



**Annual Report
2006**



Table of Contents

Chairperson's Report	3
Managing Director's Report	4
Vision, Mission and Goals	6
2006 – 2008 Strategic Plan Overview	7
State Training Priorities	8
Commitment to Excellence	11
College Council	12
College Structure	15
Report on College Operations	16
Training Directorate	16
SCH delivered by Campus	17
Commercial Delivery	21
Corporate Services Directorate	22
Enabling Legislation	24
Occupational Safety & Health	25
Publications	25
Compliance Report	27
Cultural Diversity & Language Outcomes	28
Youth Outcomes	28
Waste Paper Recycling	29
Energy Smart	29
Freedom of Information	31
Record Keeping Plan	31
Advertising	32
Sustainability	33
Equal Employment Opportunities	34
Compliance with Public Sector Standards	35
Corruption Prevention	36
Public Interest Disclosure	36
Financial Statements	37
Notes to the Financial Statements	44
Section 42 Estimates	55
Key Performance Indicators	58
Contact Details	66

Cover design by Tim Johnson

CHAIRPERSON'S REPORT

The performance of Kimberley TAFE is a reflection of both its staff and its students, and on behalf of the College Governing Council I would like to congratulate both groups on another very successful year. The dedication of staff in all facets of the College and the commitment of students to their studies is substantial and obvious, even more so given the characteristics of the region in which we live and work. In addition I would also like to acknowledge the work of my colleagues on the Governing Council whose substantial contributions to the College's strategic planning and community interaction have been greatly appreciated.

The success of the College over the last twelve months can clearly be seen in its achievements. Amongst the many highlights of 2006, the continued achievement of high student outcomes and satisfaction rates well above state averages is, to me, particularly impressive. As reported in the College's Key Performance Indicators, we achieved 95% satisfaction. The State average is 86%. Also, congratulations to Gary Urquhart, Metal Trades Lecturer from the Broome campus, who was a finalist in the Premier's Teacher of the Year Awards. Apart from being a clear validation of the quality of the teaching and workings of the College, these results provide Council with assurances that training being delivered by the College is relevant, of a high standard, is well administered by those in a non-teaching role and is meeting the needs of the College's clients.

I would also like to acknowledge the work of all those involved in Kimberley TAFE becoming a finalist in the Large Training Provider of the Year, at the Western Australian Training Excellence Awards. While we were not successful, we should take heart in the continued recognition of the College as a first rate training provider. Again, many thanks to you all.

In December, Managing Director Adrian Mitchell announced his resignation, to take effect in January 2007. Adrian's contribution to the College during his tenure was substantial, and Adrian created the environment for the development of many innovative training programs and provided the leadership that has seen the College continue as an instrument for positive change in the Kimberley. The challenge is now for the College to continue to build on these efforts and continue to make a significant contribution to the social and economic development of the region.

I look forward to 2007 confidently, sure that we have the capacity to successfully face the challenges inherent in providing technical education in such a diverse region.

Dr Paul Novelly
Chairperson
Governing Council
Kimberley TAFE

MANAGING DIRECTOR'S REPORT

Having commenced with Kimberley TAFE in September 2003, this will be my final Managing Director's report as I have accepted the position of Institute Director with the Western Institute of TAFE in New South Wales. The decision to leave Kimberley TAFE was extremely difficult as I have thoroughly enjoyed my time in the region. I do, however, leave with many fond memories and more importantly, confident that the College is well-positioned to meet the challenges ahead.

2006 saw the strengthening of many partnerships the College established over recent years, not only with industry, but with other education and training providers including the Djaringo, Goolarri Media Enterprises, Karrayili Adult Education Centre, Notre Dame University and Swan TAFE.

Key success stories in 2006 include:

- ↪ The launch of the very successful 'Hook Line and Thinker' aquaculture program delivered in collaboration with Djarindjin/Lombadina Catholic School and One Arm Point State School to develop an Aquaculture Business Mentoring program for students;
- ↪ The 'Youth Engagement Program' which saw the development of 14 young Indigenous artists contribute toward the independence and sustainability of the Mowanjum Cultural Arts Centre in Derby;
- ↪ The hosting of a successful tourism program at Home Valley Station, East Kimberley, for 11 Indigenous participants interested in establishing careers in cultural tourism;
- ↪ Well advanced preparations for the delivery of a pre-employment program for the Kimberley Land Council in conjunction with Aztec Resources;
- ↪ The establishment of the Halls Creek Youth Workshop, which was a joint Kimberley TAFE and Kimberley District Education Office initiative. This involved attendees from various government, community and industry groups participating at the workshop to seek increased education, training and employment options for youth;
- ↪ A continuing and important relationship with Argyle Diamonds where we have worked closely on a range of programs and training development initiatives including a partnership for horticulture delivery with the Glen Hill Community to support a range of revegetation programs at the mine.

2006 also saw increased training in the pastoral, agricultural and mining sectors. The Community Future Skilling Outback WA project in partnership with Telstra Bigpond, enabled five satellite equipment trailers to deliver IT training to many remote communities in the region.

Changes to Community Development Employment Project (CDEP) funding for Indigenous Australians also saw the College working closely with Kullari Regional CDEP to deliver a range of innovative, project based programs throughout the West Kimberley. Commercially funded programs at the Broome Maritime Simulator experienced significant growth with key training partnerships now in place with the Port of Fremantle and Port Hedland. Other highlights of 2006 included the recognition of training capabilities by our peers, Gary Urquhart, Metal Trades Lecturer, who was a finalist in the Premier's Teacher of the Year Awards. Kimberley TAFE was also a finalist in the category 'Large Training Provider of the Year' at the WA Training Awards.

The end of the year has seen the extensions to Broome campus near completion. These new facilities include a state-of-the-art music room, library, business skills centre, aquaculture laboratories, conference room and improvements to the trades area as well as advanced videoconferencing equipment being installed at all campuses which will see us positioned as the most modern training College in the region.

The commitment, enthusiasm and professionalism of the College's lecturing, management and support staff must continue to be acknowledged and appreciated. For it is they who will build on the quality programs offered across the Kimberley and will continue the close working relationships the College enjoys with industry, other government agencies, service providers and the community to achieve delivery outcomes that are aligned to the region's social, economic and employment aspirations.

Lastly, I would like to thank everyone for their support and great work during my tenure – it has been a terrific journey.

Adrian Mitchell
Managing Director

VISION, MISSION AND GOALS

Purpose

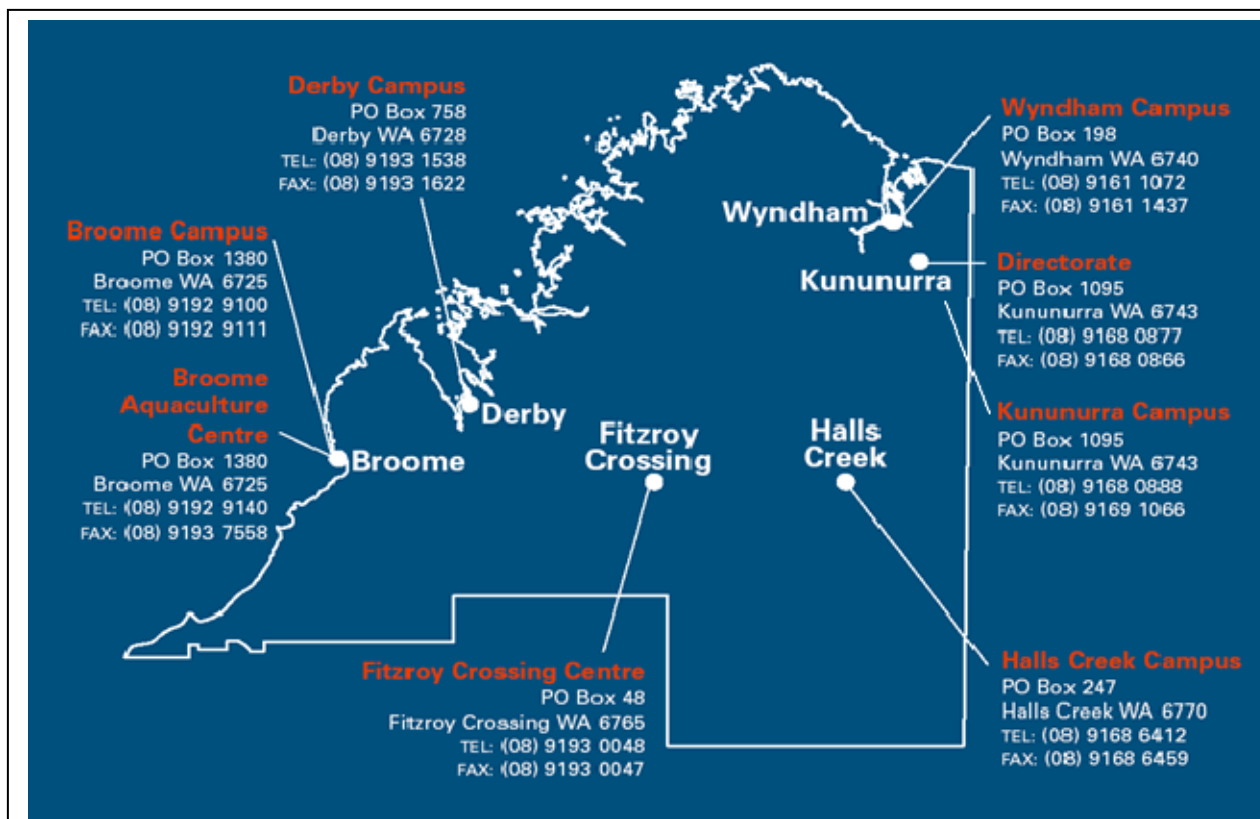
To provide quality vocational education and training and training-related services.

Vision

Be recognised as a significant contributor to social and economic development in the Kimberley region.

Values

- ↗ Honest and open communication.
- ↗ Respect for the traditional lifestyles, cultural backgrounds and different learning styles of the people in our region.
- ↗ Commitment to all staff and recognition of their strengths, abilities and values.
- ↗ Commitment to the empowerment of clients.
- ↗ Collaboration and partnership with others to achieve learning/training outcomes for industry, individuals, and communities.
- ↗ Encourage innovation and professionalism in our unique environment.



Location of Kimberley TAFE Campuses.

2006 - 2008 STRATEGIC PLAN OVERVIEW

The plan identifies four Key Result Areas for the College:

1. Supporting industry and its creation of local employment opportunities

Increase the number of apprentices and trainees within the Kimberley.
Meet industry's training requirements.
Support the creation of local employment opportunities in the Kimberley.
Increase mainstream employment outcomes for Indigenous Australian people.

2. Empowering individuals

Develop pathways to increase participation rates for 15 to 24 year olds in training, education and employment.
Improve training outcomes for Indigenous Australian people.
Provide career guidance and preparation for employment.
Improve literacy and numeracy and work readiness skills.

3. Assisting Kimberley Communities achieve their aspirations

Support communities to plan their social and economic aspirations.
Assist communities to achieve their long term social and economic outcomes.

4. Building and expanding the Colleges capabilities

Enhance the College's workforce capability.
Access additional resources to enable the College to better service its clients.
Work in partnership with industry, the community, the school sector and other service providers.
Ensure training assessment and delivery is culturally appropriate.
Apply sustainability principles in all College undertakings.

STATE TRAINING PRIORITIES

The State Training Priorities are developed through extensive consultation, validation, feedback and negotiation with stakeholders throughout Western Australia, including: industry and enterprises; Industry Training Advisory Bodies; Regional and community bodies; Bodies representing equity groups; Training providers; and Government agencies.

When considering competing needs in a limited resource environment, prioritisation of publicly funding vocational education and training is crucial. Within this context, it is important to acknowledge that government is but one of the core sources of funding for training and that individuals and industry also make direct or in-kind contributions.

The priorities for VET within the new education and training arrangements will focus on developing a high quality system of lifelong learning, which encourages and facilitates the engagement of individuals, communities and industry.

PRIORITIES FOR THE STATE

Transition from School to Work

Assisting young people to successfully make the transition from school to work or further learning through the provision of seamless pathways between school, vocational education and training (VET) and higher education offering more choices for young people;

The College has implemented a number of successful programs targeting young people. Refer to Youth Outcomes later in this report.

Supporting jobs growth

Kimberley TAFE is working in partnership with many Kimberley based organisations to encourage and promote training that will lead to jobs growth in the Kimberley Region and the College is well represented on many local committees. The College also works closely with local Community Development Employment Organisations (CDEP) to ensure that the training is closely aligned to the economic and employment aspirations of communities.

Providing better career guidance and preparation for employment;

The College is working closely with other organisations including Kimberley Group Training, the Employment Directions Network and Job Network Providers to ensure that students have access to career guidance services.

The College also runs a range of work readiness programs in many industry areas and has a major focus on increasing the employability of people between the ages of 15 and 24.

Addressing the needs for lifelong learning and improved pathways with a focus on increasing participation and achievement, particularly by existing workers

Kimberley TAFE meets the diverse needs of its clients by providing training products that range from entry level to Diploma level courses. The College also extensively consults with industry and the community to ensure that training is directly aligned to community and industry needs and growth targets. In 2006, the College negotiated a MOU with the University of Notre Dame to further promote life-long learning and career pathways to help clients engage with vocational education

Kimberley TAFE is a part of the TAFEWA Network and utilises the combined resources of this network to educate and inform clients about pathways and training options that can be provided to suit their requirements. The College also works closely with other Registered Training Organisations (RTOs) in the region, especially Kimberley-based Indigenous RTOs in an effort to improve services to clients.

Taking positive steps to achieve equity of participation and achievement;

The College actively promotes and ensures equity participation and achievement is embedded in all areas of operations. Please refer to Goal 1 for further detail later in this report.

Enabling training providers and brokers to partner with industry to drive innovation;

Throughout 2006 the College actively increased its partnership agreements and MOUs with numerous organisations, universities and Indigenous RTOs in recognition of the increased outcomes that can be achieved through collaboration.

High-profile examples include:

Department of Planning & Infrastructure (DPI), CJ Ord Sugar, Department of Education & Training (DET), Broome Senior High School, DET Career Development Services Branch, Kullarri Regional CDEP, the University of Notre Dame, the Shire of Wyndham East Kimberley, Indigenous Land Corporation and Goolarri Media Enterprises and the Wunan Foundation to ensure the best use of available resources in the Kimberley and to promote remote innovation in training delivery.

Strengthening industry's role in anticipating skill requirements and developing products and services to meet them;

Kimberley TAFE acknowledges and recognises that industry consultation is essential in all delivery areas to ensure that the College remains relevant, current and best able to meet the training needs and skills requirements of the region.

This is achieved through a range of formal and informal industry engagement practices including regular industry focus sessions and the participation of management with external industry groups, eg. Kimberley Development Corporation and various local Chambers of Commerce. The College also encourages ongoing communication and networking between lecturers and industry groups, and focuses on the employment of industry-trained professionals as lecturers.

As an example the North West Hospitality Group has been established to identify strategies to increase local employment in the hospitality and tourism industries.

Improving quality and consistency of VET delivery;

Kimberley TAFE, as a Registered Training Organisation, undergoes audits arranged and conducted by Auditors contracted by the Training Accreditation Council to access compliance with the Australian Quality Training Framework.

The College validates and moderates its own training and assessment by utilising a College Lecturer Committee Structure and by participating in state wide validation meetings to ensure that our clients receive the best training and assessment possible.

Strengthening the TAFEWA network;

Kimberley TAFE is actively participating in all TAFEWA initiatives and is represented on a number of joint committees and working groups. Kimberley TAFE is working in partnership with Swan TAFE for the delivery of first-year metals apprenticeship training and is also involved with the TAFEWA Collaboration project to develop State-wide learning resources for Indigenous training.

Kimberley TAFE has also strengthened relations within the TAFEWA network by appointing a Support Services Manager in 2006 to liaise with other TAFEWA Marketing Managers and ensure a regional perspective is considered in all State-wide marketing activities.

Regional Manager' Delivery Forum

The identified training priorities for the region for the next five years include:

- ↔ Trades training
- ↔ Indigenous community management and development
- ↔ Business services
- ↔ Tourism and hospitality
- ↔ Community services
- ↔ Horticulture, and conservation and land management
- ↔ Information technology training;
- ↔ Art and music
- ↔ Aquaculture
- ↔ Maritime
- ↔ Pastoral
- ↔ Language, literacy and numeracy
- ↔ Access and participation programs

OUR COMMITMENT TO EXCELLENCE AND QUALITY CUSTOMER SERVICES

Kimberley TAFE is committed to providing the highest level of customer service both internally and externally to all stakeholders. A focus on quality customer service underpins all activities and actions throughout the College.

As well, the College is committed to providing quality service by working closely with individuals, the community, industries in the region and state and national training bodies to ensure that courses are both relevant and of a high standard, including:

- ↪ Delivering training which is accredited and nationally recognised.
- ↪ Using appropriate training resource materials.
- ↪ Employing qualified staff and promoting their ongoing professional development.
- ↪ Reviewing programs in consultation with students, community organisations and industry on a regular basis.
- ↪ Embedding excellent customer service in all areas of operation.
- ↪ Ensuring that facilities, equipment and materials are provided to meet the needs of clients.
- ↪ Providing an environment free from discrimination and harassment.
- ↪ Delivering training in a safe and healthy environment.
- ↪ Providing access for clients with special needs.

COLLEGE COUNCIL

Dr Paul Novelly - Chairperson

Dr Paul Novelly has worked as an agricultural scientist for over 25 years both in Australia and overseas. For 17 of those years he has been employed in the Kimberley. In 2003 he undertook the role of Regional Manager, Fisheries WA in Broome before returning to his position in Kununurra as Regional Manager, Northern Rangelands, Kimberley and Pilbara, of Agriculture WA. Paul is also a representative of the Cooperative Research Centre for Tropical Savannas.

Mr Ian Trust – Deputy Chairperson Member

Ian is a former ATSIC Commissioner for the Kimberley region and was a founding Chairman of the Wunan Foundation from 1997 to 2003. Ian has a strong and coherent vision of a better future for Aboriginal people in the East Kimberley - a future beyond welfare and government dependency. Ian has worked tirelessly to progress this vision through such initiatives as the ATSIC Regional Council's "future building" strategy (1996) and the Wunan Regional Council Awards for Excellence and through Kimberley Group Training and reforms in the Aboriginal Housing & Infrastructure sector. Ian has previously held senior management roles in Indigenous Affairs and Health and was the Chairman of the Wunan ATSIC Regional Council from 1994 to 2003. Ian is also a member of the boards of Kimberley Group Training, Indigenous Business Australia and the Indigenous Land Corporation.

Ms Pamela Hunter – Member

Pamela Hunter is the Manager of Aboriginal Healthwork with the Kimberley Health Unit. She has a Bachelor of Applied Science Indigenous Community Health. Previously she worked with the Malarabah Regional Council and Emama Gnuda Aboriginal Corporation.

Mr Ned McCord – Member

Ned McCord has had extensive experience in developing agri-businesses in Northern Australia. He has managed cattle properties both in the Northern Territory and in WA. He is well versed in business strategy, marketing, management, and training, being currently the Managing Director of Kimberley Rural Management and Training. His professional associations are extensive ranging from being Fellow Member of the Australian Institute of Company Directors to Graduate Member of the Australia Rural Leadership Network.

Mr Tony Lee – Member

Tony Lee brings to the Governing Council a wealth of experience gained from senior positions held within both the private and public sector over many years. Tony operates his own consultancy business in Indigenous affairs, working with Indigenous people, government agencies and industry. He is also the Chairperson of the College's Aboriginal Education and Training Committee. He has a passion for issues affecting Indigenous people particularly social justice, human rights and economic and social development.

Mr Grant Smart – Member

Grant Smart is the current CEO of Australia's Northwest Tourism and has held various other managerial positions within the banking industry and holds a Bachelor of Business. Grant has a great passion for the growth of tourism in the Northwest and is a tireless advocate for the industry.

Mr Mal Jarvie – Member

Mal Jarvie is a lecturer in Business Management at the College's Broome Campus. Before joining Kimberley TAFE he worked in the banking industry (30 years) and as a lecturer at Pundulmurra TAFE. Mal holds a Bachelor of Further Education and Training and a Graduate Certificate in Management.

Mr Peter Biber – Member

Peter Biber has extensive Kimberley experience with State Government currently as the Regional Manager for the Department for Planning and Infrastructure and previously as Regional Manager for the Department of Contract and Management Services. Peter holds a Bachelor of Commerce Degree from UNSW and has had more than twenty years executive management and board level experience in the commercial world across Australia, throughout South East Asia, Japan and the Pacific.

Ms Patricia McKay - Member

Patricia McKay is the current Shire President of Halls Creek and has been an active Halls Creek Council member since 1998. Patricia has also been employed at Halls Creek District High School as Aboriginal Education Officer and Library Officer. She has experience as a self-employed business owner as well as raising a family. Patricia grew up in the Murchison and was educated in Mullewa. After marrying, she and her family have lived in Moora, Esperance, Wundowie and Halls Creek. Patricia has held many senior roles in committees including Golf Club President, Football Club President and Treasurer of the Youth Service Committee. Patricia has been accepted as a Justice of the Peace and is a keen advocate for youth issues in the Kimberley.

Mr Antoine Bloemen – Member

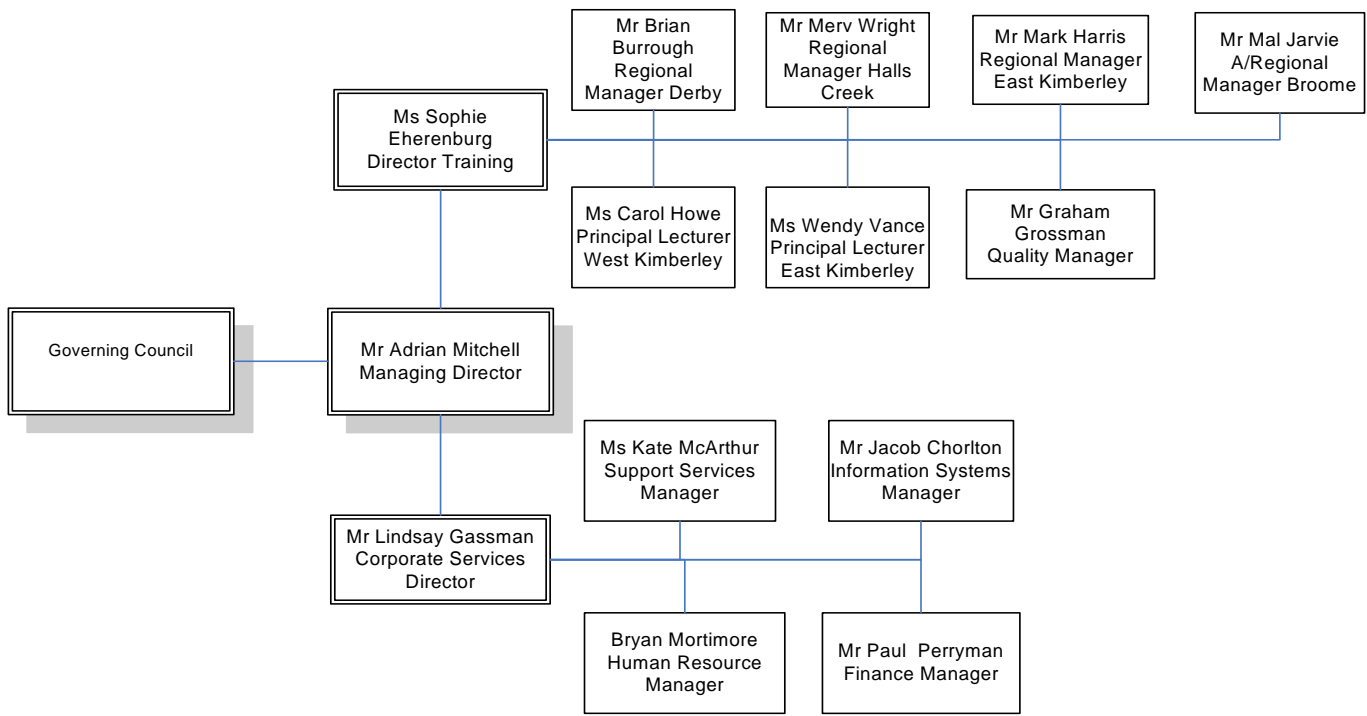
Belgian-born Antoine Bloemen is currently Magistrate for the Pilbara and Kimberley region. A resident of the North West for over 13 years, Antoine has given many years of service to the people of Broome and the Kimberley and has travelled in the course of his work, many thousands of kilometres to remote indigenous communities. Antoine has a Bachelor of Laws; Bachelor of Jurisprudence as well as Diploma in Cinematography. He is a member of the Law Society of Western Australia; the Francis Burt Law Education Centre and the Belgian-Luxembourg Chamber of Commerce for Australia.

Mr Adrian Mitchell - Managing Director, Kimberley TAFE.

Adrian Mitchell has held several senior management positions within the Government sector in Western Australia over the past 30 years. Adrian has extensive experience in training, strategic planning, financial management, corporate services and organisational effectiveness. As a corporate leader, Adrian represents Kimberley TAFE on all key stakeholder state-wide and local committees, especially those related to improving outcomes for Indigenous people, including the Kimberley Area Consultative Committee. Adrian has a Bachelor of Business (Accounting) and Diploma of Accounting.

COLLEGE STRUCTURE

Kimberley TAFE Structure December 2006



REPORT ON COLLEGE OPERATIONS

TRAINING DIRECTORATE (established May 2006)

During 2006, to ensure that the College continues to meet its commitment to providing quality vocational education and training, Kimberley TAFE established a new Training Directorate and, in May, Sophie Ehrenburg commenced as Director Training to drive initiatives.

The restructure has proved successful with an increased focus on strengthening the College's relationships with all key stakeholders and a broader strengthening of the College's overall training delivery outputs.

Kimberley TAFE continued to deliver training to both Indigenous and non-Indigenous clients across the key industry areas of Trades training, Indigenous community management and development, business services, tourism and hospitality, community services, horticulture, and conservation and land management, information technology, art and music, aquaculture, maritime, pastoral, language, literacy and numeracy, access and participation courses. Programs are offered from Certificate I through to Diploma level, noting that for the Kimberley region Certificate I and II programs represent approximately 68% of delivery undertaken by the College, highlighting the unique environment and challenges for VET delivery in the Kimberley region.

The College also delivered an extensive range of Vocational Education for Schools (VETfS) and prison programs. In addition, significant delivery occurred across the region in remote community locations. In addition, the College continued to grow its commercial business.

In 2006, the College also improved its blended and distributed delivery of programs to remote communities by increasing the use of Information Technology and other technology-based resources. As well, increased use of ICT to conduct meetings and build relationships with remote communities, for example, the establishment of Beat (Bidyadanga Education and Training) planning group – a joint Kimberley TAFE/community initiative. And to further support community training, the College developed a community skills plan for Bidyadanga.

SCH PROFILE DELIVERED BY CAMPUS, 2006

CAMPUS	TOTAL SCH	PERCENTAGE OF COLLEGE DELIVERY
Kununurra	67,850	15.51%
Broome	222,271	50.80%
Wyndham	14,315	3.27%
Halls Creek	51,362	11.74%
Derby	81,780	18.69%
Totals	419,575	100%

In the Kimberley region there are unique social, economic and environmental challenges that impact directly on the College's ability to effectively deliver VET training, especially to Indigenous clients. Therefore, much emphasis is placed on addressing these challenges and to ensuring that the College actively drives and/or participates in a range of broader community activities or initiatives in response to the local area needs. In 2006, these included:

Halls Creek Focus on Youth Workshop

A Focus on Youth workshop was held in October 2006 as a community consultation initiative driven by Kimberley TAFE and the Kimberley District Education Office. 34 key stakeholders representing various government, community and industry groups focussed on issues surrounding local youth and identified practical ways to increase their engagement in education, training and employment.

Participation/Traineeship Coordinator

Kimberley TAFE fostered discussions between Kimberley Group Training and the Participation Officer, DET, to co-fund a full-time position in Halls Creek. This position focuses on supporting and implementing outcomes of the Focus on Youth workshop and to providing ongoing mentoring support for Halls Creek-based trainees.

Regional Managers' Delivery Workshop

The first workshop was held mid 2006 and will provide the basis for future training delivery decisions. The workshops allow Kimberley TAFE management to review current delivery strategies to ensure that they are appropriately aligned to meet local Kimberley needs, especially those relating to Indigenous employment, education and training outcomes.

Increasing Training Partnerships

The Training Directorate actively increased the number of training partnerships or Memorandums of Understanding signed with other RTOs or regional key stakeholders, including Kullari CDEP, Djaringo, Goolarri Media Enterprises, Karrayili Adult Education Centre, The University of Notre Dame and Swan TAFE.

Increased Focus on Indigenous Training

Kimberley TAFE delivered numerous innovative training programs that support the employment, economic or training aspirations for Indigenous people or Communities across the region. Highlights for the year included:

Future Skilling Outback WA

This project was a key initiative for Kimberley TAFE and has reached many communities throughout the Kimberley. Five trainers delivered basic IT training utilising mobile satellite trailers and laptops. The program was developed in partnership with Telstra Bigpond as part of the roll out of the 3G Network and was promoted and supported by the Kimberley Indigenous RTO, Goolarri Media.

Hook, Line and Thinker Aquaculture Program

Kimberley TAFE's Broome Aquaculture Centre has been working in collaboration with Djarindjin/Lombadina Catholic School and One Arm Point State School to develop an aquaculture business mentoring program for students that focuses on the breeding and selling of 'Platy's. This action-based learning model incorporates both aquaculture breeding and fish-tank care with basic business skills. Language and literacy are embedded throughout the Certificate I Seafood Industry (Aquaculture) program.

Mud Crabs Breeding Program

This is a community driven initiative whereby Mudnunn, Madarr, L'Djardarr Bay approached the Aquaculture team to develop a program that encourages the breeding of mud crabs. The first attempt resulted in 1,500 'crablets' with an expected 10,000 to be achieved by Easter 2007.

'Six Seasons' Rehabilitation Program

The Horticulture team has taken on the challenge to rehabilitate the new Six Seasons Land Corp subdivision site, including the Gubinge Road extensions. Students participating come from both the Minyar Park Horticulture program and the Prison program.

Winun Ngari Aboriginal Corporation Horticulture Program

This Horticulture program with Winun Ngari promulgated native trees and shrubs for planting in Gibb River Communities. The aim of the program was to assist the participants in gaining the skills of plant promulgation and to develop an ongoing enterprise that promotes economic sustainability.

Mowanjum Community Youth Engagement Program

The Mowanjum Youth Engagement Program was initiated to provide Mowanjum youth, who were not or would not attend school regularly, a pathway to re-engage into training and employment. The program integrates language, culture and land with digital media. As part of the program students created an exhibit for the new Mowanjum Art and Culture Centre called 'Faces of Mowanjum' using photography, story telling, mapping and painting to depict contemporary Mowanjum community members.

Jarlmadangah Community Ranger Program

In conjunction with KALACC, Kimberley Land Council, the Yiriman Project and the Jarlmadangah Community, the College provided Ranger training as part of a strategy to engage youth at risk.

Mount Barnett Training Project

A full-time lecturer, stationed in Mount Barnett on the remote Gibb River Road, and utilising satellite-enabled mobile IT training equipment, provided short course programs, for surrounding Indigenous communities, in Business Administration, IT and Literacy and Numeracy.

Imintji Construction Program

A full-time lecturer was placed in the Imintji Community on the Gibb River Road to teach introductory construction skills to community members.

Home Valley Station Indigenous Tourism Program

Eleven students participated in an innovative Certificate II Tourism Operations program delivered on site at Home Valley Station, a Kimberley based tourism enterprise.

Wyndham Youth at Risk Initiative

Kimberley TAFE collaborated with Save the Children Foundation to provide life-skills, computing and, literacy and numeracy training, targeting youth at risk in Wyndham. The program focussed on ensuring graduates took advantages of further learning opportunities within the College. A number of participants are now enrolled in IT training program.

Halls Creek, traineeship in construction

The College delivered a work-readiness program as a pre-requisite course to the Certificate II in General Construction traineeship. 15 Halls Creek-based participants completed the course as part of a collaborative agreement between the Department Housing and Works, Kimberley Group Training and Kimberley TAFE to foster increased employment opportunities and meet the skill shortage in the local construction industry.

Partnership for Horticulture delivery with Glen Hill Community, Argyle Diamond Mines and TAFE

This initiative is part of a re-vegetation project to link Indigenous communities with the mining sector. Kimberley TAFE delivered a Certificate II in Horticulture to train Glen Hill community members in Horticulture. Argyle Diamond Mine subsequently provided employment opportunities for graduates within their re-vegetation program.

TRAINEESHIPS AND APPRENTICESHIPS

In 2006, the Training Directorate reviewed its management and delivery of traineeships and apprenticeships. As a result, the Traineeship Coordinator has an increased focus on building stakeholder relationships and developing networks with industry.

Working closely with Kimberley Group Training, small and large local employers, schools and other stakeholders the College is committed to increase the number of traineeship and apprenticeship places offered within the region, especially in identified skill shortage areas.

Numbers of Trainees and Apprentices enrolled at Kimberley TAFE.

	2003	2004	2005	2006
<i>Trainees</i>	219	242	297	339
<i>Apprentices</i>	0	6	6	6

COMMERCIAL DELIVERY

Revenue from commercial activity increased by 55% during 2006 to an all-time high of \$1.3 million.

The College refined its short course program to maximise intake and further establish links with local industry. Key short courses include Recreational Skippers Ticket (RST), Four-Wheel Drive (4WD) training in remote regions, and Indigenous Cultural Awareness programs.

Key commercial partnerships

- ↳ Department of Housing and Works - to train community members in the management and reporting of housing requirements.
- ↳ The WA Police Department – the College has the contract to deliver across the Kimberley region, Indigenous cultural awareness training to new police force members.

Broome Maritime Simulator Training Centre

Kimberley TAFE is a leading provider of maritime training with an upgraded Maritime Simulator that integrates tug simulator and bridge simulator systems, and offers many unique training functions not previously available in Australia. Key clients gained in 2006 include a range of WA ports, (such as the Esperance Port Authority, BHP/Port Hedland Port Authority, Dampier Port Authority, Geraldton Port Authority), as well as the Darwin Port Corporation, Adsteam Maritime and Maunsell Consultancy.

Kimberley TAFE has added the clients' ports to its simulator database so the College can meet the growth requirements of each business and provide ongoing support and training to the maritime and resource industries in WA.

Kullari CDEP

Kimberley TAFE has responded government changes to CDEP funding by delivering a range of commercial programs in horticulture, construction, art and access to communities on the Dampier Peninsula through to the Bidyadanga Community (one of the largest Indigenous communities in WA).

Tenders

The College was successful in gaining a range of tenders which further support training requirements to meet the economic, training and employment aspirations of Indigenous communities.

Quality

In 2006, Kimberley TAFE continued its commitment to providing quality service. The College pursues a policy of continuous improvement, with internal and external audits to maintain its quality based systems.

There were 18 Improvement Action Requests (16 in 2005) that resulted in changes to the College's Quality Management Systems policies, procedures and forms.

Changes were also implemented to ensure a smooth transition to the use of the Department's Shared Services initiative.

CORPORATE SERVICES DIRECTORATE

Corporate services continued to support Kimberley TAFE's core business by ensuring compliance with government sector standards in all support functions including academic support services, financial management, human resource management and facilities. Key initiatives for 2006 included:

Move to Shared Services

In 2006, the Education and Training Shared Services Centre (ETSCC) was established in East Perth to deliver some shared corporate services to agencies within the Western Australian Education and Training sector.

On October 23, specific services within Kimberley TAFE's Finance section were moved into the ETSCC, including General Ledger, Accounts Payable, Financial Systems, Financial Policy, Accounts Receivable, Financial Reporting, and Tax and Assets. On November 13, the Human Resource services of Leave and Payroll, Redeployment, Organisational Data Management, Recruitment Processing, HR Systems and HR Reporting made a similar transition.

Kimberley TAFE staff have been comprehensively informed about various processes throughout the transition as there is still a range of Finance and Human Resource services delivered by the College.

Fees and Charges

The Western Australian Department of Training's Fees and Charges Policy Guidelines for Publicly Funded Registered Training Organisations and Programs in 2006 sets out the statutory and provider based fees and charges that apply to training and skills recognition funded by the Department and delivered by Registered Training Organisations from 1 January 2005. Kimberley TAFE abides by these fees and charges in accordance with the provisions of the Vocational Education and Training Act 1996.

College Facilities

Broome

Following the revision of the Broome Master Plan in 2004, the Department of Education and Training provided funding of \$6 million towards the Stage 2B development of the Broome Campus. This project went to tender during the latter stages of 2005 and the successful contractor, Norbuilt Pty Ltd, was announced in December of that year. Work commenced in January 2006 with completion now expected in February 2007.

These works include:

- ↪ Increased classroom facilities (including Music Room, additional Computer Room, Practice Firm Room, refurbished maritime area and two extra general classrooms),
- ↪ New Library complex,
- ↪ Refurbishment of existing administration and library areas to offer improved facilities for lecturers and office staff,
- ↪ additional storage facilities,
- ↪ New algae laboratories for the Broome Aquaculture Centre (BAC)
- ↪ Some refurbishment of the workshop area in preparation for apprenticeship training,
- ↪ A second traffic entrance off Cable Beach Road to improve safety
- ↪ Increased car-park capacity.

Kununurra

Funding was finally secured from the Department of Education and Training to undertake this project which incorporates:

- ↪ workshop development to provide additional workspace, roof area, better security and allow for improved training facilities for trainees and increase apprenticeship delivery to service the local region,
- ↪ refurbishment of administration areas for Support Services and Information Technology Sections.

The project commenced late 2006 and is scheduled for completion by May 2007.

College WAN upgrade

The Wide Area Network (WAN) was upgraded in 2006 to allow the implementation of new videoconferencing and phone equipment for cost-effective communication between campuses.

Videoconferencing Equipment

The College commenced the instalment of state of the art video conferencing equipment in late 2006. It will be rolled out to all campuses during the early part of 2007.

The new equipment will allow Kimberley TAFE to video conference internally at no cost and video conference to other locations which have the facilities, thus increasing our potential to deliver training to additional communities.

Upgrade of Telephone Systems

In 2006, the College commenced the acquisition of new Hybrid PABX equipment.

The technology associated with this new system allows the College to utilise Voice Over IP (VOIP) so that telephone calls may be directed over the College's WAN.

All campuses will upgrade to ISDN lines by the end of February 2007 with installation of the new PABX equipment expected to start at the beginning of April.

This is a significant cost-saving exercise for the College as Kimberley TAFE will no longer pay STD phone calls when calling between campuses.

Staffing

The following table indicates the number of Full Time Equivalent employees (FTEs) as at 31 December providing both program delivery and administrative services during the past three years:

	2004	2005	2006
Academic (Lecturers)	46	55	59
Program Management	7	7	6
Academic Support	17	16	18
Administration	37	35	36
Other – Trainees/Redeployees	3	1	3
TOTAL	110	114	122
Casual Staff	16	14	13

Based on head count Academic Staff numbers for 2006 include 7 Indigenous Lecturers, Academic Support includes 10 Indigenous employees, the Administration numbers include 4 Indigenous employees and the College had 2 Indigenous Trainees at year end.

ENABLING LEGISLATION

Kimberley TAFE was established as an autonomous body on 1 July 1999 under Section 35 of the Vocational Education and Training Act 1996.

OCCUPATIONAL SAFETY AND HEALTH

The College adheres to the requirements of the Occupational Safety and Health Act 1984. A separate Occupational Safety, Health and Welfare Committee, which has trained across College site representatives, meets on a regular basis. Of 22 reported Incidents/Accidents none resulted in Workers Compensation Claims where expenses have been involved.

The College's Insurers settled one long term Workers Compensation situation in late 2006. This claim related to an accident in March 2004 where the employee involved was certified as having a 30% disability (back related). The Claim was satisfactorily settled without the need for civil procedures.

Work related handling and lifting training was conducted during 2005.

The College maintained its contract with Occupational Services Australia Group for provision of an Employee Assistance Scheme. Minimal access was made to this service during 2006.

PUBLICATIONS

- ↪ Fees & Charges Brochure
- ↪ Course Outlines (Online: Products & Services Catalogue)
- ↪ Student Information 2005
- ↪ 2006 Student Diary
- ↪ Website
- ↪ Broome Campus Courses brochures
- ↪ Various subject brochures
- ↪ Annual Report
- ↪ KCICED Brochure
- ↪ Maritime Simulator Brochure
- ↪ Strategic Plan
- ↪ Capability Statement

PROMOTIONAL ACTIVITIES

Marketing

A new marketing strategy has been developed utilising the tag line Unique Training, Unique Opportunities, Uniquely Kimberley. This incorporates advertising, media, public relations, industry consultation and promotional events. The goal is to revitalise Kimberley TAFE's brand image for prospective and current students, as well as appealing to commercial and corporate clients, with a new website and suite of marketing materials.

Branding and Advertising

A new template has been designed to replace the standard State Government template. Discussions are in place with local newspapers to produce the advertisements for publication. In addition, new course templates and fliers have been produced for the College.

Press releases – external marketing

There has been a concentration on lifting the College's profile in the media. Since June, Kimberley TAFE has received greater mention in both the Broome Advertiser and the Kimberley Echo. Our insertion success rate is at 95% with press releases picked up for publication every four weeks.

Media alerts

To keep the Executive and Regional Managers aware of Government, community and industry activities that may affect College business, an e-media system has been put in place. Support Services receive alerts on a daily basis. They are screened for relevance and sent out as required.

Promotional events

Numerous promotional initiatives were undertaken by the College including the North West Expo, participation in various local shows, shopping centres and Indigenous Community events.

PROFESSIONAL DEVELOPMENT

The College continues to provide significant Professional Development support for its staff. This is particularly important in the remote Kimberley Region where it is sometimes more difficult for employees to maintain their knowledge and keep abreast of developments and trends in their chosen professions. During 2005 Professional Development focussed on bridging this difficulty. This has been achieved by many of the College's teaching staff attending the annual Training Forum in Perth, a significant number attending external industry conferences and seminars related to their individual fields of delivery and a number of the College's specialist staff attending training programs to update their skills (e.g. in the ICT areas). In addition to these the College sponsored a range of visiting experts to attend our concentrated 3 days of Professional Development for Academic Staff conducted in Broome in October.

Apart from these Professional Development programs, a total of 64 staff members participated in College funded individual professional development activities. Some of the programs and activities involved here included Certificate IV in Training and Assessment, attainment of individual vocational qualifications, a range of First Aid Training, Occupational Safety and Health Site Safety Representative training, Return to Industry, a continuing emphasis on training of Staff in responsibilities and processes associated with the Australian Quality Training Framework (AQTF) Standards together with support for employees undertaking external tertiary based qualifications that are relevant to their employment with the College.

An average of 70 hours per FTE (inclusive of casual employees – marginally down on 2005) of directly funded individual Training/Professional Development was undertaken by College employees during 2006.

COMPLIANCE REPORT

Disability Access and Inclusion Plan Outcomes

The College is committed to its obligations under Equal Opportunity legislation, the Disability Services Act 1993 and the Commonwealth Disability Discrimination Act 1992. The College has its own Disability Services Plan.

Specific assistance provided to students during 2006 included mentoring and tutoring support to students with a range of disabilities, plus the provision of hardware aids.

No alterations to existing buildings were necessary during the year. The results of a TAFEWA wide survey of building / facilities access for people with disabilities were released during 2005. There were no issues of major significance for this College to deal with in respect of this survey. All new

buildings and structures are designed to be user friendly for people with disabilities. The College is monitoring the development of a new Standard for Access to Premises that is likely to be included in the Federal Disability Discrimination Act 1993 in the medium term.

The College includes a specific section in its Student Handbook related to students with disabilities. It also employs the use of TTY Machines for students and staff with hearing impairments. The Local Area Coordinator of the Disability Services Commission is also a member of the College's Client and Customer Service Committee

The College has in the past run Disability awareness sessions for its employees, in particular for those involved with the delivery of training. It is proposed to endeavour to conduct further training and awareness in this area during 2007.

The College's Human Resource Manager, who is responsible for the day to day management of Disability Services, liaises regularly with Disability Service Commission representatives across the Kimberley. A Local Area Coordinator from the Disability Services Commission is an invited member of the College's Client and Customer Service Committee. College Regional Managers also communicate regularly with other bodies in the Kimberley associated with people with disabilities (e.g. Kimberley Personnel Services in Broome).

CULTURAL DIVERSITY AND LANGUAGE SERVICES OUTCOMES

Kimberley TAFE is committed to meeting client expectations of cultural diversity and language services. As evidenced by:

1. The College offered Certificate of General Education for Adults (CGEA) and CGEA (Aboriginal Stream). This program provides training in essential English reading, writing, numeracy and oral communication skills.
2. Development of bridging programs for a range of courses including the Diploma of Nursing, where the client group is predominantly Indigenous, whereby English is often a second or third language.

YOUTH OUTCOMES

Kimberley TAFE acknowledges that a large percentage of its clients are in the 15 – 24 youth age demographic. As such, the College ensures that programs delivered to this age group are engaging and utilise action-based models.

The College continues to work closely with the school sector especially in increasing the number of VETfS programs. Increased delivery of these

programs occurred in remote communities including Wangkajungka, Bidyadanga and Kalumburu.

During 2006, 41% of the College's training was delivered to young people 25 years and under. The College delivered 36,491 Student Contact Hours (SCH) of VET for School Students, 10,964 SCH in School Based Traineeships and quality assured the delivery of 6,978 SCH of VET by schools.

WASTE-PAPER RECYCLING

Kimberley TAFE continues to encourage a recycling program for waste paper throughout its campuses and offices.

In 2006 all classrooms where printers and photocopies were located incorporate a recycling area for paper. College staff and students are encouraged to utilise this facility.

ENERGY SMART GOVERNMENT INITIATIVE

The energy consumption for Kimberley TAFE for 2005/06 shows a slight increase in power usage of 0.19% over 2004/05. Therefore at this stage the College has only achieved a reduction of 3.9% since the baseline year of 2001/02 (as against a target of 10%).

The College's achievements are summarised below.

	2001/02 Baseline	2005/06 Result	Variation
Energy Consumption (GJ)	3,327	3198	3.88%
Energy Cost (\$)	309,562	146,291	
Greenhouse Gas Emissions (Tonnes of CO2)	848	798	
Performance Indicators:- MJ/PSM	511	432	
MJ/Per Full time Student	3,709	3,031	

Note:

- (1) The College received a tariff reduction in the amount per kWh charged from 1 July 2004. 2003/4 \$ 0.3325 Per kWh : 2004/5 \$ 0.1660 Per kWh

Whilst the College has not achieved this objective, we consider that we have done quite well considering the following factors:

Since 2001/02 the College's business has increased 17.6% as evidenced by the increase in effective full time student numbers.

To accommodate this additional business, extra facilities have been necessitated. Hence the increase in floorspace of 13.7% since 2001/02.

Some of this extra business has been in the industrial skills area (the College has commenced training in apprenticeships at both Broome and Kununurra). This type of training delivery invariably utilises more power.

As mentioned in the comments on the 2004/05 result both Broome and Derby campuses acquired necessary extra floorspace during that year. The Derby acquisition comprised a whole new building (refurbished) to complement the existing facility. This building (of 540 m²), which became operational during 2005/06, is now the main campus site with the old campus being utilised as a workshop and art training facility. Derby Campus alone has recorded an increase in power of 83.3% due to the new facility. If this increase was discounted then the College result would have shown a reduction of 5.4% during 2005/06 and a reduction of 8.9% since the baseline year of 2001/02.

It should also be noted the results to date indicate a reduction of 15.5% in MJ/m² and 19.3% in MJ/effective full time students. These figures (this College believes) are true indicators of the overall good results achieved.

Furthermore the results at other campuses have been very good this year with most showing good reductions – Kununurra (7.6%), Broome (4.9%), Broome Aquaculture (3.0%), Wyndham (20.4%). These reductions reflect the sound power saving practices in place as well as the outcomes from the 2 capital initiatives undertaken (triphosphorous lighting and replacement of some APAC air-conditioners with more energy efficient units).

This College continues to grow so that we may satisfy the increasing training delivery requirements of this dynamic and developing remote region. Therefore there are plans for a number of major capital building projects to accommodate the training needs of the region, as follows:

\$6 million major expansion of Broome Campus and the Aquaculture Centre – presently under construction and to be ready by the start of the 2007 academic year.

Major refurbishment and expansion of the Workshop complex at Kununurra Campus to help with apprenticeship and traineeship delivery. This should be completed by the start of the 2007 academic year, as well.

Extra art classroom, student facility and other minor building work at Halls Creek Campus – planned for 2007.

New Campus at Fitzroy Crossing (comprising administration, 3 classrooms and workshop). It is hoped that this facility will be constructed at the same time as the new Fitzroy District High School (scheduled for completion in 2009). The College presently only has a 2 room donga facility at the school in Fitzroy Crossing.

Naturally such planned development will put enormous upward pressure on energy consumption overall.

Kimberley TAFE remains very active in monitoring results and promoting the Energy Smart message. This will continue.

REGIONAL DEVELOPMENT POLICY

Kimberley TAFE complies with the underpinning principles of the four goals of the 'Regional Development Policy' and has particular focus on the goals of Education, Health, Safe and Supportive Communities and Growing a Diversified Economy. Achievements within these goal areas are highlighted within the Report on College Operations section.

FREEDOM OF INFORMATION

The College publishes a range of documents that provide information to staff and the community. Publications are available from the College and many are widely distributed to interested parties and the broader community. The College's website is continually updated with an increasing amount of general information and documentation.

Any member of the public wishing to access material under the Freedom of Information Act 1992 (FOI Act), may address requests to:

Managing Director
Kimberley TAFE
PO Box 1095
KUNUNURRA WA 6743
Telephone: 08 91680877

The College did not receive any applications under the auspices of the FOI Act during 2006.

CONTRACTS WITH SENIOR OFFICERS

At the date of reporting, other than normal contracts of employment, no Senior Officers, or firms of which Senior Officers are members, or entities in which Senior Officers have substantial interests had any interests in existing or proposed contracts with Kimberley TAFE.

RECORD KEEPING PLAN

Kimberley TAFE as part of the TAFEWA network joined with the Department of Education and Training to create a combined Record Keeping Plan that satisfies the requirements of the State Records Act 2000.

Under part 3, division 4, Kimberley TAFE is required to review its RKP periodically or when there is any significant change to the agencies functions. Kimberley TAFE is required by Standard 2, Principle 6 to include a report on the following in our annual report:

The efficiency & effectiveness of the organisation's recordkeeping system is evaluated not less than once every 5 years.

Regular records management awareness is delivered to all staff who have the responsibility of recordkeeping in their area. A full audit was conducted during 2006 and found that the Colleges systems were compliant in most areas, short fallings were addressed. The College is investigating the possibility of integrating an Electronic Document Management System into the Colleges' operations.

The organisation conducts a recordkeeping training program.

Group and individual training sessions are provided on demand. External and specialised training is provided to records management and other relevant staff as required. Updates and information on recordkeeping and records management are relayed to staff through email.

The efficiency & effectiveness of the recordkeeping training program is reviewed from time to time.

Yearly reviews are conducted on recordkeeping awareness training.

The organisation's induction program addresses employees' roles and responsibilities with regards to their compliance with the organisation's recordkeeping plan.

Induction sessions are conducted for new staff as required. Topics covered include an overview of individual recordkeeping responsibilities, legislative framework, records management tools (ie thesaurus), and procedural documentation on the business system.

ADVERTISING

Electoral ACT 1907

In accordance with Section 175ZE of the Electoral Act 1907, the College spent \$17,797 (a decrease of \$3,613 on 2005) through Marketforce, an advertising agency for recruitment advertising in Local, State and Interstate press during 2006.

The College also spent \$ 13,703 on advertising of courses and general advertising, which was spent with the following agencies:

Marketforce	\$10,735.00
Kimberley Echo	\$474.00
WA Newspapers	\$446.00
Pindan Printing	\$309.00
Broome Advertiser	\$1,224.00
Derby Media Aboriginal Corp	\$160.00
North West Expo	\$355.00

SUSTAINABILITY

Kimberley TAFE is committed to ensuring that the College embraces the principles of sustainability in all its activities, in particular its core business “delivery of training and assessment” and to educating its staff on the importance of contributing to sustainability on an ongoing basis.

The three key elements of sustainability include:

- ↳ Social sustainability – contribution to developing social capital and capacity building.
- ↳ Economic Sustainability – elements of organisational and financial sustainability.
- ↳ Environmental sustainability – responsiveness to energy efficiency, water conservation and waste minimisation.

The College recognises its corporate responsibility with respect to sustainability and as a consequence, the above three areas will strongly contribute to the College’s Strategic Planning Framework.

The College’s Sustainability Action Plan, which details actions to be addressed in achieving successful sustainability outcomes, is to be reviewed and updated annually and will, subject to available resources, identify new areas of activity and also will enhance existing actions.

Current Action

The College has achieved the following outcomes in relation to its support of implementing Sustainability principles:

- ↳ College Divisional/Branch Business Plans address sustainability principles.
- ↳ Inclusion of Sustainability into numerous training programs and courses.
- ↳ Involvement in cross-agency (Government & Private) service provision; resource sharing; collaborative initiatives; and strategic alliances with industry.

- ↪ Energy Management Plan to achieve energy smart milestones.
- ↪ The College actively incorporated its sustainability principles into the College's building programs at the Broome and Kununurra Campuses.
- ↪ Introduction of multi-functional devices across the College to improve efficiency in photocopy, printing, faxing and scanning.

EQUAL EMPLOYMENT OPPORTUNITY

The College continues to meet its obligations in this area in relation to the range of equity and diversity based legislative and Public Sector Management requirements. The College has a Client and Customer Service Committee which incorporates an Access and Equity cell. During 2006 the College's "Building Diversity" Plan was further developed and pursued with the focus on Training Delivery. In accordance with requirements the College will be developing a new Equity and Diversity Plan in the first half of 2006. No formal complaints concerning discrimination or sexual harassment were lodged during 2006.

Breakdown of College Staff (FTE) by Gender is as follows (not including casual employees):

	Male	Female	Total
Academic (Lecturers)	31 (-)	28 (+4)	59
Program Management	4 (-1)	2 (-)	6
Academic Support	11 (+1)	7 (+1)	18
Administration	12 (-)	24 (+1)	36
Other – Trainees/Redeployees	2 (+2)	1 (-)	3
TOTAL	60 (+2)	62 (+6)	122
Indigenous employees included in above	11	8	19

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

The College is committed to ensuring its processes comply with the Human Resource Management Standards of the Public Sector Standards Commission.

Compliance with Public Sector Management Act Section 31(1)

In the administration of the Kimberley TAFE, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and the College's 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 in 1. is correct.

The Applications made for Breach of Standards Review and the corresponding outcomes for the reporting period are:

- ↳ Number lodged: nil
- ↳ Number of breaches found, including details
↳ of multiple breaches per application: nil
- ↳ Number still under review nil



Adrian Michell
Managing Director
30/01/2007

CORRUPTION PREVENTION

During 2006 the College continued to work with other TAFEWA Colleges and the Department of Education and Training to further develop Policies and Procedures aimed at reducing the risk of corruption and crime in the Education Sector in Western Australia. Efforts here focussed predominantly on Criminal Screening for all existing employees, and for new staff prior to them commencing employment. At 31 December 2006, 100% of College employees (including those employed on a casual basis) had been criminally screened and cleared for employment in the Education Sector.

During 2007 the focus will be on the development of processes associated with requirements under the new Working with Children (Criminal Record Checking) Act 2004 and to develop and implement Corruption and Crime overarching Policies and Procedures.

At the request of the College, Alan Jones, a senior Officer from the Department of Education and Training's Investigations Unit, visited during the year. He briefed staff across the College on matters related to Crime and Corruption legislation and processes and also covered the area of Public Interest Disclosure.

While at the College he audited several College procedures, including a very exhaustive audit of the Colleges Recruitment Files. No irregularities were found in any of the processes examined.

PUBLIC INTEREST DISCLOSURE

Kimberley TAFE complies with the Public Interest Disclosure Act 2003 in order to facilitate the disclosure of public interest information and to provide protection for those who are the subject of disclosures. It recognises the value and importance of contributions of staff to enhance administrative and management practices and strongly supports disclosures being made by staff in connection with corrupt or improper conduct.

The College has its own Policy, Procedures and Guidelines related to obligations associated with the Public Interest Disclosure Act 2003. These are consistent with guidelines published by the Commissioner for Public Sector Standards.

All employees were further reminded of the guidelines, and their obligations contained therein, during 2006. There were no Public Interest Disclosures notified in 2006.

The contact details for the Public Interest Disclosure Officer are:

Human Resource Manager
Kimberley TAFE
PO Box 1095
Kununurra WA 6743

Kimberley TAFE

**FINANCIAL STATEMENTS
FOR
YEAR ENDED 31 DECEMBER 2006**



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**KIMBERLEY 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 the Kimberley 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 financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the Notes to the Financial Statements.

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
19 March 2007

**Kimberley TAFE
FINANCIAL STATEMENTS
For The Year Ended 31 December 2006**

The accompanying financial statements of Kimberley 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.



Dr Paul Novelty
Chairperson of the Governing Council

8th March 2007

Dated



Phil de Garis
A/Managing Director
Member of Governing Council

8th March 2007

Dated



Lindsay Gassman
Chief Finance Officer

8th March 2007

Dated

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006
2006
2005

	Notes	\$	\$
COST OF SERVICES			
Expenses			
Employee benefits expense	7	10,760,767	9,734,217
Supplies and services	8	3,883,986	3,343,025
Depreciation expense	9	803,085	832,237
Finance costs	10	999	2,714
Grants and subsidies	11	66,428	38,783
Capital user charge	12	1,427,192	1,099,807
Cost of sales	17	32,575	35,732
Loss on disposal of non-current assets	21	-	743
Other expenses	13	904,716	791,114
Total cost of services		17,879,748	15,878,372
Income			
Revenue			
Fee for service	14	1,299,586	840,229
Student fees and charges	15	597,431	551,080
Ancillary trading	16	38,380	39,450
Sales	17	43,535	54,492
Commonwealth grants and contributions	18	17,172	73,513
Interest revenue	19	163,213	122,205
Other revenue	20	373,881	270,490
Total revenue		2,533,198	1,951,459
Gains			
Gain on disposal of non-current assets	21	14,455	-
Total Gains		14,455	-
Total income other than income from State Government		2,547,653	1,951,459
NET COST OF SERVICES		(15,332,095)	(13,926,913)
INCOME FROM STATE GOVERNMENT			
State funds	22	14,705,003	13,035,288
Resources received free of charge		933,904	590,042
Total income from State Government		15,638,907	13,625,330
SURPLUS/(DEFICIT) FOR THE YEAR		306,812	(301,583)

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

Kimberley TAFE
BALANCE SHEET
AS AT 31 DECEMBER 2006

2006

2005

	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	34	2,110,118	1,569,844
Restricted cash and cash equivalents	23,34	1,218,138	1,034,082
Inventories	24	63,853	51,464
Receivables	25	480,190	344,325
Other current assets	26	870,701	9,586
Total Current Assets		4,743,000	3,009,301
Non-Current Assets			
Property, plant, equipment and vehicles	27	22,572,199	15,005,151
Total Non-Current Assets		22,572,199	15,005,151
TOTAL ASSETS		27,315,199	18,014,452
LIABILITIES			
Current Liabilities			
Payables	29	804,574	42,500
Borrowings	30	2,596	11,796
Provisions	31	1,377,459	1,109,185
Other current liabilities	32	734,489	489,059
Total Current Liabilities		2,919,118	1,652,540
Non-Current Liabilities			
Borrowings	30	-	2,596
Provisions	31	402,193	562,947
Other non-current liabilities	32	33,895	-
Total Non-Current Liabilities		436,088	565,543
TOTAL LIABILITIES		3,355,206	2,218,083
NET ASSETS		23,959,993	15,796,369
Equity			
Contributed equity	33	718,208	718,208
Reserves		11,749,187	3,892,375
Accumulated surplus		11,492,598	11,185,786
TOTAL EQUITY		23,959,993	15,796,369

The Balance Sheet should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2006****2006****2005**

	Notes	\$	\$
Balance of equity at start of year		15,796,369	14,677,651
CONTRIBUTED EQUITY	33		
Balance at start of year		718,208	718,208
Balance at end of year		718,208	718,208
RESERVES	33		
Asset Revaluation Reserve			
Balance at start of year		3,892,375	2,472,074
Gains from asset revaluation		7,856,812	1,420,301
Balance at end of year		11,749,187	3,892,375
ACCUMULATED SURPLUS (RETAINED EARNINGS)	33		
Balance at start of year		11,185,786	11,487,369
Surplus/(deficit) for the year		306,812	(301,583)
Balance at end of year		11,492,598	11,185,786
Balance of equity at the end of year		23,959,993	15,796,369
Total income and expenses for the year		8,163,624	1,118,718

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006
2006
2005

	Notes	\$	\$
CASH FLOWS FROM STATE GOVERNMENT			
Recurrent state funding - Department of Education and Training		12,687,374	12,216,758
Capital state funding - Department of Education and Training		566,127	320,285
Net cash provided by State Government		13,253,501	12,537,043
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(9,896,987)	(8,942,659)
Supplies and services		(2,835,770)	(2,747,556)
Grants and subsidies		(52,300)	(38,783)
Finance costs		(999)	(2,714)
Capital user charge		(624,398)	(1,099,807)
GST payments on purchases		(433,359)	(416,009)
GST payments to taxation authority		-	(14,764)
Other payments		(767,447)	(793,073)
Receipts			
Fee for service		1,211,363	809,661
Student fees and charges		556,393	524,762
Ancillary trading		38,380	39,450
Interest received		163,213	122,205
Commonwealth grants and contributions		(4,233)	371,139
GST receipts on sales		180,022	176,264
GST receipts from taxation authority		101,224	67,965
Other receipts		370,925	290,204
Net cash used in operating activities	34	(11,993,973)	(11,653,715)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		14,455	-
Purchase of non-current physical assets		(537,857)	(494,032)
Net cash used in investing activities		(523,402)	(494,032)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease repayment of principal		(11,796)	(17,717)
Net cash used in financing activities		(11,796)	(17,717)
Net increase in cash and cash equivalents		724,330	371,579
Cash and cash equivalents at the beginning of year		2,603,926	2,232,347
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	34	3,328,256	2,603,926

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

Kimberley TAFE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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 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 Treasurer's Instructions may modify or clarify their application, disclosure, format and wording to provide certainty and to ensure consistency and appropriate reporting across the public sector. For example, AASB 116 requires land and buildings to be measured at cost or fair value; TI 954 mandates the fair value option.

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, UIG Interpretations 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 4 '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 5 'Key sources of estimation uncertainty'.

(c) Reporting Entity

The reporting entity comprises the College and entities listed at note 40 '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 'Contributed 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 33 '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 follow:

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 is accrued.

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.

Kimberley TAFE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

(g) Property, Plant, Equipment and Vehicles

Capitalisation/Expensing of assets

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

For items of property, plant, equipment and vehicles 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, vehicles, 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 historical cost less accumulated depreciation and accumulated impairment losses.

Where market 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.

Where market 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.

When buildings are revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

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 27 'property, plant, equipment and vehicles' for further information on revaluations.

Depreciation

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

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

Buildings	40 years
Motor Vehicles, Caravans and Trailers	5 to 8 years
Plant, Furniture and General Equipmen	4 to 8 years
Computing, Communications and Softwar	2 to 8 years
Marine Craft	5 to 8 years

(h) Intangible Assets

The College has no intangible assets.

(i) Impairment of Assets

Property, plant, equipment and vehicles 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 reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

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 25 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 leased plant, furniture and general equipment, 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 arrangements for motor vehicles. 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); an
- Non trading financial liabilities (finance leases, payables)

Initial recognition and measurement is at fair value. Usually the transaction cost or face value is equivalent to fair value and subsequent measurement is at amortised cost using the effective interest method.

Short-term receivables and payables with no stated interest rate are measured at transaction cost/face value if the effect of discounting is immaterial.

(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, and bank overdraft. The College has no bank overdrafts.

(n) Accrued Salaries

Accrued salaries (see note 32 'Other current 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 net fair value.

Kimberley TAFE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

(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.

(p) Receivables

Receivables are recognised and carried at original invoice amount less an allowance of 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 provision for uncollectible amounts (doubtful debts) is raised when collectability is no longer probable. See note 2(l) 'Financial Instruments' and note 25 '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' and note 30 'Borrowings'.

(s) Provisions

Provisions are liabilities of uncertain timing and 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 can be measured reliably. Provisions are reviewed at each balance sheet date. See note 31 '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 respect of services provided 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 Gold State (GSS) and West State (WSS) superannuation schemes.

The College has no liabilities under the GSS Scheme as the 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 the GSS Scheme 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. These contributions extinguish all liabilities in respect of the WSS Scheme.

The GESB makes all benefit payments and is recouped by the Treasurer for the employer share in respect of the 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 13 'Other expenses' and note 31 'Provisions').

(t) Superannuation Expense

The following element is included in calculating a superannuation expense in the Income Statement:

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

(u) Resources Received Free of Charge or for Nominal Value

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

(v) Jointly Controlled Operations

The College has no interests in jointly controlled operations.

(w) Comparative Figures

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

Kimberley TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

3 Other policies not included in this Model

There are no other policies to disclose.

4 Judgements made by management in applying accounting policies

The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

Leases are classified as operating for motor vehicles and finance for photocopiers.

5 Key sources of estimation uncertainty

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting 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:

Discount rates used in estimating Employee Benefit Provisions - mid-rates on selected Commonwealth Government Securities (5.16%). Salary inflation rate used in estimating Employee Benefit Provisions 3.5%.

A refund may be payable to Department of Education and Training for under delivery of the Delivery and Performance Agreement. The amount is based on an estimate of Student Curriculum Hours (SCH) at mid January. Final SCH data is not required to be submitted until end of February. Also the Invalid Module Enrolment (IME) rate which affects the refund calculation is not known at time of reporting.

Some uncertainty exists over impairment of student receivables

General receivables are all considered collectable.

No provision has been made for sick leave as the College annual costs do not exceed the annual value of entitlements.

6 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 quantitative and qualitative 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 on 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)'. Their 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. 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 Government
2006-2	Amendments to Australian Accounting Standards (AASB 1
2006-3	Amendments to Australian Accounting Standards (AASB 1045) [As per advise by DTF verbally - 21 Nov 200
UIG 7	Applying the Restatement Approach under AASB 129'Financial Reporting in Hyperinflationary Economics'.
UIG 8	Scope of AASB 2
UIG 10	Interim Financial Reporting and Impairment

Kimberley TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	\$	\$
7 Employee benefits expense		
Wages and salaries (a)	7,877,084	7,089,888
Superannuation - defined contribution plans (b)	647,681	576,142
Long service leave (c)	(9,189)	(430)
Annual leave (c)	138,802	71,683
Other	2,106,389	1,996,934
	<u>10,760,767</u>	<u>9,734,217</u>
(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.		
(c) Includes a superannuation contribution component.		
Employment on-costs such as workers' compensation insurance are included at note 13 'Other expenses'. The employment on-costs liability is included at note 31 'Provisions'		
8 Supplies and services		
Consumables and minor equipment	554,614	513,514
Communication expenses	122,986	145,910
Utilities expenses	246,878	259,635
Consultancies and contracted services	1,524,123	1,026,794
Minor works	226,739	252,626
Repairs and maintenance	102,941	102,698
Operating lease and hire charges	370,699	369,347
Travel and passenger transport	419,640	381,364
Advertising and public relations	165,382	89,935
Supplies and services - other	149,984	201,202
	<u>3,883,986</u>	<u>3,343,025</u>
9 Depreciation expense		
Buildings	356,278	344,407
Motor vehicles, caravans and trailers	68,456	72,506
Plant, furniture and general equipment	159,440	165,287
Computers and communication network	207,695	237,786
Marine craft	11,216	12,251
Total depreciation	<u>803,085</u>	<u>832,237</u>
10 Finance costs		
Finance lease finance charges	999	2,714
	<u>999</u>	<u>2,714</u>
11 Grants and subsidies		
Payments to non TAFE Providers for VET service delivery	63,977	38,377
Other	2,451	406
	<u>66,428</u>	<u>38,783</u>
12 Capital user charge		
Capital user charge expense	1,427,192	1,099,807
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.		
13 Other expenses		
Building Maintenance	253,874	328,183
Doubtful debts expense	13,999	518
Employment on-costs (a)	597,053	418,511
Student prizes and awards	1,960	7,780
Losses and write-offs (note 42)	37,902	36,276
Other	(72)	(154)
	<u>904,716</u>	<u>791,114</u>
(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 31 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.		
14 Fee for service		
Fee for service -general	1,001,798	390,202
Fee for service -Department of Education and Training	8,410	285,974
Fee for service - government (other than Department of Education and Training)	283,621	141,758
Adult Community Education fees	47	3,870
International Division fees	5,710	18,425
	<u>1,299,586</u>	<u>840,229</u>
15 Student fees and charges		
Tuition fees	356,777	336,509
Enrolment fees	73,270	66,735
Resource fees	160,305	141,007
Other college fees	7,079	6,829
	<u>597,431</u>	<u>551,080</u>
16 Ancillary trading		
Contracting and consulting	20,859	29,381
Other ancillary revenue	17,521	10,069
	<u>38,380</u>	<u>39,450</u>
17 Trading Profit		
Bookshop:		
Sales	43,535	54,492
Cost of sales:		
Opening inventory	(51,464)	(54,389)
Purchases	(44,964)	(32,807)
	<u>(96,428)</u>	<u>(87,196)</u>
Closing inventory	63,853	51,464
Cost of goods sold	<u>(32,575)</u>	<u>(35,732)</u>
Trading Profit - Bookshop	<u>10,960</u>	<u>18,760</u>
See note 2(o) 'Inventories' and note 24 'Inventories'.		
18 Commonwealth grants and contributions		
Commonwealth specific purpose grants and contributions	17,172	73,513
	<u>17,172</u>	<u>73,513</u>
These grants include Indigenous Education Program (away from base).		
19 Interest Revenue		
Interest Revenue	163,213	122,205

Kimberley TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	\$	\$
20 Other revenue		
Rental and facilities fees	9,131	12,120
Sponsorship and donations revenue	455	91
GEHA employee contributions	303,983	253,502
Miscellaneous revenue	60,312	4,777
	<u>373,881</u>	<u>270,490</u>
21 Net gain/(loss) on disposal of non-current assets		
<u>Carrying costs of non-current assets</u>		
Plant, furniture and general equipment	-	780
	<u>-</u>	<u>780</u>
<u>Proceeds from disposal of non-current assets</u>		
Plant, furniture and general equipment	-	37
Marine craft	14,455	-
	<u>14,455</u>	<u>37</u>
Net gain/(loss)	<u>14,455</u>	<u>(743)</u>
See also note 27 'property, plant, equipment and vehicles'		
22 Income from State government		
State funds (received from Department of Education and Training)		
Delivery and Performance Agreement (DPA)	10,193,013	9,220,638
Superannuation	647,681	576,142
Other recurrent funds	2,437,117	2,138,701
Capital User Charge funding received/receivable	1,427,192	1,099,807
	<u>14,705,003</u>	<u>13,035,288</u>
Resources received free of charge determined on the basis of the following estimates provided by Department of Education and Training		
* Corporate systems support	827,239	530,175
* Marketing and publications	92,111	27,859
* Other	14,554	32,008
	<u>933,904</u>	<u>590,042</u>
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.		
23 Restricted cash and cash equivalents		
Specific capital equipment and minor works (a)	1,218,138	1,034,082
Total current	<u>1,218,138</u>	<u>1,034,082</u>
(a) The funds were capital grants from Department of Education and Training which must be used for specific nominated projects (building works and equipment purchases). Prior written approval must be obtained if the funds are to be redirected for any other purpose.		
24 Inventories		
Current		
Inventories held for resale:		
Bookshop (at cost)	63,853	51,464
Total current	<u>63,853</u>	<u>51,464</u>
See also note 2(o) 'Inventories' and note 17 'Trading Profit'.		
25 Receivables		
Current		
Receivables - trade	386,652	209,006
Receivables - students	74,967	46,129
Allowance for impairment of receivables	(56,867)	(42,868)
	<u>404,752</u>	<u>212,267</u>
GST receivable	28,137	29,883
	<u>432,889</u>	<u>242,150</u>
Prepayments	47,301	102,175
Total current	<u>480,190</u>	<u>344,325</u>
See also note 2 (p) 'Receivables' and note 37 'Financial Instruments'.		
26 Other current assets		
Accrued income	67,907	9,586
Capital User Charge receivable (a)	802,794	-
Total current	<u>870,701</u>	<u>9,586</u>
(a) In 2005 all Capital User Charge funding was received and paid during the year. However, in 2006 only six months funding was received and paid, with the balance accrued as a receivable and payable pending advice from the Treasurer on payment arrangements preceeding the abolition of CUC in 2007 (note 29).		
27 Property, plant, equipment and vehicles		
Freehold Land		
At fair value (a)	1,862,750	1,529,350
	<u>1,862,750</u>	<u>1,529,350</u>
Buildings		
At fair value (a)	19,367,000	13,776,287
Accumulated depreciation	(41,122)	(1,617,543)
	<u>19,325,878</u>	<u>12,158,744</u>
Buildings under construction		
Construction costs	64,445	-
	<u>64,445</u>	<u>-</u>
Motor vehicles, caravans and trailers		
At cost	546,996	519,565
Accumulated depreciation	(347,638)	(301,248)
	<u>199,358</u>	<u>218,317</u>
Plant, furniture and general equipment		
At cost	1,668,661	1,447,037
Accumulated depreciation	(977,699)	(842,155)
	<u>690,962</u>	<u>604,882</u>
Leased plant, furniture and general equipment		
Accumulated depreciation	23,992	60,130
	<u>(21,806)</u>	<u>(47,429)</u>
	<u>2,186</u>	<u>12,701</u>
Computer equipment and communication network		
At cost	1,316,429	1,282,531
Accumulated depreciation	(932,479)	(855,260)
	<u>383,950</u>	<u>427,271</u>
Marine craft		
At cost	94,182	113,521
Accumulated depreciation	(51,512)	(59,635)
	<u>42,670</u>	<u>53,886</u>
	<u>22,572,199</u>	<u>15,005,151</u>

Kimberley TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

2006 **2005**
 \$ \$

(a) Freehold land and buildings were revalued by the Department of Land Information (Valuation Services) on 1 July 2006 with the new revalued amount effective 1 December 2006. The fair values of all land and buildings were determined by reference to current use market values for land and depreciated current replacement cost for buildings.

See note 2(g) 'Property, plant, equipment and vehicles'.

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the reporting period are set out below

	Land	Buildings	Buildings Under Construction	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Leased Plant, furniture and general equipment	Computer equipment, communication network	Marine craft	Total
2006									
Carrying amount at start of year	1,529,350	12,158,744	-	218,317	604,882	12,701	427,271	53,886	15,005,151
Additions	-	-	64,445	74,034	235,005	-	164,374	-	537,858
Disposals & Write offs (note 42)	-	-	-	(24,537)	-	-	-	-	(24,537)
Revaluation Increments	333,400	7,523,412	-	-	-	-	-	-	7,856,812
Depreciation expense	-	(356,278)	-	(68,456)	(148,925)	(10,515)	(207,695)	(11,216)	(803,085)
Carrying amount at end of year	1,862,750	19,325,878	64,445	199,358	690,962	2,186	383,950	42,670	22,572,199
2005									
Carrying amount at start of year	1,259,750	11,352,450	62,824	283,946	424,966	29,588	499,896	34,075	13,947,495
Additions	-	-	-	6,877	329,879	-	169,209	32,062	538,027
Disposals & Write offs	-	-	(62,824)	-	(1,563)	-	(4,048)	-	(68,435)
Revaluation Increments	269,600	1,150,701	-	-	-	-	-	-	1,420,301
Depreciation expense	-	(344,407)	-	(72,506)	(148,400)	(16,887)	(237,786)	(12,251)	(832,237)
Carrying amount at end of year	1,529,350	12,158,744	-	218,317	604,882	12,701	427,271	53,886	15,005,151

28 Impairment of Assets

There were no indications of impairment of property plant, equipment and vehicles as at 31 December 2006.

29 Payables

Current		
Trade payables	1,780	42,500
Capital User Charge payable (note 26)	802,794	-
Total current	804,574	42,500

See also note 2(q) 'Payables' and note 37 'Financial Instruments'

30 Borrowings

Current		
Finance lease liabilities (secured) (a)	2,596	11,796
Total current	2,596	11,796
Non-Current		
Finance lease liabilities (secured) (a)	-	2,596
Total non-current	-	2,596

(a) Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Assets Pledged as security :

The carrying amount of non current assets pledged as security are:

Leased plant, furniture and general equipment	2,186	12,701
---	-------	--------

31 Provisions

Current		
Employee benefits provision		
Annual leave (a)	698,191	679,617
Long service leave (b)	499,220	356,418
Salary deferment	12,949	3,246
	1,210,360	1,039,281
Other provisions		
Employment on-costs (c)	167,099	69,904
	167,099	69,904
Total current	1,377,459	1,109,185
Non-current		
Employee benefits provision		
Long service leave(b)	381,012	533,003
	381,012	533,003
Other provisions		
Employment on-costs (c)	21,181	29,944
	21,181	29,944
Total non current	402,193	562,947

(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 period	698,191	679,617
More than 12 months after balance sheet date.	-	-
	698,191	679,617

(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:

With in 12 months of balance sheet date	51,036	98,665
More than 12 months of balance sheet date	448,184	257,753
	499,220	356,418

(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 premiums. 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 13 '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-costs provision

Carrying amount at start of year	99,848	138,639
Additional/(utilised) provisions recognised	88,432	(38,791)
Carrying amount at end of year	188,280	99,848

Kimberley TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	\$	\$
32 Other liabilities		
Current		
Income received in advance (a)	398,858	-
Grants and advances (Sustainable energy development office)	16,947	-
Accrued expenses	249,308	462,836
Accrued salaries and related costs	69,376	26,223
Total current liabilities	<u>734,489</u>	<u>489,059</u>
Non-current		
Other (Sustainable energy development office)	33,895	-
Total non-current	<u>33,895</u>	<u>-</u>
(a) Income received in advance comprises:		
Other government (commonwealth/local)	304,420	-
Fee for service	94,438	-
	<u>398,858</u>	<u>-</u>
33 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.		
Contributed equity		
Balance at start of year	718,208	718,208
Balance at end of year	<u>718,208</u>	<u>718,208</u>
Reserves		
Asset Revaluation Reserve		
Balance at start of year	3,892,375	2,472,074
Revaluation increments		
Land	333,400	269,600
Buildings	7,523,412	1,150,701
Balance at end of year	<u>11,749,187</u>	<u>3,892,375</u>
Accumulated surplus (Retained Earnings)		
Balance at start of year	11,185,786	11,487,369
Result for the year	306,812	(301,583)
Balance at end of year	<u>11,492,598</u>	<u>11,185,786</u>
34 Notes to the Cash Flow Statement		
<u>Reconciliation of cash</u>		
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:		
Cash on hand	3,600	3,400
Cash at bank	2,106,518	1,566,444
Restricted cash and cash equivalents (refer to note 23 'Restricted cash and cash equivalents')	1,218,138	1,034,082
	<u>3,328,256</u>	<u>2,603,926</u>
<u>Reconciliation of net cost of services to net cash flows provided by / (used in) operating activities</u>		
Net Cost of Services	(15,332,095)	(13,926,913)
Non-cash items:		
Depreciation expense (note 9)	803,085	832,237
Doubtful debts expense (note 13)	13,999	518
Superannuation expense (note 7)	647,681	576,142
Resources received free of charge (note 22)	933,904	590,042
Net (gain) / loss on sale of non current assets (note 21)	(14,455)	743
Fringe Benefits Tax	153,858	150,472
Losses and write-offs (excludes cash shortages, thefts of money)	37,902	36,276
Other non cash adjustments	-	(1,935)
(Increase)/decrease in assets:		
Current receivables	(218,684)	14,173
Current inventories	(13,555)	2,924
Other current assets - prepayments	(793)	(899)
Other non-current assets		18,830
Increase/(decrease) in liabilities		
Current payables	762,074	13,161
Current provisions	268,274	(55,524)
Other current liabilities	277,699	200,601
Non-current Provisions	(160,754)	81,981
Net GST receipts/(payments) (a)	(152,113)	(186,544)
Net cash used in operating activities	<u>(11,993,973)</u>	<u>(11,653,715)</u>
(a) This is the net GST paid/received, i.e. cash transactions		
35 Commitments		
Capital expenditure commitments		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year (a)	1,929,397	15,598
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>1,929,397</u>	<u>15,598</u>
The capital commitments include amounts for:		
Buildings (a)	1,186,602	-
Plant, Furniture & Equipment	204,210	10,590
Communications & Computer Equipment	538,585	5,000
(a) College has received funding of \$0.48m in relation to awarded contract of \$1.18m with balance of funds to be received in 2007.		

Kimberley TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	\$	\$
Lease commitments		
Commitments in relation to non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are		
Within 1 year	372,030	340,169
Later than 1 year and not later than 5 years	316,521	391,189
Later than 5 years	-	-
	<u>688,551</u>	<u>731,358</u>
Finance lease commitments		
Minimum lease payment commitments in relation to finance leases for photocopiers are payable as follows:		
Within 1 year	2,698	12,795
Later than 1 year and not later than 5 years	-	2,698
Later than 5 years	-	-
Minimum lease payments	<u>2,698</u>	<u>15,493</u>
Less future finance charges	<u>(102)</u>	<u>(1,101)</u>
Present value of finance lease liabilities	<u>2,596</u>	<u>14,392</u>
The present value of finance lease payable is as follows		
Within 1 year	2,596	11,796
Later than 1 year and not later than 5 years	-	2,596
Later than 5 years	-	-
Present value of finance lease liabilities	<u>2,596</u>	<u>14,392</u>
Included in the financial statements as:		
Current (note 30)	2,596	11,796
Non-current (note 30)	<u>2,596</u>	<u>2,596</u>
	<u>2,596</u>	<u>14,392</u>
Other expenditure commitments contracted for at the balance sheet date but not recognised as liabilities are payable as follows:		
Within 1 year	505,233	270,956
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>505,233</u>	<u>270,956</u>

These commitments are all inclusive of GST

36 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 10% or \$100,000.

Significant variations between estimated and actual results for 06

	2006 Estimate	2006 Actual	Variation
	\$	\$	\$
Expenses			
Employee expenses	10,576,524	10,760,767	184,243
Supplies and services	3,119,396	3,883,986	764,590
Depreciation	933,000	803,085	(129,915)
Other operating expenses	660,915	904,716	243,801
Income			
Fee for service	1,161,049	1,299,586	138,537
Interest revenue	100,000	163,213	63,213
Other operating revenue	318,131	373,881	55,750
State funds	13,708,411	14,705,003	996,592
Resources received free of charge	600,000	933,904	333,904

Employee Expenses

Slightly higher employee costs in 2006 is mainly due to increases in employee leave provisions.

Supplies and services

Increased costs resulted from unanticipated rise in resources received free of charge from Department of Education and Training (DET) which the college has no control over, Education and Training Shared Service Centre charges, increased fee for service activity and a rise in fuel costs.

Depreciation

Lower than estimated due to delayed handover of Broome Stage 2b building expansion project now due in 2007.

Other Operating Expenses

Increase due to Derby building refurbishment project and employment on-costs associated with increased leave provisions.

Fee for Service

Higher than forecast revenues due to increasing demand for commercial program delivery.

Interest revenue

Higher than expected due to retention of restricted cash from delays in tender process in awarding major projects.

Other Operating Revenue

Increase due to unforeseen insurance recovery from a vehicle written off.

State funds

Increase due to unanticipated growth in state funded profile delivery, and capital grants.

Resources received free of charge

An unexpected increase of 55% by DET (not controlled by college).

Significant Variances between actual results for 06 and 05

	2006	2005	Variance
	\$	\$	\$
Expenses			
Employee expenses	10,760,767	9,734,217	1,026,550
Supplies and services	3,883,986	3,343,025	540,961
Capital user charge	1,427,192	1,099,807	327,385
Other operating expenses	904,716	791,114	113,602
Income			
Fee for service	1,299,586	840,229	459,357
Interest revenue	163,213	122,205	41,008
Other operating revenue	373,881	270,490	103,391
State funds	14,705,003	13,035,288	1,669,715
Resources received free of charge	933,904	590,042	343,862

Employee Expenses

Higher employee costs in 2006 is due to increases in rates negotiated as a result of the EBA/WPA and growth in training delivery.

Kimberley TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

2006 **2005**
 \$ \$

Supplies and services
 Increase resulted from unanticipated rise in resources received free of charge from Department of Education and Training (DET), transition to shared services centre and resultant charges, significant growth in fee for service activity and a rise in fuel costs.

Capital user charge
 The variance is due to the expansion of the asset base from completion of major capital projects .

Other Operating Expenses
 The variance is due to employment on-costs associated with increased employee leave provisions.

Fee for Service
 The variance is due to continued expansion of commercial program delivery.

Interest revenue
 The variance is due to higher cash levels that have resulted from expenditure delays on major projects.

Other Operating Revenue
 The variance is due to insurance recoveries and higher employee housing contributions from increased rents.

State funds
 The variance is due to growth in state funded training delivery, and increases in CPI, Capital user charge and GEHA funding.

Resources received free of charge
 The variance is due to an unexpected increase by DET (not controlled by college).

37 Financial Instruments

(a) Financial Risk Management Objectives and Policies
 Financial instruments held by the College are cash and cash equivalents, finance leases and receivables and payables. The College has limited exposure to financial risks. The College's overall risk management program focus 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 drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

(b) Financial Instrument Disclosures

Interest Rate Risk Exposure

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

	Weighted Average Effective Interest Rate	Variable Interest Rate	Fixed Interest Rate Maturity					Non-Interest Bearing	Total
			Within 1 year	1-2 Years	2-3 Years	3-4 Years	4-5 Years		
	%	\$	\$	\$	\$	\$	\$	\$	
2006									
Financial Assets									
Cash and cash equivalent	5.31%	2,110,118	-	-	-	-	-	-	2,110,118
Restricted cash and cash equivalent	5.31%	1,218,138	-	-	-	-	-	-	1,218,138
Receivables		-	-	-	-	-	-	404,752	404,752
		<u>3,328,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>404,752</u>	<u>3,733,008</u>
Financial Liabilities									
Payables		-	-	-	-	-	-	1,780	1,780
Finance Lease Liabilities	10.71%	-	2,596	-	-	-	-	-	2,596
		<u>-</u>	<u>2,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,780</u>	<u>4,376</u>
2005									
Financial Assets									
Cash and cash equivalent	4.96%	1,569,844	-	-	-	-	-	-	1,569,844
Restricted cash and cash equivalent	4.96%	1,034,082	-	-	-	-	-	-	1,034,082
Receivables		-	-	-	-	-	-	242,150	242,150
		<u>2,603,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,150</u>	<u>2,846,076</u>
Financial Liabilities									
Payables		-	-	-	-	-	-	42,500	42,500
Finance Lease Liabilities	8.05%	-	11,796	2,596	-	-	-	-	14,392
		<u>-</u>	<u>11,796</u>	<u>2,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,500</u>	<u>56,892</u>

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.

38 Remuneration of Members of the Accountable Authority and Senior Officers

Remuneration of members of the Accountable Authority

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

\$		
\$150,001 - \$160,000	-	1
\$160,001 - \$170,000	1	-
	<u>167,011</u>	<u>155,935</u>

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

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.

Kimberley TAFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	\$	\$
<u>Remuneration of Senior Officers</u>		
The number of Senior Officers other than senior officers reported as members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits receivable for the financial year, fall within the following bands are:		
\$		
\$60,001 - \$70,000	1	-
\$70,001 - \$80,000	-	1
\$90,001 - \$100,000	-	1
\$110,001 - \$120,000	1	1
The total remuneration of senior officers is:	178,171	275,633
The total remuneration includes the superannuation expense incurred by the Authority in respect of Senior Officers.		
As a result of a restructure in November 2005, the college now has only two senior officers (Director Corporate Services and Director Training). The Director Training position was vacant until May 2006.		
No Senior Officers are members of the Pension Scheme.		
39 Remuneration of auditor		
Remuneration to the Auditor General for the financial year is as follows :	65,000	73,000
Auditing the financial statements and performance indicators	65,000	73,000
The Expense is included in note 13 'Other expenses'		
40 Related Bodies		
The College has no related bodies.		
41 Affiliated Bodies		
The College has no affiliated bodies.		
42 Supplementary Financial Information		
<u>Write-Offs</u>		
Public property	24,537	4,831
Bad Debts	12,199	29,474
Inventory	1,166	1,971
	37,902	36,276
<u>Losses Through Theft, Defaults And Other Causes</u>		
Losses of public and other moneys and public and other property through theft, default or otherwise	24,537	4,831
Amount recovered	(24,537)	(4,831)
	-	-
43 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.		

**Kimberley TAFE
S42 SUBMISSION - 2007
INCOME STATEMENT**

	2007
	\$ Estimate
COST OF SERVICES	
Expenses	
Employee benefits expense	11,657,691
Supplies and services	4,034,193
Depreciation and amortisation expense	1,220,500
Finance costs	100
Capital user charge	802,794
Other expenses	780,766
Payments to Non TAFE Providers for VET Delivery	70,000
Cost of sales	45,000
Total Cost of Services	18,611,044
Income	
Revenue	
Fee for service	1,675,926
Student charges and fees	618,000
Sales	50,000
Ancillary trading	35,000
Interest revenue	100,000
Other revenue	380,292
Total Revenue	2,859,218
Total income other than income from State Government	2,859,218
NET COST OF SERVICES	-15,751,826
INCOME FROM STATE GOVERNMENT	
State funds	14,580,240
Resources received free of charge	933,904
Total income from State Government	15,514,144
SURPLUS (DEFICIT) FOR THE PERIOD	-237,682

**Kimberley TAFE
S42 SUBMISSION - 2007
BALANCE SHEET**

	2007
	\$ Estimate
ASSETS	
Current Assets	
Cash and cash equivalents	1,650,000
Inventories	50,000
Receivables	500,000
Other current assets	10,000
Total Current Assets	2,210,000
Non-Current Assets	
Property, plant and equipment	27,353,138
Total Non-Current Assets	27,353,138
TOTAL ASSETS	29,563,138
LIABILITIES	
Current Liabilities	
Payables	25,000
Provisions	1,277,459
Other current liabilities	315,672
Total Current Liabilities	1,618,131
Non-Current Liabilities	
Provisions	375,000
Other non-current liabilities	16,948
Total Non-Current Liabilities	391,948
TOTAL LIABILITIES	2,010,079
NET ASSETS	27,553,059
EQUITY	
Contributed Equity	6,418,208
Reserves	9,816,488
Accumulated surplus/ (deficiency)	11,318,363
TOTAL EQUITY	27,553,059

Kimberley TAFE
S42 SUBMISSION - 2007
CASH FLOW STATEMENT

	2007
	\$ Estimate
CASH FLOWS FROM STATE GOVERNMENT	
State funds	13,456,240
Capital contributions	450,000
Net cash provided by State Government	13,906,240
Utilised as follows:	
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments	
Employee benefits	-10,983,691
Supplies and services	-3,154,534
Capital User Charge	-802,794
Grants and subsidies	-70,000
GST payments on purchases	-450,000
Other payments	-780,766
Receipts	
Fee for service	1,453,764
Student fees and charges	575,915
Ancillary trading	35,000
Interest received	100,000
GST receipts on sales	190,000
GST receipts from taxation authority	110,000
Other receipts	380,292
Net cash provided by/(used in) operating activities	-13,396,815
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of non-current physical assets	-2,168,138
Net cash provided by/(used in) investing activities	-2,168,138
CASH FLOWS FROM FINANCING ACTIVITIES	
Other repayments	-16,947
Finance lease repayment of principal	-2,596
Net cash provided by/(used in) financing activities	-19,543
Net increase/(decrease) in cash held and cash equivalents	-1,678,256
Cash and cash equivalents at the beginning of the period	3,328,256
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,650,000

Kimberley TAFE

**KEY PERFORMANCE INDICATORS
FOR
YEAR ENDED 31 DECEMBER 2006**

**Kimberley TAFE
KEY PERFORMANCE INDICATORS
For The Year Ended 31 December 2006**

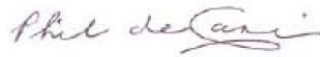
We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess Kimberley TAFE's performance and fairly represent the performance of Kimberley TAFE for the financial year ended 31 December 2006.



Dr Paul Novelty
Chairperson of the Governing Council

8th March 2007

Dated



Phil de Garis
A/Managing Director
Member of the Governing Council

8th March 2007

Dated

KEY PERFORMANCE INDICATORS

DESIRED OUTCOME

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

EFFECTIVENESS INDICATORS:

KPI 1: OVERALL STUDENT SATISFACTION

Student satisfaction is a performance measure that reflects the quality of vocational education and training services provided by the College to meet community and industry needs.

Student satisfaction was measured through a survey conducted by an independent organisation. One of the questions students were asked in the survey was "Overall, how satisfied were you with your course?"

95% of students who responded to the survey were either very satisfied or satisfied. This is significantly higher than the previous year and well exceeds the State average of 86%.

The useable population at Kimberley TAFE was 1,501.

The useable returns numbered 227 of which the total sample size was 222.

For each stage of the research, a sample frame was created based on the minimum required responses for each quota, and the number of responses that had already been received for each group. Sample sizes were based on achieving a sampling error of no more than +/-5 (95% confidence) for each of the regional college samples.

	2002 (1)	2003	2004	2005	2006 (2)
Kimberley TAFE	0	90%	90%	86%	95%
Western Australia	0	85%	84%	85%	86%

Notes:

(1) In 2002 insufficient responses to the Student Satisfaction Survey were received for these years to be included in this performance indicator.

(2) The 2006 Student Satisfaction Survey was conducted by Colmar Brunton in consultation with the Department of Education and Training. The response rate was 18% with a standard error of +/- 4.8%.

KPI 2: GRADUATE EMPLOYMENT

The achievement of employment outcomes by graduates is a performance measure that demonstrates the College's effectiveness in providing vocational education and training services to meet community and industry needs.

We are unable to provide statistics for 2006 for Kimberley TAFE, however we can report that the State average was 81% and a national average was 80%.

YEAR	EMPLOYED	NOT EMPLOYED	NOT IN LABOUR FORCE
2002	91%	4%	5%
2003	86%	6%	8%
2004 (1)	N/A	N/A	N/A
2005 (2) (3)	90%	4%	6%
2006 State	81%	8%	11%
2006 National	80%	10%	10%
2006 (4)	N/A	N/A	N/A

Notes:

(1) *The College was unable to provide an update to this KPI as statistically valid College data was not available in 2004. In 2005 the National Centre for Vocational Education Research commenced conducting surveys with an appropriate sample design to produce statistically reliable College data every alternative year.*

(2) *The 2005 Student Outcomes Survey was conducted by I-View on behalf of the National Centre for Vocational Education Research. The survey targeted students who graduated from a TAFE College in 2004. In 2005 the response rate for Kimberley TAFE was 45% compared to a national response of 41%. The sampling error rate was +/-4.2%*

(3) *The data in 2003 was calculated based on "all graduates", for 2005 the base is "Graduates not still enrolled", which is considered more appropriate.*

(4) *College level data for this survey is not available this year (refer note 1), however national and State level results have been provided by NCVET. College results will be available in 2007.*

KPI 3: STUDENT OUTCOMES- ACHIEVEMENT OF MAIN REASON FOR STUDYING.

The achievement by graduates of their main reason for studying is a performance measure that demonstrates the College's effectiveness in providing vocational education and training services to meet community and industry needs.

There are no results available in 2006 for Kimberley TAFE, however, the State average reported that 89% of students achieved their reason for studying, while the national average was 87%.

Percentage- Students achieved reason for study

YEAR	KIMBERLEY TAFE	WESTERN AUSTRALIA	NATIONAL
2002	87%	77%	78%
2003	84%	77%	78%
2004 (1)	N/A	N/A	N/A
2005 (2) & (3)	91%	84%	85%
2006 (4)	N/A	89%	87%

Notes:

(1) The College was unable to provide an update to this KPI as statistically valid College level data was not available in 2004. In 2005 the National Centre for Vocational Education Research commenced conducting surveys with an appropriate sample design to produce statistically reliable College level data on an alternative year basis.

(2) The 2005 Student Satisfaction Survey was conducted by I-View on behalf of the National Centre for Vocational Education Research. The survey targeted students who graduated from a TAFE institute in 2004. In 2005 the response rate for Kimberley TAFE was 45% compared to a national response of 41%. The sampling error rate was +/-4.2%

(3) The data in 2003 was calculated based on "all graduates", for the 2005 the base is "Graduates not still enrolled", which is considered more appropriate.

(4) College level data for this survey is not available this year (refer note 1), however national and State level results have been provided by NCVET. College results will be available in 2007.

KPI 4: ACHIEVEMENT OF COLLEGE PROFILE

The achievement of College Profile is a performance measure that demonstrates the College's effectiveness in meeting planned vocational education and training services to meet community and industry needs as identified in its Strategic Plan and in the Delivery and Performance Agreement (DPA) entered into with the Department of Education and Training.

Achievement of College Profile compares achieved Student Curriculum Hours (SCH) to planned Student Curriculum Hours (SCH).

The College achieved 102.2% of its DPA target in 2006.

YEAR	Planned SCH (DPA)	SCH Achieved (Census)	% Achieved/Planned
2002	401,340	403,004	100.4%
2003	409,007	420,439	102.8%
2004	409,007	411,028	100.5%
2005	419,419	419,575	100.0%
2006	428,059	437,578	102.2%

Source: Verified College Census Data 2006

Industry Groups

The following table provides details of the distribution of the College's Profile delivery, by Student Curriculum Hours, in Industry Groups specified by the Department of Education and Training:

Industry Groups	SCH Delivered 2002	SCH Delivered 2003	SCH Delivered 2004	SCH Delivered 2005	SCH Delivered 2006
Recreation, Sports and Entertainment	2850	1850	350	-	-
Visual and Performing Arts	16627	45675	37758	32071	36155
Automotive	3338	4158	5498	6456	12710
Building and Construction	28348	16432	14400	5536	15887
Community Service	15637	26091	30810	44481	42450
Education and Childcare	8589	10650	10810	21969	17400
Health	-	-	-	-	-
Finance, Insurance, Property Service Workers	271	-	-	-	536
Food Trades Processing	504	2510	7200	-	-
Engineering and Drafting	1160	3092	2011	2809	1110
Metal and Mining	4664	8993	10821	4706	3846
Forestry, Farming and Landcare	51394	45831	45005	35828	48059
Horticulture	11803	11787	7818	1640	20503
Retail	843	1323	809	16347	5294
Cooking	153	-	-	2033	-
Hospitality	2229	3120	2081	8847	13690
Tourism	19638	21040	27105	31788	22902
Travel Agents	6205	2535	2875	2805	2950
Transport Trades, Storage and Associated	14592	12961	15846	18374	19907
Electrical and Electronic Engineering	-	-	-	-	-
Accounting and Other Business	13468	22540	10760	30	1605
Management	9515	12810	16680	12300	8750
Office and Clerical	35257	42788	43948	50955	50100
Computing	24115	17665	16470	15708	8125
Adult Literacy / ESL	26650	18179	24140	25828	23042
Languages	2675	2075	1500	-	-
Miscellaneous	105	-	-	-	-
Targeted Access and Participation Courses	102384	86334	76333	79064	82557
TOTALS (Student Curriculum Hours)	403,004	420,439	411,028	419,575	437,578

Source: Verified College Census Data 2006

Non Profile Delivery

The College delivers a range of programs not incorporated within the College Profile to meet community training needs that also reduce dependency on profile funding. These programs include fee for service and lifestyle courses. Non-profile (Student Curriculum Hours) delivery is presented below as a percentage of overall profile.

Non Profile Delivery SCH

	2002	2003	2004	2005	2006
Non – Profile Delivery	55,729	35,966	53,182	63,270	73,102
% of Training Delivery	12.1%	7.9%	11.5%	13.1%	14.3%

Profile delivery refers to the SCH funded through the Delivery and Performance Agreement with the Department of Education and Training. Non Profile delivery refers to courses funded otherwise.

Source: Verified College Census Data 2006

Efficiency Indicator:

KPI 5: COST PER STUDENT CURRICULUM HOUR (SCH)

Cost per SCH delivered is a performance measure that demonstrates the College's efficiency in providing vocational education and training services to meet community and industry needs.

The Cost per SCH measure shows the overall unit cost per SCH delivered through both profiled and non-profiled activities based on Total Cost of Services, as detailed in the 2006 Financial Statements.

The cost per SCH delivered in 2006 was \$35.01

Cost per SCH Delivered

	2002	2003	2004	2005 (1)	2006 (1)
Total Cost of Services	\$13,306,281	\$13,753,675	\$15,177,443	\$15,878,372	\$17,879,748
Total SCH Delivered	458,733	456,405	464,210	482,845	510,680
Total Cost Per SCH Delivered	\$29.01	\$30.13	\$32.70	\$32.89	\$35.01

Note:

From 2005 the College adopted the International Financial Reporting Standards (AIFRS).

CONTACT DETAILS

DIRECTORATE

PO Box 1095, Kununurra WA 6743
(Cnr Coolibah Drive and Ironwood Drive)
Phone: (08) 91 680 877
Fax: (08) 91 680 866
E-mail info@kimtafe.wa.edu.au
Website <http://www.kimberley.tafe.wa.edu.au>

CAMPUSES

BROOME

PO Box 1380
(Cnr Cable Beach and Reid Road)
BROOME WA 6725
Phone: (08) 9192 9100
Fax: (08) 9192 9111

DERBY

PO Box 758
(Loch Street)
DERBY WA 6728
Phone: (08) 9193 1538
Fax: (08) 9193 1622

KUNUNURRA

PO Box 1095
(Cnr Coolibah Drive &
Ironwood Drive)
KUNUNURRA WA 6743
Phone: (08) 9168 0888
Fax: 08 9169 1066

HALLS CREEK

PO Box 246
(Cnr Terone & Bridge Streets)
HALLS CREEK WA 6770
Phone: (08) 9168 6412
Fax: (08) 9168 6459

WYNDHAM

PO Box 198
(Lot 724 Sharpe Street)
WYNDHAM WA 6740
Phone: (08) 9161 1112
Fax: (08) 9161 1137

FITZROY CROSSING (Centre)

PO Box 48
(Location 73 Forrest Street)
FITZROY CROSSING WA 6765
Phone: (08) 9193 0048
Fax: (08) 9193 0047