 11,200,378

#### NET ASSETS

**EQUITY**
- Contributed Equity: 33,232,826
- Reserves: 76,055,334
- Accumulated Surplus: 41,937,257

**TOTAL EQUITY:** 151,225,417