



2013 Annual Report



South West
Institute of Technology
Your Regional TAFE



Statement of Compliance

Hon Dr Kim D Hames MB BS JP MLA
Deputy Premier; Minister for Health; Training and Workforce Development
13th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

Dear Minister

Statement of Compliance for the Year Ended 31 December 2013.

In accordance with Section 61 of the Financial Management Act 2006 and Section 54 of the Vocational Education Training Act 1996, we hereby submit for your information and presentation to Parliament the Annual Report of the South West Institute of Technology for the financial year ended 31 December 2013.

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

Yours sincerely

Dan Perkins
Chairperson
Governing Council

24th February 2014

Duncan Anderson
Managing Director
South West Institute of Technology

24th February 2014

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Managing Director's Report



Commencing as Managing Director in late March of 2013, I quickly understood the operating environment within which the South West Institute of Technology was undertaking its core activities. Throughout this process, it became apparent that the organisation presented a sound financial position supported by relevant policies and procedures.

Market forces, increasing financial pressures, combined with ever-present requirements to meet a rapidly evolving workforce in the South West resulted in the development of a new Strategic Plan for 2014 – 2016. This plan will reframe the South West Institute of Technology as an adaptable and contemporary organisation able to deliver high quality accredited training across multiple sectors.

Essential to the success of the organisation, is the successful implementation of 'Future Skills WA'. The South West Institute of Technology has been supported extremely well by the Department of Training and Workforce Development in the communication of this initiative in the region. As part of 'Future Skills WA', the Institute is committed to supporting the implementation of WACE 2016 through contemporary partnership arrangements with Trade Training Centres, Secondary Schools and continued liaison with all levels of the Department of Education. With continued open dialogue with all stakeholders involved in the implementation of WACE 2016, the South West Institute of Technology is well positioned to meet all requirements of this policy.

Challenges in academic quality assurance continue to be highlighted through internal and external audits. These challenges were compounded by increased regulation to continue the high standard expected of a nationally accredited training system. The South West Institute of Technology continues to liaise closely with all industries in the region and has highlighted this as an essential component of core business incorporated into the Strategic Plan 2014 – 2016.

Graduating the first cohort of Aboriginal students from training at Roelands Village under the banner of the Outback Academy was a milestone for the Institute and the South West region. This initiative will be formalised in 2014 in a four-way agreement that will see Roelands Village become one of two pilot sites for the development of programs targeting Aboriginal economic independence. This program combines a healing component, language, literacy and numeracy training and skills training leading to employment outcomes. Importantly the program has been established to support people with a disability. This is the key Aboriginal training initiative for 2014.

Demand for core training in the South West continues to grow. This is highlighted by the high growth in private training providers in the region. This presents both a challenge and an opportunity for the Institute: the Institute must adapt to meet the growing demand. Population growth is strong in the region and a requirement for training to support this growth is also strong. The Institute will continue to work closely with regional organisations such as the South West Development Commission and Regional Development Australia (South West) to ensure emerging industries are supported.

Although 2013 presented several challenges, it also presented far more opportunities. The South West Institute of Technology was able to move quickly to reform internal processes to meet efficiencies and of most importance, reform itself very well in support of the Strategic Plan 2014 – 2016. This will position the organisation well to support current and emerging industries in the South West.



Duncan Anderson
Managing Director
South West Institute of Technology

Statement from the Chair of the Governing Council

On behalf of the Governing Council, I am pleased to present our report highlighting the Institute's achievements and challenges in 2013.

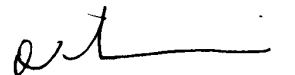
The introduction and implementation of 'Future Skills WA' represented a fundamental change in training policy that provided challenges to the Institute and underscores the commitment of the Governing Council for the organisation to be responsive to industry's needs. Along with the challenges presented during the re-registration audit, it was clear the Institute needed to do things differently.

With the retirement of the former Managing Director who had led the organisation for the past ten years, the Governing Council recognised that the Institute needed to undergo significant organisational, cultural and generational change against the backdrop of a rapidly changing macro environment and VET sector. The appointment of Mr Duncan Anderson who took up the appointment as Managing Director at the end of March this year brought to the role extensive experience in managing change in a regulated environment along with the requisite leadership skills needed for the challenges ahead.

As the South West continues to require a broad base of skills to support our diverse regional economy, increased engagement with industry was a key focus for the Institute in 2013. This was vital to ensure the relevance of our training delivery. Maximising opportunities within the nationally accredited training framework to meet the needs of existing and emerging industries was a key strategy of the organisation during the year. This responsiveness has been imperative to achieving commercial targets and expanding our reach into the international arena.

A review and re-formulation of the Institute's vision and values during the year have informed the Institute's new Strategic Plan 2014-2016. The proposed restructure in 2014 to support this plan will enable the organisation to derive the benefits of streamlined processes and resourcing that will deliver greater efficiencies and accountability. Moving forward, the organisation will enhance its capability to facilitate skill acquisition and provide contemporary learning experiences that will contribute to employment and productivity in the region.

Further enhancing the Institute's support to industry is the implementation of whole-of-organisation continuous improvement strategies essential to meeting efficiencies required of the public sector. Importantly, these efficiencies will not impact on service delivery and will be drawn from a methodical rationalisation of systems and processes in keeping with the provisions of the Strategic Plan 2014 – 2016. This plan will set the framework for enhanced governance and rigorous reporting, allowing the organisation to meet funding efficiencies without directly impacting on the standard of training as well as supporting organisational improvement and performance.



Dan Perkins
Chairperson
Governing Council



Executive Summary

The beginning of the year marked the retirement of Ms Wendy Burns, Managing Director of the South West Institute of Technology for the past ten years, and the arrival of Mr Duncan Anderson in late March as the new Managing Director.

Adapting to significant change across multiple facets of the business rapidly became a key theme for 2013. In appointing Mr Anderson, the Governing Council recognised that the Institute needed to undergo significant cultural and generational change to meet the changing needs of the region as well as the VET reforms proposed for 2014. His background in leadership within the Australian Armed Forces meant that Mr Anderson had the requisite skills to lead the Institute through change.

As 2013 was the final year of the 2011 – 2013 Strategic Plan, along with the proposed changes to the sector, the Institute still had to focus on achieving the six strategic priorities that leveraged all business activities.

These were:

- Workforce Development
- Client Satisfaction
- Business Development
- Capability
- Social Responsibility
- Pursuit of Excellence

The most significant challenge in the year was the achievement of the sixth strategic priority to meet regulated standards against the Australian

Quality Training Framework (AQTF). A registration audit conducted by the Training Accreditation Council (TAC) in September highlighted a number of non-compliances that required immediate remedial action. A Quality Assurance Consultant was engaged to address any non-compliances with instant results.

One of the highlights of the year was the opening of the new \$16 million Automotive Centre, a state of the art facility that will allow the Institute to provide training for up to 600 students.



Performance

The South West Institute of Technology is the largest educational institution in regional Western Australia having provided vocational training in the South West for over 40 years. Operating a network of six campuses based in Collie, Harvey, Busselton, Manjimup, Margaret River, and the main campus based in Bunbury, the Institute catered to the training needs of 5,957 full and part time students.

Delivery

The Institute began 2013 with a Delivery and Performance Agreement (DPA) figure of 1,771,900 and renegotiated this in January, May and September to align targets with local demands resulting in an amended DPA figure of 1,812,023 Student Curriculum Hours (SCH). As per the South West Institute of Technology Business Plan, the performance indicators in this report reflect the original DPA figure of 1,771,900. The Institute delivered a total of 1,767,082 SCH. This was 38,022 SCH below target.

Budget

The original total funding allocation for 2013 was \$26,076,623 as outlined in the original DPA between VET (WA) Ministerial Corporation and South West Institute of Technology. This was amended to \$26,154,229 to reflect the additional SCH allocated in September.

The Institute engages in commercial fee for service activities to augment the funding package provided by DTWD.

- International student delivery target of \$500,000 was exceeded by \$26,884; and
- full fee-for-service target of \$675,545 was exceeded by \$150,455.

Website

A significant project to rebuild the website was undertaken during the year. The main purpose was to ensure the new website met accessibility standards as required by the Public Sector Commission (PSC). This was launched late October to immediate success with a 300% increase in enquiries.

Major Projects

The \$16 million Automotive Centre, funded by the West Australian Government, was completed in August 2013 and became fully operational in September. It was officially opened on November 7th, 2013 by the Hon. Donald Terrance (Terry) Redman MLA, Minister for Training and Workforce Development; Water; Forestry; Deputy Leader of the National Party of Australia (WA).



The Hon. Donald Terrance (Terry) Redman MLA Minister for Training and Workforce Development; Water; Forestry; Deputy Leader of the National Party of Australia (WA). and Mr Duncan Anderson; MD of the South West Institute of Technology.

The Busselton Campus upgrade of \$2.5 million was completed providing the campus with increased capacity to delivery training in the region.

The status of the major projects identified in the 2013 Business Plan is as follows:

Project Details	Status
Network migration from Novell to Microsoft	Completed
Student Services Upgrade	Completed
Ventilation of Grinding Room	Will complete in 2014
Gas Reticulation in engineering workshop	Will complete in 2014
ITC equipment to complete cabling project	Completed
Timetabling Resource Management System	Will go to tender in January 2014

Commercial Activities

The key commercial activities conducted throughout the year were:

- the Institute's largest off-shore project, Alcoa-Ma'aden was completed culminating with two lecturers travelling to Saudi Arabia to train the trainers;
- the Aged Care Workforce Vocational Education and Training three year tender was completed;
- the Institute hosted a delegation from Indonesia to provide them with an understanding of the VET sector in Australia to progress VET training in Indonesia;

- the Agrifood national regional initiative to provide training in horticulture, dairy and livestock industries commenced in Manjimup; and
- the Institute remained a preferred provider of Aboriginal School Based Traineeships.



History of the Institute

The South West Institute of Technology's 50-year history illustrates the enormous changes that have affected the way in which VET is delivered today. We are proud to demonstrate how we have responded proactively to the changes required by industry, students and the community.

The 'Bunbury Tech'

In 1946, 52 students were enrolled in four courses at the "Technical School" in Arthur Street in the Junior Certificate subjects of woodwork, metalwork, dress cutting and home crafts. In 1957, enrolments boomed when the Technical Extension Scheme was introduced for Apprenticeship training and local employers enrolled 63 apprentices on a day-release basis. The School was officially opened by the Minister for Education, Hon E H M Lewis MLA on 21 February 1964.

Moving On and Moving Out

In 1968, the State Government, led by Premier David Brand, initiated the relocation of the "Tech" to the new Robertson Drive site. The official opening was held on 14 April 1972 by the Minister for Education, Hon T D Evans. As a result of the Partridge Report in 1976, the State Government accepted recommendations that TAFE be allowed to become a separate authority and thus a more active player in its own right in the post-secondary education sector.

Becoming a College

By 1976 there were 2,143 students enrolled at the "Bunbury Technical School" (an increase of 212% on 1975 enrolments). Paterson House, a residential hostel, was completed and fully utilised. Most significantly, the School was promoted to a Grade 2 facility, officially becoming the "*Bunbury Technical College*". In 1982, as a result of the Dormer Report, a sub-department of TAFE was created.

In 1985, TAFE Colleges at Bunbury, Albany and Geraldton were reconstituted as Regional Colleges under Advisory Councils. At the commencement of 1985, the re-named South West Regional College of TAFE (SWRC) continued to provide training and education to the most densely populated region outside of the metropolitan area in Western Australia, with campuses located in Bunbury, Collie and Manjimup and centres in many other towns in the region. In total, 134 full time equivalent staff were employed in providing services to 331 full time and 5,200 part-time students.

And into the '90s

In 1991 the Bunbury Campus offered 86 vocational courses, with 550 full time and 1,125 part-time enrolments; 293 students graduated. The number of graduates jumped dramatically in 1992, with 423 students graduating. This figure reflects the influence of the first group of Year 12 Advanced Certificate/Associate Diploma students. The Open Learning Centre, a department devoted to the supply of flexible delivery or off-campus correspondence courses, was established in 1994.

The South West Regional College of TAFE continued to grow from strength to strength through the 1990s so that during 1998, the College delivered training to over 6000 students.

The New Millennium

A significant restructure of the College was undertaken in 2000 achieving consistent management of academic delivery, consistency in client service and a more strategic role for Portfolio Managers encompassing the management of open learning, commercial delivery and VET in schools.

The Manjimup Campus of the South West Regional College, a multipurpose community facility co-located with the Manjimup High School, was opened.

A memorable highlight of 2000 was the visit of Her Majesty, Queen Elizabeth II and the Duke of Edinburgh to the South West. The staff and students of the Hospitality Faculty of the College prepared and served a sumptuous luncheon to the royal entourage in Busselton and were highly commended for their efforts by the Premier of Western Australia, Richard Court.

The South West Institute of Technology

In October 2010 the South West Regional College of TAFE underwent a name change in response to the greater flexibility and competitiveness of the training sector. In line with other State Training Providers the College adopted the new name, **South West Institute of Technology**.

Today the South West Institute of Technology is a Bunbury based multi-campus training organisation that offers a wide scope of services and courses for the South West community.



Operational Overview

The South West Institute of Technology services the training needs of the South West region across its network of campuses in Collie, Harvey, Bunbury, Busselton, Manjimup and Margaret River. The Institute provides the facilities, expertise and resources required to offer high quality Vocational Education and Training (VET) to 5,957 students.

Working with industry and the community, the South West Institute of Technology advances the economic development and social prosperity of the region through the delivery of national accredited VET services.

The Institute provides the facilities, expertise and resources required to offer high quality, vocational education for those seeking to embark upon a new career, as well as those who are seeking to upgrade their skills or retrain for an alternative career.

The South West Institute of Technology offers:

- publically funded VET through Nationally recognised qualifications;
- articulated pathways to university programs;
- apprenticeship and traineeship training;
- commercial and customised training; and
- entry and bridging courses.

The range of industry areas covered includes;

- Agriculture;
- Horticulture;
- Conservation and Land Management;
- Asset Maintenance;

- Automotive;
- Metals and Engineering;
- Personal Services (e.g., Hairdressing, Beauty Therapy);
- Business Services;
- Community Services and Health;
- Building and Construction;
- Hospitality and Tourism;
- Information Technology;
- Mining and Resources;
- Retail; and
- Sport and Recreation.

Scope of Delivery

The Institute currently has 182 qualifications, 22 accredited courses and individual units of competency registered on its current Scope of Delivery with the Training Accreditation Council (TAC) of WA.

Delivery and Performance Agreement

The South West Institute of Technology is a State Training Provider and is contracted by the Department of Training and Workforce Development to deliver State funded training through a Delivery Performance Agreement (DPA) between the Minister of Training and Workforce Development and the South West Institute of Technology. The DPA articulates total SCH that the department will fund referred to as the State Profile Delivery.

The South West Institute of Technology contracted with the Department of Training and Workforce Development to deliver 1,771,990 SCH at the beginning of 2013.

Industry

The focus of the Institute is the delivery of quality, specialised training contributing to the workforce development needs of the region. The West Australian economy is currently in a period of economic expansion with the regional economy largely benefiting from diversity of industry sectors. The significant economic drivers are the continued population growth, the resources sector and subsequent skills shortages making this an important consideration for addressing the workforce development and training needs of the region.

The Institute continues to be a major contributor to the region's economy responding directly to the requirements of industry, employers and the Western Australian Government for a highly skilled and capable workforce.

Consultancy Services

The Institute makes use of its expertise and experience in a commercial capacity to augment the funding package provided by the Department of Training and Workforce Development by providing additional training and value added services on a full cost recovery basis. These services are designed to contribute to the workforce development needs of the region specifically to increase skill development, to enhance productivity and build business capability.

Our key commercial activities are primarily based within the resources sector, particularly processing and maintenance as well as the community services and health sector.

Directorates

The South West Institute of Technology operates three directorates to deliver training services across the region.

Education and Training

The Directorate of Education and Training is responsible for the delivery of training throughout the six campuses in the region. It is also responsible for the quality assurance of training delivery within the Institute and compliance with the Australia Qualifications Training Framework (AQTF).

Corporate Services

The corporate services which support the Institute's operations are delivered by the Directorate of Corporate Services. This directorate provides the financial, human resources, information technology infrastructure and facilities management functions of the Institute.

Organisational Services

The Directorate of Organisational Services provides all the service and support functions including, enrolments, marketing, pastoral care, library, bookshop, planning and reporting.

These three directorates, while having clearly defined functions, do not operate in isolation but provide an integrated support structure for our core business; the business of providing training in the South West region of Western Australia.

Shared Responsibilities with other Agencies

University Partnerships

The South West Institute of Technology provides clients throughout the region with articulation pathways to University through Diploma and Advanced Diploma qualifications through its strategic partnerships with Curtin University and Edith Cowan University in both Bunbury and Margaret River. These strategic partnerships enable students to stay in the region to gain applied and practical skills locally, while offering them advanced standing when they pursue university studies.

Vocational Pathways

A working relationship exists with the Bunbury and Warren-Blackwood District Education offices enabling the Institute to provide vocational pathways for both government school students and local private school students.

The South West Institute of Technology is also situated within an educational precinct that incorporates Manea Senior College and Edith Cowan University. Students from Manea Senior College, who have chosen a vocational pathway, spend one or two days of their school week engaged in vocational courses within the Institute environment. On completion of their vocational course, Institute students may find they have entry into/or credit towards a degree course with Edith Cowan University. For example, students completing the Certificate IV in Health Science Foundations or the Diploma of Enrolled Nursing will be able to go on to a Bachelor of Science (Nursing) offered by the Bunbury Regional Campus of Edith Cowan University.

Margaret River Education Campus

The Margaret River Education Campus is a collaborative initiative between the South West Institute of Technology, Curtin University of Technology, Edith Cowan University, Margaret River Senior High School and the Department of Training and Workforce Development. The campus provides educational pathways that allow students to cross seamlessly between secondary, vocational and tertiary learning.

St John of God

The Institute continued its collaborative arrangement in 2013 with St John of God Alcohol and Drug Unit Bunbury to provide confidential counselling support services for students studying at South West Institute of Technology. This free service provided crisis support to students as well as provision of information and referrals on abuse of alcohol and other drugs, behaviour modification, relationships, housing, financial hardship and self-management. Although based at the Bunbury campus, the service provided support for all Institute students across the region.

Campuses



Bunbury Campus

Robertson Drive
BUNBURY WA 6230

Busselton Campus

2-12 South Street
Busselton WA 6280

Manjimup Campus

Graphite Road
Manjimup WA 6258

Harvey Campus

Cnr South West Highway and Uduc Road
Harvey WA 6220

Collie Campus

43 Wittenoom Street
Collie WA 6225

Margaret River Education Campus

Lot 272 Bussell Highway
Margaret River WA 6285

Vision and Values

Working with industry and community, the South West Institute of Technology advances the economic development and social prosperity of the region through the delivery of nationally accredited VET services. The South West Institute of Technology strives to maintain the highest standard of Public Sector integrity, and to be innovative and collaborative in our approach to the delivery of VET services and in our business practice.

The Institute seeks to maximise the creative productivity of its staff, our students and industry.

Strategic Plan

Western Australian Workforce Development

- 1.1. Addressing the workforce development needs of the State of Western Australia particularly in the South West region;
- 1.2. Training is focused on regional workforce skill requirements for new entrants and existing workers;
- 1.3. The supply of skilled tradespeople is maintained through a contemporary approach to implementation of the WA Apprenticeship system in the region;
- 1.4. Contributing to a highly skilled regional workforce through the provision of higher level qualifications and university pathways; and
- 1.5. Service provision is inclusive and enhances the participation of those under represented in the regional workforce.

Client Satisfaction

- 2.1. Provision of training services to the South West community responds to the specific training and learning needs of individuals and enterprises;
- 2.2. Continued development of education and training solutions for regional communities and enterprises;
- 2.3. Career and learning pathways are provided that fulfil the aspirations of individual students; and
- 2.4. Contemporary learning environments are created that are conducive to the personal growth and skill development of all students.

Business Development

- 3.1. To ensure the financial sustainability of the Institute and its continued service to the region, the development of public and private funded VET services to respond to local, national and international opportunities;
- 3.2. Increase commercial revenue through strategic targeting of training markets;
- 3.3. Extend our experience in international education to grow international student business and enhance regional skilled migration; and
- 3.4. Grow government funded training provision to meet current and future training needs of the South West region above and beyond.

Our Capability

- 4.1. The Institute develops the capacity and capability to embrace opportunities for future growth by investment in our people, technology and innovation;
- 4.2. Organisational culture provides an environment conducive to personal and professional development, effective working relationships and fosters innovation in work practice and service provision;
- 4.3. Institute staff have the skills and qualifications necessary to achieve the business objectives of the organisation whilst enhancing achievement of their own professional aspirations;
- 4.4. Investment in technological infrastructure and capacity provides for effective, efficient and quality service provision to our customers; and
- 4.5. An infrastructure master plan informs and targets investment associated with provision of emergent training needs.

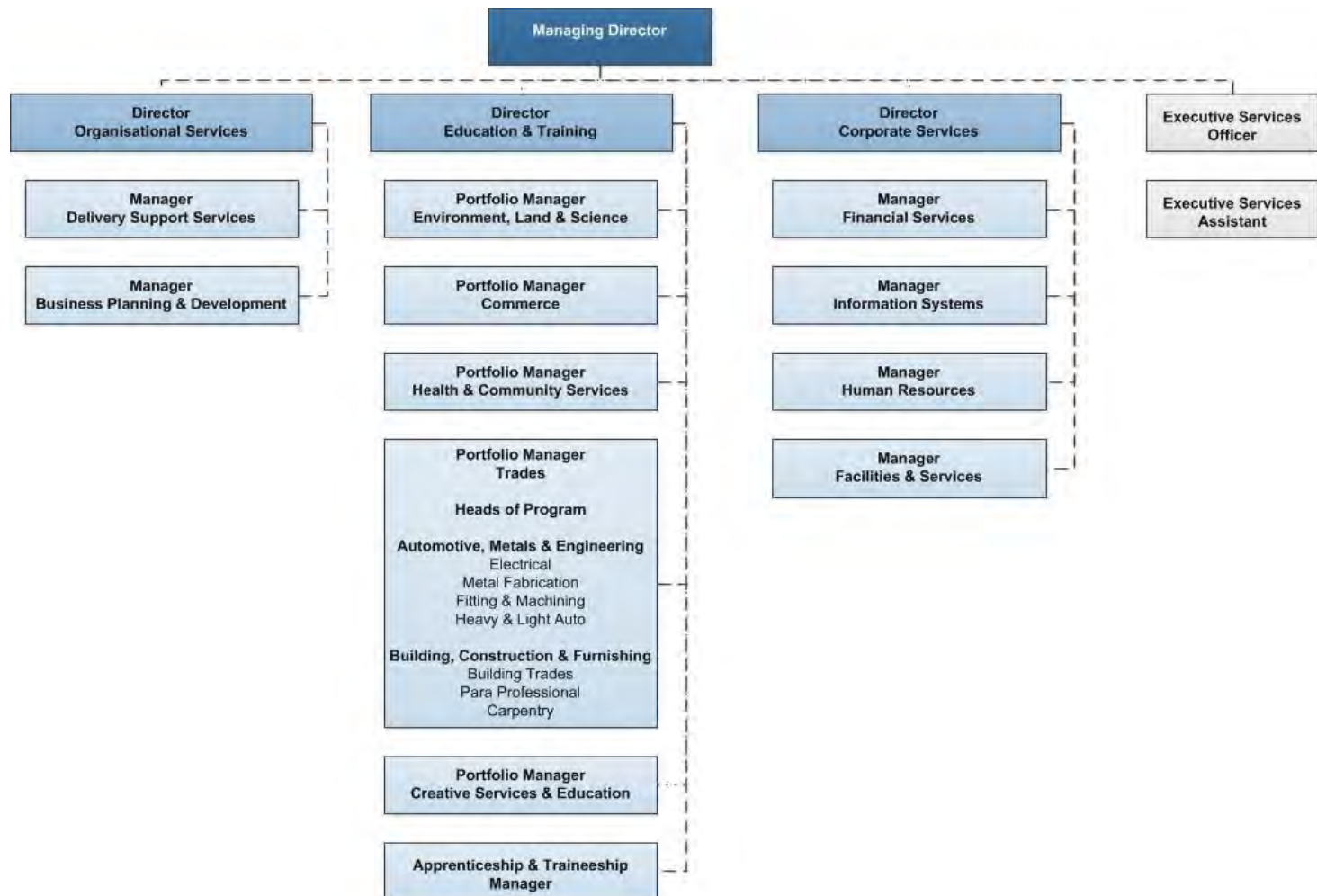
Social Responsibility

- 5.1. In the conduct of our business activity, our approach is underpinned by our commitment to our values and high standards of performance developed in a framework of ethical, accountable and responsible governance and work practices;
- 5.2. All staff embrace the Institute's Code of Practice;
- 5.3. The Institute maintains practices that embrace the responsibilities of duty of care and equal opportunity;
- 5.4. Commitment to continuous improvement is demonstrated in all aspects of our business practice; and
- 5.5. The Institute demonstrates progressive adoption of environmentally sustainable practices throughout operations as part of contributing to the quality of life for future generations.

The Pursuit of Excellence

- 6.1. The Institute meets and exceeds the regulated and legislated standards applicable to our operation and strives for excellence in all endeavours;
- 6.2. The Institute will achieve the highest WA standard of Occupational Safety and Health; and
- 6.3. Excellence in training provision against the AQTF standards.

Organisational Structure



Corporate Governance

The Honourable Dr Kim D Hames MB BS JP MLA; Deputy Premier; Minister for Health; Training and Workforce Development is responsible for training and workforce development. The accountable authority of the South West Institute of Technology is the Managing Director, Mr Duncan Anderson.

Governing Council

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

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

The Governing Council's role is to:

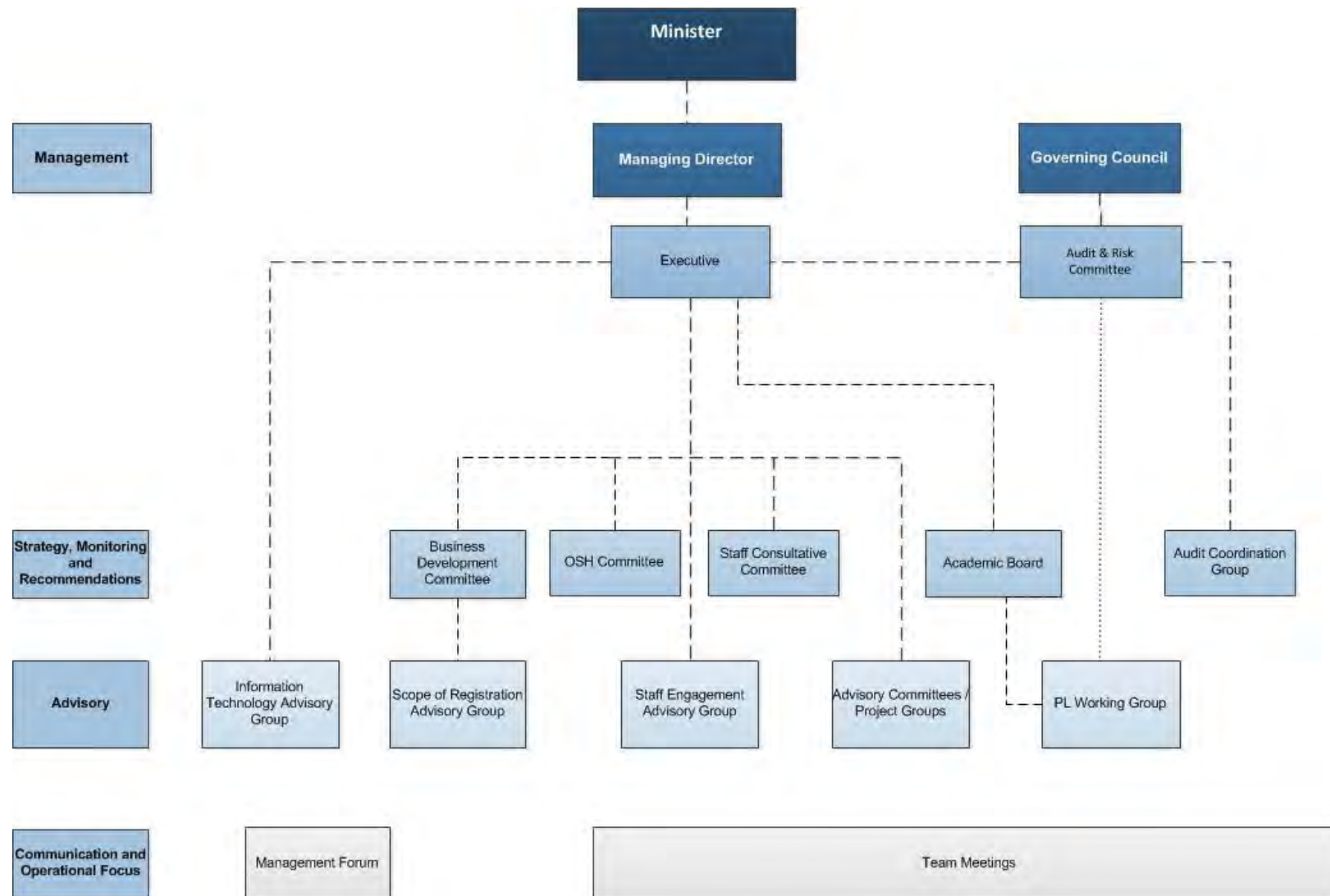
- set the strategic direction for the Institute;
- approve the Institute's strategic and operational plans and budgets; and
- ensure that regulatory and ethical standards are met and that compliance and risks are appropriate, mitigated and managed.

Members of the Governing Council

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

Mr Dan Perkins	Chair
Don Punch	Member
Ian Piggot	Member
Dennis Courtney	Member
Colleen Neville	Member
Michael Fagan	Member
Brenda Van Zalm	Member
Guy Truss	Member
Laurie Uren	Member
Mr Duncan Anderson	Managing Director

Governance Structure



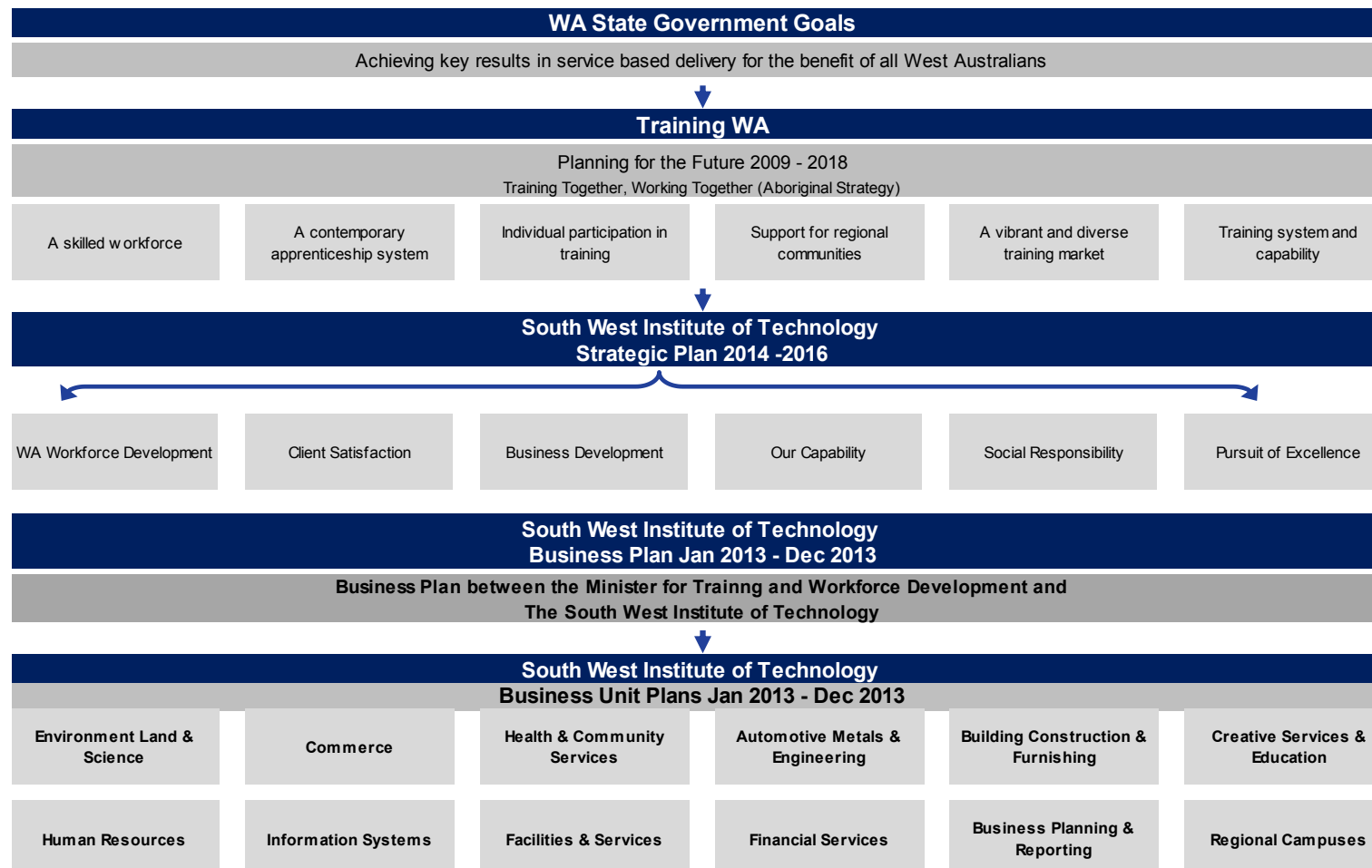
Relevant Legislation

In the performance of its functions, the South West Institute complies with the following relevant written laws:

- Aboriginal and Torres Strait Islander Act 2005
- Acts Amendment (Higher School Leaving Age and Related Provisions) Act 2005
- Auditor General Act 2006
- Building and Construction Industry Training Fund and Levy Collection Act 1990
- Children and Community Services Act 2004
- Competition and Consumer Act 2010
- Copyright Amendment (Digital Agenda) Act 2000
- Corporations Act 2001
- Corruption and Crime Commission Act 2003
- Criminal Code Act 1995
- Disability Discrimination Act 1992
- Disability Services Act 1993
- Education Services for Overseas Students Act 2000
- Electoral Act 1907
- Electronic Transactions Act 2011
- Employment Dispute Resolutions Act 2008
- Employment, Education and Training Amendment Act 2000
- Equal Opportunity Act 1984
- Evidence Act 1995
- Financial Management Act 2006
- Financial Management and Accountability Amendment Act 2000
- Freedom of Information Act 1992
- Fringe Benefits Tax Act 1986
- Immigration (Education) Charge Act 1992
- Income Tax Assessment Act 1997
- Industrial Relations and Other Legislation Amendment Act 1995
- Labour Relations Reform Act 2002
- Library Board of Western Australia Act 1951
- Limitation Act 2005
- Minimum Conditions of Employment Act 1993
- Mutual Recognition Act 1992
- National Vocational Education and Training Regulator Act 2011
- Occupational Safety and Health Act 1984
- Privacy Act 1988
- Public and Bank Holidays Act 1972
- Public Interest Disclosure Act 2003
- Public Sector Management Act 1994
- Racial Discrimination Act 1975
- Salaries and Allowances Act 1975
- School Education Act 1999
- Skilling Australia's Workforce Act 2005
- SPAM Act 2003
- State Records Act 2000
- State Superannuation Act 2000
- State Supply Commission Act 1991
- Trade Practices Act 1974-1975
- Training Legislation Amendment and Repeal Act 2008
- Vocational Education and Training Act 1996
- Vocational Education and Training (General) Regulations 2009
- Western Australia Public Sector Code of Ethics 2008
- Workers Compensation and Injury Management Act 1981
- Working with Children (Criminal Record Checking) Act 2004

Performance Management Framework

In May 2009, the State Government released the “Training WA: planning for the future 2009-2018” publication, which provided a clear blueprint for training providers in setting goals and identifying key deliverables for 2009 and beyond. This formed the basis of our reporting framework in 2012.



Significant Issues Impacting the Agency

As the new Managing Director Duncan Anderson settled into his role, it became apparent very quickly that the South West Institute of Technology needed to do business differently. Although the Institute was in a sound position financially, with the changes to the VET sector, changes to the fee structure, changes to the funding model and the introduction of the Entitlement Model in 2014, there would be additional financial pressures going forward.

A new strategic plan was developed in August which then saw the need to begin the consultative process to change the management structure to support the Strategic Plan 2014 – 2016. A restructure consultative group was formed in August 2013 to look at various structures and was presented to the Managing Director for consideration for 2014.

Key challenges in 2013

- non-compliances that were identified as result of a reregistration audit;
- resignation and retirement of key senior managers;
- new expectations around performance;
- a diminishing apprenticeship market share in the trades area; and
- maintaining lecturer currency with industry.

Key influencers for 2013

- Future Skills WA and associated implementation;
- meeting required financial efficiencies and salary caps to be introduced in 2014 with no impact on service delivery; and
- continuously improving quality assurance mechanisms in support of national training requirements.

Looking Ahead to 2014

With the introduction of the entitlement model and the reduction in Commonwealth funding to the State over the next four years, the South West Institute of Technology needs to grow its commercial (fee for service) revenue. As there will be a shortfall in funding to cover the Institute's current overheads, a key priority of the South West Institute of Technology will be continued provision of VET services to meet the growing requirements of a rapidly growing region.

By developing sustainable commercial activity throughout 2014 and beyond, this will help ensure the ongoing financial viability of the Institute. This will be achieved through increased partnerships and collaborative relationships with local and state-wide enterprises and forming closer connections with industry.

In order to achieve the outcomes and growth targets identified in the 2014 – 2016 Strategic Plan, the Institute will need to implement a restructure to support these objectives. This will bring a period of uncertainty to the current workforce. The key challenge will be a smooth transition from the old structure to the new without compromising service standards for our student cohort and industry stakeholders.

As a result of the key influencers and compliance challenges in 2013, the South West Institute of Technology is confident that 2014 will also bring about increased quality assurance in its delivery within the framework of a new management structure.

The most significant challenge in 2014 will be to keep within the salary cap guidelines and still provide the essential services required by our stakeholders. It is anticipated that the proposed restructure will bring about the required efficiencies to keep within the cap.

Key influencers for 2014

- achieving profile under a new fee structure and funding model;
- increasing commercial fee-for-service delivery to augment the funding shortfall;
- working with stakeholders to support the implementation of Western Australian Certificate of Education (WACE) 2016;
- enabling economic development within the South West through effective industry relevant training;
- enhancing academic quality assurance practices as part of nationally accredited training;
- supporting Aboriginal economic independence in the South West in partnership with Roelands Village and the Outback Academy;
- forming closer connections to industry and ensuring ongoing lecturer currency and industry relevant training;
- addressing the Institute's aging workforce to ensure the ongoing capability and capacity of the organisation;
- integration of new systems into the Institute's operations; and
- meeting client expectations for personalised, anytime training.

Key activities for 2014

- refurbish the old light Automotive Centre; one half will become a gymnasium for sport and recreation and the other half will become a warehouse facility to provide warehousing and fork lift training;
- refurbish the nursing area so it reflects a proper hospital ward and facilitate improved and more relevant training;
- install disability ramps and access doors at the Collie campus to address disability access compliance requirements; and
- purchase a timetabling tool to enable increased efficiencies in lecturer teaching hours and resource management.

Critical Success Factors

Following are the critical success factors on which the achievement of the Institute's 2014 objectives is reliant:

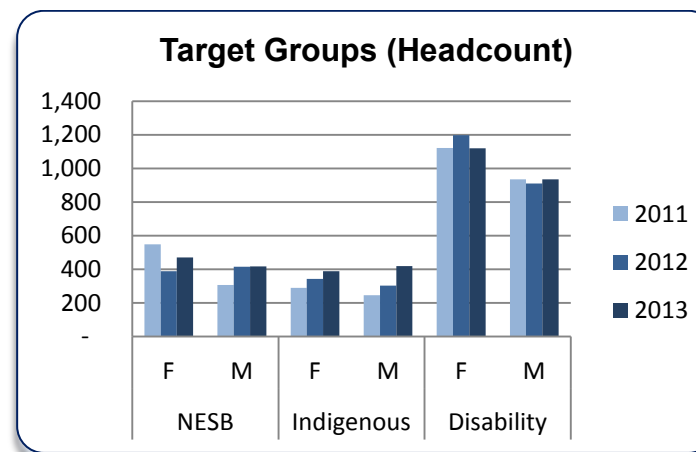
- forming closer connections to industry and ensuring training is relevant;
- further development of commercial business activities (fee for service);
- responsiveness to clients and the market place by providing more flexible training options;
- stronger partnerships with key stakeholders in the apprenticeship and traineeship market;
- developing a student centric culture across the organisation;
- compliance with AQTF standards; and
- increased e-Learning options.

Performance Measures

The South West Institute of Technology provides services to a wide range of stakeholders across the South West region and uses a range of demographic based performance indicators to monitor service distribution, based upon the 2009 (Australian Bureau of Statistics) ABS population data. The Institute has provided services to its community relative to its target market; 15-64 year olds that are eligible for the workforce, with particular attention to the inclusion of youth and the Indigenous community.

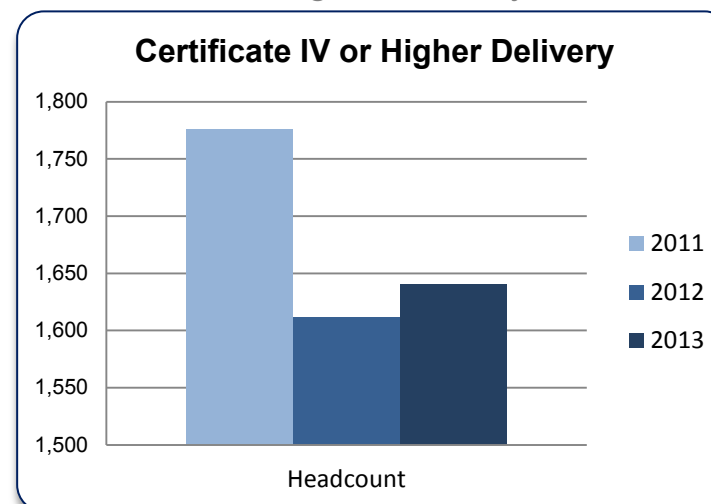
Priority Areas	Measure	2013 Initial Target	2013 May Target	2013 Achieved	% Achieved
Employment Based Training	SCH	377,341	378,457	350,746	92.95%
Skill Shortage Institutional	SCH	822,979	832,247	830,017	100.86%
Indigenous	SCH	33,824		51,171	151.29%
Disability	SCH	140,912		151,946	107.83%
Certificate IV and Above	SCH	536,656	514,514	527,151	98.23%
15 – 24 Year Olds	SCH	955,113		954,633	99.95%

Headcount



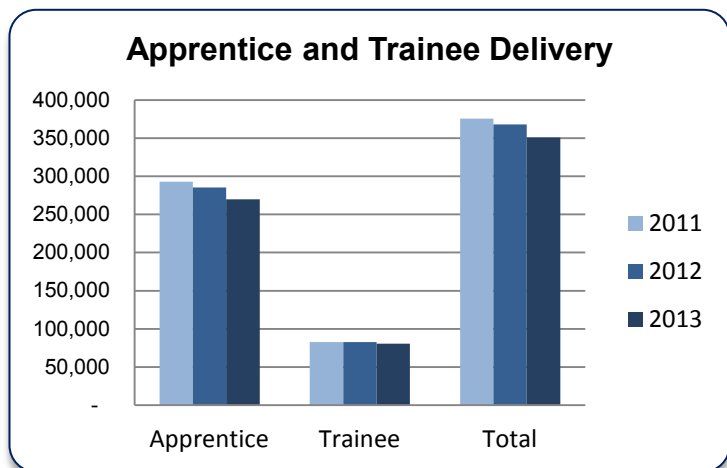
Source: South West Institute of Technology 2013 AVETMISS collection

Certificate IV or Higher Delivery

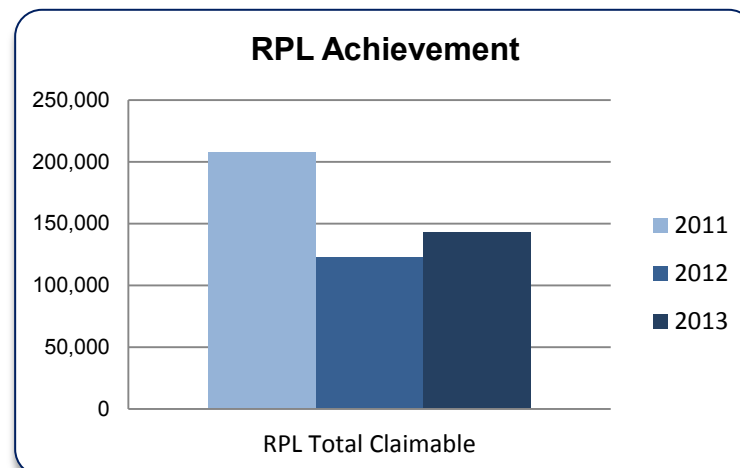


Source: South West Institute of Technology 2013 AVETMISS collection

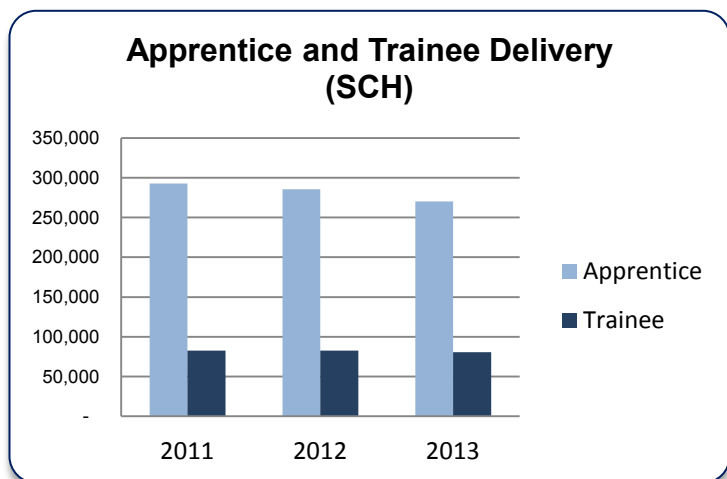
Apprentice and Trainee Delivery



RPL Achievement



Source: South West Institute of Technology 2013 AVETMISS collection



Source: South West Institute of Technology 2013 AVETMISS collection

Strategic Priority One - Workforce Development

Addressing the workforce development needs of the State of Western Australia particularly in the South West.

The regional economy remained strong throughout 2013 primarily due to the expansion in the mining and resource sectors. As a result there was an increase in the demand for skilled employees. Coupled with the ongoing population growth throughout the South West, demand for training as a pathway to employment also continued to grow.

The South West Institute of Technology recognises that industry engagement is essential to meet the workforce development needs of the region. It became very apparent earlier in the year that lecturing teams needed to be more connected with industry to ensure we not only met the demands of industry but also to ensure our training delivery remains relevant.

Through this greater collaboration with industry, a number of new courses were developed throughout 2013 to meet demand including: Certificate II and III in Outdoor Recreation, Certificate II in Fire Protection Inspection and Testing and the Certificate II and III in Wine Industry Operations at the Margaret River Campus.

Employers hosted regular workplace meetings for the Applied Science and Fitness, Sport and Recreation teams to up-skill in the latest work practices and approaches. Mining and Resources lecturers regularly visited worksites to support on-the-job training and employees completing

traineeships. Client expectations were raised with requests that solutions would be tailored to their individual training needs.

Responding to the market, the South West Institute of Technology made the decision to offer more courses and units via online, external, flexible delivery and workplace/project-based learning to suit people unable to attend training face-to-face.

The Institute had a key role in delivering agricultural and horticultural skills training for the Agrifood National Regional Initiative project in the Warren Blackwood region. From a base at the Manjimup campus, the Institute conducted workshops, workplace training and skills assessments to develop work-ready skills for local people seeking employment, as well as extending the skills of employees in the food production industry. More than 80 people have been involved in the training programs with many graduates gaining full time work.

Responding to a demand from contract sprayers, the Institute's Horticulture team developed a pesticide application course that met the licencing requirements of the WA Department of Health. Short courses in how to use backpack and boomspray units have also been developed. This training has been delivered as both face-to-face workshops and through flexible workplace-based assessment.

The increasing number of injuries and fatalities from quad bike accidents across the region led WorkSafe and the RAC to request the South West Institute of Technology to run quad bike safety training courses in the South West. Hands-on training occurred at the Bunbury motorcross dirt track to replicate hazards and terrain with positive outcomes for participants and industry.

Training of new staff and up-skilling of existing staff continued to be in high demand in all areas of Health and Community Services. With more retirees moving to the South West along with an aging workforce and generally aging population, we have seen a significant increase in demand to train staff in Youth Work, Mental Health, Disability, Community Services Work and Nursing. Teams in the Health and Community Services portfolio, including regional campuses, continued to promote and broker training to community members, schools and existing workers in related industries throughout the year to meet this unmet demand.

The increasing population growth in the Bunbury and Busselton/Dunsborough areas continued to impact on the difficulty in retaining management level staff in Child Care Centres. The Commonwealth subsidy of the Diploma and Advanced Diploma in Children's Services qualifications resulted in continued strong enrolments in this qualification area which helped to alleviate demand.

The Health and Community Services Portfolio secured further funding under the Aged Care Workforce Vocational Education and Training agreement for aged care employee to complete the Certificate III in Aged Care, Certificate IV in Aged Care or the Certificate IV in Front Line Management. Students are now employed in facilities in Manjimup, Donnybrook, Bunbury, Busselton and Waroona.

The final group of Supporting a Professional Aged Care Workforce – Enrolled Nurse Training funded students a Commonwealth tender awarded in 2011 graduated in December.

The Commerce portfolio team at Bunbury, Harvey, Collie, Manjimup and Margaret River campuses continued to promote, design and develop qualifications and deliver and assess students in communities, schools and workplaces in the region.

The population growth in Bunbury, complete with the levelling out of the mining sector meant the teams had to work hard to retain their share of the market whilst trying to break into new areas. Their dedication and hard work has resulted in highly trained and competent students who have the tools to enter or grow within their chosen industry.

The Roelands "Outback Academy" initiative commenced providing a "live works training" environment mentored by innovative leaders and building a "niche" culturally based business.

Open Day

For this first time in many years, the Institute hosted an Open Day in November to coincide with the opening of the new Automotive Centre. All portfolios were represented with ongoing displays and interactive activities designed to engage potential clients in the benefits of training. This was well supported by staff, industry, the schools and general public. A highlight of the day was the participation of Aboriginal students in providing traditional foods for tasting with a modern flair.



Strategic Priority Two - Client Satisfaction

Provision of training services to the South West community responds to the specific training and learning needs of individuals and enterprises.

Industry relationships remained strong and mutually beneficial throughout the year. The lecturing staff in the Health and Community Services Portfolio kept industry partners informed of training opportunities. Equally beneficial, industry kept lecturers up-to-date with changes to practice, legislation and a focus of training needs which were integrated into training and delivery throughout the year. This approach provided a better outcome for both students and industry.

The Mining and Resources team secured the largest commercial contract in the history of the Institute in 2012 with a joint venture company in Saudi Arabia. In 2013 the team finalised the alumina processing training program and lecturers travelled to Saudi Arabia to up-skill local trainers in delivering the 10 week course to the first intake of refinery employees. Working closely with the Ma'aden Aluminium and Alcoa joint venture company, the team has received feedback that the training program and content is the best ever delivered by an international provider.

Industry has also been highly supportive of the Certificate III in Pathology course which teaches safe procedures to collect blood and work in pathology laboratories. As this is a highly regulated industry, the collaboration between industry and the South West Institute of Technology meant the training was designed to meet the specific needs of the pathology industry in the South West. The training delivery is a

blend of hands-on practical skills and e-Learning materials that enabled students to combine study and work commitments. Graduates of the training are highly sought after and have gone straight into employment. The work-ready knowledge students gained as part of their training meant they were able to apply their skills immediately to the satisfaction of their employers.

Based at Manjimup and Margaret River campuses, lecturing staff in horticulture, agriculture and conservation and land management have maintained strong industry connections to support workplace assessment of traineeships and Recognition of Prior Learning (RPL) of existing workers.

The Institute's training at Margaret River responded to the wine industry's focus on safety, hygiene and customer service with a range of short courses including; Forklift, Enter Confined Space, Wine Appreciation and Responsible Service of Alcohol. International students join with locals in learning the techniques of wine grape growing and wine production with structured work placements complementing in-class learning.

Structured work placements are pivotal in enabling our students to put their "learning into practice". Many of these work placements led to ongoing employment with host companies, thus endorsing the quality of learning outcomes and meeting regional needs.

The Mining and Resource team continued to strengthen relationships with employers through workplace assessments of trainees, running training workshops and RPL of existing workers. Both BHP Billiton Worsley Alumina and Alcoa Australia have rolling intakes for their traineeship programs.

Increasing numbers of qualifications and units across the Environment, Land and Science portfolio were made available for students to study off-campus or alternatively through online workplace and project-based learning to align with work rosters, family commitments and people living some distance from the South West Institute of Technology regional campuses.

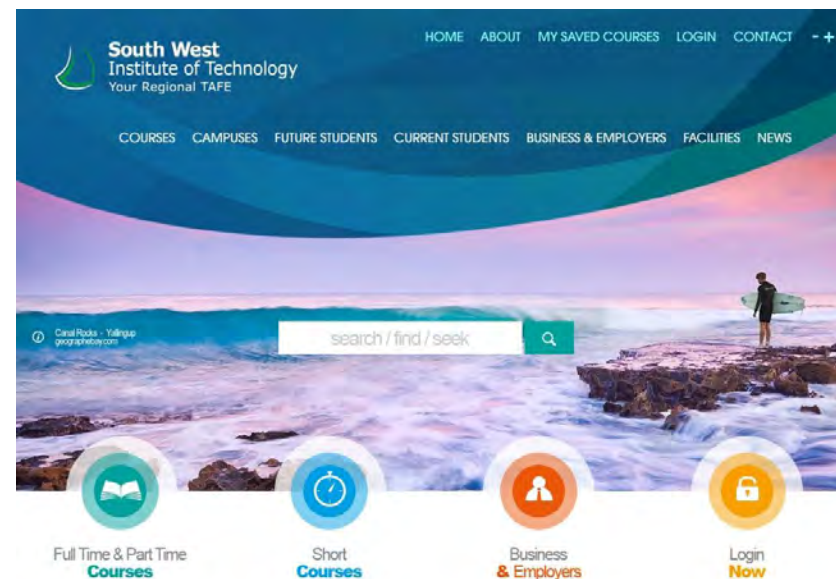
The South West Institute of Technology strengthened relationships with Group Training Organisations by creating a central point of contact for resolving system and training plan issues. The Institute achieved a marked reduction in timeframes to issue new training plans and finalise training plan completions resulting in a more streamlined process for employers, students and GTO representatives.

Website

A significant project to rebuild the website was undertaken during the year. The main purpose was to ensure that the new website met accessibility standards as required by the PSC. In the past we received negative feedback about the difficulty clients had navigating the site. We took this into account in designing the new website by setting up focus groups prior to design to ensure the best outcomes for our clients. The ensuing result is the website is now very easy to navigate with on-going positive feedback regarding the navigation.

The new website was launched late October to immediate success. The following statistics represent increased performance of the website from 22 October to 22 November 2013 when compared with the same time period last year.

- 73% increase in number of pages viewed;
- 89% increase in pages viewed per visit;
- 66% increase in average duration per visit;
- 43% reduction in bounce rate;
- twice as many smart phone users;
- 98% increase in smart phone traffic with 39% reduction in the bounce rate;
- 95% increase in tablet traffic with a 29% reduction in the bounce rate;
- 40% overall reduction in people likely to leave the site after arriving on the site; and
- a 300% increase in enquiries.



Strategic Priority Three - Business Development

To ensure the financial sustainability of the Institute and its continued service to the region, the development of public and private funded vocational education and training services to respond to local national and international opportunities.

Commercial Business

The South West Institute of Technology makes use of its expertise and experience in a commercial capacity to augment the funding package provided by the State Government. By ensuring additional training and value adding services are available commercially on a full cost recovery basis we are able to ensure the ongoing viability of the Institute.

International students accounted for 37% of the fee for service contribution to overheads with the balance coming from specialised training that addressed the training needs of commercial entities in the region.

An ongoing partnership with Outdoor Discoveries to provide Abseiling Instructor Training led to a new strategic relationship with the Department of Sport and Recreation (DSR). The first trainees commenced Outdoor Recreation qualifications in 2013 and there will be increased levels of on-the-job training at the five recreation camps managed by DSR in the future.

Delivery began in 2013 of the pesticide spraying course for employees of Newcrest Mining at the Telfer minesite. The Institute also up-skilled a group of Martu Aboriginal employees and supervisors with the environmental department at very short notice to meet their industry requirements.

The South West Institute of Technology has been the major education provider delivering agricultural skills training as part of the Agrifood National Regional Initiative project in the Warren Blackwood region. Training programs are continuing into 2014 and will expand to enable employees in the industry to gain full qualifications contributing to the workforce development needs of the region.

Other commercial opportunities presented themselves in 2013:

- discussions were held with BHP Worsley Alumina about the possibility of an auspicing agreement to deliver TAEASS301B – Assess Competence, which is embedded in the Certificate IV in Training and Assessment qualification;
- discussions with Bechtel regarding the RPL of Cert IV in Frontline Management, Cert IV in Training and Assessment and the Diploma of VET qualifications for their staff;
- 20 BHP Worsley Alumina staff completed TAE40110A;
- addressed adult language literacy and numeracy unit of competency via External Studies. Assessment material was specifically contextualised; and
- commencement of RPL in the workplace for the Advanced Diploma of Management/Diploma of Management Workplace Assessment at BHP. This will be continuing into 2014.

Short Courses

A diverse range of short courses continued to be strongly supported by industry throughout the South West delivered as one and two day workshops. These courses covered key employment skills such as operating a forklift, tractor or chainsaw, entering confined spaces, working at heights, chemical safety; and fire warden and fire extinguisher usage. Short commercial courses in manual handling and medication management have also been conducted throughout the year.

The Hospitality portfolio conducted a number of short courses throughout 2013 including coffee-making, patternmaking and digital photography. A summer art school is planned for January in Margaret River and in 2014 the Portfolio will commence International English Language Testing System (IELTS) preparation courses for students wishing to sit the English Language Test for migrants.

International Students

The Institute maintained the numbers of International students in 2013 at the Bunbury, Busselton and Margaret River campuses. We enrolled 71 students from 22 countries who studied a broad spectrum of qualifications with the most popular courses being nursing, commercial cookery and accounting. All students received a comprehensive orientation upon commencement of their qualification and support throughout the year.

International student demand also remained high for study pathways utilising Certificate III Aged Care and the Certificate IV in Preparation for Entry into Nursing to gain entry into the Diploma of Nursing. Many students articulate into university to undertake Bachelor of Nursing studies and have the advantage of advanced standing/credit for eight units.

The Institute has increased its services to a growing market of skilled immigrants within the region seeking to have their current skills recognised or seeking to acquire additional skills. The Institute has provided a range of delivery options customised to meet various client needs. In addition the Institute has provided access to literacy support options including Australian Migrant English Program (AMEP), IELTS and the Certificate in Spoken and Written English to support those students.



Strategic Priority Four - Our Capability

The Institute develops the capacity and capability to embrace opportunities for future growth by investment in our people, technology and innovation.

Infrastructure and Technology

Two major projects were enabled by Royalties for Regions grants in 2013 allowing the Institute to greatly increase its capacity to meet the technology needs of our lecturers and students. A cabling project was undertaken throughout the year to install fixed interactive projectors into 77 classrooms and mobile projectors into 18 classrooms. The cabling included sound, video, USB and network connectivity.

To complement the installation, lecturer desktop computers were also replaced along with 50 additional laptops. Lecturers can now use their laptop on their staff desk, in the classroom, on site for flexible delivery as well as at home if required providing an enhanced service to our students.

The implementation of the short throw projectors, pens and lecturer laptops at the end of 2013 and the current installation of network points now means that lecturers are able to incorporate more modern teaching methods into the classroom.

A state of the art “virtual desktop” environment was established for staff to use off site giving them access to all systems that are available on their desktop at the Institute. This virtual desktop can be run on any device including Ipads giving all staff up to the minute access to all information stored on our network.

Other infrastructure upgrades included the implementation of additional network storage, uninterruptible power supplies and wireless capacity. Air-conditioning units for the server rooms in Bunbury were upgraded to ensure continuous supply of the network.

A survey of underground network fibre was conducted in 2013 in anticipation of an upgrade early 2014. A Mobile Device Management system and Email archive solution was purchased in late 2013 and will be commissioned in early 2014.

Software

A number of infrastructure changes occurred in 2013 with the most significant being the network move from a Novell base to Microsoft in January 2013. A major project was undertaken for this conversion which also included an upgrade from Windows XP to Windows 7, Office 2007 to Office 2010 and a change from name based network accounts to employee ID accounts. This was a comprehensive project augmented with extensive communication and training across the Institute. Upgrade training was offered to all staff in all campuses, and the Information Services staff undertook specialist training to ensure a smooth transition to the new systems.

The Hospitality Portfolio continued to utilise commercial software for its delivery in 2013. The portfolio has purchased a new online learning resource in conjunction with the implementation of the new training package to be rolled out in 2014. The Tourism study area commenced utilising Catapult e-Learning platform for some of its delivery and will continue to do so in 2014.

Information Services developed a Recognition of Prior Learning (RPL) database which has helped to streamline RPL applications to the Institute by providing a workflow ensuring all applicants are captured and processed. Design on a new database has commenced which will assist the Institute in the management of lecturer's teaching hour allocations.

A new web based Asset and Maintenance Database was installed in September 2013. It allowed the facilities team to link the building floor plans to equipment and building maintenance and asset control.

The Institute completed implementation of TRIM 7.1 and completed a review of all record keeping policies, procedures and practices across the Institute. The upgraded TRIM platform will allow the Institute to adopt a more comprehensive approach to electronic document management ensuring more efficient and accurate retention of client and Institute records.

Facilities and Services

In 2013 the Facilities and Services team were involved in two major building projects; the completion of the state of the art Automotive Centre and additional classrooms at the Busselton Campus.

The \$16 million Automotive Centre funded by the West Australian Government was completed in August and officially became a fully functional state of the art training centre in September 2013. The old Heavy Duty Auto training facility located at Sylvan Way has been restored to its original state and will be handed back to the owners in February 2014.

Areas within the metal fabrication workshop were modernised and equipment purchased to reflect requirements from industry. This ensured that as a training provider we continue to meet industry requirements to provide training that is relevant with up-to-date equipment. This modernisation will continue into 2014.

The electrical trades' area workshop and four classrooms were also refitted to reflect current training requirements within industry.

OSH Projects

Several OSH related projects were completed throughout the year:

- new pathways were installed from the reception area at the Bunbury campus through to the Automotive Centre to facilitate safe pedestrian traffic;
- non-slip floor surfaces were installed to the workshops in carpentry and joinery and engineering trades area workshops;
- additional emergency eye wash stations were installed within the trades areas; and
- all electrical distribution boards and residual-current devices (RCDs) were upgraded across the whole Institute to bring these up to Australian Standards.

Student Services Upgrade

In January 2013 the refurbishment of the Course Information area, Bunbury reception area and the Library were completed. The carpet was removed in as part of the upgrade revealing old floor tiles. The tiles in the library and lecture theatre tested positive for asbestos so these tiles were professionally removed as a precaution before new flooring was installed.

As part of this refurbishment, the disability access via the main entrance at the Bunbury campus was changed to meet the current Australian standards.

This upgrade has resulted in improved facilities for clients. Staff can now provide a better client centred service with improved links to technology as well as privacy and confidentiality.

Busselton Campus Upgrade

Five demountable classrooms were installed at the Busselton Campus with one specifically fitted out for aged care. This was an important upgrade as training in aged care was previously being delivered from a shed. The administration area, student amenities and lecturer's office area were also refurbished as part of the upgrade.

Paterson House

Paterson House was built in the late 60s early 70s to provide much needed accommodation for students studying at the Institute. The facility consisted of ten units which housed 40 students plus a caretaker's house. As the accommodation no longer suited current requirements for student accommodation, coupled with the prohibitive cost of maintenance and ongoing repairs, the decision was made in 2011 to close the accommodation down. The Institute was given the funding in 2013 to demolish this building.

Occupational Safety and Health

The Institute continues to reduce the number of hazardous chemicals being used working towards "Green Tick" accreditation. Technical staff who support the training and delivery portfolio progressed comprehensive

risk assessments of hazardous chemicals and updated the Institute's Chemwatch database.

Professional Development

Lecturing staff who had yet to complete the Certificate IV in Training and Assessment completed it in 2013 through workshops conducted at the Institute. A number of staff updated their First Aid Certificates along with other staff who upgraded qualifications in their own time.

Several staff in the Student Services area undertook Moodle training and to develop additional online training tools for staff and students in a range of services such as support for students with disability and information literacy training for staff and students.

Records Awareness Training (RAT) was completed by all Institute staff in 2013 and refreshers were conducted in TRIM, Microsoft Office and mental health awareness.

Continuous Improvement

The Institute has upgraded its internal management systems to reflect State Training priorities under the Entitlement model which came into effect in January 2013.

The Institute also reviewed its roll creation processes, consulting with internal staff to reduce error rates and ensure data integrity. The development of a roll creation tool is nearing completion, which will enhance the ability of the Institute to meet its national reporting requirements under the National Partnership Agreement on Skills Reform.

Strategic Priority Five - Social Responsibility

In the conduct of our business activity, our approach is underpinned by our commitment to our values and high standards of performance developed in a framework of ethical, accountable and responsible governance and work practices.

Growing Towards Wellness

The Institute worked closely with the not-for-profit organisation, Growing Towards Wellness, to run nationally accredited training programs. These programs assist people who are recovering from mental health issues. In 2013, the South West Institute of Technology and Growing Towards Wellness were the runner-up in the Training Initiative category of the WA Training Awards. The award recognised the support for over 320 people to gain practical horticultural and warehousing skills leading to employment and re-engagement with the community. Training occurred at Bunbury, Busselton, Mandurah, Rockingham and Fremantle.

Growing Towards Wellness also delivered a range of non-accredited training and support services and has been recognised through winning a number of awards including the inaugural Pinnacle Awards – Regional Small Business Excellence category and the Barry McKinnon Award for Employment at the Count Me In Awards celebrating Disability Week, and Community Business of the Year at the South West Small Business Awards. The organisation was also a finalist at the National Disability Awards in the Excellence in Improving Education Outcomes category.

Community Relations

Fitness, Sport and Recreation students continue to be actively involved in the community through participation and volunteer work to organise and support activities such as Active After School Coaching, coaching and officiating for local sporting clubs and competition events, inter-school sports carnivals, outdoor circuit fitness sessions and the SIDS for Kids event. Students were supervised in providing fitness training and assessments from Institute staff.

Work continued between the South West Institute of Technology and the City of Bunbury with inmates from the Bunbury Regional Prison completing landscaping and garden maintenance at project sites across the City. Prisoners from the Pre-Release Unit completed on-site training and assessment towards gaining a Certificate II in Horticulture.

The Pathways program delivered Certificate I in Hospitality training for students with special needs. This was an 18 month training program with students completing the course in July this year. Additionally, the Certificate I in Hospitality program is delivered annually to school students who have special needs.

Environment and Sustainability

Sustainability and minimising environmental impacts have become a core part of training across all national qualifications. The Institute has embedded this knowledge and skills in all courses to enable graduates to recognise and take practical action to protect the environment and use less energy, water and raw materials.

A record number of people completed the Diploma of Sustainability with many showing strong leadership to implement recycling, energy and waste minimisation activities at workplaces across the South West region. There is a growing industry demand for skilled staff who can identify cost-effective ways to improve production efficiencies and reduce carbon emissions for their business. These skills enable companies to strive to operate more sustainably and compete in an increasingly green-conscious marketplace.

Multiple students from Conservation and Land Management and Horticulture are graduating from the South West Institute of Technology gaining employment in land rehabilitation, bush care, garden maintenance and environmental officer roles. Examples include paid work with local councils, Alcoa's seedling nursery at Dwellingup along with mining company rehabilitation positions.

Horticulture and Conservation and Land Management lecturers at Manjimup have continued student planting and bushland restoration works at the Mottram Street reserve for another year. This reserve is known as the "Kings Park of Manjimup" due to its location in the centre of town.

Lecturers have also continued the annual Woylies survey project at Perrup Reserve where the native marsupials are trapped, tagged and weighed to monitor local populations and identify any trends. The "floating islands" installed on the dam below the winery building at Margaret River Education Campus are thriving with native wetland species that strip nutrients and run-off waste from the water, generate additional oxygen and improve the water quality and biodiversity.

The hairdressing study area commenced a re-foil program that has seen the implementation of recycling program for hairdressing foils. Lecturers undertook training to participate in this initiative.

Aboriginal Support and Initiatives

The highlight of the year has been the partnership with Woolkabunning Kiaka Ass Inc, Aboriginal Workforce Development Centre and Outback Academy at the Roelands Village. The South West Institute of Technology is the Registered Training Organisation for this initiative that provides direct links for Aboriginal participants with industry and future employment.

A key area that the Hospitality Portfolio focused on in 2013 was the promotion of inclusive education. This was undertaken through the project in partnership with the Outback Academy which provided Aboriginal students with hospitality and work readiness training which could lead to employment outcomes by utilising work placements as a key part of the training. The students were recruited from Job Service Agencies and over a 12 week period successfully participated in this unique program. Eight students graduated from this program in December 2013.

The Conservation and Land Management team have commenced the growing of native plants that will be established at Roelands. A workplace-based training program to develop horticultural and agricultural skills is being established.

Bush food seedlings are also being cultivated in the hot houses for future planting activities at Roelands and in the future they will be used for part of the culinary activities.

Over 100 computers along with increased support were provided to the Outback Academy to enable Aboriginal students to have access to current on-line technology. This is on-going with the initiative of a project being created for the Certificate IV in Information, Digital Media and Technology students in 2014.

A number of Aboriginal participants at Collie graduated with a Certificate II in Resources and Infrastructure qualification. Students gained new skills in using tools and machinery, learning industry safety procedures, and gaining “tickets” in working at heights, entering confined spaces and a white card safety induction.

Thirteen Aboriginal students enrolled in Certificate I in Gaining Access to Training and Employment (GATE) and Certificate II in Hospitality (Kitchen Operations). Seven of the participants had enrolled in previous years with the South West Institute of Technology but most have not undertaken formal training since the early or mid-2000s.

Overlooking the Back Beach behind Bunbury’s CBD, work was completed on the Wardandi Memorial Park (Nidja Ngaalang Nedigar Ngoorndiny) by an Aboriginal work team that received on-the-job training from two Institute lecturers. The workers were employed by Goomburrup Aboriginal Corporation and City of Bunbury to complete horticultural and landscaping of the park where the remains of elders have been re-buried.

The Fitness lecturing team and Ngala Maya staff went the extra mile to support an Aboriginal student to complete their Certificate IV in Fitness. An individualised learning program was put in place to enable completion of training in a flexible way so the student could juggle their acting career commitments in Sydney.

An agreement has been reached with representatives from Goomburrup Aboriginal Corporation, South West Development Commission and Gnaala Karla Booja for delivery of essential employment skill sets in health related work to be delivered in 2014.

Access and Participation

The Access Area delivered the Certificate I in Leadership program as a tender in 2013 for Newton Moore Senior High School and for the first time for Bunbury Senior High School. The Bunbury Senior High School program has been very successful with a small group of students participating and with high completion rates.

The Access Study Area was also involved with the Aboriginal School Based Traineeship program of Certificate I in Leadership, at the Newton Moore Senior High School and Bunbury Senior High School.

The Access Area continues its partnership delivery of the Adult Migrant English Program (AMEP) in conjunction with Polytechnic West; however, this arrangement will be reviewed in 2014.



Strategic Priority Six - The Pursuit of Excellence

The Institute meets and exceeds the regulated and legislated standards applicable to our operation and strives for excellence in all endeavours.

The Institute underwent a re-registration audit by the TAC in September 2013. The outcome was a disappointment to management and staff across the Institute. The audit team highlighted several non-compliances that were systemic across the organisation plus non-compliances specific to industry areas. All of these required urgent remedial action. Duncan Anderson, the Managing Director of the South West Institute of Technology, took immediate action by employing a Quality Assurance consultant to address the immediate non-compliance issues raised during the audit.

Working closely with Principal Lecturers, learning and assessment strategies were rewritten and those non-compliances that were able to be addressed in the limited time frame given were re-submitted to the TAC.

While this outcome was not ideal, what it did offer the Institute was the opportunity to look at all training and delivery strategies across the organisation by adopting a continuous improvement strategy even in areas that were found to be compliant. The Quality Assurance Consultant's role will be extended into mid to late 2014 to oversee and drive ongoing quality assurance across the Institute.

The Director of Education and Training resigned before the final audit report was presented to the Institute. Rather than go to market to recruit a new Director, Pieter van Aalen was appointed Acting Director of Education and Training to lead process improvement across this Directorate. Pieter was highly qualified to take on this interim role as a former teacher with a BA in Education, Lecturer, Planning and Quality Control Manager and more recently a Portfolio Manager. Working closely with the Quality Assurance Consultant, under Pieter's leadership the Institute was able to address all issues of non-compliance immediately.

Lecturers involved in a constantly changing environment or industry sector need to keep informed and up to date with changing demands or requirements in legislation. At the same time, they also need to be 'experts' in areas that are more and more diverse. Maintaining lecturer currency was a key concern identified in the re-registration audit in September. While many Lecturers did maintain industry currency, there was not enough rigour applied to the recording of industry consultation and professional development activities.

The Institute responded by re-writing a professional development plan for all academic staff which will be rolled out in January 2014. Late in 2013 the Acting Director of Education and Training along with the quality assurance consultant also prepared a comprehensive academic handbook streamlining systems and processes to deliver better outcomes for our customers and industry.

Looking ahead to 2014, the Institute will re-establish an Academic Board and a Quality Assurance Manager to ensure the following for the future:

- our scope reflects industry requirements;
- lecturer's vocational competencies remain current and relevant;
- establish a comprehensive ongoing internal audit process to ensure compliance in each industry area; and
- develop a strategic professional development plan to ensure continuous improvement across in all areas of delivery.

The Certificate III in Aged Care, Certificate IV in Aged Care and the Certificate III in Home and Community Care qualifications were audited as part of the National Strategic Industry Audit (following the Productivity Commission Report 2011) and were found to be fully compliant with all the Standards.

2013 Staff Awards

The South West Institute of Technology identifies high performing individuals and teams across the Institute through the annual staff awards. In 2013 the Institute introduced the Excellence in a Non-Teaching Role Award to recognise support staff who play a vital role in supporting all the business activities of the organisation.

The Award recipients were:

Trainer of the Year Award

Merit	Jason Boyes
	Lecturer Resource Sector
Winner	Michelle Philpott
	Coordinator / Lecturer Horticulture

Innovation and Leadership Award

Winner	Michelle Philpott
	Coordinator / Lecturer Horticulture

Excellence in a Non-Teaching Role Award

Merit	Cathy Attwood
	Marketing Coordinator
Merit	Nola Smith
	Acting Student Services Officer
Winner	Yvonne Groth
	Technician Hospitality

High Performing Team Award

Winner	Information Services
	Leeny Snell
	Robert Wills
	Jacob Edmondson
	Malcolm Young
	Chris Archibald
	Greg Trainer
	Veronica Kwong
	Tom Puglisi
	Maria Quick
	Andrew Watson
	IS Manager
	Network & Systems Administrator
	Database Administrator
	Computer Systems Officer
	Computer Systems Officer
	Computer Systems Officer
	Computer Systems Officer
	Help Desk Officer
	Help Desk Officer
	Network Support Officer/Web coordinator



2013 Staff Award Winners with Managing Director, Duncan Anderson

Finalist WA Trainer of the Year

Rebecca Evans



"Being part of this event has been fantastic. Apart from the professional value that participating in this competition offers I have also gained a great deal from it at a personal level as both my self-confidence and presentation skills have been enhanced through the process"

Following in the footsteps of colleagues Amanda Smith and Guy Truss, who won the Trainer of the Year category in the WA Training Awards in 2011 and 2012 respectively, Rebecca Evans, lecturer in Laboratory Science was named the South West Institute of Technology Trainer of the Year in 2013 and went on to become a finalist at the WA State Training Awards in her category. The award recognises and rewards excellence and innovation in the vocational education sector and is open to training providers across the State.

Rebecca has been actively promoting pathology training and creating an awareness of the career opportunities for students who'd like to enter the health industry.

Student of the Year

Gerald O'Sullivan

"I thoroughly enjoyed my training which has provided me with the opportunity to work in various community settings. I gained a broader and more holistic view of fitness and wellbeing and I hope to build on these skills well into the future and continue my career in the health and fitness industry."



Gerald O'Sullivan is a worthy winner of the prestigious Student of the Year Award from the South West Institute of Technology where he earned the Certificate III and IV in Fitness to complement his interest as an endurance triathlete. Gerald's success has not only been limited to the sporting arena but is also reflected in his academic record and voluntary community services to Rotary, Relay for Life, Tandem Bike Riding, Bunbury Surf Life Saving and the Bunbury Triathlon Club.

With qualifications in applied science, massage therapy, and a degree in social work, Gerald has been able to combine the roles of social worker, gym instructor and massage therapist to provide him with a varied career to strike a balance with lifestyle needs.

World Skills Award Winners

The following students won gold medals in the Worldskills competitions and, if age eligible, will compete in the national competition in 2014. Winners of these heats will then go on to represent Australia at the International WorldSkills competition to be held in Brazil in 2015.

Casey	Peech	<i>Beauty Care</i>
Sam	Lewis	<i>Bricklaying</i>
Matthew	Burnett	<i>Cabinetmaking</i>
Anthony	Brien	<i>Carpentry</i>
Kiri	Walsh	<i>Cookery</i>
Caitlin	French Mayor	<i>Fashion Technology</i>
Nathan	Sanford	<i>Hairdressing</i>
Leisha	Young	<i>Restaurant Service</i>
Jake	Klein	<i>Turning</i>
Nathan	Playle	<i>Welding</i>



Nathan Sanford - Hairdressing

"I really love what I do and it doesn't feel like work."

Nathan Sanford won a Worldskills gold medal in his first hairdressing competition. Nathan was delighted at winning the gold medal and is passionate about his career choice.



Kira Walsh - Commercial Cookery

"The competition was amazing. I loved the stress and actually did it for fun."

Kira Walsh, a cookery apprentice at the South West Institute of Technology won the Great Southern/South West regional heats of the Worldskills commercial cookery category beating 10 other competitors.





Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the South West Institute of Technology's performance, and fairly represent the performance of the South West Institute of Technology for the financial year ended 31 December 2013.

A handwritten signature in black ink, appearing to read 'Dan Perkins'.

Dan Perkins
Chairman

A handwritten signature in black ink, appearing to read 'Duncan Anderson'.

Duncan Anderson
Managing Director

24th February 2014

24th February 2014

Key Performance Indicators

Desired Outcome

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

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

Effectiveness

Annual VET Institute Training Profile Target Achievement

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

Note:

The Institute began 2013 with a DPA figure of 1,771,900 and renegotiated the DPA again in January, May and September to align targets with local demands, resulting in an amended DPA figure of 1,812,023 SCH.

As per the South West Institute of Technology Business Plan, the performance indicators reflect the original DPA figure of 1,771,900.

Variances in Excess of 10%

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

- change in Industry WADOT group classifications;
- original SCH allocation under the DPA insufficient to meet local demand in respective WADOT group;
- SCH shifts across profile to meet local demands for training; and
- reflective of Department funding of programs for Recognition of Prior Learning and Skill Shortage areas (e.g. Childcare).

Non Profile Delivery

Includes:

- competitively Allocated Training both State and Non State Funded;
- domestic and International Fee for Service Delivery; and
- delivery for Credit transfers and Recognition of Prior Learning.

Institute Training Profile

The target in 2013 for the Institute Training Profile was 1,771,900 (100%) 100.2% was achieved. The following table provides details of the distribution of the Institute Training Profile delivery by SCH in the industry groups specified by the Department of Training and Workforce Development.

Institute Training Profile				
WADOT Group Description	2012 Achieved	2013 Planned	2013 Achieved	% Achieved
01A Recreation Sports and Entertainment	54,295	54,905	69,519	126.6%
01B Visual and Performing Arts	49,310	47,534	47,683	100.3%
01C Design	9,821	10,454	10,471	100.2%
02A Automotive	108,340	104,658	117,576	112.3%
03A Building and Construction	143,251	148,370	106,001	71.4%
03B Surveying and Building	52,664	64,480	53,737	83.3%
04A Community Service Workers	56,215	49,597	50,790	102.4%
04B Education and Childcare	196,537	199,509	228,795	114.7%
04C Health	149,400	145,974	142,410	97.6%
04D Library Workers	0	0	0	0.00%
05A Finance Insurance Property Service Workers	7,776	9,825	11,317	115.2%
06A Food Trades and Processing	6,218	6,970	7,369	105.7%
07A Clothing Footwear and Soft Furnishings	12,495	11,779	12,300	104.4%
07B Furniture Manufacture	17,730	18,069	11,730	64.9%
08A Communications	0	0	0	0.00%
08B Printing & Publishing	0	0	0	0.00%
09A Engineering and Drafting	24,170	11,940	7,080	59.3%
09B Metal and Mining	100,838	98,658	96,343	97.7%
10A Animal Care	0	3,627	0	0.00%

Institute Training Profile cont.				
WADOT Group Description	2012 Achieved	2013 Planned	2013 Achieved	% Achieved
10B Forestry, Farming and Landcare	39,292	36,503	39,829	109.1%
10C Fishing	0	0	0	0.00%
10D Horticulture	54,049	49,723	56,385	113.4%
11A Process Manufacturing	39,932	34,100	32,132	94.2%
12A Personal Service	55,975	37,642	50,296	133.6%
12B Retail	3,779	5,953	4,835	81.2%
13A Cooking	35,184	41,971	34,669	82.6%
13B Hospitality	18,506	24,395	21,110	86.5%
13C Tourism	20,465	22,189	17,230	77.7%
13D Travel Agents	0	0	0	0.00%
14A Transport Trades, Storage & Associated	6,740	7,130	13,295	186.5%
15A Electrical and Electronic Engineering	0	0	0	0.00%
15B Electrical Trades	67,349	73,440	94,918	129.2%
16A Accounting and Other Business Services	48,270	44,717	44,805	100.2%
16B Management	38,765	56,957	40,040	70.3%
16C Office and Clerical	138,605	119,903	128,625	107.3%
17A Computing	82,650	72,783	70,170	96.4%
18A Science and Technical Workers	60,113	68,756	57,400	83.5%
19A ACE	0	0	0	0.00%
19B Adult Literacy/ESL	79,755	68,244	78,480	115.0%
19C Languages	0	0	0	0.00%
19D Miscellaneous	0	0	0	0.00%
19E Targeted Access & Participation	26,615	21,145	23,710	112.1%
Profile Delivery	1,805,104	1,771,900	1,781,050	100.5%

Efficiency

Delivery Cost per Student Curriculum Hour

The following table indicates the cost efficiency of the Institute in training delivery under the Institute's Training Profile and fee-for-service. The table presents the average cost per SCH for all delivery. Total SCH includes 143,321 non profile hours.

Calendar	Total Cost	Total SCH	Average Cost / SCH
2013	\$37,318,925	1,924,371	\$19.39
2012	\$34,414,774	1,972,650	\$17.44
2011	\$34,149,038	2,069,674	\$16.50
2010	\$34,643,944	1,986,628	\$17.44
2009	\$31,719,970	1,933,077	\$16.41

Reasons for Variance:

Total cost was higher in 2013 due to a combination of scheduled salary increases and monies spent on improvements of the campuses.

Source:

The 2013 SCH figures were derived from the AVETMISS Survey as extracted from the Institute's Management Information System. In addition to the AVETMISS Survey figures, separate records for Lifestyle course delivery were added.

Definition:

The SCH is the sum of the SCH extracted from the AVETMISS Survey (CF funded delivery) plus the total of non-profile (fee-for-service) SCH.

Explanation:

The AVETMISS Survey has been adjusted to allow for the "no show" students under the "one attendance" rule criteria. It should be noted that the one attendance criteria implies that the curriculum hours for a module/subject are included in the total SCH provided the student attends at least one class, even if they subsequently withdraw or cease attending a unit.

Effectiveness

Student Satisfaction Survey

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

The 2013 Student Satisfaction survey fieldwork was conducted between Tuesday 1 October and Sunday 24 November 2013. The usable State population was established as 55,468 with 10,335 usable returns received (response rate of 18.6%). From a usable population of 3,744 at South West Institute of Technology, 563 usable returns were received (response rate of 15%).

Weighting

All data described in this report has been weighted. The weighted data is based on weighting the response data back to the total student population based on a combination of gender (male/female), age group (15-19, 20-19, 30-44, 45+), student status (IBS, EBS) and the specific Training Provider (12), resulting in 192 different weight cell possibilities. Weight cells with a zero count for both the population and survey data were removed.

Overall Student Satisfaction					
	2009	2010	2011	2012	2013
SWIT	86.2%	91.1%	89.3%	89.8%	90.0%
State	85.6%	86.7%	88.4%	86.3%	85.9%

The target in 2013 for the overall student satisfaction was 88.40% and 90.0% was achieved.

Definition:

The surveys were administered to full-time and part-time students who were enrolled in an award course in first semester of that year.

Derivation:

The survey asked students to rate their overall degree of satisfaction with their course. The measure compares the number of Very Satisfied and Satisfied respondents as a proportion of respondents.

Explanation:

The methodology used by Patterson Market Research utilised two data collection techniques; online (emails with a link to the survey, website availability) and postal (hardcopy questionnaire mail outs or completed at the Institute).

Student Outcome Survey

Disclosure Statement

The Student Outcomes Survey is carried out bi-annually by an independent third party organisation called the National Centre for Vocational Education Research Ltd (NCVER). Participants of this survey were students with Australian residential addresses who completed their VET during 2012 and were awarded a qualification (graduate) or who successfully complete part of a course and then leave the VET system (module completers).

Survey questionnaires were sent to a randomly selected sample of graduates and module completers with a national response rate of 41.9% and 29.7% respectively. Response rates for the South West Institute of Technology were 37.0% and 33.1% respectively.

This publication presents information on employment outcomes, reasons for not continuing the training (where applicable), and satisfaction with the training and further study patterns. For the most part results are reported for the 2013 survey only. However, selected tables show time series data for 2011 versus 2013.

Graduate refers to either:

- a) A student who completed all the requirements for a qualification;
or
- b) A student who self-reported completing a qualification and was determined as eligible for that qualification (via logistics model).

Response Rates

South West Institute of Technology	2005	2007	2009	2011	2013
Number of questionnaires distributed	1,052	764	1222	1,207	1672
Number of responses received	481	322	682	542	619
Response Rate	46%	42%	56.00%	45%	37.00%

Graduate Satisfaction

In 2012 the NCVER made improvements in the classification of graduates and module completers (see 'An analysis of self-reported graduates', <http://www.ncver.edu.au/>). The 2011 data has been adjusted in the following tables, which means data presented in South West Institute of Technology's 2011 annual report will be different to the data shown here. NCVER have not applied the new classification to the data from previous years for TAFE WA and TAFE Australia, the benchmarks used by South West Institute of Technology in the effectiveness indicator reporting.

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

The target in 2013 for Achieved Aim was 87.50%. We achieved 86.80%.

	SWIT	WA	Australia
2013	86.80%	85.80%	83.80%
2011	85.30%	87.50%	85.70%
2009	86.30%	87.20%	86.20%
2007	90.10%	87.40%	86.60%
2005	86.80%	84.50%	85.30%

Source: Student Outcomes Survey Table 1 - Key findings for graduates, 2011 and 2013

Measure (b): Course quality: Respondents satisfied with the overall quality of training.

The target in 2013 for Course Quality was 80.40%. We achieved 90.50%.

	SWIT	WA	Australia
2013	90.50%	89.50%	88.00%
2011	91.40%	89.50%	89.30%
2009	90.30%	89.10%	89.10%
2007	89.30%	88.00%	88.90%
2005	87.40%	86.90%	87.70%

Source: Student Outcomes Survey Table 1 - Key findings for graduates, 2011 and 2013

Measure (c): Graduate Employment Rate: In the 2013 survey, graduates from the South West Institute of Technology achieved better labour outcomes compared to the Western Australia and the National averages.

	South West Institute Performance				SWIT	WA%	Aust.%
	2005	2007	2009	2011	2013	2013	2013
Graduates Employed	80.30%	84.40%	77.50%	85.00%	82.00%	80.40%	77.10%
Graduates Unemployed	8.00%	15.60%	22.50%	8.90%	9.30%	10.80%	13.20%
Not in Labour	11.30%	10.30%	12.60%	6.10%	8.70%	8.50%	9.60%



Disclosures and Legal Requirements

Advertising - Electoral Act 1907 (Section s175ZE)

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

Advertising Activity	Expenditure	Comments
Marketing Agencies	\$ 24,645	
Market Research Organisations	\$ 1,600	
Polling Organisations	NA	
Direct Mail Organisations	16,000	
Media Advertising Organisations	\$ 84,380	

Employment and Industrial Relations

Staff Profile

	2009	2010	2011	2012	2013
Full Time Permanent Staff	158	151	146	146	137
Full Time Contract Staff	54	54	22	24	29
Part Time Permanent Staff	80	117	67	71	69
Part Time Contract Staff	30	46	26	28	23

Pricing Policies of Services Provided

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

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

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

Disability Access and Inclusion Plan Outcomes

Outcome 1

People with disabilities have the same opportunities as others to access services and events at the South West Institute of Technology.

An Accessibility Events checklist is available to all staff on the Institute intranet and was used in 2013 when planning public events including; enrolment days, International student orientations and information sessions, Annual Student Awards Night, Open Day and Official Opening of the Automotive Training Centre, Future Possibilities Youth Conference, and Creative Industries Extravaganza.

Outcome 2

People with disabilities have the same opportunities as others to access the buildings and other facilities of the Institute.

Accessible parking, paths and toilet facilities are available at the campuses. All students have the ability to access the 24/7 Learning Resource Centre in Bunbury and Margaret River which includes; student PCs, all library databases, internet access and printing. These same resources are available remotely for all students from their home PCs. Wireless access for laptops is now available for students at most locations on all 6 campuses. As part of a refurbishment at the Bunbury campus towards the end of 2012, a ramp was rebuilt at the main reception to ensure compliance with the Building Code of Australia and accessibility requirements. A new Automotive Training Centre was opened in 2013. This state-of-the-art training facility for heavy and light automotive courses has full access to all training areas and facilities.

Outcome 3

People with disabilities receive information from the Institute in a format that enables them to access the information as readily as others.

The Institute developed a new website in 2013 that meets all the Public Sector standards with regards to accessibility for both PCs and mobile devices; example: fonts, contrast, colour, an enlargement option and a printer friendly option.

The website includes information about full-time courses, part-time courses, short courses and online and external study options at all of the six campuses. This information is updated regularly. The website also includes the ability to apply or enquire about a course. Further information is provided by phone, email or post by the Course Information Services team.

Learning resources are available in a range of formats and assistive technology e.g. WYNN Wizard is also available on request. Digital note takers and 'smart pens' are also available on request for students to record lectures.

Outcome 4

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

The Student Services team provides support for students with disability across all six campuses. Individual learning support plans are prepared for many students based on their identified needs. These plans are reviewed and modified regularly to ensure the best outcomes for the student. A database of student contacts and actions has improved the timeliness of responses and monitoring of student outcomes.

Students with disability can request an In-Class Assistant to assist them with practical or written activities that are conducted on campus. Their needs are assessed and support can be provided to meet their short-term or longer term needs.

Outcome 5

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

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

Outcome 6

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

All students are encouraged to complete the Learner Questionnaires each semester and the Student Satisfaction Survey. The surveys are available both online and in hardcopy or students can seek assistance when completing the survey.

Several community focus groups were conducted as part of the planning for the new South West Institute of Technology website. People with disability participated in these focus groups.

The Institute continues to be an active participant in the South West Disability Focus Group with representatives from all disability related organisations in the region. The group focuses on identifying and resolving barriers to accessing training and employment in the region. The group again conducted a very successful Future Possibilities Youth Conference in 2013 including an evening session for parents on pathways and services to assist their child through the transition from school to training or employment. Staff also participated in a forum at Australind Senior High School for parents and students in the Education Support unit.

Compliance with Public Sector Management Act (Section 31(1))

Compliance with Public Sector Standards and Ethical Codes

During 2013, the Institute received no allegations concerning breaches of Public Sector Standards or Commissioner's Instructions.

In 2013, there were ten allegations of breaches of our Code of Conduct, misconduct/substandard performance and OSH policies, which resulted in two staff members being dismissed in accordance with the Institute's Disciplinary Procedures. Two matters are ongoing and are expected to be resolved in early 2014.

During an internal audit in November 2013, the Institute became aware of possible breaches concerning leave management and the payment of overtime. The matters are currently under investigation and were reported to the Corruption and Crime Commission (CCC), PSC and the Minister. The Institute will continue to report all actions taken to address these matters to the CCC as required, pursuant to section 40 of the *Corruption and Crime Commission Act 2003*.

The Institute reviewed its performance management policies and implemented revised Discipline and Unsatisfactory/Substandard Performance policies and procedures to ensure continuous improvement and compliance.

The Code of Conduct was reviewed during 2012 and plans to further review this in 2013 have been rescheduled for 2014 as a result of the commencement of a new Managing Director; the review of the Institute's organisational structure, governance documents and strategic plans; and the implementation of the updated performance management policies.

Compliance with Working with Children (Criminal Record Keeping) Act 2004

The Institute has identified which positions require a Working With Children Check (WWC) and has a robust system in place to ensure clearances and renewals are up to date and compliant. These matters are regularly reported and followed up on a monthly basis.

Record Keeping Plans

The Institute participates as a member of the State Training Providers (STP) Records Management Network and operates within a sector-wide Record Keeping Plan.

The Institute's records management policies and procedures are reviewed annually to ensure compliance with legislative requirements and to reflect changes to processes due to advancements in record keeping practices. Record keeping systems are monitored regularly and reviewed annually to ensure their efficiency and effectiveness.

The Institute's new STP Recordkeeping Plan was approved by the State Records Office (SRO) in December 2012. All policies and procedures were reviewed and updated throughout the year.

Record Keeping Training Program

The Institute conducts the following record keeping training:

- refresher courses for long-serving staff;
- awareness training for senior management;
- a reminder session to staff on how to use existing systems;
- in-house training sessions conducted for groups and individuals on a needs basis; and
- the Institute's induction program addresses employees' roles and responsibilities with regard to their compliance with the Institute's Record Keeping Plan and State Records requirements.

The efficiency and effectiveness of the Institute's record keeping training has been verified with the increased use of TRIM and the addition and subsequent training of new users. The increase is a result of the Institute planning to move towards an electronic/paperless environment.

The RAT program was completed in 2013 and will be incorporated as a part of the Institute's online induction program commencing in 2014.

Freedom of Information

The South West Institute of Technology allows supervised access to records on request.

Applications for information under the Freedom of Information Act are submitted for approval and administered under direction by the Records Management Coordinator. The Freedom of Information Statement is on the Institute's business system. Two Freedom of Information requests were received during 2013.



Occupational Safety, Health and Injury Management

1.0 Statement of Commitment OSH

The South West Institute of Technology Occupational Safety and Health Policy recognises that the safety and health of all Institute employees and students is the responsibility of Institute management and staff. In fulfilling this responsibility, management and staff have a duty to provide and maintain, so far as practicable, a working environment that is safe and without risk to health. This responsibility includes:

- providing and maintaining safe plant and systems of work;
- making and monitoring arrangements for the safe use, handling, storage and transport of plant and substances;
- maintaining the workplace in safe and healthy conditions; and
- providing appropriate information, training and supervision for all employees, contractors and visitors, enabling them to work in a safe and healthy manner.

All managers and staff are responsible for the implementation of the policy within their workplace and organisational area of responsibility. The Director Corporate Services will provide for the appropriate monitoring of this policy with the assistance of our Occupational Safety and Health Committee. In fulfilling the objectives of this policy, management is committed to regular consultation with employees to ensure that the policy operates effectively, and that safety and health issues are regularly reviewed.

The strategic goals for OSH in 2013 were:

1. reduce the impact of workplace injuries and illnesses by using consistent, recognisable, quality based safety and health systems at all Institute campuses;
2. raise the awareness of the effective use of risk management and reduced incidents by active elimination of hazards;
3. enhance the profile and practice of safety, health, and wellbeing at all levels of South West Institute of Technology through effective communication and consultation; and
4. enhance the safety and health knowledge and behaviours of staff through targeted OSH training.

The targets for OSH were:

- to work towards the attainment of the highest WA standard of Occupational Safety and Health;
- to improve the level of communication and understanding of safety and health in the workplace by employees; and
- to achieve 100% of the objectives and strategies of the OSH Management Plan for 2013.

1.1 Statement of Commitment Injury Management

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

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

Where practical and required by medical certification, the South West Institute of Technology will make provision for the placement of injured employees who have accepted workers' compensation claims and are unable to return to their original duties.

2.0 Formal mechanism for consultation with employees on Occupational Safety and Health matters

The Occupational Safety and Health (OSH) Committee form the key to OSH consultation within South West Institute of Technology.

The OSH committee is a combination of staff elected representatives and management representatives. The member's appointment, location and details are communicated to all staff via the Institute intranet and via electronic communication. The members are accessible and effectively utilised by both management and employees in the discussion and resolution of occupational safety and health issues.

The committee meets monthly to:

- discuss and resolve OSH Issues;
- review hazard and incident reports;
- facilitate consultation and co-operation in relation to the Institute's safety and health policy and procedures;
- provide for the development and review of the Institute's safety and health policy, procedures and practices;
- promote increased understanding and awareness of safety and health issues; and
- review progress against the OSH Management Plan.

The agenda and minutes of the OSH Committee are communicated to all staff via the Institute intranet and via electronic communication.

In 2013 the committee reviewed and approved a range of new and updated OSH procedures and guidelines and reviewed the operation of the South West Institute of Technology's OSH Management Plan. The procedures that were reviewed and approved for implementation include:

- reviewed and reported on the achievements of the goals within the OSH Strategic Plan 2011 – 2013;
- developed the 2013 OSH Management Plan;
- conducted a review of the OSH Management System;
- conducted the annual staff OSH perception survey to assess and identify perceptions and attitudes on OSH;
- reviewed and updated the Emergency Management Plan and Procedures;
- conducted, evaluated and actioned a range of air monitoring testing to in the Mortar Trades Workshop. As a result of the monitoring, a range of measures were implemented to enhance existing safe guards;
- developed a Traffic Management Procedure and Templates;
- developed and implemented a No Smoking Policy;
- conducted a review of the OSH Issue Resolution Procedure;
- conducted a review of the Personal Protective Equipment Policy;
- conducted a review of the Electrical Safety Procedures;
- commenced a review of the Night Evacuation Procedure and night staff induction procedure;
- commenced a review of the Alcohol and Drugs Policy and Procedure; and
- undertook a review and update of the Critical Incident Management Procedure.

Training

A range of training and awareness programs opportunities were provided for staff in 2013. A total of 182 staff were trained in areas such as:

- Fire Warden Training;
- First Aid Training;
- Electrical Test and Tag;
- use and management of Chemwatch;
- fire equipment familiarisation training;
- OSH Representative Training; and
- OSH for Managers Training.

During 2013 a range of training programs were run to up skill staff and provide them with the relevant licence requirements to enhance and meet the requirements for their delivery and work tasks.

- Elevated Work Platform;
- Working at Heights; and
- Confined Space.

Projects

A number of OSH minor works projects were undertaken in 2013 to address urgent OSH issues across all campuses and facilities. Some of the projects included:

- upgrading the gas infrastructure system in the fabrication workshop;
- upgrading ventilation and extraction systems in the metals grinding room;
- installing emergency gas stops and associated signage in the Science block;

- upgrading ventilation in the Plumbing Workshop;
- upgrading of the Main Distribution Board;
- undertook grinding and re-painting of slippery workshop floors in Building and Construction and Fitting and Machining workshops; and
- installed pedestrian access paths and crosswalks to link the new Automotive Centre with the rest of the campus.

3.0 A Statement of Compliance with the Injury Management requirements

The Injury Management Procedures for injury management and workers' compensation meets the requirements of the *Workers Compensation and Injury Management Act 1981*. All staff are informed at induction and via the Institute's Business System on the process for accessing the Workers Compensation or Injury Management process.

The Institute seeks to ensure that all claims will be transparent, follow legislative requirements, ensure appropriate confidentiality and demonstrate procedural fairness. The Institute consults with the employee and his or her medical practitioner to develop and maintain a return to work program which is developed in accordance with the *Workers Compensation and Injury Management Act of 1981*.

4.0 Self-Evaluation of occupational safety and health management system

An internal audit of the safety management system within South West Institute of Technology based on the requirements of the AS/NZS 4801:2001 – Occupational Health and Safety Management Systems and utilising the WorkSafe Plan Assessment Tool was conducted in

November 2013. The review was carried out at the Bunbury, Busselton, Collie and Margaret River sites and involved:

- interviews with staff, contractors, students, and visitors;
- review of South West Institute of Technology policies, procedures and other documentation relating to the management of safety and health within the organisation; and
- observations in the workplace.

A summary of findings indicated that the majority of policies and procedures underpinning the Occupational Safety and Health (OSH) Management Systems at South West Institute of Technology are in place however they have not been fully implemented at a business unit level and have not been subject to review and/or evaluation to determine their effectiveness.

In response to the audit report the Institute will review its OSH Management Plan for 2014 to address the 75 identified opportunities for improvement.



2014 Forward Financial Estimates

Statement of Comprehensive Income

	2014
Statement of Comprehensive Income	\$
COST OF SERVICES	
Expenses	
Employee benefits expense	23,588,000
Supplies and services	8,206,742
Depreciation and amortisation expense	2,553,376
Grants and subsidies	6,780
Cost of Sales	590,029
Other expenses	1,809,146
Total Cost of Services	36,754,073
Income	
Revenue	
Fee for service	1,673,881
Student fees and charges	5,702,704
Ancillary trading	115,603
Sales	550,299
Commonwealth grants and contributions	2,889
Interest revenue	512,500
Other revenue	908,947
Total Revenue	9,466,824
Gains	
Gain on disposal of non-current assets	7,937
Total Gains	7,937
Total income other than from State Government	9,474,761
NET COST OF SERVICES	(27,279,311)

	2014
Income from State Government	\$
State funds	24,594,603
Resources received free of charge	915,771
Total income from State Government	25,510,374
SURPLUS (DEFICIT) FOR THE PERIOD	(1,768,937)

Balance Sheet

	2014
Income from State Government	\$
Current Assets	
Cash and cash equivalents	7,837,851
Restricted cash and cash equivalents	1,118,697
Inventories	167,075
Receivables	1,470,073
Other current assets	164,000
Total Current Assets	10,757,696
Non-Current Assets	
Restricted cash and cash equivalents	-
Property, plant and equipment	70,786,702
Total Non-Current Assets	70,786,702
Total Assets	81,544,397
Current Liabilities	
Payables	982,798
Provisions	2,588,000
Other current liabilities	1,067,339
Total Current Liabilities	4,638,137
Non-Current Liabilities	
Provisions	1,000,000
Other non-current liabilities	10,000
Total Non-Current Liabilities	1,010,000
Total Liabilities	5,648,137
NET ASSETS	77,896,260

Equity

	2014
Equity	\$
Contributed Equity	26,705,794
Reserves	33,723,351
Accumulated surplus/(deficiency)	15,467,115
TOTAL EQUITY	75,896,260
Changes in Equity	\$
Balance of equity at start of period	77,665,197
Contributed equity	
Balance at start of period	26,705,794
Capital Contribution	-
Balance at end of period	26,705,794
Reserves	
Asset revaluation reserve	
Balance at start of period	33,723,351
Restated balance at start of period	33,723,351
Gains / (losses) from asset revaluation	-
Balance at end of period	33,723,351
Accumulated surplus (retained earnings)	
Balance at start of period	17,236,052
Restated balance at start of period	17,236,052
Surplus/(deficit) or profit/(loss) for the period	(1,768,937)
Balance at end of period	15,467,115
Balance of equity at end of period	77,896,260
Total Income and Expense for the period	(1,768,937)

Cash Flow Statement

	2014
Cash Flows from State Government	\$
State funds	24,594,603
Capital Contributions	-
Net cash provided by State Government	24,594,603

	2014
Cash Flows from Operating Activities	\$
Payments	
Employee benefits	(24,348,309)
Supplies and services	(7,857,217)
Grants and subsidies	(6,780)
GST payments on purchases	(785,028)
GST payments to taxation authority	(121,387)
Other Payments	(1,809,146)
Receipts	
Fee for service	1,531,900
Student fees and charges	5,594,813
Ancillary trading	115,604
Commonwealth grants and contributions	2,889
Interest received	512,500
GST receipts on sales	124,829
GST receipts from taxation authority	814,301
Other receipts	894,079
Net cash provided by/(used in) operating activities	(23,336,953)

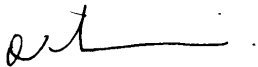
	2014
Cash Flows from Investing Activities	\$
Proceeds from sale of non-current physical assets	7,937
Purchase of noncurrent physical assets	(900,000)
Net cash provided by/(used in) investing activities	(892,063)
Net increase/(decrease) in cash held and cash equivalents	(1,634,413)
Cash and cash equivalents at the beginning of the period	10,590,960
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8,956,548

Certification of Financial Statements

For the year ended 31 December 2013

The accompanying financial statements of the South West Institute of Technology have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 31 December 2013 and the financial positions as at 31 December 2013.

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.



Dan Perkins
Chairperson
Governing Council

24th February 2014



Jenny Duncan
Finance Manager

24th February 2014



Duncan Anderson
Managing Director
South West Institute of Technology

24th February 2014

Statement of Comprehensive Income for the Year Ended 31 December 2013

		2013	2012
<u>COST OF SERVICES</u>	Notes	\$	\$
<u>Expenses</u>			
Employee benefits expense	6	23,315,128	22,753,827
Supplies and services	7	9,130,829	7,420,623
Depreciation and amortisation expense	8	1,971,230	1,954,433
Grants and subsidies	9	4,942	6,453
Cost of sales	14	588,253	561,598
Loss on disposal of non-current assets	18	1,234	-
Other expenses	10	2,307,309	1,717,840
Total cost of services		37,318,925	34,414,774
<u>Income</u>			
<u>Revenue</u>			
Fee for service	11	1,350,864	1,147,395
Student fees and charges	12	3,641,497	3,502,945
Ancillary trading	13	108,596	110,033
Sales	14	598,436	566,877
Commonwealth grants and contributions	15	2,500	2,750
Interest revenue	16	436,824	557,655
Other revenue	17	784,381	844,550
Total revenue		6,923,098	6,732,205
<u>Gains</u>			
Gain on disposal of non-current assets	18	-	7,555
Total gains		-	7,555
Total income other than income from State Government		6,923,098	6,739,760
NET COST OF SERVICES		30,395,827	27,675,014
INCOME FROM STATE GOVERNMENT			
Service appropriation	19	26,377,181	26,878,350
Services received free of charge	19	1,429,433	871,644
Total income from State Government		27,806,614	27,749,994
SURPLUS / (DEFICIT) FOR PERIOD		(2,589,213)	74,980
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	30	1,271,107	1,475,368
Total other comprehensive income		1,271,107	1,475,368
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,318,106)	1,550,348

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



Statement of Financial Position as at 31 December 2013

	Notes	2013 \$	2012 \$
ASSETS			
<u>Current Assets</u>			
Cash and cash equivalents	31	7,058,917	8,015,183
Restricted cash and cash equivalents	20	1,432,223	1,064,792
Inventories	21	142,714	159,935
Receivables	22	401,850	654,872
Other current assets	23	52,889	160,038
Total Current Assets		9,088,593	10,054,820
<u>Non-Current Assets</u>			
Restricted cash and cash equivalents	20	-	364,527
Property, plant and equipment	24	55,009,386	55,043,372
Total Non-Current Assets		55,009,386	55,407,899
TOTAL ASSETS		64,097,979	65,462,719
LIABILITIES			
<u>Current Liabilities</u>			
Payables	27	1,366,864	928,104
Provisions	28	3,464,131	3,266,643
Other current liabilities	29	94,106	1,015,909
Total Current Liabilities		4,925,101	5,210,656
<u>Non-Current Liabilities</u>			
Provisions	28	915,464	969,884
Other non-current liabilities	29	11,052	10,570
Total Non-Current Liabilities		926,516	980,454
TOTAL LIABILITIES		5,851,617	6,191,110
NET ASSETS		58,246,362	59,271,609
Equity			
Contributed equity	30	8,504,096	8,205,794
Reserves	30	34,994,458	33,723,351
Accumulated surplus/ (deficit)	30	14,747,808	17,342,464
TOTAL EQUITY		58,246,362	59,271,609

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



Statement in Changes in Equity for the Year Ended 31 December 2013

		Contributed Equity	Reserves	Accumulated surplus / (deficit)	Total Equity
	Note	\$	\$	\$	\$
Balance at 1 January 2012	30	8,205,794	32,247,983	17,267,484	57,721,261
Surplus/(deficit)		-	-	74,980	74,980
Other comprehensive income		-	1,475,368	-	1,475,368
Total comprehensive income for the period		-	1,475,368	74,980	1,550,348
Balance at 31 December 2012		8,205,794	33,723,351	17,342,464	59,271,609
 Balance at 1 January 2013		 8,205,794	 33,723,351	 17,342,464	 29,271,609
Changes in accounting policy or correction of prior year errors (see note 30)		-	-	(5443)	(5443)
 Restated balance at 1 January 2013		 8,205,794	 33,723,351	 17,337,021	 59,266,166
Surplus/(deficit)		-	-	(2,589,213)	(2,589,213)
Other comprehensive income		-	1,271,107	-	1,271,107
Total comprehensive income for the period		-	1,271,107	(2,589,213)	(1,318,106)
 Transactions with owners in their capacity as owners					
Other contributions by owners		298,302	-	-	298,302
Total		298,302	-	-	298,302
 Balance at 31 December 2013		 8,504,096	 34,994,458	 14,747,808	 58,246,362

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



Statement of Cash Flows for the Year Ended 31 December 2013

		2013	2012
	Notes	\$	\$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation—Dept of Training & Workforce Development		26,377,181	26,778,990
Net cash provided by State Government		26,377,181	26,778,990
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(23,091,679)	(22,755,333)
Supplies and services		(7,261,127)	(6,603,973)
Grants and subsidies		(4,942)	(6,453)
Finance costs		-	-
GST payments on purchases		(893,227)	(747,201)
GST payments to taxation authority		(162,213)	(115,538)
Other payments		(2,187,471)	(1,775,359)
Receipts			
Fee for service		1,406,141	1,011,258
Student fees and charges		3,752,648	3,375,919
Ancillary trading		108,596	110,033
Commonwealth grants and contributions		(918,820)	838,465
Bookshop trading profit		27,404	6,447
Interest received		436,842	565,209
GST receipts from on sales		163,254	118,814
GST receipts from taxation authority		916,182	775,063
Other receipts		848,178	844,550
Net cash provided by / (used in) operating activities	31	(26,860,234)	(24,358,099)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		-	7,555
Purchase of non-current physical assets		(470,309)	(249,253)
Net cash provided by / (used in) investing activities		(470,309)	(241,698)
Net increase / (decrease) in cash and cash equivalents		(953,362)	2,179,194
Cash and cash equivalents at the beginning of period		9,444,502	7,265,309
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	31	8,491,140	9,444,502

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



1. Australian Accounting Standards

(a) General

The Institute's financial statements for the year ended 31 December 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations made by the Australian Accounting Standards 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 2013.

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 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 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 (\$) and all values are rounded to the nearest dollar (\$).

Note 3 'Judgments made by management in applying accounting policies' discloses judgments that have been made in the process of applying the Institute's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

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

(c) Reporting entity

The reporting entity comprises the Institute only.

(d) Contributed equity

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



Note 2 Continued

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 30 '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.

Where contributions recognised as revenues in a previous reporting period were obtained in respect of the current reporting period, the amounts and nature of are to be disclosed.

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 19 '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.



Note 2 Continued

(f) 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 their fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land 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 judgments in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life.

Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets. Refer to note 24 '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 24 'Property, plant and equipment'.



Note 2 Continued

Depreciation

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

Depreciation is calculated on 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	4 to 23 years
Plant, furniture and general equipment	4 to 28 years
Computing, communications and software (a)	1 to 15 years

^(a) *Software that is integral to the operation of related hardware.*

Land is not depreciated.

(g) Impairment of assets

Property, plant and equipment 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 assets' future economic benefits and to evaluate any impairment risk from falling replacement costs.

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

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

(h) Leases

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

(i) Financial instruments

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

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

These have been disaggregated into the following classes:

Financial assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Term deposits



Note 2 Continued

Financial liabilities

- Payables

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

(j) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent include restricted cash and cash equivalents. These are comprised of cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(k) Accrued salaries

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

(l) Inventories

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

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

See note 21 'Inventories'.

(m) 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(i) 'Financial instruments' and note 22 'Receivables'.

(n) 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(i) 'Financial instruments' and note 27 'Payables'.

(o) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. See note 27 'Provisions'.



Note 2 Continued

(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 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 reporting period.

Long service leave

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

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

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

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.

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

An actuarial assessment of long service leave undertaken by PricewaterhouseCoopers Securities Ltd Actuaries at 31 December 2012 determined that the liability measured using the short hand measurement technique above was not materially different from the liability determined using the present value of expected future payments. This calculation is consistent with the Institute's experience of employee retention and leave taken.

Unconditional long service leave provisions are classified as current liabilities as the Institute does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Preconditional 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.

Deferred Leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional twelve months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.



Note 2 Continued

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.

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

(ii) Provisions - other

Employment on-costs

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

(p) Superannuation expense

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

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

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

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



Note 2 Continued

(r) Comparative figures

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

3. Judgments made by management in applying accounting policies

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

Operating Lease Commitments

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

4. Key sources of estimation uncertainty

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

Long Service Leave

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.

5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Institute has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 January 2013 that impacted on the Institute.



AASB 13	<p><i>Fair Value Measurement</i></p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for fair value measurements for non-financial assets and liabilities. There is no financial impact.</p>
AASB 119	<p><i>Employee Benefits</i></p> <p>This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements.</p> <p>The Institute assessed employee leave patterns to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.</p>
AASB 2011-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>
AASB 2011-9	<p><i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i></p> <p>This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.</p>
AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.</p>
AASB 2012-2	<p><i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]</i></p> <p>This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.</p>
AASB 2012-5	<p><i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]</i></p> <p>This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.</p>
AASB 2012-6	<p><i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]</i></p> <p>This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact.</p>
AASB 2012-9	<p><i>Amendment to AASB 1048 arising from the Withdrawal of Australian Int 1039</i></p> <p>The withdrawal of Int 1039 <i>Substantive Enactment of Major Tax Bills in Australia</i> has no financial impact for the Institute during the reporting period and at balance date. Measurement of tax assets and liabilities continues to be measured in accordance with enacted or substantively enacted tax law pursuant to AASB 112.46-47.</p>
AASB 2012-10	<p><i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Int 12]</i></p> <p>The Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not-for-profit entities accounting for interests in other entities. There is no financial impact.</p>



Note 5 Continued

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 the following Australian Accounting Standards that may impact the Institute but are not yet effective. Where applicable, the Institute plans to apply these Australian Accounting Standards from their application date:

		Operative for reporting periods beginning on / after
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.	1 Jan 2014
AASB 9	Financial Instruments This Standard supersedes AASB 139 <i>Financial Instruments Recognition and Measurement</i> , introducing a number of changes to accounting treatments. The mandatory application date of this Standard was amended to 1 January 2015. The Institute has not yet determined the application or the potential impact of the Standard.	1 Jan 2015
AASB 1055	Budgetary Reporting This Standard specifies the nature of budgetary disclosures, the circumstances in which they are to be included in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Institute will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.	1 Jul 2014
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] [modified by AASB 2010-7]	1 Jan 2015
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] This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Institute has not yet determined the application or the potential impact of the Standard.	1 Jan 2015
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] 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. The Institute does not routinely hold financial assets and financial liabilities that it intends to settle on a net basis, therefore there is no financial impact.	1 Jan 2014
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets. This Standard introduces editorial and disclosure changes. There is no financial impact	1 Jan 2014
AASB 2013-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]. The amendments, issued in October 2013, provide significant guidance to clarify whether determine whether a not-for-profit entity controls another entity when financial returns aren't 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	1 Jan 2014



6. Employee Benefits Expense

	2013	2012
	\$	\$
Wages and salaries ^(a)	21,348,613	20,780,653
Superannuation - defined contribution plans ^(b)	1,966,515	1,973,174
	23,315,128	22,753,827

(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 10 'Other expenses'. Employment on-costs liability is included at note 28 'Provisions'.

7. Supplies and Services

	2013	2012
	\$	\$
Consumables and minor equipment	1,237,268	1,595,956
Communication expenses	184,154	202,900
Utilities expenses	845,728	776,816
Consultancies and contracted services	4,007,539	2,515,999
Minor works	1,450,790	973,155
Repairs and maintenance	84,281	90,524
Operating lease and hire charges	565,760	574,345
Travel and passenger transport	87,634	84,731
Advertising and public relations	164,117	188,476
Supplies and services - other	503,558	358,221
	9,130,829	7,361,123

8. Depreciation and Amortisation Expense

	2013	2012
	\$	\$
<u>Depreciation</u>		
Buildings	1,526,005	1,546,624
Motor vehicles, caravans and trailers	23,247	17,027
Plant, furniture and general equipment	310,084	290,095
Computers and communication network	111,894	100,687
Total Depreciation	1,971,230	1,954,433

9. Grants and Subsidies

	2013	2012
	\$	\$
Recurrent		
Other- Apprentice Travel Subsidy	4,942	6,453
	4,942	6,453



10. Other Expenses

	2013	2012
	\$	\$
Building maintenance	531,475	415,020
Doubtful debts expense	12,689	21,815
Employment on-costs (a)	1,367,093	1,272,297
Student Prizes & Awards	13,187	8,608
Losses and write-offs	-	100
Other (b)	382,865	59,500
Total	2,307,309	1,777,340

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 27 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) In 2013 and 2012 other includes remuneration paid to the Auditor General in respect to the audit. Other in 2013 also includes a prior year refund to the Department of Training and Workforce Development for delivery in 2012.

11. Fee for Service

	2013	2012
	\$	\$
Fee for service - general	1,052,557	1,147,395
Fee for service – Department of Training and Workforce Development	150,470	-
Fee for service – Government (other than Department of Training and Workforce Development)	147,837	-
	1,350,864	1,147,395

12. Student Fees and Charges

	2013	2012
	\$	\$
Tuition fees	2,015,552	1,926,084
Resource fees	1,522,925	1,468,587
Other Institute fees	103,020	108,274
	3,641,497	3,502,945

13. Ancillary Trading

	2013	2012
	\$	\$
Live works (not a trading activity)	108,596	110,033
Total	108,596	110,033



14. Trading Profit

	2013	2012
	\$	\$
Sales	598,436	566,877
Cost of sales:		
Opening inventory	(159,935)	(161,103)
Purchases	(571,032)	(560,430)
	(730,967)	(721,533)
Closing inventory	142,714	159,935
Cost of goods sold	(588,253)	(561,598)
Trading Profit / (Loss) - Bookshop	10,183	5,279

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

15. Commonwealth Grants and Contributions

	2013	2012
	\$	\$
Commonwealth specific purpose grants and contributions	2,500	2,750
	2,500	2,750

Grants are traineeship incentive payments received in 2012 and 2013.

16. Interest Revenue

	2013	2011
	\$	\$
Interest Revenue	436,824	557,655
Total	436,824	557,655

17. Other Revenue

	2013	2012
	\$	\$
Rental and facilities fees	646,913	610,681
Sponsorship and donations revenue	10,570	7,150
Recoups of secondments	57,146	92,716
Insurance recovery	64,359	101,375
Miscellaneous revenue	5,393	32,628
Total	784,381	844,550



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

	2013	2012
	\$	\$
<u>Proceeds from disposal of non-current assets</u>		
Plant, furniture and general equipment	30,375	7,555
Computers and communication network	1	-
Total proceeds from disposal of non-current assets	30,376	7,555
<u>Costs of disposal of non-current assets</u>		
Plant, furniture and general equipment	(7,548)	-
Computers and communication network	(24,062)	-
Total costs from disposal of non-current assets	(31,610)	-
Net gain / (loss)	(1,234)	7,555

See note 2(j) 'Non-current assets (or disposal groups) classified as held for sale' and note 24 'Property, plant and equipment'.

19. Income from State Government

Appropriation received during the year

Service appropriation (a)

State funds received from Department of Training and Workforce Development:

	2013	2012
	\$	\$
Delivery and Performance Agreement (DPA)	25,673,186	26,708,344
Other recurrent funds	703,995	170,006
Total State funds	26,377,181	26,878,350

Services received free of charge from other State government agencies during the financial period:

Department of Training and Workforce Development

- Corporate systems support	544,088	637,821
- Human resources, industrial relations support	217,862	22,598
- Other (b)	667,483	211,225

Total resources received free of charge

1,429,433 871,644

Total Income from State Government

27,806,614 27,749,994

- (a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the budgeted depreciation expense for the year and any agreed increase in leave liability during the year.
- (b) Other relates to air conditioning unit project for K block and the Busselton site investigation in 2013. This was arranged directly through the Department of Training and Workforce Development through the Department of Building and Works.

20. Restricted Cash and Cash Equivalents

Current	2013	2012
	\$	\$
Salary allowance and provision (a)	827,143	-
Specific capital works projects and equipment (b)	605,080	1,064,792
	1,432,223	1,064,792



(a) 27th pay provision.

(b) In 2013, \$190k is committed for the continuation of the ventilation project to improve ventilation and air quality in the workshops and \$414k relates to the funds committed to be spent at the Bunbury campus upgrade. In 2012, \$750k related to state equipment funding provided for the Heavy Duty Automotive Centre; Capital works projects included security fencing of \$98k and the commencement of the ventilation project funding of \$219k.

Non-Current

Salary allowance and provision (a)

2013	2012
\$	\$
-	364,527
-	364,527

(a) 27th pay provision

21. Inventories

Current

Inventories held for resale:

Bookshop (at cost)

Total

2013	2012
\$	\$
142,714	159,935
142,714	159,935

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

22. Receivables

Current

Receivables -trade

Receivables - students

Accrued revenue

Allowance for impairment of receivables

GST receivable

Total Current

2013	2012
\$	\$
228,358	166,057
68,635	179,786
38,572	248,812
(9,174)	(18,907)
75,459	79,123
401,850	654,871

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period

Doubtful debts expense

Amounts written off during the period

Balance at End of Period

18,906	17,123
12,689	21,815
(22,421)	(20,032)
9,174	18,906

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



23. Other current assets

	2013	2012
<u>Current</u>	\$	\$
Prepayments	52,889	160,038
	52,889	160,038

24. Property, Plant and Equipment

	2013	2012
	\$	\$
Land		
At fair value ^(a)	3,200,000	3,180,000
	3,200,000	3,180,000
Buildings		
At fair value ^(a)	50,527,861	50,665,936
Accumulated depreciation ^(b)	(18,784)	(11,886)
	50,509,077	50,654,050
Capital Works in Progress		
Construction costs – ventilation in workshops upgrade and gas reticulation	226,015	65,782
	226,015	65,782
Motor Vehicles, Caravans and Trailers		
At cost	486,618	464,298
Accumulated depreciation	(429,738)	(406,491)
	56,880	57,807
Plant, Furniture and General Equipment		
At cost	3,348,950	3,150,451
Accumulated depreciation	(2,532,241)	(2,287,519)
	816,709	862,932
Computer Equipment, Communication Network		
At cost	900,654	1,524,662
Accumulated depreciation	(699,949)	(1,301,861)
	200,705	222,801
	55,009,386	55,043,372

- a. Freehold land and buildings were revalued as at 31 December 2013 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 31 December 2013 and recognised at 31 December 2013. The fair value of all land and buildings was determined by references to market values. See note 2(f) 'Property, plant and equipment'.
- b. Transportable buildings not revalued at year end.



Note 24 Continued

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

2013	Land	Buildings	Capital works in progress	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment, communication network	Total
Carrying amount at start of year	3,180,000	50,654,050	65,782	57,807	862,932	222,801	55,043,372
Additions	-	129,925	160,233	22,320	271,409	113,860	697,747
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	(7,548)	(24,062)	(31,610)
Revaluation Increments/ (decrements)	20,000	1,251,107	-	-	-	-	1,271,107
Depreciation expense	-	(1,526,005)	-	(23,247)	(310,084)	(111,894)	(1,971,230)
Carrying amount at end of year	3,200,000	50,509,077	226,015	56,880	816,709	200,705	55,009,386

2012	Land	Buildings	Capital works in progress	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment, communication network	Total
Carrying amount at start of year	2,480,000	51,413,370	-	38,491	1,029,011	246,529	55,207,401
Additions	-	11,936	65,782	36,343	124,016	76,959	249,253
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Revaluation Increments/ (decrements)	700,000	775,368	-	-	-	-	1,475,368
Depreciation expense	-	(1,546,624)	-	(17,027)	(290,095)	(100,687)	(1,954,433)
Carrying amount at end of year	3,180,000	50,654,050	65,782	57,807	862,932	222,801	55,043,372



25. Fair value measurements

Assets measured at fair value:	Level 1	Level 2	Level 3	Fair value at end of period
2013	\$	\$	\$	\$
Land (note 24)	-	100,000	3,100,000	3,200,000
Buildings (note 24)	-	-	50,509,077	50,509,077
Total	-	100,000	53,609,077	53,709,077

Valuation techniques to derive level 2 fair values

Level 2 fair values of Land is derived using the market approach. Market evidence of sales prices of comparable land in close proximity is used to determine price per square metre.

Fair value measurements using significant unobservable inputs (Level 3)

	Land	Buildings
	\$	\$
Fair Value at start of period	3,180,000	50,654,050
Additions	-	129,925
Revaluation increments/(decrements) recognised in Profit or Loss	-	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	20,000	1,251,107
Transfers (to)/from Level 2	-	-
Disposals	-	-
Depreciation Expense		(1,526,005)
Fair Value at end of period	3,200,000	50,509,077

Valuation processes

There were no changes in valuation 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 building 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 economic benefit, expired economic benefit or obsolescence of the asset. Determination of the current replacement cost of such assets held by the Institute is calculated by reference to gross project size specifications and the historical cost, adjusted by relevant indices.

Fair value for restricted use land is based on market value, by either using market evidence of sales of comparable land that is unrestricted (low restricted use land), or, comparison with market evidence for land with low level utility (high restricted use land).

Significant Level 3 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).

Sales prices of appropriate land of low utility

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

Selection of land with similar approximate utility

Fair value for land with low level utility (high restricted use) is determined by comparison with market evidence for land with similar approximate utility. Relevant comparators of land with similar approximate 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 2013 \$	Valuation technique(s)	Unobservable inputs	Relationships of unobservable inputs to fair value
Land (\$3,100,000)	Market approach	Selection of land with similar approximate utility	Higher value of similar land increases estimated fair value.
Buildings (\$50,509,077)	Depreciated Replacement Cost	Consumed economic benefit / obsolescence of asset	Greater consumption of economic benefit or increased obsolescence lowers fair value.
		Historical cost of building per square metre floor area (m2)	Higher historical cost per m2 increases fair value.

Reconciliations of the opening and closing balances are provided in Notes 24.

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.

26. Impairment of Assets

There were no indications of impairment of property plant and equipment as at 31 December 2013.

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 2013 have either been classified as assets held for sale or written off

27. Payables

	2013	2012
Current	\$	\$
Trade payables	7,231	777
GST payable	7,600	6,560
Accrued expenses	696,725	345,840
Accrued salaries and wages	655,308	574,927
Total	1,366,864	928,104

28. Provisions

	2013	2012
Current	\$	\$



<i>Employee benefits provision</i>	
Annual leave (a)	1,136,123 1,180,584
Long service leave (b)	2,075,889 1,865,483
Deferred Salary Scheme (c)	18,819 -
	3,230,831 3,046,067
<i>Other provisions</i>	
Employment on-costs (d)	233,300 220,576
Total current	3,464,131 3,266,643
Non-current	
<i>Employee benefits provision</i>	
Annual leave (a)	- -
Long service leave (b)	853,617 904,463
	853,617 904,463
<i>Other provisions</i>	
Employment on-costs (d)	61,847 65,421
Total non-current	915,464 969,884

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

	2013	2012
	\$	\$
Within 12 months of the end of the reporting period	861,601	840,106
More than 12 months after the end of the reporting period	274,522	340,478
	1,136,123	1,180,584



Note 28 Continued

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

	2013	2012
	\$	\$
Within 12 months of the end of the reporting period	708,027	501,670
More than 12 months after the end of the reporting period	2,221,479	2,268,275
	2,929,506	2,769,945

(c) Deferred salary scheme liabilities have been classified where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:

	2013	2012
	\$	\$
More than 12 months after the end of the reporting period	18,819	-
	18,819	-

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

Movements in other provisions

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

	2013	2012
	\$	\$
Employment on-cost provision		
Carrying amount at start of period	285,997	322,256
Addition provision recognised	1,367,093	1,272,297
Payments/other sacrifices of economic benefits	(1,357,943)	(1,308,556)
Carrying amount at end of period	295,147	285,997

29. Other Liabilities

Current

Income received in advance ^(a)

Grants and advances

Total current liabilities

Non-current

Other ^(b)

Total non-current liabilities

	2013	2012
	\$	\$
Income received in advance ^(a)	94,106	265,909
Grants and advances	-	750,000
Total current liabilities	94,106	1,015,909
Non-current		
Other ^(b)	11,052	10,570
Total non-current liabilities	11,052	10,570

(a) Income received in advance comprises:

Other Government (Commonwealth) funding, tenders and grants invoiced in 2013, but are expected to be completed in 2014.

(b) Relates to stale cheques.



30. Equity

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

	2013	2012
	\$	\$
Contributed Equity		
Balance at start of period	8,205,794	8,205,794
<u>Other Contributions by owners</u>		
Royalties for Regions Fund – Regional Infrastructure and Headworks Account	298,302	-
Total contributions by owners	298,302	
Balance at end of period	8,504,096	8,205,794
 Reserves		
<u>Asset revaluation surplus</u>		
Balance at start of period	33,723,351	32,247,983
Changes in accounting policy or correction of prior period errors (a)	-	-
Buildings	1,251,107	700,000
Land	20,000	775,368
Balance at end of period	34,994,458	33,723,351
 Accumulated surplus / (deficit)		
Balance at start of period	17,342,464	17,267,484
Changes in accounting policy or correction of prior period errors (a)	(5,443)	-
Restated balance as the start of the period	17,337,021	17,267,484
Result for the period	(2,589,213)	74,980
Balance at end of period	14,747,808	17,342,464
 Total Equity at the end of the period	58,246,362	59,271,609

(a) Relates to FBT adjustment at the end of 2012.



31. Notes on the Statements 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:

	2013	2012
	\$	\$
Cash and cash equivalents	2,058,917	6,015,183
Short term deposits	5,000,000	2,000,000
	7,058,917	8,015,183
Restricted cash and cash equivalents (refer to note 20 'Restricted cash and cash equivalents')	1,432,223	1,429,319
	8,491,140	9,444,502
Reconciliation of net cost of services to net cash flows provided by/(used in) Operating activities		
Net cost of services	(30,395,827)	(27,675,014)
Non-cash items:		
Depreciation and amortisation expense	1,971,230	1,954,433
Doubtful debts expense	35,110	21,915
Superannuation expense	-	-
Resources received free of charge	1,429,433	871,644
Net (gain)/loss on sale of property, plant and equipment	(1,234)	-
Asset revaluation decrement	-	-
(Increase)/decrease in assets:		
Current receivables (a)	249,357	(346,093)
Current inventories	17,221	1,168
Prepayments	107,149	(79,434)
Increase/(decrease) in liabilities		
Current payables (a)	437,720	186,124
Current provisions	197,488	(48,476)
Other current liabilities	(921,802)	833,737
Non-current provisions	(54,420)	(111,219)
Other non-current liabilities	482	1,978
Net GST receipts/(payments) (b)	67,859	31,138
Net cash provided by/(used in) operating activities	(26,860,234)	(24,358,099)

(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 as they are not reconciling items.

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



32. Services Provided Free of Charge

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

33. Commitments

Lease commitments

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

	2013	2012
	\$	\$
Within 1 year	233,814	449,239
Later than 1 year and not later than 5 years	684,728	646,911
Total	918,542	1,096,150
Representing:		
Non-cancellable operating leases	918,542	1,277,138
	918,542	1,277,138

The Institute has a photocopier lease, motor vehicle lease and property lease. Also included in the commitments are purchase orders outstanding at year end. These commitments are all inclusive of GST.

Capital expenditure commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

	2013	2012
	\$	\$
Within 1 year	687,957	1,064,792
Total	687,957	1,064,792

34. Contingent liabilities and contingent assets

No contingent liabilities or assets exist as at 31 December 2013.

35. Events occurring after the reporting period

There are no significant events occurring after reporting date that materially impact the financial statements as at 31 December 2013.



36. Explanatory Statement

Significant variations between estimates and actual results for 2013 and between the actual results for 2012 and 2013 are shown below. Significant variations are considered to be those greater than 10% and \$250,000.

Significant variations between estimated and actual result for the financial year 2013.

	2013 Estimate \$	2013 Actual \$	Variance \$
Income			
Service appropriation	27,193,544	26,377,181	(816,363)
Services received free of charge	893,435	1,429,433	535,998
Expenses			
Supplies and services	7,811,456	9,130,829	1,319,373
Other expenses	1,765,020	2,307,309	542,289

Service appropriation

The Estimates provided for the Department of Training and Workforce Development included Royalties for Regions funds of \$298k in service appropriation. For the end of year financial statements the Royalties for Regions are included in the Equity section (note 30) of the report. A provision of \$381k has been made to account for under-delivery of student curriculum hours in 2013 to be refunded to the Department of Training and Workforce Development.

Services received free of charge

Services received for non-cash grants from the Department of Training and Workforce Development were higher than estimated. This included site investigation for the Busseton campus and the supply and installation of air conditioning to the Bunbury campus.

Supplies and services

Supplies and services were higher than originally estimated due to the increase in resources received free of charge being higher than estimated. Additional work was performed on general improvements at the Bunbury campus.

Other expenses

A payment of \$315k was made to the Department of Training and Workforce Development for under-delivery of student curriculum hours in 2012.

Significant Variances between actual results for 2013 and 2012

	2013 Actual \$	2012 Actual \$	Variation \$
Income			
Services received free of charge	1,429,433	871,644	557,789
Expenses			
Supplies and services	9,130,829	7,420,623	1,710,206
Other expenses	2,307,309	1,717,840	589,469

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Services received free of charge

Services received for non-cash grants were higher than 2012 due to the inclusion of works on the Busselton campus site investigation and the supply and installation of air conditioning to the Bunbury campus.

Supplies and services

Supplies and services were higher than 2012 due to the increase in resources received free of charge being higher than estimated. Additional work was performed on general improvements at the Bunbury campus.

Other expenses

A payment of \$315k was made to the Department of Training and Workforce Development for under - delivery of student curriculum hours in 2012.



37. Financial Instruments

(a) Financial Risk Management Objectives and policies

Financial instruments held by the Institute are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables. The Institute has limited exposure to financial risks. The Institute's overall risk management program focus on managing the risk identified below:

Credit risk

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

The maximum exposure to credit risk at 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 provisions for impairment as show in the table at note 37 (c) 'Finance instruments disclosures' and note 22 '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 draw downs of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Institute's income or the value of its holdings of financial instruments. The 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 37 (c), The Institute is not exposed to interest rate risk because apart from minor amounts of restricted cash, all other cash and cash equivalents and a portion of restricted cash are non-interest bearing and it has no other borrowings.

(b) Categories of Financial Instruments

In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2013	2012
<u>Financial Assets</u>	\$	\$
Cash and cash equivalent	7,058,917	8,015,183
Restricted cash and cash equivalent	1,432,223	1,429,319
Receivables (a)	326,391	575,748
<u>Financial Liabilities</u>		
Payables	1,359,264	921,544

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

(c) Financial Instrument Disclosure

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 of an amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Institute. The Institute does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.





Ageing analysis of financial assets

Past due but not impaired

	Carrying Amount	Not past due and not impaired	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	Impaired Financial Assets
	\$	\$	\$	\$	\$	\$	\$
Financial Assets							
2013							
Cash and cash equivalent	7,058,917	7,058,917	-	-	-	-	-
Restricted cash and cash equivalents	1,432,223	1,432,223	-	-	-	-	-
Receivables (a)	326,391	83,040	76,862	25,331	119,070	22,088	-
	8,817,531	8,574,180	76,862	25,331	119,070	22,088	-
2012							
Cash and cash equivalent	8,015,183	8,015,183	-	-	-	-	-
Restricted cash and cash equivalents	1,429,319	1,429,319	-	-	-	-	-
Receivables (a)	575,748	332,251	118,281	11,541	104,084	9,591	-
	10,020,250	9,776,753	118,281	11,541	104,084	9,591	-

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

Note 37. Continued

Liquidity risk and interest rate exposure

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

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

	Weighted Average Effective Interest Rate	Interest rate exposure			Nominal Amount	Maturity dates				
		Carrying Amount	Variable Interest Rate	Non- Interest Bearing		Up to 1 month	1-3 months	3 months to 1 year	1-5 years	
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
2013										
Financial Assets										
Cash and cash equivalent	4.15%	7,058,917	7,058,917	-	7,058,917	7,058,917	-	-	-	-
Restricted cash and cash equivalent	0.58%	1,432,223	1,432,223	-	1,432,223	1,432,223	-	-	-	-
Receivables (a)	-	326,391	-	326,391	326,391	326,391	-	-	-	-
		8,817,531	8,491,140	326,391	8,817,531	8,817,531	-	-	-	-
Financial Liabilities										
Payables		1,359,264	-	1,359,264	1,359,264	977,986	381,278	-	-	-
		1,359,264	-	1,359,264	1,359,264	977,986	381,278	-	-	-
2012										
Financial Assets										
Cash and cash equivalent	4.82%	8,015,183	8,015,183	-	8,015,183	8,015,183	-	-	-	-
Restricted cash and cash equivalent	0.16%	1,429,319	1,429,319	-	1,429,319	1,429,319	-	-	-	-
Receivables (a)	-	575,748	-	575,748	575,748	575,748	-	-	-	-
		10,020,250	9,444,502	575,748	10,020,250	10,020,250	-	-	-	-
Financial Liabilities										
Payables	-	921,544	-	921,544	921,544	921,544	-	-	-	-
		921,544	-	921,544	921,544	921,544	-	-	-	-

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

Note 37. Continued

Interest rate sensitivity analysis

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

		- 100 Basis Points		+ 100 Basis Points	
2013	Carrying amount \$	Surplus \$	Equity \$	Surplus \$	Equity \$
<u>Financial Assets</u>					
Cash and cash equivalent	7,058,917	(70,589)	(70,589)	70,589	70,589
Restricted Cash and cash equivalent	1,432,223	(14,322)	(14,322)	14,322	14,322
Total Increase/(Decrease)		(84,911)	(84,911)	84,911	84,911

		- 100 Basis Points		+ 100 Basis Points	
2012	Carrying amount \$	Surplus \$	Equity \$	Surplus \$	Equity \$
<u>Financial Assets</u>					
Cash and cash equivalent	8,015,183	(80,152)	(80,152)	80,152	80,152
Restricted Cash and cash equivalent	1,429,319	(14,293)	(14,293)	14,293	14,293
Total Increase/(Decrease)		(94,445)	(94,445)	94,445	94,445

Fair Values

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



38. Remuneration of members of the accountable authority and senior officers

Remuneration of Members of the accountable authority

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

	2013	2012
\$		
\$0 - \$10,000	9	9
\$30,001 - \$40,000	1	-
\$220,001- \$230,000	-	1
\$240,001 - \$250,000	1	-
	\$	\$
Base remuneration and superannuation	276,452	242,177
Annual leave and long service leave accruals	(26,063)	(20,776)
Other benefits	19,035	19,035
Total remuneration of the members of the accountable authority is:	269,424	240,436

Remuneration of senior officers

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

	2013	2012
\$		
\$ 0 - \$10,000	1	-
\$20,001 - \$30,000	1	-
\$40,001 - \$50,000	1	-
\$50,001 - \$60,000	1	-
\$90,001 - \$100,000	1	-
\$100,001 - \$110,000	2	2
\$110,001 - \$120,000	2	4
\$120,001 - \$130,000	6	3
\$130,001 - \$140,000	1	3
\$140,001 - \$150,000	-	2
\$150,001 - \$160,000	2	-
\$170,001 - \$180,000	-	1
Base remuneration and superannuation	1,900,152	1,775,390
Annual leave and long service leave accruals	(52,784)	108,753
Other benefits	16,851	16,851
The total remuneration of senior officers is:	1,864,219	1,900,994

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

No Senior Officers are members of the Pension Scheme.



39. Remuneration of auditor

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

	2013	2012
	\$	\$
Auditing the accounts, financial statements and performance indicators.	70,000	68,000

40. Related bodies

The Institute has no related bodies.

41. Affiliated bodies

The Institute has no affiliated bodies.

42. Supplementary financial information

	2013	2012
<u>Write-Offs</u>	\$	\$
Bad debts	22,421	20,032
Other- cash shortages	-	100
Total	22,421	20,132

