

**The Western Australian College of
Teaching**

Final Report

1 April 2012 – 6 December 2012

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Letter of transmittal


28 March 2013

Mr Richard Strickland
Chief Executive Officer
Department of Education Services
22 Hasler Road
OSBORNE PARK WA 6017

Dear Mr Strickland

In accordance with section 143 of the *Teacher Registration Act 2012*, I submit to you the final report of the activities of the Western Australian College of Teaching for the final period 1 April 2012 to 6 December 2012.

Yours sincerely



MIKE HELM BEc,BEd(Hons), MEd
ACTING DIRECTOR
TEACHER REGISTRATION BOARD

OVERVIEW

Legislation

The Western Australian College of Teaching (WACOT) was established on 15 September 2004 by the *Western Australian College of Teaching Act 2004*.

The College was managed by a nineteen-member Board of Management, with ten Board members being teachers elected by their peers and nine educators appointed by the Minister for Education on nomination by stakeholders. The Board of Management has been supported by a Secretariat responsible for implementing the decisions of the Board.

The College was solely funded by membership fees set by regulation.

Following the passage of the *Teacher Registration Act 2012*, the College was replaced by the Teacher Registration Board of Western Australia (TRBWA) on 7 December 2012.

Details of the Western Australian College of Teaching

Address

Western Australian College of Teaching
Unit 4, 398 Great Eastern Highway
ASCOT WA 6104

Telephone: +61 8 9230 0600
Facsimile: +61 8 9479 4004
Website: www.wacot.wa.edu.au
Email: info@wacot.wa.edu.au

Elected Chair and Deputy Chair

Chair: Jacqueline Varris
Deputy Chair: Peter Bothe

Director

Suzanne Parry PhD,BA(Hons),DipT.

Auditors

UHY Haines Norton

Bankers

Commonwealth Bank of Australia

Insurers

RiskCover

EXECUTIVE SUMMARY

Teacher Registration

The College processed 8,379 registration applications during the period ending 6 December 2012. This included 3,307 new applications, 2,134 applications for renewal of registration and 827 applications for transition from provisional to full registration. There were 48,745 members of WACOT as at 6 December 2012.

Finance and Information Technology

The major work in this period involved preparation for transition from WACOT to the TRBWA with a need to integrate the financial and information technology systems of both entities.

Accreditation

The Bachelor of Education (Primary) at Curtin University was accredited for the purposes of teacher registration.

Disciplinary Matters

Disciplinary matters coming to the College's attention were dealt with and a streamlined disciplinary process was implemented during this period.

REPORTS

During the reporting period, the four main activities of WACOT were registration, finance and administration, accreditation and disciplinary matters.

Registration

The major event for Registration Services and the teaching profession of Western Australia during this reporting period was preparation for the transition from WACOT to the TRBWA on 7 December 2012.

In the reporting period of 1 April – 6 December 2012, 6,268 applications for registration were received. This included 3,307 new applications, 2,134 applications for renewal of registration, 827 applications for transition from provisional to full registration and 568 criminal record check only applications. A total of 8,379 applications received prior to and during the reporting period were processed and completed.

There were 48,745 members of WACOT as at 6 December 2012.

During the reporting period the Board of Management formally adopted the National Professional Standards for Teachers (the standards) for the purpose of teacher registration.

A priority project for Registration Services was to follow up on 535 teachers who had transitioned from provisional registration to registered teacher status in 2009 but had not been required to complete a criminal record check at the time. Pursuant to Section 35(c) of the *Western Australian College of Teaching Act 2004* the 535 teachers received a formal notice requesting consent for a criminal record check to be completed. At the end of the project 521 criminal record checks were processed and 14 teachers chose to cancel their registration due to a number of reasons including moving overseas and retirement.

Finance and Information Technology

As the Teacher Registration Bill was being considered by the Parliament from early 2011, the work of the Corporate Services area was focused on preparing for the transition to the new Teacher Registration Board rather than focusing on new initiatives.

Representatives of finance and information technology from WACOT participated extensively in transition meetings with the Department of Education Services (DES). Actions which needed to be completed included the integration of the WACOT and DES financial systems and records, modifications to the electronic registration system to meet the new statutory requirements, inclusion of the WACOT payroll system into the Education and Training Shared Services Centre, and connection of on-line information technology services from DES in Osborne Park to WACOT in Ascot.

The Chair of the WACOT Board agreed to a DES request that College financial records be examined by an independent consultant to inform the budget process for the combined entity. This was conducted by officers of BDO.

Accreditation

One Initial Teacher Education program, Bachelor of Education (Primary) from Curtin University, was accredited for the purposes of teacher registration under National Initial Teacher Education Program Standards.

Disciplinary matters

The Professional Practice and Conduct Committee of the WACOT Board, together with Legal Services section of the College secretariat, conducted and monitored all disciplinary matters brought to the attention of the College.

The Committee identified and developed policy where it was determined that guidance was required on complex matters. The Committee also formulated policy that enabled disciplinary matters to be considered efficiently and expeditiously.

The major policy reform undertaken by the Committee was to streamline processes enabling an increased number of disciplinary matters to be determined in a more expeditious and efficient manner.

The Committee formulated a structured disciplinary process for complaints and assessments to be considered within a framework that enabled recommendations to be prepared without the need for cumbersome and protracted inquiry processes. The Board's adoption of these processes enabled procedural fairness without complex legal barriers, in order to expeditiously determine matters in accordance with the legislative requirements.

This policy reform enabled many disciplinary and complaint matters to be finalised prior to the commencement of the Teacher Registration Board in December 2012.

Details of disciplinary proceedings are shown in the section headed Cancellations and Refusals of Membership.

MEMBERSHIP DATA AND INFORMATION

Acronyms or Categories

RT	Registered Teacher
PRT	Provisionally Registered Teacher
LAT	Limited Authority to Teach
AM	Associate Member

Applications completed between 1 April 2012 and 6 December 2012

Applications completed means any application which has been approved, cancelled, withdrawn or refused.

Application category	Withdrawn or Cancelled	Approved	Total
RT	2,713	2,329	5,042
PRT	339	2,817	3,156
LAT	30	151	181
AM	0	0	0
Total	3,082	5,297	8,379

Membership as at 6 December 2012

Membership by category

RT	PRT	LAT	AM	Total
38,027	10,399	309	10	48,745

Cancellations and Refusals of Membership

The *Western Australian College of Teaching Act 2004* makes provision for the cancellation of membership in cases of misconduct, failure to pay annual fees, on the death of a member or at the request of a member. During this reporting period, the names of a total of 1,804 members were removed from the register. Of the 1,804 members, the Board cancelled 1,500 memberships due to non-payment of fees, the College was notified of the deaths of 17 members and 68 teachers chose to relinquish their memberships. Over the twelve months 204 members did not renew their membership on expiry of their period of registration. One membership was cancelled for sexual offences.

Section 49 of the *Western Australian College of Teaching Act 2004* establishes the requirement that the Commissioner of Police and the Director of Public Prosecutions notify the College if a teacher is charged with, committed for trial or found guilty of particular criminal offences. Section 50 of the Act establishes the requirement that employers notify the College of the suspension or dismissal of a person for serious misconduct or serious incompetence. Section 51 of the Act establishes the requirement that members of the College inform the College if they are required to pay damages as a result of civil proceedings arising out of their practice of teaching; or are convicted of an offence the statutory penalty for which is, or includes, imprisonment.

During this reporting period, the following notifications were received:

Section 49	3	from Commissioner of Police or Director of Public Prosecutions
Section 50	16	from employers
Section 51	0	from members
Total	19	

Irrespective of the financial year in which the notification was received by the College, the following is a summary of the work of the College under Parts 5, 6 and 7 of the Act during the current reporting period.

A total of 13 inquiries were established and 56 were completed. At the close of the reporting period, a total of 22 inquiries had not concluded and 61 matters remained under investigation.

During the reporting period, the College resolved not to establish inquiries into 81 reported matters having determined that no further action was required.

One member was cancelled under section 55 of the Act which deals with convictions for sexual offences against children and no action was taken under section 64 of the Act which allows for disciplinary action for serious misconduct.

No decision of the College was appealed in the District Court.

GOVERNANCE

Relationship of the College with the Minister for Education and the Government

The College reported to the Minister annually and was required to operate in accordance with other legislation impacting on its operations such as the *Public Sector Management Act 1994*, the *Working with Children Act 2005*, the *Occupational Health and Safety Act 1984*, *Equal Employment Opportunity Act 1987* and the *Industrial Relations Act 1979*.

College Governance and Management

The Board of the Western Australian College of Teaching

Under the *Western Australian College of Teaching Act 2004* Section 9(1), nine Board members are appointed to the Board by the Minister for Education on the nomination of education stakeholders representing employers, unions, universities and parent groups. The Board continued to operate and meet up until 6 December 2012 upon cessation of the College.

The secretariat, under the management of the Director appointed by the Board, provided executive support to the Board and its Committees in administering the day-to-day functions of the College.

Western Australian College of Teaching Act 2004 Section 9(1)

CLIFFFORD GILLAM**Appointed**

a) Nominated by the CEO of the Department of Education

Mr Gillam holds the position of Executive Director, Workforce with the Department of Education.

This position was not filled during the reporting period

b) Nominated by the Catholic Education Commission of WA

RON GORMAN**Appointed**

c) Nominated by the Association of Independent Schools of WA

Mr Gorman is deputy executive officer of AISWA .

MICHAEL O'NEILL**Appointed**

d) (ii) Nominated jointly by the vice chancellors of the five WA Universities

Professor O'Neill is the Bernie Prindiville Chair of Education at the University of Notre Dame Australia (UNDA).

BARRY KISSANE**Appointed**

d) (ii) Nominated jointly by the vice chancellors of the five WA Universities

Mr Kissane is a former dean of Murdoch University's School of Education and is currently a senior lecturer.

THERESA HOWE**Appointed**

e) Nominated by the Independent Schools Salaried Officers' Association

Ms Howe is the secretary of the Independent Education Union of Western Australia.

BRIAN LINDBERG**Appointed**

f) Nominated by the State School Teachers' Union of WA (Inc.)

Mr Lindberg has been an educator since 1965. He is a life member and former president of the State School Teachers' Union of WA (Inc).

ROBERT FRY**Appointed**

g) Nominated by the Western Australian Council of State School Organisations (Inc.)
Mr Fry was the President of WACSSO up to the end of September 2011.

AGNES WEYMOUTH**Appointed**

h) Nominated by the Parents and Friends' Federation of WA (Inc.)
Mrs Weymouth has been a member of the Federation Council since 1988 and Treasurer from 1990 to 2001 and held the position of President for two periods.

TEACHER REPRESENTATIVES

The 10 elected teacher representatives formed the majority of the Board

JACQUELINE VARRIS**CHAIR OF THE BOARD**

Elected by Government school teachers
Mrs Varris is principal at Bassendean Primary School.

GLYN PARRY

Elected by Government school teachers
Dr Glyn Parry is a senior teacher employed by the Department of Education.

PETER BOTHE**DEPUTY CHAIR**

Elected by Catholic school teachers
Mr Bothe is principal of Sacred Heart College Sorrento.

SEAN BURKE

Elected by Government school teachers
Mr Burke is a sessional tutor with Curtin University and Open Universities Australia, delivering units in the Education Faculty.

PATRICA DAGG

Elected by Government school teachers
Ms Patricia Dagg is a teacher in Aboriginal education (ITAS) at East Kenwick.

JOHN FRY

Elected by Independent school teachers
Mr Fry is a teacher at Presbyterian Ladies College.

DUNCAN MACPHAIL

Elected by Government school teachers
Mr Macphail is a teacher at Willetton Senior High School.

LYNETTE VIRGONA (deceased)

Elected by Government school teachers

MARKO VOJKOVIC

Elected by Government school teachers
Mr Vojkovic has been teaching science in Department of Education schools since 1993 and is currently employed at Hale School.

TONY WALKER

Elected by Catholic school teachers
Mr Walker is a teacher at Servite College

Board Meetings

Held 1 April 2012 to 6 December 2012

Attendance by Board Members

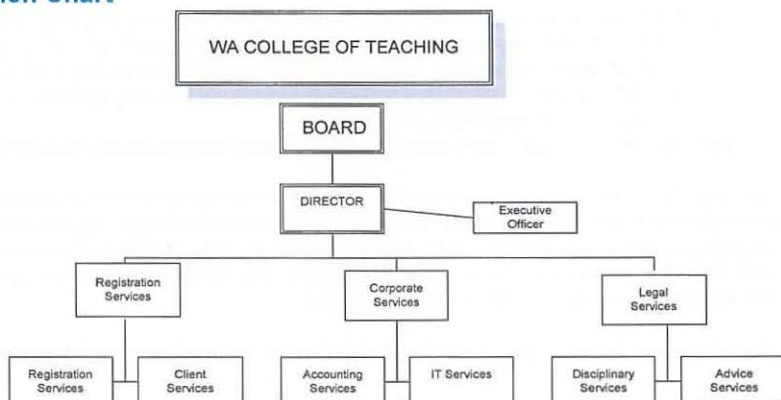
Name	Attendance	Appointment
Nominated		
Lindberg Brian	4/5	16 Sept 2004 to 6 Dec 2012
Fry Robert	5/5	16 Sept 2004 to 6 Dec 2012
Gillam Cliff	4/5	23 Feb 2010 to 6 Dec 2012
Gorman Ron	4/5	15 Sept 2008 to 6 Dec 2012
Howe Theresa	2/5	16 Sept 2004 to 6 Dec 2012
Kissane Barry	4/5	23 June 2007 to 6 Dec 2012
O'Neill Michael	4/5	23 Feb 2010 to 6 Dec 2012
Weymouth Agnes	3/5	1 Oct 2011 to 6 Dec 2012
Elected		
Bothe Peter	5/5	11 Dec 2007 to 6 Dec 2012
Burke Sean	2/5	24 Sept 2010 to 6 Dec 2012
Dagg Patricia	4/5	24 Sept 2010 to 6 Dec 2012
Fry John	5/5	24 Sept 2010 to 6 Dec 2012
Macphail Duncan	3/5	24 Sept 2010 to 6 Dec 2012
Parry Glyn	3/5	11 Dec 2007 to 6 Dec 2012
Varris Jacqueline	5/5	11 Dec 2007 to 6 Dec 2012
Virgona Lynette	2/5	24 Sept 2010 to 6 Dec 2012
Vojkovic Marko	1/5	24 Sept 2010 to 6 Dec 2012
Walker Tony	4/5	24 Sept 2010 to 6 Dec 2012

National Affiliation

The Western Australian College of Teaching was a member of the Australasian Teacher Regulatory Authorities (ATRA) which was incorporated in Victoria in February 2008.

During this reporting period the College, through ATRA, continued to work on national projects with the Ministerial Council for Education, Early Childhood Development and Youth Affairs. The national projects were coordinated by Australian Institute of Teaching and School Leadership (AITSL) and included the national consistency of teacher registration, the implementation of national accreditation of initial teacher education programs and the implementation of agreed National Professional Standards for Teachers. An agreement on national consistency in teacher registration was reached and amendments to policy in Western Australia were effected.

Organisation Chart



Management Team

Director – Suzanne Parry (PhD, BAHons, DipT)

Oversight of all operations, support to the Board, initial teacher education accreditation; and liaison with stakeholders.

Manager Registration Services – Daniel Sudlow (BPhysEd, GradDipEd)

Assessment of membership applications; renewal applications; customer service; conduct criminal record checks; maintenance of Register of Teachers.

Manager Corporate Services – Rob Donaldson (DipAcc)

Financial services; information and technological services; human resources.

Manager Legal Services – Lorraine Allen (BA,LLB)

In-house legal advice to the Board of Management and Director; Disciplinary functions required by the Act.

FINANCIAL REPORT

Attached are the financial report of WACOT and the Independent auditor's report.

The financial report has been signed by Jacqueline Varris, then Chair of the Board of the Western Australian College of Teaching, and the Deputy Chair Peter Bothe.

As at 6 December 2012, the audited financial statements reported an operating surplus of \$1,161,247.00, a working capital surplus of \$965,461.00 and a net asset surplus of \$2,265,849.00. In the circumstances, WACOT was in a favourable financial position and had adequate capacity to repay its debts in the short term.

The independent auditor's report from UHY Haines Norton further supports the financial position as at 6 December 2012. They state that in their opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Western Australian College of Teaching as at 6 December 2012, and its financial performance and its cash flows for the 250 day period then ended in accordance with Australian Accounting Standards and the Western Australian College of Teaching Act 2004; and
- (b) the financial report also complies with *International Financial Reporting Standards*...

Although there was an Emphasis of Matter which drew attention to the fact that WACOT was transitioning to the TRBWA as a direct result of legislative changes, the auditors did not qualify their audit report on the basis of going concern. The absence of such a qualification indicates that the auditors were also of the opinion that WACOT was able to pay its debts as and when they fell due on the 6 December 2012.

The statement by the Chair of the Board is therefore substantiated and it can be said that:

- The financial statements presents a true and fair view of the financial position of the Western Australian College of Teaching as at 6 December 2012 and its performance for the period ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board, and
- At the date of the statement, there are reasonable grounds to believe that the Western Australian College of Teaching would be able to pay its debts as and when they fall due.

I am unaware of any requests to the Minister for Education for "funding increases" during the reporting period "to enable [WACOT] to continue as a going concern" as stated on page 6 of the financial report.

PUBLIC SECTOR REPORTING

FINANCIAL REPORT

Your Board submits the financial report of the Western Australian College of Teaching for the 250 day period ended 6 December 2012. This period represents the final period of operational trading before the College ceased its operations (principal activities) and transferred them to the Department of Education Services to begin trading as the Teacher Registration Board.

BOARD MEMBERS

The following persons formed the Board during the reporting period:

Mrs Jacqueline Varris (Chair)

Mr Sean Burke

Mr Robert Fry

Mr Cliff Gillam

Ms Theresa Howe

Mr Duncan Macphail

Dr Glyn Parry

Ms Lynette Virgona

Mr Tony Walker

Mr Peter Bothe (Deputy Chair)

Ms Patricia Dagg

Mr John Fry

Mr Ron Gorman

Mr Barry Kissane

Prof. Michael O'Neill

Mr Marko Vojkovic

Mrs Agnes Weymouth

PRINCIPAL ACTIVITIES

The principal activities of the College during the financial period 1 April 2012 to 6 December 2012 were to recognise, promote and regulate the teaching profession in Western Australia. The College administered the registration of Western Australian Teachers in compliance with the Act and with a high level of efficiency and public support.

SIGNIFICANT CHANGES

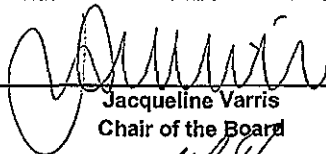
Legislative changes arising from the review of the Act were made public when, on 1st December 2011, the Minister for Education tabled in the Western Australian Parliament, the Teacher Registration Bill 2011. The Teacher Registration Bill 2011 provides for the dissolution of the Western Australian College of Teaching. The Teacher Registration Bill 2011 was assented to on 3rd July 2012. The Teacher Registration (General) Regulations 2012 were Gazetted on 16 November 2012.

During the period the College concentrated its efforts into preparing for the transfer of its operations to the Department of Education Services and to provide advice and assistance for the transition of operations into the Teacher Registration Board.

OPERATING RESULT

The surplus from ordinary activities for the period amounted to \$1,161,247
[Year Ended 31 March 2012: \$345,629]

Signed in accordance with a resolution of the Members of the Board.


Jacqueline Varris
Chair of the Board
Peter Bothe
Deputy Chair of the Board

Dated this 7th day of March 2013

WESTERN AUSTRALIAN COLLEGE OF TEACHING

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 6 DECEMBER 2012**

		Period Ended 6-Dec-12	Year Ended 31-Mar-12
	Note	\$	\$
Revenue	2	3,684,316	4,856,380
Employee benefits expense		(1,874,920)	(2,770,261)
Depreciation and amortisation expense		(98,176)	(221,964)
Seminars expense	3	(50)	(16,080)
Operating lease expense	3	(19,018)	(26,560)
Publication costs	3	(3,044)	(42,276)
Other expenses	3	(577,699)	(1,563,183)
Finance costs	3	(64,517)	(144,428)
Net gain on revaluation of Land & Buildings	21	114,355	274,001
Current Surplus before income tax		1,161,247	345,629
Income tax expense	1b	-	-
Net Current Surplus for the period		1,161,247	345,629
Other comprehensive income after income tax:		-	-
Total comprehensive income for the year		1,161,247	345,629
Total comprehensive income attributable to members of the entity		1,161,247	345,629

The accompanying notes form part of these financial statements.

WESTERN AUSTRALIAN COLLEGE OF TEACHING

**STATEMENT OF FINANCIAL POSITION
AS AT 6 DECEMBER 2012**

	Note	Period Ended 6-Dec-12 \$	Year Ended 31-Mar-12 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,639,885	3,998,957
Trade and other receivables	6	27,316	23,961
Other current assets	7	30,846	8,268
TOTAL CURRENT ASSETS		2,698,047	4,031,186
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,963,870	2,915,362
Intangible assets	9	9,975	31,572
TOTAL NON-CURRENT ASSETS		2,973,845	2,946,934
TOTAL ASSETS		5,671,892	6,978,120
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,124,853	3,560,370
Provisions	11	527,894	643,363
Borrowings	12	79,839	67,037
TOTAL CURRENT LIABILITIES		1,732,586	4,270,770
NON CURRENT LIABILITIES			
Trade and other payables	10	603,867	485,613
Borrowings	12	1,069,590	1,117,135
TOTAL NON CURRENT LIABILITIES		1,673,457	1,602,748
TOTAL LIABILITIES		3,406,043	5,873,518
NET ASSETS		2,265,849	1,104,602
EQUITY			
Retained surplus		2,265,849	1,104,602
TOTAL EQUITY		2,265,849	1,104,602

The accompanying notes form part of these financial statements.

WESTERN AUSTRALIAN COLLEGE OF TEACHING

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 6 DECEMBER 2012**

	Retained Surplus	Total
	\$	\$
Balance at 1 April 2011	758,973	758,973
Surplus attributable to the entity	345,629	345,629
Total other comprehensive income for the year	-	-
Balance at 31 March 2012	<u>1,104,602</u>	<u>1,104,602</u>
Surplus attributable to the entity	1,161,247	1,161,247
Total other comprehensive income for the period	-	-
Balance at 6 December 2012	<u>2,265,849</u>	<u>2,265,849</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 6 DECEMBER 2012

	Note	Period Ended 6-Dec-12 \$	Year Ended 31-Mar-12 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,560,591	5,022,521
Payments to suppliers and employees		(2,983,011)	(4,472,805)
Interest received		108,823	128,913
Net cash provided by operating activities	15	<u>(1,313,597)</u>	<u>678,629</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(10,732)	(12,927)
Payments for intangible assets		-	(11,190)
Net cash provided by/used in investing activities		<u>(10,732)</u>	<u>(24,117)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of borrowings		(34,743)	(67,194)
Net cash used in financing activities		<u>(34,743)</u>	<u>(67,194)</u>
Net increase/(decrease) in cash held		(1,359,072)	587,318
Cash and cash equivalents at beginning of the financial year		3,998,957	3,411,639
Cash and cash equivalents at end of the financial period / year	4	<u>2,639,885</u>	<u>3,998,957</u>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

The financial statements cover the Western Australian College of Teaching as an individual entity. The Western Australian College of Teaching (the College) is a body corporate incorporated in Western Australia under the Western Australian College of Teaching Act 2004.

Note 1. Summary of significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, (including Australian Accounting Interpretations) and the requirements of the Western Australian College of Teaching Act 2004.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 7th March 2013 by the members of the board.

Accounting Policies

a. Going Concern

The College has been unsuccessful in its requests to the Minister for appropriate funding increases to enable it to continue as a going concern. Legislative changes arising from the review of the Act were made public, on 1 December 2011, when the Minister for Education tabled in the Western Australian Parliament, the Teacher Registration Bill 2011. The Teacher Registration Bill 2011 was assented to on the 3rd July 2012 and it provides for the replacement of the Western Australian College of Teaching. On commencement day of the Teacher Registration Board (7th December 2012), the assets, rights and liabilities of the College existing immediately before commencement day are transferred to, and vest, in the State and are to be administered in the Department of Education Services (DES). As soon as reasonably practicable after commencement day, the CEO of DES is to wind-up the affairs of the College and in particular, but without limiting what may be done to wind-up those affairs, the CEO is to (a) discharge the liabilities transferred to the State, and (b) cause (i) any assets which remain after the discharge of those liabilities, and (ii) monies derived from the winding-up of the affairs of the College, including any proceeds from the disposal of property, to be credited to the Teacher Registration Board's account.

b. Income Tax

The College was established as a not for profit entity by an Act of Parliament, the "Western Australian College of Teaching Act 2004" and is exempt from income tax.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

Note 1. Summary of significant accounting policies (cont'd)

c. Intangibles - Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

d. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the college and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as an expense during the financial period in which they are incurred.

Freehold Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

If the carrying amount increases or decreases as a result of a revaluation, the net revaluation increase or decrease shall be recognised in Profit or Loss. However, the net revaluation increase shall be recognised in profit or loss to the extent that it reverses a net revaluation decrease of the same class of asset previously recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012

Note 1. Summary of significant accounting policies (cont'd)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.50%
Plant, furniture and office equipment	12.50% - 33.33%
Computer system	33.33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

e. Leases

Leases of property, plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset(but not the legal ownership) are transferred to the College are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the College will obtain ownership of the asset or ownership over the lease term.

Lease incentives under operating leases are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

Note 1. Summary of significant accounting policies (cont'd)

f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the College commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to the profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount calculated using the effective interest method.

The College does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value being recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012

Note 1. Summary of significant accounting policies (cont'd)

- (ii) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.
- (iii) *Held-to-maturity investments*
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the College's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest method.
- (iv) *Available-for-sale financial assets*
Available-for-sale financial assets are non-derivative financial assets that either do not meet the criteria for classification as any other type of financial asset or are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is classified into profit or loss.
- (v) *Financial liabilities*
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the College assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are immediately recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012

Note 1. Summary of significant accounting policies (cont'd)

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

g. Impairment of Assets

At the end of each reporting period, the College assesses whether there is any indication that an asset may have been impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the College estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for any goodwill and any intangible assets with indefinite lives.

h. Employee Benefits

Provision is made for the College's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. As the College is now aware, through the new Teacher Registration legislation, that all staff will be transferring across to the Department of Education Services, all employee benefits will be paid across to the Department. Therefore all employee entitlements are expected to be settled within the next financial year.

i. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

Note 1. Summary of significant accounting policies (cont'd)

j. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Membership fee revenue is brought to account and recognised on a straight line basis in the accounting period to which the membership relates. All revenue is stated net of the amount of goods and services tax (GST).

k. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012

Note 1. Summary of significant accounting policies (cont'd)

m. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the College has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

n. Accounts Payable and Other Payables

Accounts and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the College during the reporting period, that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o. Provisions

Provisions are recognised when the College has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

With the transfer of staff and operations to the Department of Education Services (Teacher Registration Board), all provisions accrued by the College to the end of its operations on 6th December 2012 will transfer to the new Teacher Registration Board. Thus all provisions have been reclassified as Current Provisions as they will be used, transferred or disqualified on transfer date (7th December 2012).

p. Critical Accounting Estimates and Judgements

The board members evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

(i) Impairment - general

The College assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the College that may be indicative of impairment triggers.

(ii) Impairment - carbon price

There is presently uncertainty in relation to the impacts of the carbon pricing mechanism recently introduced by the Australian Government. The College has not incorporated the effect of any carbon price implementation in its impairment testing at 6 December 2012.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

Note 1. Summary of significant accounting policies (cont'd)

q. Key Judgments

Provision for impairment of receivables

Included in trade receivables and other receivables at the end of the reporting period are amounts receivable from members in relation to unpaid membership fees for 2012-13 amounting to \$120. Based on the historical payment trend of debtors and the ability of the Board to cancel the membership of a debtor and that such a cancellation would render the debtor unable to work as a teacher in the State, no provision for impairment has been made.

r. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the college. The College has decided not to early adopt any of the new and amended pronouncements. The colleges assessment of the new and amended pronouncements that are relevant to the college but applicable in future reporting periods is set out below.

- AASB 9: Financial instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012

Note 1. Summary of significant accounting policies (cont'd)

- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial Assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The College has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121,123,124,127,128,131,133,134,136,137,138,140,141,1050 & 1052 and Interpretations 2,4,5,15,17,127,129 &1052 (applicable for annual reporting periods commencing on or after 1 July 2013).
- AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:
 - Tier 1: Australian Accounting Standards; and
 - Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements
- Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.
- Management believes that the association qualifies for the reduced disclosure requirements for Tier 2 entities. However it is yet to decide whether to adopt the reduced disclosure requirements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

Note 1. Summary of significant accounting policies (cont'd)

- AASB 2010-8: Amendments to Australian Accounting Standards - Deferred Tax Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012)

This standard makes amendments to AASB 112: Income Taxes and incorporates interpretation 121 into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to significantly affect the college.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1,2,3,5,7,9,2009-11,101,107,112,118,121,124,132,133,136,138,139,1023 & 1038 and interpretations 5, 9,16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013)

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities . AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The College has not yet been able to reasonably estimate the impact of this Standard on it's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012

Note 1. Summary of significant accounting policies (cont'd)

- AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity" replacing the "special purpose entity" concept currently used in interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This standard will affect disclosures only and is not expected to significantly impact the College. To facilitate the application of AASB 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the association.

- AASB 13; Fair Value Measurement and AASB 2011-8; Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements. AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy and
- enhanced disclosures regarding all assets and liabilities (including but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the College.

- AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This standard affects presentation only and is therefore not expected to significantly impact the College.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012

Note 1. Summary of significant accounting policies (cont'd)

- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (applicable for annual reporting periods commencing on or after 1 January 2013). These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The College does not have any defined benefit plan employees so it is not impacted by the amendment.
 - AASB 119(September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of :
 - (i) for an offer that may be withdrawn - when the employee accepts
 - (ii) for an offer that cannot be withdrawn - when the offer is communicated to the affected employees and
 - (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions - when the related restructuring costs are recognised.
- The College has not yet been able to reasonably estimate the impact of these changes to AASB 119.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

Period Ended	Year Ended
6-Dec-12	31-Mar-12
\$	\$

NOTE 2: REVENUE AND OTHER INCOME**Sales Revenue**

Member Fees	3,310,708	4,038,632
Criminal Record Checks	170,487	596,427
Seminars	-	5,375
	<u>3,481,195</u>	<u>4,640,434</u>

Other Revenue

Interest received (on financial assets not at fair value through profit or loss)	108,823	128,913
Other revenue	94,298	87,033
	<u>203,121</u>	<u>215,946</u>
Total Revenue	<u>3,684,316</u>	<u>4,856,380</u>

NOTE 3: SURPLUS FOR THE YEAR**a. Expenses:****Cost of sales:**

-Publication costs	3,044	42,276
Interest expense (on financial liabilities not at fair value through profit or loss)	64,517	144,428
Rental expense on operating leases:		
-minimum lease payments	19,018	26,560
-contingent rentals	-	-
Total rental expense on operating	<u>19,018</u>	<u>26,560</u>
- Cost of seminars to promote activities of the college	50	16,080

b. Significant Revenue & Expenses:

The following expense items are relevant in explaining the financial performance:

- Bank Fees	46,851	97,845
- Board Expenses	9,543	22,234
- Computer Expenses	99,338	63,298
- Criminal Record Checks	110,377	462,965
- Insurance	49,419	55,311
- Payroll Tax	76,052	488,725
- Postage	34,809	101,009
- Stationery	11,069	28,259
- Telephone	21,221	49,282
- Travel Expenses	10,076	15,467
- Other Expenses	108,944	178,788
	<u>577,699</u>	<u>1,563,183</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012

Period Ended	Year Ended
6-Dec-12	31-Mar-12
\$	\$

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	2,639,885	398,957
Short term bank deposits	-	3,600,000
	<u>2,639,885</u>	<u>3,998,957</u>

The effective interest rate on short term bank deposits was between 5.2% and 3.0% [2011: 5.2% - 4.0%]. These deposits are "at call", 30 day and 60 day deposits.

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	<u>2,639,885</u>	<u>3,998,957</u>
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At the end of trading on 6 December 2012, the cash balance of funds in the College bank account was transferred to the new Teacher Registration Board's bank account.

NOTE 5: AUDITORS' REMUNERATION

Remuneration of auditor of the college for:
Auditing or reviewing the financial report

21,500	18,500
<u>21,500</u>	<u>18,500</u>

NOTE 6: TRADE AND OTHER RECEIVABLES*CURRENT*

Subscriptions receivable	4,554	2,622
GST Refund	11,164	20,746
Other Receivables	11,598	593
Total current trade and other receivables	<u>27,316</u>	<u>23,961</u>

Trade debtors relating to future financial year Annual Fees are included in Note 10 for reporting purposes and are offset against income received in advance.

Current trade receivables generally are receivable within 60 days. A provision for impairment is recognised against receivables where there is objective evidence that an individual trade receivable is impaired. No impairment was required at 6 December 2012.

Credit risk

The College has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 6. The main source of credit risk to the College is considered to relate to the class of assets described as Annual Fees receivable.

The following table details the College's receivable exposure to credit risk with ageing analysis and impairment provided thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the College and the member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the College.

The balances of receivables that remain within initial terms (as detailed in the table) are considered to be of high credit quality.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 6 DECEMBER 2012

Note 6. TRADE AND OTHER RECEIVABLES (cont'd..)

6 Dec 2012	Gross Amount	Past due and impaired	Past due but not impaired (Days Overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
Annual Fees	120	-	120	-	-	-	120
Other	27,316	-	12,362	12,801	512	1,641	12,362
Total							
Receivable	27,436	-	12,482	12,801	512	1,641	12,482

31 Mar 2012	Gross Amount	Past due and impaired	Past due but not impaired (Days Overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
Annual Fees	732,414	-	732,414	-	-	-	732,414
Other	23,961	-	22,839	1,108	-	14	22,839
Total							
Receivable	756,375	-	755,253	1,108	-	14	755,253

The College does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

Collateral held as security

No collateral is held as security for any of the trade or other receivable balances.

Collateral pledged

No collateral has been pledged for any of the trade or other receivable balances.

NOTE 7: OTHER CURRENT ASSETS

	Period Ended 6 Dec 2012 \$	Year Ended 31 Mar 2012 \$
Prepayments	30,846	4,940
Franking Machine balance	-	3,328
	<u>30,846</u>	<u>8,268</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012

		Period Ended 6-Dec-12 \$	Year Ended 31-Mar-12 \$
	Note		
NOTE 8: PROPERTY PLANT AND EQUIPMENT			
Land & Buildings at Valuation	20	2,855,000	2,775,000
Accumulated depreciation		(1,467)	(143)
Total Land & Buildings		<u>2,853,533</u>	<u>2,774,857</u>
Computer Equipment at Cost		273,597	262,864
Accumulated depreciation		(242,635)	(223,250)
Total Computer Equipment		<u>30,962</u>	<u>39,614</u>
Furniture & Fittings at Cost		108,200	108,200
Accumulated depreciation		(62,217)	(50,402)
Total Furniture & Fittings		<u>45,983</u>	<u>57,798</u>
Office Equipment at Cost		96,024	96,024
Accumulated depreciation		(62,632)	(52,931)
Total Office Equipment		<u>33,392</u>	<u>43,093</u>
Total Property plant and equipment		<u>2,963,870</u>	<u>2,915,362</u>

Land and Buildings are pledged as security against borrowings as per Note 12.

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period:

	Land & Buildings \$	Computer Equipment \$	Furniture & Fittings \$	Office Equipment \$	Total \$
Balance at 1 April 2011	2,548,478	81,008	78,731	53,190	2,761,407
Additions	-	12,414	513	-	12,927
Disposals	-	-	(6,769)	-	(6,769)
Revaluation increment	274,001	-	-	-	274,001
Depreciation expense	(47,622)	(53,808)	(14,677)	(10,097)	(126,204)
Balance at 31 March 2012	<u>2,774,857</u>	<u>39,614</u>	<u>57,798</u>	<u>43,093</u>	<u>2,915,362</u>
Additions	-	10,732	-	-	10,732
Disposals	-	-	-	-	-
Revaluation increment	114,355	-	-	-	114,355
Depreciation expense	(35,679)	(19,385)	(11,814)	(9,701)	(76,579)
Balance at 6 December 2012	<u>2,853,533</u>	<u>30,961</u>	<u>45,984</u>	<u>33,392</u>	<u>2,963,870</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

NOTE 8: PROPERTY PLANT AND EQUIPMENT (cont.)

In accordance with the Teacher Registration Act 2012, sections 141 and 142, on commencement day the assets and rights vested in the College immediately before commencement day are transferred to, and vest, in the State and are to be administered in the Department of Education Services. Therefore on the 7th December 2012, all assets, except the Land and Buildings, were transferred to the Department of Education Services, at Written Down Value, for the new Teacher Registration Board. The Land and Buildings will remain with the College until the CEO of the Department of Education Services is able to organise its disposal by sale. Proceeds derived from the disposal of property are to be credited to the Teacher Registration Board's bank account. Until the disposal of property is effected the Teacher Registration Board will occupy the building as its operational premises and meet all related costs thereto.

	Land & Buildings	Computer Equipment	Furniture & Fittings	Office Equipment	Total
	\$	\$	\$	\$	\$
Balance at 6 December 2012	2,853,533	30,962	42,647	33,392	2,960,534
Disposal (To TRB)	-	(30,962)	(42,647)	(33,392)	(107,001)
Balance at 7 December 2012	2,853,533	-	-	-	2,853,533

NOTE 9: INTANGIBLE ASSETS

Computer software – at cost	605,925	605,925
Accumulated amortisation	(595,950)	(574,353)
	<u>9,975</u>	<u>31,572</u>
Computer software		
Balance at the beginning of the year	31,572	116,142
Additions	-	11,190
Amortisation charge	(21,597)	(95,760)
	<u>9,975</u>	<u>31,572</u>

In accordance with the Teacher Registration Act 2012, sections 141 and 142, on commencement day the assets and rights vested in the College immediately before commencement day are transferred to, and vest, in the State and are to be administered in the Department of Education Services. Therefore on the 7th December 2012, all Intangible Assets were transferred to the Department of Education Services, at Written Down Value, for the new Teacher Registration Board.

	Computer Software	Total Intangibles
	\$	\$
Balance at 6 December 2012	9,975	9,975
Disposal (To TRB)	(9,975)	(9,975)
Balance at 7 December 2012	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

		Period Ended 6-Dec-12 \$	Year Ended 31-Mar-12 \$
NOTE 10: TRADE AND OTHER PAYABLES	Note		
CURRENT			
Trade payables		22,533	328,249
Sundry Creditors		15,170	19,935
PAYG Withholding Liabilities		70,850	39,198
Income received in advance (i)		1,016,300	3,172,988
		<u>1,124,853</u>	<u>3,560,370</u>
NON-CURRENT			
Income received in advance (ii)		603,867	485,613

(i) Income received in advance:

From the year ended 31 March 2007, the College's practice is to bill in January/February each year all fees due and payable for the next year. In January 2012, all fees for the year ending 31 March 2012 were raised. They are not recognised in income for the year ended 31 March 2012. For the year ended 31 March 2012, the amount receivable in this regard is raised as a debtor and the amount representing income for the year ending 31 March 2013 is treated as a creditor in the Statement of Financial Position.

Fees for the year ending 31 March 2014 will be raised by the new Teacher Registration Board in February 2013.

For reporting purposes, the debtor and corresponding creditor are offset in the College's Statement of Financial Position for the period ended 6 December 2012 as follows:

Total Membership Fees Invoiced		-	3,905,402
Outstanding Debtors as at 31 Mar 12	6	-	(732,414)
Fees raised this year but attributable to 7 Dec12 - 31 Mar13		1,016,420	-
Outstanding Debtors as at 6 Dec 12	6	(120)	-
Income received in advance		<u>1,016,300</u>	<u>3,172,988</u>

- (ii) The Non-Current portion of Income Received in Advance relates to Annual Fees paid in advance by at least two years from the current period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

Period Ended	Year Ended
6-Dec-12	31-Mar-12
\$	\$

NOTE 11: PROVISIONS**CURRENT**

Audit Fees	21,500	18,500
Accrued Wages	-	29,197
Employee benefits	506,394	595,666
	<u>527,894</u>	<u>643,363</u>

Number of employees at year end – by Head Count

Number of employees at year end – by Full Time Equivalent (FTE)

37	37
<u>32.46</u>	<u>33.11</u>

NOTE 12: BORROWINGS**CURRENT**

Bank Loans	<u>79,839</u>	<u>67,037</u>
------------	---------------	---------------

NON CURRENT

Bank Loan	<u>1,069,590</u>	<u>1,117,135</u>
-----------	------------------	------------------

Total Borrowings

<u>1,149,429</u>	<u>1,184,172</u>
------------------	------------------

The College has a Fixed 15 year Principle and Interest reducing loan at 8.65% for the Land and Buildings at Ascot that it uses as it premises. The Land and Buildings (Note 8) are used as security over the loan.

From commencement day, 7th December 2012, the Teacher Registration Board will pay the monthly loan repayments until the property is disposed of by the CEO of the Department of Education Services. The net proceeds, after discharging the mortgage liability, are to be credited to the account of the Teacher Registration Board.

NOTE 13: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Estimates of the potential financial effect of contingent liabilities that may become payable:

Nil.

NOTE 14: EVENTS AFTER THE REPORTING PERIOD

The transition to the Teacher Registration Board occurred as planned.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

Period Ended	Year Ended
6-Dec-12	31-Mar-12
\$	\$

NOTE 15: CASH FLOW INFORMATION**Reconciliation of cash flow from operations with**

Profit after income tax		1,161,247	345,629
Cash flows excluded from profit attributable to operating activities			
Non-cash flows in profit:			
Depreciation	8	76,579	126,204
Amortisation	9	21,597	95,760
Loss on disposal of Property, Plant & Equipment.	8	-	6,769
Net gain on revaluation of Land & Buildings.	8	(114,355)	(274,001)
Changes in assets and liabilities			
(Increase)/decrease in assets:			
Prepayments		(22,578)	(6,164)
Trade and term debtors		(3,355)	99,887
Increase/(decrease) in liabilities			
Trade and other payables		(2,317,262)	387,191
Employee Benefits		(89,272)	(107,770)
Provisions		(26,197)	5,124
		<u>(1,313,597)</u>	<u>678,629</u>

NOTE 16: CAPITAL AND LEASING COMMITMENTS**Operating Lease Commitments**

Non-cancellable operating leases

Payable - minimum lease payments

- not later than 12 months	-	25,918
- between 12 months and 5 years	-	41,410
	-	<u>67,328</u>

Leases held by the College were assigned to the Teacher Registration Board as per the Assignment Clauses in each Lease Agreement and in accordance with the Teacher Registration Act 2012.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

	Period Ended	Year Ended
	6-Dec-12	31-Mar-12
Note	\$	\$

NOTE 17: FINANCIAL RISK MANAGEMENT

The College's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The Total for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets

Cash and cash equivalents	4	2,639,885	3,998,957
Trade and other receivables	6	27,316	23,961
Total financial assets		2,667,201	4,022,918

Financial liabilities

Financial liabilities at amortised cost:			
- trade and other payables	10	1,728,720	4,045,983
- borrowings	12	1,149,429	1,184,172
Total financial liabilities		2,878,149	5,230,155

Financial Risk Management Policies

The College's Manager Corporate Services is responsible for, among other duties, monitoring and managing financial risk exposures of the College. The Manager Corporate Services monitors the College's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held monthly and minuted by the Finance and Administration Committee.

The Manager Corporate Services' overall risk management strategy seeks to ensure that the College meets its financial targets, whilst minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the College is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the College.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012

NOTE 17: FINANCIAL RISK MANAGEMENT (Cont.)

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the College securing trade and other receivables.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

The College has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 6.

b. Liquidity risk

Liquidity risk arises from the possibility that the College might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The College manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and

- only investing surplus cash with major financial institutions; and

- proactively monitoring the recovery of unpaid memberships.

The table over page reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

Market risk

i.) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows. At 6 December 2012, approximately 100% of the College's debt is fixed. It is the policy of the College to keep between 65% and 100% of the debt on fixed interest rates.

ii.) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The College is not exposed to securities price risk on available-for-sale investments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

NOTE 17: FINANCIAL RISK MANAGEMENT (Cont.)

Sensitivity analysis

The following table illustrates sensitivities to the College's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of the other variables.

	Profit
	\$
Period ended 6 December 2012	
+/- 2% in interest rates	+/- 65,289
Year ended 31 March 2012	
+/- 2% in interest rates	+/- 58,378

No sensitivity analysis has been performed on foreign exchange risk, as the College is not exposed to currency risk.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices.

WESTERN AUSTRALIAN COLLEGE OF TEACHING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 6 DECEMBER 2012

NOTE 17. FINANCIAL RISK MANAGEMENT (cont.)

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	6 Dec 2012	31 Mar 2012	6 Dec 2012	31 Mar 2012	6 Dec 2012	31 Mar 2012	6 Dec 2012	31 Mar 2012
Financial liabilities due for payment	\$	\$	\$	\$	\$	\$	\$	\$
Trade and other payables (excluding income received in advance)	108,553	387,382	-	-	-	-	108,553	387,382
Bank loans	79,839	67,037	351,648	329,172	717,942	787,963	1,149,429	1,184,172
Total contractual outflows	188,392	454,419	351,648	329,172	717,942	787,963	1,257,982	1,571,554
Total expected outflows	188,392	454,419	351,648	329,172	717,942	787,963	1,257,982	1,571,554
Financial assets – cash flows realisable								
Cash and cash equivalents	2,639,885	3,998,957	-	-	-	-	2,639,885	3,998,957
Trade and other receivables (including Annual Fees)	27,436	756,375	-	-	-	-	27,436	756,375
Total anticipated inflows	2,667,321	4,755,332	-	-	-	-	2,667,321	4,755,332
Net (outflows)/inflows on financial instruments	2,478,929	4,300,913	(351,648)	(329,172)	(717,942)	(787,963)	1,409,339	3,183,778

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

NOTE 17: FINANCIAL RISK MANAGEMENT (Cont.)

	Footnote	Period Ended 6 December 2012		Year Ended 31 March 2012	
		Carrying \$	Fair Value \$	Carrying \$	Fair Value \$
Financial Assets					
Cash and cash equivalents	(i)	2,639,885	2,639,885	3,998,957	3,998,957
Trade and other receivables	(i)	27,316	27,316	756,375	756,375
Total financial assets		<u>2,667,201</u>	<u>2,667,201</u>	<u>4,755,332</u>	<u>4,755,332</u>
Financial liabilities					
Trade and other payables	(i)	108,553	108,553	387,382	387,382
Bank Loans	(ii)	1,149,429	1,171,008	1,184,172	1,327,286
Total financial liabilities		<u>1,257,982</u>	<u>1,279,561</u>	<u>1,571,554</u>	<u>1,714,668</u>

The fair values disclosed in the table above have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts relating to the provision of annual leave which is outside the scope of AASB 139, and membership fees received in advance, which are not considered as financial instruments.
- (ii) Borrowings estimated future cashflow discounted by the current market interest rates applicable to liabilities with similar risk profiles.

NOTE 18: RESOURCES PROVIDED FREE OF CHARGE

In accordance with Treasurer's Instruction 1101A and AASB1049 "Financial Reporting by Government Departments", the State Solicitors Office has advised that it has provided the following services free of charge to the College during the period ended 6 December 2012.

	Period Ended 6-Dec-12	Year Ended 31-Mar-12
	\$	\$
Legal Services provided free of charge	6,644	22,814

NOTE 19: RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

Period Ended	Year Ended
6-Dec-12	31-Mar-12
\$	\$

NOTE 20: KEY MANAGEMENT PERSONNEL

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the College, directly or indirectly, including its board members, is considered key management personnel.

Key Management Personnel Compensation

Short-term employee benefits	415,408	575,391
Other Long-term benefits	164,284	299,008
Total compensation	<u>579,692</u>	<u>874,399</u>

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

NOTE 21: ASSET REVALUATION

The College conducts a formal revaluation of its property assets every three years. The College purchased its current premises in April 2008. The premises consist of four adjoining strata office units which have been internally linked and renovated to form two separate office spaces to suit the requirements of the operations of the College. By relocating the College outside the CBD, the College has gained 50% more floor space for no more annual cost than the rental expense incurred in 2008. The acquisition of the Ascot premises via a principal and interest reducing loan enabled the College to fix the annual cost of one of its largest expenses by eliminating annual rental increases.

The premises were appraised again by a licensed valuer in November 2012 for the purposes of establishing a Current Market Value prior to the transfer of control of the asset to the Department of Education Services. The valuation was conducted by LMW Hegney, National Property Valuers and Consultants, and was conducted on the basis of "Market Value 'as is' with vacant possession".

Land & Buildings - Balance as at 1 April 2010	3,134,512
Accumulated depreciation to 31 March 2010	<u>(102,754)</u>
Land & Buildings - Balance as at 31 March 2010	3,031,758
Depreciation to 8 February 2011	<u>(53,866)</u>
Land & Buildings - Balance as at 8 February 2011	2,977,892
Land & Buildings - Revaluation Decrement	<u>(422,892)</u>
Land & Buildings - Asset at Revaluation as at 8 February 2011	2,555,000
Depreciation to 31 March 2011	<u>(6,522)</u>
Land & Buildings - Balance as at 31 March 2011	2,548,478
Depreciation to 30th March 2012	<u>(47,479)</u>
Land & Buildings - Balance as at 30th March 2012	2,500,999
Land & Buildings Revaluation Increment/(Decrement)	<u>274,001</u>
Land & Buildings - Asset at Revaluation as at 30th March 2012	2,775,000
Depreciation to 31 March 2012	<u>(143)</u>
Land & Buildings - Balance as at 31 March 2012	2,774,857
Depreciation to 26 November 2012	<u>(34,212)</u>
Land & Buildings - Balance as at 26 November 2012	2,740,645
Revaluation Increment	<u>114,355</u>
Asset at Revaluation as at 26 November 2012	2,855,000
Depreciation to 6 December 2012	<u>(1,467)</u>
Land & Buildings - Balance as at 6 December 2012	<u>2,853,533</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 DECEMBER 2012**

NOTE 22: ORGANISATION DETAILS

The Registered Office and the principal place of business of the College is:

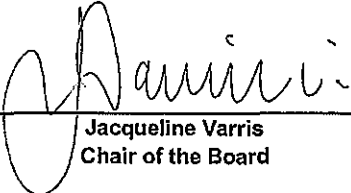
Western Australian College of Teaching
Unit 4, 398 Great Eastern Highway
ASCOT WA 6104.

STATEMENT BY MEMBER OF THE BOARD

In the opinion of the Board the financial report as set out on Financial Pages 1 to 33:

- 1 Presents a true and fair view of the financial position of Western Australian College of Teaching as at 6 December 2012 and its performance for the period ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
- 2 At the date of this statement, there are reasonable grounds to believe that Western Australian College of Teaching will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



Jacqueline Varris
Chair of the Board

Dated this 7th day of March 2013

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WESTERN AUSTRALIAN COLLEGE OF TEACHING**

Report on the Financial Report

We have audited the accompanying financial report of Western Australian College of Teaching which comprises the Statement of Financial Position as at 6 December 2012, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the 250 day period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Members of the Board.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Western Australian College of Teaching Act 2004 and for such internal control as management determines is necessary to enable the preparation of the financial report which is free from material misstatement, whether due to fraud or error. In Note 1, management also states, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WESTERN AUSTRALIAN COLLEGE OF TEACHING (Continued)

Opinion

In our opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Western Australian College of Teaching as at 6 December 2012, and its financial performance and its cash flows for the 250 day period then ended in accordance with Australian Accounting Standards and the Western Australian College of Teaching Act 2004; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

We draw attention to Notes 1 (a), 4, 8, 9, 10, 12, 14 and 16 in the financial report which describe the legislative changes resulting in the dissolution of the Western Australian College of Teaching and the effect thereof.

Our opinion is not qualified in respect of this matter.


UHY HAINES NORTON
CHARTERED ACCOUNTANTS

Address: Perth, WA
Date: 8 March 2013


GREG GODWIN
PARTNER