

# Annual Report 2015



## Statement of Compliance

Hon Liza Harvey MLA  
Minister for Police; Road Safety; Training and Workforce Development; Women's Interests  
11<sup>th</sup> Floor, Dumas House  
2 Havelock Street  
WEST PERTH WA 6005

Dear Minister

Statement of Compliance for the Year Ended 31 December 2015.

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 2015.

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

Yours sincerely



Marilyn Hopkins  
**Acting/Chairperson**  
Governing Council

25 February 2016



Duncan Anderson  
**Managing Director**  
South West Institute of Technology

25 February 2016

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## Executive Summary

### Managing Director's Report



I would like to thank the Governing Council for their continued support and guidance throughout 2015. I would like to specifically recognise the outstanding support afforded to me by the outgoing Chair, Mr Dan Perkins.

2015 was influenced by continued pressures on industry, economic conditions and a dynamic national training sector. The South West Institute of Technology performed very well within this framework, gaining significant improvements in the execution of Future Skills, governance, quality training delivery and workforce development outcomes.

#### Future Skills

Success continues to build success in realigning the South West Institute of Technology's (SWIT) operations to the priorities of Future Skills Western Australia. Employment based outcomes remain a key pillar within the organisation's approach to the delivery of training within the South West. 2015 was highlighted by individual and large client employment based outcomes. These successes have allowed other areas of SWIT to learn, develop and deliver more focussed training outcomes to clients. This fundamental change to the business of delivery of training has exposed SWIT to a greater degree to market pressures in the training sector. This risk has provided a key lever for continuous improvement by further developing client management, client engagement and business development functions. Critical to this occurring has been the staged transformation of the Institute's culture, underpinned by improvements in organisational governance.

#### Governance

Strong foundations in governance were highlighted in both risk management and academic delivery in 2015. As the organisational structure reflects the priorities of the strategic plan, the conditions were set for a comprehensive risk strategy to be implemented. This risk strategy reflects key risks to achieving outcome statements in the strategic plan. With the organisational structure reflecting the strategic plan, the risk strategy subsequently 'assigned' risks to managers to mitigate. To enable this group to accurately report to the Governing Council a subcommittee to the Audit and Risk Committee was formed. This subcommittee is the forum in which each manager reports on their individual risk ratings, new risks, mitigating strategies and areas for concern. The result of this is risk management has been simplified with timely and accurate reports being presented to the Governing Council.

Underpinning improvements in risk management was the establishment of a set of agreed organisational behaviours. This dynamic process enabled staff to communicate more effectively at all levels and areas throughout SWIT. This set of agreed behaviours also underpins performance appraisal and empowers managers to engage with staff in an open, honest and effective manner.

The strategic risk for the organisation is maintaining compliance within the national training framework. This risk was amplified for SWIT in 2015 with the organisation undertaken a monitoring audit by the Training and Accreditation Council (TAC). On request, TAC conducted an extensive audit across 19 qualifications and all areas of governance. Further complicating this was that the audit was conducted against the recently implemented Standards for Registered Training Organisations. The audit outcomes demonstrated a significant improvement in teaching and learning with no non-compliances identified in all 19 areas. Of most significance were minor areas within governance for rectification accompanying significant improvements in organisational culture.

This outstanding audit outcome ensured that a key pillar to quality training had been set.

### Quality Training

Quality training within SWIT is a measure of industry relevance, student experience and academic compliance. With academic compliance met through the risk strategy SWIT focussed on industry relevance and student experience through business development and student services respectively. The outwardly focussed business development team in SWIT identified gaps in support to employers of apprentices and trainees; the complexity of administration, funding and Federal contract changes add to the challenges of delivering industry relevant training outcomes. To address this shortfall the organisation established the Apprentice and Trainee Support Centre (ATSC) from within existing human, physical and financial resources. In addition to this, the Institute provided working space to the newly established Australian Apprentice Support Network (AASN) providers for the region, enabling more resources to be available to apprentices and trainees at SWIT. Additionally the ATSC built on the excellent work undertaken in 2014 when administrative processes across the organisation were centralised. Subsequently administrative support was focussed on apprentices and trainees only through the ATSC. This centralisation not only had positive outcomes on compliance, but more importantly provides a single point of contact for employers, apprentices and trainees to access support.

Student experience at SWIT was improved in 2015 with two key initiatives. Firstly the Institute partnered with Co Op to deliver a combined café and bookshop at the Bunbury campus. This change enhanced improvements to learning spaces in the library and was further supported by the establishment of customer service officers from within existing human resources.

Development commenced on a student 'app' that will support the student experience by providing a single point for all relevant student information. This app forms one part of a reviewed student induction that will be launched in 2016. Focus and success within quality training outcomes has enabled SWIT to explore innovative and holistic workforce development opportunities.

### Workforce Development Support

Moving towards specialising in the Agricultural sector and building on quality training outcomes, SWIT expanded its support to Muresk Institute. SWIT continued to support a training manager at Muresk, with additional resources to enable effective training delivery. Additionally SWIT worked in partnership with Muresk Institute, the Department of Training and Workforce Development (DTWD) and the University of Queensland (UQ) to ensure the delivery and marketing of diploma level agricultural training was ready for commencement in 2016. In support of this, SWIT enhanced its pathways and to this program through the Certificate III in Agriculture and a Vocational Training in Schools package. This approach has set the conditions for a complete agricultural pathway to be delivered at Muresk Institute, directly supporting the agricultural sector at all levels.

Challenged by regional delivery the Institute deepened its partnership with Pilbara Institute. This partnership draws on relative strengths and is founded on a very high level of personal trust between Managing Directors. During 2015 Governing Council Chairs and Managing Directors met and agreed on a strategy to further combine human resources. This integration is built on the success of a shared marketing manager and specialised support provided to Pilbara Institute by SWIT in areas of data analytics and planning. The next stage of integration is shared executive level functions including corporate services and academic compliance. The partnership has also seen benefits flow to both organisations through SWIT- led business development; SWIT actively represented the interests of Pilbara Institute when engaging with prospective clients in Perth.

An example, and of most significance has been the successful engagement of Fortescue Metals Group (FMG). SWIT and Pilbara Institutes have engaged FMG as part of the 'Trade Up' initiative. Winning the position as preferred provider, the partnership commenced delivery in 2015. Currently delivery is being executed using SWIT asset only. Once delivery processes are established and routine, responsibility for delivery will switch to Pilbara Institute. This will see delivery of training to Pilbara based organisations returning to the Pilbara.

Success was also achieved in the delivery of training outcomes to the Gateway Construction project. This project provided key lessons for the organisation that have supported the development of client-led training outcomes that focus on just in time skills. Building relevant traineeships to the client in high pressure workplace stretched the organisation. This was further challenged by rapid changes in funding settings. Positive lessons and relationships were developed through this process. Established relationships have allowed SWIT to receive accurate feedback on performance that has subsequently positioned the organisation well to benefit from future projects. Further benefit has been realised in the refinement of how training is packaged for delivery, focussing on just in time skills as part of broader project objectives.

## Summary

Success was realised in 2015 through the continued improvements to relationships with industry, enhancements to organisational governance and active management and improvement of organisational culture. Agreed behaviours have supported improvements in communication that realised an effective implementation of a comprehensive risk management strategy. Integrated with these positive outcomes was an

outstanding academic audit result. With the key strategic risk mitigated, the Institute focussed on improving quality training outcomes. Drawing on these improvements SWIT has been able to deliver on holistic training outcomes at Muresk Institute, in partnership with Pilbara Institute and at the Gateway construction project. 2015 has set the conditions for an exciting and rewarding 2016.



Duncan Anderson  
**Managing Director**  
**South West Institute of Technology**



## Statement from the Chair of the Governing Council



It is with great pleasure that I present the Annual Report for the South West Institute of Technology for 2015.

2015 challenged the Institute with softening economic conditions in the Region, competitive pressures from within the training sector and increased regulatory scrutiny from Federal and State bodies. Within this context the South West Institute of Technology continued its progress in setting excellent foundations for outstanding

industry engagement and governance that have set the conditions for a successful 2016.

Establishing a coherent business development function within the organisation realised several benefits. Of particular note, industry engagement and client management within the Institute was formalised with immediate positive impacts on student outcomes and broader client satisfaction. Notably apprentice and trainee coordination, client management and administration were centralised, with the formation of the Apprentice and Trainee Support Centre (ATSC). The formation of the ATSC mitigated significant risk to the organisation in the delivery of training outcomes to apprentices and trainees and provided a forum for increased collaboration with other agencies; the ATSC has increased industry and student engagement, collaboration and compliance.

Broader progress in governance has realised improved risk management across the organisation. A clear example of success in this area was the successful completion of a significant academic compliance audit and high levels of compliance within the apprentice and trainee spectrum.

This solid base in governance has set conditions to allow the Institute to pursue innovative and collaborative programs. Effective partnerships were continued with Pilbara Institute and Muresk Institute. These partnerships continue to demonstrate the potential to rationalise recurring costs while improve service delivery to clients.

The South West Institute of Technology is very well positioned for the opportunities and challenges of 2016. Sound governance, effective management and continued improvements in cultural flexibility will ensure that the Institute can maximise opportunities and continue to support economic development in the South West.

A handwritten signature in blue ink, appearing to read 'M. Hopkins', with a stylized flourish at the end.

Marilyn Hopkins  
**Acting/Chairperson  
Governing Council**

## History of the Institute

### The 'Bunbury Tech'

In 1946, 52 students were enrolled in four courses at the "Technical School" which by 1957 had 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 release of the Partridge Report in 1976 saw TAFE 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" and the School was promoted to a Grade 2 facility, officially becoming the "*Bunbury Technical College*".

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 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

By 1991 the Bunbury Campus was offering over 80 vocational courses, with 550 full time and 1,125 part-time enrolments and the College continued to grow from strength to strength through the 1990s so that by 1998 the student population had jumped to 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.

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.

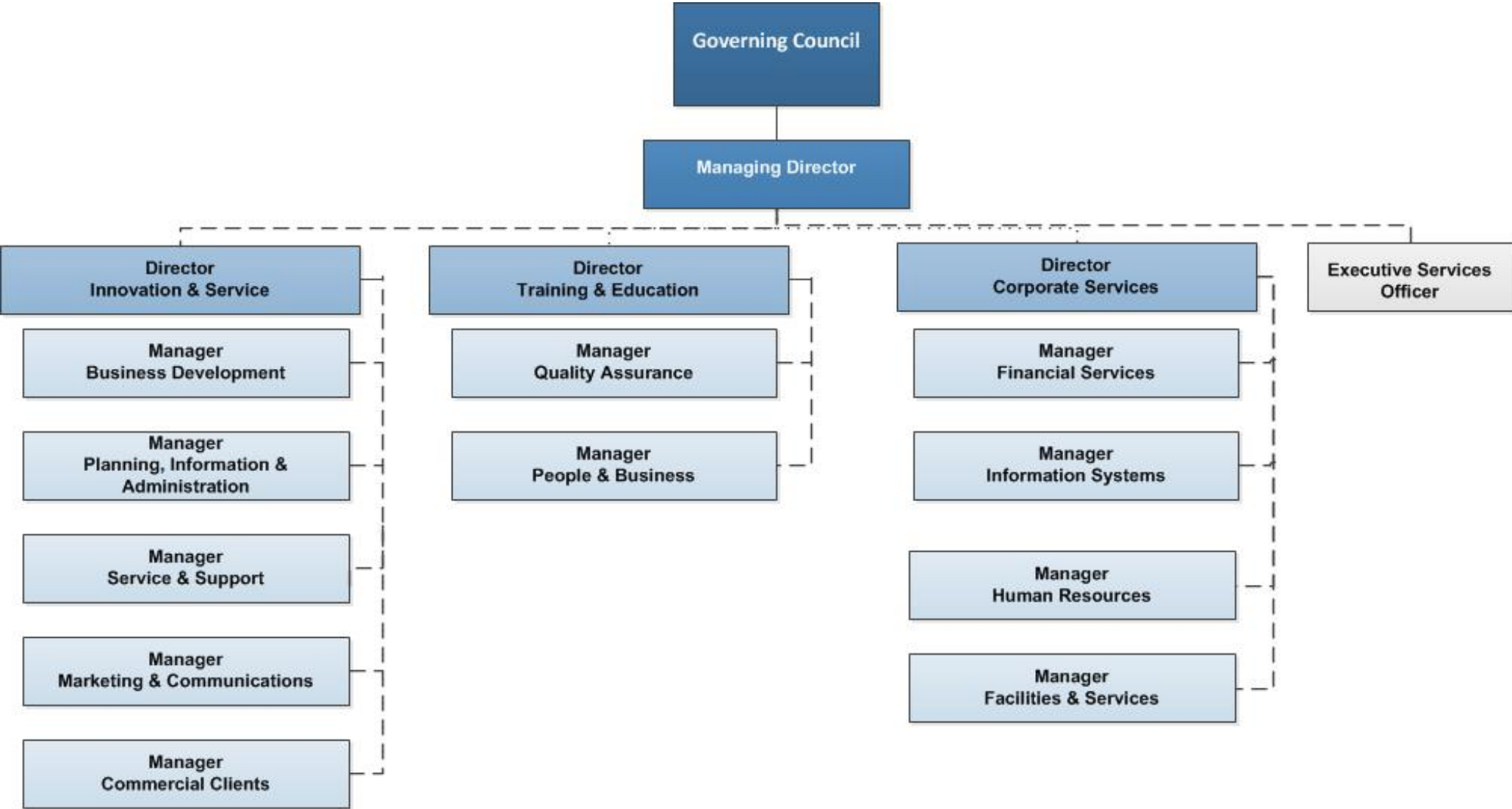
### The South West Institute of Technology

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 vibrant regional resource with a network of campuses in Bunbury, Busselton, Collie, Harvey, Manjimup and Margaret River that offers a wide scope of training and services to the local community and customised business solutions for local industry.



# Operational Structure



## Operational Overview

The South West Institute of Technology services the training needs of the South West region across its network of campuses in Bunbury, Busselton, Collie, Harvey, Manjimup and Margaret River including the facilities, expertise and resources required to offer high quality Vocational Education and Training (VET) to 5,149 students in 2015.

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 174 qualifications, 13 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.

## 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 slower economic expansion however the regional economy will continue to benefit from diversity of industry sectors. The significant economic drivers are the continued population growth, the services sector and skills shortages. This is 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 by 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 multimedia partnerships and the community services and health sector.

## Directorates

### TRAINING AND EDUCATION

The Directorate of Training and Education 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 State Registered Training Organisations (SRTO).

### CORPORATE SERVICES

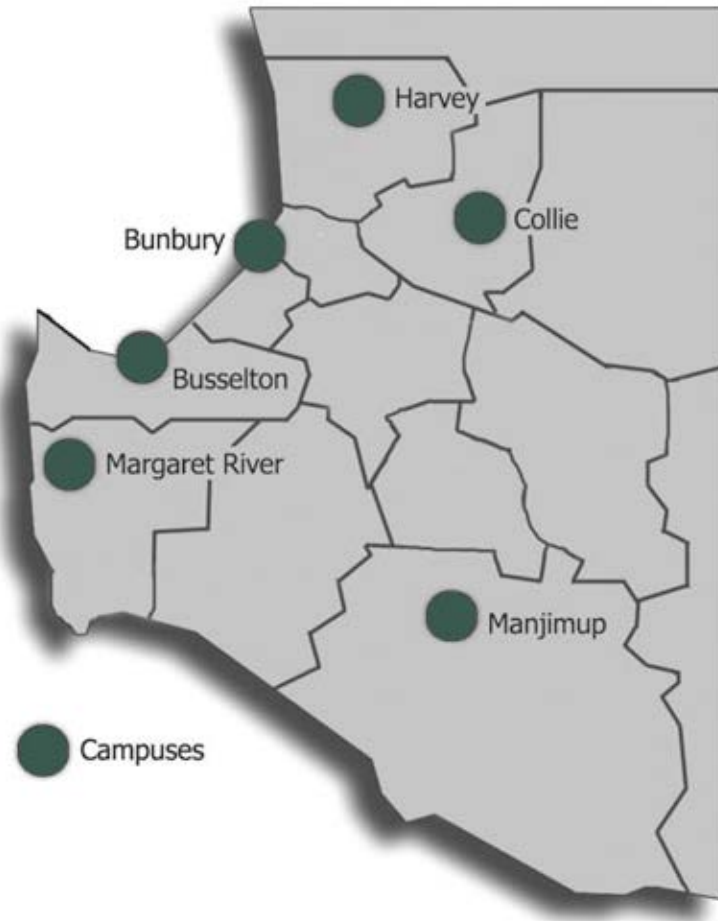
The corporate services functions which support the Institute's operations are delivered by the Directorate of Corporate Services. This directorate provides the financial, human resources, information and technology, infrastructure and facilities management functions of the Institute.

### INNOVATION AND SERVICE

The Directorate of Innovation and Service 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; that of providing training in the South West region of Western Australia

## Campuses



### Bunbury Campus

Robertson Drive BUNBURY WA 6230  
PO Box 1224 BUNBURY WA 6231  
Telephone: (08) 9780 7000  
Email: [Bunbury@swit.wa.edu.au](mailto:Bunbury@swit.wa.edu.au)

### Busselton Campus

2 South Street BUSSELTON WA 6280  
Telephone: (08) 9752 6600  
Email: [Busselton@swit.wa.edu.au](mailto:Busselton@swit.wa.edu.au)

### Collie Campus

43 Wittenoom Street COLLIE WA 6225  
PO Box 268 COLLIE WA 6225  
Telephone: (08) 9734 9900  
Email: [Collie@swit.wa.edu.au](mailto:Collie@swit.wa.edu.au)

### Harvey Campus

Cnr SW Highway and Uduc Road  
HARVEY WA 6220  
PO Box 215 HARVEY WA 6220  
Telephone: (9780 7051)  
Email: [Harvey@swit.wa.edu.au](mailto:Harvey@swit.wa.edu.au)

### Manjimup Campus

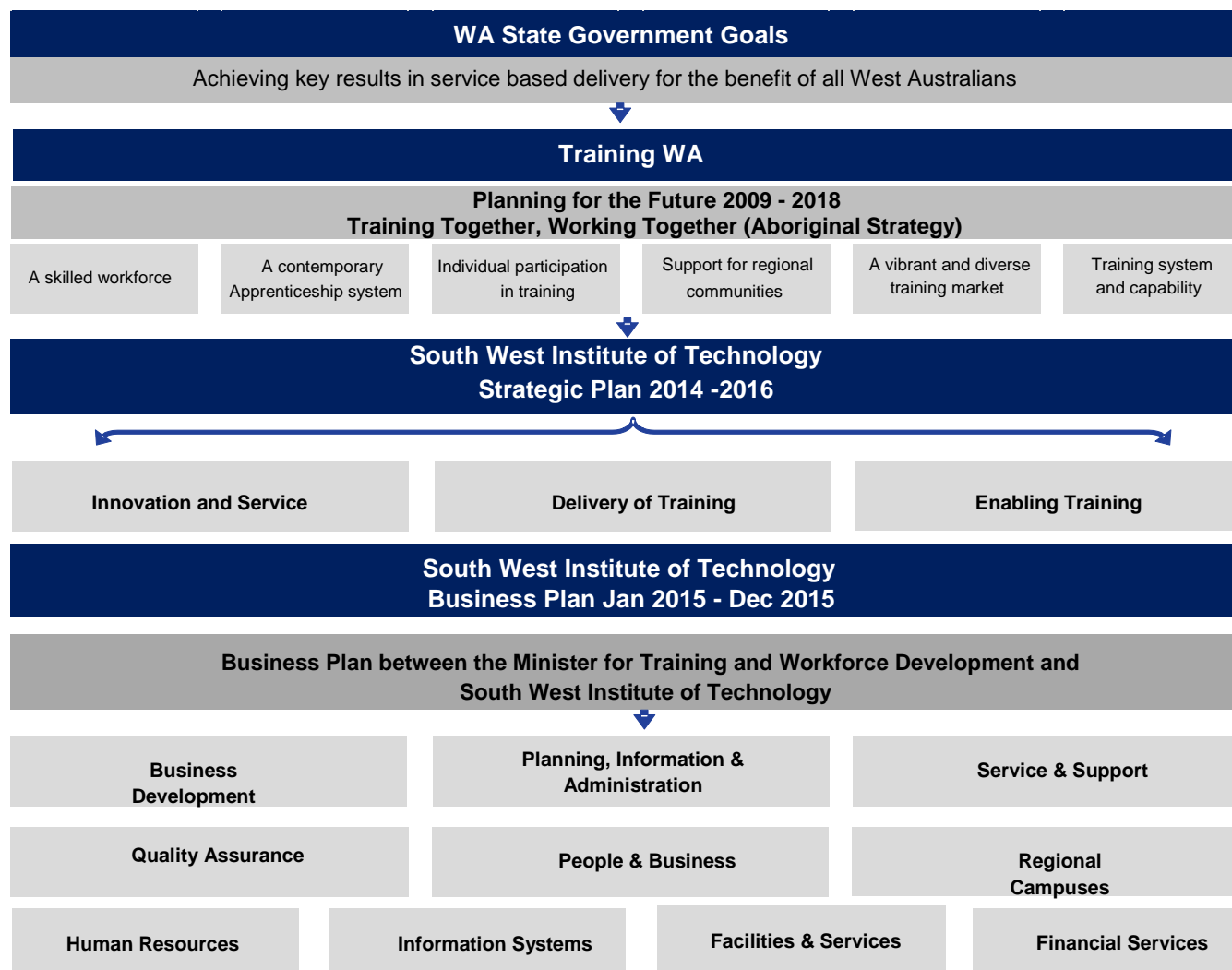
Graphite Road MANJIMUP WA 6258  
PO Box 930 MANJIMUP WA 6258  
Telephone: (08) 9774 7600  
Email: [Manjimup@swit.wa.edu.au](mailto:Manjimup@swit.wa.edu.au)

### Margaret River Education Campus

Lot 272 Bussell Highway MARGARET RIVER  
WA 6285  
Locked Bag 1 MARGARET RIVER WA 6285  
Telephone: (08) 9780 5800  
Email: [MargaretRiver@swit.wa.edu.au](mailto:MargaretRiver@swit.wa.edu.au)

# 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 2015.



## 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	2015 Initial Target	2015 May Target	2015 Sep Target	2015 Achieved	% Achieved
Employment Based Training	SCH	379,055	349,528	349,528	302,675	80%
Priority Industry Training	SCH	208,048	307,537	292,938	285,039	137%
General Industry Training	SCH	1,084,810	799,292	817,153	851,290	78%
Foundation Skills and General Education	SCH	63,747	73,065	73,690	85,555	134%
Certificate IV and Above	SCH	516,384	447,275	433,242	403,072	78%
15-24 Year Olds	SCH	941,638	830,876	830,876	841,868	89%
Indigenous - Cert II & Above	Qualification Completion HC	56	56	50	37	66%
Disability Cert II & Above	Qualification Completion HC	149	149	131	151	101%



## Performance Management

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 Busselton, Collie, Harvey, Manjimup, Margaret River, and the main campus based in Bunbury, the Institute catered to the training needs of 5,149 full and part time students.

### Delivery

The Institute began 2015 with a Delivery and Performance Agreement (DPA) figure of 1,600,485 and renegotiated this in May and September to align targets with local demands. Bottom line DPA figure was reduced to 1,548,589 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 1,600,485. The Institute delivered a total of 1,439,004 SCH.

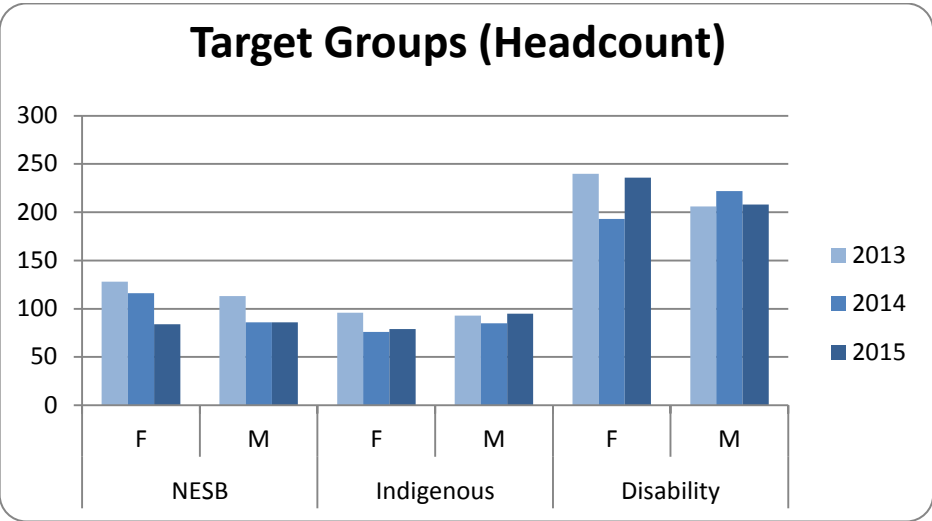
### Budget

The original total funding allocation for 2015 was \$23,556,509 as outlined in the original DPA between VET (WA) Ministerial Corporation and South West Institute of Technology. This was amended to \$22,280,793 to reflect the SCH allocated in September.

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

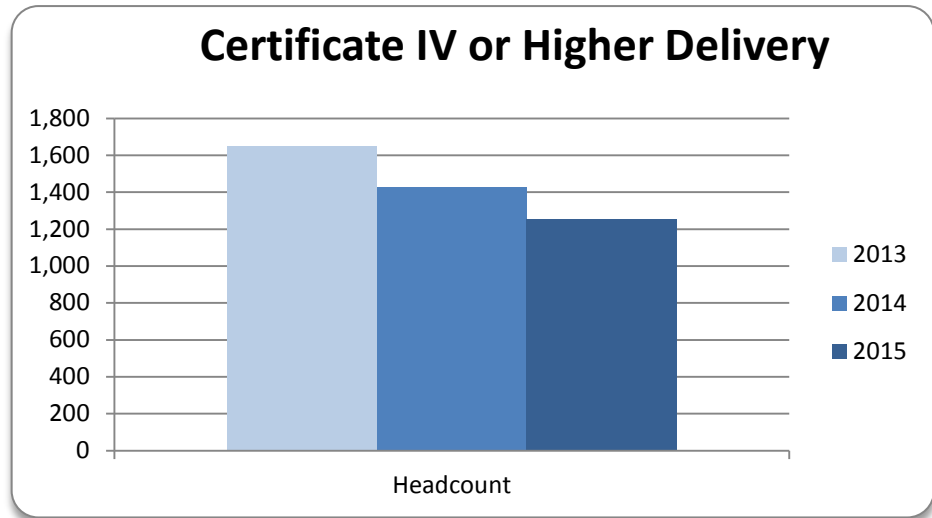
- Fee-for-service revenue of \$1,667,766.54 was received against a target of \$2,104,746.

### Headcount



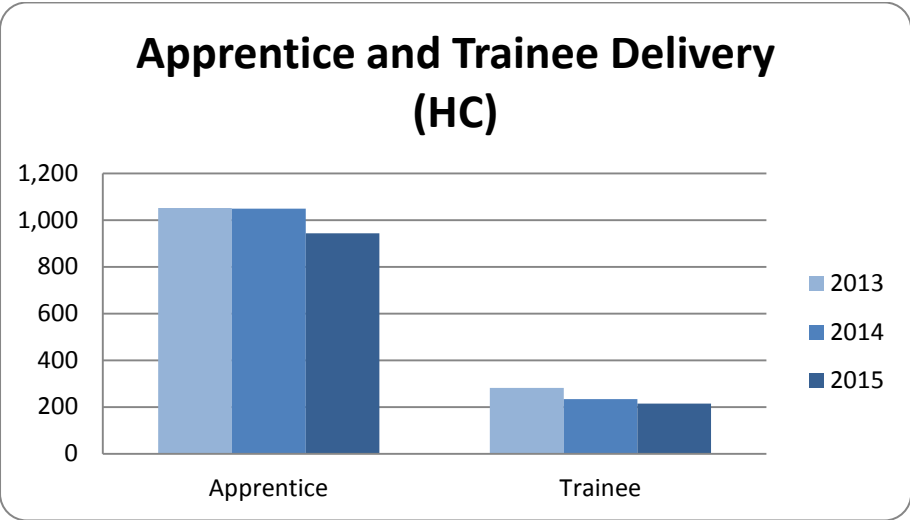
Source: South West Institute of Technology 2015 AVETMISS collection

### Certificate IV or Higher Delivery



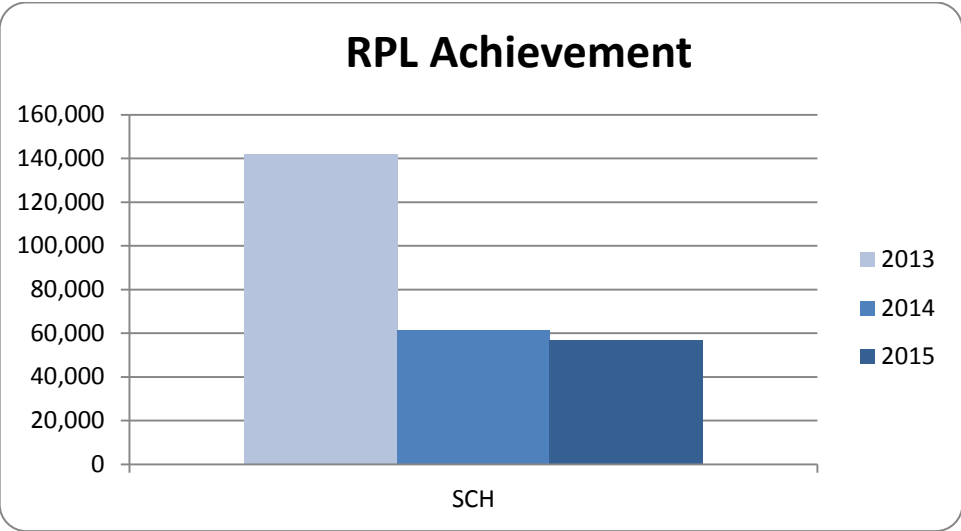
Source: South West Institute of Technology 2015 AVETMISS collection

Apprentice and Trainee Delivery

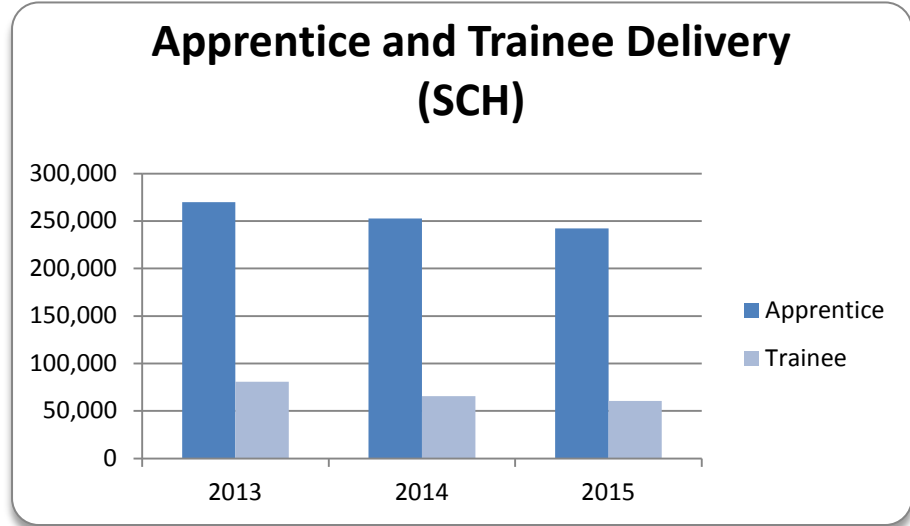


Source: South West Institute of Technology 2015 AVETMISS collection

RPL Achievement



Source: South West Institute of Technology 2015 AVETMISS collection



Source: South West Institute of Technology 2015 AVETMISS collection

## Shared Responsibilities with Other Agencies

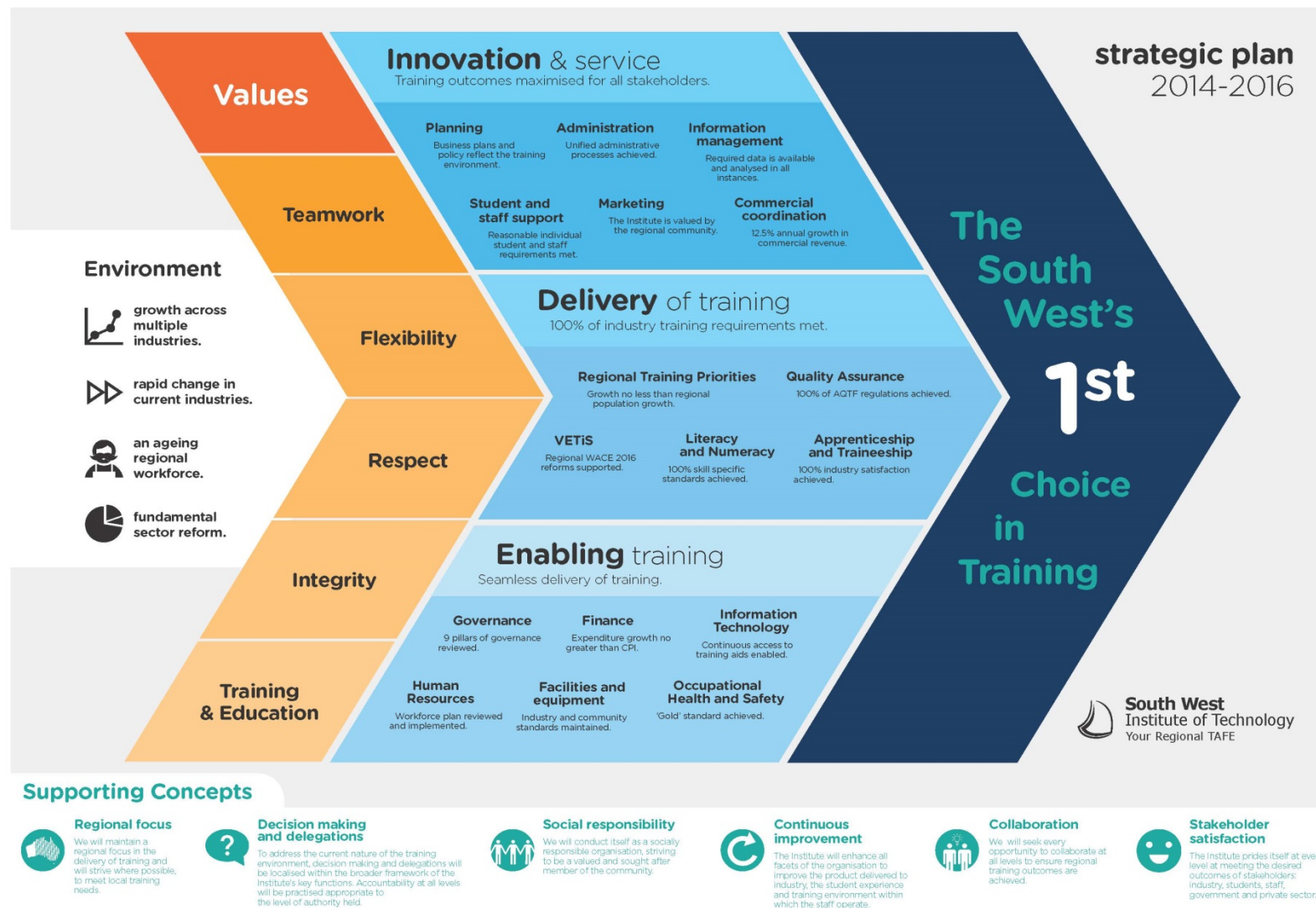
- The South West Institute of Technology continues a strong partnership with Muresk Institute, the DTWD and the University of Queensland in developing and enabling an industry focused centre of agricultural excellence. Additional to this is an industry-identified requirement for an agricultural automotive maintenance training centre. The seven major machinery/equipment Original Equipment Manufacturers (OEMs) have supported the proposal with the agreement to support apprentice training to the centre.
- The Institute is developing enablers within the creative industries. SWIT has partnered with the Creative Corner in Margaret River in the provision of facilities to enable emerging businesses. This links just in time skills based training with emerging talent in the region. The hub of this initiative is a digital media studio that engages local expertise in mentoring and up skilling within the digital arts.
- SWIT is partnering with other national trainers in viticulture to develop an Australian Centre of Wine Excellence that builds on the reputation of well-known Australian wine regions. This focuses on the premise that Australia produces the best people that make the best wine. The project is in the preliminary phase with Wine Australia provisionally endorsing the concept. This links an AUSTRADE initiative in wine exports with national and international training opportunities focusing on service support enablers within the industry.
- The institute is positioned as the Fortescue Metals Group (FMG) indigenous training partner of choice. SWIT has commenced 30 indigenous traineeships with a bespoke training package that will flow through to trade apprentices with FMG. Another 70 traineeships will commence by July 2016. The initiative will enable significant outcomes with the provision of up skilling tangible trade skills. The training model is based around a specially designed LLN package that

compliments an on-site trade training component. Central to this initiative is the vision to establish an Indigenous Training Centre which will hand over autonomy to indigenous persons that exit the traineeship scheme.

- The institute provided a significant input within the Gateway consortium for the provision of civil construction traineeships.



## Strategic Plan 2014-2016



## Vision, Mission and Values

The South West Institute of Technology will consolidate and improve in 2015 to work towards being the first choice in training for the south west.



## Delivery of Training

### Regional Training Priorities

#### **BUSSELTON CAMPUS**

Busselton campus offers courses in a wide range of industry areas including:

- Accounting
- Aged care
- Business
- Children services
- Community services
- Education support
- English as a second language
- Horticulture
- Information technology
- Literacy and numeracy
- Retail
- Visual arts
- Work access and women's programs
- Youth work

Busselton has strong ties with local industry and provides training to organisations in the Busselton region to meet their business and training requirements. Busselton Campus also offers exam invigilation for students studying externally at a tertiary level.

#### **Achievements**

##### ***New courses***

- Certificate II and III in Information, Digital Media and Technology



### ***Industry partnerships /collaborations***

Collaborations:

- Busselton Chamber of Commerce- Business After 5.
- Dunsborough Chamber of Commerce – Business After 5
- Busselton Trade Training Centre – Apprenticeship and Traineeship Forum.

Other industry partnerships:

- National Disability Insurance Commission
- Small Business South West
- Shire of Nannup
- Nannup Community Resource Centre
- Augusta Community Resource Centre
- Dunsborough Men's' Shed
- Lamp Inc– Mental Health Care and Support Provider
- Creative Corner – Margaret River
- MAX employment
- HR tax Block
- Georgiana Molloy Anglican School

### ***Acquisition of infrastructure /equipment***

- Completion of car park

### ***Aboriginal support/activity***

- NAIDOC event at Busselton campus to celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander peoples.
- Aboriginal engagement in training meetings that focused on increasing Aboriginal attendance and running events at Busselton campus.

### ***Students connecting with industry/community***

- Certificate IV in Visual Arts students held an exhibition at ArtGeo to display and sell their end of year work.
- Certificate IV in Youth Work students organised and ran the South West Youth connections network meeting and also volunteered at Schoolies week through the Department of Health.



Photograph courtesy of the Busselton-Dunsborough Mail

### ***Employment outcomes***

- Students employed at local business after completing their training including Georgiana Molloy Anglican School, Dunsborough Primary School, ANZ bank, local retail businesses, aged care facilities and real estate agencies.



**VET in Schools**

- Certificate IV in Business, Certificate IV in Business Administration and Certificate II in Financial Services traineeship completed by students at GMAS.
- Certificate IV in Preparation for Nursing students commenced their qualification with completion planned for 2016.
- Certificate II in Information Technology successfully completed by students across multiple schools in the SW region.

**Short courses**

- First Aid courses

**Exhibitions/events**

- Busselton Visual Art students hosted Art GEO exhibition – “Echos” in November/December.
- South West Aboriginal Medical Service – Aboriginal Family Fun Day Health and Employment Expo.

**Awards**

- SWIT Certificate IV in Small Business student won the Retail Business of the Year in the South West Small Business Award – The Passionate Baker.

**Traineeships/Apprenticeships**

- Traineeships and apprenticeships were offered in Children Services, Aged Care, Financial Services and Business Administration.

**Other**

- AMEP program.
- Campus Manager member of Warren Blackwood Youth Attainment in Training working group; Board member of Busselton Senior High School, Board member of Cape Naturaliste College .

**Planned activities for 2016**

- Continuing VETiS Certificate IV in Preparation for Nursing.
- Career Expo for local high school students.
- Short Courses to meet community and industry demand – including Manual Handling, Horticulture, AusChem and Visual Arts.

**COLLIE AND HARVEY CAMPUSES**

Collie and Harvey Campuses are the northern facilities of the South West Institute of Technology. The qualification range includes Aged Care, Business Childcare, Art, and General Education for Adults, Electro-technology, Automotive, Finance, Accounting, Retail, Workplace Health and Safety, and Information and Technology. The Campus has aligned its training schedule and staff to deliver quality training to the area.

**Achievements****New courses**

- Pre Vocational Automotive Servicing
- Retail
- Accounting
- Financial Services

**Industry partnerships /collaborations**

- Collie Health and Community Care
- Collie Chamber of Commerce
- Collie Childcare Centre
- Little Angels Childcare Centre Harvey
- St Ives Aged Care Facility
- Harvey Senior High School
- Collie Senior High School
- Education Department
- Bridges Disability Services
- Ngalang Boodja
- Hocart Lodge Harvey
- Shire of Collie
- Harvey Community Resource Centre
- Valley View Aged Care Facility

**Audit success**

- Successful DTWD audit for SEE program

**Aboriginal support/activity**

Four Aboriginal students to complete Certificate of Pre Vocational Automotive Servicing

**Students connecting with industry**

- All Aged Care students were placed in employment at both Harvey and Collie throughout the duration and as a result of their studies
- 3 Business students placed in employment
- 3 Automotive students placed in employment

Feedback from industry recruitment panels throughout apprenticeship placements is that students from Collie SHS who have studied trade through South West Institute of Technology are most the competitive work ready students.

**VET in Schools**

- VET in Schools for Electro-technology, Automotive, Engineering, Business and Childcare.

**Short courses**

- Guided behaviour – Childcare
- Dementia Management
- Customised Industry Manual Handling and Risk Assessment.

**Exhibitions/events**

- Drawn2Art student exhibition Collie Art Gallery.

**Awards**

- South West Institute of Technology Student of the year trained in Childcare at Harvey Campus.

**Traineeships/Apprenticeships**

- 12 traineeships across both campuses in the areas of Business, Childcare, Workplace Health and Safety, Aged Care.

**MANJIMUP**

The Manjimup campus was the Administrative Centre liaising with Southern Forest Food Council for the delivery of Diploma of Agriculture units. The students involved were from local farming businesses that needed to enlarge their skills set to include financial management. Short courses were a focus for the campus in 2015. Courses were developed and run both on and off the campus. Short courses that focus on the development of practical skills are positively received in the community and by the students.

The qualifications offered at the Manjimup campus includes, for example, Horticulture, Conservation Land Management, Education Support, Children's Services, Aged Care, Art, Information and Digital Media Technology, Business and a wide range of short courses.

**Achievements*****New courses***

- Working in confined spaces
- Working at heights
- Front Line Management

***Industry partnerships /collaborations***

- Southern Forest Food Council
- Manjimup Chamber of Commerce
- DAFWA
- DEPaW
- Manjimup Shire Council
- Bridgetown/Greenbushes Shire Council
- Pingelly Shire Council
- Wagin Shire Council
- Manjimup Community Resource Centre
- Pemberton Community Recourse Centre

- Northcliffe Community Centre
- Nannup Community Resource Centre
- Manjimup Wine and Truffle
- Northcliffe Fire Brigade
- Warren Catchment Council

***Acquisition of infrastructure /equipment***

- Night evacuation signage, car park curbing, gravel resurfacing of rear car park and car park space line marking, rearranged disabled car parking bays, inappropriate trees removed from campus, Wi-Fi rewiring and upgrade to our information technology system.

***Aboriginal support/activity/employment outcomes***

- Aboriginal employment forum
- Local indigenous students were enrolled in a range of our courses

***Development of commercial opportunities***

- Art - pastels 8 week short course

***VET in Schools***

- Courses run for the local High School in Rural Operation and Community Services.

***Short courses***

- In addition to the Working at Heights and Confined Spaces the Manjimup Campus continued to run Operate Forklift, Operate Tractor, Operate and Maintain Chain Saw, Basic Computing, Apply First Aid, Prune Shrubs and Small Trees and AusChem/Reaccreditation.

**Exhibitions/events**

- Manjimup High School Year 10 careers day for all local high schools including Manjimup, Bridgetown, Boyup Brook, Northcliffe and Pemberton
- Manjimup Agriculture Show
- Manjimup Cherry Harmony Festival
- High School Graduations

**Awards**

- Manjimup Campus Student of the Year award

**Traineeships/Apprenticeships**

- Traineeship offered in Horticulture

**Other**

- The current restructuring of SWIT has had a positive effect on the campus with more of our business being managed locally with greater engagement with local business and community.

**Future Direction**

- In 2016 the campus will build on the positive initiatives developed in 2015. We will continue to expand our short course programs and continue to consult with local business and agencies so that we are providing a service that meets local needs. We will continue as part of the restructuring of SWIT to modify our procedures and work practices to meet the new challenges and opportunities provided to us.

**MARGARET RIVER EDUCATION CAMPUS****Achievements****New courses**

- Barista

**Industry partnerships /collaborations**

- Established/reinstated Wine Industry Advisory Group
- Established/reinstated Hospitality Industry Advisory Group
- Childcare Industry Advisory Group
- Working with Creative Corner on Digital Media courses
- Working with Margaret River Chamber Commerce & Industry short courses
- 2015 Readers & Writers Festival sponsorship/co badging
- Sponsored Margaret River Chamber of Commerce & Industry Excellent Business with 5-10 Employees Award
- Annual Margaret River Wine Show on campus

**Acquisition of infrastructure /equipment**

- Replacement Commercial Kitchen Combi Oven
- Replaced Winery Pump
- Replacement Barista machine
- Upgraded Campus Vehicle

**Audit Success**

- Forklift (Worksafe) Audit
- OSH Audit

**Aboriginal support/activity**

- Sponsored Outback Academy Gourmet Escape Fringe event on campus

***Students connecting with industry/community***

- Cookery students – Leeuwin concert
- Gourmet Escape, Leeuwin Village
- 2015 Readers & Writers Festival
- Truffle Kerfuffle

***Industry training***

- Forklift course
- Responsible Service of Alcohol Courses
- Confined Space courses
- Chainsaw courses

***Development of commercial opportunities***

- Farmers Market on site
- Working with the South West Development commission on projects such as Creative Arts Education project (Myles Pollard Acting Classes –co-badged) and Creative Emergence Festival
- Creative Corner Group on site

***VET in Schools***

- Meetings with high school VET Coordinator & SW Participation coordinator
- Continued Community Services, Rural Ops, and Tourism & Auspice of Bus Admin courses.

***Short courses***

Continued delivery of:

- Forklift
- RSA
- Evaluate Wines
- Chainsaw
- Art
- Confined Space

- Manual Handling for Wine Industry
- AusChem
- First Aid

Developed new short courses in:

- Barista
- Photography & Lightroom

***Exhibitions/events***

- Annual Margaret River Student Art Exhibition
- Outback Academy Gourmet Escape Fringe event
- Horticulture students front reception display
- Art students front reception display
- Attendance/display at Margaret River Agricultural Show

***Awards***

- SWIT Margaret River Campus annual award
- Sponsored Margaret River Chamber of Commerce & Industry Excellent Business with 5-10 Employees Award
- MREC sponsored Margaret River Senior High School Year 12 Sponsorship Award
- Student, Ock Hee Lee, Fonterra Proud to be a Chef 2015 Finalist

***Traineeships/Apprenticeships***

- Commercial cookery
- Childcare
- Horticulture
- Business Admin
- Wine industry
- Aged Care

**Other**

- Various venue hire and catering during the year
- Monthly Curtin Sustainability Seminars
- Margaret River Senior High School years 10 through 12 Exams held onsite
- Annual Margaret River Senior High School Year 10 Taster Day
- Annual Margaret River Senior High School Year 12 Leavers Seminar

**Planned activities for 2016:**

- Introducing Certificates II, III and IV in Hospitality
- Introducing Diploma of Visual Art
- Planning delivery of Diploma Viticulture (Wine)
- Planning delivery of Diploma Screen & Animation
- Coordinate delivery of compliance short courses for wine industry i.e. Confined Space, Forklift, AusChem, Chainsaw, Responsible Service of Alcohol and Manual Handling
- Continued discussions with Margaret River Chamber of Commerce to deliver courses to members, Certificate IV Small Business Management
- Coordinate External Venue Hire such as Myles Pollard Acting Classes – co-badged
- Working with 2015 Readers & Writers Festival for student participation and sponsorship/co badging
- Manage enrolment periods – staffing – advertising – minors – VETiS
- UWA Biotechnology 3 day Seminar
- Curtin Tourism Research Cluster Symposium 2 day event





## Quality Assurance

SWIT now has a pool of lecturers who have completed the training in units of competency from the Diploma of Quality Auditing (BSB51607). These lecturers will be deployed across the organisation in 2016 and assisted in preparation for the TAC registration follow up audit in October this year.

**Key strategic focus: Consistency of performance, systems and processes to ensure 100% compliance with SRT0 2015 standards**

### ***Conduct ongoing internal audits to identify areas for improvements***

- In 2015 SWIT was audited by the Training Accreditation Council (TAC) of WA across 19 qualifications including many of the trade industry areas. In preparation for this SWIT conducted internal audits in all industry areas to determine risk and identify areas for improvement and development. The TAC audit concluded that SWIT had no non-compliances in its academic practices.
- In 2016 SWIT will be implementing a systematic validation process aligned to the new SRT02105 standards and directly linked to the SWIT risk management plan. The new validation process will replace standard internal audit practices because of the significant overlap in the requirements of the new validation practice. 100% compliance target met in 2015.

### ***Review work procedures and create templates and processes that improve compliance and controls***

- All academic work processes were reviewed and aligned to the changing organisational structure. This will be an ongoing activity in 2016, in line with VET reform agenda. Templates were created for all key academic documents and lecturers instructed in their application to ensure consistency and compliance with SRT0 2015 standards.

### ***Regular refreshers and personal development activities as a compliance communication strategy***

- A Professional Development Calendar was developed and specific sessions were timetabled as directed professional activity to allow lecturers to attend. External presenters with specialised expertise were engaged and the Quality Consultant provided additional input.

## VETiS

The Institute provides a range of options to identify suitable Vocational Education and Training pathways through training offered to assist students to realise their career aspirations.

The Institute has continued to maintain positive relationships with 26 schools in the local catchment area delivering predominately Certificate II qualifications to assist schools to meet Western Australian Certificate of Education (WACE) requirements. The students received credit towards a nationally recognised VET qualification within the Australian Qualifications framework which will enable them to gain employment in their chosen career.

## Apprenticeship and Traineeship

In 2015 our Apprentice and Traineeship enrolments decreased slightly. We saw a greater reduction in the uptake of Apprenticeships whilst the Traineeship market remained relatively steady.

Our share of the Traineeship market did increase marginally due to new partnerships with large corporate clients Fortescue Metals Group and the Gateway WA Consortium Group and expansion in our partnerships with South 32 and Alcoa to include traineeships in process plant operations and resource processing.

2015 saw the implementation of a dedicated Apprenticeship and Traineeship Support Centre (ATSC), which provides client focused and professional support to our employers, apprentices, trainees and key stakeholders, including Australian Apprenticeship Support Network (AASN) providers, the Apprenticeship Office and the Business Industry Skills Fund.

This Centre enabled the Institute to position themselves as the recognised best practice State Training Provider at the conclusion of 2015.

As a result of this we have strengthened our ties with the newly formed AASN's and since July have worked closely to educate and support employers and industry alike around the national roll out of the new Australian Apprenticeship Support framework.

This new framework saw adjustments at a state level with the introduction of an Apprenticeship Compliance Unit. On conception the ATSC identified numerous non-compliances to the value of 85% of our active apprentices and trainees. We have since reduced this to a level that is deemed best practice by the Apprenticeship Compliance Unit.

We also continued to provide flexible delivery models both in the workplace and online, often in combination with on campus delivery.



Our ability to be a flexible State Training Provider was supported by employers and key stakeholders as it maximized student learning while creating productivity and efficiency in the workplace.

We will continue to trial innovative delivery methods to enhance employer and student outcomes.

The conclusion of 2015 saw the Institute commence rigorous review and improvement with key stakeholders in our work place assessment model specifically for trainees. This process will be implemented in 2016.

## Literacy and Numeracy

The South West Institute of Technology is committed to supporting the literacy and numeracy needs of its students to ensure they are able to:

- complete their qualifications in a timely and positive manner;
- contribute effectively in their chosen industry areas; and
- become positive role models for the community and future students.

In 2014 the Institute committed resources to evaluate the management of Language, Literacy and Numeracy (LLN) across all six campuses and introduced a standardised screening tool in 2015 to identify specific needs within the academic learning areas and actively time tabling literacy and numeracy support to support our students. It is expected that over several iterations of standardised testing and examination of student outcomes, the Institute will be able to provide meaningful data to measure the effectiveness of this program.

As a result of our 2015 initiatives and analysis of outcomes, the South West Institute of Technology will be standardising literacy and numeracy support across all six campuses to ensure it achieve maximum return for our resources and to provide for the specific needs on industry and geographical areas within the south west.

## Enabling Training

### Information Technology

#### Achieved

- Completed implementation of 10GB fibre backbone network providing replicated computer facilities, improved disaster recovery capabilities and enhanced availability and reliability for services delivered.
- Re-engineered the wireless network thereby enabling reliable staff and student WiFi services at each campus in support of Bring Your Own Device (BYOD) opportunities.
- Developed an Institute-specific Footprint database that clearly articulates the delivery capabilities of each campus and enables the accurate allocation of lecturing resources.
- Re-purposed or re-assigned PC equipment to provide greater flexibility in the learning environment and to accommodate the changing workforce profile.
- Revised the managed print service enabling the introduction of secure printing and supporting the ongoing removal of local printers.
- Improved Information Systems processes in preparation for the introduction of a service management toolset.

### Facilities and Equipment

The provision of high quality, industry standard facilities equipment and infrastructure is integral to the Institute's capability to deliver relevant training and refurbishments to facilities and upgrades to infrastructure enable the Institute to facilitate skill acquisition and add value to the student learning experience.



Opening of new gym facilities – Hon. Liza Harvey, Hon. John Castrilli, Duncan Anderson

### **Bunbury Campus**

- The construction of a gymnasium and a warehouse centre for student completed.
- New road system and bus shelters allowing student and staff greater access to bus services and car parking facilities completed.
- Refurbishing of old bookshop area into Apprenticeship & Traineeship Services Centre completed.
- Refurbishment of the Metal Fabrication delivery area with new welding bays and ventilation to enhance safety environment of the workshops completed.
- Purchase of a new gantry crane for Metal Fabrication delivery area.
- The replacement of old light to new LED high bay lighting in Fitting and Machining delivery area to improve the amount of light in the Machine Tool Workshop.

- The rebuilding of and computerisation of the Horticulture greenhouse and plant propagation area.
- The introduction of a recycling program across all areas as part of the Institute's sustainability program.
- The updating of the building management system that will allow for the metering of buildings so as to monitor their energy usage.

### **Busselton Campus**

- The construction of a bitumen car park.

### **Planned for 2016**

- The refurbishment of classrooms in M Block.
- Installation of water main to allow more consistent water pressure across the campus and teaching units.
- The installation of Solatube daylight technology in workshops, offices and classrooms as part of our sustainable drive to reduce energy consumption.
- The installation of power meters to all buildings on the Bunbury campus to assist in monitoring and help reduce energy consumption.

## **Human Resources**

The Human Resources unit contributes to the Institute's strategic planning and direction by providing accurate and timely advice and guidance, as well as transactional support in areas such as industrial relations, organisational development, workplace capability, flexibility and culture, policy and procedure, succession planning/forecasting and public sector compliance in areas such as recruitment, selection, performance management and codes and ethics.

Operationally, the HR unit ensures the Institute employs, retains and trains the right people, with the right skills, abilities, attitudes and qualifications, to be in the right place, at the right time, to achieve goals that meet stakeholder needs.



## Innovation and Service

### Planning Administration and Information Management

This division plays a key role in supporting the Institute's planning and reporting cycles, ensuring the Institute complies with its legislative and regulatory requirements.

It is also responsible for developing, implementing and supporting the Institute's continuous improvement strategies to ensure business support functions are effective, efficient and productive.

Delivering a service by setting the policies and processes that support the planning, management, monitoring and auditing of student data, enrolments and feedback processes. Management of these processes contributes to improved training outcomes for students and reports on the integrity of qualifications, resulting, certification and compliance.

In 2015 the following achievements were recorded:

- Audit reports reflect that in 2015 the Institute provided documentary evidence of appropriate training delivery to claim relevant funding in both profile based and competitively allocated tenders.
- The Institute completed an upgrade to its HP Record Management System with a view to moving forward with electronic document management. Staff training was conducted to over 45 delivery staff and 65 administration staff.
- The Institute completed rationalisation of staffing within administration areas centralising the administration of Institutional based delivery to gain greater consistency with respect to system and work procedures. Job roles and responsibilities were reviewed to ensure that they continue to meet the current and future needs of the organisation and its stakeholders.

- Electronic reporting systems were reviewed to ensure alignment to the systems and formats used by the Department of Training allowing the Institute to monitor its delivery against State Training agenda requirements.

### Student Support

#### LIBRARY

The South West Institute of Technology Library operates from the Bunbury campus, with satellite collections at 5 regional campuses. In 2015 the library hosted more than 30,000 student visits in the 180 days of the academic year – measured every 30 minutes.

A key priority in 2015 was to increase student access to electronic resources. Outcomes for this strategy were to enhance flexibility and provide information literacy to assist students with the use of educational technologies. Digital literacy and provision of collaborative study spaces were the specific strategies identified in supporting the Institute's strategic plan.

In 2015, 46 literacy and orientation sessions were delivered and over 650 students received training in how to study and research using best practice online educational resource. Information literacy sessions were delivered on every campus. Digital literacy sessions were also included in lecturers' professional development schedules.

The library implemented a range of new electronic resources:

- Video recording Storage Services, ClickView and Montie Safetycare were updated for use by staff and students. This technology allows lecturers to stream video recordings into the classroom for their students. This has allowed greater access and more flexibility to lecturers in planning their delivery.

- The implementation of the Proquest College Complete eBrary package proved to be a popular eBook package with usage statistics proving high engagement. The Johanna Briggs Institute eBook package was updated with the latest editions of Nursing and Health eBooks. These packages are additional to EBSCO eBooks, Proquest Safari eBooks, OVID Nursing Made Incredibly Easy and OVID Anatomy and Physiology Online electronic collections.
- Assisting students with their independent study and research skill enhancement, the library focussed on marketing an online program 'Proquest Research Companion', a cloud-based information literacy product which is self-guided and accessible off campus. The multimedia-based learning modules engage students to think more critically and creatively about their research and interactive tools help students navigate through the research process. The South West Institute of Technology is the first STP to incorporate an online information literacy program.
- The library investigated new resources available in the training environment with recommendations being made to support these resources as well as investigations into the current eLearning environment.

The Library conducted numerous information management clean-ups of Institute databases specifically Moodle, Uniflow and the 866 Tag Project for Journals.

Collection development practices saw the size of the hard copy collection decrease by 15% alongside the exploration and integration of new digital resources. New spaces incorporated into the library to enhance collaborative study engagement opportunities for students were well utilised.

In 2015, the Librarian continued as the Western Australian representative of the ALIA National VET Libraries Advisory Committee and regularly participated in the Learning Resources Services Network consortia.

### **COURSE INFORMATION SERVICES**

Course Information Services (CIS) manages client course and career enquiries via the Institute's website, phone, email and face to face. The Institute's website plays a key role in promoting the full suite of training options and in 2015 the website attracted over 69,000 unique users and CIS responded to 2194 enquires from the website alone. CIS supports the full-time study application process through State Training Admissions (Training Admissions System) and assists prospective students with submitting their applications. Staff also consult with lecturing staff regarding suitability, study options and delivery modes that meets prospective clients' career aspirations and individual needs.

CIS provides an outreach service specifically engaging with school students and their parents, employment services and the local community. 28 presentations and displays were conducted with the objective of promoting training offered by the Institute and advice on career pathways for potential students. Larger events included the Apprenticeship and Traineeship Expo in May and the South West Careers Expo in June. Student successes are recognised and celebrated at an annual Student Awards evening coordinated by CIS and Institute's marketing staff.

### **INTERNATIONAL STUDENTS**

The Institute enrolled a total of 88 international students during 2015 at the Bunbury, Busselton and Margaret River campuses. 10 of these students studied the Certificate III in Commercial Cookery at the Margaret River campus. Students originated from 24 different countries and studied a broad spectrum of qualifications. The most popular courses in 2015 were Commercial Cookery, Hospitality, Horticulture and Nursing.



All students received a comprehensive orientation at the beginning of each semester upon commencement of their qualification and received support throughout the year.

The Institute continued to increase 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) and the Certificate in Spoken and Written English to support those students.

#### **ABORIGINAL STUDENT SUPPORT**

During January and February, staff attended multi-agency Aboriginal community engagement events organised by the Aboriginal Workforce Development Centre (AWDC), South West Aboriginal Medical Services (SWAMS) and Needac Aboriginal Corporation. The objective of these events was to engage with Aboriginal and wider communities to promote employment, training, community and health services. These events were held in Bunbury, Busselton, Collie, Harvey and Manjimup.

The Aboriginal Employment, Education and Training Committee (AEETC) met 4 times this year, oversaw the implementation of the 2015 Aboriginal Training Plan and developed a plan for 2016.

Discussions were held with the Noongar Boodjar Language Cultural Aboriginal Corporation with the view of developing and conducting an Aboriginal Language course at the Institute in the future. Negotiations will continue next year to ensure the course meets the need for Aboriginal students, community and corporation.

Cultural presentations were conducted with community services students highlighting the history, communication and protocol of the Aboriginal culture.

Signage in both the Noongar and English language are in development for K and L block buildings at the Bunbury campus.

The Institute is preparing a Reconciliation Action Plan, with several meetings held with Institute staff and members of the Aboriginal community. Further meetings and workshops will be held in 2016 with the RAP commencing in the middle of the year.

Three Aboriginal students enrolled and completed the Certificate IV in Training and Assessment. Tutorial support was provided for the students who were having difficulties understanding the course structure, pace and language of the program.

A joint initiative between South West Catchment Council (SWCC), Needac Aboriginal Corporation and SWIT saw up to 10 local Noongar people being trained in Certificate II in Conservation and Land Management, plus a WA Health Department Chemical Spraying License to assist in the maintenance of the Preston River to Ocean Regional Park Project.

A Certificate I in Leadership Development course with 14 Aboriginal female students commenced in Semester 2 with over a 50% completion rate. The course consisted of core units. The students undertook elective units in textile and design and were able to showcase their creative work at an Institute fashion show.

## Student Performance

### Student of the Year

Arlene Abaquin is a wonderful example of how further education and training can help support and grow regional small businesses and the valued services they provide to their community.

Arlene's commitment towards her studies and demonstrated excellence of her acquired skills and knowledge contributed to her being awarded the Institute's highest honour for 2014.

The SWIT Harvey Campus student completed her qualifications in Certificate III and IV in Education Support.

She said her studies had given her additional skills she was able to introduce in the workplace.

Arlene is a co-owner and teacher at her local business The Music Room. She had actually begun her studies in order to improve the learning experience for her own young students and the support she could provide them.

She completed her work placement at Harvey Primary School as a special services education assistant.

Arlene said she found the course interesting and inspiring and thanked her lecturer Sharon Fimmano for being such a passionate teacher.

She told her local newspaper that it was an honour to win the award and she was very grateful to the Harvey Campus staff.



## World Skills Award Winners

### SWIT Students Shine at WorldSkills Australian Regional Competition

More than 25 students from the South West Institute of Technology were recognised for their outstanding skills in 2015 WorldSkills Australia Regional Competitions.

The competitions enabled local students to showcase their trade and skill talents whilst testing their skills against others.

SWIT medal winners were well represented in a variety of trades and industries with students from Building and Construction, Hospitality, Hairdressing, Metals and Engineering, and Commercial Cookery being recognised at gold, silver and bronze level.

The medals were presented to students by the Training and Workforce Development Minister Liza Harvey.

SWIT Hospitality lecturer Johnese Mullen was thrilled with the students' results.

"WorldSkills Australia said there has been a jump in the number of regional competitors this year so it is exciting to see SWIT students performing so well at this level," Johnese said.

"I know the students have worked really hard to stand out in what is an extremely tough competition. We are very proud of these students."

"My congratulations must also go to the SWIT lecturers for the support they provide in the lead-up to the competition."

Hundreds of young hopefuls from across the country competed in the Regional Competitions.



Hairdressing WorldSkills medal winners Sarah Tassone, Tess Giancono and Keshi Caruana

Some of the SWIT medal winning students will go on to represent WA at the WorldSkills Competition to be held in Melbourne in 2016.

WorldSkills Australia is the biggest skills competition in the country, celebrating Vocational Education and Training and promoting Trades as a first choice career option.

### WorldSkills gold, silver and bronze medal winning students:

#### Hairdressing:

Tess Giancono	Hairdressing	Silver
Keshi Caruana	Hairdressing	Bronze
Sarah Tassone	Hairdressing	Bronze

#### Metals and Engineering:

Maxwell Douglas	Welding	Gold
Jarryd Graham	Welding	Silver
Ethan Wright	Welding	Silver
Jake Loxton	Welding	Bronze



### Building and Construction Students:

Nikolas Foster	Bricklaying	Gold
Nick Johnston	Cabinetmaking	Gold
Jack Andrijasevich	Bricklaying	Silver
Hudson Clever	Cabinetmaking	Silver
Mitchell Dyer	Bricklaying	Bronze
Adam Jones	Bricklaying	Bronze
Cameron Whelan	Cabinetmaking	Bronze



WorldSkills 2015 bricklaying students with SWIT staff, sponsors and industry representatives

### Hospitality Services:

Sallie Brittain	Cookery	Gold
Thomas Myles	Cookery	Silver
Odin Jackson	Cookery	Bronze
Kara Starceвич	Cookery	Bronze
Isabelle Edmondson	Restaurant Service	Gold
Federico Mercoli	Restaurant Service	Silver
Bianca Edwards	Restaurant Service	Bronze
Buu Nguyen	Restaurant Service	Bronze
Brittany Rose	Restaurant Service	Bronze

### VETiS Commercial Cookery

Shiloh Steer	Gold
Zeckeyia Aristidis	Silver
Rebekkah Green	Bronze

### International students make their mark during WorldSkills

International hospitality students from the South West Institute of Technology were a standout success at the WorldSkills Australia Regional competition.

Isabelle Edmondson from the United Kingdom, Federico Mercoli from Italy and Bianca Edwards from South Africa took out gold, silver and bronze medals respectively for restaurant services in hospitality.

Isabelle Edmondson was selected to represent Western Australia at the WorldSkills National Competition in Melbourne, 2016.



International students Bianca Edwards, Isabelle Edmondson and Federico Mercoli all won medals at the WorldSkills Regional competition

## WorldSkills Hall of Fame



Joe Estermann, a South West Institute of Technology Building, Construction and Furnishing lecturer has been inducted into the WorldSkills Hall of Fame for his dedication to supporting the prestigious skills and trades competition.

Joe was surprised to hear the announcement which was made at an awards ceremony in Perth.

Joe works at SWIT's Bunbury Campus and has been involved in WorldSkills for more than 20 years.

He was asked to judge WorldSkills national cabinet making competitions about six years ago and has gone on to become a chief national judge.

SWIT Managing Director Duncan Anderson congratulated Joe and thanked him for being an outstanding role model for students and staff.

Joe believes that WorldSkills is a great way for the students to test themselves at regional, national or international level.

"There is an unbelievable amount of confidence that comes from using your skills to compete at that level," he said.

"It is a great way for the students to find out just how good their skills are and where they fit in."

Joe is very passionate about his role as a judge at WorldSkills.

"I am keen to maintain the standards of the cabinet making industry and see the skills passed on."

Joe encourages his students to get involved in WorldSkills to see what is happening outside of the south west.

"I've had students who have gone on to do restorative work at Buckingham Palace in London and are employed in all corners of the globe.

"I just want to ensure that we have provided students with the best training so that they are confident to take on a variety of work, work hard and do well with their skills."

## Significant Issues Impacting the Agency

### Key challenges in 2015

- follow-up re-registration audit by Training and Accreditation Council WA;
- Future Skills;
- Imbedding Institute wide performance management processes;
- changes to funding and priority skills;
- maintaining lecturer currency aligned to industry requirements; and
- introduction of a centralised qualification footprint process.

### Key influencers for 2015

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

## Looking Ahead to 2016

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 will look at business development across all avenues of delivery in order to provide a broad range of services to the south west industry and community.

By building a sustainable business development model throughout 2015 SWIT will be able to grow student numbers and make a significant contribution in the development of on-going employment and development of industry in the south west. This will be achieved through increased partnerships and collaborative relationships with local and state-wide enterprises and forming closer connections with industry.

### Key influencers for 2016

- achieving profile under a new fee structure and funding model;
- broadening business development;
- working with stakeholders to support the implementation of Western Australian Certificate of Education (WACE) 2016;
- working closely with employers in the south west by providing a coordinated support process for all Apprentices and Trainees;
- 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 2016

- introduction of a centralised and integrated curriculum footprint management system;
- complete disability access to regional campuses to address disability access compliance requirements;
- implementation of a timetabling tool to enable increased efficiencies in lecturer teaching hours and resource management trialled in Busselton semester one 2015;
- transition to the Standards for RTOs 2015 and streamlined training package implementation;
- embedding relevant performance review for Principal Lecturers, Advanced Skills Lecturers and general lecturers; and
- centralisation and quality control training products and assessment resources.

## Critical Success Factors

Following are the critical success factors on which the achievement of the Institute's 2015 objectives is reliant:

- forming closer connections to industry and ensuring training is relevant and redefining our business development model;
- 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 Standards for RTOs 2015 standards;
- professionalism of lecturing staff through targeted and specific professional development programs; and
- embedding the centralisation, taking ownership and quality controlling the organisation's training products and intellectual property.

# 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 2015.



Marilyn Hopkins  
**Acting/Chairperson**  
Governing Council



Duncan Anderson  
**Managing Director**  
South West Institute of Technology

25 February 2016

25 February 2016

## Key Performance Indicators

### Desired Outcome

The desired outcome of the Institute is the provision of Vocational Education and Training services to meet community and industry needs.

The South West Institute of Technology has developed the following Key Performance Indicators (KPIs) to provide an overall indication of the Institute's performance against both the Delivery and Performance Agreement with the Department of Training and Workforce Development and the Institute's 2015 Business Plan objectives.

### Effectiveness Indicators

#### 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 2015 with a DPA figure of 1,600,485 and renegotiated the DPA in May to align delivery with local demands, reducing to 1,548,589 student curriculum hours.

As per the South West Institute of Technology Business Plan, the performance indicators reflect the original DPA figure of 1,600,485.

#### 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 2015 for the Institute Training Profile was 1,600,485 (100%); 89.9% was achieved. The following tables provide 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.

**TABLE 1**

Reflects 2015 actual outcomes achieved against planned delivery based on ANZSCO Group classifications.

Institute Training Profile				
ANZSCO Groups	2014 Achieved	2015 Achieved	2015 Planned	% Achieved
<b>1 - MANAGERS</b>	<b>13,529</b>	<b>8,965</b>	<b>16,660</b>	<b>53.8%</b>
11 - Chief Executives, General Managers and Legislators	4,030	4,600	5,560	82.7%
12 - Farmers and Farm Managers	9,009	3,695	10,110	36.5%
13 - Specialist Managers	0		500	0.0%
14 - Hospitality, Retail and Service Managers	490	670	490	136.7%
<b>2 - PROFESSIONALS</b>	<b>116,088</b>	<b>113,037</b>	<b>135,192</b>	<b>83.6%</b>
21 - Arts and Media Professionals	35,699	27,780	35,483	78.3%
22 - Business, Human Resource and Marketing Professionals	3,105	3,330	4,037	82.5%
23 - Design, Engineering, Science and Transport Professionals	48,024	44,358	58,857	75.4%
24 - Education Professionals	10,175	16,894	15,230	110.9%
26 - ICT Professionals	16,880	19,720	18,585	106.1%
27 - Legal, Social and Welfare Professionals	2,205	955	3,000	31.8%
<b>3 - TECHNICIANS AND TRADES WORKERS</b>	<b>489,536</b>	<b>451,852</b>	<b>437,161</b>	<b>103.4%</b>
31 - Engineering, ICT and Science Technicians	141,033	131,229	138,811	94.5%
32 - Automotive and Engineering Trades Workers	114,815	120,989	104,376	115.9%
33 - Construction Trades Workers	64,421	51,426	38,705	132.9%
34 - Electrotechnology and Telecommunications Trades Workers	54,291	42,639	42,720	99.8%
35 - Food Trades Workers	33,601	35,311	32,409	109.0%
36 - Skilled Animal and Horticultural Workers	16,473	25,028	15,059	166.2%

39 - Other Technicians and Trades Workers	64,902	45,230	65,081	69.5%
<b>4 - COMMUNITY AND PERSONAL SERVICE WORKERS</b>	<b>453,762</b>	<b>426,670</b>	<b>479,581</b>	<b>89.0%</b>
41 - Health and Welfare Support Workers	108,795	109,488	116,038	94.4%
42 - Carers and Aides	238,979	202,693	237,459	85.4%
43 - Hospitality Workers	11,436	14,544	14,891	97.7%
45 - Sports and Personal Service Workers	94,552	99,945	111,193	89.9%
<b>5 - CLERICAL AND ADMINISTRATIVE WORKERS</b>	<b>172,840</b>	<b>159,355</b>	<b>242,408</b>	<b>65.7%</b>
51 - Office Managers and Program Administrators	19,635	13,805	69,483	19.9%
52 - Personal Assistants and Secretaries	17,600	15,515	15,091	102.8%
53 - General Clerical Workers	99,980	96,650	117,997	81.9%
55 - Numerical Clerks	34,935	28,525	38,812	73.5%
59 - Other Clerical and Administrative Workers	690	2,140	1,025	208.8%
<b>6 - SALES WORKERS</b>	<b>4,560</b>	<b>7,805</b>	<b>5,700</b>	<b>136.9%</b>
62 - Sales Assistants and Salespersons	4,560	7,805	5,700	136.9%
<b>7 - MACHINERY OPERATORS AND DRIVERS</b>	<b>17,532</b>	<b>18,715</b>	<b>15,312</b>	<b>122.2%</b>
71 - Machine and Stationary Plant Operators	6,727	16,066	9,912	162.1%
74 - Storepersons	10,805	2,649	5,400	49.1%
<b>8 - LABOURERS</b>	<b>188,953</b>	<b>167,050</b>	<b>187,212</b>	<b>89.2%</b>
81 - Cleaners and Laundry Workers	2,705	2,614	3,692	70.8%
82 - Construction and Mining Labourers	12,260	25,521	6,061	421.1%
83 - Factory Process Workers	33,006	35,211	29,789	118.2%
84 - Farm, Forestry and Garden Workers	32,041	28,931	30,800	93.9%
85 - Food Preparation Assistants	12,157	7,769	9,209	84.4%
89 - Other Labourers	96,784	67,004	107,661	62.2%
<b>G - GENERAL EDUCATION</b>	<b>73,450</b>	<b>85,555</b>	<b>81,259</b>	<b>105.3%</b>
G0 - General Education	73,450	85,555	81,259	105.3%
<b>Grand Total</b>	<b>1,530,250</b>	<b>1,439,004</b>	<b>1,600,485</b>	<b>89.9%</b>

### Variances in Excess of 10%

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

- change in industry ANZSCO group classifications;
- original SCH allocation under the DPA insufficient to meet local demand in respective ANZSCO 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.

### Student Satisfaction Survey

Student satisfaction is a performance indicator measuring the extent to which the courses, staff and facilities provided by the Institute meet 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 2015 Student Satisfaction Survey fieldwork was conducted between Wednesday 2<sup>nd</sup> September and Thursday 19<sup>th</sup> November 2015. The usable State population was established as 51,008 with 10,256 usable returns received (response rate of 20.1%).

From a usable population of 3,774 at South West Institute of Technology, 701 usable returns were received (response rate of 18.6%). The standard error for the south west sample of the survey was calculated at 1.18%

with a relative sampling error of  $\pm 2.30\%$ , with a 95% confidence level (for Western Australia the standard error was 0.29% and sampling error was  $\pm 0.57\%$ ).

The WA Student Satisfaction Survey is an annual survey amongst students who are funded under the National Agreement for Skills and Workforce Development. The following student groups have been excluded from the scope of the survey: international full fee paying students, students undergoing training through a school-based program (VET in schools), students who are in a correctional facility and students aged less than 15 years.

### Weighting

All data described in this report have been weighted to reflect the total student population based on a combination of student gender (male/female), age group (15-19, 20-29, 30-44, 45+), student status (IBS, EBS) and training provider. Weight cells with a zero count for the population and survey data were removed.

Overall Student Satisfaction					
	2011	2012	2013	2014	2015
<b>SWIT</b>	89.3%	89.8%	90.0%	88.5%	86.0%
<b>State</b>	88.4%	86.3%	85.9%	86.9%	87.8%

The target in 2015 for the overall student satisfaction was 89% with 86% 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 2014 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 36.7% and 30.8% respectively. Response rates for the South West Institute of Technology were 37.0% and 44.7% respectively. The standard error for the south west sample of the survey was calculated at 2.14% with a relative sampling error of  $\pm 1.09\%$ , with a 95% confidence level.

The following groups were excluded from the survey:

- Students who undertook recreational, leisure or personal enrichment (short) courses.
- Fee-for-services students at community education and private training providers.
- Students who undertook VET delivered in schools, where training activity was undertaken as part of a senior secondary certificate.
- Overseas students (based on current address).
- Students under 15 years of age.

This publication presents information on employment outcomes, reasons for not continuing the training (where applicable), and satisfaction with the training and further study patterns.

**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	2007	2009	2011	2013	2015
Number of questionnaires distributed	764	1,222	1,207	1,672	1,838
Number of responses received	322	682	542	619	617
Response Rate	42%	56%	45%	37%	37%

## Graduate Satisfaction

In 2012 the NCVER made improvements in the classification of graduates and module completes (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 2015 for Achieved Aim was 86.00%. We achieved 84.60%.

	SWIT	WA	Australia
<b>2015</b>	84.60%	83.90%	82.20%
<b>2013</b>	86.80%	85.80%	83.80%
<b>2011</b>	85.30%	87.50%	85.70%
<b>2009</b>	86.30%	87.20%	86.20%
<b>2007</b>	90.10%	87.40%	86.60%

**Source:** Student Outcomes Survey Table 1 - Key findings for graduates, 2013 and 2015

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

The target in 2015 for Course Quality was 86.00%. We achieved 88.40%.

	SWIT	WA	Australia
<b>2015</b>	88.40%	88.10%	87.70%
<b>2013</b>	90.50%	89.50%	88.00%
<b>2011</b>	91.40%	89.50%	89.30%
<b>2009</b>	90.30%	89.10%	89.10%
<b>2007</b>	89.30%	88.00%	88.90%

**Source:** Student Outcomes Survey Table 1 - Key findings for graduates, 2013 and 2015

## Measure (c): Graduate Employment Rate:

Respondents currently employed.

The target in 2015 for Graduate Employment Rate was 81.00%. We achieved 80.70%.

	South West Institute Performance				SWIT	WA%	Aust.%
	2007	2009	2011	2013	2015	2015	2015
<b>Graduates Employed</b>	84.40%	77.50%	85.00%	82.00%	80.70%	77.70%	74.30%
<b>Graduates Unemployed</b>	15.60%	22.50%	8.90%	9.30%	9.70%	13.20%	15.70%
<b>Not in Labour</b>	10.30%	12.60%	6.10%	8.70%	9.50%	8.90%	9.90%

**Source:** Student Outcomes Survey Table 1 - Key findings for graduates, 2013 and 2015

## Efficiency Indicator

### 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. Average cost is derived by dividing the total cost by the total student curriculum hours (SCH)

Calendar	Total Cost	Total SCH	Average Cost / SCH
2015	\$38,039,000	1,626,301	\$23.39
2014	\$35,975,274	1,708,166	\$21.06
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

Total SCH includes 187,297 non profile hours.

#### Reasons for Variance:

Average costs were higher in 2015 due to the additional cost of redundancies as part of an Institute restructure.

## Disclosures and Legal Requirements

### Ministerial Directives

Treasurer's Instruction 903 (12) requires South West Institute of Technology to disclose details of any Ministerial directives relevant to the setting of desired outcomes or operational objectives, the achievement of desired outcomes or operational objectives, investment activities and financing activities.

No such directives were issued to South West Institute of Technology.

### Other Financial disclosures

#### 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.

### Employment and Industrial Relations

Staff employed by South West Institute of Technology

	2011	2012	2013	2014	2015
Full Time Permanent Staff	146	146	137	127	93
Full Time Contract Staff	22	24	29	35	20
Part Time Permanent Staff	67	71	69	43	63
Part Time Contract Staff	26	28	23	30	21

### Staff Development

The institute has a commitment to the ongoing professional development of employees and 2015 saw a variety of relevant online courses offered to staff. Strategies are to build a highly skilled, professional and adaptable workforce with the ability to respond to workforce development needs, as well as the needs of the community and individuals.

### Workers Compensation

One claim for workers compensation was lodged in 2015 which was declined by RiskCover. This is a decrease of 5 claims on the previous year. In 2014 there were 6 claims, including 6 lost time injuries.

### Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment of service, no Senior Officer or firms of which Senior Officers are members, or entities in which Senior Officers have substantial interests had any interests in existing or proposed contracts with the Institute and Senior Officers.

## Other Legal Requirements

### Expenditure on Advertising, Market Research, Polling and Direct Mail

#### Electorate Act 1907 (Section s175ZE)

In compliance with Section 175ZE of the *Electorate 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	\$14,621.09	Marketforce
Market Research Organisations	Nil	
Polling Organisations	Nil	
Direct Mail Organisations	Nil	
Media Advertising Organisations	\$113,814.50	OMD



## Corporate Governance

The Honourable Liza Harvey MLA; Minister for Police; Road Safety; Training and Workforce Development; Women's Interests 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 ten 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.

Mid-year saw the change in membership with the retirement of Ian Piggott, Don Punch, Michael Fagan and Guy Truss and the appointment of new members Peter Gelmi, Richard Jackson, Kim Schofield and Gavin Billington.

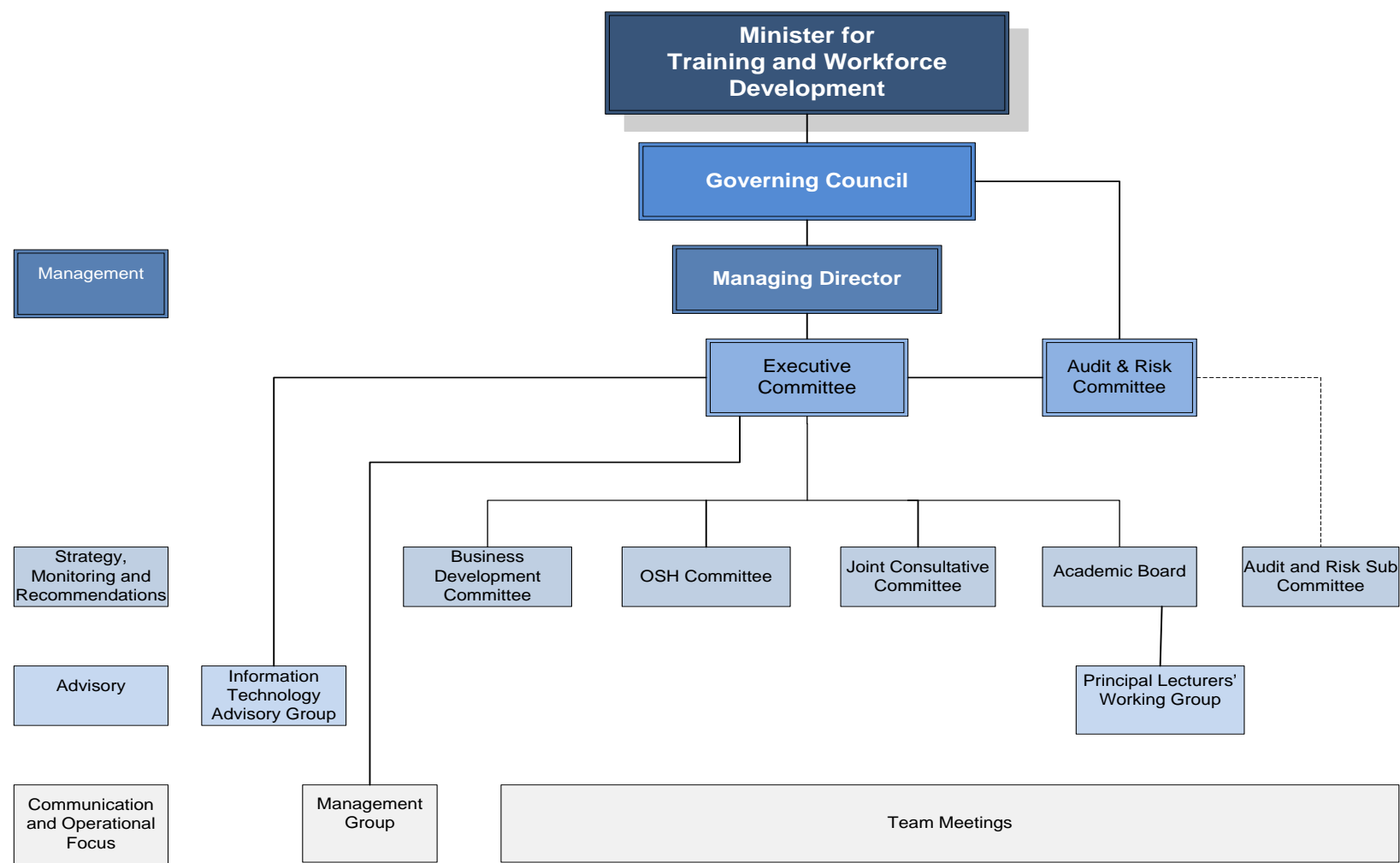
In November 2015 Dan Perkins was elected to the office of National President of Master Builders Australia and subsequently submitted his resignation of Governing Council Chair to the Minister concluding his term at the end of 2015. Marilyn Hopkins was appointed as Acting Chair and Dennis Courtney Acting Deputy Chair

The following remuneration was made to Governing Council members in 2015.

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration 2014/2015
Chair	Dan Perkins	Salary	12 months	\$20,006.25
Deputy Chair	Ian Pigott	Half day sitting fee	6 months	\$824
Member	Michael Fagan	Half day sitting fee	6 months	\$654
Member	Dennis Courtney	Half day sitting fee	12 months	\$2,943
Member	Marilyn Hopkins	Half day sitting fee	12 months	\$1,478
Member	Alex Hearn	Half day sitting fee	12 months	\$2,616
Member	Robyn Morris	Half day sitting fee	12 months	\$3,270
Member	Richard Jackson	Half day sitting fee	6 months	\$654
Member	Kim Schofield	Half day sitting fee	6 months	\$654
Member	Don Punch	Ineligible	6 months	\$0
Member	Guy Truss	Ineligible	6 months	\$0
Member	Peter Gelmi	Ineligible	6 months	\$0
Member	Gavin Billington	No Claim	6 months	\$0



# 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

## Disability Access and Inclusion Plan Outcomes

### Outcome 1

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

Student Services discuss with future students on opportunities for study, address any potential barriers and promote support that is available. Clients and their support agencies can access these services by phone, online, or in person.

A substantial upgrade to the Institute's wireless internet occurred in 2015. Students are now able to 'bring their own device' and connect to high-speed internet in addition to the Institute's laptops.

An Accessibility Events checklist is available to all staff on the Institute intranet.

### 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. Work was completed on enhanced wheelchair access to the Collie campus. Major works were also completed on a new bus stop and Bunbury campus ring road which has aided in safer pedestrian and traffic flow.

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.

### Outcome 3

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

Learning resources are available in a range of formats and assistive technology such as the WYNN Wizard, digital note takers, 'smart pens' and a list of approved Apps are available to students.

The Institute's website meets 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 important information for future and current students.

Further information is provided by phone, email or post by the Course Information Services team. Information can be supplied in other formats on request.

### 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 (LSPs) are prepared for many students based on their identified needs.

LSPs are prepared with the student, lecturer and support staff member and are periodically reviewed as the student progresses in their study. Students with disability have been supported through ergonomic or specialised equipment or through the support of an In-Class Assistant for practical or written classes conducted on campus. In all cases students' needs are assessed and support can be provided to help them meet their stated educational goal.

### Outcome 5

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

The Institute's customer feedback system, COMBIT, gives all students and clients the opportunity to provide feedback on services provided. The system is available via the Institute's website and hardcopy forms are available at every campus. A Feedback request can be lodged on behalf of a student or anonymously if required. 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.***

In preparing the Disability Access and Inclusion Plan (DAIP) 2016-2020 a student and staff survey was conducted to identify barriers and areas of improvement for access and inclusion. These findings were incorporated into the new plan and its supporting implementation plan.

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

The Institute is an active participant in the South West Disability Focus Group with representatives from all disability related organisations in the region and the Tertiary Education Disabilities Advisory Network. These groups focus on identifying and resolving barriers to accessing training and employment in the region and state. The Disability Focus Group again conducted the annual Future Possibilities Youth Conference in 2015, including an evening session for parents on pathways and services to assist their child through the transition from school to training or employment.

### Outcome 7

***People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.***

Outcome 7 was incorporated into the DAIP 2011-2015. The Institute maintains inclusive recruitment practices and persons with a disability are encouraged to apply for advertised vacancies.

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

### Compliance with Public Sector Standards and Ethical Codes

In accordance with S31(1) of the Public Sector Management Act 1994, South West Institute has complied with the Public Sector Standards in Human Resource Management, the West Australian Public Sector Code of Ethics and the Institute's Code of Conduct.

The Institute has put in place procedures designed to ensure such compliance, and has conducted appropriate internal assessments and reviews of the relevant policies, procedures and guidelines.

In 2015, the Institute received zero allegations for breaches pertaining to the Public Sector Standards and Ethical Codes.

During the 2015 reporting year, the Institute recorded twelve allegations of breach of discipline and one allegation of substandard performance. As a result of discipline procedures, two employees were dismissed.

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

The Institute has a robust system in place to ensure our clearances and renewals are current and compliant. Working with Children (WWC) compliance matters are monitored and reported against 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.

During 2015, Trim was upgraded to HPRM8.2 due to the pending cessation of support for the previous system. The upgraded system provided extra functionality to users and the possibility of future development of providing users with the option of web access.



## 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;
- regular visits to regional campuses for training sessions with available staff; 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 HPRM (the Institutes Records Management System) 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 Records Awareness Training (RAT) program was completed in 2013 and was 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 Information Management Coordinator. The FOI Statement is on the Institute's Business System.

Monthly FOI status reports which include all outstanding, new and completed applications for the month are submitted the Department of Training and Workforce Development's Ministerial Liaison Officer. Four (4) Freedom of Information requests were received during 2015.

# Occupational Safety, Health and Injury Management

## 1.0 Statement of Commitment OSH

The South West Institute of Technology, Occupational Safety and Health (OSH) 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 2015 were:

- reduce the impact of workplace injuries and illnesses by using consistent, recognisable, quality based safety and health systems at all Institute campuses;
- raise the awareness of the effective use of risk management and reduced incidents by active elimination of hazards;
- enhance the profile and practice of safety, health, and wellbeing at all levels of SWIT through effective communication and consultation; and
- 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 2015.

## 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 practicable 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. All current OSH Representatives have undertaken a 5 day OSH Representative Training course as provided by an accredited Worksafe provider.

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 2015 the committee reviewed and approved a range of new initiatives, updated OSH procedures and guidelines, and reviewed the implementation of the SWIT OSH Management Plan.

The procedures that were reviewed and approved for implementation include:

- reviewed the implementation of the 2015 OSH Management Plan;
- conducted the annual review of the OSH Management System including a review and updated of the OSH Policy documents;
- conducted the annual staff OSH perception survey to assess and identify movement in perceptions and attitudes on OSH;
- reviewed the Emergency Personal Protective Equipment budget for 2016;
- developed a Noise and Hearing Testing Policy;
- conducted a review of the OSH Induction and training procedure and training needs analysis form;
- conducted a review of the No Smoking Policy;
- conducted a review of the Personal Protective Equipment Policy;
- conducted a review of the Guidelines for the development of Standard Operating Procedures, Job Safety Analysis and Safe Work Procedures;
- developed a position on the use of Stand-up desks within the organisation
- promulgated regular Safety Bulletins;
- reviewed and updated the Plant and Equipment Self-Assessment Checklist.

## Training

A range of training and awareness programs and opportunities were provided for staff in 2015. A total of 243 staff were trained in area's such as:

- First Aid Training
- Electrical Test and Tag
- White Card
- Follow Basic Chemical Safety Rules using Chemwatch
- Contribute to Resolving WHS Issues using MYOSH
- Fire equipment familiarisation training
- Emergency Procedures Training
- Manual Handling Training
- OSH Representative Training
- OSH for Lecturers Training
- Suicide Alertness Training
- Forklift

## Projects

A number of OSH minor works projects were undertaken in 2015 to address OSH issues across all campuses and facilities. Some of the projects included:

- installation of automatic doors and universal access toilet at Collie campus;
- installation of an automatic door and improved access to the universal access toilet at Manjimup campus;
- installation of a new ring road and improved bus and vehicle access to minimise traffic congestion at the Bunbury campus;
- installed new access paths, crosswalks and bollards to improve pedestrian safety on Bunbury campus;
- updated maps and standard operating procedures for all access and anchorage points on the Bunbury campus;

- updated site and service drawings for all sites;
- undertook air monitoring within the automotive complex and implemented a range of corrective actions; and
- undertook soil analysis to determine composition of product used within the mortar trades and implemented safe work procedures relating to its usage.

### 3.0 A Statement of Compliance with the Injury Management requirements

The Injury Management Procedures for injury management and workers' compensation meet 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 external 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 June 2014.

The review was carried out at the Bunbury, Busselton, and Margaret River sites and comprised of two parts:

1. Desktop component where the Institute's Safety Management Plan, associated documentation and working / completed forms were reviewed against the elements of the WorkSafe Plan.
2. On site visits where verification was sought to confirm whether the Institute's documentary statements of claim in line with the WorkSafe Plan were being effectively implemented throughout all campuses. This part of the audit comprised of:
  - a. Site inspections;
  - b. On site document reviews; and
  - c. Interviews with a cross section of personnel.

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.

The audit report identified 25 opportunities for improvement. Internal audits have verified that corrective actions from the external audit have been acted upon and that to date 60% of the opportunities for improvement have been closed out.

The OSH Management Plan for 2016 will continue to address the remaining opportunities for improvement and keep moving the Institute towards its stated OSH goals.

### Performance Data Report

Indicator	Actual Results			Results against Target	
	2013	2014	2015	Target	Comment on Result
Number of fatalities	0	0	0	0	Achieved
Lost time injury/disease incidence rate	1.08	1.54	.40	Zero (0) or 10% reduction on previous 3 years	Achieved
Lost time injury severity rate	0*	25	100	Zero (0) or 10% reduction on previous 3 years	Not Achieved
Percentage of injured workers returned to work (i) within 13 weeks (ii) Within 26 weeks	80% 100%	75% 75%	0%** 0%**	Actual Percentage Greater than or equal to 80% return to work within 26 weeks	Not Achieved
Percentage of managers trained in occupational safety and health and injury management responsibilities	93.75 %	81%	77%	Greater than or equal to 80%	Not Achieved
# Figures are accurate as at time of reporting					
* Figures changed to reflect updated RiskCover information					





## Auditor General

# Independent Auditor's Report

To the Parliament of Western Australia

### **SOUTH WEST INSTITUTE OF TECHNOLOGY**

#### **Report on the Financial Statements**

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

The financial statements comprise the Statement of Financial Position as at 31 December 2015, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

#### *Governing Council's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

#### **Opinion**

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the South West Institute of Technology at 31 December 2015 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

**Report on Controls**

I have audited the controls exercised by the South West Institute of Technology during the year ended 31 December 2015. Controls exercised by the South West Institute of Technology are those policies and procedures established by the Governing Council to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

*Governing Council's Responsibility for Controls*

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

*Auditor's Responsibility*

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

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

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

**Opinion**

In my opinion, the controls exercised by the South West Institute of Technology are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 December 2015.

**Report on the Key Performance Indicators**

I have audited the key performance indicators of the South West Institute of Technology for the year ended 31 December 2015.

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

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

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

*Auditor's Responsibility*

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

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

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

**Opinion**

In my opinion, the key performance indicators of the South West Institute of Technology are relevant and appropriate to assist users to assess the Institute's performance and fairly represent indicated performance for the year ended 31 December 2015.

**Independence**

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

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

This auditor's report relates to the financial statements and key performance indicators of the South West Institute of Technology for the year ended 31 December 2015 included on the Institute's website. The Institute's management is responsible for the integrity of the Institute's website. This audit does not provide assurance on the integrity of the Institute's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE  
DEPUTY AUDITOR GENERAL  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
29 February 2016

## Certification of Financial Statements

For the year ended 31 December 2015.

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 2015 and the financial positions as at 31 December 2015.

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.



Marilyn Hopkins  
**Acting/Chairperson**  
Governing Council

25 February 2016



Duncan Anderson  
**Managing Director**  
South West Institute of Technology

25 February 2016



Jenny Duncan  
Finance Manager

25 February 2016

# Audited Financial Statements

## Statement of Comprehensive Income for the Year Ended 31 December 2015

		2015	2014
<b>COST OF SERVICES</b>	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Expenses</b>			
Employee benefits expense	6	24,780	22,926
Supplies and services	7	8,811	8,329
Depreciation expense	8	1,850	2,128
Grants and subsidies	9	2	2
Cost of sales	14	364	621
Other expenses	10	2,232	1,969
<b>Total cost of services</b>		<b>38,039</b>	<b>35,975</b>
<b>Income</b>			
<b>Revenue</b>			
Fee for service	11	1,615	1,756
Student fees and charges	12	5,286	4,520
Ancillary trading	13	202	90
Sales	14	298	643
Commonwealth grants and contributions	15	-	1
Interest revenue	16	176	354
Other revenue	17	934	667
<b>Total revenue</b>		<b>8,511</b>	<b>8,031</b>
<b>Gains</b>			
Gain on disposal of non-current assets	18	2	-
<b>Total gains</b>		<b>2</b>	<b>-</b>
<b>Total income other than income from State Government</b>		<b>8,513</b>	<b>8,031</b>
<b>NET COST OF SERVICES</b>		<b>29,526</b>	<b>27,944</b>
<b>Income from State Government</b>			
Service appropriation	19	23,846	22,727
Services received free of charge	19	1,007	609
<b>Total income from State Government</b>		<b>24,853</b>	<b>23,336</b>
<b>SURPLUS / (DEFICIT) FOR PERIOD</b>		<b>(4,673)</b>	<b>(4,608)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus	30	(219)	(3,608)
<b>Total other comprehensive income</b>		<b>(219)</b>	<b>(3,608)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(4,892)</b>	<b>(8,216)</b>

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

## Statement of Financial Position as at 31 December 2015

		2015	2014
ASSETS	Notes	\$'000	\$'000
<b>Current Assets</b>			
Cash and cash equivalents	31	2,315	7,415
Inventories	21	-	144
Receivables	22	311	367
Other current assets	23	278	204
<b>Total Current Assets</b>		<b>2,904</b>	<b>8,130</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	20	76	-
Property, plant and equipment	24	65,049	65,345
<b>Total Non-Current Assets</b>		<b>65,125</b>	<b>65,345</b>
<b>TOTAL ASSETS</b>		<b>68,029</b>	<b>73,475</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	27	444	571
Provisions	28	3,080	3,594
Other current liabilities	29	1,255	2,704
<b>Total Current Liabilities</b>		<b>4,779</b>	<b>6,869</b>
<b>Non-Current Liabilities</b>			
Provisions	28	765	752
Other non-current liabilities	29	10	11
<b>Total Non-Current Liabilities</b>		<b>775</b>	<b>763</b>
<b>TOTAL LIABILITIES</b>		<b>5,554</b>	<b>7,632</b>
<b>NET ASSETS</b>		<b>62,475</b>	<b>65,843</b>
<b>Equity</b>			
Contributed equity	30	25,841	24,317
Reserves	30	31,167	31,386
Accumulated surplus/ (deficit)	30	5,467	10,140
<b>TOTAL EQUITY</b>		<b>62,475</b>	<b>65,843</b>

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



**Statement of Changes in Equity for the year ended 31 December 2015**

		Contributed Equity	Reserves	Accumulated surplus / (deficit)	Total Equity
	Note	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2014</b>	<b>30</b>	8,504	34,994	14,748	58,246
Surplus/(deficit)		-	-	(4,608)	(4,608)
Other comprehensive income		-	(3,608)	-	(3,608)
Total comprehensive income for the period			(3,608)	(4,608)	(8,216)
<b>Transactions with owners in their capacity as owners:</b>					
Other contribution by owners		15,813	-	-	15,813
Total		15,813	-	-	15,813
<b>Balance at 31 December 2014</b>		<b>24,317</b>	<b>31,386</b>	<b>10,140</b>	<b>65,843</b>
<b>Balance at 1 January 2015</b>		24,317	31,386	10,140	65,843
Surplus/(deficit)		-	-	(4,673)	(4,673)
Other comprehensive income		-	(219)	-	(219)
<b>Total comprehensive income for the period</b>		-	(219)	(4,673)	(4,892)
<b>Transactions with owners in their capacity as owners:</b>					
Other contribution by owners		1,624	-	-	1,624
Distributions to owners		(100)	-	-	(100)
Total		1,524	-	-	1,524
<b>Balance at 31 December 2015</b>		<b>25,841</b>	<b>31,167</b>	<b>5,467</b>	<b>62,475</b>

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 2015**

		2015	2014
	Notes	\$'000	\$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation–Department of Training & Workforce Development		22,396	24,956
<b>Net cash provided by State Government</b>		<b>22,396</b>	<b>24,956</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(25,520)	(23,376)
Supplies and services		(7,816)	(7,850)
Grants and subsidies		(2)	(2)
GST payments on purchases		(860)	(840)
Other payments		(2,154)	(1,929)
<b>Receipts</b>			
Fee for service		1,617	1,758
Student fees and charges		5,286	4,520
Ancillary trading		202	90
Commonwealth grants and contributions		-	1
Bookshop trading profit		78	21
Interest received		176	354
GST receipts from sales		142	208
GST receipts from taxation authority		746	604
Other receipts		934	667
<b>Net cash provided by / (used in) operating activities</b>	<b>31</b>	<b>(27,171)</b>	<b>(25,774)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current physical assets		(251)	(270)
<b>Receipts</b>			
Proceeds from sale of non-current physical assets		2	12
<b>Net cash provided by / (used in) investing activities</b>		<b>(249)</b>	<b>(258)</b>
Net increase / (decrease) in cash and cash equivalents		(5,024)	(1,076)
Cash and cash equivalents at the beginning of period		7,415	8,491
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>31</b>	<b>2,391</b>	<b>7,415</b>

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

## Notes to the financial report for the year ended 31 December 2015

### 1. Australian Accounting Standards

#### (a) General

The Institute's financial statements for the year ended 31 December 2015 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

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

#### (b) Early adoption of standards

The Institute cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction (TI) 1101 *'Application of Australian Accounting Standards and Other Pronouncements'*. Partial exemption permitting early adoption of AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* has been granted. Aside from AASB 2015-7, there has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the Institute for the annual reporting period ended 31 December 2015.

### 2. Summary of significant accounting policies

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

#### (a) General statement

The Institute is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

#### (b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land and buildings which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars (\$) and are all values rounded to the nearest thousand dollars (\$000).

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

Note 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.

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.

Where contributions recognised as revenues during the reporting period were obtained specifically for the provision of goods and services over a future period, the amounts and nature of, and the periods to which they relate 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.

**(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 the fair value at the date of acquisition.

***Subsequent measurement***

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

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

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

In the absence of market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately. 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 (low restricted use land).

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

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated 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 on a class of assets basis.

#### *Depreciation*

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

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

Estimated useful lives for each class of depreciable asset are:

Buildings	40 years
Motor vehicles, caravans and trailers	4 to 23 years
Plant, furniture and general equipment	4 to 28 years
Computing, communications and software <sup>(a)</sup>	1 to 15 years

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

Land is not depreciated.

#### **(g) Impairment of assets**

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. 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 asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

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 from leased accommodation, motor vehicles and photocopiers.

**(i) Financial instruments**

In addition to cash, 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

*Financial liabilities*

- Payables
- Other liabilities

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

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent

measurement is not required as the effect of discounting is not material.

**(j) Cash and cash equivalents**

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

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

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

See note 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 or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. See note 28 'Provisions'.



**(i) Provisions - employee benefits**

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

*Annual leave*

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

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

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

*Long service leave*

Long service leave is not expected to be wholly settled within 12 months after the end of the reporting period and is therefore 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.

*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.

*Superannuation*

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

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

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

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

The Institute has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Institute to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share. See also note 2(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 liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Institute's 'Employee benefits expense'.

The related liability is included in 'Employment on-costs provision'. (See note 10 'Other expenses' and note 34 'Provisions'.)

#### **(p) Superannuation expense**

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

#### **(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 recognised as income at the fair value of services where they can be reliably measured. A corresponding expense is recognised for services received.

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

#### **(r) Comparative figures**

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

### **3. Judgements made by management in applying accounting policies**

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

#### **Operating Lease Commitments**

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

### **4. Key sources of estimation uncertainty**

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

#### *Long Service Leave*

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

## 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 or adopted, for annual reporting periods beginning on or after 1 January 2015 that impacted on the Institute.

AASB 1055	<p><i>Budgetary Reporting</i></p> <p>This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Authority is required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>
AASB 2013-9	<p><i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i></p> <p>Part C of this Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Authority has not yet determined the application or the potential impact of AASB 9.</p>
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part A changes consist primarily of clarifications to Accounting Standards and have no financial impact for the Authority.</p> <p>Part B has no financial impact as the Authority contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans.</p> <p>Part C has no financial impact as the Standard removes references to AASB 1031 <i>Materiality</i> from a number of Accounting Standards.</p>
AASB 2014-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 &amp; 2010)]</i></p> <p>This Standard makes amendments to AASB 9 <i>Financial Instruments</i> (December 2009) and AASB 9 <i>Financial Instruments</i> (December 2010), arising from the issuance of AASB 9 <i>Financial Instruments</i> in December 2014. The Authority is not currently permitted to early adopt the resultant financial instrument standard and has not yet determined the financial impact of the Standard.</p>
AASB 2015-7	<p><i>Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]</i></p> <p>This Standard relieves not-for-profit public sector entities from the reporting burden associated with various disclosures required by AASB 13 for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows. It has no financial impact.</p>

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

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

**Operative for reporting periods  
beginning on/after**

AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9, and, AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Authority shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

**Operative for reporting periods  
beginning on/after**

<i>AASB 2014-1</i>	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed to determine the application or potential impact.</p>	1 Jan 2018
<i>AASB 2014-3</i>	<p><i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 &amp; 11]</i></p> <p>The Authority establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.</p>	1 Jan 2016
<i>AASB 2014-4</i>	<p><i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 &amp; 138]</i></p> <p>The adoption of the new Standard has no financial impact for the Authority as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.</p>	1 Jan 2016
<i>AASB 1057</i>	<p><i>Application of Australian Accounting Standards</i></p> <p>This Standard lists the application paragraphs for each other Standard (and Interpretation). There is no financial impact on application of the Standard.</p>	1 Jan 2016
<i>AASB 2014-5</i>	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2017
<i>AASB 2014-7</i>	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

**Operative for reporting periods  
beginning on/after**

<i>AASB 2014-9</i>	<p><i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 &amp; 128]</i></p> <p>This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2016
<i>AASB 2014-10</i>	<p><i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 &amp; 128]</i></p> <p>This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2016
<i>AASB 2015-1</i>	<p><i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 &amp; 140]</i></p> <p>These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle in September 2014, and editorial corrections. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2016
<i>AASB 2015-2</i>	<p><i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 &amp; 1049]</i></p> <p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.</p>	1 Jan 2016
<i>AASB 2015-3</i>	<p><i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i></p> <p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.</p>	1 Jul 2015
<i>AASB 2015-6</i>	<p><i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 &amp; 1049]</i></p> <p>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. The Authority will be required to make related party disclosures, though there is no financial impact.</p>	1 Jul 2016
<i>AASB 2015-8</i>	<p><i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>The Standard amends the mandatory effective date of AASB 15, consequential amendments originally set out in AASB 2014-5, and, Interpretation 1052 <i>Tax Consolidation Accounting</i>. There is no financial impact.</p>	1 Jan 2017



Note 6	2015	2014
Employee Benefits Expense	\$'000	\$'000
Wages and salaries <sup>(a)</sup>	22,873	20,968
Superannuation - defined contribution plans <sup>(b)</sup>	1,907	1,958
	<b>24,780</b>	<b>22,926</b>

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

(b) Defined contribution plans include West State, and Gold State and 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'.

Note 7	2015	2014
Supplies and Services	\$'000	\$'000
Consumables and minor equipment	1,004	1,101
Communication expenses	175	439
Utilities expenses	772	922
Consultancies and contracted services	4,451	3,035
Minor works	838	1,273
Repairs and maintenance	112	131
Operating lease and hire charges	382	456
Travel and passenger transport	122	73
Advertising and public relations	168	181
Supplies and services - other	620	570
Suppliers and services - PD staff activities	167	148
	<b>8,811</b>	<b>8,329</b>

Note 8	2015	2014
Depreciation	\$'000	\$'000
Buildings	1,578	1,734
Motor vehicles, caravans and trailers	16	18
Plant, furniture and general equipment	156	262
Computers and communication network	100	114
	<b>1,850</b>	<b>2,128</b>

Note 9	2015	2014
Grants and Subsidies	\$'000	\$'000
<b>Recurrent</b>		
Other- Apprentice Travel Subsidy	2	2
	<b>2</b>	<b>2</b>

Note 10	2015	2014
Other Expenses	\$'000	\$'000
Building maintenance	493	502
Doubtful debts expense	76	40
Employment on-costs (a)	1,514	1,291
Student prizes & awards	14	11
Other (b)	135	125
	<b>2,232</b>	<b>1,969</b>

(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) Includes audit fees which generally would be the final audit fee for the previous year's audit. See note 39 'Remuneration of auditor'.

Note 11	2015	2014
Fee for Service	\$'000	\$'000
Fee for service - general	326	628
Fee for service – Department of Training and Workforce Development	63	62
Fee for service – Government (other than Department of Training and Workforce Development)	474	467
International division fees	752	599
	<b>1,615</b>	<b>1,756</b>

Note 12	2015	2014
Student Fees and Charges	\$'000	\$'000
Tuition fees	3,719	3,062
Resource fees	1,345	1,329
Other Institute fees	93	85
Student Fees - RPL fees	122	36
Student incidental fees	7	8
	<b>5,286</b>	<b>4,520</b>

Note 13	2015	2014
Ancillary Trading	\$'000	\$'000
Live works (not a trading activity)	202	90
<b>Total</b>	<b>202</b>	<b>90</b>

Note 14	2015	2014
Trading Profit	\$'000	\$'000
Sales	298	643
<b>Cost of sales:</b>		
Opening inventory	(144)	(160)
Purchases	(220)	(571)
	<b>(364)</b>	<b>(731)</b>
Closing inventory	-	144
Cost of goods sold	<b>(364)</b>	<b>(621)</b>
<b>Trading Profit / (Loss) - Bookshop</b>	<b>(66)</b>	<b>22</b>

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

Note 15	2015	2014
Commonwealth Grants and Contributions	\$'000	\$'000
Commonwealth specific purpose grants and contributions (a)	-	1
	<b>-</b>	<b>1</b>

(a) Grants and traineeship incentive payments received.

Note 16	2015	2014
Interest Revenue	\$'000	\$'000
Interest Revenue	176	354
	<b>176</b>	<b>354</b>

Note 17	2015	2014
Other Revenue	\$'000	\$'000
Rental and facilities fees	671	620
Sponsorship and donations revenue	10	12
Insurance recovery	206	16
Miscellaneous revenue	47	19
	<b>934</b>	<b>667</b>

<b>Note 18</b>	<b>2015</b>	<b>2014</b>
<b>Net gain/(loss) on disposal non-current assets</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Net proceeds from disposal of non-current assets</b>		
Plant, furniture and general equipment	2	12
Total proceeds from disposal of non-current assets	2	12
<b>Carrying amount of non-current assets disposed</b>		
Plant, furniture and general equipment	-	(10)
Total cost of disposal of non-current assets	-	(10)
<b>Net gain / (loss)</b>	<b>2</b>	<b>2</b>

See note 24 'Property, plant and equipment'.

<b>Note 19</b>	<b>2015</b>	<b>2014</b>
<b>Income from State Government</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Appropriation received during the year</b>		
<b>Service appropriation (a)</b>		
Delivery and Performance Agreement (DPA)	21,412	22,120
Other recurrent funds (b)	2,434	607
	<b>23,846</b>	<b>22,727</b>
<b>Services received free of charge from other State government agencies during the financial period:</b>		
Department of Training and Workforce Development		
Corporate systems support	728	492
Human resources, industrial relations support	25	28
Other	254	89
	<b>1,007</b>	<b>609</b>
	<b>24,853</b>	<b>23,336</b>

- (a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the budgeted depreciation expense for the year and any agreed increase in leave liability during the year.
- (b) In 2015 other relates to severances funded by the Department of Training and Workforce Development. In 2014 other related to air conditioning unit project Bunbury and the Busselton site investigation in 2013. This was arranged directly through the Department of Training and Workforce Development through Department of Finance.

<b>Note 20</b>	<b>2015</b>	<b>2014</b>
<b>Restricted Cash and Cash Equivalents</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-Current</b>		
Salary allowance and provision (a)	76	-
	<b>76</b>	<b>-</b>

- (a) Relates to 27<sup>th</sup> pay provision. No restricted cash is held at 31 December 2014, as the 27<sup>th</sup> pay was paid out before year end.

<b>Note 21</b>	<b>2015</b>	<b>2014</b>
<b>Inventories</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Inventories held for resale:		
Bookshop (at cost)	-	144
<b>Total Current</b>	<b>-</b>	<b>144</b>

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

The bookshop ceased operating in 2015.

Note 22	2015	2014
Receivables	\$'000	\$'000
<b>Current</b>		
Receivables - trade	114	133
Receivables - students	107	73
Accrued income	71	93
Allowance for impairment of receivables	(41)	(14)
GST receivable	60	82
<b>Total Current</b>	<b>311</b>	<b>367</b>
<b>Reconciliation of changes in the allowance for impairment of receivables:</b>		
Balance at start of period	14	9
Doubtful debts expense	76	40
Amounts written off during the period	(49)	(35)
<b>Balance at end of period</b>	<b>41</b>	<b>14</b>

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'.

Note 23	2015	2014
Other Current Assets	\$'000	\$'000
<b>Current</b>		
Prepayments	278	204
	<b>278</b>	<b>204</b>

Note 24	2015	2014
Property Plant and Equipment	\$'000	\$'000
<b>Land</b>		
At fair value <sup>(a)</sup>	1,910	2,000
	<b>1,910</b>	<b>2,000</b>
<b>Buildings</b>		
At fair value <sup>(a)</sup>	62,245	62,206
	<b>62,245</b>	<b>62,206</b>
<b>Capital Works in Progress</b>		
Construction costs – ventilation in workshops upgrade and gas reticulation	-	94
	<b>-</b>	<b>94</b>
<b>Motor Vehicles, Caravans and Trailers</b>		
At cost	501	501
Accumulated depreciation	(464)	(448)
	<b>37</b>	<b>53</b>
<b>Plant, Furniture and General Equipment</b>		
At cost	3,608	3,594
Accumulated depreciation	(2,926)	(2,788)
	<b>682</b>	<b>806</b>
<b>Computer Equipment, Communication Network</b>		
At cost	1,083	1,000
Accumulated depreciation	(908)	(814)
	<b>175</b>	<b>186</b>
	<b>65,049</b>	<b>65,345</b>

(a) Land and buildings were revalued as at 31 December 2015 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 31 December 2015 and recognised at 31 December 2015. In undertaking the revaluation, fair value was determined by reference to market values for land amounting to \$100,000 in 2014. For the remaining balances, fair value of buildings was determined on the basis of depreciated replacement costs and fair value of land was determined on the basis of comparison with market evidence for land and low level utility (high restricted use of land).

See note 2(f) 'Property, plant and equipment'.

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

Note 24 continued							
2015	Land	Buildings	Capital works in progress	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment, communication network	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	2,000	62,206	94	53	806	186	65,345
Additions	-	1,624	128	-	32	89	1,873
Transfers (a)	(100)	222	(222)	-	-	-	(100)
Disposals	-	-	-	-	-	-	-
Revaluation Increments/ (decrements)	10	(229)	-	-	-	-	(219)
Depreciation expense	-	(1,578)	-	(16)	(156)	(100)	(1,850)
<b>Carrying amount at end of year</b>	<b>1,910</b>	<b>62,245</b>	<b>-</b>	<b>37</b>	<b>682</b>	<b>175</b>	<b>65,049</b>

2014	Land	Buildings	Capital works in progress	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment, communication network	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	3,200	50,509	226	57	817	201	55,010
Additions	-	15,721	-	14	251	117	16,103
Transfers	-	132	(132)	-	-	-	-
Disposals	-	(14)	-	-	-	(18)	(32)
Revaluation Increments/ (decrements)	(1,200)	(2,408)	-	-	-	-	(3,608)
Depreciation expense	-	(1,734)	-	(18)	(262)	(114)	(2,128)
<b>Carrying amount at end of year</b>	<b>2,000</b>	<b>62,206</b>	<b>94</b>	<b>53</b>	<b>806</b>	<b>186</b>	<b>65,345</b>

- (a) An unused parcel of land was transferred back to the Department of Training and Workforce Development. Information on fair value measurement is provided in Note 25.

**Note 25 Fair value measurements**

Assets measured at fair value:	Level 1	Level 2	Level 3	Fair value at end of period
<b>Fair Value Measurements 2015</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Land (note 24)	-	-	1,910	1,910
Buildings (note 24)	-	-	62,245	62,245
	-	-	<b>64,155</b>	<b>64,155</b>

Assets measured at fair value:	Level 1	Level 2	Level 3	Fair value at end of period
<b>Fair Value Measurements 2014</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Land (note 24)	-	100	1,900	2,000
Buildings (note 24)	-	-	62,206	62,206
	-	<b>100</b>	<b>64,106</b>	<b>64,206</b>

There were no transfers between Levels 1, 2 or 3 during the current and the previous periods.

**Valuation techniques to derive level 2 fair values**

Level 2 fair values of Land are 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)**

2015	Land	Buildings
	<b>\$'000</b>	<b>\$'000</b>
Fair value at start of period	1,900	62,206
Additions	-	1,846
Revaluation increments/(decrements) recognised in other comprehensive income	10	(229)
Depreciation expense	-	(1,578)
<b>Fair value at end of period</b>	<b>1,910</b>	<b>62,245</b>

2014	Land	Buildings
	<b>\$'000</b>	<b>\$'000</b>
Fair value at start of period	3,100	50,509
Additions	-	15,853
Revaluation increments/(decrements) recognised in other comprehensive income	(1,200)	(2,408)
Disposals	-	(14)
Depreciation expense	-	(1,734)
<b>Fair value at end of period</b>	<b>1,900</b>	<b>62,206</b>



**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.

*Land (Level 3 fair values)*

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuation Services) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

*Buildings (Level 3 fair values)*

Fair value for existing use specialised 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. 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, and optimisation (where applicable) 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.

Valuation using depreciated replacement cost utilises the significant Level

3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuation Services). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings.

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

Description	Fair Value 2015 \$'000	Fair Value 2014 \$'000	Valuation technique(s)	Unobservable inputs
Land	1,910	1,900	Market approach	Selection of land with similar approximate utility
Buildings	62,245	62,206	Depreciated replacement cost	Consumed economic benefit/obsolescence of asset
				Historical cost of building per square metre floor area (m2)

Reconciliations of the opening and closing balances are provided in Note 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 2015.

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 2015 have either been classified as assets held for sale or written off

Note 27	2015	2014
Payables	\$'000	\$'000
<b>Current</b>		
Trade payables	78	10
Accrued expenses	366	322
Accrued salaries and wages	-	239
	<b>444</b>	<b>571</b>

See also note 2 (n) 'Payables' and note 37 'Financial instruments'.

Note 28	2015	2014
Provisions	\$'000	\$'000
<b>Current</b>		
<i>Employee benefits provision</i>		
Annual leave (a)	1,143	904
Long service leave (b)	1,714	2,410
Deferred salary scheme (c)	15	39
	<b>2,872</b>	<b>3,353</b>
<i>Other provisions</i>		
Employment on-costs (d)	208	241
	<b>3,080</b>	<b>3,594</b>

<b>Non-current</b>		
<i>Employee benefits provision</i>		
Long service leave (b)	713	701
Deferred salary scheme (c)	-	-
	<b>713</b>	<b>701</b>
<i>Other provisions</i>		
Employment on-costs (d)	52	51
	<b>765</b>	<b>752</b>

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

**Note 28 continued**

Annual Leave	2015	2014
	\$'000	\$'000
Within 12 months of the end of the reporting period	853	691
More than 12 months after the end of the reporting period	290	213
	<b>1,143</b>	<b>904</b>

(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:

	2015	2014
	\$'000	\$'000
Within 12 months of the end of the reporting period	558	721
More than 12 months after the end of the reporting period	1,869	2,390
	<b>2,427</b>	<b>3,111</b>

(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:

	2015	2014
	\$'000	\$'000
Within 12 months of the end of the reporting period	-	39
More than 12 months after the end of reporting period	15	-
	<b>15</b>	<b>39</b>

(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.

	2015	2014
	\$'000	\$'000
<b>Movement in other provisions</b>		
<b>Employment on-cost provision</b>		
Carrying amount at start of period	292	295
Additional provision recognised	1,514	1,291
Payments/other sacrifices of economic benefits	(1,547)	(1,294)
<b>Carrying amount at end of period</b>	<b>259</b>	<b>292</b>

Note 29	2015	2014
Other Liabilities	\$'000	\$'000
<b>Current</b>		
Income received in advance <sup>(a)</sup>	8	88
Provision for Delivery and Performance Agreement Refund	1,247	2,616
<b>Total current liabilities</b>	<b>1,255</b>	<b>2,704</b>
<b>Non-current</b>		
Other <sup>(b)</sup>	10	11
	<b>10</b>	<b>11</b>

(a) Income received in advance relates to other Government (Commonwealth) funding, tenders and grants invoiced, that are expected to be completed in the next year.

(b) Relates to stale cheques.

Note 30	2015	2014
Equity	\$'000	\$'000
<b>Contributed Equity</b>		
Balance at start of period	24,317	8,504
<u>Other contributions by owners</u>		
Transfers of net assets from Department of Training and Workforce Development	1,624	15,813
Total contributions by owners	<b>1,624</b>	<b>15,813</b>
<u>Distributions to owners</u>		
Net assets transferred to other agency: Department of Training and Workforce Development	(100)	-
Total distributions to owners	<b>(100)</b>	<b>-</b>
<b>Balance at end of period</b>	<b>25,841</b>	<b>24,317</b>
<b>Reserves</b>		
<u>Asset revaluation surplus</u>		
Balance at start of period	31,386	34,994
Net revaluation increments/(decrements):		
Buildings	(229)	(2,408)
Land	10	(1,200)
<b>Balance at end of period</b>	<b>31,167</b>	<b>31,386</b>
<u><b>Accumulated surplus / (deficit)</b></u>		
Balance at start of period	10,140	14,748
Result for the period	(4,673)	(4,608)
<b>Balance at end of period</b>	<b>5,467</b>	<b>10,140</b>
<b>Total Equity at end of period</b>	<b>62,475</b>	<b>65,843</b>

**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:

Note 31	2015	2014
Reconciliation of cash	\$'000	\$'000
Cash and cash equivalents	2,315	1,415
Short term deposits	-	6,000
	<b>2,315</b>	<b>7,415</b>
Restricted cash and cash equivalents (refer to note 20 'Restricted cash and cash equivalents')	76	-
	<b>2,391</b>	<b>7,415</b>

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

Net cost of services	(29,526)	(27,944)
Non-cash items:		
Depreciation	1,850	2,128
Doubtful debts expense	76	40
Resources received free of charge	1,007	609
<u><b>(Increase)/decrease in assets:</b></u>		
Current receivables (a)	2	2
Current inventories	144	(1)
Prepayments	(74)	(151)
<u><b>Increase/(decrease) in liabilities</b></u>		
Current payables (a)	(127)	(408)
Current provisions	(514)	149
Non-current provisions	13	(183)
Net GST receipts/(payments) (b)	(22)	(15)
<b>Net cash provided by/(used in) operating activities</b>	<b>(27,171)</b>	<b>(25,774)</b>

(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 net GST paid/received, i.e. cash transactions.

**Note 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.

**Note 33****Lease Commitments**

Non-cancellable operating lease commitments	2015 \$'000	2014 \$'000
Within 1 year	169	203
Later than 1 year and not later than 5 years	626	644
<b>Total</b>	<b>795</b>	<b>847</b>
Representing:		
Non-cancellable operating leases	795	847
	<b>795</b>	<b>847</b>

The Institute has entered into a property lease which is non-cancellable lease with a 2 year term, with rent payable in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by CPI. An option exists to renew the lease at the end of the 2 year term for an additional term of two years. The commitments below are inclusive of GST.

**Note 34****Contingent liabilities and contingent assets**

No contingent liabilities or assets exist as at 31 December 2015.

**Note 35****Events occurring after the reporting period**

On 24 February 2016 the Minister for Training and Workforce Development announced a plan to consolidate the current 11 WA State training providers to five by April 2016. The regional providers will be restructured to three. These will be North Regional TAFE, Central Regional TAFE and South Regional TAFE. South West Institute of Technology will form part of the new South Regional TAFE. This disclosure is for information purposes only and does not impact the financial information detailed in the attached financial statements.

**Note 36****Explanatory Statement**

Major variances between estimates (original budget) and actual results for 2015 and between the actual results for 2014 and 2015 are shown below. Major variances are considered to be those greater than 10% or \$5 million.

	Variance	Estimate	Actual	Actual	Variance between	Variance between actual
Statement of Comprehensive Income	Note	2015	2015	2014	Estimated and Actual	results for
		\$000	\$000	\$000	\$000	2015 and 2014
COST OF SERVICES						
Expenses						
Employee benefits expense		24,059	24,780	22,926	721	1,854
Supplies and services	1	7,602	8,811	8,329	1,209	482
Depreciation and amortisation expenses	2,A	2,480	1,850	2,128	(630)	(278)
Grants and subsidies	2	2	2	2	-	-
Cost of sales	3,B	605	364	621	(241)	(257)
Other expenses	C	2,132	2,232	1,969	100	263
<b>Total cost of services</b>		<b>36,880</b>	<b>38,039</b>	<b>35,975</b>	<b>1,159</b>	<b>2,064</b>
Income						
Revenue						
Fees for services		1,690	1,615	1,756	(75)	(141)
Student fees and charges	4,D	6,239	5,286	4,520	(953)	766
Ancillary Trading	5,E	106	202	90	96	112
Sales	6,F	668	298	643	(370)	(345)
Commonwealth grants and contributions	7,G	1	-	1	(1)	(1)
Interest revenue	8,H	478	176	354	(302)	(178)
Other revenue	I	859	934	667	75	267
<b>Total Revenue</b>		<b>10,041</b>	<b>8,511</b>	<b>8,031</b>	<b>(1,530)</b>	<b>480</b>
Gains						
Gains on disposal of non current assets	9	24	2	-	(22)	2
<b>Total Gains</b>		<b>24</b>	<b>2</b>	<b>-</b>	<b>(22)</b>	<b>2</b>
Total income other than income from State Government		10,065	8,513	8,031	(1,552)	482
<b>NET COST OF SERVICES</b>		<b>(26,815)</b>	<b>(29,526)</b>	<b>(27,944)</b>	<b>(2,711)</b>	<b>(1,582)</b>
INCOME FROM GOVERNMENT						
Service appropriation		24,279	23,846	22,727	(433)	1,119
Services received free of charge	10,J	1,356	1,007	609	(349)	398
<b>Total Income from State Government</b>		<b>25,635</b>	<b>24,853</b>	<b>23,336</b>	<b>(782)</b>	<b>1,517</b>
<b>SURPLUS/ DEFICIT FOR THE PERIOD</b>		<b>(1,180)</b>	<b>(4,673)</b>	<b>(4,608)</b>	<b>(3,493)</b>	<b>(65)</b>
OTHER COMPREHENSIVE INCOME						
Items not classified subsequently to profit or loss						
Changes in asset revaluation surplus	11,K	-	(219)	(3,608)	(219)	3,389
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(1,180)</b>	<b>(4,892)</b>	<b>(8,216)</b>	<b>(3,712)</b>	<b>3,324</b>



		Estimate	Actual	Actual	Variance between	Variance between actual
Statement of Financial Position		2015	2015	2014	Estimated and Actual	results for 2015 and 2014
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash equivalents	12,L	5,765	2,315	7,415	(3,450)	(5,100)
Restricted cash and cash equivalents	M	84	-	-	(84)	-
Inventories	13,N	154	-	144	(154)	(144)
Receivables	14,O	450	311	367	(139)	(56)
Other current assets	15,P	147	278	204	131	74
<b>Total Current Assets</b>		<b>6,600</b>	<b>2,904</b>	<b>8,130</b>	<b>(3,696)</b>	<b>(5,226)</b>
<b>Non-Current Assets</b>						
Restricted cash and cash equivalents		-	76	-	76	76
Property, plant and equipment		70,255	65,049	65,345	(5,206)	(296)
<b>TOTAL CURRENT ASSETS</b>		<b>70,255</b>	<b>65,125</b>	<b>65,345</b>	<b>(5,130)</b>	<b>(220)</b>
<b>TOTAL ASSETS</b>		<b>76,855</b>	<b>68,029</b>	<b>73,475</b>	<b>(8,826)</b>	<b>(5,446)</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	16,Q	1,173	444	571	(729)	(127)
Provisions	17,R	2,588	3,080	3,594	492	(514)
Other current liabilities	18,S	50	1,255	2,704	1,205	(1,449)
<b>Total Current Liabilities</b>		<b>3,811</b>	<b>4,779</b>	<b>6,869</b>	<b>968</b>	<b>(2,090)</b>
<b>Non-Current Liabilities</b>						
Provisions	17	1,000	765	752	(235)	13
Other non-current liabilities		10	10	11	-	(1)
<b>Total Non-Current Liabilities</b>		<b>1,010</b>	<b>775</b>	<b>763</b>	<b>(235)</b>	<b>12</b>
<b>TOTAL LIABILITIES</b>		<b>4,821</b>	<b>5,554</b>	<b>7,632</b>	<b>733</b>	<b>(2,078)</b>
<b>NET ASSETS</b>		<b>72,034</b>	<b>62,475</b>	<b>65,843</b>	<b>9,559</b>	<b>3,368</b>
<b>EQUITY</b>						
Contributed equity		24,222	25,841	24,317	1,619	1,524
Reserves	19	34,994	31,167	31,386	(3,827)	(219)
Accumulated surplus/(deficit)	20,T	12,819	5,467	10,140	(7,352)	(4,673)
<b>TOTAL EQUITY</b>		<b>72,035</b>	<b>62,475</b>	<b>65,843</b>	<b>(9,560)</b>	<b>(3,368)</b>

		Estimate	Actual	Actual	Variance between	Variance between actual
		2015	2015	2014	Estimated and Actual	results for
						2015 and 2014
<b>Statement of cash flows</b>						
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation	U	24,279	22,396	24,956	(1,883)	(2,560)
<b>Net cash provided by State Government</b>		<b>24,279</b>	<b>22,396</b>	<b>24,956</b>	<b>(1,883)</b>	<b>(2,560)</b>
<b>CASHFLOWS FROM OPERATING ACCOUNT</b>						
<b>Payments</b>						
Employee benefits		(24,483)	(25,520)	(23,376)	(1,037)	(2,144)
Supplies and Services	21	(6,216)	(7,816)	(7,850)	(1,600)	34
Grants and subsidies		(2)	(2)	(2)	-	-
GST payments on purchases		(800)	(860)	(840)	(60)	(20)
GST payments to taxation authority	22	(154)	-	-	154	-
Other payments	23,V	(2,692)	(2,154)	(1,929)	538	(225)
		<b>(34,347)</b>	<b>(36,352)</b>	<b>(33,997)</b>	<b>(2,005)</b>	<b>(2,355)</b>
<b>Receipts</b>						
Fee for service		1,685	1,617	1,758	(68)	(141)
Student fees and charges	24,W	6,204	5,286	4,520	(918)	766
Ancillary trading	25,X	106	202	90	96	112
Commonwealth grants and contributions	26,Y	1	-	1	(1)	(1)
Bookshop trading profit	27,Z	-	78	21	78	57
Interest received	28,AA	478	176	354	(302)	(178)
GST receipts on sales	AB	157	142	208	(15)	(66)
GST receipts from taxation authority	AC	795	746	604	(49)	142
Other receipts	29,AD	1,509	934	667	(575)	267
<b>Net cash provided by/(used in) operating activities</b>		<b>(23,412)</b>	<b>(27,171)</b>	<b>(25,774)</b>	<b>(3,759)</b>	<b>(1,397)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Purchase of non-current assets	30,AE	(2,456)	2	12	2,458	(10)
<b>Receipts</b>						
Proceeds from sale of non-current assets	31,AF	-	(251)	(270)	(251)	19
<b>Net cash provided by/(used in) investing activities</b>		<b>(2,456)</b>	<b>(249)</b>	<b>(258)</b>	<b>2,207</b>	<b>9</b>
Net increase/(decrease) in cash and cash equivalents		(1,589)	(5,024)	(1,076)	(3,435)	(3,948)
Cash and cash equivalents at the beginning of the period		7,438	7,415	8,491	(23)	(1,076)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>5,849</b>	<b>2,391</b>	<b>7,415</b>	<b>(3,458)</b>	<b>(5,024)</b>

**Major variances explanations**Variance between estimate and actual

- 1) Supplies and services were greater than estimates by \$1.2m (15.9%) largely due to increases in insurance expense; resources provided free of charge and essential expenditure on buildings.
- 2) Depreciation expense was lower than estimates by \$0.6m (25.4%) mainly due to a change in the depreciation rate for buildings at the Margaret River Campus as the building has changed from the leasehold building depreciation rate to a fair value building rate.
- 3) Cost of Sales expense was lower by \$0.2m (39.8%) as the Institute bookshop closed in 2015.
- 4) Student fees and charges were lower than estimates by \$1m (15%) as budgeted forecasts from the Department of Workforce Development anticipated higher enrolment levels.
- 5) Ancillary Trading was greater than expected by \$0.1m (90.6%) as budgeted forecasts did not include operating the Manea Senior High School canteen in 2015.
- 6) Sales were less than anticipated by \$0.4m (55.4%) as the Institute bookshop ceased operating in 2015.
- 7) Commonwealth grants and contributions decreased by \$0.001m (100%) due to no Commonwealth grants being received.
- 8) Interest revenue has decreased by \$0.3m (63.2%) mainly due to lower interest rates and less cash available to invest.
- 9) Gains on disposal of non-current assets were less than expected by \$0.02m (92%) as only minimal gains were recorded during 2015.
- 10) Services received free of charge were less than expected by \$0.3m (25.7%) due to timing of budgeted expenditure.
- 11) Changes in asset revaluation surplus were \$0.2m (100%) greater than the revaluations budgeted.
- 12) Cash and cash equivalents decreased by \$3.5m (59.8%) due to essential expenditure on capital works projects and a refund of student contact hours paid to the Department of Training and Workforce Development for under delivery of student contact hours.
- 13) Inventories decreased by \$0.2m (100%) as the Institute bookshop closed in 2015.
- 14) Receivables were \$0.2m (36.7%) less mainly due to the reduction in accrued income, as international revenue and interest were received prior to 31 December 2015.
- 15) Other current assets were more than estimates \$0.1m (89.1%) largely due to an increase in cost of worker's compensation expense prepayments.
- 16) Payables decreased by \$0.7m (62.1%) due to timing as salaries and wages accruals were required at end of year.
- 17) Provisions were higher than expected by \$0.26m (19%) as budgeted salary provisions were capped at 2012 levels.
- 18) Other current liabilities were \$1.1m (2,252%) greater than forecast as the under-delivery of student contact hours was not budgeted.
- 19) Reserves were \$3.8m (10.9%) less than forecast due to forecast being calculated on 2014 historical reserve levels.
- 20) Accumulated surplus was less than budgeted by \$7.4m (57.7%) largely due to a deficit repeated for the year.
- 21) Supplies and Services were greater than forecast \$1.6m (25%) largely due to increases in insurance expenditure and essential expenditure on buildings.
- 22) GST payments from taxation authority were less than anticipated by \$0.2m (100%) mainly due to the GST being accrued at year end.

- 23) Other payments were \$0.4m (16.3%) less than forecast as no salaries and wages accruals were required at end of year.
- 24) Student fees and charges were lower than estimates by \$0.9m (14.8%) as budgeted forecasts from the Department of Workforce Development anticipated higher enrolment levels.
- 25) Ancillary trading was greater than expected by \$0.1m (90.6%) as budgeted forecasts did not include operating the Manea Senior High School canteen in 2015.
- 26) Commonwealth grants and contributions have decreased by \$0.01m (100%) as no Commonwealth grants received.
- 27) Bookshop trading profit has increased by \$0.08m (100%) as the bookshop was forecast to be cost neutral.
- 28) Interest received has decreased by \$0.3m (63.2%) largely due to lower interest rates and less cash available to invest.
- 29) Other receipts were lower than estimates by \$0.6m (38.1%) due to a delay in collection of general account receivables.
- 30) Purchase of non-current assets was lower than budgeted by \$2.3m (93.9%) as forecast buildings works has not been completed and transferred to the Institute by the end of 2015.
- 31) Proceeds from the sale of non-current assets were higher than anticipated by \$0.002m (100%) as plant and equipment was not budgeted to make any proceeds.

#### Variance between actual results for 2015 and 2014

- A) Depreciation expense decreased by \$0.3m (13.1%) mainly due to a change in the depreciation rate for buildings at the Margaret River Campus as the building has changed from the leasehold building depreciation rate to a fair value building rate.
- B) Cost of Sales expense decreased by \$0.3m (41.4%) due to the Institute bookshop closing in 2015 and the bookshop services being outsourced to an external contractor, the Co-Op bookshop.
- C) Other expenses increased by \$0.3m (13.4%) due to an increase in workers compensation premiums paid.
- D) Student fees and charges increased by \$0.8m (16.9%) due to an increase in the price of student courses which is partially offset by lower student contact hours.
- E) Ancillary trading increased by \$.1m (124.4%) largely due to the Institute commencing operating the Manea Senior High School canteen in 2015.
- F) Sales have decreased by \$0.4m (53.7%) as the Institute bookshop ceased operating in 2015.
- G) Commonwealth grants and contributions decreased by \$0.001m (100%) due to no Commonwealth grants being received.
- H) Interest revenue decreased by \$0.2m (50.3%) largely due to lower interest rates and less cash available to invest.
- I) Other revenue increased by \$0.3m (40.0%) mainly due to an increase in reimbursement of workers compensation claims.
- J) Services received free of charge increased by \$0.4m (65.4%) largely due to increased Information Technology Services provided by the Department of Training and Workforce Development to the Institute.
- K) Changes in asset revaluation have increased by \$3.4m (93.9%) largely due to lower revaluation decrement in land and buildings.

- L) Cash and cash equivalents decreased by \$5.1m (68.8%) due to essential expenditure on capital works projects and a refund for under delivery of student contact hours paid to the Department of Workforce Delivery.
- M) Restricted cash and cash equivalents increased by \$0.9m (100%) due to cash being set aside for 27<sup>th</sup> pay in 2015.
- N) Inventories decreased by \$0.1m (100%) as the Institute bookshop closed in 2015.
- O) Receivables decreased by \$0.057m (22.3%) mainly due to the reduction in accrued income, as international revenue and interest were received prior to 31 December 2015.
- P) Other current assets increased by \$0.074m (36.3%) largely due to an increase in cost of worker's compensation expense prepayments.
- Q) Payables decreased by \$0.1m (22.2%) due to timing as no salaries and wages accrual were required at end of year.
- R) Provisions decreased by \$0.5m (14.7%) largely due to the Institute managing leave balances.
- S) Other current liabilities decreased by \$1.5m (56.5%) mainly due to a smaller accrual for the refund of student contact hours to the Department of Workforce Training Development.
- T) Accumulated Deficit has decreased by \$4.7m (46.5%) largely due to the deficit reported for 2015.
- U) Service appropriation decreased by \$2.7m (10.6%) mainly due to a decrease in student contact hours funded by the Department of Training and Workforce Development.
- V) Other payments increased by \$0.4m (16.8%) largely due to an increase in staff workers compensation premiums in 2015.
- W) Student fees and charges have increased by \$0.8m (16.9%) due an increase in the price of student courses.
- X) Ancillary trading has increased by \$0.1m (124.4%) largely due to the Institute operating the Manea Senior High School canteen in 2015.
- Y) Commonwealth grants and contributions have decreased by \$0.01m (100%) as no Commonwealth grants received.
- Z) Bookshop trading profit has increased by \$0.06m (271.4%) due to the winding up of the bookshop at the Institute.
- AA) Interest received has decreased by \$0.178m (50.3%) largely due to lower interest rates and less cash available to invest.
- AB) GST receipts on sales have decreased by \$0.07m (31.7%) due to net decrease in taxable sales.
- AC) GST receipts from taxation authority increased by \$0.1m (23.5%) mainly due to a net increase in GST paid on purchases.
- AD) Other receipts increased by \$0.3m (40%) largely due to an increase in reimbursement of workers compensation claims.
- AE) Purchase of non-current assets increased by \$0.1m (44.1%) mainly due to land at Manjimup transferred to Department of Land.
- AF) Proceeds from sale of non-current assets decreased by \$0.01m (83.3%) due to fewer assets sold in 2015.

## Note 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, payables and other liabilities. 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 were 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 drawdown 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. Other than as detailed in the Interest rate sensitivity analysis table at Note 37 (c). The Institute is not exposed to any other interest rate risk.

**(b) Categories of Financial Instruments**

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

	2015	2014
	\$'000	\$'000
<b>Financial Assets</b>		
Cash and cash equivalent	2,315	7,415
Restricted cash and cash equivalent	76	-
Receivables (a)	251	285
<b>Financial Liabilities</b>		
Payables	444	571
Other Liabilities (b)	1,247	2,616

(a) Receivables exclude GST recoverable from the ATO (statutory receivable).

(b) Only includes Delivery and Performance Agreement refund.

**(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.



## Note 37 continued

## Ageing analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired				Impaired Financial Assets
			Up to 1 month	1-3 months	3 months to 1 year	1-5 years	
<b>Financial Assets</b>	<b>\$</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2015</b>							
Cash and cash equivalent	2,315	2,315	-	-	-	-	-
Restricted cash and cash equivalents	76	76	-	-	-	-	-
Receivables (a)	251	70	39	63	117	3	(41)
	<b>2,642</b>	<b>2,461</b>	<b>39</b>	<b>63</b>	<b>117</b>	<b>3</b>	<b>(41)</b>
<b>2014</b>							
Cash and cash equivalent	7,415	7,415	-	-	-	-	-
Receivables (a)	285	212	17	6	39	11	-
	<b>7,700</b>	<b>7,627</b>	<b>17</b>	<b>6</b>	<b>39</b>	<b>11</b>	<b>-</b>

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

## Note 37 continued

**Liquidity risk and interest rate exposure**

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

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

	Interest rate exposure					Maturity dates			
	Weighted Average Effective Interest Rate	Carrying Amount	Variable Interest Rate	Non-Interest Bearing	Nominal Amount	Up to 1 month	1-3 months	3 months to 1 year	1-5 years
2015	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>									
Cash and cash equivalent	3.38%	2,315	2,315	-	2,315	2,315	-	-	-
Restricted cash and cash equivalent	0.59%	76	76	-	76	76	-	-	-
Receivables (a)	-	251	-	251	251	251	-	-	-
		<b>2,642</b>	<b>2,391</b>	<b>251</b>	<b>2,642</b>	<b>2,642</b>	-	-	-
<b>Financial Liabilities</b>									
Payables	-	444	-	444	444	444	-	-	-
Other liabilities	-	1,247	-	1,247	1,247	1,247	-	-	-
		<b>1,691</b>	-	<b>1,691</b>	<b>1,691</b>	<b>1,691</b>	-	-	-
<b>2014</b>									
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>									
Cash and cash equivalent	4.26%	7,415	7,415	-	7,415	7,415	-	-	-
Receivables (a)	-	285	-	285	285	285	-	-	-
		<b>7,700</b>	<b>7,415</b>	<b>285</b>	<b>7,700</b>	<b>7,700</b>	-	-	-
<b>Financial Liabilities</b>									
Payables	-	571	-	571	571	571	-	-	-
Other liabilities	-	2,616	-	2,616	2,616	-	2,616	-	-
		<b>3,187</b>	-	<b>3,187</b>	<b>3,187</b>	<b>571</b>	<b>2,616</b>	-	-

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

(b) Only includes Delivery and Performance Agreement refund.

**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	
	Carrying amount	Surplu s	Equit y	Surplu s	Equit y
2015	\$'000	\$'000	\$'000	\$'000	\$'000

**Financial Assets**

Cash and cash equivalent	2,315	(23)	(23)	23	23
Restricted Cash and cash equivalent	76	(1)	(1)	1	1
<b>Total Increase/(Decrease)</b>		<b>(24)</b>	<b>(24)</b>	<b>24</b>	<b>24</b>

		- 100 Basis Points		+ 100 Basis Points	
	Carrying amount	Surplu s	Equit y	Surplu s	Equit y
2014	\$'000	\$'000	\$'000	\$'000	\$'000

**Financial Assets**

Cash and cash equivalent	7,415	(74)	(74)	74	74
<b>Total Increase/(Decrease)</b>		<b>(74)</b>	<b>(74)</b>	<b>74</b>	<b>74</b>

**Fair Values**

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

**Note 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:

	2015	2014
<b>Remuneration Band (\$)</b>		
\$0 - \$10,000	7	8
\$10,001 - \$20,000	-	1
\$20,001 - \$30,000	1	-
\$230,001 - \$240,000	-	1
\$270,001 - \$280,000	1	-
	<b>\$'000</b>	<b>\$'000</b>
Base remuneration and superannuation	262	237
Annual leave and long service leave accruals	19	(19)
Other benefits	30	18
<b>Total remuneration of the members of the accountable authority is:</b>	<b>311</b>	<b>236</b>

**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:

Remuneration Band (\$)	2015	2014
\$140,001 - \$150,000	-	1
\$150,001 - \$160,000	-	2
\$160,001 - \$170,000	1	-
\$170,001 - \$180,000	2	-
	<b>\$'000</b>	<b>\$'000</b>
Base remuneration and superannuation	464	441
Annual leave and long service leave accruals	25	7
Other benefits	25	13
<b>The total remuneration of senior officers</b>	<b>514</b>	<b>461</b>

No Senior Officers are members of the Pension Scheme. 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.

**Note 39****Remuneration of auditor**

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

	2015	2014
	<b>\$'000</b>	<b>\$'000</b>
Auditing the accounts, financial statements and key performance indicators.	71	70

**Note 40****Related bodies**

The Institute has no related bodies.

**Note 41****Affiliated bodies**

The Institute has no affiliated bodies.

**Note 42****Supplementary financial info**

	2015	2014
	<b>\$'000</b>	<b>\$'000</b>
<b>Write-Offs</b>		
Bad debts written off by the Governing Council during the financial year	49	35
Inventory	65	-
	<b>114</b>	<b>35</b>