

SOUTH WEST INSTITUTE OF TECHNOLOGY

ANNUAL REPORT 2010



Realise your potential



About this Annual Report

This Annual report 2010 provides information on the financial and operational performance of South West Institute of Technology 'Your Regional TAFE', including identifying achievements and challenges for the year.

In line with State Government requirements South West Institute's annual report 2010 is published in an electronic format with limited use of graphics and illustrations to minimise download times.

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South West Institute of Technology 'Your Regional TAFE'

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Statement of Compliance

Hon Peter Collier MLC

Minster for Energy; Training and Workforce Development; Indigenous Affairs

11th Floor, Dumas House

2 Havelock Street

WEST PERTH WA 6005

Dear Minister

Statement of Compliance

For the Year Ended 31 December 2010

In accordance with Section 61 of the Financial Management Act 2006, I hereby submit for your information and presentation to Parliament the Annual Report of the South West Institute of Technology (formerly South West Regional College of TAFE) for the financial year ended 31 December 2010.

The annual report has been prepared in accordance with the provisions of the Financial Management Act 2006.

Yours sincerely



Dan Perkins

Chairperson

Governing Council

9 March 2011



Wendy Burns

Managing Director

South West Institute of Technology

9 March 2011

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Overview of Agency

Executive summary

A major highlight during the year was the re-branding and repositioning of South West Regional College as South West Institute of Technology. The new brand was launched by the Minister for Training and Workforce Development in October 2010.

As the largest educational institution of any kind in regional WA the Institute offers an extensive range of vocational programs. Catering for over 200 occupation sectors, a focus for 2010 and continuing is to meet the needs of regional young people reflecting the economic and social diversity of the regional workforce requirements and enhancing pathways to higher education.

The South West Institute of Technology operates a network of six campuses (seven sites) offering training at Bunbury, Busselton, Collie, Harvey, Margaret River and Manjimup to over 7,000 students each year delivering just under 2 million Student Contact Hours (SCH). The region covers an area of 23,970 square kilometres and has the most diverse regional economy based on mineral wealth, a strong primary industry sector, retail, manufacturing, construction and a full range of personal, health educational and business service industries.

The South West region is becoming an increasingly popular life style destination for Western Australians both youth, tourists and especially Western Australians in retirement. The population of the South West is one of the fastest growing populations of regional Western Australia with the population forecast to grow 170,000 by 2016.

Enhancing access to VET across the region, the Institute has demonstrated its capacity to be innovative and flexible achieving increase of workplace and flexible delivery and growth in Recognition of Prior Learning. Student satisfaction with the Institute is extremely high at 91.1%, well above the State average.

The Institute achieved 98.41% of the Institute's Training Profile as agreed in the original 2010 Delivery and Performance Agreement with the Department of Training and Workforce Development and following the September Addendum to that agreement the achievement is 99.7%.

The average cost per student curriculum hour for training under the Institutes Training Profile and fee for service was \$17.44.

Vision and Values

Working with industry and the community the South West Institute of Technology advances the economic development and social prosperity of the region through the delivery of nationally accredited vocational education and training services.

We seek to maximise the creative productivity of ourselves, our students and industry.

The South West Institute of Technology strives to maintain the highest standard of Public Sector integrity, and to be innovative and collaborative in our approach to the delivery of vocational education and training services and in our business practices.

Overview of Agency

Statement from the Chair of the Governing Council

On behalf of the Governing Council, it gives me great pleasure to present South West Institute of Technology's Annual Report for 2010, highlighting our strategic priorities and key achievements.

Most pleasing about the results is the level of collaboration evident across the organisation in contributing to those achievements. It is gratifying to report that the Institute was well prepared in tackling the emerging challenges during 2010, successfully achieving an increase in training services.

Our rebranding as the South West Institute of Technology and the development of our three year strategic plan through a consultative process, has positioned the organisation to align effort to the emerging workforce development requirements of our region. The new strategic priorities will guide the organisation in the medium term enabling achievement of the goals clearly articulated in the State Training Plan *Training WA*, and *Skilling WA- A workforce development plan for Western Australia*. The rebranding and logo have been welcomed and supported by both the community and staff, enhancing understanding of our role and the future direction that the Institute will take.



The development and implementation of the *Governance Framework for State Training Providers* has provided much welcomed clarity for the Governing Council and the Institute in enabling the exercise of its autonomy within the context of public sector operation. We expect to be able to take full advantage of our capability to ensure our region has accessible, wide ranging and high level, quality training services. It will afford the opportunity to develop business opportunities, using our expertise and experience to grow our business through fee for service activity and consolidate this Institute's positive partnerships with industry and the community.

Like any business, it would be folly to take our current predominance in the region's training market for granted. Our business sustainability and the security enjoyed by our own workforce will depend on our responsiveness to the both the state and national agenda for VET reform.

Our desire to see the consolidation of our automotive training facilities as a purpose designed South West Centre of Automotive Technology is now closer to realisation having secured State Government funding and with the design and preparation for site works in 2011 in progress.

Improvements to infrastructure occurred in 2010 thanks to the *Better TAFE Infrastructure Fund*, enabling the re-roofing of several of the older buildings, sealing of the oval car park and replacement of gas hot water systems with solar systems for Hospitality on the Bunbury Campus.

The Governing Council recognise that our highly skilled staff are its most valuable asset with the recent student survey reflecting higher than state average satisfaction. The continued investment in cultural change and responsiveness to the flexible requirements of the training marketplace has produced positive outcomes in moving the Institute forward.

Overview of Agency

Statement from the Chair of the Governing Council

Challenges still to be faced during 2011 include our ability to maintaining a wide range of regionally desired training services in the context of the significant costs and the expectation of government for efficiencies and competitiveness.

My appreciation goes to all members of the Governing Council, the executive and management team for their commitment and achievement during the past year. In particular I would like to thank our retiring members Ian Smith and Deb Bennell for their contribution to the Governing Council.

Our continued achievement is a credit to our staff, both teaching and non-teaching. I thank them for their professional contribution to the Institute and to our community.



Dan Perkins
Chairperson
Governing Council

Overview of Agency

Managing Director's report

We have experienced another successful year in the ever challenging training sector, increasing our delivery of Vocational Education and Training in the region. In a period of changing global financial circumstance our services have focussed on support to local businesses and their employees undergoing major restructures, and increased flexible modes of delivery to support continued participation as students took opportunities to rejoin the workforce. It is a pleasure to present the first annual report under our new brand *South West Institute of Technology*.



The rebranding from 'College' to 'Institute of Technology' is an important distinction, as we focus our business on extending our provision of higher level qualifications to meet the emerging skilled workforce requirements of the region and consolidating our position within the educational precinct we share with Manea Senior College and Edith Cowan University.

Our continued collaborative initiatives with schools and particularly Manea Senior College have enabled unique learning opportunities and pathways to employment or further education for our regional youth.

In 2010 we negotiated higher education articulation for 13 new Diploma qualifications, supporting young people to stay at home in the South West for their first year of tertiary study.

Our new strategic plan 2011-2013 has refocussed our position in the Tertiary Education sector and re affirms our commitment to continued provision of quality, reliable and responsive educational experiences throughout the region guided by our six strategic priorities; Western Australian Workforce Development, Client Satisfaction, Business Development, Our Capacity, Social Responsibility, and the Pursuit of Excellence.

The level of commitment of our professional lecturers to meeting student and employer needs in our region has been rewarded with 49% opting into the Flexible Hours Agreement enabling both viable service provision in thin markets and for many students to progress achievement of competence individually. That cooperation, combined with the contribution of our support units, in adapting systems and supporting students enabled the Institute to met and exceed its goals in workplace delivery, recognise existing skills to a unprecedented number of students and increased our responsiveness to industry training, in a region where we operate in a very competitive training marketplace.

Despite the global economic situation we increased our number of international students, bringing economic and social benefits to not just the Institute but our community.

Overview of Agency

Managing Director's report

Our graduates have continued to excel. Notably Alexis Scott now a Donnybrook based hairdresser brought home a gold medal from the National World Skills championships as well as the national award for highest achieving competitor and is now poised to participate in the forthcoming 2011 World Skills International Championships in London as part of the Australian squad.

I especially would like to thank South West Institute staff for their professionalism and contribution throughout 2010 and for embracing the rapidly changing VET sector requirements ensuring the repositioning of the organisation locally.

The Governing Council continues to grow from strength to strength and I would like to thank Dan Perkins Chair and all Members of the Governing Council for their valuable contribution in providing strategic direction and sound governance to the Institute.



Wendy Burns
Managing Director

Overview of Agency

Corporate Governance

Responsible Minister

The South West Institute of Technology is responsible to the Hon Peter Collier MLC, Minister for Energy; Training and Workforce Development; Indigenous Affairs.

Accountable Authority

The accountable authority of the South West Institute of Technology is the Managing Director, Wendy Burns.

Relevant Legislation

In the performance of its functions, the South West Institute of Technology complies with the relevant written laws as listed in Addendum 1.

Organisational Structure

South West Institute of Technology is a Statutory Authority delivering Vocational Education and Training. It is a body corporate with functions conferred by the Minister for Energy, Training and Workforce Development; Indigenous Affairs.

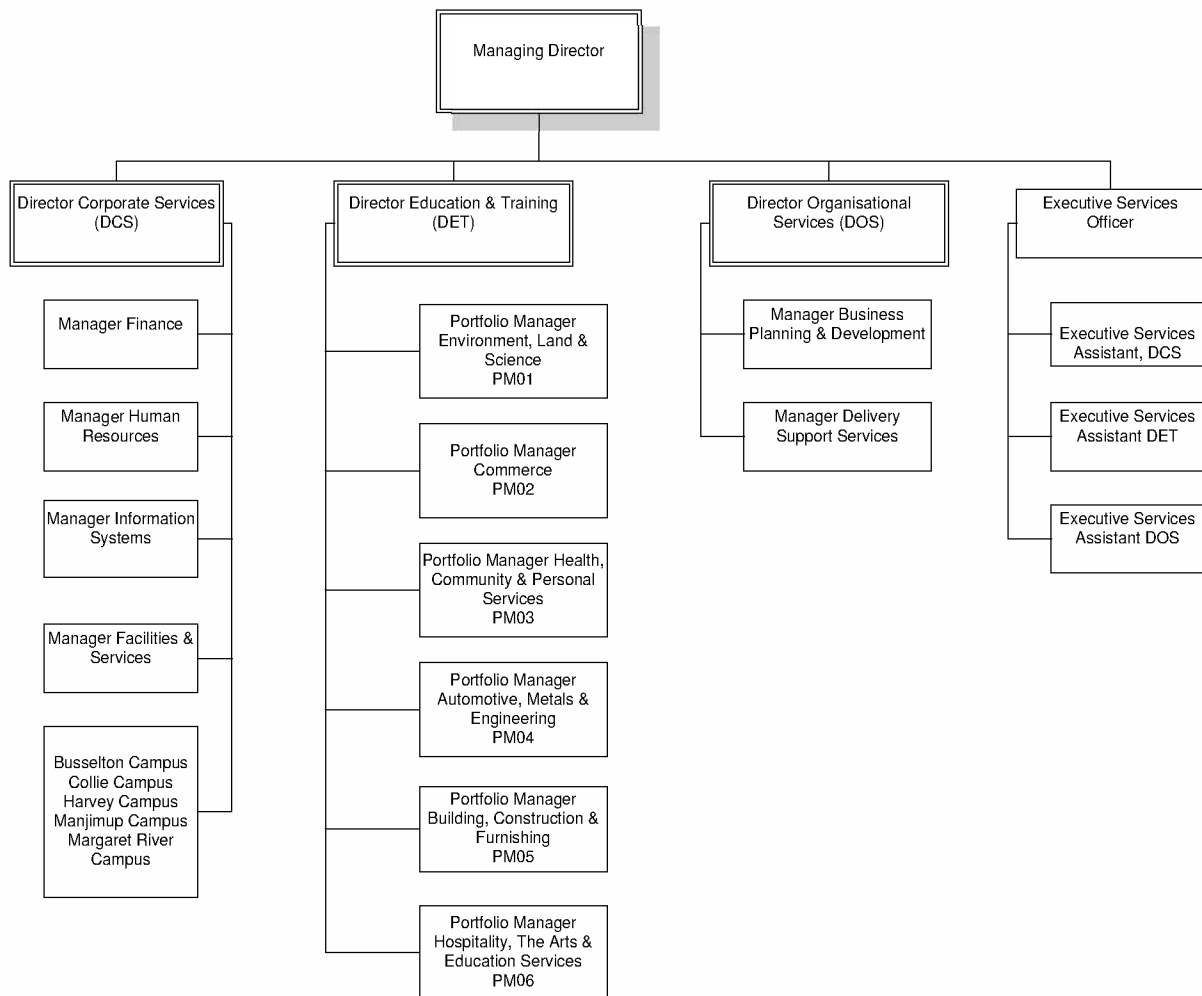
The South West Institute of Technology offers:

- Publically funded Vocational Education and Training through Nationally recognised qualifications.
- Apprenticeship and Traineeship training.
- Commercial and customised training.
- Entry and Bridging courses.

Overview of Agency

South West Institute of Technology Organisational Chart

The Institute's objectives are achieved through three directorates; Education and Training, Corporate Services and Organisational Services, with administrative support to the Managing Director and Executive team.



Overview of Agency

Governing Council

Functions

The functions of the Institute Governing Council are specified under Section 42 of the Vocational Education and Training Act 1996. The Governing Council is the governing body of the Institute with authority in the name of the Institute to perform the functions of the Institute and govern its operations and affairs.

The South West Institute's Governing Council comprises a Chair and eleven members, who are appointed by the Hon Minister for Energy, Training and Workforce Development; Indigenous Affairs for their experience and expertise in education and training, industry or community affairs and for their ability to contribute to the strategic direction of the Institute.

The Institute's strong team of Council members ensures continued growth and success, applying a mix of business acumen and commitment to the Institute's long term vision, mission, values, goals and objectives. Each Council member brings a different set of skills and scope of professional experience to the Council.

The Council's role is to:

- Set the strategic direction for the Institute.
- Approve the Institute's strategic and operational plans and budgets.
- Monitor financial and non-financial performance as set out in the Institute's Operational Plan.
- Ensure that regulatory and ethical standards are met and that compliance and risks are appropriate, mitigated and managed.

Profile of Council Members – 2011

Dan Perkins (Chairperson)

Dan is Principal and Managing Director of Perkins Builders, Past President of the Master Builders Association of WA and a Master Builders Association of Australia Board Director. Appointed on 1 October 1997, Dan is currently Treasurer and Executive Member of Master Builders Australia Ltd. Dan is a founding member and Chair of the Governing Council. As an employer of building trades apprentices, Dan is actively involved in the process of bridging industry closer to training providers and determining the strategic direction of construction training.

Rosanne Pimm (Deputy Chairperson)

Rosanne is a founding member of the Governing Council and a keen supporter of the importance of the regional campuses of the South West Institute of Technology and is often involved in Collie Campus activities.

Rosanne is a high profile community leader and former Collie Shire Councillor and Shire President. She is the Chairman of the Worsley Community Advisory Committee, President of the Collie Visitor Centre and Treasure/Organiser of the Collie Race Club.

Debra Bennell (Resigned December 2010)

Debra is a lecturer at Edith Cowan University and has extensive work experience in the Aboriginal services, particularly Aboriginal health. Debra was appointed to the Governing Council January 2005 and is a strong advocate in Aboriginal community development.

Overview of Agency

Governing Council

Profile of Council Members – 2011

Mike Fagan

Dealer Principal of Bunbury Holden, Mike has over 28 years experience in the automotive industry and is an employer of apprentices and trainees in the local community. Appointed to the Governing Council in March 2002, he is a past Australian Holden Dealers Association member and past President of the Country Holden Dealers Association. Mike is a Director of Sanctuary Golf Resort and a Bunbury Turf Club Committee member.

Ian Piggott

Ian has over 40 years experience in the resource industry with some 30 years in senior management roles with a major mining company in WA. The management roles have covered all facets of the business including Technical, Commercial and Administrative. He has sat on many Industry, Community and Government committees. Some of which are:

- Chamber of Minerals & Energy -SW Regional Council Board Member.
- Bunbury Wellington Economic Alliance Board Member.
- Industry Road Safety Alliance Board Member.

Don Punch

Don is the Chief Executive of the South West Development Commission and has been a career public servant in Western Australia for 30 years. He has worked throughout regional Western Australia on many infrastructure projects and has special expertise in both community and economic planning. Don facilitates the planning and coordination of Government services and funded infrastructure throughout the South West. He holds a Masters of Business Administration and primary qualifications in Psychology and Community Planning and is a Member of the Australian Institute of Company Directors. Don was appointed to the Governing Council in May 1999.

Guy Truss

Guy has extensive industry contact through his position in 2010 as a Principal Lecturer with the Automotive, Metals and Engineering Portfolio with a particular passion for E-Learning in the South West Institute of Technology. Appointed to the Governing Council in March 2002, Guy has also been the Institute's delegate for the State School Teacher's Union.

Ian Smith (Resigned February 2010)

Ian Smith was the Regional Director for the South West region within WA Country Health Service (WACHS). WACHS delivers the full range of state government public health services. The WACHS-South West employs over 2000 staff in a large number of different occupations and professions across the 12 hospitals and various mental health, community and public health services in the region. Ian has also managed the public health services in the Kimberley and Pilbara regions.

Overview of Agency

Governing Council

Profile of Council Members – 2011

David Trench

David Trench is an active contributor to the Bunbury Business Community and is currently Chairman of the Manea Senior College Board. David is Deputy Chairman of the South West Development Commission Board and a board member of the:

- Bunbury-Wellington Economic Alliance.
- ECU SW Advisory Board.
- South West Institute of Technology; and
- Regional Development Australia South West.

David is also past president of the Bunbury Chamber of Commerce and Industries and a founding member of the South West Community Foundation as well as Past Chairman of the Val Lishman Health Research Foundation and the Dolphin Discovery Centre Board. David is General Manager of the CRM Group for Wartsila Australia responsible for Australia, New Guinea, New Zealand, Philippines and Indonesia and has a military background having served five years in the 10th Light Horse Regiment.

Kevin O'Connell

Kevin became a Business Consultant after recently selling Total Telephone, a company he established over 20 years ago. During that time he was closely associated with training and development of young employees in the company. Kevin is currently working as a Business Consultant for the Small Business Centre Bunbury/Wellington. He is also on the Board of Forrest Personnel, the committee rebuilding the Bunbury Cathedral and is involved in mentoring young business people in the Bunbury District.

Dennis Courtney

Dennis is the Managing Director of Demar Consulting, a South West management consultancy. Prior to establishing Demar Consulting in 2001 he was Manager, Human Resources and Public Relations for a major South West resource company, a position he held from the company's formation in 1980.

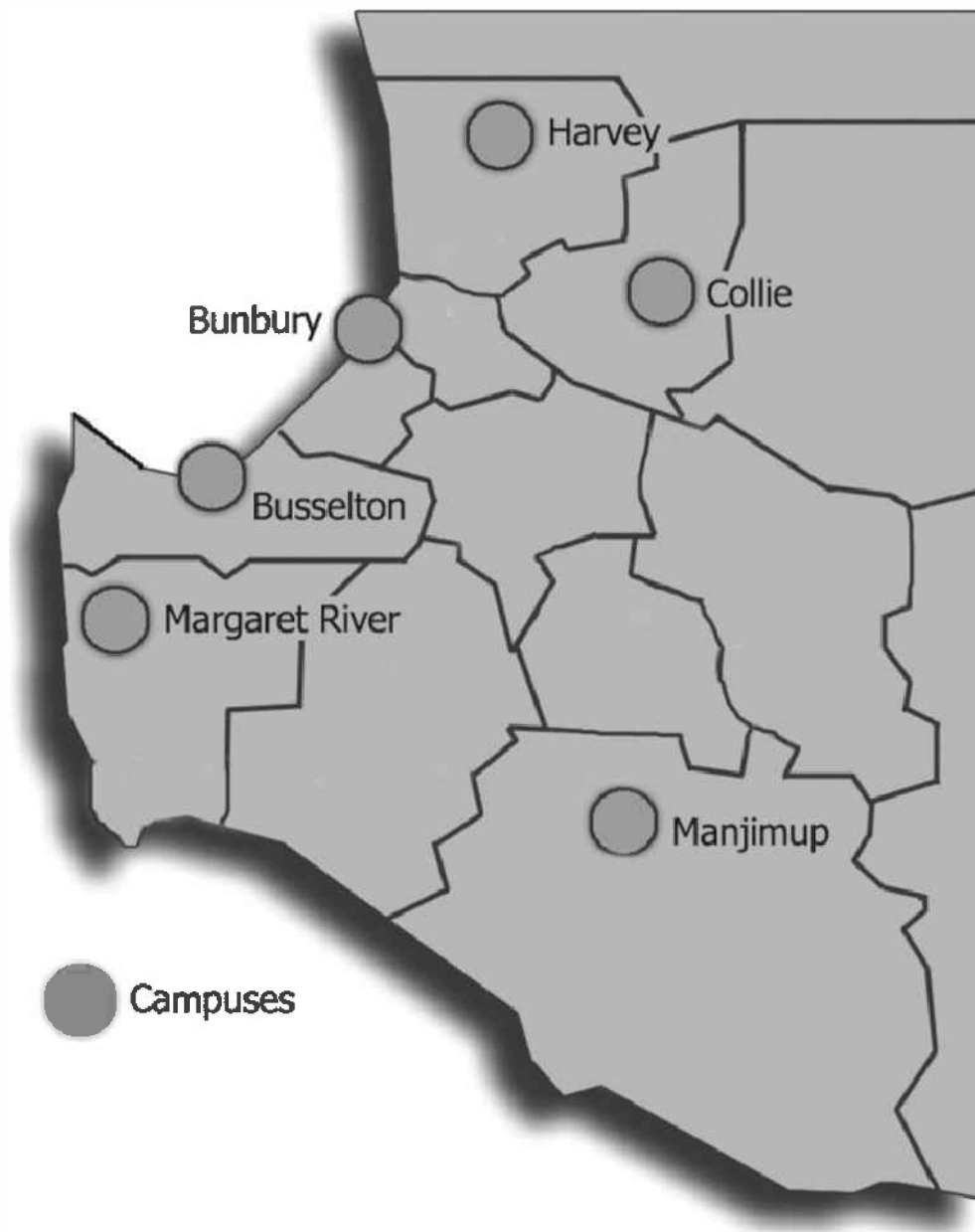
Dennis has been associated with the South West Institute of Technology for 30 years in developing innovative apprenticeship and traineeship programs. He has been a member of numerous government and non government boards and committees, and is currently the Deputy Chair of South West Youth Driver Development Program Committee and a member of the Clifton Community Reserve Committee.

Wendy Burns

Managing Director of the South West Institute of Technology, Wendy was appointed for a second, five year term in January 2008. Wendy has extensive experience in the development and delivery of vocational training in regional areas including a period of 17 years in TAFESA, providing a pioneering role in flexible delivery following a 12 year career as a teacher in the school sector. She has been the regional Managing Director representative on the Training Business Needs Group, the Quality Committee and the Academic network.

Overview of Agency

Campus locations



Significant Issues and Trends

Looking ahead major initiatives for 2011

With a raft of new training packages to be implemented in 2011, delivery teams have sought industry input and feedback in the process of updating and implementing new qualifications and courses. A key focus in the development of programs is the incorporation of flexible and e-learning study options. In advancing on job assessment an agreement has been reached to pilot on-the-job training for stage 3 machinists in 2011. Higher level skills will continue to be at the centre of future development through Diplomas and Advanced Diplomas, with the added bonus of providing a pathway to higher education degrees. These higher level qualifications offer opportunities for students to gain qualifications locally and earn credit for as much as 12 months in many university degree programs, reducing the immediate need to relocate to Perth.

The Institute is responding to changes to legislation, often affecting licensing for a number of occupations, including Occupational Safety and Health standards, by developing courses to meet industry requirements in these areas.

The deregulation of the Hairdressing Registration Board provides an opportunity for the Institute to explore the addition of the Certificate IV and the Diploma of Hairdressing to the Institute scope.

The ongoing supply of qualified workers for the Community Services and Health sector is a major priority. Through its strong relationships with the regional health providers the Institute has established a range of training models that have incorporated off job and on job learning. The need for quality health service, risk considerations and the 24/7 nature of the industry and its workforce profile, largely mature women wanting flexible employment arrangements, provides a unique challenge in that it requires a very large skilled workforce. However the sector has already reached its capacity to provide supervised work placements. To progress a renewed approach to increase delivery through enhanced off job learning and raise the level of competence, reduce supervision risks and provide an early introduction to the sector for a younger cohort, an additional purpose built facility would be required. This would also address risk management for the sector, necessary when training young inexperienced students and will also provide the local stepping stone for regional youth to experience the industry sector and pursue a pathway through to Higher Education qualifications at Edith Cowan University.

Capacity is exhausted at Busselton Campus, with limited services to engage youth at the point of their consideration of employment pathways and before they are sufficiently engaged to take the bus trip to Bunbury.

There is local interest in the enhancement of tertiary education provision at Busselton, and an appetite to consider a progressive model. Exploration of the possibilities include a model underpinned by the Institute and its tertiary pathways and brokering capacity sustained by the incorporation of a range of commercial business activity including small business support and business incubator, employment services, niche market Registered Training Organisations and community services e.g. childcare and café adjacent to a central transport hub.

Significant Issues and Trends

Looking ahead major initiatives for 2011

Enhancing Indigenous participation will continue to be a focus with the launch locally of the Aboriginal Workforce Development Strategy SW Centre to work with the local employers and service providers to increase employment outcomes.

The Institute has reached a point where the IT systems are struggling to properly support the requirements of staff and students in the provision of flexible and innovative delivery strategies. Contemporary business practice requires e-business solutions, particularly if efficiencies are to be achieved in administrative operations. The current operating platform is not compatible with whole of government systems and standards and common user contracts, creating further stress on maintenance, implementation and support of required administrative systems and equally challenging issues with delivery and vocational IT applications and equipment.

There remains a requirement to address the age of a significant quantum of workshop equipment especially in the metals and engineering workshops, laboratory science, health and community services and sport and recreation.

Much of the major and minor equipment is long past the limit of maintenance, is technically out of date (20-30 years) and certainly of major concern. Without modification it does not meet the current OSH standards for safe operation. The original Bunbury Campus buildings and underpinning services infrastructure c 1971 have reached an age where an investment is required to avoid impact on capability in future years. The Institute will need to resolve the future of the old student accommodation Paterson House, as it requires significant investment if it is to be reopened for regional student use and the development of the Institute's international student business.

Annual Performance Measures

2010 key outcomes priorities and services

Shared responsibilities with Other Agencies

- The South West Institute of Technology provides regional clients with pathways to University through our Diploma and Advanced Diploma qualifications. This enables students to stay in the region, gain applied and practical skills locally, offering them advanced standing when they pursue university studies.
- The South West Institute currently has partnerships with Curtin University and Edith Cowan University in Bunbury and Margaret River and has secured pathway arrangements with Universities in the metropolitan area for students who wish to study in Perth.
- The Margaret River Education Campus is a collaborative initiative between the South West Institute of Technology, Curtin University of Technology, Edith Cowan University, Margaret River Senior High School and the Department of Training and Workforce Development. The campus provides education pathways allowing students to cross seamlessly between secondary, vocational and tertiary learning.
- The Institute continues to collaborate with St John of God Bunbury Health Care to provide confidential counselling support services at its Bunbury campus. The free service provides crisis support to students as well as mediation, advocacy, and provision of information and training in dealing with abuse of alcohol and other drugs, behaviour modification, child protection and self-management.
- Partnerships with the Bunbury and Warren-Blackwood District Education Offices enable the Institute to provide vocational pathways for both government school students and local private schools.
- The South West Institute of Technology is situated within an educational precinct that incorporates Manea Senior College and Edith Cowan University.

This colocation of the three organisations is further enhanced by strong partnership arrangements that have underpinned the development of seamless learning pathways for students.

Students from Manea who have chosen a vocational pathway spend two days of their school week engaged in vocational courses within the Institute environment.

On completion of their vocational course, Institute students may find they have entry into/or credit towards a degree course with Edith Cowan University. For example, students completing the Certificate IV in Health Science Foundations or the Diploma of Enrolled Nursing will be able to go on to a Bachelor of Science (Nursing) offered by the Bunbury Regional Campus of Edith Cowan University.

Annual Performance Measures

Performance Measures

The Institute provides services to a wide range of stakeholders across the South West region and uses a range of demographic based performance indicators to monitor service distribution, using the 2010 ABS population data. The Institute has provided services to its community relative to its target market; 15-64 year olds that are eligible for the workforce, with particular attention to the inclusion of youth and the Indigenous community.

Performance Measures	Target	Achieved
South West Institute students/ population participation rates 15-64yrs (15-19 yrs)	9% (25%)	6.07% (19.82%)
Bunbury	39%	41.6% (44.2%)
Busselton	16%	15.7% (12.7%)
Collie/Harvey (Preston)	20%	18.5% (25.7%)
Manjimup (Blackwood)	11%	9.0% (8.9%)
Margaret River	10%	9.7% (6.7%)
Outside South West region	4%	5.5% (1.8%)
Distribution of South West Institute students from outside the greater Bunbury area	61%	58.8%
Students identifying themselves as Indigenous	160 students 3%	170 students 2.4%
Students of a diverse, cultural and linguistic background	8%	3.9%
Indigenous students enrolled in qualifications Certificate III and above	70	74
Module Load Completion Rate (MLCR) for students identifying themselves as Indigenous	75%	73.2%
Proportion of Institute students aged 15-19 years	35%	33.1%

Annual Performance Measures

Student Satisfaction

The overall level of student satisfaction at the South West Institute of Technology remains high at 91.1%, which is higher than the state average satisfaction level of 86.7%.

Performance Measure	Target	Achieved
Students satisfied with the training they received	90%	91.1%
Students satisfied with the quality of assessment	90%	84.8%
Graduates satisfied with the quality of their course	90%	89.9%
Graduates satisfied they achieved main reason for training	90%	86.5%
Graduates satisfied with the overall quality of their training	70%	85.4%

Source: Student Satisfaction Survey 2010; Graduate Satisfaction Survey 2009

Student satisfaction targets for 2010 were set in line with the Institute performance trends in 2008/2009. Expansion of student satisfaction criteria for the Student Satisfaction Survey in 2009 saw actual rates settle in line with overall State levels. Furthermore data for 2010 has revealed that the Institute's overall student satisfaction rate has exceeded that of the overall State level.

Annual Performance Measures

Western Australian Workforce Development

The new Resources & Infrastructure Training package opened up a rich seam of opportunities to up-skill South West residents for the projected growth in the mining and resource industries. Now running each term, the Certificate II in Resource & Infrastructure Work Preparation course is one of the most exciting programs run at SWIT as participants gain skills that are highly regarded by the Mining, Resource and Construction sectors. Having gained a quintet of industry recognised “tickets” – White Card, Senior First Aid, Forklift Licence, Enter Confined Space, Skid Steer Loader – and practical experience using hand and power tools, more than 85% of the first graduating group have secured employment. Most are now working in roles which would have been unattainable prior to up-skilling through the course.

Institute lecturers are currently engaged in a pilot project in a local centre to offer early support in the transition of the merging of the licensing board and the national child care accreditation council.

Our Metal fabrication section is now working closely with the Welding Technology Institute of Australia hosting industry meetings at the Bunbury campus.

The updated external delivery format of the Certificate IV in Occupational Health and Safety has had an increase of more than 100% in student enrolments, particularly from full-time workers seeking to broaden their knowledge and skills.

The exciting collaboration project to recover threatened native orchids is making excellent progress with SWIT staff applying research knowledge from Kings Park into the field. Conservation and Land Management students have successfully germinated orchids and a new shade house has been set-up at the Leschenaultia Community Nursery to grow the plants to a stage where they can be re-planted in South West nature reserves.

Fitness, Sport and Recreation students have continued to have a strong presence within the community, assisting in organised events and activities to enable students to put their learning into practice. These activities include:

- Circuit fitness sessions for South West Young Achievers.
- Ongoing coaching for sporting associations and schools.
- Active After School Coaching and ‘Blue Earth’.
- Coaching & officiating for sporting associations, faction and interschool sporting carnivals.
- Fitness circuits at ECU.
- Continued involvement in the Dardanup Healthy Chain Gang project.

The relationship between the Busselton campus and the Shire of Busselton is to be celebrated. The lecturers in Business and Business Administration have been working with the Shire to identify needs and match these needs to Traineeship opportunities and well as commercial training needs. As a result the Institute has a number of trainees and has conducted MS Office based training for the Shire staff. This relationship is ongoing and will grow into 2011.

Annual Performance Measures

Western Australian Workforce Development

Networks include the South West Women's Refuge Management Committee, Edith Cowan University Social Work Advisory Board, South West Agency Partnership and the South West Youth Coordination Network (SWYCN), and the membership on the Industry Advisory Groups, such as National Disability Services WA.

The Automotive, Metals and Engineering portfolio has established a close working relationship with the Engineering and Automotive Training Council. Two local industry reference groups have been established to advise the Training Council and the Institute on local industry training requirements. The Industry Reference Groups are in the areas of Engineering (Metal Fabrication/ Fitting and Machining) and Automotive- (Light vehicle and heavy vehicle).

The portfolio has hosted meetings with local industry in the areas of:

- Automotive – Manufacturers industry technology updates when new model vehicles are released.
- Metal Fabrication- Welding Institute of Australia held a regional meeting at the Institute.

Early in 2010 the Building, Construction and Furnishing portfolio completed two funded delivery projects built around the "Transforming Trade Training" model, and is pleased to see the results published by West One, available to all RTO's in WA. The areas of training were Carpentry & Joinery which incorporated the use of electronic portfolios and blogs for assessment, and bricklaying which incorporated separate training blocks and assessment blocks. Both of these are aimed at allowing the apprentice to spend increased training time on site with employers. The ideas have been taken up by two other trade areas (Wall & Ceiling Lining, Cabinet Making). Employers have generally embraced the ideas and in most cases taken up the opportunity to commit to on site training.

In November the Hospitality, the Arts and Education Services Portfolio held an Industry Seminar in Margaret River to provide a forum for current issues affecting the hospitality industry in the South West; in particular workforce recruitment and retention of chef apprentices and hospitality workers. This event held for South West employers and chefs involved in hospitality provided a one stop shop to answer many of the burning questions related to workforce development from local industry. Held at the Margaret River Education Campus Winery Building guest speakers included representatives from the Creative and Leisure Industries Training Council, local chef's, Fair Work Ombudsman, Department of Immigration and Multicultural Affairs, South West Australian Apprenticeships Centre and Apprenticentre representatives. SWIT lecturing staff highlighted Recognition of Prior Learning (RPL) opportunities –the skill recognition process for unqualified cooks. Industry feedback from the seminar demonstrated the usefulness of the day to all concerned.

Annual Performance Measures

Client Satisfaction

The Health, Community and Personal Services Portfolio have responded to individual and industry needs, with a range of customised training solutions in a variety of flexible delivery options. Training models have been piloted with great success, aimed at personalisation to support learning styles and preferences and to dovetail into the personal life choices and employment contexts reflective of the lives of our 21st century clients.

Commencing in 2009 in Busselton, Certificate III Home and Community Care traineeships was delivered in a fully flexible, case-managed client model which included weekly support visits and individually tailored programs. This model received positive industry feedback and will be extended in 2011 for both traineeships and profile delivery.

A new Student Services team was established in 2010 by bringing together existing support teams (reception & switchboard, support for aboriginal and international students, students with disabilities, Paterson House and the student counselling service). A database was developed by the team to improve the coordination of support and ensure that all issues are addressed in an agreed time frame and to monitor student outcomes. Over 800 student contacts were recorded in the 5 months of operation.

The Course Information team have continued to use the Client Relationship Management database to record course enquiries. 6125 inquiries were logged on the database in 2010. Further enhancements will improve the utilisation of this tool in the promotion of courses and training options.

St John of Good Health Care Bunbury has continued to provide an outreach service to students of the South West Institute of Technology. The free counselling, referral and support service to students has been provided on campus three days per week, with a phone service available five days per week. Students have sought assistance with issues including alcohol and drug usage, financial hardship, accommodation, relationships, domestic violence, stress and grief management. Information sessions have also been provided to staff and many class groups on the services provided and managing behaviours.

Aboriginal mentors were employed under a grant from the Indigenous Training & Support Program (ITS) to assist Indigenous students with cultural and family matters that may be impacting on their ability to attend courses and complete qualifications. The male and female mentors met regularly with the students at the Bunbury, Collie and Busselton campuses, liaised with lecturers and administrative staff and provided support and encouragement on issues including Centrelink and financial issues, housing, family relationships, community issues, transport, alcohol and drugs, and communication with lecturers and employers. They encouraged students to seek assistance with the course work from tutors.

An Aboriginal Cultural Day was held on 27 October 2010 with the theme of 'Unsung Heroes Leading the Way by Example'. Entertainment and music was provided by local school students, visits by local sports identities & role models, displays by 10 aboriginal agencies, showcase of student work, presentations to several staff that were retiring, quizzes and a guided 'bush-tucker' walk. The event was well attended by staff, students and members of the community and has assisted to improved understanding and cooperation. In November new Institute staff attended in-house Aboriginal Cultural Awareness training with an overview of the history and shared experiences of Noongar elders and how these events and government policies have impacted on contemporary issues.

Annual Performance Measures

Business Development

A diverse range of short courses have been strongly supported by industry. These one and two day workshops cover key employment skills such as training in the operation of a forklift and chainsaw, chemical safety (ChemCert), Responsible Service of Alcohol and abseiling instructor training.

2010 saw the successful completion of stage one of the commercial training funded by the Better Skills program in Aged Care at Busselton.

The delivery of Certificate III in Sterilisation Services for WA Country Health Service South West has been extended to train serialisation technicians in Perth, Bunbury, and the Pilbara.

The Health Community and Personal Services have added Certificate IV in Leisure & Health to the Institute's scope. In the process of finalisation are Certificate III Children's Services (with a focus on Family Day Care) and the Diploma of Remedial Massage.

In 2010, 107 students accessed funding provided by the Australian Government in 2009, under the Early Years Learning Framework. The funding, designed to recognise the current skills of childcare workers in leadership positions, and to provide gap training, in response to the international research supporting the importance of children's services to the first five years of a child's life.

The Building, Construction and Furnishing portfolio has initiated a discourse with local civil contractors aimed at designing specific skill sets needed for supervisory and middle management employees. These will be offered in 2011 as short courses.

Annual Performance Measures

Our Capacity

Coupled with an update of the South West Institute of Technology Moodle online training programs, the Applied (Laboratory) Science team have continued expanding the number and range of units available online. With training resources available at all times, this has proved hugely beneficial for existing workers and in-class students. This same approach is being used across other training teams with resources on Moodle online training enabling greater flexible delivery enrolments in higher level qualifications. An extra Computer-Aided Design (CAD) lab has been a huge benefit for paraprofessional building students and a new computer facility will facilitate greater access for students.

The Applied Science lecturing team hosts regular meetings with industry and have received positive feedback about the training and skills of graduating students. In particular, the pathology laboratory sector has embraced the Specimen Collection Skill Set course which is up-skilling staff who collect blood and handle medical samples.

Several of the trade lecturers have undertaken high risk training to enable them to deliver units such as scaffolding to apprentices.

In 2009 the Institute received \$2,000,000 as part of the *Better TAFE Facilities* project to upgrade and refurbish strategic aspects of the Institute infrastructure to better support the educational and student needs of the Institute, as well as addressing issues related to an ageing facility and enhancing sustainability. \$1,800,000 of this funding was used in 2010 for the following projects:

- Re-roofing project: Re-roofing and installation of roof access system completed for Blocks A, B, C, and K. This project included the additional of solar panelling for K block as part of the Institute's commitment to sustainability.
- Canteen refurbishment project: Campus canteen was completely remodelled to make better use of the area and to provide an upgraded undercover area.
- Toilet upgrade: Remodelling of the K block toilet area.
- Southern car park Upgrade: To facilitate access and egress to the Institute and overcome the issues with flooding in the southern car park this area was levelled, drainage added, and a bitumen car park was laid. This upgrade also included the additional of energy efficient lighting for this area to increase security for staff and students.
- Paterson House works: Repair work to Paterson House buildings roofs, including replacement of gutters, down pipes and damaged adjoining panelling, and repainting of buildings.

The Automotive Centre of Excellence project was commenced in 2010, with a Project Officer allocated to the role, and working in close contact with lecturers, related staff, architects and industry to develop the final plans and processes for commencement of building on the facility in 2011. Related to this is the project to provide access and egress through the proposed Sommerville Drive connection, and this project has been progressed by the Director of Corporate Services with local authorities, with work to commence on this connection in early 2011.

Annual Performance Measures

Our Capacity

In 2010 the Institute has continued its focus on enhancing the sustainability profile of the SWIT as exemplified by the installation of solar hot water / heating panels in K Block as part of the Better TAFE Facilities project. The Institute will continue to upgrade these facilities throughout 2011 and into the future as part of a planned implementation that is detailed in the Institute's Environmental Sustainability Plan.

The Institute has already begun the process of upgrading our Energy Management System to cover all of the Bunbury Campus, and plan to include each of the regional campuses. This implementation will save an estimated 3% in energy usage, with the related decrease in carbon footprint.

In 2010 a working group was established to assess our reward and recognition programs, to further encourage citizenship behaviours, creating a spirit of community. The outcomes will come to further fruition in 2011. Our aim is to work wisely; striking the right balancing between results and relationships. This is an area which requires constant revision, so as to reflect best practice.

In conjunction with Performance Enhancement and Career Development, staff training and development programs will continue to be developed in 2011.

SWIT Equal Employment and Opportunity (EEO) policies and practices continue to grow towards best practice. Our 2010 Equal Employment and Opportunity plan was initiated and will continue to be developed as we develop practices of inclusiveness.

In July 2010 non-lecturing staff from all campuses attended training sessions to provide them with practical skills to improve their job performance. Sessions included customer service training, project management techniques, time management, stress management, forklift ticket upgrade, Chemwatch and information literacy training.

An Indigenous youth trainee position was added to the Student Services team. The trainee commenced in July 2010 and will complete a Certificate III in Business over the next 12 months.

At SWIT we celebrate that our people are our most valuable assets. Policies, processes and practices designed to increase our staff engagement will continue to be reviewed with an emphasis on innovation, productivity, integrity and team work.

The staff development focus for 2010 has been increasing the capability and skills of lecturing staff to deliver industry-responsive training that is flexible and based on key employment skills. Staff have also been up-skilled in conducting Recognition of Prior Learning (RPL) assessment, Occupational Safety and Health (OSH) training, Risk Management, Accountable and Ethical Decision Making (AEDM) and Public Interest Disclosure (PID).

Lecturer involvement in Training And Assessment, Instructional Intelligence and the higher level Diploma qualification at Edith Cowan University, have provided development opportunities and career benefits.

Annual Performance Measures

Social Responsibility

The Fitness, Sport and Recreation team have customised and updated the process of Recognition of Prior Learning (RPL) assessment for existing workers. This has now taken in a number of Indigenous workers who have strong links with local sporting clubs, Clontarf Academy, Newton Moore High School and Djidi Djidi Primary School. These existing leaders within the community will act as mentors for future students and on the sporting field.

Water saving practices have been implemented in the Horticulture and Conservation and Land Management departments, with green waste recycling programs being extended.

Across all qualifications, new environmental sustainability units are being added to scope and incorporated into training programs. A number of areas are also developing RPL tools for these units to be assessed in the workplace.

The City of Bunbury and Capel Shire provided training opportunities in weed control, revegetation and fencing on nature reserves in and around Bunbury which benefited the students' skills development and conservation values within the reserves.

The Water Corporation has recognised SWIT as a Waterwise Associate organisation for the Institute's commitment to implement water efficient practices and incorporate these principles in training across the Horticulture and Plumbing departments.

A new Permaculture course was introduced in 2010 with great success. Students completed a certificate in Permaculture design run over a 10 day period during term break and weekends. Students attended an on-site learning program to become immersed in applying sustainable gardening practices.

Work with the Indigenous communities in Bunbury and Collie has supported students to complete qualifications in Production Horticulture and Rural Operations – a combination of skills in Aquaculture, Horticulture, and Conservation and Land Management. Relationships with the Clontarf academy and Recognition of Prior Learning of Indigenous staff in the sort and recreation industry will have lasting benefits for new generations of sporting participants.

The same positive working relations with industry were instrumental in Woolkabunning Kiaka Incorporated at Roelands gaining a native seed growing contract with Alcoa Australia. Lecturers provide advice and practical assistance to local industry and other enterprises including setting up a bush foods interpretive garden at Adam Road Primary School.

The Health, Community and Personal Services Portfolio have worked with industry to respond to the increasing need for Aged Care workers, with the Institute providing customising training for those students for whom English is a second language.

Annual Performance Measures

Social Responsibility

Waste removal bins in the trade areas have been reorganised for individual waste type recycling, which has resulted in reducing the cost of bin hire and removal.

Plumbing manufacturers/suppliers have continued to support SWIT training with donations of equipment and training. Rheem have supplied their latest technology heat exchange water heaters. Installation of new heat transfer water heaters for training, donated by industry, will keep plumbing training very current.

Plumbing training is still operating on recycled water only - no scheme water is used.

Jobs South West (employment and training provider) brought 10 clients into the workshops for a Try A Trade taster program covering 4 trades. They performed very well and 4 of the group have enrolled in courses at SWIT.

The South West Institute of Technology (SWIT) reaffirms its commitment to the practices and principles of Public Sector integrity, in accordance with the Public Sector Commission Public Sector Standards and Ethical codes.

In 2010, SWIT implemented the Public Sector Accountable and Ethical Decision Making interactive modules within our e-learning environment. Our target is to achieve 100% compliance for permanent and contract staff by 31 December 2010. To date, employee engagement and participation is on track to reach our desired outcomes, by the end of the year.

Annual Performance Measures

The pursuit of excellence

The award winning *Growing Towards Wellness* program has continued its success in supporting people with mental illness to gain nationally recognised qualifications in Horticulture. The innovative program has participants gain practical skills at industry and community project sites with three different groups running in Bunbury, Busselton and Perth's southern metropolitan area. The program was selected as a finalist at the WA Training Awards 2010 and won the state government agency category of the WA Mental Health Good Outcomes Award.

One of the Institute's ChemCerts lecturers was announced as the facilitator of the course where the 26,000th participant had completed chemical safety and handling training.

The quality of the Institute's training in the Diploma of Children's Services has been acknowledged by two graduates being awarded the prestigious Rising Star Award for two consecutive years. The Rising Star Award sponsored by the Department of Child Protection recognises one individual in the South West region, who demonstrates outstanding commitment to the industry by their inspirational practice on a daily basis. The Institute congratulates 2009 winner, Chais Garland and 2008 winner Emma Dittman.

The South West Institute of Technology hosted the TASTE of TAFE in November 2010. The event showcased the work undertaken by Fashion, Art, Cookery, Hospitality and Building Design and Technology students. The event enabled members of the public to gain an exclusive viewing of the fashion students' unique designs as they modelled their diverse range of garments and also enabled guests to see an exhibition of art works created by art students. Commercial cookery and hospitality students served canapés and samples of premium South West wines. Diploma of Building Design and Technology students presented an electronic showcase of their years' work. The event is the culmination of student efforts during the course of the year and provides an insight into the depth and quality of training that students receive at the South West Institute of Technology.

A nursing graduate of the South West Institute of Technology was recently awarded a place at the Notre Dame Medical School and will commence studies in January 2011 to achieve a long held ambition of becoming a general practitioner. This graduate was one of about 15,000 students who sat the Graduate Australian Medical School Admission Test (GAMSAT) and was one of the 164 students to qualify for an interview and secure one of the 100 available places in the course. Having migrated to Australia in 2004 from Zimbabwe, the graduate and his family initially settled in Port Augusta, South Australia where he commenced his Bachelor of Nursing degree. Relocating to Bunbury in 2007 gave the student the opportunity to undertake the Diploma of Nursing to increase his level of clinical exposure and augment his academic studies through the practical application of skills. Speaking candidly about his training experience at the South West Institute of Technology the graduate noted "The nursing lecturers created an extremely positive learning environment which kept me on track and nurtured my aspirations to realise my potential. Through my training and work as both a carer and volunteer ambulance officer I've really valued the opportunity to interact with patients and health care professionals and meet a diversity of clients. I believe my medical training will enable me to use my knowledge and skills to make a difference to the lives of others and contribute to the community which I find extremely fulfilling and rewarding as a life goal."

Annual Performance Measures

The pursuit of excellence

The Laminex Group hosted the presentation of their scholarship award at their Bunbury Display Centre earlier this year; an award they sponsor for the outstanding SWIT student in Certificate IV in Interior Decoration and Design. The winning student, one of the youngest, received a cheque for \$2000 toward further study or a study tour. The student secured employment as a Design and Colour Consultant for one of the major project builders – an example of the success of full circle involvement between SWIT, industry, and students.

The Epicure Training Restaurant was once again a finalist in the 2010 Gold Plate awards sponsored by the Catering Institute of Australia.

Certification of Key Performance Indicators

Certification of Key Performance Indicators

For the year ending 31 December 2010

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the South West Institute of Technology's performance, and fairly represent the performance of the South West Institute of Technology for the financial year ended 31 December 2010.



Dan Perkins
Chairman
Governing Council

9 March 2011



Wendy Burns
Managing Director

9 March 2011

Key Performance Indicators

Desired Outcome

The South West Institute of Technology has developed the following Key Performance Indicators (KPI's) to provide an overall indication of the Institute's operations as prescribed in the Vocational Education and Training Act 1996 and program objectives as embodied in the Institute's vision/mission statement.

The desired outcome of the Institute is the provision of vocational education and training services to meet community and industry training needs.

Effectiveness

Annual VET Institute Training Profile Target Achievement

The following table indicates the effectiveness of the Institute in meeting its target mix for training delivery under the Institute Training Profile, as a measure of the extent to which it has provided relevant training and skills formation opportunities to the community, in accordance with the training needs of the State.

INSTITUTE TRAINING PROFILE		2009 SCH	2010 SCH	2010 SCH	2010 SCH
WADOT Group Description	WADOT Group Description	ACHIEVED	PLANNED	ACHIEVED	% ACHIEVED OF PLANNED
01A	Recreation Sports and Entertainment	56,331	52,600	61,682	117.27%
01B	Visual and Performing Arts	46,314	49,900	54,065	108.35%
01C	Design	8,340	8,250	7,324	88.78%
02A	Automotive	95,521	114,976	92,073	80.08%
03A	Building and Construction	131,244	129,638	139,346	107.49%
03B	Surveying and Building	53,560	55,700	61,924	111.17%
04A	Community Service Workers	91,712	135,604	37,255	27.47%
04B	Education and Childcare	217,500	183,140	218,827	119.49%
04C	Health	55,445	61,156	125,970	205.98%
04D	Library Workers	0	0	0	0
05A	Finance Insurance Property Service Workers	5,795	8,000	3,461	43.26%
06A	Food Trades and Processing	15,915	13,530	8,880	65.63%
07A	Clothing Footwear and Soft Furnishings	9,950	8,400	9,885	117.68%
07B	Furniture Manufacture	23,805	23,130	20,790	89.88%
08A	Communications	0	0	0	0
08B	Printing & Publishing	0	0	0	0
09A	Engineering and Drafting	16,929	21,456	18,046	84.11%
09B	Metal and Mining	132,524	122,948	112,354	91.38%
10A	Animal Care	0	0	0	0
10B	Forestry, Farming and Landcare	51,368	42,824	38,183	89.16%
10C	Fishing	0	0	0	0
10D	Horticulture	60,777	58,790	79,748	135.65%

Key Performance Indicators

11A	Process Manufacturing	31,705	40,950	16,721	40.83%
12A	Personal Service	58,148	57,489	57,781	100.51%
12B	Retail	16,300	8,492	9,913	116.73%
13A	Cooking	39,990	27,510	33,288	121.00%
13B	Hospitality	23,377	21,400	24,856	116.15%
13C	Tourism	24,721	27,393	30,420	111.05%
14A	Transport Trades, Storage & Associated	2,570	6,360	7,340	115.41%
15A	Electrical and Electronic Engineering	0	0	4,596	0
15B	Electrical Trades	64,972	61,617	53,124	86.22%
16A	Accounting and Other Business Services	55,500	68,500	63,755	93.07%
16B	Management	41,535	28,500	36,775	129.04%
16C	Office and Clerical	130,665	142,885	152,525	106.75%
17A	Computing	70,500	74,370	65,745	88.4%
18A	Science and Technical Workers	55,508	50,972	44,436	87.18%
19A	ACE	0	0	0	0
19B	Adult Literacy/ESL	89,981	88,902	87,730	98.68%
19C	Languages	0	0	0	0
19D	Miscellaneous	0	0	0	0
19E	Targeted Access & Participation	25,136	29,600	17,165	57.99%
Profile Delivery		1,744,226	1,824,982	1,795,983	98.41%
Non Profile Delivery		188,851		190,645	0
TOTAL INSTITUTE PROFILE DELIVERY		1,933,077		1,986,628	0

Note: Institute renegotiated the Delivery and Performance Agreement in September Addendum to align with local demands, resulting in an amended DPA figure of 1,796,591 SCH.

Key Performance Indicators

Variances in excess of 10%

The Delivery and Performance Agreement (DPA) allows for flexibility in shifting delivery between industry groups within agreed tolerances. Where WADOT Groups reflect actual results which vary by 10% or more from the original planned SCH the following explanations apply:

- Change in Industry WADOT group classifications.
- Original SCH allocation under the DPA insufficient to meet local demand in respective WADOT group.
- SCH shifts across profile to meet local demands for training.

Non Profile Delivery

Includes:

- Competitively Allocated Training both State and Non State Funded.
- Domestic and International Fee for Service Delivery.
- Delivery for Credit transfers and Recognition of Prior Learning.

Efficiency

Delivery Cost per Student Curriculum Hour

The following table indicates the cost efficiency of the Institute in training delivery under the Institutes Training Profile and fee-for-service. The table presents the average cost per SCH for all delivery.

CALENDAR	TOTAL COST	TOTAL SCH AVERAGE YEAR	COST/SCH
2010	\$34,643,944	1,986,628	\$17.44
2009	\$31,719,970	1,933,077	\$16.41
2008	\$30,856,604	1,962,236	\$15.73
2007	\$29,088,363	1,856,801	\$15.66
2006	\$29,896,177	1,839,676	\$16.25

Delivery cost per student curriculum hour target = \$16.73

Key Performance Indicators

Efficiency

Delivery Cost per Student Curriculum Hour

Reasons for Variance:

Delivery in excess of the DPA agreement to meet local demands for training.

- Increases in salaries costs due to GOSAC and Lecturers' wage increases.
- Increase in supplies and services due to general increases in costs including increases in utilities, contracted services, repairs and maintenance expenses.
 - i. Source: The 2010 SCH figures were derived from the AVETMISS Survey as extracted from the CMIS. In addition to the AVETMISS Survey figures, separate records for Lifestyle course delivery were added.
 - ii. Definition: The SCH is the sum of the SCH extracted from the AVETMISS Survey (CF funded delivery) plus the total of non-profile (fee-for-service) SCH.
 - iii. Explanation: The AVETMISS Survey has been adjusted to allow for the "no show" students under the "one attendance" rule criteria. It should be noted that the one attendance criteria implies that the curriculum hours for a module/subject are included in the total SCH provided the student attends at least one class, even if they subsequently withdraw or cease attending a unit.
 - iv. Capital User Charge: The charge was a levy applied by Government for the use of its capital. In 2007, the final year in which the charge was levied, a single payment was made equal to the appropriation for 2007 less any adjustment relating to 2006. (Refer Disclosures and Legal Compliance point 8).

Key Performance Indicators

Effectiveness

Student Satisfaction

Student satisfaction is a performance indicator measuring the extent to which the courses provided by the Institute met the needs of students. Student satisfaction was measured through the Student Satisfaction Survey, carried out by an independent organisation (Patterson Market Research), aimed at students who were undertaking studies at the Institute. The survey asked students about themselves and their level of satisfaction with the qualifications and broad areas of teaching, student support and advisory services as well as the facilities of the Institute.

The usable State population was established as 58,354, of which 51.8% were contacted. The response rate for the State was 33%. From a usable population of 3,667 at South West Institute of Technology, 2,701 students were contacted and 549 usable returns were received (20%).

The survey findings for the Institute stated that a high proportion of students were Satisfied or Very Satisfied overall. The table below shows the Institute and State Student Satisfaction percentages. The figures include apprentices and trainees in the survey (there were 1,409 apprentices and trainees in 2010)

OVERALL STUDENT SATISFACTION					
	2006	2007	2008	2009	2010
SWIT	86%	88%	88%	86.2%	91.1%
Target	-	-	88%	90.0%	90%
State	86%	87%	85%	85.6%	86.7%

- i. Student satisfaction target set in line with Institute performance trends in 2007/2008. Expansion of student satisfaction criteria in 2009 has seen actual rate settle in line with overall State levels.
- ii. Source: Colmar Brunton on behalf of the WA Department of Training and Workforce Development conducted the Student Satisfaction Surveys from 2003 to 2009. Patterson Market Research conducted the Survey on behalf of the WA Department of Training and Workforce Development in 2010. All students responding were assured of complete confidentiality (i.e. no information would be released to the Institute that would identify any individual).
- iii. Definition: The surveys were administered to full-time and part-time students who were enrolled in an award course in first semester of that year.
- iv. Derivation: The survey asked students to rate their overall degree of satisfaction with their course. The measure compares the number of Very Satisfied and Satisfied respondents as a proportion of respondents.
- v. Explanation: The methodology used by Colmar Brunton utilised multiple data collection techniques; mail, on-line and Computer Assisted Telephone Interviewing Techniques (CATI), whereas Patterson Market Research used hardcopy by mail or e-mail with a link to the survey on-line.

Key Performance Indicators

Graduate Satisfaction

Disclosure Statement

South West Institute of Technology (formerly South West Regional College of TAFE).

The aim of the national 2009 Student Outcomes Survey was to measure Vocational and Training Graduates' employment, further study destinations and opinions of the training undertaken. The Student Outcomes Survey, carried out bi-annually by an independent third party organisation (NCVER), targeted at students who completed a course with a Technical and Further Education Institute in Australia in 2009. The survey was sent to students (with Australian residential addresses) who had completed an Award course in a publicly funded TAFE institute in Australia.

Note: Graduate outcome tables now use the number of valid responses as the denominator in percentage calculations instead of the base number as was the case before 2001. As a result, prior year comparisons will not be accurate.

Measure (a): Achieved Aim: Respondents who reported they achieved, or partially achieved, their main reason for doing the course:

	SWIT	TARGET	WA	AUSTRALIA
2009	86.3%	90%	87.2%	86.2%
2007	90.1%	88%	87.4%	86.6%
2005	86.8%	-	84.5%	85.3%
2003	79.5%	-	78.0%	78.8%
2002	76.4%	-	77.0%	78.0%

Measure (b): Course quality: The 2005 survey changed the focus and the scoring of this question. The question now asks candidates to rate the overall quality of the course on a scale of 1 to 5 against the statement, "Overall, I was satisfied with the quality of this course." Candidates who indicated they **agree** or **strongly agree** were counted as satisfied. (1-Strongly disagree, 2-Disagree, 3-Neither agree nor disagree, 4-Agree, 5-Strongly agree)

	SWIT	TARGET	WA	AUSTRALIA
2009	90.3%	90%	89.1%	89.1%
2007	89.3%	88%	88.0%	88.9%
2005	87.4%	-	86.9%	87.7%
2003	87.6%	-	83.2%	83.1%

Measure (c): Graduate Employment Rate: In the 2007 survey, graduates from the College achieved better labour outcomes compared to the averages recorded for Western Australia and the Nation.

Key Performance Indicators

Disclosure Statement

	SOUTH WEST INSTITUTE OF TECHNOLOGY					WA	AUSTRALIA
	2002	2003	2005	2007	2009	2009	2009
Graduates Employed	74.6%	76.9%	80.3%	84.4%	77.5%	77.5%	78.2%
Graduates Unemployed	11.0%	10.3%	8.0%	15.6%	22.5%	22.5%	21.8%
Not in Labour	14.0%	11.0%	11.3%	10.3%	12.6%	12.6%	4.9%

Notes:

Source: NCS Australasia on behalf of the National Centre for Vocational Education Research (NCVER). The Australian National Training authority (ANTA) funded the survey.

Definition: The 2009 survey was administered to all graduates at a publicly funded TAFE Institute in Australia who, in 2009, had completed a Certificate, Advanced Certificate, Associate Diploma, Diploma or Advanced Diploma and had an Australian address as their usual residence.

Derivation: The 2009 graduate survey employment status was measured for each category (employed, unemployed and not in labour force) May 2009. Obtained by calculating the ratio of graduates in each category compared to total respondents and expressed a percentage.

Survey distribution and response information:

Response Rates 2009

SWIT	2002	2003	2005	2007	2009
Number of questionnaires distributed	998	1,381	1,052	764	1,222
Number of responses received	545	762	481	322	682
Response Rate	55%	58%	46%	42.1%	56%

The sample error for 2009: +/- 3.5, (Source NCVER)

Disclosure and Legal Compliance

Ministerial Directives

On the 10 November 2010 Minister Peter Collier advised, that while he approved South West Institute of Technology's estimates for the year ended 31 December 2010, this approval is conditional upon the Institute reporting its financial position to the Department of Training and Workforce Development on a quarterly basis throughout 2011.

Pricing Policies of Services Provided

Fees and charges for students undertaking publicly funded vocational education and training in Western Australia must be collected in accordance with the provisions of the:

- *Vocational Education and Training Act 1996.*
- *Vocational Education and Training Regulations 1996.*
- *Policy Guidelines for Publicly Funded Registered Training Organisations.*

The Institute's fees are set by the Western Australia Department of Training and Workforce Development and are indexed by CPI each year.

Employment and Industrial Relations Staff Profile

	2009	2010
Full Time Permanent Staff	158	151
Full Time Contract Staff	54	54
Part Time Permanent Staff	80	117
Part Time Contract Staff	30	46

Advertising (Electoral Act 1907) section 175ZE

In compliance with section 175ZE of the Electoral Act 1907, the Institute is required to report on expenditure, incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

Marketing Agencies	Market Force exPress	\$25,234.91 excl. GST
Market Research Organisations		NIL
Polling Organisations		NIL
Direct Mail Organisations		NIL
Media Advertising Organisations	Optimum Media Decisions	\$103,396.16 excl. GST

Disclosure and Legal Compliance

Disability Access and Inclusion Plans

Outcome 1.

Accessible Events checklist was available to all Institute Staff on the intranet and was used when planning for public events including the enrolment days, Annual Student Awards Night, Market Day, Aboriginal Cultural Day, Future Possibilities Youth Conference, and TASTE showcase.

Outcome 2.

People with disabilities have the same opportunities as other people the buildings and other facilities of the College.

Funding from the Better TAFE Facilities (BTF) project at the Bunbury campus has resulted in the surfacing of a student car park, the upgrade of the canteen facilities, improved paths around the campus and some new accessible toilet facilities.

All students can access the 24/7 learning resource centre in Bunbury which includes student PCs with access to Moodle, all library databases, Internet access and printing. These same resources are available remotely from their home PC.

Outcome 3.

People with disabilities receive information from the Institute in a format that will enable them to access the information as readily as other people are able to access it.

The Institute website continues to meet functionality and accessibility requirements of clients including accessible fonts, contrast, colour, an enlargement option and a printer friendly option.

Course info sheets have been made available on the website for all full-time and part-time qualifications. The information is updated regularly and is in a printer friendly format. Online brochures, short course and external study options are also available on the website. Further information can be provided by phone, email or post by the Course Information team.

Learning resources are available in a range of formats and assistive technology e.g. WYNN Wizard is also available on request.

Outcome 4.

People with disabilities receive the same level and quality of service from staff of the Institute.

A new Student Services team was established in 2010 which includes support for students with disabilities.

A database of student contacts and actions has improved the timeliness of responses and monitoring of student outcomes.

Note takers and in-class assistants were provided with an overview on new technologies including Moodle and Elluminate and their use in self-paced and flexible learning. Disability staff attended a workshop on alternative formatting for people hearing and vision impairment or ESL students, and a session on dyslexia.

Disclosure and Legal Compliance

Disability Access and Inclusion Plans

Outcome 5.

People with disabilities have the same opportunities to make complaints to the Institute.

A customer feedback system COMBIT gives all students the opportunity to provide feedback on services provided. The system is available via the Institute's website, or hardcopy forms are available in every campus. All complaints are handled confidentially and equitably.

Outcome 6.

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

All students are encouraged to complete the Learner Questionnaires each semester and the Student Satisfaction Survey. The surveys are available both online and in hardcopy.

A review of support provided for students with disabilities was conducted in Term 4 which included consultation with staff, students and external agencies on how to improve support and learning outcomes. The recommendations of the review will be used when preparing the Disability Access and Inclusion Plan for 2011-2013.

The Institute continues to be an active participant in the South West Disability Focus Group with representatives from all disability related organisations in the region. The group focuses on identifying and resolving barriers to accessing training and employment in the region. The group conducted a Future Possibilities Youth Conference in November 2010 that was attended by 100 people including 60 students.

Disclosure and Legal Compliance

Compliance with Public Sector Standards and Ethical Codes

The South West Institute of Technology reaffirms its commitment to the practices and principles of Public Sector integrity, in accordance with the Public Sector Commission Public Sector Standards and Ethical codes.

In terms of staff development, in 2010, SWIT implemented the Public Sector Accountable and Ethical Decision Making interactive modules within our e-learning environment. Our target is to achieve 100% compliance for permanent and contract staff by 31 December 2010. To date, employee engagement and participation is on track to reach our desired outcomes by the end of the year.

Compliance with Public Sector Management Act Section 30(1)

SWIT continues to strive towards best practice in human resources management, in accordance with Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our internal Code of Conduct.

As such, many of our internal policies and procedures continue to be reviewed and revised. SWIT's Code of Conduct for Employees has been reviewed in 2010 to reflect new OPSSC Code of Ethics statements of Justice, Respect for Persons and Responsible Care. Our revised Code of Conduct will be rolled out in 2011 to ensure greater understanding and alignment of values, behaviours and accountabilities.

Compliance with the Working with Children (Criminal Record Checking) Act 2004

In accordance with the Act, employee uptake of this legislative requirement has been steady throughout the year. SWIT took extensive action during 2010 to ensure all staff were aware of this requirement and its' consequences for non-compliance. SWIT achieved 100% compliance on 31 December 2010.

Record Keeping Plans

The Institute participates as a member of the TAFEWA Records Management Network to identify best practice and keep up to date with records management software development.

Regular records management awareness and update information is delivered to all Institute staff throughout the year.

The South West Institute of Technology fosters a continuous process identifying and removing significant volumes of old records from all campuses. The objective is to assess, document and then determine whether the records are to be stored or destroyed. This practice seeks to reduce record holdings in our external storage facility by assessing a large quantity of material boxed and sent to storage over the years.

The Institute conducts a recordkeeping training program. An in-house training program provides the following range of sessions:

- Refresher course for long-serving staff.
- Awareness training for senior management.
- A quick update or reminder session to staff on how to use existing systems.
- In-house training sessions have been conducted for groups and individuals.
- Training in group and individual sessions are provided on demand.

Disclosure and Legal Compliance

Record Keeping Plans

The organisation's induction program addresses employees' roles and responsibilities with regard to their compliance with the organisation's recordkeeping plan. Records management/awareness forms part of the Institute's Staff Induction Program.

Freedom of Information

The South West Institute of Technology allows supervised access to records on request. Applications for information under the Freedom of Information Act are submitted for approval and administered under direction by the Records Management Coordinator.

The FOI Statement is on the Institute's Business System.
A single Freedom of Information request was received during 2010.

Disclosure and Legal Compliance

Occupational Safety, Health and Injury Management

The South West Institute of Technology is committed to providing a safe workplace for our employees and a safe environment for our students and visitors to the Institute. The Institute promotes a proactive health and safety management system based on effective communication and consultation, the systematic identification, assessment and control of hazards and the encouragement of Occupational Safety and Health innovation and best practice.

Work practices are required to conform to the relevant State and Federal Legislation and Australian Standards. SWIT provides staff with training and guidance on safe work practices. Staff members are inducted with the Institute's Occupational Safety and Health policy and are expected to comply with the policy, guidelines and procedures to protect themselves and others from risk. Staff are responsible for the health and safety of staff and students working under their direction. Contractors undergo an induction and are to ensure they conduct themselves in a way that ensures the safety and health of others.

The Occupational Safety and Health Strategic Goals for 2010:

- To provide for the development and review of the Institute's safety and health policies, procedures and practices.
- To continue the systematic development, implementation and improvement of safety and health standards, and communication and commitment for all staff, students and visitors.

Communication is a commitment undertaken to ensure active consultation with staff in a meaningful way of occupational health and safety matters. The formal mechanism is the Occupational Safety and Health Committee and monthly meetings. Other avenues are through:

- Regular team meetings with Occupational Safety and Health agenda items.
- Access to fully trained, elected Occupational Safety and Health representatives.
- Online open access when lodging an issue.
- Regular Occupational Safety and Health inspections of the individual work areas.
- Occupational Safety and Health representation on capital works projects.
- Hazard and incident reporting.

Disclosure and Legal Compliance

Occupational Safety, Health and Injury Management

Training was focused on during 2010 with a staff development day solely for Occupational Safety and Health targeting an increased awareness and understanding of Occupational Safety and Health and its importance to the Institute. A range of specific information and skill sessions aimed at improving skills and knowledge on specific skill sets were run and the topics included:

- Overview on changes to Act / Regulations/ Code of Practise.
- Occupational Safety and Health awareness raising for employees and employees as supervisors.
- Hazard Identification and Accident / Incident Reporting.
- Risk Assessment and Occupational Safety and Health.
- Chemical Awareness Training.
- Machine Guarding.
- Office Ergonomics.
- Manual Handling.
- Identifying and Managing Workplace Stress.
- Roles and responsibilities for Managers and Occupational Safety and Health Representatives.
- Fire Extinguisher and Fire Training for Floor and Building Wardens.
- Conducting a workplace Investigation for Managers and Occupational Safety and Health Representatives.

The Institute initiated an OSH Project which has been instrumental in assisting the Institute to move towards achieving a safer work and study environment. This project has worked on a six point approach to help the Institute implement an effective occupational health and safety management system.

The six points are:

1. Review and develop Occupational Safety and Health policy and related procedural documents so there is clear direction and understanding about Occupational Safety and Health and how to deal with Occupational Safety and Health issues.
2. Reinforce consultation mechanisms with employees.
3. Establish an Occupational Safety and Health training strategy.
4. Reinforce hazard identification and workplace assessment processes and develop and implement risk management and risk control strategies.
5. Develop Occupational Safety and Health Planning and reporting strategies.
6. Promote, maintain, review and improve on these strategies.

The Institute has initiated Occupational Safety and Health self audit strategies to assist it to identify any weaknesses in its Occupational Safety and Health Management System and assist in the continuous improvement of Occupational Safety and Health.

Disclosure and Legal Compliance

Occupational Safety, Health and Injury Management

The South West Institute of Technology ensures that injured employees will be treated with dignity and respect. The Institute is committed to:

- Providing assistance to injured employees as soon as possible to facilitate their return to work.
- Providing for the injury management of all employees who have sustained a work-related injury or illness that is subject to compensation.
- Consultation with the employee and his or her medical practitioner to develop and maintain a return to work program.

As of December 2010, SWIT managed one active worker compensation claim.

Indicator	Target 2009 - 2010	Result
Number of fatalities	0	0 Achieved
Lost time injury/disease incidence rates	Zero (o) or 10% reduction on previous year	0.342 Achieved
Lost time injury severity rate	Zero (o) or 10% reduction on previous year	50 Not achieved
Percentage of injured workers returned to work within 28 weeks	Actual percentage	100% Achieved
Percentage of Managers trained in occupational safety and health and injury management responsibilities	Greater than or equal to 50%	90% Achieved

Disclosure and Legal Compliance

Risk Management

In 2010 the Institute formalised a new Audit and Risk Management Committee with Terms of Reference. The role of the Committee is to assist the Managing Director and Institute Executive fulfil its oversight responsibilities for the governance, risk management, educational quality and internal control systems including meeting the Institute's financial reporting obligations.

The primary role of the committee in terms of Risk Management is:

- To consider the adequacy of the College's governance, risk management and internal control systems, including information technology security and control.
- To meet as required with key management, internal and external auditors to understand and enhance the Institute's control systems.

The Audit Framework details the Institutes approach to Risk Management at an Executive, Business Unit, Work Team and Individual level. Each level is required to assess risk at Strategic or Operational levels providing formal documented evidence of Continuous Improvement.

Environmental Sustainability

The portfolio recycles all its used oil. In addition a number of local industries give us access to their surplus and scrap metal. This is a significant saving for the Institute.

Used metal from the portfolio is on-sold to a scrap metal dealer and resulting funds returned to portfolio accounts.


Paper is also shredded and recycled.

Financial Statements

Certification of Financial Statements

For the year ended 31 December 2010

The accompanying financial statements of the South West Institute of Technology have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 31 December 2010 and the financial positions as at 31 December 2010.



Dan Perkins
Chairperson
Governing Council

9 March 2011



Wendy Burns
Managing Director

9 March 2011



Jenny Duncan
Manager Finance

9 March 2011

Financial Statements

Independent Audit Opinion



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

SOUTH WEST INSTITUTE OF TECHNOLOGY

Report on the Financial Statements

I have audited the accounts and financial statements of the South West Institute of Technology.

The financial statements comprise the Statement of Financial Position as at 31 December 2010, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Governing Council's Responsibility for the Financial Statements

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

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Governing Council, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the South West Institute of Technology at 31 December 2010 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Financial Statements

Independent Audit Opinion

South West Institute of Technology

Report on Controls

I have audited the controls exercised by the South West Institute of Technology. The Governing Council is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Governing Council based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the controls exercised by the South West Institute of Technology are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Report on the Key Performance Indicators

I have audited the key performance indicators of the South West Institute of Technology. The Governing Council is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the key performance indicators of the South West Institute of Technology are relevant and appropriate to assist users to assess the Institute's performance and fairly represent indicated performance for the year ended 31 December 2010.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and the Australian Auditing Standards, and other relevant ethical requirements.



GLEN CLARKE
ACTING AUDITOR GENERAL
11 March 2011

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

		2010	2009
	Notes	\$	\$
Expenses			
Employee benefits expense	6	21,969,147	19,040,371
Supplies and services	7	9,099,289	7,446,463
Depreciation and amortisation expense	8	1,833,841	1,992,517
Grants and subsidies	9	6,306	3,148
Cost of sales	14	528,444	587,924
Loss on disposal of non-current assets	18	-	38,889
Other expenses	10	1,206,916	2,610,658
Total cost of services		34,643,943	31,719,970
Income			
Revenue			
Fee for service	11	1,049,286	1,070,290
Student fees and charges	12	2,992,654	2,621,424
Ancillary trading	13	125,346	100,070
Sales	14	621,618	612,487
Commonwealth grants and contributions	15	34,500	1,920,000
Interest revenue	16	289,746	123,259
Other revenue	17	614,948	682,748
Total revenue		5,728,099	7,130,278
Gains			
Gain on disposal of non-current assets	18	27,078	-
Total gains		27,078	-
Total income other than income from State Government		5,755,178	7,130,278
NET COST OF SERVICES		(28,888,765)	(24,589,692)
INCOME FROM STATE GOVERNMENT			
Service appropriation	19	25,457,991	24,832,939
Resources received free of charge		373,054	785,740
Total income from State Government		25,831,045	25,618,679
SURPLUS / (DEFICIT) FOR PERIOD		(3,057,720)	1,028,987
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	30	(1,471,989)	(3,817,876)
Total other comprehensive income		(1,471,989)	(3,817,876)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(4,529,709)	(2,788,889)

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

Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

		2010	2009
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	31	3,565,439	4,358,565
Restricted cash and cash equivalents	20	104,994	1,880,308
Inventories	21	130,390	97,406
Receivables	22	318,611	286,854
Other financial assets	23	1,000,000	-
Other current assets	24	96,924	164,871
Total Current Assets		5,216,358	6,788,005
Non-Current Assets			
Property, plant and equipment	25	48,835,183	49,738,357
Total Non-Current Assets		48,835,183	49,738,357
TOTAL ASSETS		54,051,541	56,526,361
LIABILITIES			
Current Liabilities			
Payables	27	615,571	1,796,393
Provisions	28	2,571,141	2,106,766
Other current liabilities	29	128,389	58,490
Total Current Liabilities		3,315,101	3,961,649
Non-Current Liabilities			
Provisions	28	961,318	932,762
Other non-current liabilities	29	9,105	9,770
Total Non-Current Liabilities		970,423	942,532
TOTAL LIABILITIES		aa 4,904,181	4,904,181
NET ASSETS		49,766,017	51,622,181
Equity			
Contributed equity	30	8,205,794	5,885,794
Reserves		24,336,943	25,808,932
Accumulated surplus/ (deficit)		17,223,280	19,927,456
TOTAL EQUITY		49,766,017	51,622,181

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

Financial Statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Contributed equity \$	Reserves \$	Accumulated surplus / (deficit) \$	Total Equity \$
Balance at 1 January 2009		5,885,794	29,626,808	18,898,468	54,411,070
Changes in accounting policy or correction of prior period errors		-			
Restated balance at 1 January 2009		5,885,794	29,626,808	18,898,468	54,411,070
Total comprehensive income for the year		-	(3,817,876)	1,028,987	(2,788,889)
Transaction with owners in their capacity as owners					
Capital appropriations		-	-	-	-
Other contribution by owners		-	-	-	-
Distribution to owners		-	-	-	-
Total		-	-	-	-
Balance at 31 December 2009		5,885,794	25,808,932	19,927,455	51,622,181
Changes in accounting policy or correction of prior period errors (a)				353,546	353,546
Restated Balance at 1 January 2010		5,885,794	25,808,932	20,281,001	51,975,726
Total comprehensive income for the year		-	(1,471,989)	(3,057,720)	(4,529,709)
Transactions with owners in their capacity as owners					
Capital appropriations		2,320,000	-	-	2,320,000
Other contribution by owners		-	-	-	-
Distribution to owners		-	-	-	-
Total		2,320,000	-	-	2,320,000
Balance at 31 December 2010	30	8,205,794	24,336,943	17,223,280	49,766,017

(a) To record unadjusted accruals from 08/09

Financial Statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 \$	2009 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation–Dept of Training & Workforce Development		23,760,813	22,857,178
Net cash provided by State Government		23,760,813	22,857,178
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(19,292,259)	(17,367,867)
Supplies and services		(10,357,485)	(5,277,008)
Grants and subsidies		(6,306)	(3,148)
Finance costs			
GST payments on purchases		(125,214)	(140,684)
GST payments to taxation authority		-	-
Other payments		(1,426,067)	(2,665,003)
Receipts			
Fee for service		1,103,640	1,213,520
Student fees and charges		3,207,407	2,574,016
Ancillary trading		125,346	100,070
Commonwealth grants and contributions		34,500	1,920,000
Interest received		289,334	164,502
GST receipts from on sales		7,461	16,106
GST receipts from taxation authority		104,400	58,471
Other receipts		708,124	707,311
Net cash provided by / (used in) operating activities	31	(25,627,119)	(18,699,714)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		145,708	39,968
Purchase of non-current physical assets		152,158	(506,596)
Purchase of investment		(1,000,000)	-
Net cash provided by / (used in) investing activities		(702,134)	(466,628)
Net increase / (decrease) in cash and cash equivalents		(2,568,440)	3,690,836
Cash and cash equivalents at the beginning of period		6,238,873	2,548,037
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	31	3,670,433	6,238,873

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

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. Australian equivalents to International Financial Reporting Standards

(a) General

The Institute's financial statements for the year ended 31 December 2010 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations made by the (AASB).

The Institute has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

(b) Early adoption of standards

The Institute cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction (TI) 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Australian Accounting Standards that have been issued or amended but are not yet effective have been early adopted by the Institute for the annual reporting period ended 31 December 2010.

2. Summary of significant accounting policies

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

(a) General Statement

The financial statements constitute a general purpose financial statement which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the TIs. Several of these are modified by the TIs to vary application, disclosure, format and wording.

The Financial Management Act and the TIs are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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, except for land, buildings and infrastructure 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 financial statements are presented in Australian dollars (\$) and all values are rounded to the nearest dollar (\$).

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

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

(c) Reporting entity

The reporting entity comprises the Institute only.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Note 2 Continued

(d) Contributed equity

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers, other than as a result of a restructure of administrative arrangements, 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 appropriations are designated as contributions by owners per TI 955 'Contributions by Owners Made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by/distributions to owners to where the transfers are non-discretionary and non-reciprocal. See note 30 'Equity'.

Repayable capital appropriations are recognised as liabilities. See Note 19 'Income from State Government' for further commentary on the application of TI 955. Transfers of net assets to/from other agencies as a result of a restructure of administrative arrangements are to be accounted for as distributions to owners and contributions to owners respectively. Refer to Note 30 'Equity'.

(e) Income

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable.

The majority of operating revenue of the Institute represents revenue earned from student fees and charges, fee for service, ancillary services, trading activities and Commonwealth grants and contributions.

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.

Provision of services

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

Interest

Revenue is recognised as the interest accrues. The effective interest method which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset, is used where applicable.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Institute obtains control over the assets comprising the contributions, usually upon their receipt.

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 end of the reporting period, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Service appropriations

Service Appropriations are recognised as revenues at nominal value in the period in which the Authority gains control of the appropriated funds. The Authority gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Note 2 Continued

State funds

The funds received from the Department of Training and Workforce Development in respect of the delivery of services forming part of the Delivery Performance Agreement are included in State funds, disclosed under 'Income from State Government'. They are the result of training successfully tendered for under competitive tendering arrangements. This revenue is recognised at nominal value in the period in which the Institute meets the terms of the Agreement. See note 19 'Income from State Government'.

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) Property, plant and equipment and infrastructure

Capitalisation/Expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives.

Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment are initially recognised at cost. For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings and the cost model for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation on buildings and accumulated impairment losses.

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

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

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

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets. Refer to note 25 'Property, plant and equipment' for further information on revaluations.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Note 2 Continued

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 25 'Property, plant and equipment'.

Depreciation

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

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

Buildings	40 years
Motor vehicles, caravans and trailers	4 to 23 years
Plant, furniture and general equipment	4 to 28 years
Computing, communications and software	1 to 15 years

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

^[a] Software that is integral to the operation of related hardware.

(g) Impairment of assets

Property, plant and equipment, and intangible assets are tested for any indication of impairment at the end of each reporting period. 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 Institute 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, where the replacement cost is falling or where there is a significant change in useful life.

Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of assets' future economic benefits and to evaluate any impairment risk from falling replacement costs or a significant change in useful life.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

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

See note 26 'Impairment of assets' for the outcome of impairment reviews and testing. See note 2(m) 'Receivables' and note 22 'Receivables' for impairment of receivables.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Note 2 Continued

(h) Leases

The Institute has entered into operating lease arrangements for accommodation, motor vehicles and photocopiers. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased accommodation, motor vehicles and photocopiers.

(i) Financial instruments

In addition to cash and bank overdraft, the Institute has two categories of financial instruments:

- Receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial assets

- cash and cash equivalents (including restricted cash and cash equivalents)
- receivables
- term deposits

Financial liabilities

- payables

Initial recognition and measurement of financial instruments is at fair value. Usually the transaction cost or face value is equivalent to fair value and sub-sequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(j) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents include restricted cash and cash equivalents. These are comprised of 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 overdrafts.

(k) Accrued salaries

The accrued salaries suspense account (see note 20 'Restricted Cash and Cash Equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outlay in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(l) Inventories

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

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

See note 21 'Inventories'.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Note 2 Continued

(m) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The provision for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Institute will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(i) 'Financial instruments' and note 22 'Receivables'.

A provision for impairment of receivables can only be raised if there is objective evidence of impairment.

(n) Payables

Payables are recognised at the amounts payable when the Institute 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(i) 'Financial instruments' and note 27 'Payables'.

(o) Provisions

Provisions are liabilities of uncertain timing and/or amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. See note 28 'Provisions'.

(i) Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

The liability for annual leave expected to be settled within twelve months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Annual leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Institute does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Long service leave

The liability for long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Long service leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Note 2 Continued

A liability for long service leave is recognised after an employee has completed four years of service based on remuneration rates current as at the end of the reporting period.

An actuarial assessment of long service leave undertaken by PricewaterhouseCoopers Securities Ltd Actuaries at 31 December 2010 determined that the liability measured using the short hand measurement technique above was not materially different from the liability determined using the present value of expected future payments. This calculation is consistent with the Institute's experience of employee retention and leave taken.

Unconditional long service leave provisions are classified as current liabilities as the Institute does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Conditional long service leave provisions are classified as non-current liabilities because the Institute has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

The Government Employees Superannuation Board (GESB) in accordance with legislative requirements administers public sector superannuation arrangements in WA.

Eligible employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members since 1995.

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

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS became non-contributory members of the West State Superannuation (WSS) Scheme. Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Institute makes concurrent contributions to GESB on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share. See also note 2(p) 'Superannuation expense'.

(ii) Provisions - other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as expenses and liabilities when the employment, to which they relate, has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Institute's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. (See note 10 'Other expenses' and note 28 'Provisions'.)

(p) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises of employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Institute to GESB extinguish all of the Institute's obligations to the related superannuation liability.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Note 2 Continued

(q) Resources received free of charge or for nominal cost

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

Where assets or services are received from another State Government agency, these are separately disclosed under Income from State Government in the Statement of Comprehensive Income

(r) Comparative figures

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

3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Institute evaluates these judgements regularly.

Operating Lease Commitments

The Institute has entered into a commercial lease and has determined that the lessor retains substantially all the significant risks and rewards incidental to ownership of the property. Accordingly, the lease has been classified as an operating lease.

4. Key sources of estimation uncertainty

The Institute makes key estimates and assumptions concerning the future. These estimates and assumptions are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

In calculating the Institute's long service leave provision, several estimations and assumptions have been made. These include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Any changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Institute has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 January 2010 that impacted on the Institute.

AASB 2008-13 - Amendments to Australian Accounting Standards arising from AASB Interpretation 17 - Distributions of Non-cash Assets to Owners [AASB5&AASB 110].

This Standard amends AASB 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. This may impact on the presentation and classification of Crown land held by the Institute where the Crown land is to be sold by the Department of Regional Development and Lands (formerly Department for Planning and Infrastructure). There is no financial impact resulting from the Standard being first applied prospectively.

Voluntary changes in accounting policy

No voluntary changes in accounting policy have been made.

Financial Statements

Future impact of Australian Accounting Standards not yet operative

The Institute cannot early adopt an Australian Accounting Standard unless specifically permitted by T1101 Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Institute has not applied early the following Australian Accounting Standards that have been issued and which may impact the Institute but are not yet effective. Where applicable, the Institute plans to apply these Australian Accounting Standards from their application date:

<i>Title</i>	<i>Operative for reporting periods</i>
AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from</i>	1-Jul-13
AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12].	

The amendment to AASB 7 Financial Instruments:

Disclosures requires modification to the disclosure of categories of financial assets. The Authority does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.

AASB 1053 <i>Application of Tiers of Australian Accounting Standards.</i>	1-Jul-13
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This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on the Institute. However it may affect disclosures in the financial statements of the Institute if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.

AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	1-Jul-13
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This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.

The Standard is not expected to have any financial impact on the Institute. However this Standard may reduce some note disclosures in the financial statements of the Institute. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.

<i>Title</i>	<i>Operative for reporting periods</i>
AASB 9 <i>Financial Instruments</i>	1-Jan-13
AASB 124 <i>Related Party Disclosures</i>	1-Jan-11
Int 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1-Jul-10
AASB 2009-10 <i>Amendments to Australian Accounting Standards Classification of Rights Issues [AASB 132]</i>	1-Feb-10
AASB 2009-12 <i>Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]</i>	1-Jan-11
AASB 2009-13 <i>Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]</i>	1-Jul-10
AASB 2009-14 <i>Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement AASB Interpretation 14]</i>	1-Jan-11
AASB 2010-1 <i>Amendments to the Australian Accounting Standards - Limited Exemption from Comparative AASB 7] Disclosures for First-time Adopters [AASB 1 & AASB 7]</i>	1-Jul-10
AASB 2010-3 <i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 and AASB 139]</i>	1-Jul-10
AASB 2010-4 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]</i>	1-Jan-11

Changes in Accounting Estimates

There have been no changes in accounting estimates.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
6. Employee benefits expense		
Wages and salaries ^(a)	20,202,070	17,461,939
Superannuation - defined contribution plans ^(b)	1,767,077	1,578,432
	21,969,147	19,040,371

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component and redundancy payments.

(b) Defined contribution plans include West State, and Gold State and GESB Super Scheme (contributions paid).

Employment on-costs such as workers' compensation insurance are included at note 10 'Other expenses'. The employment on-costs liability is Included at note 28 'Provisions'.

7. Supplies and services

Consumables_and minor equipment	1,437,268	1,288,508
Communication expenses	171,152	200,919
Utilities expenses	573,977	473,301
Consultancies and contracted services	2,172,529	2,836,788
Minor works	2,694,311	901,168
Repairs and maintenance	133,027	86,621
Operating lease and hire charges	443,414	415,166
Travel and passenger transport	897,019	769,243
Advertising and public relations	207,501	121,955
Supplies and services - other	369,091	352,794
	9,099,289	7,446,463

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
8. Depreciation and amortisation expense	\$	\$
Depreciation		
Buildings	1,363,911	1,475,824
Motor vehicles, caravans and trailers	74,706	110,408
Plant, furniture and general equipment	312,900	305,486
Computers and communication network	82,324	100,799
Total depreciation and amortisation	1,833,841	1,992,517

9. Grants and Subsidies

Recurrent

Other- Apprentice Travel Subsidy	6,306	3,148
	6,306	3,148

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
10. Other expenses		
Building maintenance	300,262	726,094
Doubtful debts expense	(287,098)	15,343
Employment on-costs ^(a)	1,140,882	1,193,767
Student Prizes & Awards	6,444	5,388
Losses and write-offs	70,042	22,207
Other ^(b)	(23,616)	647,859
Total	1,206,916	2,610,658

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 28 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) 2009 includes provision for refund for delivery to the Department of Education and Training.

11. Fee for service

Fee for service - general	1,046,470	1,065,701
Fee for service – Department of Training and Workforce Development	2,816	4,589
	1,049,286	1,070,290

12. Student fees and charges

Tuition fees	1,690,866	1,625,741
Enrolment fees	-	3,664
Resource fees	1,304,011	981,280
Other Institute fees	(2,223)	10,739
	2,992,654	2,621,424

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
13. Ancillary trading		
Live works (not a trading activity)	125,246	100,070
Other ancillary revenue	100	-
Total	125,346	100,070
14. Trading Profit / (Loss)		
(a) Bookshop:		
Sales	621,618	612,487
Cost of sales:		
Opening inventory	(97,406)	(129,587)
Purchases	(561,428)	(555,743)
	(658,834)	(685,330)
Closing inventory	130,390	97,406
Cost of goods sold	(528,444)	(587,924)
Trading Profit / (Loss) - Bookshop	93,174	24,563

See note 2(l) 'Inventories' and note 21 'Inventories'.

15. Commonwealth grants and contributions

Commonwealth specific purpose grants and contributions	34,500	1,920,000
These grants include an Innovations Federal Grant received in 2009 and the Better TAFE Facilities Grant of \$1.9m.	34,500	1,920,000

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
16. Interest Revenue		
Interest Revenue	289,746	123,259
	289,746	123,259
17. Other revenue		
Rental and facilities fees	452,687	455,035
Sponsorship and donations revenue	5,607	5,216
Miscellaneous revenue	156,654	222,497
Total	614,948	682,748
18. Net gain / (loss) on disposal of non-current assets		
<u>Costs of disposal of Non-Current Assets</u>		
Motor vehicles, caravans and trailers	(115,345)	(78,857)
Plant, furniture and general equipment	(3,285)	-
Total cost of disposal of non-current assets	(118,630)	(78,857)
<u>Proceeds from Disposal of Non-Current Assets</u>		
Motor vehicles, caravans and trailers	132,629	39,968
Plant, furniture and general equipment	13,079	-
Total proceeds from disposal of non-current assets	145,708	39,968
Net gain / (loss)	27,078	(38,889)
19. Income from State Government		
<u>Appropriation received during the year</u>		
<u>Service appropriation (a) (State funds received from Department of Training and Workforce Development):</u>		
Delivery and Performance Agreement (DPA)	23,274,839	22,811,632
Other recurrent funds	2,183,152	2,021,307
Total State funds	25,457,991	24,832,939

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Note 19. Continued

	2010	2009
	\$	\$
<u>Resources received free of charge determined on the basis of the following estimates provided by agencies (b):</u>		
Department of Training and Workforce Development		
- Corporate systems support	304,828	620,472
- Marketing and publications	-	14,361
- Human resources, industrial relations support	10,032	68,102
- Other	58,194	52,804
Total resources received free of charge	373,054	785,740
Total Income from State Government	25,831,045	25,618,679

(a) Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) Where assets or services have been received free of charge or for nominal cost, the Institute recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably measured and which would have been purchased if they were not donated, and those fair values shall be recognised as assets or expenses, as applicable. Where the contribution of assets or services are in the nature of contributions by owners, the Institute makes an adjustment direct to equity.

20. Restricted cash and cash equivalents

Specific capital equipment and minor works (a)	-	1,880,308
Salary allowance and provision (b)	104,944	-
	104,944	1,880,308

(a) 2009 Better TAFE Facilities (BTF) funding

(b) 27th pay provision

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
21. Inventories		
<u>Inventories held for resale:</u>		
Bookshop (at cost)	130,390	97,406
Total	130,390	97,406

See also note 2(l) 'Inventories' and note 14 'Trading profit/(loss)'

22. Receivables

Current

Receivables -trade	134,656	189,009
Receivables - students	103,152	317,905
Accrued income	10,758	10,347
Allowance for impairment of receivables	(41,816)	(328,914)
GST receivable	111,861	98,508
Total current	318,611	286,854

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of year	(328,914)	(313,571)
Doubtful debts expense recognised in the Statement of Comprehensive Income	287,098	(15,343)
Amount written off during the year		
Amount recovered during the year		
Balance at end of year	(41,816)	(328,914)

The Authority does not hold any collateral as security or other credit enhancements relating to receivables. See also note 2(m) 'Receivables' and note 37 'Financial instruments'.

23. Other financial assets

Current

At cost:

Term Deposit (a)	1,000,000
	1,000,000

(a) The term deposit range from 90 days to 365 days

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
24. Other assets		
<u>Current</u>		
Prepayments	96,924	164,871
Total current	96,924	164,871
25. Property, plant and equipment		
<u>Land</u>		
At fair value ^(a)	4,530,000	4,480,000
	4,530,000	4,480,000
<u>Buildings</u>		
At fair value ^(a)	42,774,000	43,262,484
Accumulated depreciation ^(b)	-	(805)
	42,774,000	43,261,679
<u>Buildings under construction</u>		
Construction costs	-	196,248
	-	196,248
<u>Motor vehicles, caravans and trailers</u>		
At cost	422,955	617,589
Accumulated depreciation	(371,872)	(394,354)
	51,083	223,235
<u>Plant, furniture and general equipment</u>		
At cost	3,145,141	2,995,273
Accumulated depreciation	(1,855,718)	(1,561,538)
	1,289,423	1,433,735
<u>Computer Equipment, Communication network</u>		
At cost	1,474,419	1,364,850
Accumulated depreciation	(1,283,742)	(1,221,390)
	190,677	143,460
	48,835,183	49,738,357

(a) Freehold land and buildings were revalued as at 31 December 2010 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year 2010 and recognised at 31 December 2010. The fair value of all land and buildings was determined by references to market values. See note 2(f) 'Property, plant and equipment'.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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

2010	Land	Buildings	Buildings under construction	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment, communication network	Total
Carrying amount at start of year	4,480,000	43,261,679	196,248	223,235	1,433,735	143,461	49,738,358
Additions	100,000	2,220,000	-	17,900	53,846	129,540	2,521,286
Transfers	-	78,221	(196,248)	-	118,027	-	-
Disposals	-	-	-	(115,345)	(3,285)	-	(118,630)
Revaluation Increments/ (decrements)	(50,000)	(1,421,989)	-	-	-	-	(1,471,989)
Depreciation expense	-	(1,363,911)	-	(74,706)	(312,900)	(82,324)	(1,833,841)
Carrying amount at end of year	4,530,000	42,774,000	-	51,083	1,289,423	190,677	48,835,183

2009	Land	Buildings	Buildings under construction	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment communication Network	Total
Carrying amount at start of year	4,480,000	48,096,952	522,991	412,499	1,342,626	210,574	55,065,642
Additions	-	442,483	103,576	-	396,595	33,686	976,340
Transfers	-	-	(430,320)	-	-	-	(430,320)
Disposals	-	-	-	(78,857)	-	-	(78,857)
Revaluation Increments/ (decrements)	-	(3,801,932)	-	-	-	-	(3,801,932)
Depreciation expense	-	(1,475,824)	-	(110,408)	(305,486)	(100,799)	(1,992,517)
Carrying amount at end of year	4,480,000	43,261,679	196,247	223,234	1,433,735	143,461	49,738,357

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
26. Impairment of Assets		
There were no indications of impairment of property plant, equipment and Intangibles as at 31 December 2010.		
The Institute held no goodwill or intangible assets with an indefinite useful lives during the reporting period and at the end of the reporting period there were no intangible assets not yet available for use.		
All surplus assets as at 31 December 2010 have either been classified as assets held for sale or written off.		
27. Payables		
<u>Current</u>		
Accrued expenses	615,571	1,796,393
Total	615,571	1,796,393
28. Provisions		
<u>Current</u>		
Employee benefits provision		
Annual leave (a)	663,655	750,228
Long service leave (b)	1,723,886	1,090,129
	2,387,541	1,840,357
Other provisions		
Employment on-costs (c)	183,600	266,409
Total current	2,571,141	2,106,766
<u>Non-current</u>		
Employee benefits provision		
Annual leave		
Long service leave (b)	891,292	819,362
	891,292	819,362
Other provisions		
Employment on-costs(c)	70,026	113,400
Total non-current	961,318	932,762

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
Note 28. Continued		
	\$	\$
(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of the end of the reporting period	506,827	750,228
More than 12 months after the end of the reporting period	156,828	
	663,655	750,228

(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 the end of the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of the end of the reporting period	955,271	1,090,129
More than 12 months after the end of the reporting period	1,659,906	819,362
	2,615,177	1,909,491

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 10 'Other expenses'.

Movements in other provisions

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

Employment on-cost provision

Carrying amount at start of year	379,809	356,280
Payments/other sacrifices of economic benefits	(126,183)	23,529
Carrying amount at end of year	253,626	379,809

29. Other liabilities

Current

Income received in advance (a)	22,496	58,490
Grants and advances	105,893	-
Total current liabilities	123,389	58,490

Non-current

Other (b)	9,105	9,770
Total non-current liabilities	9,105	9,770

(a) Income received in advance comprises:

Department of Training and Workforce Development - competitive allocation tendering

(b) relates to stale cheques.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
29. Other liabilities		
<u>Current</u>		
Income received in advance ^(a)	22,496	58,490
Grants and advances	105,893	-
Total current liabilities	128,389	58,490
<u>Non-current</u>		
Other ^(b)	9,105	9,770
Total non-current liabilities	9,105	9,770

(a) Income received in advance comprises:

Department of Training and Workforce Development - competitive allocation tendering

(b) Relates to stale cheques.

30. Equity

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

Contributed equity

Balance at start of year	5,885,794	5,885,794
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Contributions by owners

Capital appropriation (a)	2,320,000	-
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Balance at end of year	8,205,794	5,885,794
-------------------------------	------------------	------------------

Transfer of School of Mines Building from Curtin University to the Institute

Reserves

Asset revaluation surplus	25,808,932	29,626,808
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Balance at start of year	(1,421,989)	(3,801,932)
--------------------------	-------------	-------------

Buildings	(50,000)	-
-----------	----------	---

Land		
------	--	--

Offset Account	-	(15,944)
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24,336,943	25,808,932
-------------------	-------------------

Accumulated surplus / (deficit)

Balance at start of year	19,927,455	18,898,468
--------------------------	------------	------------

Changes in accounting policy or correction of prior period errors ^(a)	353,546	-
--	---------	---

Restated balance as the start of the year	20,281,001	-
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Result for the period	(3,057,721)	1,028,987
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Balance at end of year	17,223,280	19,927,455
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Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
31. Notes to the Statement of Cash Flows		
<u>Reconciliation of cash</u>		
Cash at the end of the financial year, as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on hand	7,600	7,700
Cash at bank	3,057,839	2,850,870
Short term deposits	500,000	1,500,000
	<u>3,565,439</u>	<u>4,358,570</u>
Restricted cash and cash equivalents (refer to note 20 'Restricted cash and cash equivalents')	104,994	1,880,308
	<u>3,670,433</u>	<u>6,238,878</u>
<u>Reconciliation of net cost of services to net cash flows provided by/(used in) Operating activities</u>		
Net cost of services	(28,888,765)	(24,589,691)
Non-cash items:		
Depreciation and amortisation expense	1,833,841	1,992,517
Doubtful debts expense	(287,098)	
Superannuation expense	1,767,077	1,578,432
Resources received free of charge	373,054	785,740
Net (gain)/loss on sale of property, plant and equipment		38,889
Asset revaluation decrement		
(Increase)/decrease in assets:		
Current receivables (b)	269,106	152,409
Current inventories	(32,984)	32,181
Prepayments	67,536	(69,689)
Increase/(decrease) in liabilities		
Current payables (c)	(1,182,051)	1,072,866
Current provisions	464,375	1,023,864
Other current liabilities		
Non-current provisions	28,556	(654,122)
Other non-current liabilities	(26,414)	2,997
Net GST receipts/(payments) (a)	(13,353)	(66,107)
Net cash provided by/(used in) operating activities	<u>(25,627,119)</u>	<u>(18,699,714)</u>

(a) This is the net GST paid/received, i.e. cash transactions

(b) This reverses out the GST in receivables and payables

(c) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included as they are not reconciling items.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$

32. Resources provided free of charge

During the year no resources were provided to other agencies free of charge for functions outside the normal operations of the Institute.

33. Commitments

Lease commitments

Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the financial statements, are payable as follows:

Within 1 year	473,324	299,179
Later than 1 year and not later than 5 years	396,814	564,981
Later than 5 years	-	-
Total	870,138	864,160
Representing:		
Non-cancellable operating leases	870,138	864,160
	870,138	864,160

The Institute has a photocopier lease, motor vehicle lease and property lease. These commitments are all inclusive of GST.

34. Contingent liabilities and contingent assets

No contingent liabilities exist as at 31 December 2010.

35. Events occurring after the reporting period

There are no significant events occurring after Balance Sheet date that materially impact the financial statements as statements as at 31 December 2010.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

36. Explanatory Statement

Significant variations between estimated and actual result for the financial year 2010.

	2010	2010	
	Estimate	Actual	Variance
	\$	\$	\$
Income			
Student fees and charges	2,650,000	2,992,654	(342,654)
Resources received free of charge	800,000	373,054	426,948
State funds	24,870,712	25,457,991	(587,279)
Expenses			
Employee expenses	20,400,000	21,969,147	(1,569,147)
Supplies and services	7,800,000	9,099,290	(1,299,290)

Student fees and charges

Student fees and charges have increased due to strong enrolment numbers and a review of student resource fees.

Resources received free of charge

Resources received free of charge are lower than predicted due to Training moving from Department of Education and Training to the Department of Training and Workforce Development.

State funds

Lower than anticipated funding was mainly due to timing, as the Institute and the Department were still in negotiation at the end of 2010.

Employee expenses

Variance is due to increases in Lecturer Salaries due to salary increases for GOSAC and Lecturing staff.

Supplies and Services

Increase in supplies and services is due to general increases in costs including increases in utilities, contracted services, repairs and maintenance expenses.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Note 36. Continued

Significant Variances between actual 2010 and prior year actual 2009

	2010 Actual \$	2009 Actual \$	Variation \$
Income			
Student fees and charges	2,992,654	2,621,424	371,230
Commonwealth grants and contributions	34,500	1,920,000	(1,885,500)
Income from State Government - Service appropriation	25,457,991	24,832,939	625,052
Resources received free of charge	373,054	785,740	(412,686)
Expenses			
Employee expenses	21,969,147	19,040,371	2,928,776
Supplies and services	9,099,290	7,446,463	1,652,827
Other Expenses	1,206,916	2,610,658	(1,403,742)

Student fees and charges

Student fees and charges have increased due to strong enrolment numbers and a review of student resource fees.

Commonwealth grants and contributions

A once off grant for \$2m was received for Better TAFE Facilities in 2009.

Income from State Government - Service appropriation

This is mainly due to additional funding received to cover the increases in salaries 2010.

Resources received free of charge

Resources received free of charge are lower than predicted due to Trainin moving from Department of Education and Training to the Department of Training and Workforce Development.

Employee expenses

Variance is due to increases in Lecturer Salaries due to salary increases for GOSAC and Lecturing staff.

Supplies and Services

Increase in supplies and services is primarily due to the \$2m BTF grant that was received in 2009 being spent in 2010.

Other Expenses

This is mainly due to a reduction in doubtful debts due to a new system of student debtors management and a decrease of repairs and maintenance in 2010.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

37. Financial Instruments

a) Financial risk management objectives and policies

Financial instruments held by the Institute are cash and cash equivalents, restricted cash and cash equivalents, loans, finance leases, borrowings and receivables and payables.

The Institute has limited exposure to financial risks. The Institute's overall risk management program focus on managing the risk identified below:

Credit risk

Credit risk arises when there is the possibility of the Institute's receivables defaulting on their contractual obligations resulting in financial loss to the Institute.

Credit risk associated with the Institute's financial assets is minimal because the main receivable is the amounts receivable for services (holding account).

For receivables other than government, the Institute trades only with recognised, creditworthy third parties. The Institute 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 Institute's exposure to debt is minimal. There are no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Institute is unable to meet its financial obligations as they fall due. The Institute is exposed to liquidity risk through its trading in the normal course of business. The Institute has appropriate procedures to manage cash flows including draw downs of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Institute's income or the value of its holdings of financial instruments.

The Authority does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes).

Other than as detailed in the Interest rate sensitivity analysis table at Note 37(c), The Institute is not exposed to interest rate risk because apart from minor amounts of restricted cash, all other cash and cash equivalents and a portion of restricted cash are non-interest bearing and it has no borrowings.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
(b) Categories of Financial Instruments		
In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:		
<u>Financial Assets</u>		
Cash and cash equivalent	3,565,439	4,358,565
Restricted cash and cash equivalent	104,994	1,880,308
Receivables (a)	237,808	506,914
Other financial assets	1,000,000	-
<u>Financial Liabilities</u>		
Payables	615,572	1,796,393
(a) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable)		

(c) Financial instrument disclosure

Credit risk and interest rate exposures

The following table discloses the Institute's maximum exposure to credit risk, interest rate exposure and the ageing analysis of financial assets. The Institute's maximum exposure to credit risk at the end of the reporting period is the carrying of an amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Institute.

The Institute does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Institute does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Interest rate exposure and ageing analysis of financial assets										
			<u>Interest rate exposure</u>		<u>Past due but not impaired</u>					
	Weighted Average Effective Interest Rate	Carrying Amount	Variable Interest Rate	Non-Interest Bearing	Up to 3 months	3-12 months	1-2 years	2-5 Years	More than 5 years	Impaired Financial Assets
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Financial Assets</u>										
Cash and cash equivalent	6.20%	3,565,439	3,557,839	7,600	-	-	-	-	-	-
Restricted cash and cash equivalent	4.77%	104,994	104,994	-	-	-	-	-	-	-
Receivables (a)		237,808	-	237,808	115,593	53,426	68,789	-	-	-
Investments	4.37%	1,000,000	1,000,000	-	-	-	-	-	-	-
		4,908,241	3,662,833	245,408	115,593	53,426	68,789	-	-	-
2009										
Cash and cash equivalent	4.00%	4,358,570	4,350,870	7,700	-	-	-	-	-	-
Restricted cash and cash equivalent		1,880,308	1,880,308	-	-	-	-	-	-	-
Receivables (a)		506,914	-	506,914	99,577	378,262	29,076	-	-	-
Loans and advances		10,347	-	10,347	-	-	-	-	-	-
		6,756,139	6,231,178	524,961	99,577	378,262	29,076	-	-	-

(a) The amount of receivables excludes the GST receivables from the ATO (statutory receivable).

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Liquidity risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the end of the reporting period. The table includes interest and principal; cash flows. An adjustment has been made where material.

Interest rate exposure and maturity analysis of financial liabilities

	Financial Liabilities	Weighted Average Effective Interest Rate %	Carrying Amount \$	Variable Interest Rate \$	Non-Interest Bearing \$	<u>Interest rate exposure</u>			
						Up to 3 months	3 – 12 months	1 – 2 years	2 – 5 years
			\$	\$	\$	\$	\$	\$	\$
2010	Payables	5.63%	615,571	-	615,571	615,571	-	-	-
			615,571	-	615,571	615,571	-	-	-
2009	Payables		1,796,393	-	1,796,393	1,796,393	-	-	-
			1,796,393	-	1,796,393	1,796,393	-	-	-

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Institute's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	- 100 Basis Points			+ 100 Basis Points	
	Carrying amount \$	Surplus \$	Equity \$	Surplus \$	Equity \$
2010					
<u>Financial Assets</u>					
Cash and cash equivalent	4,565,439	(45,654)	(45,654)	45,654	45,654
Restricted Cash and cash equivalent	104,994	(105)	(105)	105	105
	- 100 Basis Points			+ 100 Basis Points	
	Carrying amount \$	Surplus \$	Equity \$	Surplus \$	Equity \$
2009					
<u>Financial Assets</u>					
Cash and cash equivalent	4,358,570	(43,586)	(43,586)	43,586	43,586
Restricted Cash and cash equivalent	1,880,308	(18,803)	(18,803)	18,803	18,803

Fair Values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
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38. Remuneration of Members of the Institute and Senior Officers

Remuneration of members of the Institute

The number of members of the Institute whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$		
\$0 - \$10,000	10	12
\$160,001 - \$170,000	1	1

The total remuneration of the members of the Accountable Authority is: **183,648** **170,175**

Remuneration of Senior Officers

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

\$		
\$0 - \$10,000	1	1
\$10,001 - \$20,000	-	-
\$20,001 - \$30,000	3	-
\$30,001 - \$40,000	1	-
\$40,001 - \$50,000	-	-
\$50,001 - \$60,000	-	-
\$60,001 - \$70,000	1	1
\$70,001 - \$80,000	1	1
\$80,001 - \$90,000	1	4
\$90,001 - \$100,000	2	1
\$100,001 - \$110,000	1	4
\$110,001 - \$120,000	4	2
\$120,001 - \$130,000	1	2
\$130,001 - \$140,000	2	-

The total remuneration of senior officers is: **\$1,487,094** **\$1,495,312**

The total remuneration includes the superannuation expense incurred by the Institute in respect of senior officers other than senior officers reported as members of the Institute.

No Senior Officers are members of the Pension Scheme.

	2010	2009
	\$	\$

39. Remuneration of auditor

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

Auditing the accounts, financial statements and performance indicators.	\$51,300	\$49,000
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The expense is included in note 10 'Other expenses'.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$

40.

Related Bodies

The Institute has no related bodies.

Affiliated Bodies

The Institute has no affiliated bodies.

41. Supplementary Financial Information

Write-Offs

Bad debts	69,996	21,854
Inventory	-	-
Other- cash shortages	45	353
Total	70,042	22,207

42. Schedule of Income and Expenditure by Service

The Institute provides only one service, (as defined by Treasurer's Instruction 1101 (9)) and that is Vocational Education and Delivery.

Financial Statements

2011 Forward Financial Estimates

In accordance with Section 40 of the Financial Management Act 2006, TAFEWA Colleges are required to prepare and submit annual estimates of the annual operations of the Institute for the following year to the Minister of Education and Training for approval by 30 September each year. The South West Institute of Technology submitted its 2011 financial estimates to the Minister for of Education and Training on 30 September 2010.

Income Statement

2011

COST OF SERVICES

\$

Expenses

Employee benefits expense	20,950,000
Supplies and services	7,200,000
Depreciation and amortisation expense	2,000,000
Finance costs	-
Grants and subsidies	-
Payments to Non TAFE Providers for VET delivery	-
Loss on disposal of non-current assets	-
Cost of Sales	600,000
Other expenses	1,820,000

Total Cost of Services

32,570,000

Income

Revenue

Fee for service	1,300,000
Student fees and charges	2,700,000
Ancillary trading	100,000
Sales	600,000
Commonwealth grants and contributions	20,000
Interest revenue	225,000
Other revenue	690,000

Total Revenue

5,635,000

Gains

Gain on disposal of non-current assets	0
Other gains	0

Total Gains

0

Total income other than from State Government

5,635,000

NET COST OF SERVICES

(26,935,000)

INCOME FROM STATE GOVERNMENT

State funds	25,452,033
Resources received free of charge	800,000

Total income from State Government

26,252,033

SURPLUS (DEFICIT) FOR THE PERIOD

(682,967)

Financial Statements

2011 Forward Financial Estimates

Balance Sheet	2011
Current Assets	\$
Cash and cash equivalents	5,567,071
Restricted cash and cash equivalents	400,000
Inventories	100,000
Receivables	300,000
Amounts receivable for services	150,000
Other current assets	
Non-current assets classified as held for sale	
Total Current Assets	6,517,071
Non-Current Assets	
Restricted cash and cash equivalents	
Property, plant and equipment	46,968,357
Intangible assets	
Other non-current assets	
Total Non-Current Assets	46,968,357
Total Assets	53,485,428
Current Liabilities	
Payables	925,000
Borrowings	
Amount due to Treasurer	
Provisions	2,200,000
Other current liabilities	100,000
Liabilities directly associated with non-current assets classified as held for sale	
Total Current Liabilities	3,225,000
Non-Current Liabilities	
Payables	
Borrowings	
Provisions	950,000
Other non-current liabilities	
Total Non-Current Liabilities	950,000
Total Liabilities	4,175,000
NET ASSETS	49,310,428
Equity	
Contributed Equity	5,885,794
Reserves	25,808,933
Accumulated surplus/(deficiency)	17,615,701
TOTAL EQUITY	49,310,428

Financial Statements

2011 Forward Financial Estimates

Changes in Equity Statement	2011
Balance of equity at start of period	\$
Contributed equity	49,310,428
Balance at start of period	
Capital Contribution	5,885,794
Other contribution by owners	0
Distribution to owners	
Balance at end of period	5,885,794
Reserves	
Asset revaluation reserve	
Balance at start of period	
Annual adjustments to reserves	25,808,933
Restated balance at start of period	25,808,933
Gains / (losses) from asset revaluation	0
Balance at end of period	25,808,933
Accumulated surplus (retained earnings)	
Balance at start of period	17,615,701
Changes in accounting policy or correction of prior period errors	
Restated balance at start of period	17,615,701
Surplus/(deficit) or profit/(loss) for the period	(398,400)
Balance at end of period	17,217,300
Balance of equity at end of period	48,912,027
Total Income and Expense for the period	(398,400)

Financial Statements

2011 Forward Financial Estimates

Cash Flow Statement	2011
CASH FLOWS FROM STATE GOVERNMENT	\$
State funds	23,718,543
Capital Contributions	
Holding account draw downs	
Net cash provided by State Government utilised as follows:	23,718,543
CASHFLOWS FROM OPERATING ACTIVITIES	
Payments	
Employee benefits	(19,066,510)
Supplies and services	(6,975,000)
Finance costs	
Grants and subsidies	
GST payments on purchases	(100,000)
GST payments to taxation authority	
Other payments	(1,820,000)
Receipts	
Fee for service	1,520,001
Student fees and charges	2,900,000
Ancillary trading	100,000
Commonwealth grants and contributions	20,000
Interest received	225,000
GST receipts on sales	20,000
GST receipts from taxation authority	50,000
Other receipts	920,000
Net cash provided by/(used in) operating activities	22,206,509
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of non-current physical assets	0
Purchase of non current physical assets	(600,000)
Net cash provided by/(used in) investing activities	(600,000)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowings	
Repayment of borrowings	
Other proceeds	
Other repayments	
Finance lease repayment of principal	
Net cash provided by/(used in) financing activities	0
Net increase/(decrease) in cash held and cash equivalents	912,034
Cash and cash equivalents at the beginning of the period	5,055,037
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5,967,071

Addendum 1.

- Aboriginal and Torres Strait Islander Act 2005.
- Acts Amendment (Higher School Leaving Age and Related Provisions) Act 2005.
- Building and Construction Industry Training Fund and Levy Collection Act 1990.
- Copyright Act 1968.
- Corruption and Crime Commission Act 2003.
- Criminal Code Act 1995.
- Disability Discrimination Act 1992.
- Disability Services Act 1993.
- Education Services for Overseas Students (Registration Charges) Amendment Bill 2000.
- Electoral Act 1907.
- Electronic Transactions Act 2003.
- Equal Opportunity Act 1984.
- Employment Dispute Resolutions Act 2008.
- Employment, Education and Training Amendment Act 2000.
- Evidence Act 1995.
- Financial Management and Accountability Amendment Act 2000.
- Financial Management Act 2006.
- Freedom of Information Act 1982.
- Immigration (Education) Act 1971.
- Immigration (Education) Charge Act 1992.
- Income Tax Assessment Act 1997.
- Industrial Relations and Other Legislation Amendment Act 1995.
- Training Legislation Amendment and Repeal Act 2008.
- Labour Relations Reform Act 2002.
- Library Board of Western Australia Act 1951.
- Limitation Act 2005.
- Minimum Conditions of Employment Act 1993.
- Occupational Safety and Health Act 1984.
- Public and Bank Holidays Act 1972.
- Public Interest Disclosure Act 2003.
- Public Sector Management Act 1994.
- Racial Discrimination Act 1975.
- Salaries and Allowances Act 1975.
- School Education Act 1999.
- SPAM Act 2003.
- State Records Act 2000.
- State Superannuation Act 2000.

Addendum 1.

- State Supply Commission Act 1991.
- Training Legislation Amendment and Repeal Act 2008.
- Trade Practices Act 1974-1975.
- Vocational Education and Training Act 1996.
- Vocational Education and Training (General) Regulations 2009.
- Western Australia Public Sector Code of Ethics 2008.
- Workers Compensation and Injury Management Act 1981.
- Working with Children (Criminal Record Checking) Act 2004.

The Institute complies with the requirements of the Financial Management Act 2006 and every other relevant written law.

Controls that provide reasonable assurance of the receipting and expenditure of money and the acquisition and disposal of public property and incurring liabilities have been in accordance with legislative provisions.