



**Kimberley**  
Training Institute



GOVERNMENT OF  
WESTERN AUSTRALIA

2012



# Annual Report



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## 1. Statement of Compliance

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**Hon. Murray Cowper MLA**  
Minister for Training and Workforce Development

In accordance with section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of Kimberley Training Institute for the financial year ended 31 December 2012.

The Annual Report has been prepared in accordance with the provision of the *Financial Management Act 2006* and the Vocational Education and Training Act 1996.

A handwritten signature in black ink, appearing to read 'Niegel Grazia'.

Niegel Grazia  
Chairman, Governing Council  
Kimberley Training Institute

Date: 13 March 2013

A handwritten signature in black ink, appearing to read 'K. Dickinson'.

Karen Dickinson  
Managing Director  
Kimberley Training Institute

Date: 13 March 2013

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## 2. Overview

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### 2.1. Message from the Chairman and Managing Director

It is our pleasure to present the Kimberley Training Institute's (KTIs) Annual Report for 2012.

The Kimberley is a region that's growing rapidly and many opportunities exist for people to upgrade their skills or get a qualification. With a significant services sector and growing resources and agricultural sector's, the time has never been better for Kimberley people to get a qualification or skills set.

In 2012 the Institute refined its vision and strengthened its values. The vision is to be '*Your leading education and training provider*'. This means that students, wherever they are, can have confidence that they are studying with a leading institution offering contemporary quality based courses.

The values that drive the Institute and the way it does business is referred to as the *KTI SPIRIT*, which is an acronym coined by staff to represent that success will be achieved through professionalism, innovation, respect, integrity and teamwork. The Governing Council also decided to add a fifth strategic objective – 'Growing our Business' to the Institutes Strategic Plan. The purpose of this objective is to generate greater commercial revenue to compliment State Government funding.

2012 was another successful year for KTI. It was a finalist, for the second year, in the WA Training Awards, Large Training Provider of the Year Award; it was a finalist in the Premier's Awards and it was shortlisted for the WA Lonnie Awards. We would also like to congratulate one of our hospitality students, Nelize Pretorius, who won the WA 2<sup>nd</sup> year Apprentice Chef title and then went on to win third place at the national titles.

KTI continued to deliver in line with its strategic priorities and objectives with most Key Performance Indicators (KPIs) being met or exceeded. The Institute's total Student Curriculum Hours (SCH) grew by 43% in 2011 and by 2% in 2012. The consolidation in 2012 allowed the Institute to strengthen its internal processes, develop its people and continue building industry partnerships.

KTI has purposefully aligned its delivery to skills shortage areas in the region. In 2012 51% of total delivery was offered in skills shortage areas, up from 35% in 2011. The key areas in demand include metals and mining, education and childcare and building and construction. Ultimately this means that KTI students are being trained for jobs in specific areas where the economy needs their skills.

The Institute provides training to just over 5000 students, with over 50% being Aboriginal. Over the past few years, the trends indicate that the number of Aboriginal students is growing. Furthermore, total SCH is increasing, indicating that more students are participating for longer periods and more students are completing their studies.

The data shows that Aboriginal students at KTI are also studying at higher certificate levels and completing their studies. This evidence suggests that the strategies engaged by KTI's lecturing staff and managers are working. These strategies, outlined in the

Aboriginal Training Plan, include taking a case management approach, building a rapport, providing Aboriginal support services to students, offering a suite of language, literacy and numeracy programs, and engaging with Aboriginal students at an early age, particularly through youth programs.

It was also pleasing to see that delivery to students from a non-English speaking background and particularly students with a permanent disability is on the increase.

KTI has continued to expand its strategic partnerships with Industry. These partnerships have strengthened the Institute's ability to deliver a broader and more flexible range of training products. An example of such a successful partnership was KTI working alongside Rio Tinto to equip trainees with essential work skills. Other collaborations that satisfied industry needs included the KTI and Ertech partnership that supported a number of students transition from training to employment. The Institute delivered training at the Broome North site in partnership with Ertech and Landcorp.

During 2012 KTI continued its success with Argyle Diamond Mine (ADM) to recognise the skills and experience of another 150 operational employees who achieved a Certificate II or III qualification in Resources Processing and Surface Extraction. ADM is currently moving from open pit to underground mining. KTI will provide training in metalliferous mining to transition employees into their new roles.

KTI has worked closely with Woodside to deliver a suite of training for existing Woodside employees and for the numerous students sponsored by Woodside in apprenticeships and traineeships.

In November 2012 the 220 bed West Kimberley Correctional Facility was officially opened near Derby. KTI continues to work closely with the Department of Corrections to deliver training requirements for inmates and prison officers. Training delivery includes horticulture, business, information technology, pastoral, construction and engineering to align with local employment opportunities.

The Broome Maritime Simulation Centre continues to provide maritime simulation to an International market with two of the world's largest dredging companies using the facilities in late 2012 and early 2013.

New and refurbished facilities in Kununurra and Fitzroy Crossing were opened, providing an enhanced learning environment for students across the Kimberley. These improvements have enabled KTI to deliver a broader range of courses at these campuses.

We would like to thank all the outgoing Governing Council members and welcome the new members to the Governing Council.

To all KTI staff who worked tirelessly in 2012, thank you for your hard work, passion and dedication.



Nigel Grazia  
Chairman, Governing Council



Karen Dickinson  
Managing Director

## 2.2. Executive Summary

Kimberley Training Institute's vision was made more succinct in 2012 – to be '*Your leading education and training provider*'. This means that students, wherever they are, can have confidence that they are studying with a leading institution which offers contemporary quality based courses. What makes Kimberley Training Institute a leading education and training provider is its flexibility, quality products, quality lecturers and its willingness as an organisation to continually improve its performance. Kimberley Training Institute is positioning itself as the leading education and training provider for Aboriginal students in the country and highlights from this year's annual report will support this.

In 2011 the Institute experienced its best ever SCH with a remarkable 43% growth achieved in one year. In 2012 the Institute consolidated its position with a 2% growth allowing for systems and processes to be bedded down. Governance was strengthened including the performance development framework for all staff. Strategic alignment with regional growth areas was progressed with over half of the courses being delivered in skills shortage areas.

In 2012 some of the highlights for Kimberley Training Institute included:

- 2% increase in total SCH for 2012. This period of consolidation was desired after a 43% growth in delivery in 2011.
- 87.4% student satisfaction compared to the State average of 86.3%.
- 51% of total delivery was in the Skills Shortage areas, up from 35% in 2011.
- Alignment of skills shortage delivery areas to meet local demand and employment with significant uptake in metals and mining, education and childcare and building and construction.
- 23% increase in students enrolled in Certificate IV and higher qualifications compared to 2011.
- 31% increase in Certificate III and higher, Aboriginal student enrolments compared to 2011. The 2012 target (of 403) was exceeded by 81%.
- 2% increase in the total Aboriginal and Torres Strait Islander (ATSI) students enrolled at the Institute which is comparable to 2011
- 12% increase in total delivery, in terms of SCH delivery to Aboriginal students by compared to 2011. This figure has significantly increased over the last 4 years.
- 3% increase in delivery to students with a permanent disability compared to 2011 and exceeded its 2012 DPA target of 36,748 SCH by 8%.
- The Institute's available cash reserves rose to \$2,458,709 (an increase of \$320,205 from 2011) due to a continuing cash retention strategy.
- In 2012 the overall deficit increased to \$1,694,560 from the result for 2011 (deficit of \$312,086). This increase is mainly attributable to a rise in leave liability provisions (as determined by an actuarial assessment) and increased building depreciation associated with additional facilities.

In 2012 significant investment was made in professional development activities for all staff. Targeted training was provided to all areas to ensure staff developed the right skills for their current roles. Team building activities were provided to strengthen teams and build a greater loyalty to team and Institute. Furthermore, the investment in training and

team building activities aimed to stimulate a positive culture that contributes to the attraction, retention and recruitment of quality staff.

Customer service staff received more training in building a contemporary customer focused approach. Under the direction of the Manager for Aboriginal Training KTIs Aboriginal staff participated in team building and strengthened their skills in career advice and mentoring.

All 200 staff from across the Institute spent 4 days in Broome participating in a range of professional development activities and business planning for 2013.

In April new facilities at Fitzroy Crossing were opened by Minister Collier, the then Minister for Training and Workforce Development.

New and refurbished facilities were opened in Kununurra in November by Minister Grylls (WA State Minister for Regional Development and Lands) and Minister Crean (Federal Minister for Regional Australia, Regional Development and Local Government). These new facilities have given both towns access to a broader range of courses that can now be offered.

KTI makes a significant contribution to implementing effective human capital initiatives in the form of education, training, support and workforce development. KTI develops resources, delivers quality training, supports and mentors students, maintains a customer focus and makes information available in easy to understand formats and has a streamlined admission process. Importantly, KTI understands that it's also necessary to assist students develop the habits, knowledge and mental traits to they need to succeed.

One such area that makes a significant difference to the life of students is KTIs Access - Language, Literacy, Numeracy and Engagement Programs. The Institute's Open Learning Centres proved to be a very successful way of supporting students to strengthen their language, literacy and numeracy skills (LLN). Youth engagement programs at Broome, Derby and Fitzroy Crossing provided a valuable alternative to 252 youth who had disengaged from school and not in training or employment.

One of the greatest areas of improvement for KTI has been with its management and attention to Occupational Safety and Health (OSH) and Risk Management. OSH and risk management are standing agenda items for the Governing Council and ensuring adequate systems and controls are in place is closely monitored. The OSH Committee is very active and has developed an OSH action plan with key priorities identified. These are monitored through the Committee and regular update reports presented to the Executive and Governing Council.

Sound governance strategies were bedded down with increased accountability and transparency across the organisation leading to improved efficiency and effectiveness. To assist managers in monitoring their accountabilities, reporting mechanisms (in particular in relation to expenditure against budgets and delivery, SCH and performance) were improved to be more elementary and user-friendly.

Forging strategic partnerships with Industry and communities was achieved to ensure training was relevant, timely and flexibly delivered. Partnerships were fostered with high profile Industry partners, other private and public Registered Training Organisations (RTOs), communities, Job Services Australia agencies and not for profit and Government

organisations. The range of partnerships highlights the Institute's agility in forming these partnerships to meet Industry requirements.

In 2012 some of the Institute's major partnerships included:

- Rio Tinto – work readiness program
- Argyle Diamond Mine and KTI “Qualifications for Life” project. This project identified Argyle Diamond Mine employees' eligibility for a qualification through the RPL process.
- VET in Schools (VETiS) Program.
- Broome Hyundai and Motor Trades Association (MTA). Broome Hyundai donated a new vehicle for the automotive students to work on.
- Save the Children and Department of Communities worked in collaboration with KTI to deliver the Kimberley Education and Care Conference.
- Woodside – training was customised for existing employees and provided to the numerous apprentices Woodside sponsors in Broome.
- Kimberley Land Council - working in collaboration to deliver ranger training on country.

This report provides a summary of achievements for 2012. It will highlight that Kimberley Training Institute has had an outstanding year and is well on its way to delivering innovative vocational education and training programs. As the industry and business landscape of the Kimberley region changes in the coming years Kimberley Training Institute is well placed to be the leading education and training provider for Aboriginal students in the country.

## 2.3. Operational Structure

### 2.3.1. Governing Council



Niegel Grazia  
Chairman  
Commenced 1/7/2011



Glennis Bibra  
Commenced 17/10/2011



Karen Dickinson  
Managing Director  
Commenced 29/6/2009



Antoine Bloemen  
Commenced 13/7/2009



Greg Moore  
Commenced 13/7/2009



Anthony Proctor  
Commenced 13/7/2009



Mick Unger  
Commenced 15/8/2011



Glen Chidlow  
Commenced 17/10/2011



Christopher Mitchell  
Commenced 3/6/2008



Patricia McKay  
1/1/2006 – 30/6/2012  
Resigned



Peter Biber  
1/1/2000 – 15/5/2012  
Resigned



Ian Trust  
Deputy Chair  
1/7/1999 – 30/10/2012  
Resigned

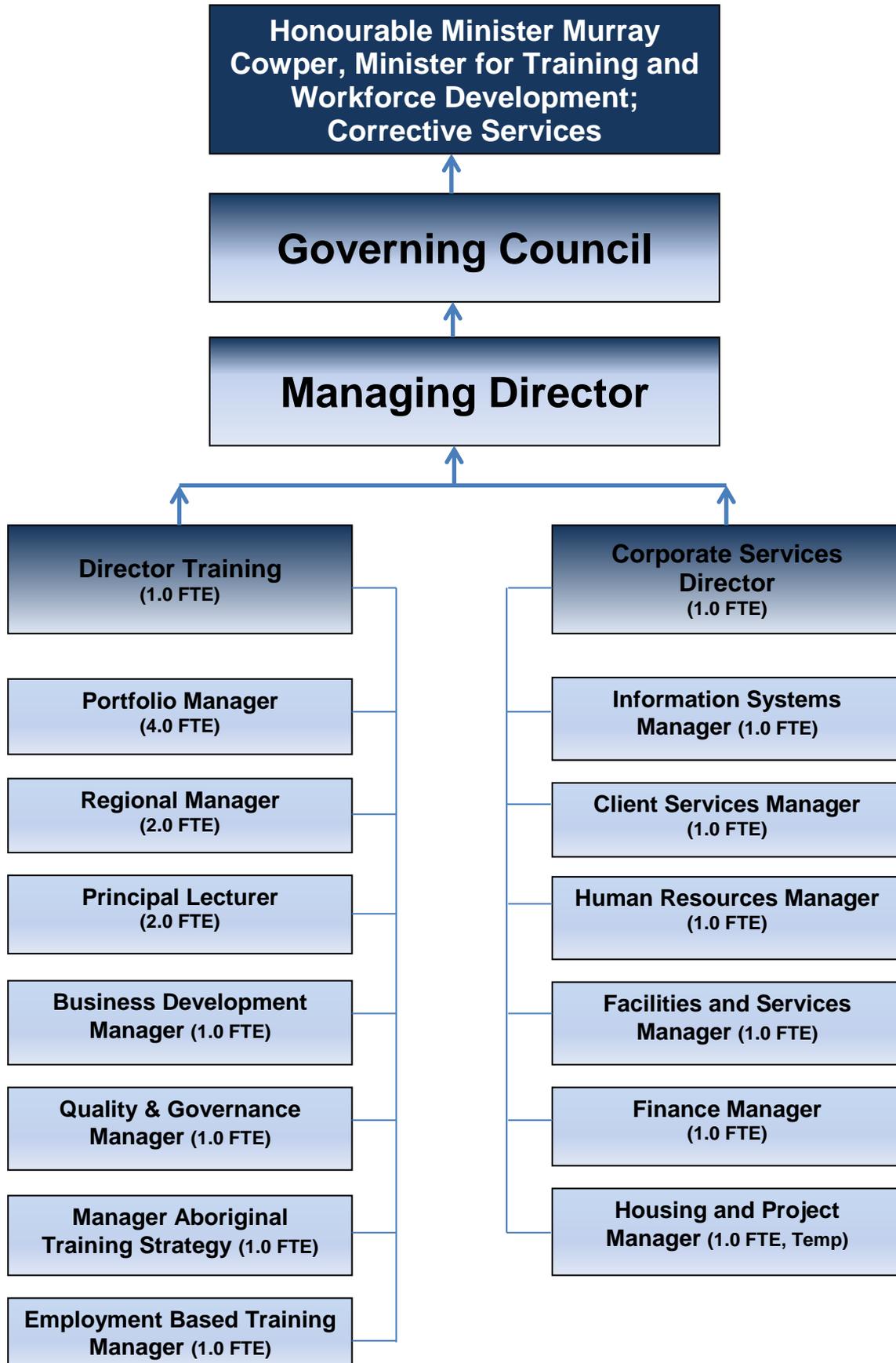


Harold Tracey  
Commenced 5/11/2012



Lisa Spackman  
Commenced 5/11/2012

### 2.3.2. Kimberley Training Institute Management Structure



### 2.3.3. Vision, Mission, Philosophy and Values

In June 2012 the Governing Council decided to add a fifth strategic objective –‘Growing our Business’ to the Institutes Strategic Plan. The purpose of this objective is to generate greater commercial revenue to compliment State Government funding.

Kimberley Training Institute made its vision more succinct, relevant and personal to give it a greater focus on core business. The values were created in consultation with the Institutes staff and embedded in all aspects of the organisations business from selection and recruitment through to conducting meetings. The KTI ‘SPIRIT’ is a term coined by staff to describe characteristics and behaviours of how staff work at KTI. The KTI ‘SPIRIT’ is the acronym for KTIs values.

**Our Vision** is to be your leading education and training provider.

**Our Mission** is to provide quality lifelong learning experiences for individuals, industry and community through innovative and customised vocational training.

**Our Philosophy** is to encourage all people to value education, learning and employment. Our efforts will focus on encouraging all clients to identify and achieve their aspirations.

#### Our Values

The KTI ‘SPIRIT’ is a term coined by KTI staff and describes the characteristics and values that drive how business is achieved.

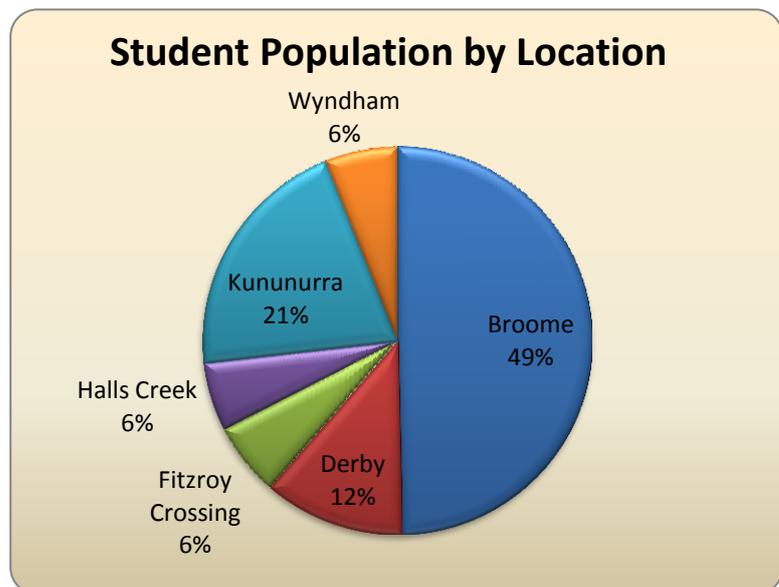


The five key strategies are:

- Outstanding Student Experience
- Strong Industry Relationships and Partnerships
- Sustainability, Capability and Capacity
- Community and Social Responsibility and
- Growing our Business.

### 2.3.4. Campus Locations

Kimberley Training Institute has six campuses located across the 420,000 square kilometres of the Kimberley in Broome, Derby, Fitzroy Crossing, Halls Creek, Kununurra and Wyndham.



## 2.4. Performance Management Framework

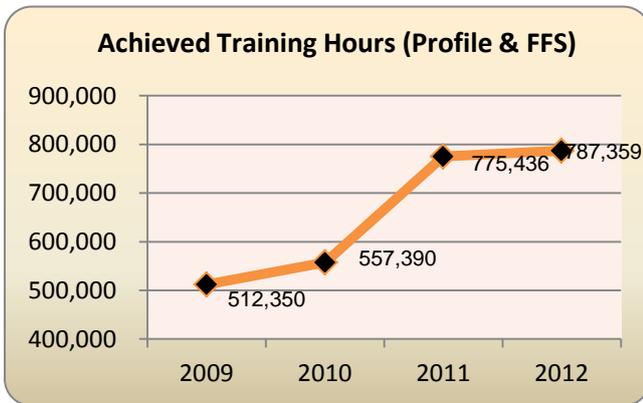
The State Government goals are described in the Training WA: Planning for the Future 2009-2018. Kimberley Training Institute has aligned its Strategic Plan with the six strategies of the Training WA as shown below. Agency performance will be discussed against Kimberley Training Institute’s five broad strategic objectives.

Kimberley Training Institute receives its annual funding allocation from the State Government through a resource agreement (Delivery and Performance Agreement) with the Department of Training and Workforce Development. The Institute reports to the Department on outcomes under that agreement.



### 3. Agency Performance

#### 3.1. Highlights at a Glance



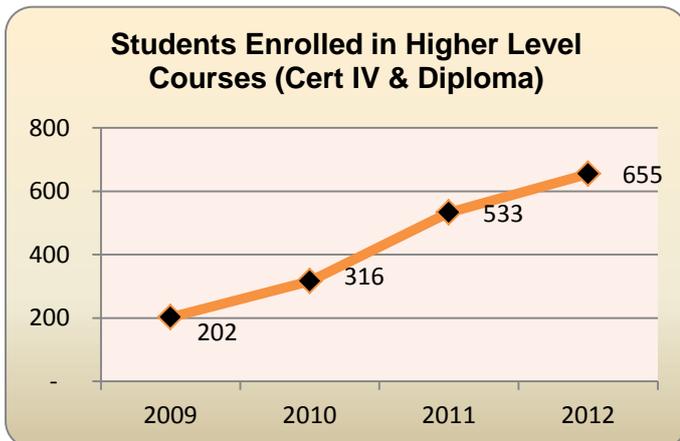
#### Achieved Training Hours

In 2012 Kimberley Training Institute's delivery increased in total SCH by 2% compared to 2011.



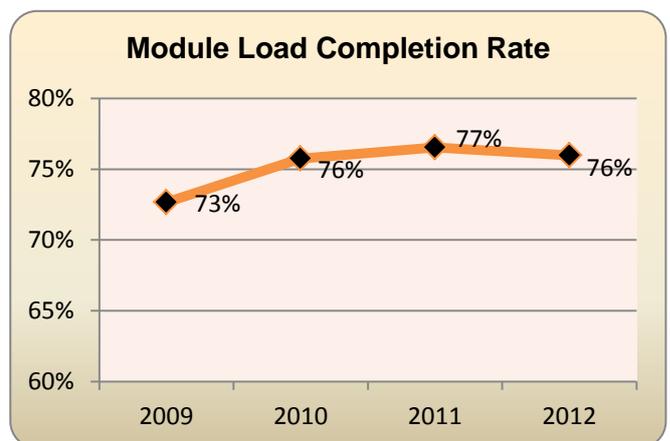
#### Skills Shortage

Skills Shortage delivery accounted for 51% of overall delivery under Profile. The target of 362,688 SCH was achieved and exceeded by 1%.



#### Students Enrolled in Higher Level Courses

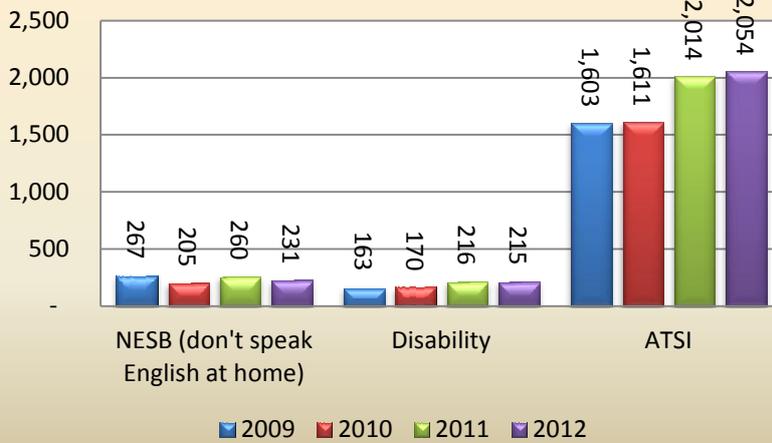
A 23% increase in students enrolled in Certificate IV and higher qualifications compared to 2011. For the last four years, the Institute has seen a significant growth in students undertaking higher level qualifications and this trend is expected to continue.



#### Module Load Completion Rate (MLCR)

The Institute's MLCR has remained relatively steady over the last four years. It was down by only 1% compared to 2011 which is understandable given the substantial SCH growth since 2010.

### Students With Special Needs

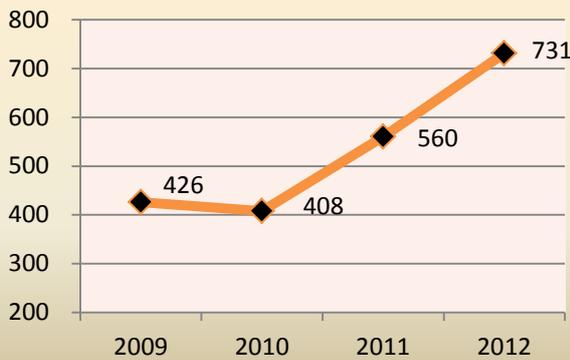


### Students with Special Needs

In 2012, the total NESB (Non-English Speaking Background) students and students with a permanent disability enrolled at KTI remained comparable to 2011.

The total ATSI (Aboriginal and Torres Strait Islander) students enrolled at the Institute also remained comparable to 2011 (up 2%).

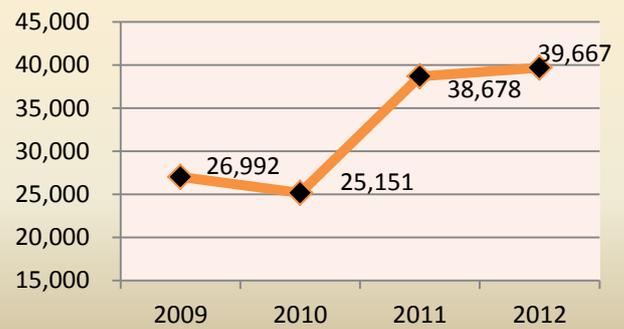
### Certificate III+ Aboriginal Students



### Certificate III+ Aboriginal Students

Certificate III and higher, Aboriginal student enrolments increased by 31% compared to 2011. The 2012 target (of 403) was exceeded by 81%.

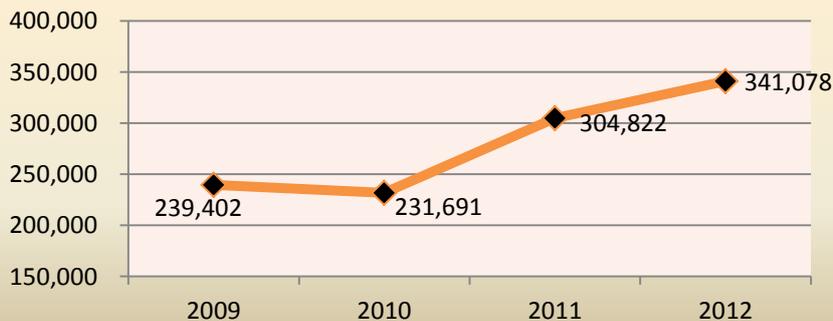
### SCH Delivery to Students with a Permanent Disability



### SCH Delivery to Students with a Permanent Disability

Kimberley Training Institute's delivery to students with a permanent disability has significantly increased over the last 4 years. The Institute increased its delivery by 3% compared to 2011 and exceeded its 2012 DPA target of 36,748 SCH by 8%.

### SCH Delivery to Indigenous Students



### SCH Delivery to Indigenous Students

Kimberley Training Institute's delivery to Indigenous students has significantly increased over the last 4 years. The Institute increased its delivery by 12% compared to 2011 and achieved its 2012 DPA target (exceeding it by 2%).

## 3.2. Actual Results versus Budget Targets

### 3.2.1. Financial Targets

	2012 Target <sup>(1)</sup> \$000	2012 Actual \$0	Variation <sup>(2)</sup> \$0
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	30,587,508	33,470,382	2,882,874 <sup>(a)</sup>
Net cost of services (sourced from Statement of Comprehensive Income)	582,345	1,694,560	1,112,215 <sup>(b)</sup>
Total equity (sourced from Statement of Financial Position)	45,986,123	48,945,829	2,959,706 <sup>(c)</sup>
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	438,471	525,891	87,420
Approved full time equivalent (FTE) staff level	174	179.1	5.1 <sup>(d)</sup>

(1) As specified in the Budget Statements.

(2) Further explanations are contained in Note 39 'Explanatory statement' to the financial statements.

- (a) The variation is mainly due to increases in Superannuation expense on Ordinary Times Earnings (\$565,748), an increase in overall Annual Leave and Long Service Leave Actuarial Expense (\$589,288), Depreciation expense (\$453,603) due to the increase in building revaluations and an increase in the provision of Resources Provided Free of Charge (\$514,065).
- (b) In relation to the explanation above regarding expenses, the variation was mainly due to the Annual Leave and Long Service Leave Actuarial Expense and increase in Depreciation Expense.
- (c) The variation is due to an increase in property revaluations performed by Landgate over the 2011 and 2012 periods.
- (d) Approved FTE has increased (+2.9% over target) due to the continuing delivery growth of the Institute - in particular the ongoing strong demand for commercial undertakings.

## 3.3. Summary of Key Performance Indicators

	2012 Target	2012 Actual	Variation
<b>Outcome 1: Overall Student Satisfaction</b> Key Effectiveness Indicator(s): The performance measure that reflects the quality of vocational education and training services provided by the Institute to meet community and industry needs.	90% <sup>(a)</sup>	87%	-3% <sup>(a)</sup>
<b>Outcome 2: Graduate Employment</b> Key Effectiveness Indicator(s): The achievement of graduate employment outcomes is a performance measure that demonstrates the Institute's effectiveness in providing vocational education and training services to meet community and industry needs.	N/A <sup>(b)</sup>	N/A	N/A <sup>(b)</sup>

	2012 Target	2012 Actual	Variation
<b>Outcome 3: Achievement for Main Reason for Studying</b> Key Effectiveness Indicator(s): The achievement by graduates of their main reason for studying is a performance measure that demonstrates the Institute's effectiveness in providing vocational education and training services to meet community and industry needs.	N/A <sup>(c)</sup>	N/A	N/A <sup>(c)</sup>
<b>Outcome 4: Achievement of Institute Profile</b> Key Effectiveness Indicator(s): Achievement of Institute Profile compares achieved Student Curriculum Hours (SCH) to planning Student Curriculum Hours (SCH).	710,000 <sup>(d)</sup>	715,685	0.8% <sup>(d)</sup>
<b>Outcome 4: Non-Profile Delivery SCH</b> Key Effectiveness Indicator(s): The Institute delivers a range of programs not incorporated within the Institute Profile to meet community training needs that also reduce dependency on profile funding. These programs include fee for service and lifestyle courses.	90,509 <sup>(e)</sup>	71,674	-20.8% <sup>(e)</sup>
<b>Outcome 5: Cost per Student Curriculum Hour (SCH)</b> Key Effectiveness Indicator(s): Cost per SCH delivered is a performance measure that demonstrates the Institute's efficiency in providing vocational education and training services to meet community and industry needs.	\$37.74 <sup>(f)</sup>	\$42.51	14% <sup>(f)</sup>

- (1) As specified in the Institute's 2012 Delivery Performance Agreement (DPA), 2012 CEO Performance Agreement, and 2012 Section 40 Estimates.
- (a) Target of 90% was specified in the Institute's 2012 CEO Performance Agreement.
- (b) Institute level data for this survey is not available this year. Institute results are available bi-annually.
- (c) Institute level data for this survey is not available this year. Institute results are available bi-annually.
- (d) The original target in the Institute's 2012 DPA was 710,000 Student Curriculum Hours (SCH). The overall revised target was 706,700 SCH (Addendum No. 2 to the DPA).
- (e) Target of 90,509 SCH was specified in the Institute's 2012 Section 40 Estimates.
- (f) Target of \$37.74 was specified in the Institute's 2012 Section 40 Estimates.
- (2) Further explanations are provided in section 4.2 (Detailed Key Performance Indicators Information) of this report.
- The response rate was 87.4% with a standard error of 1.7% and, whilst not quite reaching the target for 2012, is comparable to the Institute's satisfaction scores from previous years.
  - Institute level data for this survey is not available this year. Institute results are available bi-annually.
  - Institute level data for this survey is not available this year. Institute results are available bi-annually.
  - The Institute achieved 100.8% of its original target (710,000 SCH). Achievement was 101.3% against the renegotiated DPA target (Addendum No. 2 to the DPA) of 706,700 SCH.
  - SCH attributed to commercial activities fell short of the expected result by 18,835 SCH (or 20.8%). However, the financial impact in this area is mainly caused by some high cost (and high income) activities; e.g. Broome Maritime Simulation Centre and Aged Care delivery.

6. The increase in this KPI to \$42.51 (or 14%) over 2011 and target for 2012 is (mainly) attributable to the following factors:
  - 6.1. Back payment of additional Superannuation payments in relation to the determination that redefined what constitutes Ordinary Time Earnings. This extra payment totalled \$565,748.
  - 6.2. Large increase in Resources Provided Free of Charge (from Department of Training and Workforce Development), which resulted in an extra \$514,065 expenditure for 2012.
  - 6.3. Additional \$589,288 in leave provisions (mainly due to additional provision for North West Leave as well as increased staffing levels).
  - 6.4. Increase of \$453,603 in depreciation, related to the completion of \$13M in Capital Works Projects – hence increasing the building asset base substantially.

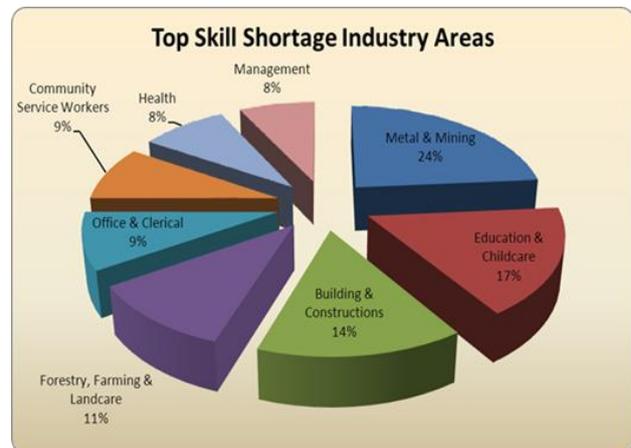
These four factors (in total) contribute \$2,122,704 to the Total Cost of Services. If these factors were discounted then Cost per SCH in 2012 would have been \$39.81.

### 3.4. Strategic Objective 1 – Outstanding Student Experience

2012 was a year of consolidation for KTI. After phenomenal growth in 2011 the Institute made sure it had the systems, people and processes in place for growth to be sustained in future years. 2012 was a good year for the Institute with most training delivery targets being met or exceeded.

#### Skills in Demand

KTI has purposefully aligned its scope and delivery to skills shortage areas. Skills Shortage delivery accounted for 51% of overall delivery under profile compared to 35% of the Institutes overall delivery in 2011



#### Student Satisfaction

The WA Student Survey 2012, developed by DTWD compares each State Training Provider's performance. Kimberley Training Institute achieved 87.4% compared to the State average of 86.3%. The ongoing emphasis the Institute places on customer service, the strength of the relationships staff build with students, the quality of lecturers and their flexibility in delivery have all contributed to this achievement.

#### Higher Level Qualifications

KTI has experienced substantial increases in Certificate IV and Diploma students enrolling and completing their studies. In 2012, 655 students enrolled in the higher level qualifications compared with 533 in 2011 and 316 in 2010. Furthermore, the Institute's delivery to Indigenous students has significantly increased over the last 4 years with a 12% increase compared to 2011. In 2012 KTI provided two dual Certificate IV Community Services & Youth Work programs in each semester over 16 weeks. 13 students successfully obtained their dual Certificate IV qualification, 6 of whom were Aboriginal.

## Apprentices and Trainees

In 2012 apprentice and trainee commencements and completions decreased. At present employers in the Kimberley are keen to recruit staff with skills sets and 'just in time' training and not wanting to make investment in long term apprenticeships or traineeships. The mobility of the workforce in the Kimberley also contributes to employer's reluctance to invest in apprenticeships and traineeships.

## Flexible Delivery

KTI's flexible delivery options are popular with students. With six regional campuses covering an area of 420,000 square kilometres flexible delivery occurs on a daily basis. Some innovative examples of this include:

- The Business Management team increased its portfolio of programs with online delivery, flexible delivery and Recognition of Prior Learning options, which enabled the team to deliver the Business Management programs across the whole of the Kimberley. The team were highly responsive to clients need for customised training. A tailored made course for Woodside employees in Frontline Management and Train the Trainer was very favourably evaluated for its flexibility and innovation in delivery.
- The Financial Services Recognition of Prior Learning (RPL) kits, developed by one of KTI lecturers, were very well received by experienced bookkeepers across the Kimberley. The way in which the process was managed, the strong client focus, effective and regular communication and use of a range of training and RPL processes including efficient use of online and distance resources made this RPL process very popular.
- The Certificate IV in Training and Assessment is delivered at all 6 Campuses in a flexible delivery mode and/or face to face. Feedback from students studying Training and Assessment is very positive, citing professionalism, quality of teaching and responsiveness as key factors for its success.

## Retention and Completion

The Institute's Module Load Completion Rate (MLCR) remained relatively steady over the last four years. It was down by only 1% compared to 2011 which is understandable given the substantial growth in SCH, geographic isolation, the weather, the levels of poor literacy and numeracy and the contextual social disadvantage of KTI students.

## E-learning and Use of Technology

The e-Learning Coordinator works with lecturers in groups and individually to encourage the use of technology for flexible delivery. In 2012 lecturer presence on the Blackboard Learning Management System increased from approximately 22 lecturers in 2011, to around 45 lecturers. 37 courses are now available online. Virtual conferencing continues to be utilised by a small number of lecturers for course delivery and also validation activities. A program of e-Learning workshops was delivered throughout the year to build confidence in using virtual conferencing and other technologies. iPads, Asus tablets and MacAirs have been purchased and distributed via the library to lecturers interested in exploring mobile technologies and multimedia to enhance their delivery.

### 3.5. Strategic Objective 2 – Strong Industry Relationships and Partnerships

A major contributor to KTIs success in 2012 was strengthening the effectiveness of partnerships with organisations in remote communities and with Industry. KTIs mission is to provide lifelong, flexible and quality learning experiences for all students regardless if an individual lives in Bidyadanga or an apprentice working for Rio Tinto.



KTIs Industry responsive training has earned it a growing reputation for building customised training packages that meet the needs of Industry.

Some of the strategic and successful relationships and partnerships include:

#### **RIO Tinto Trainee Program**

KTI and RIO Tinto partnered with Kimberley Employment Services and ITEC Employment to deliver a work readiness program in Broome for local Indigenous job seekers. Completion of the intensive training would reward those graduates with a job in the mining industry at Hope Downs Mine. The program ran for 18 weeks delivering the Certificate II Resource & Infrastructure; covering Information Technology and Sport & Recreation units; Worksafe accredited tickets; and completing two weeks work experience at Hope Downs mine in the Pilbara. The program was a success with 9 students graduating and celebrating their success in a graduation ceremony. All graduates gained employment at Hope Downs mine and commenced work in November 2012. KTI and Rio Tinto are all geared up to deliver a similar program in 2013.

#### **Ertech and KTI partnership in Civil Construction**

In 2012 KTI continued their partnership with Ertech delivering a work readiness program for Indigenous students to undertake the Certificate II in civil construction at Broome North. From this program, student Hiroshi Matsarua graduated from studies and gained full time employment at Ertech. Hiroshi was nominated and won the Indigenous trainee of the year 2012 for WA.

#### **Automotive apprentice numbers on the rise**

In 2012 the delivery of automotive training to apprentices grew dramatically. The apprentices demonstrated tremendous commitment to the course with long periods away from family to undertake studies. In conjunction, lecturer Phil Barton and the Employment Based Training (EBT) team worked diligently to provide outstanding support to students by offering quality training; organising student travel and accommodation and providing transport to and from classes. To complement the apprentice training program, a new Hyundai motor vehicle was donated by Broome Hyundai for students to train on state of the art engine technology.

### **Building practical skills in painting & decorating in Halls Creek**

KTI worked in collaboration with job service providers to deliver Certificate 1 in Industrial Skills with a painting and decorating theme in Halls Creek. As well as focusing on providing training for future career opportunities, the course focused on building students' self-esteem and confidence. Fourteen students from local communities showed eagerness in attending the course with the majority obtaining a White Card. The course was a success with six of the students moving from the course into full time employment and the remaining seven students completing the certificate successfully.

### **Army Aboriginal Community Assistance Program (AACAP)**

KTI joined forces with the AACAP to provide valuable training in the remote communities of Beagle Bay; One Arm Point; Lombadina and Djarindjin. Thirty to forty students were provided with training in working with small engines which was a big hit with the young men who could use these skills to fix their cars or other small engines.

### **Collaboration with PCYC**

In collaboration with PCYC, KTI launched the PCYC Program to deliver a skill set drawn from the Automotive Training Package. The skill set taught students to use and maintain workplace tooling and equipment, apply safe work practices and inspect and service engines. The program was a success in providing training and supporting students into employment.

### **Kimberley Education and Care Conference**



In October 2012, KTI hosted the inaugural 2012 Kimberley Education and Care Conference. Over 140 delegates attended (as pictured here), including early childhood educators / professionals working in NGO's, delegates from remote Aboriginal communities, schools and a range of children's service types (long day care, family day care, outside school hour's care). Attendees travelled from across Australia including to be part of this conference. The conference explored good quality education and care practices

and involved presenters from Early Childhood academics and lecturers from across the Kimberley, Perth, NSW, QLD and NT.

This Conference was a joint undertaking by representatives from:

- Yorganup Indigenous Professional Support Unit
- Department for Communities
- Child Australia (Professional Support Coordinator and Inclusion Support Agency)
- Save the Children

## Maritime

The maritime team successfully delivered a range of different maritime courses across the Kimberley and established key relationships with important industry stakeholders including Paspaley Pearls, Kimberley Metals Group, the Army Aboriginal Community Assistance Program (AACAP) and the Wyndham Port.

## Working with Broome restaurants and cafes

In April 2012 KTI opened its dedicated hospitality training facility 'The Pearler's Shed' in the heart of Chinatown in Broome. The FutureNow Hospitality Ambassador Program was held at the Pearler's Shed restaurant in August over three days and engaged school students, job seekers and career changers with the hospitality industry. All participants learned about opportunities available in tourism, hospitality and the events industries in WA. During the three days, presentations were delivered to provide a practical approach to learning. Hospitality ambassador chef Jeremy Fischer provided an entertaining and interactive cookery demonstration, assisted by Matso's Broome Brewery chef Cindy Clerk. Tourism is a big contributor to the economy, particularly in Broome, and the program was about creating awareness of the industry and career pathways available for Broome's next wave of aspiring hospitality professionals. It was also about linking industry operators with locally-trained staff, and encouraging them to source local people in businesses.



In 2012 KTI student Nelize Pretorius (as pictured here) won the WA 2<sup>nd</sup> year Apprentice Chef title which is supported by the Australian Culinary Federation. In November 2012 she represented WA at the national competition, winning third place at the national titles in Brisbane.

## Training security staff in the Kimberley

In 2012 the delivery of security training exceeded expectations with delivery almost doubling initial forecasts. There was a massive demand from Broome with jobseekers looking to join the security industry. Interestingly close to 90% of graduates that passed health tests and criminal screening checks were employed, with the largest employer being Total Task Security.

## Working with Aged Care organisations in remote locations

KTI delivers Aged Care training in very remote communities across the North West of WA. Lecturers spend hours traveling out to communities where they will 'swag it' as there is no accommodation for them to stay in. These dedicated lecturers provide contemporary training in the workplace for staff working in the aged care facilities. 26 remote communities are serviced by 4 lecturers and according to the Department of Health and Aging (DoHA) KTI has one of the best training programs in the country for Aboriginal students studying Aged Care. It is worth noting that KTI's Aged Care team underwent an industry focused audit in 2012 with no non compliances registered.

## Council of Australian Governments (COAG) Priority Sites

Remote service delivery (RSD) is a commitment by governments to work with Aboriginal communities to improve the delivery of services to 29 priority remote communities across the Northern Territory, Western Australia, Queensland, New South Wales and South Australia. The aim is to improve access to government services and facilities, raise the quality of these services, and better support Indigenous community governance and leadership. There are four COAG priority sites in Western Australia and all are located in the Kimberley. Local Implementation Plans (LIPs) are created for each priority community (Bardi Jawi, Beagle Bay, Fitzroy Valley, Halls Creek). The LIPs are formal agreements between the communities, service providers and government. KTI contributed to all the LIPs and completed training programs that contributed to each community's goals and aspirations.

### 3.6. Strategic Objective 3 – Sustainability, Capability and Capacity

The Institute ensured sound governance and accountability structures were in place by undertaking a review of its Governance framework. The Governance Manager system allows KTI to easily assess its compliance with the Governance framework and to collect and link all key organisational documents and policies.

The organisational structure was reviewed and a third Director position was created in late 2012 – Director of Organisational Performance and Planning. The purpose of this role is to provide more operational support and direction for boosting Apprentice and Trainee participation and numbers, increasing commercial revenue, increasing Aboriginal participation and retention, improving the quality of products and delivery, marketing and streamlining of internal processes. The Director commenced in this role in January 2013.

### Aboriginal Education Employment and Training Committee (AEETC)

The AEETC advises and contributes to planning, monitoring, evaluation and reporting all State funded programs targeting Aboriginal Vocational Education and Training. The AEETC has advocated for and supported:

- The alignment of the Aboriginal Training Plan with the Institutes Strategic Plan.
- The dedicated appointment of a number of Aboriginal staff in various positions throughout the Institute.
- The establishment of an Aboriginal Support Services Team (as pictured above) located in Broome at a designated Student Centre which is an inviting and culturally secure environment for Aboriginal and Torres Strait Islander students.
- Building its networks within the community through forums, meetings, workshops and expos.
- Aboriginal Cultural Awareness training for all staff during induction and throughout the year.



KTI is pleased to report that as part of its KPIs in the Delivery & Performance Agreement (DPA) it has met or exceeded most targets. Enrolments, retention, completions and participation at higher levels are all on the increase for Aboriginal students at KTI.

16% of KTI's workforce are Aboriginal therefore professional development opportunities for Aboriginal staff is planned and delivered. Facilitated team building for Aboriginal staff across the Institute, dedicated planning sessions and targeted training in mentoring and career counselling has built confidence and productivity in KTI's Aboriginal staff.

Cultural Awareness has now been built in the induction processes so all staff commencing with KTI undergo appropriate training.

### Facilities/Infrastructure



During 2012 two major facility projects were completed.

The completion of the \$9M redevelopment and expansion of the Kununurra Campus saw the finalisation of the \$10M Ord Stage II project for the Institute, which is also included a \$1M enhancement of Wyndham Campus completed in 2011.

This project formed part of the \$400M joint state and federally funded Ord Stage II development to expand the Ord Irrigation area and enhance facilities in the East Kimberley. The Kununurra redevelopment was officially opened by Ministers Simon Crean (Federal Minister for Regional Australia, Regional Development and Local Government) and Brendon Grylls (WA State Minister for Regional Development and Lands) on the 21 November 2012.

The new \$3M (State funded) Fitzroy Crossing Campus was also completed in 2012 and has proven to be a boon for the Institute in the Fitzroy Valley area. This new facility has allowed KTI to expand training delivery at Fitzroy Crossing to better meet the needs of the community.

The Fitzroy Crossing Campus was officially opened by (then) WA State Minister for Training and Workforce Development Hon Peter Collier on 26<sup>th</sup> April, 2012.



### Workforce and Diversity Plan

Workforce and diversity planning are complementary processes that aim to achieve an optimum workforce. These processes are critical in assisting KTI to effectively plan and manage both our current and future workforce and service delivery needs.

The Kimberley Training Institutes Workforce and Diversity Plan 2012 – 2015 was developed in alignment with both Part IX of the Equal Opportunity Act 1984 and Strategic

Directions for the Public Sector Workforce 2009 – 2014 and endorsed by the Public Sector Commissioner in July 2012.

KTI is committed to provide innovative vocational education and training services that are flexible, relevant and responsive to community and industry. Our Workforce and Diversity Plan focuses on six priority areas for development:

1. A healthy organisational culture
2. Efficient and flexible service
3. Dynamic leadership
4. Build capacity and capability
5. Attraction and retention
6. Meet regional needs.

In 2012 KTI investment in professional development activities amounted to \$89,656. In addition to this \$66,322 was spent on teaching, learning and assessment strategies (as stipulated in the DPA). Key strategies progressed in 2012 were:

- development of the Performance Development Framework
- development of the workforce and diversity communication strategy
- embedding of the new KTI values into workforce and diversity strategies, policies and work practices
- increased engagement of staff by providing additional opportunities for feedback
- strengthening of the roles of ASL1 and ASL2's to provide academic leadership
- development of induction processes to ensure new employees have a meaningful transition into the agency and their role.

### **Streamlining Business Processes**

In 2012 Kimberley Training Institute reviewed many policies, procedures and associated forms to ensure compliance with legislation, Public Sector Commission directives and best practice. Streamlining processes, reviewing and updating procedures is part of KTI's continual quality improvement processes. New procedures, checklists and forms were developed where it was identified that these tools would assist staff to streamline operational procedures.

The Finance team implemented a number of increased efficiencies, these include:

- Creation of simplified finance reports for each cost centre manager to analyse revenue and expense. Effective budget monitoring resulted in the Hospitality team to almost halve their expenditure.
- An increased number of purchases on corporate credit card improved the payment of accounts payable and customer service.
- The Client Services and Finance team worked collaboratively to improve the student debtor process by tracking interactions and improved reporting.

The Human Resources team reviewed and improved a number of their procedures, forms and checklists to assist Managers and staff in the management of performance, attraction and retention, recruitment, leave liability, succession planning and travel. Some examples include:

- The development of Induction and Exit Checklists
- Development of an on line induction module for new staff
- Development of an on line OSH Module for new staff

- Improved communication processes between departments
- Improved reporting to Managers
- Training workshops developed for Managers
- An improved Performance Development Framework developed for implementation in 2013
- Development and endorsement of a Workforce and Diversity Plan 2012 – 2015
- Development and implementation of a Disability Access Inclusion Plan 2012 - 2016

### **VET in Schools (VETiS)**

In 2012 there were 249 secondary school students enrolled with KTI in the VETiS Program in over 31 different courses. 51% of these students were Aboriginal. Construction was the most popular course, followed by Automotive, Conservation and Land Management, Business, Engineering, Hospitality and Beauty Therapy. KTI courses were delivered in the 3 main KTI campuses of Broome, Derby and Kununurra, in 6 schools using school facilities, and in several off campus locations. Auspicing arrangements were made with the 4 high schools in the region where school staff delivered KTI courses with the careful moderation with KTI staff.

KTI hosted a successful Careers Day event in Kununurra with over 120 secondary students in attendance. KTI also participated in the Careers Day at the Northwest Expo, contributing to 5 out of the 8 represented industry areas. KTI hosted a 3 day training block for remote schools in April which was accessed by 7 schools outside of Broome.

### **3.7. Strategic Objective 4 – Community and Social Responsibility**

#### **Open Learning Centres**

KTI's Open Learning Centres have proven to be a very successful way of supporting students to strengthen their language, literacy and numeracy skills (LLN). A teacher is available at set times every day at the Centre to provide an individualised program to meet the students' requirements. Centres are established in Broome, Derby, Halls Creek, Kununurra and Wyndham. The classes embrace a diversity of students in terms of age, ability, gender, language, culture and religion. Some students enrol in Certificates of General Education for Adults to discretely strengthen their LLN skills. Other students enrol in the course, Underpinning Skills for Industry Qualifications to access support for their vocational studies. KTI supports delivery of two federally funded programs through the Open Learning Centres: Language, Literacy and Numeracy Program (LLNP) and Adult Migrant English Program (AMEP).

#### **Youth Engagement Programs**

KTI offers a number of youth engagement programs across the Kimberley including programs at Broome, Derby and Fitzroy Crossing. These programs provide a valuable alternative to youth aged between 15 and 21 who have disengaged from school and are not involved in training or employment. In 2012 KTI provided youth engagement programs to 252 students.

All programs are delivered in partnership with the Kimberley District Education Office, local schools and shires as well as community based organisations (such as Nyaarla

Housing, Marninwarntikura Women's Resource Centre, Garnduwa Amboorny Wirnan, Burdikin Youth Services, Derby Youth Centre, Headspace, HYPE) and have wide support from the communities of each township as the programs support their young people.

In 2012 the Institutes young people were involved in several exciting initiatives. The Keys for Life Program enabled most young students to obtain their Learners Permit. In October all of the girls programs joined together for a Health and Wellbeing camp held at Kooljaman north of Broome. A number of girls from the program in Derby were involved in the Kimberley Girl event organised by Goolarri Media demonstrating their pride and confidence in a range of activities including catwalk and preparing a presentation. Several of the young men in the YARP Boys Program took part in walking the Lurrajarrri Trail. Several of the young women from the Fitzroy Crossing program obtained their Royal Life Saving Bronze Medallion and a number of students completed their qualification and several have moved into employment.

The YARP Boys Program expanded to include a Trades Taster Program which saw a number of young men transition from our intensive one-on-one program for youth at risk into a group learning environment where they spent a day per week in each of the following areas: horticulture, construction and engineering. The Fitzroy Crossing Girls Program participants undertook the catering for events in the Fitzroy Valley including the opening of the new Karrayili Adult Education Centre facilities.

### **Workplace Literacy and Numeracy Support**

KTI was able to provide, for a second year, a full time adult literacy and numeracy teacher working with Argyle Diamond Mine using the Workplace English Language and Literacy (WELL) program. The teacher works predominantly with the mine's apprentices and trainees to ensure their success and continued development of the underpinning skills. Employees from the process plant are also able to access support if requested.

A second year WELL project (pictured here) also complemented our highly successful ranger training program. KTI partnered with Kimberley Land Council for a second year to enable adult literacy and numeracy lecturers to travel to remote communities on a regular basis to support rangers in developing the literacy and numeracy required to complete standard workplace tasks such as survey work and fire abatement programs. KTI further provided literacy and numeracy support for employees at B & J Building Consultants and Steel Supplies in Broome which we hope contributed to them being awarded the 2012 Australian Apprenticeships Employer Award.



### **Resource Development**

KTI recognises the need to support students' LLN skills development while they are enrolled in Certificate I, II and III level courses to ensure competence to progress to higher level qualifications. As such several projects were run to develop resources

targeting particular qualifications whilst simultaneously supporting the LLN skills development of the students in a variety of qualifications including conservation and land management, industrial skills and construction.

### **Integrating LLN in VET Programs**

The Institute is very proud of the work it does in supporting vocational students with their literacy and numeracy requirements. KTI lecturers are at the cutting edge of delivery with initiatives underway that are making a huge difference to the lives of students. Whilst we continued to work with Kimberley Land Council Rangers to provide weekly LLN classes we also commenced a full time co-delivery program with Broome Regional Prison with the delivery of Certificate II in Construction.

### **Tutorial Support**

KTI, through the Institutes Aboriginal Support Services and Access teams, provides the opportunity for Aboriginal students to access tutorial support. In 2012, 34 students received a total of 349 hours of tutorial support. A variety of support options were made available in a range of locations. The program was deployed using one-on-one tutorials, study groups and targeted skills study sessions delivered by teacher qualified language, literacy and/or numeracy specialist staff. Support was offered to all vocational students at each town based campus and additionally tutors travelled to remote communities around Broome and the Fitzroy Valley. Vocational lecturers acknowledged that the availability of this support was instrumental in the successful retention of students and contributed to a higher completion rate.

### **The Kimberley Ranger Program**

The Kimberley Ranger Program had a strong year with 80 students across 13 groups including participation from Kimberley Land Council Rangers, Dambimangarri Aboriginal Corporation Rangers, the Bunuba Rangers and Yawuru Rangers. The program now has a presence throughout the Kimberley with the addition of a new Conservation and Land Management Lecturer based in Kununurra. Highlights include the introduction of IPADs for student to use in the recording of plant and animal identification, mapping, online referencing and learning material. This innovation has substantially increased the students' interest and ability to have all the resources in one easily managed package as well as being able capitalise on contemporary information while doing field work. A new development was the formation of two Women's Ranger Groups, one based in the Dampier Peninsular and the other is in the Fitzroy Valley. The groups have a focus on plant propagation and the collection of bush fruits and medicines.

### **Building confidence and skills through the arts**

KTI offers an arts program to students across the Kimberley and services a range of towns and smaller communities including (Mowanjum, Looma, Fitzroy Crossing and Wangkatjunka). Every year the Broome Campus art students hold their annual Art Exhibition and in 2012 it was extremely successful with 50% of the works being sold on the first night. The arts program is also popular with the prisoners and strengthens skills and confidence in inmates to resume or start a career as an artist when released from prison.

## Music

After 5 years of training, on the road experience and mentoring the Walkabout Boys from Yiyili Community completed their Diploma in Music. These lads have gone from unemployed to being a band that has released an album and regularly does the pub circuit across WA.

In 2012 an extremely popular short course was 'Build and Play a Ukulele.' The collaboration between KTIs music and arts departments built a unique program that brings craftsmanship and musical talent into a training arena of fun and creativity.

## Restocking Lake Kununurra

The Broome Aquaculture Centre (BAC) won the tender to restock Lake Kununurra in early 2012. The barramundi brood stock were collected and conditioned with the first fingerlings arriving in late 2012. This project has proven to be highly successful with the first batch of the 560 000 fish released in early 2013. This project has drawn significant media attention (see adjacent cartoon from local paper) and has once again shone a glowing light on the capabilities of the BAC team.

In addition to this project the BAC team have also been successful in securing contracts with commercial enterprises and organisations keen to undertake research in different aspects of commercial aquaculture.



## Delivering Sport and Recreation with Garnduwa

For the first time Nationally Accredited Sport and Recreation Programs were introduced to the Kimberley. Former Olympian and KTI lecturer, Simone Fountain, has developed a strong working relationship with Garnduwa, the Department of Sport and Recreation and all Shires. This has enabled delivery of Certificate I to IV qualifications to be offered in Broome, Derby, Fitzroy Crossing, Kununurra and a number of remote communities. The uptake of these Sport and Recreation qualifications was very popular across the Kimberley.

### 3.8. Strategic Objective 5 – Growing our Business

KTI continues to generate commercial revenue from a wide range of sources including commonwealth tenders and fee for service. KTI generated just over 2.5 million in commercial revenue which is comparable with 2011.

KTI created a new position in 2012 - Director, Organisational Performance and Planning which will have a significant role in progressing strategic objective 5.

The Institute currently has 27 Memorandums of Understanding with a wide range of strategic industry partners. Partnerships were developed or extended with industry groups and communities such as Rio Tinto, Argyll Diamond Mine, Woodside, Future Now Training Council, Kimberly Land Council, Marra Worra Worra, schools, Wunan Foundation and many other organisations across the Kimberley.

Strategic marketing and communications play a vital role in providing information about courses and encouraging uptake of studies. One effective strategy has been the delivery of career information to high school teachers, students and parents which has involved conducting 'Taster Days' where all were invited to 'Try a Trade'. KTI lecturers have also started attending the parent and teacher evenings to provide feedback on student performances to parents. The Aboriginal Manager has also facilitated meetings in communities to catch up with parents outside the school environment. Graduations at each campus are an important part of acknowledging student effort and celebrating the success of KTI students.

All commercial areas were reviewed with greater emphasis on seeking new sustainable and profitable sources of revenue. Rigorous project management and evaluation are assisting KTI to improve its commercial activities. In addition, new processes for commercial pricing have been implemented in order to be much more responsive to new opportunities.

Three examples of outcomes achieved in 'Growing our Business' include:

### **Broome Maritime Simulation Centre (BMSC)**



In 2012 the Broome Maritime Simulation Centre undertook a strategic review and compiled a business plan identifying new ways to increase market share, diversify products and increase profitability. The plan has been implemented in stages and the initial procedural changes have seen an improvement in contract development, reporting and project

management. Toward the end of 2012 the BMSC secured contracts with two of the world's largest dredging companies contributing to a fully booked schedule for the first four months of 2013.

### **Five Day OHS Representative Course**

KTI's 5 day OHS course equips managers to effectively manage OHS in the workplace. This course has been in huge demand with many Kimberley organisations seeking to strengthen their compliance with the legislation and improve systems and processes. This course was delivered at Derby, Kununurra, Wyndham and Broome campuses as well as on site at the Argyle Diamond Mine with a total of 81 students successfully completing the course. Industry participation included the Broome Shire, Hospital, Port Authority, Gibson Iron, Winun Ngari Aboriginal Corporation, Kimberley Group Training and the Department of Child Protection to name a few.

### **4WD Training Course**

This two day course was the single most popular course for 2012, with 134 participants across all campuses. The course provided participants with both the theoretical and practical knowledge in operating and recovering a 4WD in off-road conditions. Individuals as well as organisations across the Kimberley see this course as strengthening capability and compliance when traveling remotely.

## 4. Significant Issues Impacting on Kimberley Training Institute

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### 4.1. Factors Affecting Delivery

2012 was a year of consolidation following a period of rapid growth in 2011, with only minor overall growth in delivery. However, 2013 is expected to be another year of growth at about 12%. The rapid overall growth trends from 2011 to 2013 have and continue to put pressure on Institute infrastructure and resources – in particular Broome campus facilities. With the strong demand in the West Kimberley and (in particular) Broome, which is being mainly driven by the resource sector, there is a need for further development at the Broome Campus. These requirements (at an estimated \$26M) have been outlined in the Broome Master Plan and the completion of this additional development at the Broome Campus is essential for Kimberley Training Institute to meet growth demands in the region.

In the 2011 Australian Bureau of Statistics (ABS) Census counts - Aboriginal and Torres Strait Islander Peoples - Indigenous Regions with highest proportions Kununurra region has a population of 48.4%, the West Kimberley Region 48.1% and Fitzroy region 94.7%. The ABS data also indicates that Aboriginal people living in the Kimberley are the most disadvantaged people in Western Australia. The challenges of remote service delivery and working with the most disadvantaged people in Western Australia include:

- thin markets where it is difficult to get viable numbers of students for delivery;
- seasonal factors limiting access to communities during the wet season;
- geographic isolation;
- lack of infrastructure where, for example, the Broome Campus cannot meet demand due to the inadequate infrastructure that currently exists;
- the cost of delivering in remote rural communities which is prohibitively expensive, especially in regard to travel and accommodation;
- low levels of literacy and numeracy and low attendance rates in secondary schools create an issue for the Institute where high levels of literacy and numeracy support are required in vocational programs;
- recruitment and retention of staff with significant staff turnover due to isolation and difficult living conditions. The Institute attracts a reasonable number of applicants to the larger regional centre of Broome but it is difficult to recruit highly skilled and qualified staff to the smaller campuses where there is less infrastructure and facilities and the cost of living is high;
- immense social issues of poverty, high levels of unemployment and inadequate housing;
- limited economies of scale due to thin markets; and
- competition and 'cherry picking' is increasing in the Kimberley region from other RTOs. KTI has always and continues to provide training to the very remote areas and recognises its social and ethical obligations and expectations in relation to access and equity, community development, and literacy and numeracy.

## 4.2. Trends Affecting Delivery

The Kimberley is one of the fastest growing regions in Western Australia. The population has been projected to have an average growth rate of 2.9% pa from 2006 to 2021.

While the Kimberley is economically diverse, the resources sector dominates. Iron ore is the key contributor at present. The horticulture industry around the Ord River is being developed and expanded. There is also an extensive pastoral industry with aquaculture and fishing adding to the diversity. The landscape and the environment are attracting a growing tourism industry.

According to the 2011 Census approximately 22 700 people were in under the age of 40 years. This represents approximately 65% of the population. The median age of people in the Kimberley is 30 years which is well below the State median of 36. The age distribution of the non-Aboriginal population is probably due to the inwards migration in response to employment opportunities

The following trends and developments will have a significant impact on the Institute's future delivery:

- the \$400M East Kimberley Development Package launched mid-way through 2009, will be used to build social and common use infrastructure to promote healthy and vibrant communities and supply sustainable employment opportunities for local Aboriginal people;
- Ord Stage 2 will develop over the next few years with significant agricultural expansion around Kununurra. This will create increased demand for suitably trained and skilled people to work in the horticultural and agricultural industries;
- the \$30B LNG gas project at James Price Point on the Dampier Peninsula may create significant training and employment opportunities, particularly in the trades;
- Government Regional Officers Housing (GROH) building 53 new houses in Derby and creating significant demand for apprentices in carpentry and joinery;
- significant increases in construction in the Fitzroy Crossing and Fitzroy Valley area will create training and employment opportunities in building and construction.
- the Kimberley has four of the COAG priority sites so there will be significant attention on the Institute to achieve national COAG targets including those relating to participation in training, higher level qualifications and closing the gap for Aboriginal Australians;
- the Broome North Development will provide housing, business opportunities and community facilities for up to 13,000 people; and
- \$500M committed or under construction for mining and agricultural industries for Western Australia and \$300M of resource projects involving expansion, feasibility, or new projects planned.

## 5. Disclosure of Legal Compliance

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### Auditor General

#### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

#### KIMBERLEY TRAINING INSTITUTE

##### Report on the Financial Statements

I have audited the accounts and financial statements of the Kimberley Training Institute.

The financial statements comprise the Statement of Financial Position as at 31 December 2012, 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 Kimberley Training Institute at 31 December 2012 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.

**Report on Controls**

I have audited the controls exercised by the Kimberley Training Institute during the year ended 31 December 2012.

Controls exercised by the Kimberley Training Institute are those policies and procedures established by the Governing Council to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

***Governing Council's Responsibility for Controls***

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

***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Institute complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

***Opinion***

In my opinion, the controls exercised by the Kimberley Training Institute are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 December 2012.

**Report on the Key Performance Indicators**

I have audited the key performance indicators of the Kimberley Training Institute for the year ended 31 December 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

***Governing Council's Responsibility for the Key Performance Indicators***

The Governing Council is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Governing Council determines necessary to ensure that the key performance indicators fairly represent indicated performance.

***Auditor's Responsibility***

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 and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Governing Council's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

***Opinion***

In my opinion, the key performance indicators of the Kimberley Training Institute are relevant and appropriate to assist users to assess the Institute's performance and fairly represent indicated performance for the year ended 31 December 2012.

**Independence**

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

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

This auditor's report relates to the financial statements and key performance indicators of the Kimberley Training Institute for the year ended 31 December 2012 included on the Institute's website. The Institute's management is responsible for the integrity of the Institute's website. This audit does not provide assurance on the integrity of the Institute's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE  
DEPUTY AUDITOR GENERAL  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
14 March 2013

## 5.1. Financial Statements

### Kimberley Training Institute

#### Certification of Financial Statements for year ended 31 December 2012

The accompanying financial statements of Kimberley Training Institute 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 2012 and the financial position as at 31 December 2012.

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



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Nigel Grazia  
Governing Council Chair  
Kimberley Training Institute

Date: 13 March 2013



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Karen Dickinson  
Managing Director  
Kimberley Training Institute

Date: 13 March 2013



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Leighton Beeck  
Chief Financial Officer  
Kimberley Training Institute

Date: 13 March 2013

### 5.1.1. Statement of Comprehensive Income for the Year Ended 31 December 2012

Kimberley Training Institute		2012	2011
STATEMENT OF COMPREHENSIVE INCOME			
FOR THE YEAR ENDED 31 DECEMBER 2012			
	Notes	\$	\$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	7	23,898,850	19,787,461
Supplies and services	8	6,580,539	5,442,511
Depreciation and amortisation expense	9	1,516,689	1,063,086
Grants and subsidies	10	147,827	419,100
Cost of sales	15	36,090	35,151
Loss on disposal of non-current assets	19	-	1,734
Other expenses	11	1,290,387	1,373,924
<b>Total cost of services</b>		<b>33,470,382</b>	<b>28,122,967</b>
<b>Income</b>			
<b>Revenue</b>			
Fee for service	12	1,542,314	1,265,172
Student fees and charges	13	986,623	680,907
Ancillary trading	14	120,814	36,437
Sales	15	44,348	47,727
Commonwealth grants and contributions	16	994,757	1,225,120
Interest revenue	17	200,987	143,229
Other revenue	18	113,731	11,334
<b>Total revenue</b>		<b>4,003,574</b>	<b>3,409,926</b>
<b>Total income other than income from State Government</b>		<b>4,003,574</b>	<b>3,409,926</b>
<b>NET COST OF SERVICES</b>		<b>(29,466,808)</b>	<b>(24,713,040)</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
Service appropriation	20	26,900,110	24,042,882
Resources received free of charge		872,138	358,073
<b>Total income from State Government</b>		<b>27,772,248</b>	<b>24,400,955</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(1,694,560)</b>	<b>(312,086)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus		(1,029,636)	5,647,674
<b>Total other comprehensive income</b>		<b>(1,029,636)</b>	<b>5,647,674</b>
<b>TOTAL COMPREHENSIVE (DEFICIT)/INCOME FOR THE PERIOD</b>		<b>(2,724,196)</b>	<b>5,335,588</b>

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

## 5.1.2. Statement of Financial Position as at 31 December 2012

Kimberley Training Institute		2012	2011
STATEMENT OF FINANCIAL POSITION			
AS AT 31 DECEMBER 2012			
	Notes	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	34	2,458,709	2,138,504
Inventories	22	34,002	29,066
Receivables	23	1,359,167	661,518
Other current assets	24	122,968	91,589
<b>Total Current Assets</b>		<b>3,974,846</b>	<b>2,920,677</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	21,34	629,139	423,453
Property, plant and equipment	26	50,307,711	40,222,872
Intangible assets	27	222,975	67,414
<b>Total Non-Current Assets</b>		<b>51,159,825</b>	<b>40,713,739</b>
<b>TOTAL ASSETS</b>		<b>55,134,670</b>	<b>43,634,416</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	29	1,195,872	946,406
Provisions	30	3,265,049	2,146,660
Other current liabilities	31	1,084,788	686,009
<b>Total Current Liabilities</b>		<b>5,545,708</b>	<b>3,779,075</b>
<b>Non-Current Liabilities</b>			
Provisions	30	643,133	606,476
<b>Total Non-Current Liabilities</b>		<b>643,133</b>	<b>606,476</b>
<b>TOTAL LIABILITIES</b>		<b>6,188,841</b>	<b>4,385,551</b>
<b>NET ASSETS</b>		<b>48,945,829</b>	<b>39,248,865</b>
<b>EQUITY</b>			
Contributed equity	33	19,264,116	6,842,955
Reserves		23,786,196	24,815,833
Accumulated surplus		5,895,517	7,590,077
<b>TOTAL EQUITY</b>		<b>48,945,829</b>	<b>39,248,865</b>

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

### 5.1.3. Statement of Changes in Equity for the Year Ended 31 December 2012

Kimberley Training Institute					
STATEMENT OF CHANGES IN EQUITY					
FOR THE YEAR ENDED 31 DECEMBER 2012					
		Contributed Equity	Reserves	Accumulated Surplus / (Deficit)	Total Equity
	Notes	\$	\$	\$	\$
Balance at 1 January 2011	33	6,842,955	19,168,158	7,902,165	33,913,277
Surplus/(deficit)		-	-	(312,086)	(312,086)
Other comprehensive income		-	5,647,675	-	5,647,675
<b>Total comprehensive income for the period</b>		-	<b>5,647,675</b>	<b>(312,086)</b>	<b>5,335,589</b>
<b>Balance at 31 December 2011</b>		<b>6,842,955</b>	<b>24,815,833</b>	<b>7,590,077</b>	<b>39,248,865</b>
Balance at 1 January 2012		6,842,955	24,815,833	7,590,077	39,248,865
Surplus/(deficit)		-	-	(1,694,560)	(1,694,560)
Other comprehensive income		-	(1,029,637)	-	(1,029,637)
<b>Total comprehensive income for the period</b>		-	<b>(1,029,637)</b>	<b>(1,694,560)</b>	<b>(2,724,197)</b>
<b>Transaction with owners in their capacity as owners:</b>					
Capital appropriations		12,421,161	-	-	12,421,161
<b>Total</b>		<b>12,421,161</b>	<b>-</b>	<b>-</b>	<b>12,421,161</b>
<b>Balance at 31 December 2012</b>		<b>19,264,116</b>	<b>23,786,196</b>	<b>5,895,517</b>	<b>48,945,829</b>

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

### 5.1.4. Statement of Cash Flows from the Year Ended 31 December 2012

Kimberley Training Institute STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012		2012	2011
	Notes	\$	\$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation - Department of Training and Workforce Development		26,340,670	22,935,705
<b>Net cash provided by State Government</b>		<b>26,340,670</b>	<b>22,935,705</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(22,442,454)	(17,946,611)
Supplies and services		(5,954,766)	(5,376,676)
Grants and subsidies		250,950	(433,440)
GST payments on purchases		601,101	213,047
Other payments		(1,280,222)	(1,335,187)
<b>Receipts</b>			
Fee for service		1,262,373	1,202,898
Student fees and charges		906,648	660,587
Ancillary trading		120,813	36,437
Commonwealth grants and contributions		1,123,326	1,590,857
Interest received		200,987	143,228
GST receipts on sales		(303,929)	(599,703)
GST receipts from taxation authority		(56,026)	231,745
Other receipts		121,984	23,908
<b>Net cash used in operating activities</b>	34	<b>(25,449,212)</b>	<b>(21,588,909)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current physical assets		(365,564)	(445,604)
<b>Net cash used in investing activities</b>		<b>(365,564)</b>	<b>(445,604)</b>
<b>Net increase in cash and cash equivalents</b>		<b>525,891</b>	<b>901,191</b>
Cash and cash equivalents at beginning of period		2,561,957	1,660,766
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	34	<b>3,087,848</b>	<b>2,561,957</b>

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

## 5.1.5. Notes to the Financial Statements for the Year Ended 31 December 2012

### KIMBERLEY TRAINING INSTITUTE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

#### 1. Australian Accounting Standards

##### (a) General

The Institute's financial statements for the year ended 31 December 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (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*'. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Institute for the annual reporting period ended 31 December 2012.

#### 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 Institute is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording. For example, AASB 116 requires land and buildings to be measured at either cost or fair value; TI 954 mandates the fair value option.

The *Financial Management Act* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

**(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 (\$).

Note 4 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Institute's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 5 'Key sources of estimation uncertainty' discloses 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.

**(c) Reporting entity**

The reporting entity comprises the Institute only.

**(d) Contributed equity**

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

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See note 33 'Equity'.

**(e) Income****Revenue recognition**

Revenue is recognised and 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.

The following specific recognition criteria must also be met before revenue is recognised for the major business activities as follows:

### *Sale of goods*

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

### *Provision of services*

Revenue is recognised by reference to the stage of completion of the transaction.

### *Interest*

Revenue is recognised as the interest accrues.

### *Grants, donations, gifts and other non-reciprocal contributions*

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

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Institute obtains control over the funds. The Institute obtains control of the funds at the time the funds are deposited into the Institute's bank account.

### *Service appropriations*

Service Appropriations are recognised as revenues at fair value in the period in which the Institute gains control of the appropriated funds. The Institute gains control of appropriated funds at the time those funds are deposited to the bank account.

### *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 20 'Income from State Government'.

### *Gains*

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

**(f) Borrowing costs**

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

**(g) Property, plant and equipment***Capitalisation/expensing of assets*

Items of property, plant and equipment and infrastructure costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Where applicable in accordance with TI 1101, the capitalisation threshold has been applied to the aggregate value of a group or network of assets where the cost of individual item may be below the threshold but collectively the cost of the items in the group or network exceeds the threshold. 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*

Property, plant and equipment and infrastructure 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 the 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 infrastructure and historical cost for all other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation (buildings and infrastructure only) 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.

In the absence of market-based evidence, 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 determined on the depreciated replacement cost basis, the accumulated depreciation is

eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

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

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 26 'Property, plant and equipment' for further information on revaluations.

#### *Derecognition*

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, 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 26 '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 that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually.

Estimated useful lives for each class of depreciable asset are:

Buildings	40 years
Motor vehicles, caravans and trailers	5 to 8 years
Plant, furniture and general equipment	4 to 8 years
Computing, communications and software <sup>(a)</sup>	2 to 8 years
Marine craft	5 to 8 years

<sup>(a)</sup> Software that is integral to the operation of related hardware.

Land is not depreciated.

### **(h) Intangible assets**

#### *Capitalisation/Expensing of assets*

Acquisitions of intangible assets costing \$5,000 or more and the cost of utilising the assets are expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

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

Software <sup>(a)</sup>	3 to 5 years
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<sup>(a)</sup> Software that is not integral to the operation of any related hardware.

#### *Computer software*

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

### **(i) Impairment of assets**

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at 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.

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 28 'Impairment of assets' for the outcome of impairment reviews and testing. See note 2(p) 'Receivables' and note 23 'Receivables' for impairment of receivables.

**(j) Non-current assets (or disposal groups) classified as held for sale**

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

**(k) Leases**

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

**(l) Financial instruments**

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

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

*Financial assets*

- Cash and cash equivalents
- Restricted cash and cash equivalent
- Receivables

*Financial liabilities*

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or face value. 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.

**(m) 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. The Institute has no bank overdrafts.

**(n) Accrued salaries**

The accrued salaries suspense account (see note 21 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of ten 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.

Accrued salaries (see note 29 'Payables') represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Institute considers the carrying amount of accrued salaries to be equivalent to its fair value.

**(o) 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 measured on a first in first out basis.

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

See note 22 'Inventories'.

**(p) Receivables**

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. 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 allowance 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(l) 'Financial instruments' and note 23 'Receivables'.

**(q) Payables**

Payables are recognised 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 settlement is generally within 30 days. See note 2(l) 'Financial instruments' and note 29 'Payables'.

**(r) Borrowings**

The Institute has no borrowings.

**(s) Provisions**

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal 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 30 '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 that is expected to be settled within twelve months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual leave that is not expected to be settled within 12 months after the end of 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 the defer settlement of the liability for at least 12 months after the end of the reporting period.

*Long service leave*

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

Long service leave that is not expected to be settled within 12 months after the end of 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.

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 end of the reporting period. Pre-conditional and

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) and other funds administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

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

The Institute has no liabilities under the Pension schemes or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable 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.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees were able to choose their preferred superannuation fund. The Institute makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Institute's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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(t) 'Superannuation expense'.

### **(ii) Provisions – other**

#### *Employment on-costs*

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are

included as part of '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 11 'Other expenses' and note 30 'Provisions'.)

**(t) 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), the GESB Super Scheme (GESBS) and other superannuation funds.

**(u) 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 at fair value. Where the resource received represents a service that the authority would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

**(v) Jointly controlled operations**

The Institute has no interests in joint ventures that are jointly controlled operations.

**(w) Comparative figures**

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

**3. Other accounting policies not included in this Model**

There are no further policies to disclose.

**4. 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.

## 5. Key sources of estimation uncertainty

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

### *Long Service Leave*

Several estimations and assumptions in calculating the Institute's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

### *Property, Plant and Equipment*

The Institute engages the Valuer General's Officer annually to performing an estimation of land and buildings revaluation. However the estimated useful life of other assets such as Plant and Equipment could be considered an estimate of uncertainty.

### *Receivables*

Uncertainty exists within the estimation of values in relation to the impairment of receivables.

## 6. 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 2012 that impacted on the Institute.

AASB 1048	<p><i>Interpretation of Standards</i></p> <p>This Standard identifies the Australian Interpretations and classifies them into two groups: those that correspond to an IASB Interpretation and those that do not. There is no financial impact.</p>
AASB 1054	<p><i>Australian Additional Disclosures</i></p> <p>This Standard, in conjunction with AASB 2011-1 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i>, removes disclosure requirements from the other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.</p>

AASB 2010-6	<p><i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 &amp; 7]</i></p> <p>This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.</p>
AASB 2011-1	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 &amp; 134 and Int 2, 112 &amp; 113]</i></p> <p>This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.</p>
AASB 2011-5	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 &amp; 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.</p>
AASB 2010-8	<p><i>Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]</i></p>
AASB 2010-9	<p><i>Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]</i></p>

### **Voluntary changes in accounting policy**

No Voluntary changes in accounting policy have been made.

### **Future impact of Australian Accounting Standards not yet operative**

The Institute cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Institute has not applied early any of the following Australian Accounting Standards that may impact the Institute. Where applicable, the Institute plans to apply these Australian Accounting Standards from their application date.

	<b>Title</b>	<b>Operative for reporting periods beginning on/after</b>
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes <i>AASB 139 Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory date of this Standard was amended to 1 January 2015. The Institute has not yet determined the application or the potential impact of the Standard for agencies.</p>	1 Jan 2015
AASB 10	<p><i>Consolidated Financial Statements</i></p> <p>This Standard supersedes requirements under <i>AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Institute has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 11	<p><i>Joint Arrangements</i></p> <p>This Standard supersedes <i>AASB 131 Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in Aug 2011. The Institute has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard supersedes disclosure requirements under <i>AASB 127 Consolidated and Separate Financial Statements</i> and <i>AASB 131 Interests in Joint Ventures</i>.</p> <p>The Standard was issued in Aug 2011. The Institute has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 13	<p><i>Fair Value Measurement</i></p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. The Authority has liaised with the Western Australian Land Information Authority (Valuation Services) to ensure that sufficient information will be provided to meet the disclosure requirements of this Standard. There is no financial impact.</p>	1 Jan 2013

	<b>Title</b>	<b>Operative for reporting periods beginning on/after</b>
AASB 119	<p><i>Employee Benefits</i></p> <p>This Standard supersedes <i>AASB 119</i> (October 2010), making changes to the recognition, presentation and disclosure requirements.</p> <p>The Institute will assess employee leave patterns to determine whether annual leave is short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.</p>	1 Jan 2013
AASB 127	<p><i>Separate Financial Statements</i></p> <p>This Standard supersedes requirements under <i>AASB 127 Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in Aug 2011. The Institute has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 128	<p><i>Investments In Associates and Joint Ventures</i></p> <p>This Standard supersedes <i>AASB 128 Investments in Associates</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in Aug 2011. The Institute has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 1053	<p>Application of Tiers of Australian Accounting Standards</p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 July 2013
AASB 2009-11	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 &amp; 1038 and Interpretations 10 &amp; 12].</i></p> <p>[modified by <i>AASB 2010-7</i>].</p>	1 Jan 2013
AASB 2010-2	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7,8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121,123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141,1050 &amp; 1052 and Interpretations 2, 4, 5, 15,</i></p>	1 July 2013

	<b>Title</b>	<b>Operative for reporting periods beginning on/after</b>
	<p><i>17, 127, 129 &amp; 1052]</i></p> <p>This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Institute has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-2	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 &amp; 105].</i></p> <p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p>	1 July 2013
AASB 2011-6	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 &amp; 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 &amp;</i></p>	1 Jan 2013

	<b>Title</b>	<b>Operative for reporting periods beginning on/after</b>
	<p><i>1038 and Interpretations 5, 9, 16 &amp; 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of <i>AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures</i>. The institute has not yet determined the application or the potential impact of the Standard.</p>	
AASB 2011-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 &amp; 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 &amp; 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing <i>AASB 13</i> in September 2011. There is no financial impact.</p>	1 Jan 2013
AASB 2011-9	<p><i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 &amp; 1049]</i></p> <p>This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Institute has not yet determined the application or the potential impact of the Standard.</p>	1 Jul 2012
AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 &amp; 2011-8 and Interpretation 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing <i>AASB 119</i> in September 2011. There is limited financial impact.</p>	1 Jan 2013
AASB 2011-11	<p><i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for <i>AASB 119 (September 2011)</i>. There is no financial impact.</p>	1 Jul 2013

	<b>Title</b>	<b>Operative for reporting periods beginning on/after</b>
AASB 2012-1	<p><i>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 &amp; 141]</i></p> <p>This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.</p>	1 Jul 2013
AASB 2012-2	<p><i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 &amp; 132]</i></p> <p>This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position.</p> <p>The Standard was issued in June 2012. The Institute has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2012-3	<p><i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i></p> <p>This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>The Standard was issued in June 2012. The Institute has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 2012-5	<p><i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 &amp; 134 and Int 2]</i></p> <p>This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process.</p>	1 Jan 2013

	<b>Title</b>	<b>Operative for reporting periods beginning on/after</b>
	The Standard was issued in June 2012. The Institute has not yet determined the application or the potential impact of the Standard.	
AASB 2012-6	<p><i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 &amp; 2011-8]</i></p> <p>This Standard amends the mandatory effective date of AASB 9 <i>Financial Instruments</i> to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015.</p> <p>The Standard was issued in September 2012. The Institute has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2012-7	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, 12, 101 &amp; 127]</i></p> <p>This Standard adds or amends the Australian Accounting Standards – Reduced Disclosure Requirements for AASB 7 <i>Financial Instruments: Disclosures</i>, AASB 12 <i>Disclosure of Interests in Other Entities</i>, AASB 101 <i>Presentation of Financial Statements</i> and AASB 127 <i>Separate Financial Statements</i>.</p> <p>The Standard was issued in September 2012. The Institute has not yet determined the application or the potential impact of the Standard.</p>	1 Jul 2013

### Changes in Accounting Estimates

The Institute made no accounting estimate change in 2012.

**Kimberley Training Institute**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
<b>7 Employee benefits expense</b>		
Wages and salaries (a)	16,599,235	14,490,766
Superannuation - defined contribution plans (b)	2,032,354	1,107,175
Long Service Leave (c)	176,940	339,785
Annual leave (c)	397,633	135,831
Other	1,145,548	878,400
GROH Rental Subsidy	3,547,140	2,835,504
	<b>23,898,850</b>	<b>19,787,461</b>

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

(b) Defined contribution plans include West State, and Gold State and GESB and other eligible funds. This figure also includes the Superannuation Ordinary Times Earnings backpay.

(c) Includes a superannuation contribution component.

Employment on-costs expenses, such as workers' compensation insurance, are included at note 11 'Other expenses'. Employment on-costs liability is included at note 30 'Provisions'.

<b>8 Supplies and services</b>		
Consumables and minor equipment	778,570	744,942
Communication expenses	108,691	124,087
Utilities expenses	417,469	254,215
Consultancies and contracted services	2,010,034	1,543,266
Minor works	661,588	660,497
Repairs and maintenance	138,904	109,817
Operating lease and hire charges	799,408	740,136
Travel and passenger transport	1,102,863	904,302
Advertising and public relations	132,077	107,289
Supplies and services - other	430,935	253,960
	<b>6,580,539</b>	<b>5,442,511</b>

**9 Depreciation and amortisation expense**

Depreciation

Buildings	1,021,791	635,000
Motor vehicles, caravans and trailers	130,591	130,270
Plant, furniture and general equipment	89,751	102,271
Computers and communication network	190,335	158,299
Marine craft	1,925	2,390
<b>Total depreciation</b>	<b>1,434,393</b>	<b>1,028,230</b>

Amortisation

Software	82,296	34,856
<b>Total amortisation</b>	<b>82,296</b>	<b>34,856</b>
<b>Total depreciation and amortisation</b>	<b>1,516,689</b>	<b>1,063,086</b>

	2012	2011
<b>10 Grants and subsidies</b>		
Payments to non-TAFE providers for VET service delivery	147,827	419,100
	<b>147,827</b>	<b>419,100</b>
<b>11 Other expenses</b>		
Building maintenance	271,989	277,467
Doubtful debts expense	8,506	40,472
Employment on-costs (a)	983,634	864,802
Student prizes and awards	2,332	1,307
Losses and write-offs	1,660	-
Other (b)	22,265	189,876
	<b>1,290,387</b>	<b>1,373,924</b>
<p>(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 30 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.</p> <p>(b) Includes refunds of revenue from prior year.</p>		
<b>12 Fee for service</b>		
Fee for service - general	1,134,785	942,371
Fee for service - Department of Training and Workforce Development	295,703	288,311
Fee for service - Government (other than Department of Training and Workforce Development)	1,660	11,870
Adult community education fees	1,123	-
International division fees	109,043	22,620
	<b>1,542,314</b>	<b>1,265,172</b>
<b>13 Student fees and charges</b>		
Tuition fees	622,535	415,124
Enrolment fees	10,911	10,830
Resource fees	345,567	251,380
Other college fees	7,610	3,573
	<b>986,623</b>	<b>680,907</b>
<b>14 Ancillary trading</b>		
Contracting and consulting	11,219	-
Other ancillary revenue	109,595	36,437
	<b>120,814</b>	<b>36,437</b>

	2012	2011
<b>15 Bookshop Trading profit/(loss)</b>		
Bookshop:		
Sales	44,348	47,727
Cost of sales:		
Opening inventory	(29,066)	(23,463)
Purchases	(39,366)	(40,754)
Write Offs (See note 46 "Supplementary Financial Information")	(1,660)	
	<u>(70,092)</u>	<u>(64,215)</u>
Closing inventory	34,002	29,066
Cost of goods sold	<u>(36,090)</u>	<u>(35,151)</u>
<b>Trading profit/(loss) - Bookshop</b>	<b><u>8,258</u></b>	<b><u>12,576</u></b>
See note 2(o) 'Inventories' and note 22 'Inventories'.		
<b>16 Commonwealth grants and contributions</b>		
Commonwealth specific purpose grants and contributions	994,757	1,225,120
	<b><u>994,757</u></b>	<b><u>1,225,120</u></b>
These grants include DEEWR grants, WELL grants, LLNP and Rural and Remote Aged Care Tenders.		
<b>17 Interest revenue</b>		
Interest revenue from CBA Operating Account	200,987	143,229
	<b><u>200,987</u></b>	<b><u>143,229</u></b>
<b>18 Other revenue</b>		
Rental and facilities fees	2,170	6,664
Sponsorship and donations revenue	4,200	315
Royalties for Regions ICT Funding	94,000	-
Miscellaneous revenue	13,361	4,355
	<b><u>113,731</u></b>	<b><u>11,334</u></b>
<b>19 Net gain/(loss) on disposal of non-current assets</b>		
<u>Costs of disposal of non-current assets</u>		
Plant, furniture and general equipment	-	(1,734)
Total cost of disposal of non-current assets	-	<u>(1,734)</u>
<b>Net gain/(loss)</b>	<b>-</b>	<b><u>(1,734)</u></b>

See note 2(j) 'Non-current assets (or disposal groups) classified as held for sale', note 26 'Property, plant and equipment'.

	2012	2011
<b>20 Income from State Government</b>		
<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)	21,014,316	19,488,231
Superannuation	1,288,054	1,096,235
Superannuation Ordinary Times Earnings	559,438	-
Other recurrent funds	2,491,271	3,458,416
Royalties for Regions District Allowance Funding	1,547,031	-
<b>Total State funds</b>	<b>26,900,110</b>	<b>24,042,882</b>
<u>Resources received free of charge(b) :</u>		
<u>Determined on the basis of the following estimates provided by agencies :</u>		
Department of Training and Workforce Development		
- Corporate systems support	433,608	304,209
- Marketing and publications	417,343	24,386
- Other	21,187	29,478
<b>Total resources received free of charge</b>	<b>872,138</b>	<b>358,073</b>
<b>Total income from State Government</b>	<b>27,772,248</b>	<b>24,400,955</b>

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

(b) Assets or services received free of charge or for nominal cost are recognised as revenue at 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. Contribution of assets or services in the nature of contributions by owners are recognised directly to equity.

## 21 Restricted cash and cash equivalents

Non-Current Allocations (a)	629,139	423,453
	<b>629,139</b>	<b>423,453</b>

(a) 27th Pay Period Restricted Cash	629,139
Total Non Current Specific Allocations	<b>629,139</b>

## 22 Inventories

<u>Inventories held for resale:</u>		
	34,002	29,066
<b>Total</b>	<b>34,002</b>	<b>29,066</b>

See also note 2(o) 'Inventories' and note 15 'Trading profit/(loss)'.

	2012	2011
<b>23 Receivables</b>		
<u>Current</u>		
Receivables - trade	683,955	471,653
Receivables - students	162,600	119,903
Accrued revenue	531,227	102,765
Allowance for impairment of receivables	(31,842)	(58,406)
GST receivable	13,227	25,603
<b>Total current</b>	<b>1,359,167</b>	<b>661,518</b>

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of year	(58,406)	(26,356)
Doubtful debts expense (See note 11 "Other Expenses")	(8,506)	(40,472)
Amount written off during the year (see note 46 "Supplementary financial information")	35,070	8,422
<b>Balance at end of year</b>	<b>(31,842)</b>	<b>(58,406)</b>

Ageing of receivables past due but not impaired based on the information provided to senior management, as at the end of the reporting period:

Not more than 3 months	407,620	37,319
More than 3 months but less than 6 months	67,301	51,464
More than 6 months but less than 1 year	91,889	40,389
More than 1 year	-	20,143
	<b>566,810</b>	<b>149,315</b>

Receivables individually determined as impaired as at the end of the reporting period:

Carrying amount, before deducting any impairment loss	141,641	88,236
Impairment loss	(31,842)	(58,406)
	<b>109,799</b>	<b>29,830</b>

The Institute does not hold any collateral or other credit enhancements as security for receivables. See also note 2(p) 'Receivables' and note 40 'Financial instruments'.

**24 Other assets**

<u>Current</u>		
Prepayments	122,967	91,589
<b>Total current</b>	<b>122,967</b>	<b>91,589</b>

**25 Non-current assets classified as held for sale**

The Institute has no non-current assets classified as held for sale.

	2012	2011
<b>26 Property, plant and equipment</b>		
<u>Land</u>		
At fair value (a)	11,430,000	11,280,000
	<u>11,430,000</u>	<u>11,280,000</u>
<u>Buildings</u>		
At fair value (a)	38,039,189	27,819,455
	<u>38,039,189</u>	<u>27,819,455</u>
<u>Motor vehicles, caravans and trailers</u>		
At cost	1,140,016	1,132,016
Accumulated depreciation	(993,057)	(862,466)
	<u>146,959</u>	<u>269,550</u>
<u>Plant, furniture and general equipment</u>		
At cost	1,355,228	1,291,587
Accumulated depreciation	(1,015,103)	(925,352)
	<u>340,125</u>	<u>366,235</u>
<u>Computer equipment, communication network</u>		
At cost	1,059,146	1,003,081
Accumulated depreciation	(710,775)	(520,441)
	<u>348,371</u>	<u>482,640</u>
<u>Marine craft</u>		
At cost	78,678	78,678
Accumulated depreciation	(75,612)	(73,687)
	<u>3,066</u>	<u>4,992</u>
	<b><u>50,307,711</u></b>	<b><u>40,222,872</u></b>

(a) Land and buildings were revalued as at 1 July 2012 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 31 December 2012 and recognised at 31 December 2012. In undertaking the revaluation, fair value was determined by reference to market values for land: \$600,000 (2011: \$600,000) and buildings: \$900,000 (2011: \$900,000). For the remaining balance, fair value of land and buildings was determined on the basis of depreciated replacement cost. See note 2(g) 'Property, plant and equipment'.

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

	Land	Buildings	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment, and communica tion network	Marine craft	Total
	\$	\$	\$	\$	\$	\$	\$
<b>2012</b>							
Carrying amount at start of year	11,280,000	27,819,455	269,550	366,235	482,640	4,992	40,222,873
Additions	-	-	8,000	63,641	56,065	-	127,706
Transfers (a)	-	12,421,161	-	-	-	-	12,421,161
Disposals	-	-	-	-	-	-	-
Classified as held for sale	-	-	-	-	-	-	-
Revaluation increments (c)	150,000	-	-	-	-	-	150,000
Impairment losses (b)	-	(1,179,636)	-	-	-	-	(1,179,636)
Depreciation	-	(1,021,791)	(130,591)	(89,751)	(190,334)	(1,926)	(1,434,393)
<b>Carrying amount at end of period</b>	<b>11,430,000</b>	<b>38,039,189</b>	<b>146,959</b>	<b>340,125</b>	<b>348,371</b>	<b>3,066</b>	<b>50,307,711</b>

	Land	Buildings	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment, and communica tion network	Marine craft	Total
	\$	\$	\$	\$	\$	\$	\$
<b>2011</b>							
Carrying amount at start of year	8,562,000	25,524,780	382,437	402,279	276,608	7,381	35,155,485
Additions	-	-	17,383	67,962	364,331	-	449,676
Disposals	-	-	-	(1,734)	-	-	(1,734)
Revaluation increments (c)	2,718,000	2,929,675	-	-	-	-	5,647,675
Depreciation	-	(635,000)	(130,270)	(102,272)	(158,299)	(2,389)	(1,028,230)
<b>Carrying amount at end of period</b>	<b>11,280,000</b>	<b>27,819,455</b>	<b>269,550</b>	<b>366,235</b>	<b>482,640</b>	<b>4,992</b>	<b>40,222,872</b>

- (a) The buildings are transferred from Department of Training and Workforce Development and the Institute accounts for the transfer as a contribution by owners.
- (b) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. Where an previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in the Statement of Changes in Equity.
- (c) 2011 Asset revaluation reserves for buildings was adjusted for Ord Stage 2 - Kunnurra and Wyndham campus building works in progress that was actually transferred in 2012 from the Department of Training and Workforce Development.

	2012	2011
<b>27 Intangible assets</b>		
<u>Computer software</u>		
At cost	340,127	102,270
Accumulated amortisation	(117,152)	(34,856)
	<b>222,975</b>	<b>67,414</b>
<b>Reconciliations</b>		
<u>Computer software</u>		
Carrying amount at start of period	67,414	-
Additions	237,857	102,270
Amortisation expense	(82,296)	(34,856)
<b>Carrying amount at end of period</b>	<b>222,975</b>	<b>67,414</b>

**28 Impairment of assets**

There were no indications of impairment to plant and equipment or intangible assets at 31 December 2012. The Institute has identified impairment to buildings and this has been reflected in the financial statements as at 31 December 2012.

The Institute held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets as at 31 December 2012 have either been classified as assets held for sale or written off.

**29 Payables**Current

Trade payables	(2,010)	92,484
GST payable	6,584	31,309
Accrued expenses	699,437	420,270
Accrued salaries and related costs	491,861	395,270
Paid parental leave payable	-	7,073
<b>Total current</b>	<b>1,195,872</b>	<b>946,406</b>

See also note 2(q) 'Payables' and note 40 'Financial Instruments'.

	2012	2011
<b>30 Provisions</b>		
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave <sup>(a)</sup>	1,361,297	963,664
Long service leave <sup>(b)</sup>	1,175,007	1,032,639
Superannuation Ordinary Times Earnings	565,748	-
	<u>3,102,052</u>	<u>1,996,303</u>
<i>Other provisions</i>		
Employment on-costs <sup>(c)</sup>	162,997	150,357
<b>Total current</b>	<b><u>3,265,049</u></b>	<b><u>2,146,660</u></b>
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave <sup>(b)</sup>	604,318	569,746
	<u>604,318</u>	<u>569,746</u>
<i>Other provisions</i>		
Employment on-costs <sup>(c)</sup>	38,815	36,730
<b>Total non-current</b>	<b><u>643,133</u></b>	<b><u>606,476</u></b>

(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 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	866,249	644,929
More than 12 months after the end of the reporting period	495,048	318,736
	<u>1,361,297</u>	<u>963,665</u>

(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	413,726	351,547
More than 12 months after the end of the reporting period	1,365,599	1,250,838
	<u>1,779,325</u>	<u>1,602,385</u>

(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 11 'Other expenses'.

	2012	2011
<b><u>Movements in other provisions</u></b>		
Movements in each class of provisions during the financial year, other than employee benefits, are set out below.		
<b><u>Employment on-cost provision</u></b>		
Carrying amount at start of period	187,087	189,937
Additional provisions recognised	14,725	(2,850)
<b>Carrying amount at end of period</b>	<b>201,812</b>	<b>187,087</b>
<b>31 Other liabilities</b>		
<b><u>Current</u></b>		
Income received in advance <sup>(a)</sup>	1,079,608	680,829
Grants and advances	5,180	5,180
<b>Total current</b>	<b>1,084,787</b>	<b>686,009</b>
(a) Income received in advance comprises:		
Other Government (Commonwealth/Local)	832,130	678,793
Other	247,478	2,036
	<b>1,079,608</b>	<b>680,829</b>
<b>32 Amounts due to the Treasurer</b>		
No amounts due to the Treasurer as at 31 December 2012		
See also note 40 'Financial Instruments'		
<b>33 Equity</b>		
The Government holds the equity interest in the Institute on behalf of the community. Equity represents the residual interest in the net assets of the Institute. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.		
<b><u>Contributed equity</u></b>		
Balance at start of period	6,842,955	6,842,955
<b><u>Transfer of Net assets from other agencies</u></b>		
Department of Training and Workforce Development		
Total contribution by owners	12,421,161	-
<b>Balance at end of period</b>	<b>19,264,116</b>	<b>6,842,955</b>
<b><u>Reserves</u></b>		
<b><u>Asset revaluation surplus</u></b>		
Balance at start of period	24,815,833	19,168,158
Net revaluation increments/(decrements):		
Land	150,000	2,718,000
Buildings	(1,179,636)	2,929,675
<b>Balance at end of period</b>	<b>23,786,196</b>	<b>24,815,833</b>

	2012	2011
<b><u>Accumulated surplus/(deficit)</u></b>		
Balance at start of period	7,590,077	7,902,164
Result for the period	(1,694,560)	(312,087)
<b>Balance at end of period</b>	<b>5,895,517</b>	<b>7,590,077</b>
<b>Total Equity at end of period</b>	<b>48,945,829</b>	<b>39,248,865</b>

### 34 Notes to the Statement of Cash Flows

#### Reconciliation of cash

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	3,600	3,600
Cash at bank	2,455,109	2,134,904
	2,458,709	2,138,504
Restricted cash and cash equivalents (refer to note 21 'Restricted cash and cash equivalents')	629,139	423,453
	<b>3,087,848</b>	<b>2,561,957</b>

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

Net cost of services	(29,466,808)	(24,713,040)
<u>Non-cash items:</u>		
Depreciation and amortisation expense (note 9 'Depreciation and amortisation expense')	1,516,689	1,063,086
Doubtful debts expense (note 11 'Other expenses')	8,506	32,049
Superannuation expense	565,748	1,107,175
Resources received free of charge (note 20 'Income from State Government')	872,138	358,073
Fringe Benefit Tax	(253,509)	185,123
Write Off (note 11 "Other Expenses")	1,660	
<u>(Increase)/decrease in assets:</u>		
Current receivables (a)	(290,055)	382,823
Current inventories	(6,596)	(5,603)
Other current assets	99,597	(49,236)
<u>Increase/(decrease) in liabilities</u>		
Current payables (a)	(94,494)	96,394
Income received in advance/grants and advances	398,778	(14,339)
Current provisions	552,641	327,766
Other current liabilities	368,686	(349,269)
Non-current provisions	36,657	145,000
Net GST receipts/(payments) (b)	241,148	(154,910)
<b>Net cash provided by/(used in) operating activities</b>	<b>(25,449,212)</b>	<b>(21,588,909)</b>

2012

2011

(a) 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 in these items as they do not form part of the reconciling items.

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

### 35 Resources provided free of charge

During the year Kimberley Training Institute engaged in no activities which resulted in providing resources to agencies free of charge for functions outside the normal operations of the Institute.

### 36 Commitments

#### Non-cancellable operating lease commitments

Commitments for minimum lease payments are

Within 1 year	274,408	339,876
Later than 5 years	249,396	244,824
	<b>523,804</b>	<b>584,700</b>

#### Building operating lease commitments

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

Building Lease expenditure commitments contracted for at the end of the reporting period date but not recognised as liabilities are payable as follows:

Within 1 year	173,935	-
	<b>173,935</b>	<b>-</b>

#### Other expenditure commitments

Other expenditure commitments contracted for at the end of the reporting period date but not recognised as liabilities are payable as follows:

Within 1 year	104,087	405,805
	<b>104,087</b>	<b>405,805</b>

**37 Contingent liabilities and contingent assets**

Kimberley Training Institute has no contingent liabilities or contingent assets as at 31 December 2012.

**38 Events occurring after the reporting period**

The Institute is not aware of any other matter or circumstances that had arisen since the end of the financial year to the date of this report which have significantly affect the results or the state of affairs of the Institute in the ensuing or any subsequent years.

**39 Explanatory statement**

Significant variations between estimates and actual results for 2012 and between actual results for 2011 and 2012 are shown below. Significant variations are considered to be those greater than 10 % and \$100,000.

**Significant variances between estimated and actual result for the financial year 2012**

	2012 Estimate	2012 Actual	Variation
<b>Expense</b>	\$	\$	\$
Employee benefits expense	20,349,015	23,898,850	3,549,835
Grants and subsidies	345,351	147,827	(197,524)

Employee benefits expense

Major contributing factors to the increase in Employee Benefits Expense include an overall increase of \$1,866,581 for Lecturers and \$835,622 in Superannuation. Backpay of the Superannuation Ordinary Times Earnings to the value of \$565,748 was a prominent component of the Superannuation increase and included in the 2012 Actual. The Institute also went through a 43% increase in profile delivery in 2011 with a trending gradual increase in FTE count. The expense was therefore growing at a linear rate in 2011 until the FTE peaked at 161. This FTE count has remained constant with a mild increase in 2012 to 178 FTE to achieve the 2012 SCH target and the costs have been incurred from the beginning of the year.

Grants and subsidies

Payments to private providers for delivery of training packages has reduced mainly due to the insourcing of the beauty programs which was a major component of the 2011 expense.

	2012 Estimate	2012 Actual	Variation
<b>Income</b>	\$	\$	\$
Fee for service	2,001,958	1,542,314	(459,644)
Student fees and charges	812,790	986,623	173,833
Commonwealth grants and contributions	758,817	994,757	235,940
Interest Revenue	93,941	200,987	107,046
Other Revenue	613,033	113,731	(499,302)
Resources received free of charge	263,773	872,138	608,365
Changes in asset revaluation reserve	-	(1,029,637)	(1,029,637)

Fee for service

Revenue for fee for service was lower than expected due to a reduction in revenue from maritime simulator delivery which was projected to be an increase in revenue. This was due to a decline in the resources sector and the delay in major projects affecting the Western Australian ports.

Student fees and charges

Student fees revenue increased due to an increase of 25% in the volume of students enrolling in Certificate III and higher. There has also been a significant reduction in concessions and an overall tightening of front end processes for collection of monies.

Commonwealth grants and contributions

The Institute was successful in continuing some major grants in 2012 including the ATSI Rural and Remote funding. This grant was previously estimated to be completed in 2011.

Interest revenue

Interest Revenue increase over the estimate due to a higher average operating bank account balance. This was due to the Department of Training and Workforce Development forwarding the service appropriations on a quarterly basis and cash retention strategies.

Other revenue

reclassified to an offset account against the GROH rental expense under employee benefits expense.

Resources received free of charge

The estimate was based on the amount received for 2011 which has significantly increased in 2012. This is mainly due to an increase in the ICT and capital works programs completed in 2012.

Changes in asset revaluation reserve

Due to the unpredictability of trends relating to the Building Price Index, estimates are not normally collated in the Section 40 Estimates. The lower than expected estimate was due to the contributed equity transfer of the Ord Stage II and Fitzroy Crossing capital investment programs.

**Significant variances between actual results for 2011 and 2012**

<b>Expense</b>	2012 \$	2011 \$	Variance \$
Employee benefits expense	23,898,850	19,787,461	4,111,389
Supplies and services	6,580,539	5,442,511	1,138,028
Depreciation and amortisation expense	1,516,689	1,063,086	453,603
Grants and subsidies	147,827	419,100	(271,273)

Employee expenses

Major contributing factors to the increase in Employee Benefits Expense include an overall increase of \$1,866,581 for Lecturers and \$835,622 in Superannuation. Backpay of the Superannuation Ordinary Times Earnings to the value of \$565,748 was a prominent component of the Superannuation increase and included in the 2012 Actual. The Institute also went through a 43% increase in profile delivery in 2011 with a trending gradual increase in FTE count. The expense was therefore growing at a linear rate in 2011 until the FTE peaked at 161. This FTE count has remained constant with a mild increase in 2012 to achieve the 2012 SCH target and the costs have been incurred from the beginning of the year. An increase of \$589,298 in Leave Actuarial expenses was also a contributing factor to the overall increase. In both the Lecturers and GOSAC Industrial Agreements there was a negotiated increase of 3.5% and 4% respectively for 2012. GROH also increased rentals by 6.8% during 2012.

Supplies and services

The major component of the Supplies and Services increase is the \$514,065 increase in Resources Provided Free of Charge. There has also been some moderate increases including utilities expenses as the full capacity of major Capital Expansion projects of Ord Stage II and Fitzroy Crossing have also had an impact.

Depreciation and amortisation expense

Depreciation expense has increased due to the 2011 major increase in Asset values due to the onsite Landgate assessment performed during this year. This included the transfer of completed capital projects relating to Ord Stage II and Fitzroy Crossing.

Grants and subsidies

Payments to private providers for delivery of training packages has reduced mainly due to the insourcing of the beauty programs which was a major component of the 2011 expense.

	2012	2011	Variance
	\$	\$	\$
<b>Income</b>			
Fee for service	1,542,314	1,265,172	277,142
Student fees and charges	986,623	680,907	305,715
Commonwealth grants and contributions	994,757	1,225,120	(230,362)
Service appropriation	26,900,110	24,042,882	2,857,228
Other Revenue	113,731	11,334	102,397
Resources received free of charge	872,138	358,073	514,065
Changes in asset revaluation surplus	(1,029,637)	5,647,674	(6,677,311)

### Fee for service

The increase in fee for service is partly contributed to by an 11% increase in revenue from the Maritime Simulator delivery. In 2011 the Maritime Simulator had a break in service due to a major software upgrade although the recovery has not been to the standard of previous estimates. The Institute has also seen a mild increase of its commercial courses.

### Student fees and charges

Student fees revenue increased due to an increase of 25% in the volume of students enrolling in Certificate III and higher. There has also been a significant reduction in concessions and an overall tightening of front end processes for collection of monies.

### Commonwealth grants and contributions

The decrease in Commonwealth grants is mainly related to the an overall reduction in additional funding from DEEWR for a collection of smaller grants although the retention of an ATSI Rural and Remote grant has reduced the impact.

### Service appropriation

The increase in Service Appropriation was in line with expectations of the target SCH of 706,000. The increase of 5% was in line with expectations of an incremental increase of around 4% for staff and also included \$559,438 in additional funding for the backpay of Superannuation on Ordinary Time Earnings.

### Other Revenue

Royalties for Regions funding relating to a capital project for \$94,000 was included in the 2012 figure.

### Resources received free of charge

The increase is mainly due to an increase in the ICT and capital works allocation for 2012.

### Changes in asset revaluation surplus

The significant difference was due to the equity contributions for the Ord Stage II and Fitzroy Crossing capital investment programs in 2012.

## **40 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, receivables and payables. The Institute has limited exposure to financial risks. The Institute's overall risk management program focuses 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.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 40(c) 'Financial instruments disclosures' and note 23 'Receivables'.

Credit risk associated with the Institute's financial assets is minimal because 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 bad debt is minimal. At the end of the reporting period 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 drawdowns 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 Institute does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes). The Institute's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations. Other than as detailed in the Interest rate sensitivity analysis table at Note 40(c), the Institute is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing and it has no borrowings.

#### **(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:

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b><u>Financial Assets</u></b>		
Cash and cash equivalent	2,458,709	2,138,504
Restricted cash and cash equivalent	629,139	423,453
Receivables (a)	1,345,940	635,915
<b><u>Financial Liabilities</u></b>		
Payables	1,189,288	915,097

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

#### **(c) Financial instrument disclosures**

##### Credit risk

The following table discloses the Institute's maximum exposure to credit risk 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 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.

## Ageing analysis of financial assets

		Carrying Amount \$	Not past due and not impaired \$	Past due but not impaired			Impaired Financial Assets \$
				Up to 3 months \$	3 months- 1 year \$	More than 1 year \$	
<b>Financial Assets</b>							
<b>2012</b>							
Cash and cash equivalents	3.83%	2,458,709	-	-	-	-	-
Restricted cash and cash equivalents	3.83%	629,139	-	-	-	-	-
Receivables (a)		1,345,940	676,610	407,620	159,190	-	31,842
		<b>4,433,788</b>	<b>676,610</b>	<b>407,620</b>	<b>159,190</b>	<b>-</b>	<b>31,842</b>
<b>2011</b>							
Cash and cash equivalent	4.49%	2,138,504	2,138,504	-	-	-	-
Restricted cash and cash equivalent	4.49%	423,453	423,453	-	-	-	-
Receivables (a)		635,915	428,194	37,319	91,853	20,143	58,406
		<b>3,197,872</b>	<b>2,990,151</b>	<b>37,319</b>	<b>91,853</b>	<b>20,143</b>	<b>58,406</b>

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

Liquidity risk and interest rate exposure

The following table details the Institute's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

## Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate %	<u>Interest rate exposure</u>				<u>Maturity dates</u>		
		Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non- Interest Bearing \$	Up to 3 months \$	3 months-1 year \$	1-5 Years \$
<b>2012</b>								
<u>Financial Assets</u>								
Cash and cash equivalent	3.83%	2,458,709	-	2,458,709	-	-	-	-
Restricted cash and cash equivalent	3.83%	629,139	-	629,139	-	-	-	-
Receivables (a)		1,345,940	-	-	1,345,940	407,620	159,190	31,842
		<b>4,433,788</b>	-	<b>3,087,848</b>	<b>1,345,940</b>	<b>407,620</b>	<b>159,190</b>	<b>31,842</b>
<u>Financial Liabilities</u>								
Payables		1,189,288	-	-	1,189,288	1,189,288	-	-
		<b>1,189,288</b>	-	-	<b>1,189,288</b>	<b>1,189,288</b>	-	-

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

	Weighted Average Effective Interest Rate %	<u>Interest rate exposure</u>				<u>Maturity dates</u>		
		Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non- Interest Bearing \$	Up to 3 months \$	3 months-1 year \$	1-5 Years \$
<b>2011</b>								
<u>Financial Assets</u>								
Cash and cash equivalent	4.49%	2,138,504	-	2,138,504	-	-	-	-
Restricted cash and cash equivalent	4.49%	423,453	-	423,453	-	-	-	-
Receivables (a)		635,915	-	-	635,915	37,319	91,853	78,549
		<b>3,197,872</b>	-	<b>2,561,957</b>	<b>635,915</b>	<b>37,319</b>	<b>91,853</b>	<b>78,549</b>
<u>Financial Liabilities</u>								
Payables		915,097	-	-	915,097	915,097	-	-
		<b>915,097</b>	-	-	<b>915,097</b>	<b>915,097</b>	-	-

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

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.

	Carrying amount \$	- 100 Basis Points		+ 100 Basis Points	
		Surplus \$	Equity \$	Surplus \$	Equity \$
<b>2012</b>					
<u>Financial Assets</u>					
Restricted cash and cash equivalent	3,087,848	(30,878)	(30,878)	30,878	30,878
Total Increase/(Decrease)		<b>(30,878)</b>	<b>(30,878)</b>	<b>30,878</b>	<b>30,878</b>
<b>2011</b>					
<u>Financial Assets</u>					
Restricted cash and cash equivalent	2,561,957	(25,620)	(25,620)	25,620	25,620
Total Increase/(Decrease)		<b>(25,620)</b>	<b>(25,620)</b>	<b>25,620</b>	<b>25,620</b>

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 value unless otherwise stated in the applicable notes.

	2012	2011
--	------	------

**41 Jointly controlled operations**

The Institute has no joint controlled operations.

**42 Remuneration of members of the Institute and senior officers**Remuneration of members of the Institute

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

	2012	2011
\$		
\$0 - \$10,000	11	12
\$240,001 - \$250,000	1	1
	<b>\$</b>	<b>\$</b>
Cash remuneration received in relation to 2012	210,252	194,046
Annual leave and long service leave accruals (a)	7,971	5,670
Other benefits	43,834	50,938
<b>The total remuneration of the members of the Institute</b>	<b>262,058</b>	<b>250,654</b>

Total remuneration includes the superannuation expense incurred by the Institute in respect of members of the Institute.

Remuneration of senior officers

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

	2012	2011
\$		
\$180,001 - \$200,000	1	1
\$200,001 - \$220,000	1	-
\$220,001 - \$230,000	-	1
	<b>\$</b>	<b>\$</b>
Cash remuneration received in relation to 2012	298,407	325,466
Annual leave and long service leave accruals (a)	12,210	-
Other benefits	92,348	77,473
<b>The total remuneration of senior officers</b>	<b>402,965</b>	<b>402,939</b>

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.

(a) To comply with TI 952, 2011 disclosure for this note has been restated to include annual and long service leave accruals, Government Regional Officers Housing (GROH) and fringe benefits in the calculation of total remuneration of members and senior officers of the Institute.

	2012	2011
--	------	------

**43 Remuneration of auditor**

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

	2012	2011
	\$	\$
Auditing the accounts, financial statements and performance indicators	65,000	62,500

The expense is included in note 11 'Other expenses'.

**44 Related bodies**

The Institute has no related bodies.

**45 Affiliated bodies**

The Institute has no affiliated bodies.

**46 Supplementary financial information**

	2012	2011
	\$	\$
(a) Write-Offs		
Bad debts	35,070	8,422
Inventory	1,660	-
	<b>36,730</b>	<b>8,422</b>

**47 Special purpose accounts**

The Institute did not set up or operate special purpose account.

**48 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 Training Delivery.

### 5.1.6. S40 Submission – Statement of Comprehensive Income

**Kimberley Training Institute**  
**S40 SUBMISSION**  
**Statement of Comprehensive Income**

	2012 Estimate \$
<b>COST OF SERVICES</b>	
<b>Expenses</b>	
Employee benefits expense	20,349,015
Supplies and services	7,044,015
Depreciation and amortisation expense	1,400,465
Finance costs	
Grants and subsidies	
Payments to Non TAFE Providers for VET Delivery	345,351
Loss on disposal of non-current assets	
Cost of sales	50,753
Other expenses	1,397,909
<b>Total Cost of Services</b>	<b>30,587,508</b>
<b>Income</b>	
<b>Revenue</b>	
Fee for service	2,001,958
Student charges and fees	812,790
Ancillary trading	51,149
Sales	51,151
Commonwealth grants and contributions	758,817
Interest revenue	93,941
Other revenue	613,033
<b>Total Revenue</b>	<b>4,382,840</b>
<b>Gains</b>	
Gain on disposal of non-current assets	20,000
Other gains	
<b>Total Gains</b>	<b>20,000</b>
<b>Total income other than income from State Government</b>	<b>4,402,840</b>
<b>NET COST OF SERVICES</b>	<b>-26,184,668</b>
<b>INCOME FROM STATE GOVERNMENT</b>	
State funds	25,338,550
Assets assumed/(transferred)	
Resources received free of charge	263,773
Royalties for regions	
<b>Total income from State Government</b>	<b>25,602,323</b>
<b>SURPLUS (DEFICIT) FOR THE PERIOD</b>	<b>-582,345</b>
<b>OTHER COMPREHENSIVE INCOME</b>	
Changes in asset revaluation reserve	0
Gains/(losses) recognised directly in equity	0
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-582,345</b>

## 5.1.7. S40 Submission – Balance Sheet

<b>Kimberley Training Institute</b>	
<b>S40 SUBMISSION</b>	
<b>BALANCE SHEET</b>	
	<b>2012 Estimate \$</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	2,306,741
Restricted cash and cash equivalents	85,000
Inventories	36,320
Receivables	1,053,583
Amounts receivable for services	
Other current assets	<b>194,117</b>
Non-current assets classified as held for sale	
<b>Total Current Assets</b>	<b>3,675,762</b>
<b>Non-Current Assets</b>	
Restricted cash and cash equivalents	564,712
Inventories	
Receivables	
Amounts receivable for services	
Property, plant and equipment	<b>45,984,924</b>
Intangible assets	
Other non-current assets	
<b>Total Non-Current Assets</b>	<b>46,549,635</b>
<b>TOTAL ASSETS</b>	<b>50,225,397</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Payables	1,141,785
Borrowings	
Amounts due to the Treasurer	
Provisions	1,930,730
Other current liabilities	452,304
Liabilities directly associated with non-current assets classified as held for sale	
<b>Total Current Liabilities</b>	<b>3,524,819</b>
<b>Non-Current Liabilities</b>	
Payables	
Borrowings	
Provisions	714,365
Other non-current liabilities	
<b>Total Non-Current Liabilities</b>	<b>714,365</b>
<b>TOTAL LIABILITIES</b>	<b>4,239,184</b>
<b>NET ASSETS</b>	<b>45,986,213</b>
<b>EQUITY</b>	
Contributed Equity	19,142,955
Reserves	19,168,158
Accumulated surplus/(deficiency)	7,675,100
<b>TOTAL EQUITY</b>	<b>45,986,213</b>

### 5.1.8. S40 Submission – Changes in Equity Statement

<b>Kimberley Training Institute</b> <b>S40 SUBMISSION</b> <b>CHANGES IN EQUITY STATEMENT</b>	
	<b>2012</b> <b>ESTIMATE</b> <b>\$</b>
<b>Balance of equity at start of period</b>	<b>46,568,558</b>
<b>CONTRIBUTED EQUITY</b>	
Balance at start of period	19,142,955
Capital contribution	0
Other contributions by owners	
Distributions to owners	0
Balance at end of period	<b>19,142,955</b>
<b>RESERVES</b>	
<b>Asset Revaluation Reserve</b>	
Balance at start of period	19,168,158
Changes in accounting policy or correction of prior period errors	
Restated balance at start of period	<b>19,168,158</b>
Gains/(losses) from asset revaluation	0
Balance at end of period	<b>19,168,158</b>
<b>ACCUMULATED SURPLUS (RETAINED EARNINGS)</b>	
Balance at start of period	8,257,445
Changes in accounting policy or correction of prior period errors	
Restated balance at start of period	<b>8,257,445</b>
Surplus/(deficit) or profit/(loss) for the period	<b>-582,345</b>
Gains/(losses) recognised directly in equity	
Balance at end of period	<b>7,675,100</b>
<b>Balance of equity at end of period</b>	<b>45,986,213</b>
Total income and expense for the period	<b>-582,345</b>

## 5.1.9. S40 Submission – Cash Flow Statement

<b>Kimberley Training Institute</b> <b>S40 SUBMISSION</b> <b>CASH FLOW STATEMENT</b>	
	<b>2012</b> <b>Estimate</b> <b>\$</b>
<b>CASH FLOWS FROM STATE GOVERNMENT</b>	
State funds	23,990,987
Capital contributions	
Holding account drawdowns	
<b>Net cash provided by State Government</b>	<b>23,990,987</b>
<b>Utilised as follows:</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
<b>Payments</b>	
Employee benefits	-18,821,088
Supplies and services	-6,938,955
Finance costs	
Grants and subsidies	-345,351
GST payments on purchases	-316,697
GST payments to taxation authority	
Other payments	-1,397,909
<b>Receipts</b>	
Fee for service	1,991,269
Student fees and charges	812,790
Ancillary trading	51,547
Commonwealth grants and contributions	758,817
Interest received	93,941
GST receipts on sales	262,567
GST receipts from taxation authority	113,520
Other receipts	613,033
<b>Net cash provided by/(used in) operating activities</b>	<b>-23,122,517</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sale of non-current physical assets	20,000
Purchase of non-current physical assets	-450,000
<b>Net cash provided by/(used in) investing activities</b>	<b>-430,000</b>
<b>Net increase/(decrease) in cash held and cash equivalents</b>	<b>438,471</b>
Cash and cash equivalents at the beginning of the period	2,517,982
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>2,956,453</b>

## 5.2. Detailed Key Performance Indicators Information

### 5.2.1. Key Performance Indicators

#### Certification of Key Performance Indicators

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of Kimberley Training Institute and fairly represent the performance of Kimberley Training Institute for the financial year ended 31 December 2012.



Mr Niegel Grazia  
Governing Council Chair  
Kimberley Training Institute

Dated: 13 March 2013



Ms Karen Dickinson  
Managing Director  
Kimberley Training Institute

Dated: 13 March 2013

## Desired Outcome

Kimberley Training Institute's agency level desired outcome is the provision of vocational education and training services to meet community and industry training needs.

The Institute's mission is *to 'provide access to lifelong, flexible, high quality learning pathways for individuals, industry and communities through education and training'*.

## Key Effectiveness Performance Indicators

### 5.2.2. KPI 1: Overall Student Satisfaction

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

Student satisfaction was measured through the 2012 Training WA Student Satisfaction Survey, conducted by an independent organisation, Patterson Market Research.

87% of students who responded to this survey were either very satisfied or satisfied with their chosen course at Kimberley Training Institute. This compares to the State average of 86% and, whilst it is not equivalent to the achievement from 2011, it is comparable to the Institute's average of satisfaction scores from the last four years. The useable population at Kimberley Training Institute was 1,564. The total sample size was 295.

For each stage of the research, a sample frame was created based on the minimum required responses for each quota, and the number of responses that had already been received for each group. Sample sizes were based on achieving a sampling error with no more than a  $\pm 3.4\%$  confidence rating for each of the regional State Training Provider samples.

In 2012, the weighting methodology was changed for the WA Student Satisfaction Survey. The reason for the change was statistical. Previous to 2012, the weighting methodology was applied to WADT Groups, which in some cases, meant that excessively large multipliers were applied to very small groups of students. The new weighting methodology is now applied to the student's age, gender, and training provider, weighting the data to representative proportions. This new weighting scheme ensures that the Student Satisfaction Survey sample accurately reflects the gender and age profiles of STP's and is simpler to administer. This change to the statistical weighting methodology, including the significant increase in student responses over the previous year, accounts for the decrease in KTI's satisfaction rating compared to 2011 however, is still above the 2012 target of 85%. It is also worth noting that the reported satisfaction ratings from previous years remain the same, based on the old weighting methodology, as when recalculating using the new methodology, the variances are negligible.

	2009	2010	2011	2012 (1)	2012 Target
Kimberley Training Institute	90%	86%	96%	87%	85%
Western Australia	86%	87%	88%	86%	

Notes:

- (1) The 2012 Student Satisfaction Survey was conducted by Patterson Market Research in consultation with the Department of Training and Workforce Development. The response rate was 87.4% with a standard error of 1.7%. This is comparable to the State average of 0.3%, and reflects a significant improvement over past years. The Institute has put in place a number of strategies to improve response rates including increased communication to students and lecturers about the survey and what it means for them and KTI.

### 5.2.3. KPI 2: Graduate Employment

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

Kimberley Training Institute is unable to provide statistics for 2012 due to this survey only being conducted bi-annually; however we can report that the National average was 78%.

YEAR	Employed	Unemployed	Not in Labour Force
2009	84%	6%	10%
2010 (1)	N/A	N/A	N/A
2011 (2)	84%	6%	9%
2012 (1)	N/A	N/A	N/A

Notes:

- (1) Institute level data for this survey is not available this year, however a National result is provided by NCVET. Institute results are available bi-annually.
- (2) The 2011 Student Outcomes Survey was conducted by Social Research Centre on behalf of the National Centre for Vocational Education Research (NCVER). The survey targeted students who graduated from a State Training Provider in 2010. In 2011 the graduate response rate for Kimberley Training Institute was 35%, compared to a National response of 42%.

### 5.2.4. KPI 3: Student Outcomes – Achievement of Main Reason for Studying

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

Kimberley Training Institute is unable to provide statistics for 2012 due to this survey only being conducted bi-annually; however we can report that the National average was 85%.

**Percentage - Students achieved reason for study:**

YEAR	Kimberley Training Institute	Western Australia	National
2009	94%	88%	86%
2010 (1)	N/A	N/A	85%
2011 (2)	93%	88%	86%
2012 (1)	N/A	N/A	85%

Notes:

- (1) Institute level data for this survey is not available this year, however a National result has been provided by NCVET. Institute results are available bi-annually.
- (2) The 2011 Student Outcomes Survey was conducted by Social Research Centre on behalf of the National Centre for Vocational Education Research (NCVER). The survey targeted students who graduated from a State Training Provider in 2010. In 2011 the graduate response rate for Kimberley Training Institute was 35%, compared to a National response of 42%.

**5.2.5. KPI 4: Achievement of Institute Profile**

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

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

The original target in the 2012 DPA was 710,000 SCH and the Institute achieved 100.8% of this original target. The overall revised profile target was 706,700 SCH (Addendum No. 2 to the DPA) and the achievement was 715,685 SCH. This represents an achievement of 101.3% against the renegotiated DPA target.

YEAR	Planned SCH (DPA)	SCH Achieved (Census)	% Achieved / Planned
2009	440,000	446,028	101.4%
2010	450,000	489,080	108.7%
2011 (1)	550,000	703,519	127.9%
2012 (2)	710,000	715,685	100.8%

Source: Verified Institute Census Data 2012

Notes:

- (1) The original planned SCH target in the 2011 DPA was 550,000 SCH. This was negotiated upwards to 665,000 SCH by way of Addendum No. 1 to the 2011 DPA and then a further increase was granted to 700,000 SCH (Addendum No. 3 to the DPA). The actual SCH achievement against the final revised target is 100.5%.

- (2) The original planned SCH target in the 2012 DPA was 710,000 SCH. This was directed by the Department of Training & Workforce Development (DTWD) downwards to 706,700 SCH by way of Addendum No. 2 to the 2012 DPA. The actual SCH achievement against the final revised target is 101.3%.

### Industry Groups

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

Industry Groups	SCH Delivered 2009	SCH Delivered 2010	SCH Delivered 2011	SCH Delivered 2012	Planned DPA SCH 2012
Recreation Sports and Entertainment	0	0	0	8,005	4,000 <sup>(1)</sup>
Visual and Performing Arts	48,015	39,547	59,674	54,932	51,400
Automotive	18,576	9,400	8,162	16,497	12,800 <sup>(2)</sup>
Building and Construction	38,818	61,724	77,069	98,035	92,700
Community Service	24,300	13,745	33,790	29,445	33,300 <sup>(3)</sup>
Education and Childcare	32,470	31,917	55,975	53,860	57,500
Health	0	6,570	13,250	28,320	19,000 <sup>(4)</sup>
Finance, Insurance, Property Service Workers	3,730	14,200	9,452	14,312	8,000 <sup>(5)</sup>
Metal and Mining	6,557	7,029	97,084	72,357	53,300 <sup>(6)</sup>
Forestry, Farming and Landcare	88,061	89,705	102,306	64,988	97,150 <sup>(7)</sup>
Horticulture	26,490	44,564	28,165	49,474	35,000 <sup>(8)</sup>
Personal Service	0	3,477	26,250	11,288	34,000 <sup>(9)</sup>
Retail	1,688	15	560	0	2,000 <sup>(10)</sup>
Cooking	2,029	6,937	16,130	10,234	15,000 <sup>(11)</sup>
Hospitality	21,161	26,786	17,791	17,533	22,700 <sup>(12)</sup>

Industry Groups	SCH Delivered 2009	SCH Delivered 2010	SCH Delivered 2011	SCH Delivered 2012	Planned DPA SCH 2012
Tourism	19,745	21,425	12,455	16,355	20,000 <sup>(13)</sup>
Travel Agents	4,015	2,935	6,330	1,685	2,000 <sup>(14)</sup>
Transport Trades, Storage and Associated	2,034	7,307	3,876	13,465	8,000 <sup>(15)</sup>
Accounting and Other Business	0	0	3,210	9,955	10,500
Management	5,335	10,710	12,520	22,745	8,900 <sup>(16)</sup>
Office and Clerical	41,270	28,255	39,530	41,885	51,950 <sup>(17)</sup>
Computing	5,765	3,425	2,570	1,090	3,000 <sup>(18)</sup>
Science and Technical Workers	1,510	12,780	7,865	14,660	14,000
Adult Literacy / ESL	21,275	21,960	40,075	50,555	39,500 <sup>(19)</sup>
Languages	0	2,481	800	0	2,000 <sup>(20)</sup>
Targeted Access & Participation Courses	33,184	22,186	28,630	14,010	12,300 <sup>(21)</sup>
<b>TOTALS (Student Curriculum Hours)</b>	<b>446,028</b>	<b>489,080</b>	<b>703,519</b>	<b>715,685</b>	<b>710,000</b>

Source: Verified Institute Census Data 2012

Notes:

- (1) To support KTI's successful Sport & Recreation delivery, taking place under a partnership arrangement with the Department of Sport and Recreation and Garnduwa.
- (2) In 2012, the Motor Trade Association (MTA) transferred all apprentices located in the Kimberley to KTI. All ongoing training for apprentices will be delivered by KTI in the Kimberley.
- (3) KTI has experienced only moderate increases in Community Services over the last two years and plans to use this SCH to support current delivery in the area of 04C - Health.
- (4) The Institute received funding from the Department of Health & Ageing under a Fee for Service arrangement to service clients in Certificate III and IV in Community Services and Aged Care in 2011. Hence, this increase supported current increased delivery levels in this area.
- (5) The demand for the delivery of Security Operations is increasing in line with the commercial growth in Broome.
- (6) KTI won a contract to deliver a number of qualifications to 150-170 staff members at Argyle Diamond Mine in Kununurra under an RPL methodology. The courses are Certificate II in Resource & Infrastructure Operations Work Preparation, Certificate III in Surface Extraction Operations and Certificate III in Resource Processing. These additions to the Institute's scope have required substantial capacity building in the trade's area, but have provided better articulation pathways for training and employment. This increased capacity has been achieved through partnership arrangements with both public and private RTOs and by substantially increasing the number, quality and industry credibility of trade's lecturers so as to position the

- Institute to meet local emerging training needs. The appointment of a dedicated mentor to support trade's trainees and apprentices has also impacted significantly on retention and completion rates.
- (7) 2012 has seen a decrease in aquaculture, pastoral and conservation & land management training. In 2006, the Bardi Jawi ranger group piloted the concept of the Kimberley Ranger Initiative and now the numbers are decreasing. Similarly Agriculture (PIQL) has seen a decrease due to the live cattle export ban in early 2012 that affected the Indigenous Land Corporation and Pastoralists' and Graziers' Association members.
  - (8) Horticulture is a Kimberley skills shortage area, particularly in the East, due to the Ord Stage Developments. Moderate growth was experienced for 2012.
  - (9) The beauty program had been delivered in collaboration with the WA Academy (private RTO) and was fulfilling a local niche in the booming hospitality and tourism industry in Broome since 2010, however has seen a decline in 2012.
  - (10) The local retail industry is dominated by the big national retailers, who are their own RTO's and hence do in-house training.
  - (11) KTI has enjoyed a stable cohort of students studying commercial cookery. The Global Financial Crisis is still impacting on the tourism industry therefore support for training in the local industry has not increased. KTI has a refurbished café in Broome to deliver commercial cookery but a purpose built facility with more space is required to be able to provide training to larger groups of students.
  - (12) The local Industry Training Needs Analysis indicates the focus in 2012 for hospitality should be on the provision of local Aboriginal training being conducted. Again, the Global Financial Crisis is still impacting on the tourism industry therefore support for training in the local industry has not increased.
  - (13) The demand in the Kimberley for Cultural Tourism has declined with previous students opting for qualifications and training in mainstream courses. Again, the Global Financial Crisis is still impacting on the tourism industry therefore support for training in the local industry has not increased.
  - (14) The Global Financial Crisis is still impacting on the tourism industry therefore support for traineeships in the local travel industry have not increased.
  - (15) Demand for maritime programs has increased.
  - (16) KTI has developed an array of business and frontline management programs to support local small business. The promotion and up-take of RPL in Diploma courses has been very successful in 2012.
  - (17) Delivery in this WADT group supports administrative staff with development of business and basic IT skills. Delivery in this area was anticipated to be steady with small decreases.
  - (18) KTI have implemented more flexible delivery strategies and schedules to accommodate local industry so that ongoing training is more aligned to clients already employed in industry. Delivery in this area is anticipated to be steady with small decreases. In addition, re-scoping of the computing qualification towards the end of the year did not allow us to enrol students.
  - (19) It is widely recognised that literacy and numeracy levels within the Kimberley are significantly below the State average and pose significant barriers to further study or entering employment; therefore CGEA has been widely employed to address this gap. KTI has established four Open Learning Centres across the region to provide flexible Language, Literacy and Numeracy support.
  - (20) Student Curriculum Hours (SCH) has been moved to industry specific vocational programs as well as the GATE program (WADT group 19E), which provides a more flexible framework for pre-vocational delivery.
  - (21) There has been a substantial demand for the delivery of work readiness programs in the Kimberley. KTI offers a program which is customised to assist Kimberley people of all ages to begin or recommence training or employment. This two step program, delivered under GATE, provides a highly supportive program that will motivate students and build confidence to identify potential career pathways. It encompasses the following areas: health & wellbeing; managing home; managing change, what it means to have a job; time management; personal presentation; licence preparation and the compilation of a document portfolio. Additional time allocation is generally attributed to particularly low entry levels due to substantial gaps in primary and secondary schooling. We are continually working to improve completion rates within the realms of the students' abilities. It is anticipated that in the much longer term the "Closing the Gap" strategy will impact on students schooling patterns and overall levels of literacy and numeracy. Over 50% of the Institute's clients are of Aboriginal descent, and it has been recognised that these Kimberley cohort require additional time to reach required levels of literacy and numeracy competency.

## Non Profile Delivery

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

### Non-Profile Delivery SCH:

	2009	2010	2011	2012	2012 Target
<b>Non-Profile Delivery</b>	66,322	75,654	71,917	71,674	90,509
<b>% of Training Delivery</b>	12.9%	13.4%	9.3%	10.0%	12.7%

Source: Verified Institute Census Data 2012

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

### Efficiency Indicator:

#### 5.2.6. KPI 5: Cost per Student Curriculum Hour (SCH)

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

The Cost per SCH measure shows the overall unit cost per SCH delivered through both profiled and non-profiled activities based on Total Cost of Services, as detailed in the 2012 Financial Statements.

The cost per SCH delivered in 2012 was \$42.51

### Cost per SCH Delivered:

	2009 (1)	2010 (2)	2011 (3)	2012 (4)	2012 Target
<b>Total Cost of Services</b>	\$20,408,600	\$24,125,588	\$28,122,967	\$33,470,382	\$30,587,508
<b>Total SCH Delivered</b>	512,350	564,734	775,436	787,359	810,509
<b>Total Cost per SCH Delivered</b>	\$39.83	\$42.72	\$36.27	\$42.51	\$37.74

Notes:

- (1) The increase in this KPI over 2011 and target for 2012 is (mainly) attributable to the following factors:
- Back payment of additional Superannuation payments in relation to the determination that redefined what constitutes Ordinary Time Earnings. This extra payment totalled \$565,748.
  - Large increase in Resources Provided Free of Charge (from Department of Training and Workforce Development), which resulted in an extra \$514,065 expenditure for 2012.
  - Additional \$589,288 in leave provisions (mainly due to additional provision for North West Leave as well as increased staffing levels).
  - Increase of \$453,603 in depreciation, related to the completion of \$13M in Capital Works Projects – hence increasing the building asset base substantially.

These four factors (in total) contribute \$2,122,704 to the Total Cost of Services. If these factors were discounted then Cost per SCH in 2012 would have been \$39.81.

In addition, SCH attributed to commercial activities fell short of the expected result by 18,835 SCH. However, the financial impact in this area is mainly caused by some high cost (and high income) activities; e.g. Broome Maritime Simulation Centre and Aged Care delivery.

### 5.3. Ministerial Directives

There were no Ministerial directives received for Kimberley Training Institute relevant to desired outcomes, operational objectives, investment activities or financial activities for 2012.

### 5.4. Other Financial Disclosures

#### 5.4.1. Pricing Policies

Under the Vocational Education and Training Regulations 1996, the Institute may determine fees and charges for services, other than for services prescribed by the Minister for Training and Workforce Development. Kimberley Training Institute has documented fees and charges payable, including those gazetted by the Minister, in its annual Fees and Charges Policy.

#### 5.4.2. Capital Works

Kimberley Training Institute needs the infrastructure to meet the challenging training demands that growth necessitates across the Kimberley. A number of major developments (such as Ord Stage II, Argyle Diamond Mine underground expansion, proposed LNG project at James Price Point, Gibson Iron, new West Kimberley Regional Prison and Broome North) have either commenced, or are planned for the Region.

The year just ended saw the completion of two major Capital Works Projects (at Kununurra and Fitzroy Crossing) and the successful negotiation of funding for three much needed further developments (at Broome, Derby and Halls Creek Campuses), as follows:

#### **Ord Stage II – upgrades to Wyndham and Kununurra Campuses**

The Australian Government (through DEEWR) funded \$10M (as part of the Ord Stage II development to upgrade and expand the Kununurra and Wyndham Campuses).

The Wyndham portion of the project was completed in 2011 and the \$9M expansion at Kununurra was completed in 2012. This redevelopment comprises:

- Major extensions to the existing Trades Workshop complex, comprising two new classrooms, new Automotive and Carpentry & Joinery workshops, new lecturer's office and ablution block
- Redevelopment and extensions to the Horticulture Compound.
- Two new general purpose classrooms
- Horticulture Lab and classroom
- New Hospitality classroom
- New vehicle garages and compound

### **New Fitzroy Crossing Campus**

This State funded \$3M project was completed in April 2012. The development of this vital modern training facility at Fitzroy Crossing incorporates two classrooms, administration offices and ablutions at a new site adjacent to the new District High School.

The following three Capital works are due to commence in 2013.

### **Broome Campus – Additions and alterations to trades training area**

This project with a total budget of \$15.46M has been funded by the State - (\$5.46M in the State budget) and \$10M from Royalties for Regions. The project is being tendered in early 2013 and is scheduled to be completed by the end of 2014.

This redevelopment involves a new Carpentry and joinery workshop, additions and alterations to existing metal and auto trades areas, Civil Construction training area and secure vehicle fleet parking.

### **Derby Campus – Additions and alterations to trades workshop**

This \$6.2M redevelopment is funded from Royalties for Regions.

The Derby project involves full alterations and additions to the Loch Street workshop facility; including new workshop areas for Automotive, industrial skills, Carpentry and Joinery, new classrooms, administration, staff and student amenities and a multifunctional conference room with delivery capabilities.

The project is currently in the tender advertising stage and handover of the new facility is programmed for March 2014.

### **Halls Creek Campus – New Automotive Workshop and upgrades to existing campus infrastructure**

The total budget for this redevelopment project is \$3.118M with \$2.8M from Royalties for Regions and the remaining funds from the State (through the Department of Training and Workforce Development – Minor Works funds).

The Halls Creek works comprise a new Automotive workshop, alterations and additions to existing trades workshop to allow for industrial skills and Construction training, renovations to existing infrastructure, new air conditioning service, upgrading of existing

disabled access, upgrade of existing on site staff accommodation, new Art and Craft area, internal access paths and vehicle access roads.

## 5.5. Governance Disclosures

### Enabling Legislation

- Vocational Education and Training Act 1996 (Kimberley Training Institute was established as an autonomous body on 1 July 1999 under Section 35 of this Act)
- Vocational Education and Training (Colleges) Regulations 1996
- Vocational Education and Training (General) Regulations 2009

### Other Legislation

Other legislation affecting the functions and operations of Kimberley Training Institute, but is not limited to:

### State Legislation

- Auditor General Act 2006
- Building and Construction Industry Training Levy Act 1990
- Building and Construction Industry Training Fund and Levy Collection Act 1990
- Children and Community Services Act 2004
- Corruption and Crime Commission Act 2003
- Criminal Code Act Compilation Act 1913
- Disability Services Act 1993
- Education Service Providers (Full Fee Overseas Students) Registration Act 1991
- Electoral Act 1907
- Electronic Transactions Act 2011
- Equal Opportunity Act 1984
- Evidence Act 1906
- Financial Management Act 2006
- Freedom of Information Act 1992
- Industrial Relations Act 1979
- Library Board of Western Australia Act 1951
- Limitation Act 2005
- Minimum Conditions of Employment Act 1993
- Occupational Health and Safety Act 1984
- Public Interest Disclosure Act 2003
- Public Sector Management Act 1994
- Salaries and Allowances Act 1975
- School Education Act 1999
- State Records Act 2000
- State Supply Commission Act 1991
- Workers' Compensation and Injury Management Act 1981
- Working with Children (Criminal Record Checking) Act 2004

## Commonwealth Legislation

- Competition and Consumer Act 2010
- Copyright Act 1968
- Copyright Amendment (Digital Agenda) Act 2000
- Corporations Act 2001
- Education Services for Overseas Students Act 2000
- Electronic Transactions Act 1999
- Evidence Act 1995
- Fringe Benefits Tax Act 1986
- Mutual Recognition Act 1992
- National Vocational Education and Training Regulator Act 2011
- Privacy Act 1988
- Skilling Australia's Workforce Act 2005
- Spam Act 2003
- Trade Marks Act 1995

## Employment and Industrial Relations

Kimberley Training Institute has campuses in Broome, Derby, Fitzroy Crossing, Halls Creek, Kununurra and Wyndham and currently employs approximately 210 full-time, part-time and casual staff. 52% of the total workforce is engaged as lecturing staff (casual and non-casual). 48% of the workforce is engaged in a diverse range of non-lecturing positions in areas such as Corporate and Training Administration, Student Support, Facilities and Services, Information Systems and the Maritime Simulator Centre.

The average number of full time equivalent staff (**excluding casuals**) employed at each Campus over the period 2010 to 2012 was as follows:

Campus	2010	2011	2012
<b>Broome</b>	70.55	95.37	110.00
<b>Derby</b>	12.33	16.27	14.26
<b>Fitzroy Crossing</b>	1.75	2.84	4.17
<b>Halls Creek</b>	7.03	6.39	7.29
<b>Kununurra</b>	30.46	26.40	26.10
<b>Wyndham</b>	3.47	3.88	5.62
	<b>125.59</b>	<b>151.15</b>	<b>167.44</b>

\*Workforce Data taken from the Institute's Empower HRMIS.

No major industrial relations issues are reportable for the period.

## 5.6. Other Legal Requirements

### 5.6.1. Advertising

In accordance with Section 175ZE of the Electoral Act 1907, the Institute spent \$28,971 (an increase of \$7,032 on 2011) through ADCORP Australia for recruitment advertising.

The Institute also spent \$46,806 (a reduction of \$32,042) on advertising courses and general information, which was spent with the following agencies:

ADCORP	\$8,524
Get Smart	\$8,162
Interspace	\$3,879
Market Creations	\$2,619
Lizart	\$1,241
Pindan	\$1,860
Redwave	\$1,720
Spotlight	\$2,720
Miscellaneous	\$16,082

### 5.6.2. Disability Access and Inclusion Plan Outcomes

Kimberley Training Institute is committed to its obligations under Equal Opportunity legislation, the Disability Services Act 1993, the Commonwealth Disability Discrimination Act 1992 and Disability Services Regulations 2004.

The Institute's Disability Access and Inclusion Plan (DAIP) 2012 – 2016 was submitted to and accepted by the Director General, Disability Services Commission in May 2012. The DAIP 2012 – 2016 outlines strategies to increase access and inclusion to the Institute's services and facilities for people with disability and medical conditions.

Kimberley Training Institute customises service, including making reasonable adjustment to the provision of assessment services, to facilitate the successful participation of people with disability in education, training and employment.

Initiatives undertaken in 2012 to address the desired DAIP outcomes include:

- In consultation with community groups, customised training has been provided for people with disability promoting pathways to further education, training and employment including Certificate II in Business, Certificates in General Education for Adults (CGEA), Certificate I in Rural Skills and Certificate I in Horticulture, Certificate II Hospitality, Certificate II ATSI, Certificates I, II, III & IV Visual Arts and Contemporary Craft, Certificate III Arts Administration. In consultation with Disability Services Commission a customised Inclusive Arts Course was developed in 2012 for the enrolment of students both with and/or without a disability. This course was very successful and will be run again in 2013..
- People with disability and medical conditions have the opportunity to access individualised learning support to ensure access and participation in their training at the Institute e.g. free tutorial support - USIQ, equipment and learning aids have been purchased as required.
- Continuous access improvements have included improved access to accessible toilets, automatic doors to buildings, Easy Access parking bays and updated signage.
- Where possible all new buildings and major renovations have been designed and built to comply with access Standards. Where this has not been possible,

arrangements for alternative venues for course delivery venues have been made available.

- A checklist has been developed and implemented as a part of the Institutes ongoing commitment to ensure that events organised by the Institute are accessible to all people.
- The Institute is committed to ensuring that learning resources, including online resources, are available in accessible formats, complying with copyright regulations.
- There is an ongoing commitment to ensure that the Institute's website meets Web Content Accessibility Guidelines WCAG 2.0
- The Institute maintains ongoing liaison and partnerships with community agencies that assist people with disability into training and employment.
- The Institute's customer feedback process includes options for verbal complaints and support for people with disability to provide feedback.

In compliance with annual reporting requirements, a Disability Access and Inclusion Plan (DAIP) progress report was submitted in July 2012 to the Disability Services Commission indicating that 18 of 24 identified planned strategies were considered completed.

Specific projects linked to the six outcomes specified in the Institutes DAIP can be found in the KTI DAIP 2012 – 2016 located on the Institutes Internet website.

### **5.6.3. Compliance with Public Sector Standards and Ethical Codes**

The Institute is committed to ensuring compliance and 'best practice' requirements of the Public Sector standards in Human Resource Management, the Public Sector Code of Ethics and the Institute's Code of Conduct. The KTI Code of Conduct was updated in late 2012 to reflect compliance with Commissioners Instructions 7 and 8. The changes have been promoted to all staff.

Human Resources (HR) policies and procedures are regularly reviewed and updated to ensure compliance with Public Sector Standards. During the reporting period the Institute did not receive any 'requests for review' against the Public Sector Standards in Human Resource Management.

Maintaining awareness of the Public Sector Standards and the Code of Conduct is achieved through staff training, newsletters, staff meetings, email communication and the Institute's Intranet.

All staff have access to HR policies and procedures, including policies that relate to performance management, redeployment, termination, discipline, grievance resolution, and employment standards through the Institute's Intranet.

The induction process for new staff includes the provision of a copy of the Code of Conduct and Code of Ethics. All new staff are required to read and sign to indicate that they are aware of and understand the requirement to comply with the Code of Ethics and Code of Conduct.

91% of all permanent and fixed term contract staff at Kimberley Training Institute have completed on-line Accountable and Ethical Decision Making module awareness training.

As required under Section 31 of the Public Sector Management Act 1994, the Institute has complied in 2012 with its reporting requirements to the Office of Public Sector Standards in relation to Public Sector Standards, Code of Ethics and its Code of Conduct. During the reporting period regarding no breach of Public Sector Standards claims were lodged (Grievance) under Public Sector Human Resource standards. The Institute referred one matter of suspected misconduct to the Corruption and Crime Commission (CCC). The matter referred was not finalised within the 2012 calendar year, there is therefore no outcome to be reported at this time.

#### **5.6.4. Equal Employment Opportunity**

Kimberley Training Institute actively promotes a workplace free of discrimination and compliance with legislative requirements.

In compliance with human resource obligatory information reporting requirements for the Public Sector Commission, Kimberley Training Institute provides information for the Equal Employment Opportunity sector annual reporting. The information provided is primarily related to employment processes and staffing profile.

#### **5.6.5. Record Keeping Plans**

Kimberley Training Institute (KTI) is a signatory to the sector wide Recordkeeping Plan (RKP) which was submitted to the State Records Commission (SRC) in 2012 as prescribed by the State Records Act 2000. KTI is required to report as required by the State Records Office (SRO), Principles and Standards 2002 (Standard 2, Principle 6) on:

##### **The efficiency and effectiveness of KTI's recordkeeping systems**

During 2012, KTI successfully upgraded the Electronic Recordkeeping Management System (Hewlett Packard's TRIM) to version 7.1 which produced significant benefits including improved access to information, increased staff productivity and better capture of documents, particularly emails. Currently KTI has 185 users of TRIM.

The 2012 Recordkeeping Evaluation Checklist highlighted some areas of improvement, and some have been addressed or are in the process of completion. These include:

- TRIM (Electronic Document Records Management System) has been rolled out to all staff (an increase of 142% on the previous year).
- The updated Recordkeeping Plan (RKP) 2012 was approved by the State Records Commission (SRC) on 7 December 2012.
- Regular TRIM training is provided to all users.
- Training and awareness in Records Management is being achieved not only in terms of TRIM training but also through the online Recordkeeping Awareness Training course (RAT).

## Recordkeeping Training and Online Induction Program

KTI continues to provide an online Recordkeeping Awareness Training (RAT) course so that staff are aware of their recordkeeping responsibilities. All staff are enrolled in this course which has been completed by 83 staff during 2012 and is a mandatory component of our new staff induction. Regular TRIM training is delivered on a needs basis to all staff and covers all aspects of capturing business records.

### The efficiency and effectiveness of the recordkeeping training program

The online Recordkeeping Awareness Training (RAT) training program has been highly efficient because it is easily accessible by KTI staff and the pace of the course can be to a level determined by the staff member. In terms of effectiveness, below are statistics on TRIM records created in 2012:

- Corporate Files created - 4,259
- Corporate Documents captured – 45,649
- Archive Boxes Created – 310

### 5.6.6. Freedom of Information

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

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

Managing Director  
Kimberley Training Institute  
PO Box 1380  
Broome WA 6725  
Telephone: 0891929104

The Institute did not receive any applications under the auspices of the FOI Act in 2012

### 5.6.7. Public Disclosures

The Public Interest Disclosure Act 2003 came into effect on 1 July 2003, requiring the Institute to:

- Facilitate the disclosure of public interest information.
- Provide protection for those making disclosures.
- Provide protection for those who are the subject of a disclosure.

In accordance with the Act, the Institute has appointed a Public Interest Disclosure (PID) Officer and has published and promoted internal policies and procedures related to its obligations. There were no PID applications received for the reporting period.

Changes to the Public Interest Disclosure Act 2003 changed on 21 November 2012 when amendments contained in the Evidence and Public Interest Disclosure Legislation

Amendment Act 2012 came into operation. These changes have been incorporated in to the Institutes policies and procedures and the changes promoted as a part of staff induction and refresher processes in early 2013.

### **5.6.8. Superannuation - Introduction of SuperChoice**

In 2011 the WA State Parliament amended the State Superannuation Act 2000 to provide for choice of superannuation fund for WA State Government employees. The amendment provided most State Government employees the right to choose which super fund their employer superannuation contributions were paid to. Prior to this, in most cases, contributions were paid into GESB. 'Choice of Super' came into effect 30 March 2012.

## **5.7. Government Policy Requirements**

### **5.7.1. Occupational Safety, Health and Injury Management**

Kimberley Training Institute is committed to ensuring that staff, clients, visitors and contractors are not exposed to anything in the work environment which may result in injury or harm to their health.

Safety and health at work is both an individual and a shared responsibility of all employees.

#### **The management of the Institute is committed to -**

- Improve the standards of safety and health in all work areas and will regard the Occupational Safety and Health (OSH) Act 1984 (WA), associated legislation, and relevant Australian Standards as the minimum acceptable levels.
- Integrate OSH into all aspects of the work place.
- Promote communication about OSH
- Plan, develop, implement and monitor safe systems of work to maximise opportunities for continual improvement in safety performance.
- Take effective action to provide and maintain a safe work place.
- Ensure all accidents and incidents are investigated and action taken to prevent recurrence.
- Manage risk through the implementation of management systems to identify, control, assess, monitor and, as far as is practicable, control risks within the working environment.
- Require contractors and visitors to abide by all policies and procedures that have been formulated in the interest of OSH.
- Ensure that all employees have the necessary knowledge and skills to undertake their work in a safe and healthy manner.

In 2012 the Executive of Kimberley Training Institute determined, due to the ongoing growth of the organisation and the expanding opportunities that KTI is offering and as part of their commitment to Safety and Health in the workplace that a full time position of Occupational Safety and Health Coordinator would be created and appointed to. This occurred in April 2012.

Kimberley Training Institute held elections for new OSH representatives in 2012 and successfully appointed 16 OSH representatives – a marked increase in the total number of such officers. KTI actively encourages and promotes their involvement in the

prevention, identification and implementation of OSH strategies. The OSH Committee, including the employee representatives, form the key to occupational safety and health consultation within Kimberley Training Institute. The Committee members appointed, location and details are communicated to all employees. The members are accessible and effectively utilised by both management and employees in the discussion and resolution of occupational safety and health issues. The committee meets on a bi-monthly basis to review and resolve OSH issues including hazard and incident reports as well as review progress towards strategic OSH targets.

Kimberley Training Institute, in conjunction with all other State Training Providers (STP's), utilise the STP OSH Manual. Parts of this (Including the Workers Compensation and Injury Management Processes) have recently been reviewed by the OSH Co-ordinators from each of the STP's. KTI continues to meet and exceed the legislative requirements around workers compensation reporting and procedures as well as ensuring that appropriate return to work plans and injury management plans are developed and adhered to.

In April 2010 the Institute requested an independent audit of its Safety Management System (SMS) with the intent of identifying areas for improvement. As at the end of 2012 over 50% of the 21 major recommendations have been implemented including specific OSH inductions for Staff and contractors.

There were 27 reported accidents/incidents/hazards recorded during 2012. Two involved students; seven involved staff members and the remaining involved damage to property. Seven cases required first aid assistance and/or referred for treatment by medical practitioners.

<b>Indicator</b>	<b>Target 2011-2012</b>	<b>Institute Performance</b>
Number of fatalities	Zero (0)	Zero
Lost time injury/disease (LTI/D) incidence rate	Zero (0) or 10% improvement on the previous three (3) years	Three
Percentage of injured workers returned to work within (i) 13 weeks and (ii) 26 weeks	Greater than or equal to 80% return to work within 26 weeks	100%
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	Greater than or equal to 80%	95%

## List of Acronyms

AACAP	Army Aboriginal Community Assistance Program
AASB	Australian Accounting Standard Board
ABS	Australian Bureau of Statistics
ADM	Arygle Diamond Mine
AEDM	Accountable and Ethical Decision Making
AEETC	Aboriginal Education, Employment and Training Committee
AQF	Australian Qualification Framework
AQTF	Australian Quality Training Framework
ATSI	Aboriginal and Torres Strait Islander
BAC	Broome Aquaculture Centre
BMSC	Broome Maritime Simulation Centre
BMW	Building Management and Works
CAVSS	Course in Applied Vocational Study Skills
CCC	Corruption and Crime Commission
CDEP	Community Development Employment Programs
CGEA	Certificates in General Education for Adults
CALS	Clontarf Aboriginal Life Skills
COAG	Council of Australian Governments
DAIP	Disability Access and Inclusion Plan
DEEWR	Department of Education, Employment and Workplace Relations
DoHA	Department for Health and Aging
DPA	Delivery and Performance Agreement
DTWD	Department of Training and Workforce Development
EBT	Employment Based Training
EDRMS	Electronic Document Records Management System
EKCDEP	East Kimberley Community Development Employment Programs
ESL	English as a second language
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FFS	Fee for Service
FIFO	Fly in/Fly out
FMG	Fortescue Metals Group Ltd
FOI	Freedom of Information
FTE	Full Time Equivalent
GROH	Government Regional Officers Housing
GESB	Government Employees Superannuation Board
GSS	Gold State Superannuation Scheme
HR	Human Resources
ILC	Indigenous Land Council
ITAS	Indigenous Tutorial Assistance Scheme
JSA	Job Services Australia
KES	Kimberley Employment Services
KGT	Kimberley Group Training
KLC	Kimberley Land Council
KRSP	Kimberley Regional Service Providers
KTI	Kimberley Training Institute
LIPS	Local Implementation Plans
LLN	Language, Literacy and Numeracy
LLNP	Literacy Language and Numeracy Program
MG	Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation

MLCR	Module load completion rate
NCVER	National Centre for Vocational Education Research
NESB	non English speaking background
OLC	Open Learning Centre
PID	Public Interest Disclosure
RAT	Records Awareness Training
RDA	Regional Development Australia
RKP	Record Keeping Plan
RPL	Recognition of Prior Learning
RSD	Remote service delivery
RTO	Registered Training Organisation
SCH	Student Curriculum Hours
SMS	Safety Management System
TAE	Training and Assessment
TI	Treasurer's Instruction
TRIM	Total Records and Information Management
USIQ	Underpinning Skills Industry Qualifications
VET	Vocational Education and Training
VETiS	Vocational Education and Training in Schools
WELL	Workplace English Language and Literacy
WSS	West State Superannuation Scheme