

**2014
Annual
Report**



56%
Aboriginal
students

91%
Student
Satisfaction



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Statement of compliance

For year ended 31 December 2014



Hon Liza Harvey 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 calendar year ended 31 December 2014.

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

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

Karen Dickinson
Managing Director and Accountable Officer

10 March 2015

A handwritten signature in black ink, appearing to read 'P Rowles'.

Peter Rowles
Chairman, Governing Council

10 March 2015

From the Chair and the Managing Director

Together we are pleased to present the 2014 Annual Report of Kimberley Training Institute (KTI). The report is testament to the Institute's capacity to thrive in a complex environment, and under increasingly difficult operating conditions.

In 2014 the Institute again demonstrated the performance outcomes that led to its award as the Western Australia 2013 Training Provider of the Year. We met or exceeded almost all our performance targets in a year of considerable change, and we strengthened our performance in a number of key areas that will position us well for the future.

The introduction of Future Skills WA presented some challenges to the way the Institute delivered training and services in the Kimberley, but against all indicators to the contrary KTI achieved 98.5% of its Student Contact Hours (SCH) target for 2014, one of the very few State Training Providers to do so. This continued the Institute's solid pattern of growth in delivery over the past six years.

In 2014 we delivered training to over 4,200 students in the Kimberley, which means that we directly impacted on the lives of over 10% of the total population of the region – a penetration rate that is unlikely to be matched anywhere else in Australia. Through all this we maintained our overall student satisfaction rating of 91.3% compared to a state average of 86.9%.

Once again in 2014 the Institute continued to be a very significant business and contributor to social capital in the Kimberley. We employed over 200 staff and we contributed over \$30 million to the local economy. We trained over 4,000 people, delivered over 740,000 hours of government-funded training and taught around 100,000 hours of commercial short courses.

In mid-2014, in response to rapidly changing operating conditions, our Governing Council took the decision to renew our Strategic Plan one year ahead of schedule. As a result we spent considerable time in 2014 reflecting on how to position the Institute for the future. The outcome is our new three year plan (2015 – 2017) based on balanced scorecard principles.

We could not have achieved our positive results for 2014 without our committed and passionate staff who have a remarkable capacity to develop innovative strategies that suit the Kimberley context. We thank them, and we also thank our industry and community partners who relied on us to meet their workforce development needs and who trusted us to be able to deliver the training when, where and how they needed it.

Peter Rowles
Chair, Governing Council

Karen Dickinson
Managing Director

A summary of the Institute's activities

In a year of enormous change for the state training system, Kimberley Training Institute achieved outstanding results.

Once again our student satisfaction rating was a highlight, with over 91% of our students indicating that they were satisfied or very satisfied with the quality of our training. This was the second highest State Training Provider ranking in the state and continued our exceptional record of meeting the expectations of our students. According to our students this high level of satisfaction was underpinned by the quality of our lecturers and our campus facilities.



KTI graduates

We met most of our Delivery and Performance Agreement (DPA) targets and exceeded those in priority industry training (+5.6%), entitlement delivery (+6.3%) and language, literacy and numeracy (LLN) programs (+30.5%).

We had a massive 118% increase in Foundation skills courses, due largely to increased use of the foundation level courses Underpinning Skills for Qualifications (USIQ) and the Course in Applied Vocational Study Skills (CAVSS). The large increase in LLN programs was an outcome of a concerted strategy to support vocational delivery with language and literacy support, and we have started to see a turnaround in completion rates as a consequence. This was particularly so in our smaller campuses where vocational programs were partnered with USIQ.

While there was a downturn in Certificate IV and Diploma programs in 2014, we exceeded the Diploma SCH target in our Performance Agreement. It was apparent that the downward shift in higher level programs was a direct consequence of higher fees and this was confirmed in our Student Satisfaction Survey results where students in the Kimberley rated cost a much higher priority than the rest of the state, and were more dissatisfied with the cost of training¹. Potential students in the Kimberley were slow to respond to the potential benefits of VET FEE Help, and instead shied away from investing in skills development. We expect this to change over the next few years, but adaptation to the new fee regime may be slow.

Apprenticeships and traineeships have been in decline across Australia for the past couple of years, so it is not surprising that our delivery in Employment Based Training (EBT) flat-lined. On a positive note, we continued our strong working relationship with

¹ *Student Satisfaction Survey 2014: Kimberley Training Institute*, Department of Training and Workforce Development and Patterson Research Group, January 2015

Kimberley Group Training, and the signs are very positive for increased activity in employment based training in the future.

Our pattern of delivery changed over the past year with the Student Satisfaction Survey reporting that more than twice the WA state average percentage of students came to the Institute to complete units or skill sets rather than full qualifications. This figure increased from just above 20% to nearly 30% of our students in 2014. This shift was also reflected in the reduced number of full qualifications completed.

2014 saw significant falls in delivery at both Fitzroy Crossing (-37%) and Derby (-30%), but very substantial growth in Kununurra (+69%). Loss of supported training through Remote Jobs and Communities Program providers (RJCPs) was a major factor in the declines at both Fitzroy Crossing and Derby, while growth in Kununurra was due to well-developed relationships with local agencies such as East Kimberley Jobs Pathways and Kimberley Group Training.

Delivery to Aboriginal and Torres Strait Islander (ATSI) students was around 56% of the total, but delivery to ATSI students decreased at the higher levels. We continued to provide intensive support for Indigenous students through our Aboriginal Training Services team, and our additional LLN delivery was largely focused on this cohort.

We continued our growth in delivery to students under 18 years with a 13% increase on 2013. Our VET in Schools program expanded because of an increased demand from schools. We also had an increase from 304,006 SCH to 323,552 SCH (+6.4%) in delivery to the 15-24 years cohort. This was consistent with our strategic intent to engage with young people and to create seamless pathways from school to vocational education and training, and to re-engage with young people who had disconnected from education and training.

In 2014 we focused on developing lecturer capacity and ensuring that quality training and assessment documentation was in place for all courses. We developed our Quality Management System (QMS) to the point where it now underpins all our quality assurance activities and gives our staff confidence that they are operating within the appropriate professional frameworks.

During the year we continued to be a regional driver for industry relationships and partnerships around workforce development. This was evidenced in the relationships we maintained with organisations and businesses such as the Aboriginal Workforce Development Centre, Remote Jobs and Communities Program providers, Jobs Services Agencies, the six shires in the region, Kimberley Ports, Seaways, Kimberley Land Council, and other State and Australian Government agencies – to name just a few.

We also maintained our partnerships with other training providers including Great Southern Institute (OHS and High Risk courses), Challenger Institute (Aquaculture), Polytechnic West (Adult Migrant English Programs), Barefoot Training (Horticulture) and Greening Australia (Conservation and Land Management). We continued to be signatories to an MOU between regional state training providers in relation to collaboration in commercial activities.

Our Fee for Service delivery grew by over 17% to 100,841 SCH, but still remains a relatively small proportion of our overall training effort. International students continued to provide us with a small additional source of commercial income, and most of these approached us directly rather than through Education Training International.

We were delighted with the completion of new trade facilities in Halls Creek, Derby and Broome. These state-of-the-art facilities will equip us to meet the needs of the trade's Industry across the region. The Institute acknowledges the contribution of both the State Government and Royalties for Regions in making these new facilities possible.

Importantly for the financial sustainability of the Institute, we managed to reduce our leave liability, and contain or reduce our expenditure on a number of fronts.

- Our leave liability decreased by \$0.3m (10%) due to a concerted effort by our managers.
- Despite a 12,404 SCH (1.4%) increase in training delivery, employment costs were contained during 2014, remaining at a similar level to 2013. This was the result of tight fiscal control.
- A cost reduction of \$141,000 (3%) was achieved in employee housing assistance due to a renegotiation of rental contracts and increasing employee contributions.
- Stationery costs were reduced by \$34,000 (46%) over the two year period from 2012 to 2014 as a result of tighter internal controls.
- Telephone costs fell by \$25,000 (39%) in 2014 due to a rationalisation of surplus lines, combined with the introduction of VOIP technology.
- A cost saving of \$97,000 (24%) was achieved in cleaning costs due to re-tendering of cleaning contracts at the commencement of the year.
- \$206,000 (40%) was saved across 2012 to 2014 due to extension of vehicle leases by an average of two years and a reduction in the fleet numbers by four vehicles.
- Travel costs were reduced by \$148,000 (14%) across the two year period from 2012 to 2014 due to a cost reduction strategy including combining travel wherever possible.

In summary, 2014 was a positive year for the Institute, providing a very solid base for moving forward. We met our industry and community expectations, and we fulfilled our contractual commitments with the Department of Training and Workforce Development. Most importantly we also met the expectations of our primary stakeholders – our students. By all these accounts, 2014 was a most successful year for Kimberley Training Institute.

An overview of 2014 performance

Performance outcomes

Student satisfaction (WA State average 86.9%) Source: WA State Student Satisfaction Survey 2014, DTWD	91.3%
Graduates finding employment after study * (WA State average 81.4%) Source: Student Outcomes Survey 2013, National Centre for Vocational Education Research	89.3%
Number of students enrolled (0.3% decrease from 2013) Source: Unified Enrolments system (DTWD)	4,243
Total Student Curriculum Hours (SCH) delivered (1.5% increase from 2013) Source: Unified Enrolments system (DTWD)	843,353
SCH delivery in priority industry training (no data prior to 2014) Source: Unified Enrolments system (DTWD)	84,161
SCH delivery at Foundation skill level (118% increase from 2013) Source: Unified Enrolments system (DTWD)	116,511
SCH delivery to Aboriginal students (7.9% increase from 2013) Source: Unified Enrolments system (DTWD) – all funding sources; AVETMISS data	474,072
% SCH delivery to Aboriginal students (6.5% increase from 2013) Source: Unified Enrolments system (DTWD) – all funding sources; AVETMISS data	56%
Number of Aboriginal students enrolled (5.8% increase from 2013) Source: Unified Enrolments system (DTWD) – all funding sources; AVETMISS data	1,937
Apprentices and trainees in training (3% increase from 2013) Source: Unified Enrolments system (DTWD)	275
SCH delivery to apprentices and trainees in training (8.9% decrease from 2013) Source: Unified Enrolments system (DTWD)	73,534
SCH delivery at Certificate IV and above (36.8% decrease from 2013) Source: Unified Enrolments system (DTWD)	91,991
SCH delivery to students under 18 years (13.5% increase from 2013) Source: Unified Enrolments system (DTWD)	124,491
Number of students identifying with a disability (16% decrease from 2013) Source: Unified Enrolments system (DTWD) – all funding sources; AVETMISS data	212
Module Load Completion Rate (MLCR) (0.9% decrease from 2013) Source: Unified Enrolments system (DTWD)	68.9%
Fee for Service SCH (17.3% increase from 2013) Source: Unified Enrolments system (DTWD)	100,841
Overseas full fee paying SCH (38% increase from 2013) Source: Unified Enrolments system (DTWD)	11,600

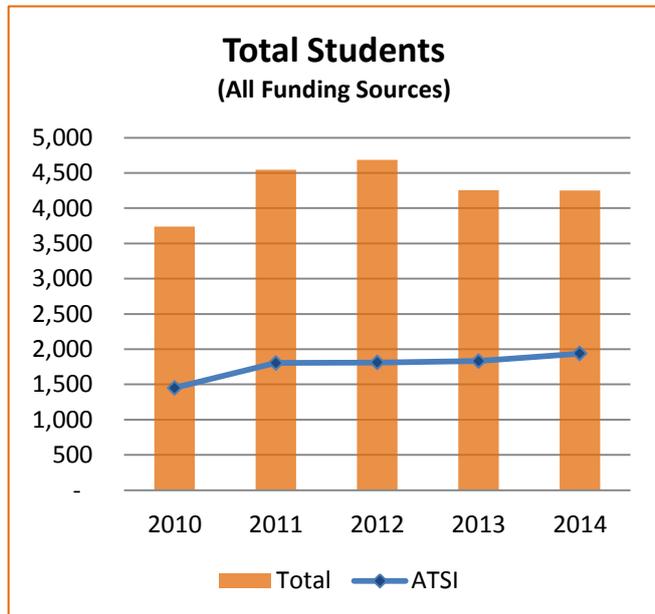
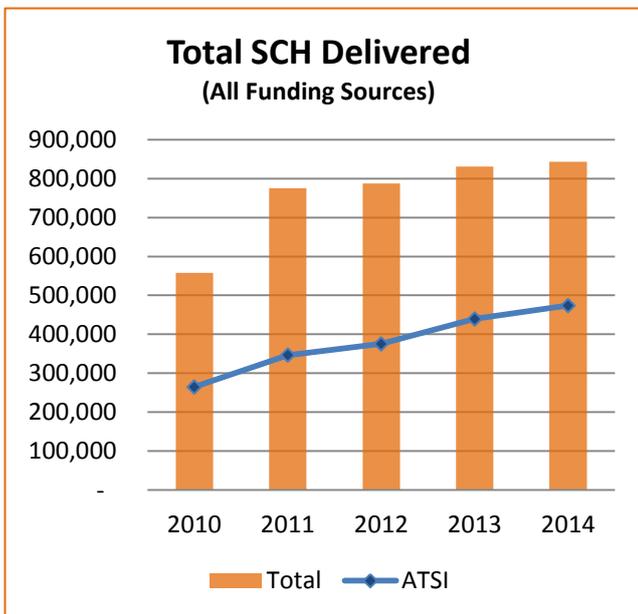
* 2012 data (2014 data not available)

Financial outcomes

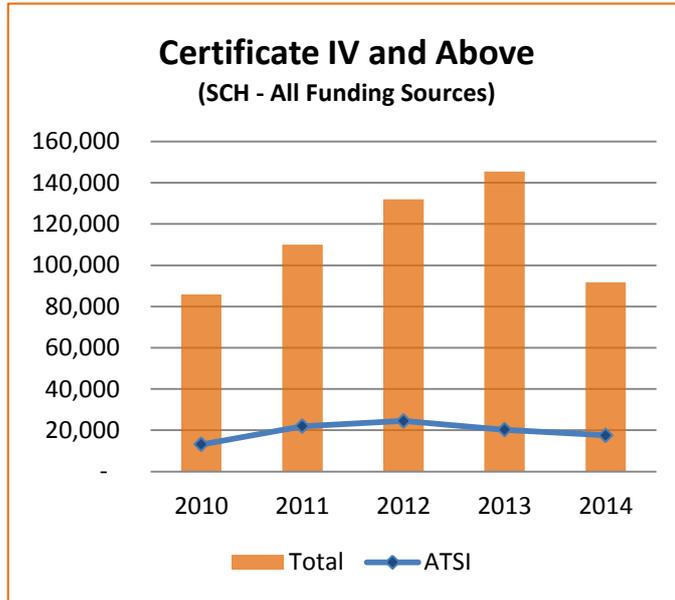
Income:	\$34,179,671
DPA income	\$28,172,532
Grants and subsidies	\$1,592,888
Fee for service	\$1,145,639
Student fees and charges	\$1,437,364
Expenditure:	\$34,867,726
Employee costs	\$23,931,497
Supplies and services	\$7,664,470
Employees	213 (176.55 FTE)
Leave liability (includes Annual Leave and Long Service Leave)	\$2,760,612

At a glance

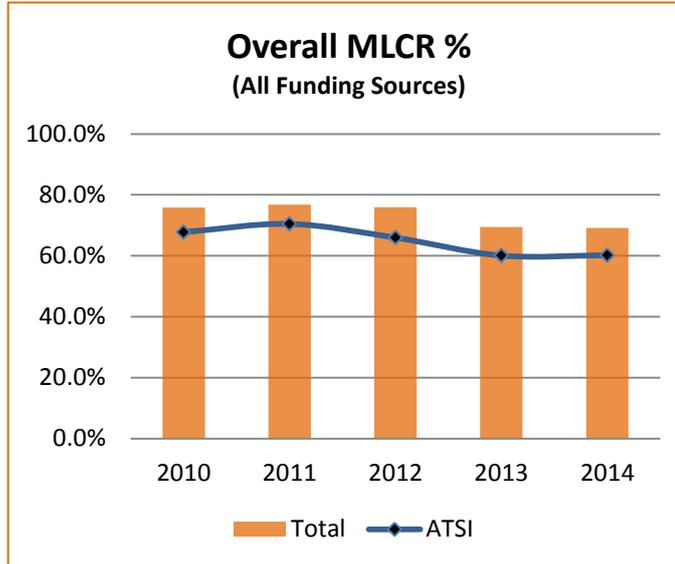
The Institute has been on a growth trajectory for the past five years. Total delivery in 2014 exceeded the previous year by 12,404 SCH. The total number of students has remained stable for the past two years after exceptional participation in the previous two years.



Training delivery at higher levels decreased markedly due to higher fees. We experienced a 37% downturn in training engagement at Certificate IV and above.



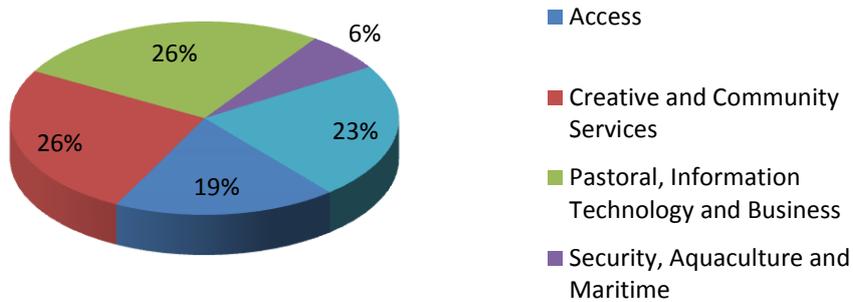
Our Module Load Completion Rates (MLCR) were lower than anticipated. While there are complex reasons to account for this², the Institute sees this as a significant issue and is developing strategies to address this in the future.



² Reasons include: a high level of withdrawals by VETiS students mainly in Halls Creek, staff turnover at Argyle Diamond Mine where we were conducting a skills recognition program, and high withdrawal from disengaged youth programs.

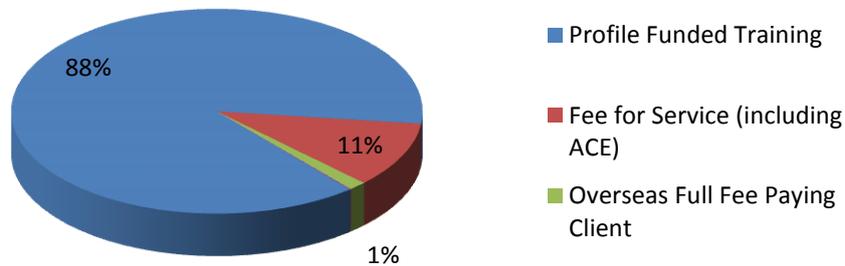
The Institute has five delivery portfolios, with most delivery occurring in Creative and Community Services (Hospitality and Tourism, Arts, Allied Health), Pastoral, IT and Business, and Trades.

Total SCH by Portfolio in 2014 (All Funding Sources)



The Institute’s training delivery is largely government funded, with around 10% of income from Fee for Service programs.

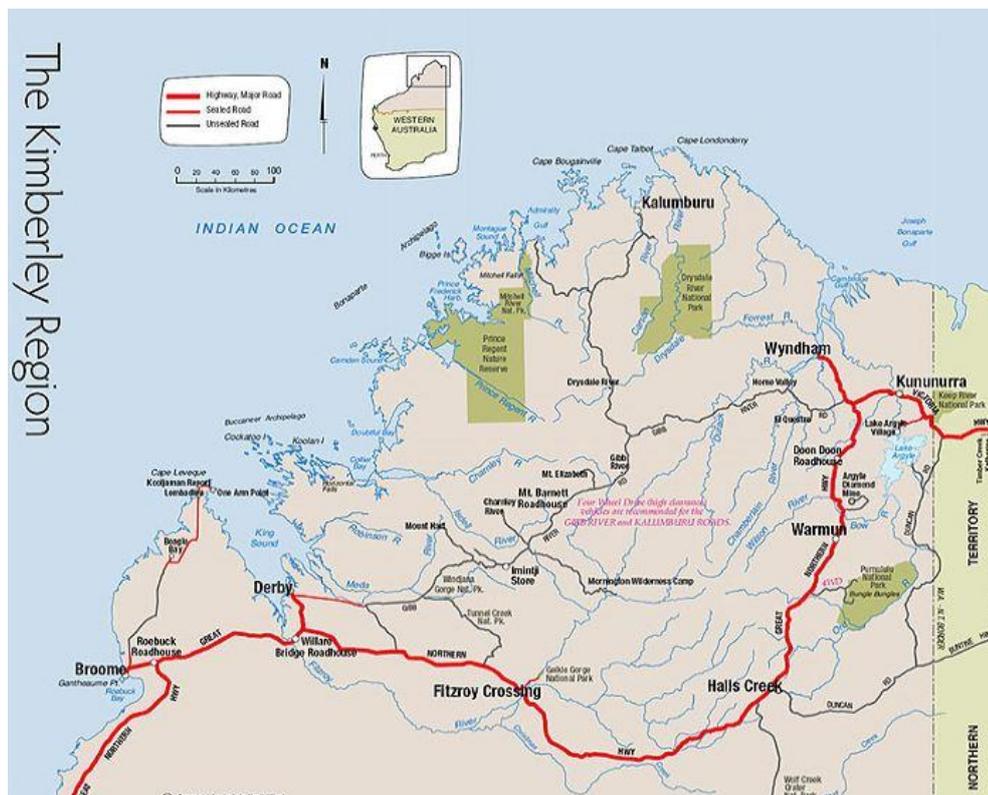
Total SCH by Funding Source in 2014



The Institute's operating environment

Kimberley Training Institute is the major provider of post-secondary education in the north-west of Australia. There is no on-campus higher education in the region, and therefore the Institute provides the only local post-school training and education for the people of the Kimberley.

The Kimberley region



Source: Australia's North West

The Kimberley region covers around 420,000 square kilometres, representing approximately 16.3% of the state's total area.³ The major population centres are the six regional towns of Broome, Derby, Fitzroy Crossing, Halls Creek, Kununurra and Wyndham, which coincide with the Institute's six campuses. Broome and Kununurra are the two largest towns and are sub-regional centre hubs in the West Kimberley and East Kimberley areas respectively.

There are around 160 discrete Aboriginal communities in the region, with more than 30 Aboriginal languages. Around one quarter of Western Australia's Aboriginal people live in the Kimberley.

The Institute's operational environment is complex, with extensive distances between population centres, large numbers of small remote communities, and local industries that are largely remote from their domestic and export markets.

³ *Kimberley: a region in profile 2014*, Department of Regional Development, 2014

The Kimberley population

The regional population is estimated at around 39,000⁴. The 2011 census recorded around 46% of the total Kimberley population as Indigenous.⁵

The Kimberley has a relatively young population with an overall median age of 30 compared to the state median of 36, and an Aboriginal median age of 22 (2006 census data).⁶ The Kimberley is one of the fastest growing regions in Western Australia, with the population predicted to reach 44,000 by 2023⁷, and by some other counts as high as 92,000 by 2036.⁸

The Kimberley economy

The economy of the Kimberley is diverse, with mining, agriculture, construction, tourism, and retail trade being major contributors to the region's GDP. Broome is a major centre for government services, and therefore public sector (Federal and State) expenditure is a significant contributor to the local economy, including that which is distributed through Aboriginal owned and controlled organisations.

Health care and social assistance, and education and training are the largest employers, with each employing more than 12% of the workforce.⁹

The Kimberley workforce

Unemployment in the Kimberley is typically around twice the state average. Aboriginal people are significantly underrepresented in the mainstream workforce, and labour participation figures are low, so the real extent of Indigenous unemployment is masked. In 2006, over half of Aboriginal people in employment were engaged in two sectors: health care and social assistance (26%) and public administration and safety (25%), and this pattern has not changed materially since then.

The Institute's regional activity

In 2014 more than half the Institute's total delivery (57%) was from the Broome campus. There was a rapid expansion of the Kununurra campus (68% increase on 2013), and a deep contraction of activity at the Derby campus (30% decrease on 2013). The small campuses at Fitzroy Crossing, Halls Creek and Wyndham together accounted for 14% of the Institute's total delivery.

⁴ The Australian Bureau of Statistics acknowledges a significant undercount of Indigenous people in the Kimberley.

⁵ This roughly parallels ATSI individuals' participation (46%) in the Institute's training programs, although SCH delivery to ATSI students is 56% which suggests that ATSI individuals are enrolled in more units than non-ATSI students.

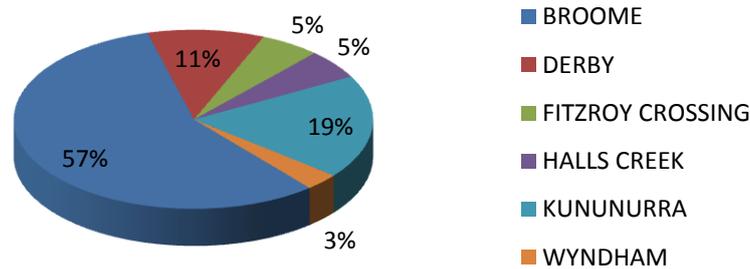
⁶ *Kimberley: a region in profile 2014*, Department of Regional Development, 2014

⁷ *Ibid.*

⁸ *2036 and Beyond: A regional blueprint for the Kimberley*, Kimberley Development Commission, 2014

⁹ *Ibid.*

Total SCH by Campus in 2014 (All Funding Sources)



Given the low levels of activity at the smaller campuses it is an ongoing challenge for the Institute to service these campuses and maintain their viability. In 2014 the Institute did not have a permanent presence at the Wyndham campus, but continued to offer programs in response to community demand, as well as providing the services of an Aboriginal liaison officer. The Institute continues to work closely with community organisations in Wyndham, Fitzroy Crossing and Halls Creek to develop collaborations which result in better outcomes for those communities.

The changing operating environment

In 2014 the Kimberley region went through a period of considerable change and economic adjustment. While the unique natural environment continued to be the basis for underpinning the tourism and hospitality industry, there was evidence of many other economic opportunities opening up in the region.

There was much discussion about the Kimberley's land and water resources that may provide substantial opportunities in the near future as Australia and its Asian neighbours seek to establish food security for growing populations.

In 2014 there were extensive community discussions about the development of the Ord-East Kimberley Agricultural Expansion project. While much of this activity is yet to operationalise, in 2014 the Institute established its framework for taking this forward.

Likewise, the Institute participated in many discussions with Shell and their contractors regarding 2016 commencement of operations at the Prelude offshore natural gas processing plant in the Browse Basin.

We expect that over the next three years there will be more projects of this sort opening up, and many of the project developers have a strong commitment to Indigenous employment. This presents some opportunities for the Institute to design and deliver programs that build work-readiness skills, social aptitudes, and vocational skills at a level that provide an economic return for business in the region.

The Institute's organisational environment

The Institute's overall strategy and direction is set by its Governing Council, while operational management of the Institute is delegated to the Managing Director.

Governing Council

Members of the Institute's Governing Council are selected for their ability to represent national, state and local industry and communities. The 2014 members of the Governing Council were as follows:

Governing Council Membership

Peter Rowles – Chair (since 1/7/2014)



Peter was the owner/director of a large civil engineering contracting business until 2009. During this period of business management Peter developed a strong belief in the merits of leadership, safety and team development. Peter is passionate about helping people to obtain the necessary skills to assist them with their work and life. He believes that the knowledge and skills obtained from training allow people to carry out their work safely to a higher standard, more efficiently and with more personal satisfaction.

Mick Unger – Deputy Chair (since 15/8/2011)

B Engineering – Civil (Hons), General Manager, Infrastructure Ertech and President Civil Construction Federation (WA Branch)



Mick is General Manager of Infrastructure with Civil Contractor, Ertech, as well as President of the Civil Contractors Federation (WA), and Board Member of the Construction Training Fund (BCITF). Through this experience Mick brings an industry perspective in relation to training needs, and he has established a number of successful training initiatives in the civil construction sector across both the East and West Kimberley with an emphasis on boosting Aboriginal participation in Civil Construction Projects.

Antoine Bloemen (since 13/7/2009)

LLB, B Juris, Retired. Previously Magistrate for the Kimberley and Pilbara



Antoine migrated with his young family to Australia 1972 after a period in the Belgian merchant marine and US army. He was accepted as a mature aged student at the University of Western Australia, graduated from Law school, worked as a legal officer for an insurance firm and then ran his own legal practice for 19 years. In 1995 he was appointed Magistrate for the Pilbara and in 1999 for the Kimberley and worked in the region until he retired in 2008. Since then he has served on boards with Nyamba Buru Yawuru, Roy Hill Mining and Kimberley Training Institute.

Karen Dickinson (since 29/6/2009)

B Health Science, Graduate Diploma in OSH, Masters in Health Services Management, GAICD
Managing Director, Kimberley Training Institute



Karen is Managing Director of Kimberley Training Institute. She began her career in the health sector and then moved into the Department of Education, Employment and Workplace Relations in 2006. Karen has worked in the north of Australia for nearly 10 years and is committed to ensuring quality vocational training is delivered and Industry's workforce development requirements are met.

Melissa Hartmann (since 1/6/2014)

B Sc NRM (Hons), MBA, GAICD. Company Director



Melissa is a Director of KPP Business Development and has extensive skills in business and strategic planning, tourism and economic development planning. Melissa is involved in supporting the development of Indigenous enterprises and organisations across the region. This expertise led to her current appointment as Managing Director of Morrgul Pty Ltd, a not for profit organisation funded to deliver business support to Aboriginal people and organisations in the Kimberley. Melissa is also member of the Regional Development Australia (Kimberley) board.

Christopher Mitchell (since 3/6/2008)

JP, Broome Shire Councillor, GAICD. Executive Officer, Regional Development Australia Kimberley



As Executive Officer of Regional Development Australia (Kimberley) Chris knows the Kimberley well, and is passionate about regional development opportunities including skills development and training that benefit the regional community. A Broome Shire Councillor for 23 years, he is currently the Chair of the Western Australian Local Government (WALGA) Kimberley Zone and a State Councillor. He holds several WALGA positions as a State representative on a number of Emergency Management committees, and the Rural and Remote Education Advisory Council.

Greg Moore (since 13/7/2009)

B Education Art, Grad Dip in Prof Art Studies, Cert IV Assessment and Workplace Training, Cert IV in Training and Assessment, Teacher Sacred Heart School Beagle Bay



Greg is a teacher at Beagle Bay and has been working and living on Aboriginal communities since 2002 when he commenced working on Thursday Island. His experience of living and working in Aboriginal communities enables him to contribute to the Institute's strategic direction.

Anthony Proctor (since 13/7/2009)

B Juris FCA FCPA, Chartered Accountant, Company Director



Tony has had a professional career spanning 35 years with KPMG Victoria as a senior partner specialising in tax and corporate finance. His career included 15 years' experience in major project and structured finance, managing major commercial transactions and in providing independent specialist advice to governments and industry both in Australia and in Asia. Since moving to Broome in 2001 he has successfully instigated a number of small business ventures. He was President of the Broome Chamber of Commerce and Industry from 2008 to 2014 and is a Director and Treasurer of Broome Future Ltd.

Lisa Spackman (since 5/11/2012)

B Education



Lisa has been in the East Kimberley for 25 years, and during that time she has owned and managed a number of small businesses and participated on many local committees. She is a passionate advocate for the small business community, with a keen interest in tourism for the Kimberley region. Lisa is currently Managing Director of a company that is engaged in a number of hospitality and tourism ventures.

Harold Tracey (since 5/11/2012)

Registered Builder No 10699, Director, H & M Tracey Construction Pty Ltd



Harold has over 30 years involvement with the construction industry, having owned and operated a majority owned indigenous construction company for the past 14 years, successfully delivering 23 apprentices in that time. He is the Director of four companies and is very involved with many local community groups, including the Aboriginal Workforce Development Centre Advisory Committee West Kimberley, Deputy Shire President of Broome, Kimberley Training Institute. He believes that training is essential for the development of future generations so that they can create opportunities for themselves and provide services for the community.

Governing Council members who departed in 2014

The following Governing Council members completed or resigned from their terms in 2014.

Niegel Grazia (2/7/2011 to 30/6/2014)



B Business, Vice President. Kimberley Woodside Energy Ltd

Glen Chidlow (17/10/2011 to 30/6/2014)



GAICD, MBA, Chief Executive Officer, Australia's North West Tourism

Glennis Bibra (17/10/2011 to 30/6/14)



MDM, Grad Dip Ed, Grad Dip FA, B Arch Sc, Dip Fine Art, Cert ID, Senior Program Manager, Arup

Senior officers

The following executive staff directed and monitored the Institute's performance in 2014.

Karen Dickinson, Managing Director



Karen Dickinson commenced as Managing Director of the Institute in 2009. Prior to that Karen held senior management roles in State and Australian Government agencies in Perth and the Northern Territory.

Lindsay Gassman, Corporate Services Director



Lindsay Gassman has more than 30 years management and executive experience, mainly in the Government Sector (Federal and State), complemented by four years as a manager in the Private Health Sector. He commenced as Corporate Services Director at Kimberley Training Institute in January 2000 and has a Master of Business Administration.

Markus Beuke, Director Training



Markus Beuke has spent over 15 years in the VET sector, which includes managing a private hospitality and tourism college and leading the hospitality and tourism division of a large WA state training provider. He joined Kimberley Training Institute in 2012. Preceding his VET career, Markus had many years of global experience in the hospitality and tourism industry in which he managed sizeable hospitality and tourism operations throughout Australasia. Markus has a Bachelor of Business.

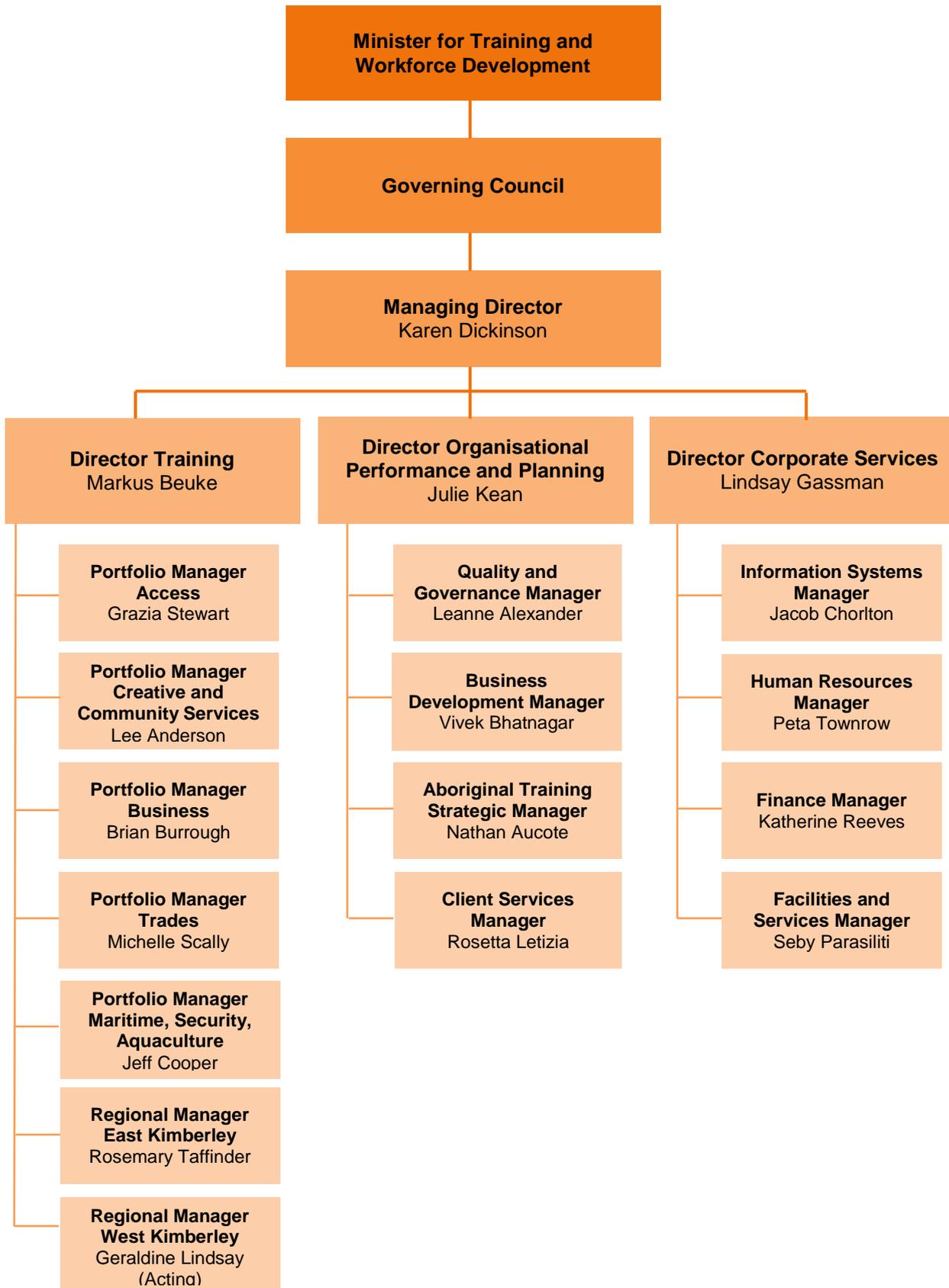
Julie Kean, Director Organisational Performance and Planning



Julie Kean has over 30 years' experience in the VET sector, and joined the Institute in January 2013. Prior to this Julie spent ten years as Executive Director of Organisational Development at a regional Institute in Victoria and then worked in the VET sector in the Pacific region for three years in roles related to VET planning and administration. She has a Bachelor of Arts, Master of Education, and post-graduate Diplomas in Education and Computer Education.

Our organisational structure

The Institute's organisational structure organisational structure and incumbents as at 20 December 2014 is shown below.



The planning environment

Vision, mission and values

In 2014 we aligned our planning and operations to our internal three year Strategic Plan as well as state and national training priorities. Our vision and values continued to be key elements of the Institute's operations.

The Institute's guiding vision is to be known as ...

The leading education and training provider in the Kimberley

The Institute's collective aim is to be recognised as ...

The best training provider in Western Australia

The Institute pledges to ensure that the following core commitments underpin what we do...

Providing quality lifelong learning experiences for individuals, industry and community through innovative and customised vocational training

Encouraging all people to value education, learning and employment

Focusing our efforts on encouraging all students to identify and achieve their aspirations

The Institute uses the following **SPIRIT** principles to judge how it goes about its business...

Success through

Professionalism

Innovation

Respect

Integrity

Teamwork

Kimberley Training Institute Strategic Plan

The Institute's 2013 – 2015 Strategic Plan was adopted by its Governing Council on 7 November 2012, and in 2014 continued to be our overarching aspirational framework. The Strategic Plan focused on five key priorities:

1. Providing an outstanding student experience.
2. Developing strong industry relationships and partnerships.
3. Ensuring the sustainability, capability and capacity of our Institute.
4. Focusing on community and social responsibility.
5. Growing our business.

Performance management framework

As a State Government agency the Institute is committed to supporting the Government’s priorities and goals. The Institute’s overall charter is to provide vocational education and training services to meet industry and community training needs, which is derived from the Government goal to ensure a greater focus on achieving results in key service delivery areas.

In particular, the Institute’s 2014 planning was aligned to the planning priorities of the Western Australia Government as shown below.

WA State priority	KTI priority
<p>State building – major projects: Building strategic infrastructure that will create jobs and underpin Western Australia’s long-term economic development</p>	<p>Ensuring the sustainability, capability and capacity of our Institute Growing our business</p>
<p>Financial and economic responsibility: Responsibly managing the State’s finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector</p>	<p>Ensuring the sustainability, capability and capacity of our Institute Growing our business</p>
<p>Results-based service delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians</p>	<p>Providing an outstanding student experience Developing strong industry relationships and partnerships</p>
<p>Stronger focus on the regions: Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality in remote and regional areas</p>	<p>Providing an outstanding student experience Developing strong industry relationships and partnerships Ensuring the sustainability, capability and capacity of our Institute Focusing on community and social responsibility Growing our business</p>
<p>Social and environmental responsibility: Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State</p>	<p>Focusing on community and social responsibility Growing our business</p>

Government strategic plans

In addition to the WA government's overall priorities, the Institute aligned its activities to the following state-wide plans:

- *Skilling WA: A workforce development plan for Western Australia, Department of Training and Workforce Development, 2nd edition, 2014*
- *Kimberley Workforce Development Plan 2014-2017, Department of Training and Workforce Development, 2013*
- *Training WA: Planning for the future 2009 – 2018, Department of Education and Training, 2009*
- *Training together – working together: Aboriginal workforce development Strategy, Department of Training and Workforce Development, Update 2014.*

Changes to outcome based management framework

Kimberley Training Institute's outcome based management framework did not change in 2014.

Shared responsibilities with other agencies

KTI did not share any responsibilities with other agencies in 2014.

The legislative environment

The Institute operates under the authority of the *Vocational Education and Training Act 1996* and the *Training Legislation Amendment and Repeal Act 2008* which are administered by the Minister for Training and Workforce Development.

The Institute also complies with the following legislative instruments which impact on its operations.

Key operational legislation

Auditor General Act 2006

Disability Services Act 1993

Equal Opportunity Act 1984

Financial Management Act 2006

Freedom of Information Act 1992

Industrial Relations Act 1979

Occupational Safety and Health Act 1984

Public Sector Management Act 1994

Public Interest Disclosure Act 2003

State Records Act 2000

Workers' Compensation and Injury Management Act 1981

Working with Children (Criminal Record Checking) Act 2004

Additional State legislation

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
Education Service Providers (Full Fee Overseas Students) Registration Act 1991
Electoral Act 1907
Electronic Transactions Act 2011
Evidence Act 1906
Financial Management Act 2006
Library Board of Western Australia Act 1951
Limitation Act 2005
Minimum Conditions of Employment Act 1993
Salaries and Allowances Act 1975
School Education Act 1999
State Supply Commission Act 1991

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

Responsible Minister

In 2014 Kimberley Training Institute was responsible to the Hon Dr Kim Hames, Minister for Training and Workforce Development MLA. From 8 December 2014 the responsible minister was the Hon Liza Harvey MLA.

Significant issues impacting the Institute

The following issues impacted on the Institute's performance in 2014 and some will continue to do so into 2015.

Future Skills

The introduction of the Future Skills WA presented some challenges to the way the Institute delivered training and services in the Kimberley. Delivery in Certificate IV and Diploma courses declined significantly, while delivery in the lower level courses with lower fees increased. The Institute had a low take up of VET-FEE Help loans which are intended to compensate for the higher fees. While we lack hard data which would allow us to analyse the reasons for this, there is anecdotal evidence that ATSI students (nearly 50% of our student population) in particular are more loan averse and less likely to take this up as an option. There is also evidence in the results of the Student Satisfaction Survey that students in the Kimberley are more sensitive to price than elsewhere in the state. In 2015 the Institute will adopt a promotional strategy of "study now, pay later" and will work intensively with Diploma lecturers to ensure they have an adequate understanding of the benefits of the loan scheme.

Changes to Federal Government funded programs

Changes to the machinery of government during the year affected providers of Indigenous services, including Remote Jobs and Communities Programs (RJCP). The shift of all federal-funded programs and activities to the Department of Prime Minister and Cabinet led to some uncertainty and confusion throughout the year. This was compounded by the rationalisation of over 150 individual funded programs into five broad-based programs under the banner of the Indigenous Advancement Strategy (IAS).

While project proposals for IAS funding were submitted in October 2014, decisions regarding funding outcomes have been delayed, with many organisations receiving temporary extension funding for a further six months to allow them to continue operating.

Some of our significant partners have been impacted by this and have been unable to commit to training programs for Indigenous people until they know the outcome of their funding proposals (expected end March 2015).

Temporary unavailability of trade facilities

The construction of new trade facilities and the substantial renovation of existing trade facilities at the Broome and Derby campuses meant that teaching facilities were decommissioned for significant periods of time during 2014. While this was unavoidable, it led to a loss of delivery in automotive, building and construction and engineering. With the new facilities now in place we expect a return to normal levels of activity in 2015, and potentially an increase in delivery.

Increased competition

While the Institute is somewhat protected by its remote location and thin markets, we have experienced an increase in competition from private Registered Training Organisations, particularly in lower-cost delivery areas such as business, child care and community services. The Institute's strategy for managing this risk is to maintain our high quality standards and to promote ourselves as the local provider with local knowledge.

Changing economy

The economy of the Kimberley is changing rapidly, with shifts away from tourism and hospitality (although these will continue to remain staple industries in the region), and into agriculture, pastoral, mining, and transport and logistics. The challenge for the Institute is to be able to maintain a sufficiently flexible workforce to be able to respond to these changing environments and new training needs.



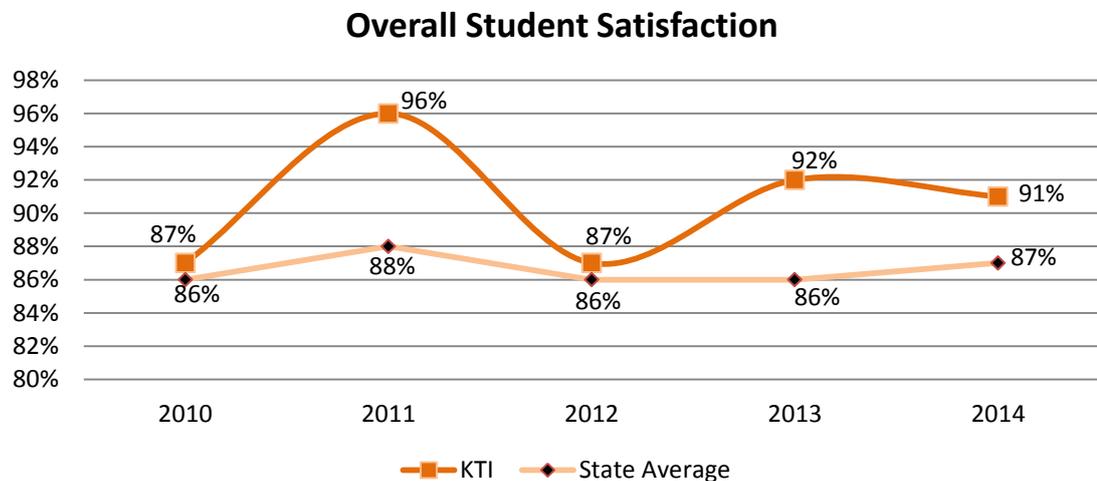
Strategic goal 1: Providing an outstanding student experience

The Institute continued to provide an outstanding student experience in 2014 through a wide range of programs and support services.

Student satisfaction

In the 2014 DTWD Student Satisfaction Survey, 91.3% of students who responded were either very satisfied or satisfied with their chosen course at Kimberley Training Institute. This compares to the State average of 86.9% and is similar to our previous year result.

To have held our position in the eyes of our students was an extraordinary outcome and largely attributable to the efforts of our passionate and dedicated staff.



Over 94% of the Institute's students confirmed that they gained the skills they wanted to learn from their course. They also endorsed the quality of lecturers (over 90%) and the Institute's facilities (over 90%). As an added bonus, they said that the overall campuses were a pleasant place to learn (94.5%).

Language, literacy and numeracy (LLN) support

We contributed to the positive student experience by making a considerable investment in language, literacy and numeracy support, largely through the USIQ (Underpinning Skills for Industry Qualifications) program.

We partnered LLN lecturers with vocational lecturers with very positive results. This was especially so in the delivery of aged care training throughout the Kimberley and the Pilbara, and building and construction training in the Fitzroy Crossing region. The latter required especially creative delivery strategies because of the remote and sometimes geographically hostile environments. In more than one instance lecturers have improvised by using the white panels of a four wheel drive vehicle as a whiteboard because no other facilities were available!

Aboriginal support

The Institute is proud of its strong commitment to supporting Indigenous students through its training and support programs. The Institute provides intensive mentoring, social, and financial support as a means of eliminating some of the barriers to participation in training.

In 2014 the Institute employed a team of 12 Aboriginal dedicated non-teaching staff (mostly Aboriginal Development Officers and Aboriginal Liaison Officers) at each of its campuses. These staff members played a key role in maintaining connections to community and country, and provided case management support for many of the Institute's indigenous students.

Over 93% of Aboriginal students were satisfied with their training experience with the Institute.

Conservation and Land Management and Horticulture

In conjunction with the Kimberley Land Council's (KLC) Kimberley Ranger Network, the Institute was a 2014 finalist in the WA Training awards for Training Initiative of the Year. Over the past six years, the KLC and the Institute have implemented a hugely successful program to provide training on traditional lands, with real employment outcomes in caring for country.

The Institute also negotiated an agreement with Greening Australia and Barefoot Training to deliver Certificate I and II in Conservation Land Management and Certificate II in Horticulture to various communities in the Pilbara. The delivery achieved very positive outcomes and it is intended that the relationship will be ongoing.



Conservation and Land Management students
(the Kimberley Ranger Network)

Strategic goal 2: Developing strong industry relationships and partnerships

The Institute recognises the critical importance of strong partnerships with industry and government and community service providers. These partnerships are a key element in ensuring that training leads to positive work outcomes. Some examples of our successes in this arena are provided below.

Traineeship and apprenticeship delivery

Despite the economic downturn in the region, the Institute's Employment Based Training (EBT) delivery largely held its own, due to strong partnerships with employers, and the two regional Group Training organisations: Kimberley Group Training and Skillhire.

Some small growth was achieved in automotive, horticulture, personal services, cooking, computing and transport trades and storage.

Areas that retracted included building and construction, health, metals and mining, forestry, farming and landcare, hospitality, and accounting and other business services.

The Institute continued to provide value-added services for employers and apprentices by organising all travel and accommodation for block training delivery in Broome. This was a deliberate strategy to minimise the barriers to participation in training, and maximise student retention.

The Module Load Completion Rate for apprentices and trainees was 88% (nearly 20% higher than for the total student cohort), and their overall student satisfaction rating was exceptional at nearly 94%.

Buru Energy pre-employment program

The Institute continued its partnership with Buru Energy to conduct an Environmental Cadetship program with ten Indigenous participants. The pre-employment program was conducted on Buru's work site at Burru - Yungngora community (Noonkanbah), and focused on vocational skills, work readiness, and personal development. Students completed Certificate II in Resources and infrastructure, White card, First Aid, PX2 (Personal Development) and USIQ.

WA Community Health Services employment program

In late 2014 we commenced an Indigenous pre-employment program in conjunction with the Western Australian Community Health Service (WACHS) and ITEC (a Job Services Australia agency). The training includes Certificate I GATE (Gaining Access to Tertiary Education), PX2, and units from the Certificate II in ATSI Primary Health Care. The overall program includes work experience provided by WACHS, with potential for long-term employment in a health service.

Aviation training

In 2014 we commenced delivery of aviation ground operations qualifications in response to demand from Kununurra airport. With the expected increase in aviation activity across the region (primarily associated with offshore gas processing), delivery in these qualifications is likely to grow in the next few years.

Indigenous Land Corporation

An agreement to re-establish the partnership between the Indigenous Land Corporation (ILC), Kimberley Group Training (KGT) and the Institute to delivery pastoral training at Roebuck Plains and Myroodah cattle stations had very successful outcomes for all the trainees who completed the program.

Rio Tinto Work Ready Program

In 2014 the highly successful Rio Tinto program again supported Indigenous people to graduate into jobs in the mining sector.



Rio Tinto graduates

Every year ten candidates are selected by Rio Tinto to undertake an 18 week work-readiness program designed to assist Aboriginal people – many with no previous work experience – to enter into fulltime employment.

The Institute provided training in Certificate II in Resources and Infrastructure. In addition to the vocational aspects of the program, students also took part in activities to develop important life and workplace coping skills.

Ongoing mentoring/coaching and support was an important component of the program, as was the work experience on site at Hope Downs 1 and West Angelas.

Real jobs were guaranteed on completion of the course which acted as a tremendous motivating factor to complete the course.

Kimberley Group Training

Towards the end of 2014 the Institute's Kununurra campus partnered with Kimberley Group Training to provide a Certificate I in Hospitality to a group of young Indigenous students. Of the seven young women who participated, six moved into traineeships, which is an outstanding result.



Kimberley Group Training Hospitality students

Collaborations and partnerships

Industry collaborations and partnerships in the Kimberley take many forms. Some 2014 examples included:

- The Master Builders Association/ Construction Training Fund sundowner held in September, which attracted over 30 construction stakeholders to the new KTI Trades facilities in Broome.
- Our Australian Trainer of the Year and Institute arts lecturer, Jacky Cheng, visited China for the APEC Youth Skills Camp as part of a delegation (with four of the national VET student winners) representing Australia, and
- Career Days were held at both our Broome and Kununurra campuses, allowing lecturers to engage with local employers in their industry area.

The Institute also supports collaboration with industry and community through membership with the Chamber of Commerce in Broome and Kununurra; as well as other industry bodies such as the Master Builders Association and SKAL International in Broome.

Strategic goal 3: Ensuring the sustainability, capability and capacity of our Institute

As the major provider of post-secondary education in the Kimberley, the Institute is committed to ensuring that it continues to deliver training programs and services that are comparable to or better than those offered in metropolitan regions. Some examples of this commitment are described below.

Facilities



Broome Carpentry & Joinery workshop

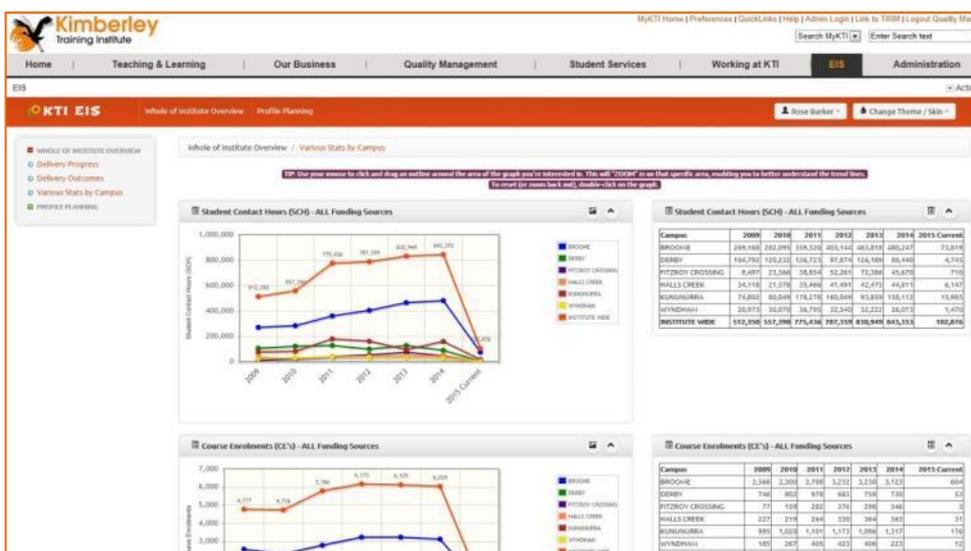


Carpentry and Joinery student

In 2014 the Institute completed over \$25 M of capital works, involving major upgrades to trades facilities at the Halls Creek, Derby and Broome campuses. These projects mean the Institute now has first class facilities for automotive, construction, and engineering.

Business systems

In 2014 the Institute implemented a new Enterprise Intelligence System (EIS) which makes it possible for all staff to directly access reports from the data warehouse. Managers can now interrogate the warehouse from their desktop and receive live performance data. This ability to monitor data on demand will be a powerful management tool into the future.



During the year we commissioned a new website www.kti.wa.edu.au in recognition of the role that it will play in providing key information to our students and stakeholders.



Governance review

In 2014 the Institute embarked on a systematic governance review, consistent with the Public Sector Commission Principles of Good Governance.

The Governing Council endorsed a Governance and Accountability Framework in October 2014, and has been regularly monitoring a governance acquittal checklist to ensure best practice in matters of governance and business oversight.

A new Handbook for all Institute committees, including revised Terms of Reference, was endorsed in October 2014.

Strategic goal 4: Focusing on community and social responsibility

Kimberley Training Institute excels at engaging with its communities and is a major contributor to community development across the region. Below are just a few examples of the many programs we have implemented to support this commitment.

Rural and Remote Aged Care program

In 2014 the Institute completed the fourth year of a Rural and Remote Aged Care project funded by the federal Department of Health and Aging. The program delivered culturally appropriate, accredited and targeted training to primarily Aboriginal and Torres Strait Islander aged care workers in eligible communities in rural and remote regions.

The program focused on developing core skill sets for Home and Community Care and Aged Care service providers as well as promoting opportunities for community members to participate in training that could lead to employment in the industry. In 2014 our lecturers visited project eligible communities delivering 308 days of training with 872 Units of Competency across the qualifications in Certificate III and IV Aged Care, Community Services and Home and Community Care. Accredited training was delivered to 85 people of whom 59 are Indigenous (69% Indigenous) in the Kimberley and Pilbara regions of Western Australia.

Youth Access Re-engagement Program (YARP)

The YARP program addresses the needs of young people who have become disengaged from mainstream education and provides a supportive transition back into further education and training.

In 2014 we continued to run two separate YARP groups for young men and young women. The participants worked on a range of personal development and language and literacy programs and most progressed into work or further study.

VETiS

The Institute maintained its active VET in Schools program involving the following regional schools.

- . Broome Senior High School
- . Christ the King Catholic School (Lombadina)
- . Derby District High School
- . Fitzroy Valley District High School
- . Halls Creek District High School
- . Kununurra District High School
- . La Grange Remote Community School
- . One Arm Point Remote Community School
- . St Mary's Catholic School
- . Wyndham District High School

. Yiramalay/Wesley Studio School (at Leopold Downs Station)

There was increased interest from schools in School Based Traineeships and Apprenticeships and we laid the groundwork to increase these in the future. We also planned with schools for the delivery of the Aboriginal School Based Training program, and in anticipation of this we added the GATE (Gaining Access to Tertiary Education) program to our scope of delivery.



VET in School students

Prisons

The Institute has been a long term provider of vocational programs to the Department of Corrective Services at its locations of Wyndham Work Camp and West Kimberley Regional Prison at Derby. In 2014 delivery was provided in a range of Certificate I, II and III courses as well as skills sets to both prisoners and employees. In 2014 for the first time the Institute commenced training apprentices and trainees in horticulture, hospitality and kitchen operations at the prisons.

Cultural awareness training

In 2014 a comprehensive cultural awareness framework was developed for Institute staff. The framework entails a multi-layered approach with staff completing a base level of cultural awareness and then graduating to higher levels as required by individual work roles.

In 2014 the introductory level of the program was incorporated in staff induction, while the rollout of the second level was commenced – with excellent feedback. Most of the training was provided by our Aboriginal support staff, with provision for delivery by local communities in order to ensure localised knowledge and understanding.

Strategic goal 5: Growing our business

In 2014 the Institute continued some pre-existing projects and initiated a number of new projects which contributed to growing our business.

Barramundi restocking

The Institute's Broome Aquaculture Centre (BAC) successfully delivered on the objectives for the Lake Kununurra Restocking Project with the largest release to date of 200,000 barramundi fingerlings into the lake. The project, administered through the Department of Fisheries, is part of the Kimberley Science and Conservation Strategy and not only releases barramundi back into the environment for conservation purposes but also aims to enhance the recreational fishing experience and develop a unique impoundment fishery that is expected to attract tourists from all over Australia. The breeding of the barramundi at the BAC is a unique learning opportunity for the Institute's aquaculture students.

Sport and recreation training

In 2014 we expanded our training to become the only Kimberley based training organisation registered to deliver the general principles of coaching courses under the auspice of the Department of Sport and Recreation and the Australian Sports Commission. This will provide KTI with future opportunities to deliver mandatory coaching course to all sporting clubs in the region.

Collaboration with other STPs

The Institute recognises the need to collaborate with other training providers to be able to meet the diverse training needs of the Kimberley.

In 2014 we continued to partner with Great Southern Institute for delivery of high risk and Occupational Safety and Health programs in the region. At the same time we also developed our own capacity for high risk training and therefore are better placed to meet this increasing demand from local industry.

We continued our partnership with Challenger Institute to collaborate on development of resources and training delivery for the aquaculture sector.

Given the lack of higher education provision in the Kimberley, we also commenced discussions with a number of tertiary education providers with a view to providing pathways from VET to higher education. Partnerships and connections were established with Notre Dame University, Edith Cowan University, Central Queensland University, and the Australian Centre for Indigenous Knowledges and Education (ACIKE).

Remote area service delivery

The Institute supported other agencies and businesses in the Kimberley through the delivery of remote area induction training, including four-wheel drive training, remote area safety, and remote First Aid.

Disclosure of legal compliance



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 2014, 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 2014 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 2014. 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 2014.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Kimberley Training Institute for the year ended 31 December 2014.

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 2014.

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 2014 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
4 March 2015

Financial statements

Certification of financial statements
for the year ended 31 December 2014

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 2014 and the financial position as at 31 December 2014.

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.



Peter Rowles
Governing Council Chair
Kimberley Training Institute

3rd March 2015



Karen Dickinson
Managing Director
Kimberley Training Institute

3rd March 2015



Katherine Reeves
Chief Financial Officer

3rd March 2015

Statement of comprehensive income

(For the year ended 31 December 2014)

	Notes	2014	2013
		\$	\$
Cost of services			
<i>Expenses</i>			
Employee benefits expense	7	23,931,497	23,981,661
Supplies and services	8	7,664,470	6,855,919
Depreciation and amortisation expense	9	1,548,844	1,544,520
Grants and subsidies	10	198,788	157,010
Cost of sales	15	20,181	30,088
Loss on disposal of non-current assets	19	-	6,492
Other expenses	11	1,503,946	1,552,301
Total cost of services		34,867,726	34,127,991
Income			
<i>Revenue</i>			
Fee for service	12	1,145,639	1,297,125
Student fees and charges	13	1,437,364	1,068,281
Ancillary trading	14	54,538	14,433
Sales	15	28,412	35,370
Commonwealth grants and contributions	16	1,592,888	846,087
Interest revenue	17	187,585	180,747
Other revenue	18	220,779	64,893
<i>Total revenue</i>		4,667,205	3,506,935
<i>Gains</i>			
Gain on disposal of non-current assets	19	210,804	-
<i>Total gains</i>		210,804	-
Total income other than income from State Government		4,878,009	3,506,936
Net cost of services		29,989,717	30,621,056
Income from the State Government	20		
Service appropriation		28,172,532	28,214,092
Services received free of charge		1,339,934	1,072,830
Total income from State Government		29,512,466	29,286,922
Surplus/(Deficit) for the period		(477,251)	(1,334,133)
Other comprehensive income			
Changes in asset revaluation surplus	32	1,477,024	741,975
Total other comprehensive income		1,477,024	741,975
Total comprehensive income/(deficit) for the period		99,773	(592,158)

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

Statement of financial position

(As at 31 December 2014)

	Notes	2014	2013
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	33	2,975,798	3,861,292
Restricted cash and cash equivalents	21,33	782,334	709,339
Inventories	22	22,415	35,180
Receivables	23	728,916	389,237
Other current assets	24	273,363	165,735
Total Current Assets		4,782,826	5,160,783
Non-Current Assets			
Property, plant and equipment	25	59,561,858	49,930,124
Intangible assets	27	18,541	228,377
Total Non-Current Assets		59,580,399	50,158,501
Total assets		64,363,225	55,319,284
Liabilities			
Current Liabilities			
Payables	29	1,103,999	997,861
Provisions	30	2,102,621	2,536,015
Other current liabilities	31	854,351	2,370,170
Total Current Liabilities		4,060,971	5,904,046
Non-Current Liabilities			
Provisions	30	835,405	739,352
Total Non-Current Liabilities		835,405	739,352
Total liabilities		4,896,376	6,643,398
Net assets		59,466,849	48,675,886
Equity	32		
Contributed equity		29,377,521	19,586,331
Reserves		26,005,195	24,528,171
Accumulated surplus/(deficit)		4,084,133	4,561,384
Total Equity		59,466,849	48,675,886

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

Statement of cash flows

(For the year ended 31 December 2014)

	Note	2014	2013
		\$	\$
Cash flows from State Government			
Service appropriation – Dept. of Training and Workforce Development		27,245,141	28,773,529
Royalties for Regions Fund		799,999	
Net cash provided by State Government		28,045,140	28,773,529
<i>Utilised as follows:</i>			
Cash flows from operating activity			
Payments			
Employee benefits		(24,763,556)	(24,599,433)
Supplies and services		(5,850,468)	(6,342,409)
Grants and subsidies		(198,788)	(157,010)
GST payments on purchases		(712,822)	(159,546)
GST payments to taxation authority		-	(230,512)
Other payments		(1,504,054)	(1,492,700)
Receipts			
Fee for service		1,086,682	1,263,454
Student fees and charges		1,382,608	1,255,051
Ancillary trading		82,951	16,346
Commonwealth grants and contributions		840,582	2,310,930
Interest received		187,585	180,747
GST receipts on sales		120,098	708,801
GST receipts from taxation authority		542,488	-
Other receipts		220,779	70,173
Net cash provided by/(used in) operating activities	33	(28,565,915)	(27,176,108)
Cash flow from investing activities			
Payments			
Purchase of non-current physical assets		(505,772)	(114,639)
Receipts			
Proceeds from sale of non-current physical assets		214,049	-
Net cash provided by/(used in) investing activities		(291,723)	(114,639)
Net increase/(decrease) in cash and cash equivalents		(812,498)	1,482,782
Cash and cash equivalents at the beginning of period		4,570,630	3,087,848
Cash and cash equivalents at the end of period	33	3,758,132	4,570,630

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

Statement of changes in equity (For the year ended 31 December 2014)

	Note	Contributed Equity	Reserves	Accumulated Surplus /(Deficit)	Total Equity
		\$	\$	\$	\$
Balance at 1 January 2013	32	19,264,116	23,786,196	5,895,517	48,945,829
Surplus/(deficit)		-	-	(1,334,133)	(1,334,133)
Other comprehensive income		-	741,975	-	741,975
Total comprehensive income for the period			741,975	(1,334,133)	(592,158)
<i>Transaction with owners in their capacity as owners :</i>					
Capital appropriations		322,215	-	-	322,215
Total		322,215			322,215
Balance of 31 December 2013		19,586,331	24,528,171	4,561,384	48,675,886
Balance at 1 January 2014		19,586,331	24,528,171	4,561,384	48,675,886
Surplus/(deficit)		-	-	(477,251)	(477,251)
Other comprehensive income		-	1,477,024	-	1,477,024
Total comprehensive income for the period			1,477,024	(477,251)	999,773
<i>Transaction with owners in their capacity as owners:</i>					
Capital appropriations		9,791,190	-	-	9,791,190
Total		9,791,190	-	-	9,791,190
Balance at 31 December 2014		29,377,521	26,005,195	4,084,133	59,466,849

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

Notes to the financial statements

(For the year ended 31 December 2014)

Note 1. Australian Accounting Standards

(a) General

The Institute's financial statements for the year ended 31 December 2014 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes 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 2014.

Note 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.

The *Financial Management Act 2006* 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 and buildings 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. The Institute has no 'Related bodies'.

(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 32 '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 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 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 are initially recognised at cost.

For items of property, plant and equipment 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 and buildings and historical cost for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation (buildings 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 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 buildings 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. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land less estimated rehabilitation costs (low restricted use land).

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 and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life.

Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets. Refer to note 25 'Property, plant and equipment' for further information on revaluations.

Derecognition

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

Asset revaluation surplus

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

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner 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 ^(a)	2 to 8 years
Marine craft	5 to 8 years

^(a) 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 ^(a)	3 to 5 years
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^(a) 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 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. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. 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 asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at 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 equivalents
- . Receivables

Financial liabilities

- . Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable 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 cash on hand, restricted cash and cash equivalents.

(n) Accrued salaries

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.

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 meet the additional cash outlay in each eleventh year when 27 pay days occur instead of the normal 26. In 2014 the 27th pay was paid on the last day of the financial year (31 December 2014), but payroll deductions including PAYG and payroll oncosts such as payroll tax and superannuation were paid in January 2015. At 31 December 2014 the accrued salaries suspense account included only these deductions and oncosts as the 27th pay occurred in the year. No interest is received on this account.

(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 had no borrowings during 2014.

(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

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value

of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

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

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

Sick leave

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future. Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income for this leave as it is taken.

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 closed to new members since 1987, or the Gold State Superannuation

Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

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 have been able to choose their preferred superannuation fund provider. The Institute makes contributions to GESB or other funds providers 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 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 Scheme 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.

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 employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), the GESB Super Scheme (GESBS) and other superannuation funds.

(u) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost that the Institute would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. 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.

Note 3. Other accounting policies not included

There are no further policies to disclose.

Note 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.

Note 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.

DPA refund for under delivery

The Institute has recognised as unearned income received in advance funds received from the Department of Training and Workforce Development due to an under delivery of Student Curriculum Hours required to be delivered in 2014 under the Delivery Performance Agreement. Changes in final determined SCH in each delivery area may impact on the amount of the refund that is required under the terms of the agreement.

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.

Note 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 2013 that impacted on the Institute.

Int 21	Levies This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Institute at reporting date.
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AASB 127	Separate Financial Statements This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements removing the consolidation requirements of the earlier standard whilst retaining
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	accounting and disclosure requirements for the preparation of separate financial statements. There is no financial impact.
AASB 1031	<p>Materiality</p> <p>This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.</p>
AASB 2012-3	<p>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</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. There is no financial impact.</p>
AASB 2013-3	<p>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.</p> <p>This Standard introduces editorial and disclosure changes. There is no financial impact.</p>
AASB 2013-8	<p>Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049].</p> <p>The amendments, issued in October 2013, provide significant guidance in determining whether a not-for-profit entity controls another entity when financial returns are not a key attribute of the investor’s relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.</p>
AASB 2013-9	<p>Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments.</p> <p>This omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B). Part B of the Standard has no financial impact.</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 have been issued that may impact the Institute. Where applicable, the Institute plans to apply these Australian Accounting Standards from their application date.

Title	Operative for reporting periods beginning on/after
<p>AASB 9 Financial Instruments</p> <p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9, and, AASB 2014-1 Amendments to Australian Accounting Standards. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p>AASB 1055 Budgetary Reporting</p> <p>This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Authority will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>	Jul 2014
<p>AASB 2009-11 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 & 1038 and Int 10 & 12]</p> <p>(a) The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6 and AASB 2014-1 Amendments to Australian Accounting Standards.</p>	1 Jan 2018
<p>AASB 2010-7 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 & 1038 and Int 2, 5, 10, 12, 19 & 127]</p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p>AASB 2013-9 Amendments to Australian Accounting Standards Conceptual Framework, Materiality and Financial Instruments.</p> <p>(b) Part C of this omnibus Standard defers the application of AASB 9 to 1 January 2017 (Part C). The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Authority has not yet determined the application or the potential impact of AASB 9.</p>	1 Jan 2017

Title	Operative for reporting periods beginning on/after
AASB 2014-1 Amendments to Australian Accounting Standards Part A changes consist primarily of clarifications to Accounting Standards and have no financial impact for the Authority. Part B has no financial impact as the Authority contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans. Part C has no financial impact as the Standard removes references to AASB 1031 Materiality from a number of Accounting Standards. Part D has no financial impact as the Authority is not required to apply AASB 14 Regulatory Deferral Accounts. Part E makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Authority to determine the application or potential impact of the Standard.	1 Jul 2014
	1 Jul 2014
	1 Jul 2014
	1 Jan 2016
	1 Jan 2015 1 Jan 2018
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11] The Authority establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.	1 Jan 2016
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138] (c) The adoption of the new Standard has no financial impact for the Model Authority as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.	1 Jan 2016

Note 7. Employee benefits expense

	2014 \$	2013 \$
Wages and salaries (a)	22,307,733	22,411,488
Superannuation - defined contribution plans (b)	1,623,764	1,570,173
	23,931,497	23,981,661

- (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 GESBS and other eligible funds.

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'.

Note 8. Supplies and services

	2014 \$	2013 \$
Consumables and minor equipment	873,657	857,752
Communication expenses	115,053	166,520
Utilities expenses	675,338	463,184
Consultancies and contracted services	1,838,115	2,521,403
Minor works	1,685,797	700,360
Repairs and maintenance	199,832	210,380
Operating lease and hire charges	545,221	622,455
Travel and passenger transport	950,850	873,336
Advertising and public relations	260,435	128,167
Supplies and services - other	520,172	312,362
	7,664,470	6,855,919

Note 9. Depreciation and amortisation expense

	2014 \$	2013 \$
Depreciation		
Buildings	994,610	951,164
Motor vehicles, caravans and trailers	41,484	128,504
Plant, furniture and general equipment	91,963	91,832
Computers and communication network	209,809	192,031
Marine craft	1,141	1,926
Total depreciation	1,339,007	1,365,457
Amortisation		
Software	209,837	179,063
Total depreciation and amortisation	1,548,844	1,544,520

Note 10. Grants and subsidies

	2014 \$	2013 \$
Payments to non-TAFE providers for VET service delivery	198,788	157,010
	198,788	157,010

Note 11. Other expenses

	2014 \$	2013 \$
Building maintenance	218,863	309,775
Doubtful debts expense	28,254	23,502
Employment on-costs (a)	1,163,785	1,148,593
Student prizes and awards	4,924	260
Losses and write-offs	11,141	92
Other	76,979	70,079
	1,503,946	1,552,301

(a) Employment on-costs include workers' compensation insurance and other employment on-costs.

The on-costs liabilities associated with the recognition of annual and long service leave liabilities are 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.

(b) Other expenses include OAG Audit fees (2013 disclosure adjusted to be consistent with 2014).

Note 12. Fee for service

	2014 \$	2013 \$
Fee for service - general	809,103	732,314
Fee for service - Department of Training and Workforce Development	45,508	240,339
Fee for service - Government (other than Department of Training and Workforce Development)	138,125	182,374
Adult community education fees	140	306
International division fees	152,763	141,792
	1,145,639	1,297,125

Note 13. Student fees and charges

	2014 \$	2013 \$
Tuition fees	977,656	689,583
Resource fees	385,302	364,828
Other college fees including RPL fees	74,406	13,870
	1,437,364	1,068,281

Note 14. Ancillary trading

	2014 \$	2013 \$
Contracting and consulting	12,536	3,240
Other ancillary revenue	42,002	11,193
	54,538	14,433

Note 15. Bookshop Trading profit/(loss)

	2014 \$	2013 \$
Bookshop:		
Sales	28,412	35,370
Cost of sales:		
Opening inventory	(35,180)	(34,002)
Obsolescent inventory written off in year	11,033	-
Purchases	(18,449)	(31,266)
	(42,596)	(65,268)
Closing inventory	22,415	35,180
Cost of goods sold	(20,181)	(30,088)
Trading profit/(loss) - Bookshop	8,231	5,282

See note 2(o) 'Inventories' and note 22 'Inventories'

Note 16. Commonwealth grants and contributions

	2014 \$	2013 \$
Commonwealth specific purpose grants and contributions	1,592,888	846,087
	1,592,888	846,087

These grants include WELL grants, LLNP and Rural and Remote Aged Care grant.

Note 17. Interest revenue

	2014 \$	2013 \$
Interest revenue from CBA Operating Account	187,585	180,747
	187,585	180,747

Note 18. Other revenue

	2014 \$	2013 \$
Rental and facilities fees	54,473	5,201
Sponsorship and donations revenue	18,268	13,471
Miscellaneous revenue	148,038	46,220
	220,779	64,892

(c) Miscellaneous revenue in 2014 includes insurance claim refunds.

Note 19. Net gain/(loss) on disposal of non-current assets

	2014 \$	2013 \$
Net gain/(loss) from disposal of non-current assets disposed		
Motor vehicles, caravans and trailers	207,685	-
Plant, furniture and general equipment	(2,245)	(6,492)
Marine craft	5,364	-
Net gain/(loss)	210,804	(6,492)

See note 25 'Property, plant and equipment'.

Note 20. Income from State Government

	2014 \$	2013 \$
Appropriation received during the year:		
Service appropriation (a) (State funds received from Department of Training and Workforce Development):		
Delivery and Performance Agreement (DPA)	23,605,371	24,034,542
Other recurrent funds (GROH and special purpose grants)	4,567,161	4,179,550
Total State funds	28,172,532	28,214,092

Services received free of charge from other State government agencies during the financial period :		
Department of Training and Workforce Development		
· Corporate systems support	757,110	610,023
· Other	582,824	462,807
	1,339,934	1,072,830
Total income from State Government	29,512,466	29,286,922

(a) Service appropriations fund the net cost of services delivered.

(b) Discretionary transfers of assets (including grants) and liabilities between State Government agencies are reported under Income from State Government. Transfers of assets and liabilities in relation to a restructure of administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004 in respect of net assets transferred.

Other non-discretionary non-reciprocal transfers of assets and liabilities designated as contributions by owners under TI 955 are also recognised directly to equity.

Note 21. Restricted cash and cash equivalents

	2014 \$	2013 \$
Current		
(a) Accrued salaries suspense account (27th Pay provision including oncosts & deductions)	153,304	709,339
(b) Commonwealth grants received but funds not fully expended	429,600	
(c) Royalties for Regions funds received not yet fully expended	199,430	
	782,334	709,339

Note 22. Inventories

	2014 \$	2013 \$
Inventories held for resale:		
Bookshop (at cost)	22,415	35,180
Total	22,415	35,180

Note 23. Receivables

	2014 \$	2013 \$
Current		
Receivables - trade	594,286	336,583
Receivables - students	72,111	57,560
Accrued revenue	45,508	28,427
Allowance for impairment of receivables	(26,337)	(26,445)
GST receivable	43,348	(6,888)
Total current	728,916	389,237

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period	(26,445)	(31,842)
Doubtful debts expense	(28,254)	(23,502)
Amount written off during the period	28,362	28,899
Balance at end of period	(26,337)	(26,445)

The Institute does not hold any collateral or other credit enhancements as security for receivables. See also note 2(p) 'Receivables' and note 39 'Financial instruments'.

Note 24. Other assets

	2014	2013
	\$	\$
Current		
Prepayments	273,363	165,735
Total current	273,363	165,735

Note 25. Property, plant and equipment

	2014	2013
	\$	\$
Land		
At fair value (a)	11,175,000	11,430,000
	11,175,000	11,430,000
Buildings		
At fair value (a)	47,683,636	37,830,000
	47,683,636	37,830,000
Motor vehicles, caravans and trailers		
At cost	419,874	1,234,031
Accumulated depreciation	(340,924)	(1,121,560)
	78,950	112,471
Plant, furniture and general equipment		
At cost	1,118,085	1,351,701
Accumulated depreciation	(788,074)	(1,096,157)
	330,011	255,544
Computer equipment, communication network		
At cost	1,179,382	1,203,965
Accumulated depreciation	(885,121)	(902,997)
	294,261	300,968
Marine craft		
At cost	38,569	78,678
Accumulated depreciation	(38,569)	(77,537)
	-	1,141
	59,561,858	49,930,124

(a) Land and buildings were revalued as at 1 July 2014 by the Western Australian Land Information Authority (Valuation Services).

The valuations were performed during the year ended 31 December 2014 and recognised at 31 December 2014. In undertaking the revaluation, fair value of buildings was determined on the basis of depreciated replacement cost and fair value of land was determined on the basis of current use as lands are intended to be continued for use in training purposes with a limited market for disposal (low restricted use land). 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, communication network \$	Marine craft \$	Total \$
2014							
Carrying amount at start of year	11,430,000	37,830,000	112,470	255,544	300,969	1,141	49,930,125
Additions	-	125,031	7,964	169,674	203,102		505,771
Transfers (a)	-	8,991,191	-				8,991,191
Other Disposals	-	-	-	(3,245)			(3,245)
Revaluation increments	(255,000)	1,732,024	-				1,477,024
Depreciation	-	(994,610)	(41,484)	(91,963)	(209,810)	(1,141)	(1,339,008)
Carrying amount at end of period	11,175,000	47,683,636	78,950	330,011	294,261	0	59,561,858

(a) The Department of Training and Workforce Development transferred capital works during 2014 in relation to an extension and workshop at the Derby campus (\$6,291,699) and Halls Creek upgrade (\$2,699,492). These capital works transfers were recognised as equity investments.

	Land \$	Buildings \$	Motor vehicles, caravans and trailers \$	Plant, furniture and general equipment \$	Computer equipment, communication network \$	Marine craft \$	Total \$
2013							
Carrying amount at start of year	11,430,000	38,039,189	146,959	340,125	348,371	3,066	50,307,710
Additions	-	-	94,015	13,743	144,629	-	252,387
Other Disposals	-	-	-	(6,492)			(6,492)
Revaluation increments	-	741,975	-	-	-	-	741,975
Depreciation	-	(951,164)	(128,504)	(91,832)	(192,031)	(1,926)	(1,365,457)
Carrying amount at end of period	11,430,000	37,830,000	112,470	255,544	300,969	1,140	49,930,123

Note 26. Fair value measurements

Assets measured at fair value:	Level 1	Level 2	Level 3	Fair Value At end of period
	\$	\$	\$	\$
2014				
Land (Note 25)	-	-	11,175,000	11,175,000
Buildings (Note 25)	-	-	47,683,636	47,683,636
	-	-	58,858,636	58,858,636

Assets measured at fair value:	Level 1	Level 2	Level 3	Fair Value At end of period
	\$	\$	\$	\$
2013				
Land (Note 26)	-	-	11,430,000	11,430,000
Buildings (Note 26)	-	-	37,830,000	37,830,000
	-	-	49,260,000	49,260,000

The land and buildings were reclassified from level 2 to level 3 during the period; the 2013 comparatives have been restated for consistency purposes.

Fair value measurements using significant unobservable inputs (Level 3)

	Land	Buildings
	\$	\$
2014		
Fair Value at start of period	11,430,000	37,830,000
Additions	-	9,116,222
Revaluation increments/(decrements) recognised in Other comprehensive Income	(255,000)	1,732,024
Depreciation Expense	-	(994,610)
Fair Value at end of period	11,175,000	47,683,636
	Land	Buildings
	\$	\$
2013		
Fair Value at start of period (reclassified to be consistent with 2014)	11,430,000	38,039,000
Revaluation increments/(decrements) recognised in Other comprehensive Income	-	741,975
Depreciation Expense	-	(950,975)
Fair Value at end of period	11,430,000	37,830,000

Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land and buildings to be categorised within Level 3 where the valuations utilise significant Level 3 inputs on a recurring basis.

Fair value for existing use specialised buildings and infrastructure 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. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation of the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Fair value for restricted use land is based on market value, by either using market evidence of sales of comparable land that is unrestricted less restoration costs to return the site to a vacant and marketable condition (low restricted use land), or, comparison with market evidence for land with low level utility (high restricted use land).

Significant level three inputs used by the Institute are derived and evaluated as follows:

Historical cost of building per square metre floor area (m²)

The costs of construction of specialised buildings are extracted from financial records of the Institute, then indexed by movements in construction costs by the Western Australian Land Information Authority (Valuation Services).

Consumed economic benefit/obsolescence of asset

These are estimated by the Western Australian Land Information Authority (Valuation Services).

Selection of land with restricted utility

Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuation Services).

Information about significant unobservable inputs (Level 3) in fair value measurements

Description and fair value as at 31 December 2014 \$	Description and fair value as at 31 December 2013 \$	Valuation technique(s)	Unobservable inputs	Range of unobservable 2014	Range of unobservable 2013	Relationship of unobservable inputs to fair value
Land (\$11,175,000)	Land (\$11,430,000)	Market approach	Selection of land with similar approximate utility	\$10.5/m ² - \$321.3/m ² (\$110.0/m ²)	\$26.9/m ² - \$321.3/m ² (\$113.4/m ²)	Higher value of similar land increases estimated fair value.
Buildings (\$47,683,636)	Buildings (\$37,830,000)	Depreciated replacement cost	Consumed economic benefit/obsolescence of asset	0.09%-1.91% (0.63%)	0.68%-1.59% (0.43%)	Greater consumption of economic benefit or increased obsolescence lowers fair value
			Historical cost of building per square metre floor area (m ²)	\$200/m ² - \$4,993/m ² (\$1,903/m ²)	\$224/m ² - \$2,628/m ² (\$2,359/m ²)	Higher historical cost per m ² increases fair value.

Reconciliations of the opening and closing balances are provided in Note 25.

Basis of Valuation

In the absence of market-based evidence due to the specialised nature of the assets, non-financial assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service and the Institute's enabling legislation.

Note 27. Intangible assets

	2014 \$	2013 \$
Computer software		
At cost	524,591	524,591
Accumulated amortisation	(506,050)	(296,214)
	18,541	228,377
Reconciliations		
Computer software		
Carrying amount at start of period	228,377	222,975
Additions	-	184,465
Amortisation expense	(209,836)	(179,063)
Carrying amount at end of period	18,541	228,377

Note 28. Impairment of assets

There were no indications of impairment to property, plant and equipment or intangible assets at 31 December 2014. 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 2014 have either been classified as assets held for sale or written off.

Note 29. Payables

	2014 \$	2013 \$
Current		
Trade payables	238,224	574
GST payable	2,149	-
Accrued expenses	599,260	244,833
Accrued salaries and related costs	260,264	748,348
Paid parental leave payable	4,102	4,106
Total current	1,103,999	997,861

See also note 2(q) 'Payables' and note 39 'Financial Instruments'.

Note 30. Provisions

	2014 \$	2013 \$
Current		
Employee benefits provision		
Annual leave ^(a)	845,565	1,263,109
Long service leave ^(b)	1,130,025	1,119,676
Superannuation	-	-
	1,975,590	2,382,785
Other provisions		
Employment on-costs ^(d)	127,031	153,230
Total current	2,102,621	2,536,015

	2014 \$	2013 \$
Non-current		
<i>Employee benefits provision</i>		
Long service leave ^(b)	785,022	694,849
	785,022	694,849
<i>Other provisions</i>		
Employment on-costs ^(d)	50,383	44,503
Total non-current	835,405	739,352

(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 is expected to occur as follows:

	2014 \$	2013 \$
Within 12 months of the end of the reporting period	640,412	839,465
More than 12 months after the end of the reporting period	205,153	423,644
	845,565	1,263,109

(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 is expected to occur as follows:

	2014 \$	2013 \$
Within 12 months of the end of the reporting period	356,315	342,378
More than 12 months after the end of the reporting period	1,558,732	1,472,148
	1,915,047	1,814,526

(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'.

Movements in other provisions

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

	2014 \$	2013 \$
<i>Employment on-cost provision</i>		
Carrying amount at start of period	197,733	201,812
Additional provisions recognised	(20,319)	(4,079)
Carrying amount at end of period	177,414	197,733

Note 31. Other liabilities

	2014	2013
	\$	\$
Current		
Income received in advance (a)	88,922	142,764
Grants and advances (b)	765,429	2,227,406
Total current	854,351	2,370,170
(a) Income received in advance comprises:		
VET Fee Help	2,360	-
Student fees and charges	-	47,764
Other	86,562	95,000
	88,922	142,764
(b) Grants and advances includes:		
Department of Training and Workforce Development – DPA refund for under delivery	335,829	1,263,220
Other Government (Commonwealth/Local)	429,600	964,186
	765,429	2,227,406

Note 32. Equity

The Western Australian 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.

	2014	2013
	\$	\$
Contributed equity		
Balance at start of period	19,586,331	19,264,116
Contributions by owners		
Department of Training and Workforce Development:		
Capital Appropriation - Regional Infrastructure and Headworks Account	799,999	322,215
Transfer of net assets from other agencies		
Department of Training and Workforce Development	8,991,191	-
Total contributions by owners	9,791,190	322,215
Balance at end of period	29,377,521	19,586,331
Reserves		
Asset revaluation surplus		
Balance at start of period	24,528,171	23,786,196
Net revaluation increments/(decrements):		
Land	(255,000)	-
Buildings	1,732,024	741,975
Balance at end of period	26,005,195	24,528,171
Accumulated surplus/(deficit)		

	2014 \$	2013 \$
Balance at start of period	4,561,384	5,895,517
Result for the period	(477,251)	(1,334,133)
Balance at end of period	4,084,133	4,561,384
Total Equity at end of period	59,466,849	48,675,886

Note 33. 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:

	2014 \$	2013 \$
Cash on hand	3,900	3,700
Cash and cash equivalents	2,971,898	3,857,592
Restricted cash and cash equivalents (refer to note 21 'Restricted cash and cash equivalents')	782,334	709,339
	3,758,132	4,570,631

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

	2014 \$	2013 \$
Net cost of services	(29,989,717)	(30,621,056)
Non-cash items:		
Depreciation and amortisation expense (note 9 'Depreciation and amortisation expense')	1,548,844	1,544,520
Doubtful debts expense (note 11 'Other expenses')	28,254	23,502
Resources received free of charge (note 20 'Income from State Government')	1,339,934	1,072,830
Net (gain)/loss on sale of property, plant and equipment (note 19 'Net gain/(loss) on sale on non-current assets')	(210,804)	6,492
(Increase)/decrease in assets:		
Current receivables (a)	(300,616)	423,513
Current inventories	12,765	(1,178)
Other current assets	(124,709)	(99,403)
Increase/(decrease) in liabilities		
Current payables (a)	106,139	2,584
Income received in advance/grants and advances	(588,429)	1,285,382
Current provisions	(433,393)	(163,286)
Other current liabilities	-	(1,064,973)
Non-current provisions	96,053	96,219
Net GST receipts/(payments) (b)	(50,236)	318,746
Net cash provided by/(used in) operating activities	(28,565,915)	(27,176,108)

(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.

Note 34. Services provided free of charge

Kimberley Training Institute did not engage in any activities in 2014 which resulted in providing resources to agencies free of charge for functions outside the normal operations of the Institute.

Note 35. Commitments

	2014 \$	2013 \$
Non-cancellable operating lease commitments		
Commitments for minimum lease payments are payable as follows:		
Within 1 year	184,995	243,085
Later than 1 year and not later than 5 years	264,891	152,042
	449,886	395,127

Non-cancellable building operating lease expenditure 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.

	2014 \$	2013 \$
Building Lease expenditure commitments		
contracted for at the end of the reporting period date but not recognised as liabilities are payable as follows:		
Due within 1 year	174,474	173,047
Due in more than one year and less than 5 years	77,614	158,606
	252,088	331,653

	2014 \$	2013 \$
Other expenditure commitments		
Other expenditure commitments contracted for (goods ordered but not yet delivered and contracted services) at the end of the reporting period date but not recognised as liabilities are payable as follows:		
Within 1 year	422,747	538,263
Later than 1 year and not later than 5 years	308,802	-
	731,549	538,263

Note 36. Contingent liabilities and contingent assets

Contingent liabilities

Kimberley Training Institute has no contingent liabilities or contingent assets as at 31 December 2014.

Note 37. 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.

Note 38. Explanatory statement

Significant variations between estimates and actual results for 2014 and between actual results for 2013 and 2014 are shown below. Significant variations are considered to be those greater than 10% and \$100,000.

Significant variances between estimated and actual result for 2014

	2014 Estimate \$	2014 Actual \$	Variance \$
Expenses			
Supplies and services	6,860,369	7,664,470	804,101
Income			
Fee for service	1,337,010	1,145,639	(191,371)
Student fees and charges	2,160,266	1,437,364	(722,902)
Commonwealth grants and contributions	1,176,082	1,592,888	416,806
Other revenue	106,771	220,779	114,008
Gain on disposal of non-current assets	-	210,804	210,804
Resources provided free of charge	894,813	1,339,934	445,121

Expenses

Supplies and services

The increase in actual supplies and services compared to the estimate was primarily due to increased minor works by \$985k during the year due to \$332k relating to repairs to the Derby campus roof and power upgrade (funded by DTWD), together with communications assets of \$294k as part of the implementation of a new VOIP phone system that was funded by Royalties for Regions. Whilst the phone system was capitalised, these assets fell below the capitalisation threshold.

Income

Fee for Service

Fee for service achieved was lowered than estimate due primarily to a revenue shortfall of \$402k (80%) in the performance of the Maritime Simulator, partially offset by increases in revenue against estimate for short courses such as 4WD, first aid and OSH.

Student fees and charges

Student fees and charges generated were lower than estimate due to a high estimate that was directed by DTWD and lower enrolments than estimated. Further, due to the higher proportion of basic skills including language, literacy and numeracy (which have lower fees) rather than higher skill courses such as Certificate 3 and 4 the estimate was not achieved.

Commonwealth grants and contributions

Commonwealth grants and contributions exceeded estimate due primarily to the securing of a contract with the Department of Social Services for 2014 through to June 2015 for training in relation to ATSI rural and remote aged care in Western Australia.

Other revenue

Other revenue exceeded estimate due to an insurance claim recovery in relation to workers compensation during the year.

Gain on disposal of non-current assets

During 2014 a number of surplus assets were disposed of via an online auction process managed by Pickles Auctions. The majority of these assets had been fully depreciated. No amount in relation to this asset disposal process was included in the estimate due to uncertainty regarding the quantum of sale proceeds.

Resources provided free of charge

Resources provided free of charge exceeded estimate due to a combination of a low estimate combined with an increase in charges from the Department of Education.

Significant variances between actual results for 2013 and 2014

	2014 \$	2013 \$	Variance \$
Expenses			
Supplies and services	7,664,470	6,855,919	808,551
Income			
Fee for service	1,145,639	1,297,125	(151,486)
Student fees and charges	1,437,364	1,068,281	369,083
Commonwealth grants and contributions	1,592,888	846,087	746,801
Other revenue	220,779	64,892	155,887
Gain on disposal of non-current assets	210,804	-	210,804
Resources provided free of charge	1,339,934	1,072,830	267,104

Expenses

Supplies and services

The increase in actual supplies and services compared to the prior year was primarily due to increased minor works expenditure noted above.

Other expenditure increases included an increase in utilities of \$139k due to increases in electricity tariffs from 32 cents to 53 cents per kWh from 1 July 2014, and an increase of \$132k in advertising in 2014 due to the commissioning of a new website during the year.

Income

Fee for Service

Fee for service achieved was lower than the prior year due primarily to a revenue shortfall of \$144k (60%) in the performance of the Maritime Simulator when compared to the prior year.

Student fees and charges

Student fees and charges generated were higher than the prior year due to the introduction of the entitlement model increasing student fees and charges.

Commonwealth grants and contributions

Commonwealth grants and contributions exceeded the prior year due primarily to the securing of a contract with the Department of Social Services for 2014 as noted above.

Other revenue

Other revenue exceeded the prior year due to an insurance claim recovery in relation to workers compensation during the year, and due to rental of vacant space during the year.

Gain on disposal of non-current assets

As noted above, a number of fully depreciated surplus assets were disposed of during the year.

Resources provided free of charge

Resources provided free of charge exceeded the prior year due to an increase in charges from the Department of Education.

Note 39. 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 39(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. 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). Other than as detailed in the Interest rate sensitivity analysis table at Note 39(c), the Institute is not exposed to interest rate risk because the Institute has no borrowings.

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2014	2013
	\$	\$
Financial Assets		
Cash and cash equivalents	2,975,798	3,861,292
Restricted cash and cash equivalents	782,334	709,339
Receivables (a)	685,568	396,125
Financial Liabilities		
Payables	1,101,850	997,861

(a) The amount of loans and receivables and payables excludes GST recoverable/payable from/to 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 \$
			Less than 1 month \$	1 month to 3 months \$	3 months to 1 year \$	
Financial Assets						
2014						
Cash and cash equivalents	2,975,798	2,975,798	-	-	-	-
Restricted cash and cash equivalents	782,334	782,334	-	-	-	-
Receivables (a)	685,568	181,797	362,656	31,901	82,877	26,337
	4,443,700	3,939,929	362,656	31,901	82,877	26,337
2013						
Cash and cash equivalents	3,861,292	3,861,292	-	-	-	-
Restricted cash and cash equivalents	709,339	709,339	-	-	-	-
Receivables (a)	396,125	256,437	-	61,747	51,497	26,445
	4,966,756	4,827,068	-	61,747	51,497	26,445

(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

	Interest rate exposure					Maturity Dates			
	Weighted Average Effective Interest Rate %	Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non-Interest Bearing \$	Nominal amount \$	Up to 1 month \$	1-3 months \$	3 months to 1 year \$
2014									
Financial Assets									
Cash and cash equivalents	2.41%	2,975,798	-	2,975,798	-	2,975,798	2,975,798	-	-
Restricted cash and cash equivalents	2.41%	782,334	-	782,334	-	782,334	782,334	-	-
Receivables (a)		685,568	-	-	685,568	685,568	685,568	-	-
		4,443,700	-	3,758,132	685,568	4,443,700	4,443,700	-	-
Financial Liabilities									
Payables		1,101,850	-	-	1,101,850	1,101,850	1,101,850	-	-
		1,101,850	-	-	1,101,850	1,101,850	1,101,850	-	-

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

	Interest rate exposure					Maturity Dates			
	Weighted Average Effective Interest Rate %	Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non-Interest Bearing \$	Nominal amount \$	Up to 1 month \$	1-3 months \$	3 months to 1 year \$
2013									
Financial Assets									
Cash and cash equivalents	2.62%	3,861,292	-	3,861,292	-	3,861,292	3,861,292	-	-
Restricted cash and cash equivalents	2.62%	709,339	-	709,339	-	709,339	709,339	-	-
Receivables (a)		396,125	-	-	396,125	396,125	396,125	-	-
		4,966,756	-	4,570,631	396,125	4,966,756	4,966,756	-	-
Financial Liabilities									
Payables		997,861	-	-	997,861	997,861	997,861	-	-
		997,861	-	-	997,861	997,861	997,861	-	-

(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.

2014	Carrying amount \$	- 100 Basis Points		+ 100 Basis Points	
		Surplus \$	Equity \$	Surplus \$	Equity \$
Financial Assets					
Cash and cash equivalents	2,975,798	(29,758)	(29,758)	29,758	29,758
Restricted cash and cash equivalents	782,334	(7,823)	(7,823)	7,823	7,823
Total Increase/(Decrease)		(37,581)	(37,581)	37,581	37,581

2013	Carrying amount \$	- 100 Basis Points		+ 100 Basis Points	
		Surplus \$	Equity \$	Surplus \$	Equity \$
Financial Assets					
Cash and cash equivalents	3,861,292	(38,613)	(38,613)	38,613	38,613
Restricted cash and cash equivalents	709,339	(7,093)	(7,093)	7,093	7,093
Total Increase/(Decrease)		(45,706)	(45,706)	45,706	45,706

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.

Note 40. 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:

	2014	2013
\$0 - \$10,000	9	10
\$280,001 - \$290,000	-	1
\$290,001 - \$300,000	1	-

	2014	2013
	\$	\$
Base remuneration and superannuation	260,324	268,910
Annual leave and long service leave accruals	878	6,638
Other benefits	57,225	41,836
Total remuneration of the members of the Institute	318,427	317,384

The 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:

	2014	2013
\$160,001 - \$170,000	-	1
\$190,001 - \$200,000	1	-
\$210,001 - \$220,000	2	-
\$230,001 - \$240,000	-	1
\$270,001 - \$280,000	-	1

	2014	2013
	\$	\$
Base remuneration and superannuation	536,659	486,402
Annual leave and long service leave accruals	(28,868)	85,345
Other benefits	110,837	101,419
Total remuneration of the members of the Institute	618,628	673,166

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.

Note 41. Remuneration of auditor

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

	2014 \$	2013 \$
Auditing the financial statements and key performance indicators	80,000	77,000

Note 42. Related and affiliated bodies

The Institute has no related bodies.

Note 43. Supplementary financial information

	2014 \$	2013 \$
(a) Write-Offs		
Bad debts	28,362	28,899
Inventory	11,033	-
	39,395	28,899

	2014 \$	2013 \$
(b) Losses through theft, defaults and other causes		
Losses of public money and public and other property through theft or default	-	92
	-	92

Note 44. 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.

S40 Submission - Statement of comprehensive income

	2015 Estimate
	\$
COST OF SERVICES	
Expenses	
Employee benefits expense	24,863,698
Supplies and services	7,899,789
Depreciation and amortisation expense	2,061,310
Grants and subsidies	151,187
Cost of sales	23,429
Other expenses	1,482,616
Total Cost of Services	36,482,029
Income	
Revenue	
Fee for service	1,900,000
Student charges and fees	1,579,232
Ancillary trading	33,169
Sales	26,643
Commonwealth grants and contributions	1,500,000
Interest revenue	156,814
Other revenue	209,828
Total Revenue	5,405,686
Gains	
Total income other than income from State Government	5,405,686
NET COST OF SERVICES	(31,076,342)
INCOME FROM STATE GOVERNMENT	
State funds	27,692,964
Resources received free of charge	1,947,375
Total income from State Government	29,640,338
SURPLUS/(DEFICIT) FOR THE PERIOD	(1,436,004)
OTHER COMPREHENSIVE INCOME	
Changes in asset revaluation reserve	-
Gains/(losses) recognised directly in equity	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(1,436,004)

S40 Submission – Balance sheet

	2015 Estimate
	\$
ASSETS	
Current Assets	
Cash and cash equivalents	2,635,804
Restricted cash and cash equivalents	570,000
Inventories	35,180
Receivables	515,101
Other current assets	321,836
Total Current Assets	4,077,921
Non-Current Assets	
Property, plant and equipment	72,246,781
Intangible assets	-
Total Non-Current Assets	72,246,781
TOTAL ASSETS	76,324,703
LIABILITIES	
Current Liabilities	
Payables	1,015,038
Provisions	2,332,299
Other current liabilities	-
Total Current Liabilities	3,347,337
Non-Current Liabilities	
Provisions	704,610
Total Non-Current Liabilities	704,610
TOTAL LIABILITIES	4,051,946
NET ASSETS	72,272,756
EQUITY	
Contributed Equity	44,320,823
Reserves	24,528,171
Accumulated surplus/(deficiency)	3,423,763
TOTAL EQUITY	72,272,756

S40 Submission – Changes in equity statement

	2015 Estimate
	\$
Balance of equity at start of period	73,708,760
CONTRIBUTED EQUITY	
Balance at start of period	44,320,823
Capital contribution	-
Other contributions by owners	-
Balance at end of period	44,320,823
RESERVES	
Asset Revaluation Reserve	
Balance at start of period	24,528,171
Changes in accounting policy or correction of prior period errors	-
Restated balance at start of period	24,528,171
Gains/(losses) from asset revaluation	-
Balance at end of period	24,528,171
ACCUMULATED SURPLUS (RETAINED EARNINGS)	
Balance at start of period	4,859,766
Changes in accounting policy or correction of prior period errors	-
Restated balance at start of period	4,859,766
Surplus/(deficit) or profit/(loss) for the period	(1,436,004)
Gains/(losses) recognised directly in equity	-
Balance at end of period	3,423,762
Balance of equity at end of period	72,272,756
Total income and expense for the period	(1,436,004)

S40 Submission – Cash flow statement

	2015 Estimate \$
CASH FLOWS FROM STATE GOVERNMENT	
State funds	27,087,424
Capital contributions	-
Royalties for Regions	-
Net cash provided by State Government	27,087,424
Utilised as follows:	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Payments	
Employee benefits	(25,013,128)
Supplies and services	(5,902,232)
Grants and subsidies	(151,187)
GST payments on purchases	-
Other payments	(1,472,919)
Operating Receipts	
Fee for service	1,883,296
Student fees and charges	1,577,458
Ancillary trading	33,169
Commonwealth grants and contributions	764,842
Interest received	156,814
GST receipts from taxation authority	-
Other receipts	197,949
Net cash provided by/(used in) operating activities	(27,925,938)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of non-current physical assets	-
Purchase of non-current physical assets	(125,000)
Net cash provided by/(used in) investing activities	(125,000)
Net increase/(decrease) in cash held and cash equivalents	(963,514)
Cash and cash equivalents at the beginning of the period	4,169,318
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,205,804

Additional key performance indicator information

Certification of key performance indicators
for the year ended 31 December 2014

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to evaluate the performance of Kimberley Training Institute, and fairly represent the performance of Kimberley Training Institute for 2014.



Peter Rowles
Chairman, Governing Council

3rd March 2015



Karen Dickinson
Managing Director

3rd March 2015

Performance outcomes

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 following detailed information is provided in support of our key performance indicators.

KPI 1: Overall student satisfaction

Student satisfaction is a key determinant in assessing the overall effectiveness of a training provider, and is measured by an annual survey of a sample of all students enrolled with State Training Providers in 2014.

The overall level of student satisfaction is an expression of the number of "satisfied" and "very satisfied" respondents.

In 2014 Kimberley Training Institute had an exceptional result with 91.3% of our students satisfied with our training delivery compared with a state average of 86.9%.

	2011	2012	2013	2014	2014 Target
Kimberley Training Institute	96%	87%	91.7%	91.3%	86%
WA State	88%	86%	85.9%	86.9%	N/A

Source: *Student Satisfaction Survey 2014*, conducted by Patterson Research Group

Notes for KPI 1:

- The Student Satisfaction Survey was conducted on behalf of the Department of Training and Workforce Development across September/October 2014.
- The sample size for the state was 9,905 from a total population of 54,629 (18.13% response rate). The sample size for Kimberley Training Institute was 358 (an increase from 232 in the previous year) from a total population of 2,057 (17.4% response rate, an increase from 14% in 2013).
- The standard error for the Institute survey outcome was 1.4% with a relative sampling error of $\pm 2.7\%$ with a 95% confidence level.

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.

The data is based on a bi-annual Student Outcomes survey conducted by the National Centre for Vocational Education Research (NCVER). Since graduate employment data is only provided every second year, no data is available for 2014.

The NCVER results reported in 2013 demonstrated that the Institute consistently outperforms other providers in this arena. The results show that the Institute is meeting the government's objective to contribute to economic growth by supporting and growing sustainable employment.

	2011	2012	2013	2014	2014 Target
Employed after training – KTI	84%	N/A	90%	N/A	N/A
Employed after training – WA State	80%	N/A	81%	N/A	N/A
Unemployed after training – KTI	6%	N/A	4%	N/A	N/A
Unemployed after training – WA State	10%	N/A	10%	N/A	N/A
Not in Labour Force after training – KTI	9%	N/A	6%	N/A	N/A
Not in Labour Force after training – WA State	9%	N/A	8%	N/A	N/A

Source: *Student Outcomes, 2013 Institute Report: Kimberley TAFE, NCVER*

Notes for KPI 2:

- a. Institute data only available every second year as the survey is conducted biennially. .

KPI 3: Student outcomes – achievement of main reason for studying

This student outcome measure is also derived from the NCVER bi-annual Student Outcomes Survey. The results are based on the proportion of graduates who indicated they had fully or partly achieved their main reason for undertaking training.

Since graduate student outcome data is only provide by the National Centre for Vocational Education Research (NCVER) on a biennial basis, no agency level data is available for 2014. However a national statistic is provided.

The NCVER results reported in 2013 indicate that the Institute again outperformed both Western Australian and national providers, and were consistent with our overall student satisfaction outcomes measured by the annual DTWD survey.

	2011	2012 *	2013	2014	2014 Target
Kimberley Training Institute	93%	N/A	90%	N/A	N/A
WA State	88%	N/A	87%	84%	N/A
National	86%	85%	84%	82%	N/A

Source: *Student Outcomes, 2013 Institute Report: Kimberley TAFE, 2014 National Student Outcomes Report, NCVER*

Notes for KPI 3:

- a. Institute data only available every second year as the survey is conducted biennially.

KPI 4: Achievement of Institute profile

The achievement of Institute profile is a performance measure that demonstrates the Institute’s effectiveness in meeting the commitments identified in its Strategic Plan and the Delivery and Performance Agreement (DPA) entered into with the Department of Training and Workforce Development.

Despite the numerous challenges faced in 2014, the Institute achieved an exceptional result by finishing the year within 1.5% of its stretch SCH target.

	2011	2012	2013	2014
Planned SCH (DPA)	550,000	710,000	684,626	754,146
Revised SCH (September)	700,000	706,700	804,138	754,146
SCH achieved (Census)	703,519	715,685	744,968	742,512
% achieved/planned	127.9%	100.8%	108.8%	98.5%

Source: Verified Institute Census Data 2014

The introduction of Future Skills WA created some challenges for people in the Kimberley. The combination of higher fees and low take-up of VET Fee Help meant that Diploma and Certificate IV enrolments were well down on previous years.

The table below demonstrates the shift from higher fee Diploma and Certificate IV courses to lower cost Certificate I and II courses, as well as a shift to courses on the PIQL and the Equity list, which also attracted lower fees.

Student enrolments shifted from General and Civil Construction due to the downturn in the mining industry and allied industries. To counteract this there was a shift into Agricultural (Pastoral/Beef production) areas as the livestock trade in the Kimberley increased.

Other shifts occurred away from Hospitality and Tourism, consistent with a downturn in the industry in the region. This was compensated for by increased activity in Aged Care and Community Care in regional and remote communities.

The Institute's commitment to raising literacy and numeracy levels in the Kimberly led to a stronger focus on providing Language Literacy and Numeracy support via the USIQ (Underpinning Skills for Industry Qualifications) course which is co-delivered with vocational courses. The unit and course completion rates were significantly improved for students who undertook both vocational and LLN studies together.

SCH Achievement by WADoT Group (2011 to 2014)

Industry Group	2011	2012	2013	2014	2014 Target
Recreation Sports and Entertainment	0	8,005	7,095	9,820	7,047
Visual and Performing Arts	59,674	54,932	53,576	41,571	39,409
Automotive	8,162	16,497	34,187	33,221	39,795
Building and Construction	77,069	98,035	131,583	85,012	100,736
Community Service Workers	33,790	29,445	23,970	28,875	33,433
Education and Childcare	55,975	53,860	58,965	53,241	61,199
Health	13,250	28,320	39,010	45,070	30,706
Finance Insurance Property Service Workers	9,452	14,312	9,794	6,448	9,380
Engineering and Drafting	0	0	0	1,675	0
Metal and Mining	97,084	72,357	15,299	53,975	45,394

Industry Group	2011	2012	2013	2014	2014 Target
Forestry, Farming and Landcare	102,306	64,988	81,730	86,890	88,123
Horticulture	28,165	49,474	43,480	47,009	40,698
Personal Service	26,250	11,288	17,763	12,723	17,594
Retail	560	0	7,681	1,255	4,630
Cooking	16,130	10,234	11,398	11,856	8,482
Hospitality	17,791	17,533	15,431	11,007	22,579
Tourism	12,455	16,355	12,890	7,190	17,451
Travel Agents	6,330	1,685	7,890	6,195	1,852
Transport Trades, Storage and Associated	3,876	13,465	12,616	21,939	15,798
Accounting and Other Business Services	3,210	9,955	10,880	6,005	12,641
Management	12,520	22,745	31,255	9,090	21,001
Office and Clerical	39,530	41,885	47,845	41,175	49,459
Computing	2,570	1,090	2,595	3,970	3,745
Science and Technical Workers	7,865	14,660	14,635	6,650	19,195
Adult Literacy/ESL	40,075	50,555	43,810	81,200	51,932
Languages	800	0	800	1,480	741
Targeted Access and Participation Courses	28,630	14,010	8,790	27,970	11,126
GRAND TOTAL	703,519	715,685	744,968	742,512	754,146

Source: Verified Institute Census Data 2014

SCH Achievement by ANZSCO Group (2014 only)

Industry Group	2014 Achieved	2014 Target
1 MANAGERS		
11 Chief Executives, General Managers and Legislators	3,645	8,500
12 Farmers and Farm Managers	41,240	41,685
13 Specialist Managers	970	0
14 Hospitality, Retail and Service Managers	7,685	11,162
2 PROFESSIONALS		
21 Arts and Media Professionals	35,381	29,669
22 Business, Human Resource and Marketing Professionals	60	0
23 Design, Engineering, Science and Transport Professionals	38,793	34,960
24 Education Professionals	12,440	19,908
26 ICT Professionals	570	0
27 Legal, Social and Welfare Professionals	2,220	4,815
3 TECHNICIANS AND TRADES WORKERS		
31 Engineering, ICT and Science Technicians	23,346	33,863
32 Automotive and Engineering Trades Workers	9,784	10,703
33 Construction Trades Workers	10,842	10,600
35 Food Trades Workers	6,707	6,630
36 Skilled Animal and Horticultural Workers	2,369	7,142

Industry Group	2014 Achieved	2014 Target
39 Other Technicians and Trades Workers	5,220	11,732
4 COMMUNITY AND PERSONAL SERVICE WORKERS		
41 Health and Welfare Support Workers	25,325	25,136
42 Carers and Aides	85,541	75,849
43 Hospitality Workers	5,742	11,370
44 Protective Service Workers	6,448	9,380
45 Sports and Personal Service Workers	22,203	36,156
5 CLERICAL AND ADMINISTRATIVE WORKERS		
51 Office Managers and Program Administrators	4,810	10,649
52 Personal Assistants and Secretaries	75	0
53 General Clerical Workers	48,275	52,691
55 Numerical Clerks	7,840	14,882
59 Other Clerical and Administrative Workers	575	1,852
6 SALES WORKERS		
62 Sales Assistants and Salespersons	1,255	4,630
7 MACHINERY OPERATORS AND DRIVERS		
71 Machine and Stationary Plant Operators	36,467	28,704
72 Mobile Plant Operators	2,492	23,040
8 LABOURERS		
82 Construction and Mining Labourers	52,962	57,565
83 Factory Process Workers	19,736	18,542
84 Farm, Forestry and Garden Workers	57,604	37,682
85 Food Preparation Assistants	9,104	1,852
89 Other Labourers	38,236	42,056
GENERAL EDUCATION AND FOUNDATION SKILLS		
General Education	116,550	70,741
GRAND TOTAL	742,512	754,146

Source: Verified Institute Census Data 2014

The Institute also delivers a range of programs which are not funded by government. These programs include fee for service and lifestyle and leisure programs and are priced on a cost-recovery basis.

	2011	2012	2013	2014	2014 Target
Non-profile delivery	71,917	71,674	85,981	100,841	89,696
% of training delivery	9.3%	10.0%	10.3%	12.0%	10.6%

Notes for KPI 4:

- SCH % achievement is based on the original DPA and not on variations agreed to during 2014.
- Adjustments to delivery across industry groups are based on industry and community demand and reflect actual training market conditions during 2014.
- Non-profile delivery is the total of SCH delivered which were not funded through the Institute's DPA.

- d. In 2014, the Delivery Performance Agreement (DPA) between Kimberley Training Institute (KTI) and the Department of Training and Workforce Development (DTWD) changed the way it reports targets by industry group from WADT to ANZSCO. From 2015 forward, the Institute’s DPA will only show targets by ANZSCO. For this reporting year, KTI has provided a table comparing achievement in previous years to 2014 by WADT. An additional table provides a comparison of KTI’s achievement against the ANZSCO targets. From 2015, KTI will only be reporting industry group achievement by ANZSCO.

KPI 5: Cost per Student Curriculum Hour

Cost per Student Curriculum Hour (SCH) is a performance measure that demonstrates the Institute’s efficiency in providing training services. The cost per SCH is calculated by dividing the total cost of services by the number of SCH delivered.

The cost per SCH in 2014 was \$41.34, an increase of \$0.27 from 2013 and slightly higher than the target figure of \$39.47.

	2011	2012	2013	2014	2014 Target
Total cost of services	\$28,122,967	\$33,470,382	\$34,127,991	\$34,867,726	\$33,302,547
Total SCH delivered *	775,436	787,359	830,949	843,353	843,842
Total cost per SCH	\$36.27	\$42.51	\$41.07	\$41.34	\$39.47

* Includes Fee for Service programs and Grants-funded delivery

Total cost of services in 2014 was 4.7% higher than the target, primarily due to higher than anticipated minor works costs, and resources provided free of charge.

Ministerial directives

No ministerial directives were received in in 2014.

Other financial disclosures

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. In 2014 Kimberley Training Institute documented its fees and charges, including those gazetted by the Minister, in its annual *Fees and Charges Policy*.

Major capital projects

The Institute has been through a three-year period of significant capital works to upgrade each of its campuses. In particular, the Institute benefited around \$19 M from the Royalties for Regions (RfR) program

The following major capital works projects were underway and largely completed in 2014.

Project	Funding	Completion date	Value
Broome Workshop Development: construction of a new Carpentry and Joinery workshop, plus additions and upgrades to existing metal and auto trades' areas, civil construction training areas, upgrade of on-site fire-fighting facilities and secure vehicle fleet parking New Maritime Centre – variation to project	\$10M Royalties for Regions (RfR) \$5.135M State capital works	Carpentry and joinery workshop June 2014 Metal trades workshop September 2014 Automotive workshop November 2014 Maritime Centre December 2014 Fire Fighting Facilities upgrade January 2015	\$15.135M
Derby workshop alterations and additions to the Loch Street campus: construction of new workshop areas for industrial skills, automotive and carpentry and joinery; construction of new classrooms and upgrades to administrative areas, staff and student amenities, conference room	\$6.2M RfR \$790k State	Workshop areas June 2014 Art area, classrooms, conference room August 2014	\$6.99M
Halls Creek new automotive workshop: additions and alterations to the existing trade workshops to allow for industrial skills and construction training; campus upgrades including new air conditioning service, upgrade of existing on-site staff accommodation, construction of new arts and crafts area, and disability access	\$2.8M RfR \$318k State	Building and refurbishment works completed September 2013 Landscaping February 2014	\$3.118M

Employee profile

At the end of 2014 the Institute employed approximately 213 full time, part-time and casual staff (compared with 238 at the end of 2013). Just over half the total workforce was engaged as lecturing staff (casual and non-casual). The remainder of the workforce was engaged in a diverse range of non-lecturing positions in areas such as Corporate and Training Administration, Student Support, Facilities and Services, Information Systems, Disability Support, Marketing, Business Development and Maritime Simulator Centre.

The average number of full time equivalent staff (excluding casuals) employed at each Campus over the period 2010 to 2014 was as follows:

Campus	2010	2011	2012	2013	2014
Broome	70.55	95.37	110.00	117.86	122.34
Derby	12.33	16.27	14.26	13.93	13.29
Fitzroy Crossing	1.75	2.84	4.17	4.37	2.65
Halls Creek	7.03	6.39	7.29	7.03	5.19
Kununurra	30.46	26.40	26.10	23.70	22.68
Wyndham	3.47	3.88	5.62	2.71	1.0
TOTAL	125.59	151.15	167.44	169.60	176.55

Source: KTI Empower HRMIS

Learning and development – all staff

In 2014 the Institute focused its professional development activities on ensuring that all Institute employees have the knowledge and skills to maintain optimum effectiveness in their roles.

The Institute invested \$127,018 in a structured program of professional development activities. In addition to this, \$66,322 was spent on specific professional development to support teaching, learning and assessment. This expenditure was supplemented by funds committed by individual departments to contribute to the development of their staff.

Institute professional development activities included:

- significant investment in training for lecturers to meet the requirements of the AQTF
- mentoring program for new lecturing staff
- implementation of the lecturer capability framework
- increased engagement of staff by providing additional opportunities for feedback
- strengthening of the roles of ASL1s and ASL2s to provide academic leadership
- development and implementation of induction processes to ensure new employees have a meaningful transition into the agency and their role.

Cultural awareness training was introduced to staff in Broome in October 2014 and is now a mandatory course for all KTI staff. This four hour workshop is now incorporated in the Institute's two-day staff induction program.

A number of sessions conducted by the Public Sector Commission were also provided to all managers within the Institute. These sessions included 'Recruiting for Integrity' and 'Managing Workplace Behaviour'.

Professional development activities relating to Occupational Health and Safety included staff attending 4WD training, First Aid and Remote Safety courses. OHS representatives also participated in the 5-day OSH Representative course.

Both lecturing and support staff were represented at the DTWD 2014 Training Forum and the 2014 Velg National Conference.

Learning and development – lecturers

Professional development for Institute lecturers in 2014 was based on the requirements of the IBSA VET Practitioner Capability Framework. Professional development activities were aligned to the four domains in the framework: teaching, assessment, industry and community collaboration, systems and compliance.

1. Teaching

In 2014 the Institute's induction program for lecturing staff was comprehensively revised, including the introduction of a formal mentoring program. Lecturers were allocated a lecturing buddy, as well as an industry and professional mentor who worked with new starters across a structured program over 12 weeks.

The Institute also secured the services of Greg Mitchell for the 'Train like a Champion' workshop in Broome for the Trades portfolio. Participants in this workshop developed strategies to engage with the youth market, including VET in Schools delivery and youth at risk.

Best practice teaching and assessment strategies were shared fortnightly through a "Spotlight" session at the Institute's fortnightly all-staff meeting.

2. Assessment

Dr Russell Docking conducted assessment workshops at both the Broome and Kununurra campuses in May and September, focusing on planning, designing, developing and validating assessment tools.

The Institute has a corporate subscription to the Velg Training website which allows lecturers to access resources relating to assessment procedures. Lecturers also attended webinars via the Velg Training website, including the 'Three pillar approach of assessment validation' and 'Mastering competency based Assessment'.

3. Industry and community collaboration

Delivery portfolios met several times during the year to validate assessments in collaboration with industry representatives, and to develop their networks. Lecturers across portfolios attended relevant industry forums in the Kimberley.

4. Systems and compliance

Principal Lecturer created instructional videos to explain new training and assessment documentation implemented across the year.

The Institute's Academic Leadership Advisory Group (ALAG) meets monthly to provide leadership and review of quality standards and processes in relation to training delivery. In 2014 sub-committees of ALAG worked on a range of key areas for improvement, including:

- a review of all training and assessment documentation
- development of a Recognition of Prior Learning (RPL) resource kit for students and assessors
- a policy and procedures covering Conflict of Interest for Trainers and Assessors

Industrial relations

No major industrial relations issues are reportable for the period.

Governance disclosures

In 2014 Kimberley Training Institute identified no actual or potential conflict of interest in relation to the delivery of its services or meeting its contractual obligations.

At the date of reporting no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with Kimberley Training Institute other than normal contracts of employment of service.

Other legal reporting requirements

Expenditure on advertising, market research, polling and direct mail

In accordance with Section 175ZE of the Electoral Act 1907, the Institute reports that it spent \$17,184 (an increase of \$492 on 2013) through ADCORP Australian for recruitment advertising.

The Institute also spent \$108,274 (an increase of 96% or \$53,042) on advertising courses and general information, as per the following table.

Category	Supplier	Cost
Newspaper advertising	The West Australian	\$35,683
Recruitment advertising	Adcorp	\$17,184
Radio advertising	Redwave Media	\$11,830
Campus and vehicle signage	Easy Signs	\$6,007
General	Miscellaneous	\$5,275

Category	Supplier	Cost
Promotional products	Unipromo	\$5,013
Shire Directory	Market Creations	\$4,224
Radio advertising	Prime Media Group	\$2,718
Promotional event	North West Expo	\$2,690
Social Media	Facebook	\$2,388
Program advertising	Spotlight Cinema	\$1,980
Promotional flyers	Copy Cats Printing	\$1,909
Shire Directory	Shire of Halls Creek	\$1,900
Program advertising	B Visual	\$1,800
Shire Directory	LizArt Production	\$1,551
Promotional flyers	99 Designs	\$1,533
Advertising	Dreamstime	\$1,252
Radio advertising	Waringarri Radio	\$1,230
Advertising	Airnorth	\$1,000
Promotional flyers	Australian Trade Printers	\$904
Advertising	Interspace	\$205
TOTAL		\$108,274

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 outlines strategies to increase access and inclusion to the Institute's services and facilities for people with a disability or medical condition. Initiatives undertaken in 2014 to address the DAIP outcomes included:

- customised training for people with disabilities, 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
- access to individualised learning support to ensure access and participation, including in-class support, one-on-one tutoring and mentoring support, and individual study plans
- staff mentoring and disability awareness training such as Mental Health First Aid Training, Disability Awareness Training and new staff inductions

- . consultation with architects to ensure that all new buildings and major renovations have been designed and built to comply with access Standards
- . ensuring that the Institute's website commissioned in 2014 meets Web Content Accessibility Guidelines WCAG 2.0
- . collaboration with external agencies and NGO's to increase and enhance inclusion and disability awareness, resulting in a high retention and engagement rate with students
- . improved working relationship with community agencies to ensure better support for students with disabilities. KTI is represented and sits on the Broome Shire's Access and Inclusion Advisory Committee in the capacity of Vice Chairperson.
- . ongoing work towards creating a stress free transition from secondary studies to VET. Assisting individuals from culturally diverse backgrounds and those that have been disengaged, re-enter the learning environment smoothly.
- . recruitment of specialised and experienced support staff to assist students with disabilities
- . increasing staff awareness of the needs of people with disabilities by hosting events such as the Disability Awareness Week morning tea.

In compliance with annual reporting requirements, a Disability Access and Inclusion Plan (DAIP) progress report was submitted in July 2014 to the Disability Services Commission indicating that 7 of 10 identified planned strategies were considered completed.

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*.

Human Resources policies and procedures are regularly reviewed and updated to ensure compliance with Public Sector Standards. The Institute did not receive any requests for review against Public Sector Human Resource Standards during the reporting period.

Through the Institute's intranet all staff members have access to Human Resources policies and procedures, including policies that relate to performance management, redeployment, termination, discipline, grievance resolution, and employment standards. The induction process for new staff includes a formal acknowledgement that they have read and understood the KTI *Code of Conduct* and PSC *Code of Ethics* and are aware of and understand the requirement to comply with both. Ongoing staff education is provided via workshops, newsletters, staff meetings, email communication and the Institute's Intranet.

95% 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 2014 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 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) in 2014. This matter has been carried forward into 2015.

Public interest disclosure

The *Public Interest Disclosure Act 2003* requires 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.

In 2014 the Institute hosted Public Sector Commission workshops that made reference to Public Interest Disclosure. Two sessions were held in October for members of the Business Management Group relating to:

- . Recruiting for integrity: practical guidance in effectively managing key risk areas for recruitment in the public sector
- . Managing workplace behaviours: managing issues and concerns arising in relation to inappropriate or unwanted workplace behaviour.

In December, the Public Sector Commission conducted an Accountable and Ethical Decision Making (AEDM) workshop for the Governing Council, using the Commission's suite of board resources.

The Business Management Group also attended a refresher AEDM session which was developed in association with KTI's code of conduct and other accountability requirements.

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, including this Annual Report.

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

In 2014 the Institute received 1 application under the auspices of the FOI Act.

Record keeping plans

Kimberley Training Institute is a signatory to the sector wide Recordkeeping Plan which was approved by the State Records Commission in December 2012 as prescribed by the State Records Act 2000. The Institute is required to report as required by the State Records Office, Principles and Standards 2002 (Standard 2, Principle 6, numbers 1-5) Compliance.

During 2014 the Institute continued to utilise the Electronic Recordkeeping Management System (Hewlett Packard's TRIM) version 7.3.

2014 saw the introduction and implementation of a number of record-keeping projects including:

- . a standalone compliant TRIM Training Environment, proving invaluable in providing training to volume numbers of employees and software testing
- . review and restructure of the current computer system shared drives, for consistency, compliance and in preparation for migration to TRIM EDRMS
- . a strong focus on individual record keeping responsibilities with support and training provided
- . repositioning the Records Management role as part of the Quality Team in order to combine strengths, improve capability and ensure organisational compliance
- . workshops provided in Microsoft Outlook Email use and Record Capture
- . ongoing review of Records Management Policy and Procedures.

By the end of 2014 the Institute had 172 license holders in TRIM, which is potentially around 75% of the workforce. The slight decrease on 2013 is not a true measure as this figure fluctuates with a transient workforce.

There has also been a drive to ensure completion of the mandatory online Recordkeeping Awareness Training (RAT) course. The online course was completed by 42 staff during 2014. Regular TRIM training was delivered to staff as required and covered all aspects of basic business record capture. This is now complemented by a highly functional TRIM Training Environment providing hands on experience in simulated records management.

The following TRIM records were created in 2014:

- | | |
|-------------------------------|-------------------------|
| . Containers created - 2,086 | Current total - 6,581 |
| . Documents captured - 62,832 | Current total - 220,424 |
| . Archive boxes created – 95 | Current total - 491 |

Government policy requirements

Substantive equality

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

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

The Institute uses workforce and diversity planning 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.

Kimberley Training Institute's *Workforce and Diversity Plan 2012 – 2016* was developed to align with Part IX of the *Equal Opportunity Act 1984* and *Strategic Directions for the Public Sector Workforce 2009 – 2014* and was endorsed by the Public Sector Commissioner in July 2012.

Occupational safety and health and injury management

Kimberley Training Institute is committed to ensuring compliance with the requirements of the *Occupational Safety and Health Act 1984* and *Workers' Compensation and Injury Management Act 1981*. The Institute remains committed to monitoring, managing and developing strategies to reduce workplace injuries and accidents.

The Institute has a positive culture toward health and safety, and a broad range of health and safety practices in place to ensure the well-being of our staff. The Institute has a very active OSH Committee which convenes on a bi-monthly basis to discuss and resolve occupational safety and health issues, review hazard and incident reports and review progress against our strategic objectives. OSH representatives continue to actively encourage and promote their involvement in the prevention, identification and implementation of OSH strategies.

OSH activities in 2014 included:

- . completion of an OSH Worksafe Plan assessment to review the safety system across all campuses
- . introduction of a Smoke Free Policy with implementation date of 1 January 2015
- . OSH Representatives election during April/May 2014
- . introduction of an I-auditor software program for OSH Representatives to use during workplace inspections
- . OSH inspections covering majority of Institute sites
- . development of a strategy to reduce and eventually eliminate the use of the Troop Carrier vehicles in compliance with safety requirements.

As a part of the Institute’s Health and Wellbeing program and in anticipation of KTI becoming a Smoke Free effective 1 January 2015, a smoke free action plan was developed and implemented to ensure that staff, students and the community had an appropriate level of awareness and communication prior to the policy being implemented. Promotional materials included posters, text messages, face book, internet, intranet and revised information in the Student Course Guide and Student Passports.

In April 2014 the Institute requested an independent audit of its OSH Management System. The audit demonstrated 10% overall improvement compared to the previous assessment during 2010. The hazard management system and OSH planning were identified as areas which require major improvement. Management commitment and training and supervision were identified as the two strongest elements of performance.

There were 23 injuries recorded during 2014. Twenty-two of these involved staff members and one minor injury involved a student. There were no incidents reported involving visitors or contractors.

A total of 7 workplace injuries were registered during 2014 as workers compensation claims compared to a total of 10 during the previous year.

Measure	Target	Actual results		
		2012	2013	2014
Number of fatalities	0	0	0	0
*Lost time injury and/or disease incidence number	0 or 10% improvement on the previous 3 years	4	7	3
*Number of severe claims	0 or 10% improvement on the previous 3 years	0	2	3
*Lost time injury and/or disease severity rate	0 or 10% improvement on the previous 3 years	0	28.57	100
% of injured workers returned to work:	Greater than or equal to 80% return to work within 26 weeks			
. within 13 weeks		100%	90%	85%
. within 26 weeks		100%	100%	100%
Percentage of managers trained in OSH and injury management responsibilities	Greater than or equal to 80%	95%	98%	78%

*Data Definitions

- Lost time injury or disease The number of lost time injury/disease claims where one day/shift or more was estimated to be lost on claims lodged in the financial year.
- Severe Claims The number of severe injuries (estimated 60 days or more lost from work). An injury resulting in death is considered to have accounted for 60 days or more lost.
- Severity Rate The number of Severe Claims divided by the number of lost time injury/disease claims multiplied by 100.

Attachment 1: Feedback form

You can help us make our Annual Report more useful by providing us with some feedback. Please contribute to our continuous improvement by completing the form below.

First, please tell us a little about you. Are you:

- KTI student KTI staff VET professional
 Job applicant Kimberley resident Government employee
 Other Please specify: _____

Why did you read the report?

- General interest in KTI Interested in KTI's financial position
 Community interest in KTI Applying for a position with KTI
 Other Please specify: _____

Please rate the following aspects of the report using a score where 1 = Poor, 2 = Inadequate, 3 = Satisfactory, 4 = Good, 5 = Excellent

- The amount of information provided in the report
The clarity of the information provided in the report
The usefulness of graphs and charts in the report
The overall appearance of the report

Please add any comments about how this report could be improved or what we should do differently next time:

Please return this form to us at: info@kti.wa.edu.au or PO Box 1380, Broome, WA 6725