



CENTRAL TAFE

ANNUAL REPORT

2002
2002



STATEMENT OF COMPLIANCE

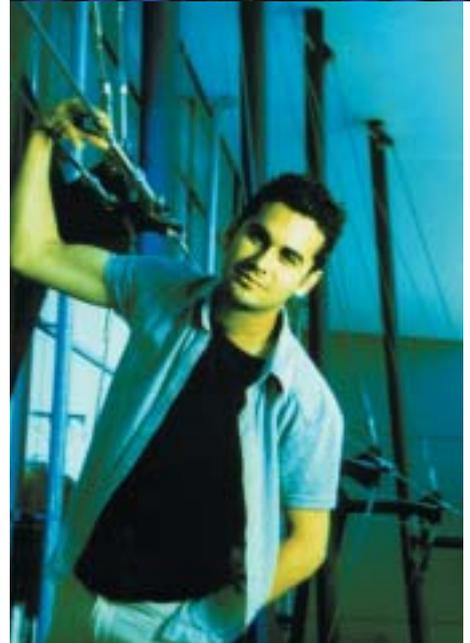
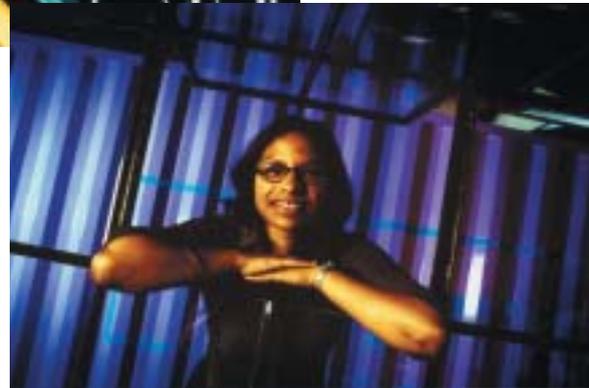
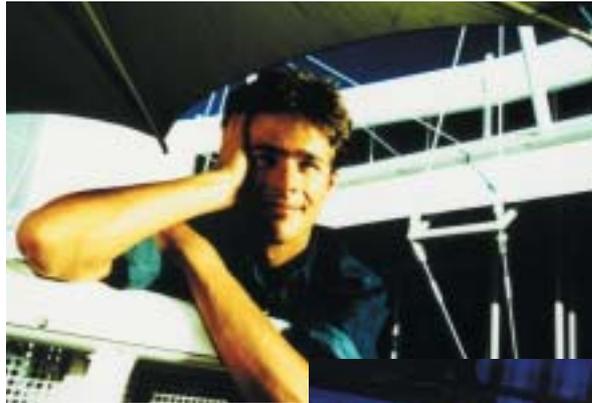
To the Hon Minister for Education and Training, Alan Carpenter, MLA

In accordance with Section 54 of the *Vocational Education and Training Act 1996* and Section 66 of the *Financial Administration and Audit Act 1985*, I hereby submit for your information and presentation to Parliament the Annual Report for Central TAFE for the year ending 31 December 2002.

Mal Bryce.

Hon. Mal Bryce AO
Chair
Governing Council
Central TAFE

28 February 2003



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ABOUT CENTRAL TAFE



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1

COLLEGE VISION

Central TAFE strives to be recognised as an innovative, creative and sought after deliverer of vocational education and training solutions locally, nationally and internationally.

In order to achieve the vision, the College embraces five Vision Drivers:

- **Becoming More Learner Focused**
- **Closer Alignment with our Industries and Clients**
- **Developing Partnerships and Alliances**
- **Building an Operating Culture which is innovative, creative and fulfilling**
- **Operating within a disciplined Business Framework**



COLLEGE VALUES

Accountability: We recognise the right of our students, colleagues, industry, government and the community to scrutinise, challenge and call us to account for our actions and behaviour.

Customer Service: We value the trust and satisfaction of our customers and will endeavour to provide services that meet their expectations.

Integrity: We will act honestly and with integrity.

Openness: We will be honest with each other and with our customers and will communicate directly and openly.

Respect for the Right of Others: We will treat our staff and students as we would like to be treated ourselves.

Excellence: We are committed to excellence in all that we do and will recognise excellent performance by staff or students within the College.

Environmental Awareness: We are aware of the fragility of the environment and will work towards sustaining it both through programs that we deliver and our management and administrative practices.

FROM THE MANAGING DIRECTOR

2002 was a successful year for Central TAFE. The College met its targets under its Delivery and Performance Agreement with the Department of Training and finished the year in a sound financial position.

During 2002, the College continued to build its educational focus to ensure that it remains relevant in meeting the needs of stakeholders. The introduction of the Australian Quality Training Framework, a set of nationally agreed standards to ensure the quality of vocational education and training services across the nation, served as a driver for implementing improvements in all aspects of the College's teaching, learning and assessment processes. Central also revised its academic framework, which is designed to link teaching, learning and assessment with its various stakeholders – students, industry, government and the community. Central TAFE continued to move into more research and development projects, thus giving its students a broader range of action learning.

In 2002, the College reviewed its strategic direction, originally developed in its *Strategic Plan 2000-2004*, and commenced documenting

I would like to acknowledge the dedication and professional approach taken by staff and management in all areas of the College.

the Plan that will take it forward to 2010. Generally, the strategic direction was considered to be sound, despite a number of disruptions and discontinuities that have occurred since its inception. However, it was considered that in the short term, greater emphasis should be placed on developing a well documented marketing strategy, on developing the people side of the College and on some aspects of teaching, learning and assessment. Work on planning the strategic direction will continue into 2003.

Early in 2002, the findings of the McRae Review *Positioning the Training Sector for Excellence* were released. This Review, conducted in 2001, noted the potential for a high profile arts and technology focus at the College's Northbridge and East Perth campuses. In this regard, Central TAFE opened a state-of-the-art set of Macintosh laboratories for the graphic design and multi media

students at its Northbridge campus. In addition, the College has developed a Design Centre in Northbridge as a post-graduate program, which will be officially opened early in 2003. The Design Centre will enable students to develop entrepreneurial ideas and bring them to market readiness.

The College continued its drive to improve its efficiency and effectiveness. The continued development of Central's Online Strategy has seen the reduction of transaction costs and an improvement in customer services. Implementation of recommendations from a functional review of the College's business processes will establish a shared services model for Central's corporate and support function.

Central TAFE made submissions to a number of enquiries and reviews in the vocational education and training sector during the year. These included the *Review of the Interface between Education and Training* and the development of a model for shared services in the TAFE Sector. The College continued to conduct research into reasons for student attrition. This research is very relevant to the Government's policy direction of increasing the numbers of 15 to 19 year olds in the education and training systems.

I would like to acknowledge the dedication and professional approach taken by staff and management in all areas of the College. The successful performance of the College in 2002 is directly attributable to their commitment and expertise and I thank them all for their continuing contribution to the College.





CENTRAL TAFE: OVERVIEW

Central TAFE is the largest TAFE College in Western Australia, with a history spanning more than 100 years. It provides quality vocational educational and training (VET) to 25,000 students. The College has been a major contributor to the academic development of the broader community, assisting people in becoming job-ready and prepared to meet the challenges of the workplace.

Central TAFE comprises eight sites, including four main campuses within a six-kilometre radius of the Perth central business district. It is a registered training organisation offering over 329 fully accredited award courses within the Australian Qualifications Framework. It delivers over 6 million student curriculum hours, approximately 27% of total government funded training in Western Australia. The training is delivered and supported by 2,000 staff, using property, plant and equipment valued at in excess of \$140 million. Annual revenue is approximately \$85 million, which is derived from Government (75%), student fees (9%) and other business (16%).

Courses delivered at Central TAFE concentrate on the higher end of the VET qualifications – Certificate IV, Diplomas and Advanced Diplomas which fall within four strategic industry groups:

- Arts, Design and Media
- Management and Business
- Science, Technology, Resources and Sustainability
- Community Services and Health

The courses are delivered through five schools:

- School of Art, Design and Media
- School of Health and Community Services
- School of Languages and Communication Studies
- School of Management and Business
- School of Mining, Engineering and Construction

In addition, the College exports training programs to other countries such as China and Hong Kong, supporting the Government’s policy direction of establishing Western Australia as an international education hub. The number of international student enrolments at Central TAFE increased from 863 in 2001 to 1166 in 2002.

In addition to government purchased training, which is Central TAFE’s core business, the College also provides quality fee-for-service training in particular areas of College expertise, where it has identified a market gap, and customised enterprise training to a variety of public and private organisations.

Central TAFE is highly responsive and well connected to industry, its courses are practical and job focused and its method of operation is student-focused and driven by employment outcomes. The College continually strives to enhance the student learning experience.

REPORT ON OPERATIONS



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During 2002, significant work was undertaken towards enhancing an Academic Framework document for Central TAFE.

EDUCATIONAL FOCUS

Central TAFE worked conscientiously to ensure that the Western Australian Government's policies and strategic directions were reflected in the College's 2002 operations. The College consulted widely with Government, the Department of Training, industry and students, as well as undertaking extensive research to take into account fundamental shifts and philosophical changes to meet the requirements of both State and Federal governments.

Central's imperatives during 2002 included:

- Maintenance of registered training organisation (RTO) status by meeting the requirements of the Australian Quality Training Framework (AQTF) Standards (2001).
- Further development of fee-for-service training to meet the needs of the community and industry.

The AQTF replaces the *Australian Recognition Framework*. To comply with the Standards, RTOs must deliver quality training and assessment to students and clients and provide appropriate evidence of

compliance with all Standards to external auditors. Failure to comply with the Standards could result in the removal of RTO status. Central TAFE needed to be successfully validated against the AQTF standards by 1 July 2002 in order to retain registration.

The College developed an *AQTF Management and Continuous Improvement Framework*, which was aligned with Central TAFE's *Strategic Plan 2000 – 2004*, and focused on the retention of RTO status by the College. The aim of the Framework was to expedite the implementation, deployment and evaluation of policies and procedures developed to meet the requirements of the Standards and support Central TAFE's operating environment. Central TAFE established a project team to promote awareness of the AQTF requirements and assist the College to comply with the Standards.

The College successfully maintained its RTO status and is now subject to annual monitoring audits from the Training Accreditation Council with a full validation audit every five years. Central TAFE's RTO status is due for renewal in December 2003.

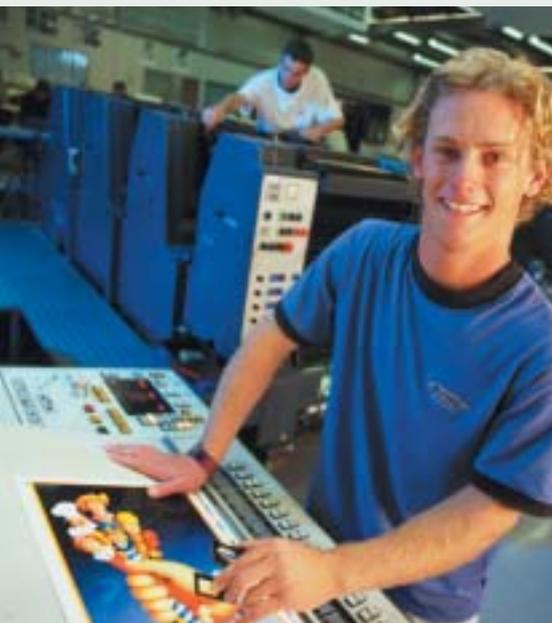
A major initiative in 2002 was the further enhancement of the College's *Academic Framework*. The *Academic Framework* articulates the academic philosophy underpinning core business. This philosophy has been summarised in the phrase "passionate about our students' learning and success" which encapsulates the primary focus of Central TAFE's activities.

During 2002, significant work was undertaken towards enhancing an *Academic Framework* document for Central TAFE. The document was developed with a view to providing staff, students and other stakeholders, with a clear picture of how educational decisions are made through a consultative process, engaging staff with academic expertise across the College. The *Academic Framework* takes into account the formal governance roles and responsibilities required of a State Government agency delivering training products and services to a diverse stakeholder and student base. The context for the Framework also includes consultation with industry bodies, Central TAFE's partners such as the State Curriculum Support Services Network (CSSN),

fee-for-service activities and the professional expertise and input of College academic staff.

The Academic Framework also constitutes a management framework, providing mechanisms to develop educational policy and develop and review work practices, in order to sustain best practice and facilitate effective and efficient service delivery. *Australian Quality Training Framework (AQTF) Standards* are aligned with the Academic Framework, further ensuring ongoing maintenance of the College's *Registered Training Organisation (RTO)* status.

The College has noted the increases in participation in relation to consultations, workshops, and video chats run by JobsCentral.



The College recognises its social responsibility to the community, in particular to provide greater training opportunities to young people and to help their smooth transition into the work force. Consequently, the College developed initiatives in 2002 that were relevant to community development and involvement. The initiatives were closely aligned to Government policies that focus on encouraging young people to stay in an educational environment, greater and more varied job opportunities, assistance with employment and access to better and relevant training opportunities, such as the *Youth at Educational Risk Project*.

Central TAFE has built relationships with Schools through a VET for schools program that aims to increase the potential pathways for young people from school to TAFE. In 2002, 417 high school students participated in VET programs at the College, which again contributes to the Government's Strategy to increase the retention and participation in education and training of 15 – 19 year olds.

The New Apprenticeship Centre at the Leederville Campus of Central TAFE operates under the name of *Central Apprenticeship and Traineeship Services (CATS)*. It is contracted by the Commonwealth Department of Education, Science and Training, to administer Apprenticeship Support Services to new apprentices and industry. Central TAFE also has a Traineeship Unit, which ensures that the College's training products and services meet the requirements of quality VET standards required by the Government, industry and learners.

In 2002, Central TAFE continued to develop its innovative employment service, *JobsCentral*. This program provides job matching services to students. The College has noted the increase in participation in relation to consultations, workshops, and video chats run by *JobsCentral*. The total number of participants for 2002 was 1,834. Job placement services recorded significant increases in the number of employer registrations,

vacancies lodged, student registrations and student referrals to vacancies. During 2002, 130 students were placed in jobs and 172 students placed in work experience.

The College has adopted a flexible approach to training delivery, one that responds to the preferences of the learner. The College recognises that all students are individuals and that understanding their needs is a crucial element in providing an excellent service. The College is empathetic to the differences that exist between individual students. Therefore students can access training, within the five Schools that comprise Central TAFE, through a variety of learning methods that have been developed to provide students with choice. These methods are:

- The traditional method of face to face delivery by lecturers
- Online delivery via the internet
- Flexible delivery, which allows the student to take self-paced learning approach to study
- Off-campus learning which allows a student to study via correspondence

During 2002, 8,076 students accessed Online delivery, Flexible delivery or Off-campus learning.

As a part of the blended flexible learning strategies increasingly favoured by students, Central TAFE, in conjunction with WestOne, offers programs via the community television station – Access 31. The programs allow students, who have other commitments that prevent them from attending conventional classes, to access quality training.

Student satisfaction strongly influences the educational focus of the College, particularly in areas of teaching, learning and assessment. The College builds into its operational planning, continuous improvement actions identified in the Student Satisfaction Survey.

The School of Languages and Communications Studies at Central TAFE provides additional course support to special needs groups.

The support may take the form of an additional lecturer in a class, or a self-paced, “drop in” setup, where students can access help for assignments or other study related queries. Students also have access to the Independent Learning Unit based at the Perth Campus.

The Unit is a course support facility for English as a Second Language (ESL) students who want to extend the number of hours they spend studying English. The Unit is open on weekdays and two evenings a week. A teacher is in attendance at all times to guide and assist students according to their learning needs. The Unit is equipped with a range of learning materials and computers to enable students to study independently.

The *Learning Experience Program* emanated from strategic planning carried out in 2000 and 2001. This planning identified the core capabilities that Central needed to develop to survive and thrive in the future. The *Learning Experience Program* was seen as a critical capability that Central needed to design and build in order to provide services valued by future learners, and to ensure sustainable advantage into the future.

The *Learning Experience Program* consists of two primary streams of project activity. They are: Academic Fundamentals – strengthening the teaching, learning and assessment fundamentals, and Designing the Learning Difference – creating the differentiated, value-adding capability attributes. Central TAFE endeavours to provide the best possible learning experience to its students. The *Learning Experience Program* will focus on creating an inclusive, innovative, highly valued and differentiated capability that will strongly position Central in the future.

Market segmentation research undertaken by Central TAFE sought a better understanding of the segments which comprise its primary market. This would provide the College with an opportunity to defend traditional

STRATEGIC OBJECTIVES

In 2002, Central TAFE focused on the innovation, growth and quality of all College operations. These principles were aligned with the College Strategic Objectives.

The Central TAFE Strategic Plan 2000 - 2004 established four strategic objectives:

- **Expand our client base by:**
 - > **Consistently growing WA Government purchased business**
 - > **Aggressively growing business from other sectors**
- **Enhance the College’s people advantage; its culture and workforce skills**
- **Strengthen the College’s financial position in order to establish reserves and to reinvest training delivery and support services**
- **Become 21st Century competent in the application of technology to achieve the College’s Vision.**

Central TAFE has very clear directions, well-defined objectives, initiatives and projects scoped to achieve the objectives and appropriate key performance measures in order to track performance. Achieving the strategic objectives will enable the College to realise its vision of being recognised as an innovative, creative and sought after deliverer of vocational education and training solutions locally, nationally and internationally.



segments better and to identify and pursue attractive new ones. The report, based on student motivations, presented a new approach to student segments and provided an opportunity to view the range of student motivations for education and training.

The project will allow the College to be more targeted in the marketing of its educational programs, which will result in a more effective use of the marketing budget. Previously, the College has approached the VET market as a single homogenous sector.

OBJECTIVE ONE: EXPAND THE CLIENT BASE

Central TAFE recognises that in order to achieve the strategic objective of expanding its client base, it is essential for it to encourage and nurture an operating culture that is learner focused and to be proactive in identifying and understanding client needs. This culture enables the College to anticipate the emerging needs of targeted groups and to respond to them by developing and delivering specific training programs.

Central TAFE continues to identify and research new industry areas and emerging industries for potential expansion of products and services. This has led to Central developing significant initiatives in sustainability, science and bio-technology, complementary health and renewable energy with the intention of building new mainstream courses. The initiatives support and enhance current Government priorities.



The 2002 College delivery profile included a significant growth in terms of Government purchased training. The funded profile has grown from 5,860,630 student curriculum hours (SCH) in 2001 to 6,119,548 SCH in 2002, an increase of 4.6%. In 2002, Central achieved 98.8% of the 2002 target.

In 2002, the College accepted 3,854 first preference applications for full time places of study through TAFE Admissions by the closing date of the first round of applications. This figure is 735 more than the 2001 figure and represents 118% of the 2002 target set by the College.

Central TAFE has built expertise in the area of access and equity and has developed a strategy to accommodate the 8% of its student population who are enrolled in access and equity programs. Central, together with internal and external stakeholders, developed an inclusive and relevant *Access and Equity Operational Plan*, in a holistic approach to address relevant issues. The School of Languages and Communication Studies provides several access and equity programs designed to empower its diverse student population to overcome barriers and achieve their life goals.

Indigenous People

The launch of Central TAFE's Aboriginal Strategy as part of the College's successful National Aboriginal and Islander Day of Commemoration Week celebrations was well received. The Nyoongar Kadadjiny Kulark Kart Centre is based at the Leederville campus and caters for Indigenous Australians. In addition, the College offers a bridging course in Communication and Computing Skills for Indigenous students. The Centre also offers support and a counselling service for Indigenous students enrolled in any of the above programs or in mainstream courses

Youth at Educational Risk Project

This was an innovative project including the delivery of Certificate II courses at the Youth Headquarters facility, (an organisation established by the Rotary Club of Heirisson and the Town of Vincent with significant support from the Lotteries Commission) in Leederville. Forty five young people, at year 9 level, attended the program one day each week in place of attending school. The students undertook projects in Information Technology, Music, Beauty Therapy and Sport (Skateboarding), which were given youthful names: "CyberSpace", "Vibes", "the Look" and "Get in the Race". A project-based, team-teaching approach resulted in the students seamlessly including generic skills training in their project work.

Central TAFE continues to identify and research new industry areas and emerging industries for potential expansion of products and services.

The results were outstanding, as students attending the program improved their attendance both at the Youth Headquarters and at school.

Central TAFE jointly conducted another program with the Department of Education, targeting students who were identified as being at risk of leaving school without completing year 10. The School of Languages and Communication Studies initiated this project in response to needs identified by the Perth Office of the Department of Education. In order to provide a timely response, the whole project, including initial planning, student recruitment, program development, staff/student orientation, and program delivery took place during term 4, with the bulk of work taking place during November and December.

The positive results have ensured that further programs are being planned for 2003.

People with Disabilities

In the pursuit of World Best Practice, Central TAFE provides a variety of programs and services to people with disabilities. During 2002, the College established that 1,121 of its students classified themselves as students with a disability.

In 2002, the College focused on developing its new *Disability Services Plan*. The first step in this process was to review the current teaching and learning services and undertake research to identify the international best practice in this field. The College released its *Review of Services for Students with a Disability – Teaching and Learning Best Practice Services* in August 2002. The Managing Director and Corporate Executive have supported all recommendations from this review and implementation has commenced. Implementation of the new *Disability Services Plan* will be through integration into the College’s 2003 Operational Planning process.

School of Health and Community Services

In 2002, the School of Health and Community Services compiled *The Complementary Health Care Business*

The Centre developed a *China Strategy* for focussed growth in the China market.



Program 2002 – 2004. The program was designed to enable Central TAFE to position itself as the lead agency in Western Australia to form an industry cluster in this field. The program consists of a number of projects to enable the College to:

- Be the first TAFE College to launch a Centre of Excellence in this field
- Achieve a reputation for excellence and leadership through the development of applied research projects and delivery of nationally accredited programs
- Attract health and allied professionals, educators and members of the wider community to participate in complementary and integrated health care training programs and complementary therapy clinics
- Establish and lead a collaborative industry cluster with local, national and international health services, educational institutions and communities.

International Centre

Central TAFE’s International Centre continued to strengthen the College’s international business relationships. International activity grew by an



impressive 10% during 2002, maintaining the trends of the past three years. International projects focussed on the China market and study tours.

The Centre developed a *China Strategy* for focussed growth in the China market. Several institutional contracts for training delivery in China were signed during 2002 and numerous Chinese Government study tours to Perth were managed successfully by Central TAFE. The College now has relationships with and delivery sites in Beijing, Heifei, Hangzhou and Hong Kong delivering courses that include Animation, eCommerce, English and Workplace Assessment and Training.

An increase in the numbers of students from Africa and Asia occurred, making Central TAFE a more multinational institution in which to study and work. There were approximately 1,000 international student enrolments in mainstream courses in Central TAFE in 2002.

Business Development

Under the management of the Commercial Board the College’s fee-for-service delivery has experienced substantial growth from 808,000

student curriculum hours (SCH) in 2001 to 1,425,000 SCH in 2002, an increase of 75%. This translates into a significant increase in revenue. This outstanding result can be attributed to the College concentrating on increasing fee-for-service in College specific areas of expertise and focusing on customer needs.

During 2002, in line with the Government's *Innovate WA* strategy, Central TAFE continued to develop an *Innovation and Creativity Strategy*.

Subsequently, the College developed an *Applied Research and Development Plan* to drive innovation in delivery, links with industry, and support staff and student development. The College identified science and sustainability, design, visualisation, spatial information, manufacturing and testing, and the application and diffusion of advanced technologies as Central's fields of expertise. The formation of cross functional teams to develop innovative project bids and the acceptance of College staff in current Cooperative Research Centres and centre of excellence project bids was testament to the skills of the staff.

The College obtained two grants under the *Science and Technology*

Innovation Fund, administered by the Department of Training. The projects were to develop an innovative metal spraying technology and to refine applications of ultrasound to hydrometallurgical process. Two projects – *Development of an Ultrasonic Digestor* and *Hydraulic Systems Point-of-Failure Monitoring and Analysis* – funded under a previous round of the *Science and Technology Innovation Fund*, were successfully completed this year. The College obtained funding from the Australian National Training Authority to develop a model for responding to the training needs of emerging industries, focussing on biotechnology. Central was successful in a bid for the nationally funded Cooperative Research Centre (CRC) for Sustainable Resource Processing. Central TAFE is the first Western Australian TAFE College to enter formally into CRC ranks.

The College also successfully delivered training and technology diffusion across Western Australia on behalf of the Australian Cooperative Research Centre for Renewable Energy and the Australian Greenhouse Office.

Central TAFE is a member of the Western Australian Interactive Virtual

Environments Centre (IVEC) which includes the University of Western Australia, Curtin University and CSIRO. IVEC (IVEC@Central) held an *Industry Workshop for Visualisation in the Resource Industry* at Central TAFE in December 2002, with the support of Woodside, Fractal Technologies and AusIndustry. This was the first IVEC seminar in Western Australia targeted at technology diffusion to industry. The Workshop was very well received by industry.

A proposal for Prototype Training Simulators was also submitted to the IVEC Board in 2002, in a successful bid to develop additional IVEC@Central capability with a focus on the VET arena.

Central TAFE, with other TAFE colleges, is part of an Oil and Gas Consortium, working to establish world class training in this field with delivery to major Western Australian and international oil and gas companies. Through collaboration with major companies, the Consortium will develop flexible delivery methods, process systems and training facilities to service the critical skills demand of this rapidly expanding industry.



**OBJECTIVE TWO:
PEOPLE ADVANTAGE –
CULTURE AND WORKFORCE
SKILLS**

Central TAFE recognises that its people are its most valuable resource and its greatest strength. By enhancing its workforce, the College will be able to meet the challenges of the future.

In response to the implementation of the Australian Quality Training Framework (AQTF) Standards and a desire to provide high quality training, Central TAFE implemented a fully funded training program for academic staff to gain the Certificate IV in Workplace Assessment and Training. The Certificate is a portable, nationally recognised qualification. Standard 7 of the AQTF Standards details the

...the Policy will emphasise a 'wellness concept' that encourages staff to adopt a lifestyle to achieve and maintain physical, mental and spiritual wellbeing at home and on the job.



competence that is required of registered training organisation staff – assessment and training activities must be conducted by a person who has all the competencies in the Certificate IV from the Training Package for Assessment and Workplace Training. All permanent, contract and casual staff were given the opportunity to complete required competencies.

In 2002, the Human Resources Branch focused on the recruitment, selection, development and retention of quality staff, organisational wellness, diversity improvement and the enhancement of business processes and systems with a specific focus on technology-based applications.

The Governing Council endorsed a *Diversity Plan* for College employees. This plan provides a framework for achieving three major outcomes in relation to the management of equity and diversity within Central TAFE. These outcomes are:

- Central TAFE values, and has clear management accountability for, equal employment opportunities and diversity. There is an inclusive work environment that is free from sexual and racial harassment or other harassment.
- Workplace policies and practices support the achievement of equity and diversity objectives and are



- free from bias and unlawful discrimination against employees or potential employees.
- Central TAFE has an equitable and diverse workforce profile at all levels, that is suited to business imperatives, consistent with Government policy and legislative frameworks and reflects the client base of the College. Employment programs recognise and include strategies to achieve workforce diversity.

The Organisational Wellness Unit within Central TAFE became operational in January 2002. Initially, the Unit was created to deal with issues of occupational safety and health, workers' compensation, equal opportunity, grievances (including supporting an active Grievance Network), discipline, substandard performance and miscellaneous medical issues affecting staff in their work place.

More recently this Unit has begun developing a *Wellness Policy* for Central TAFE staff. It is anticipated that a cross-functional group from the College will manage this, and that the Policy will emphasise a 'wellness

concept' that encourages staff to adopt a lifestyle to achieve and maintain physical, mental and spiritual wellbeing at home and on the job. This will be achieved through developing a supportive and flexible working environment that attempts to accommodate both organisational and individual needs.

By investing in the *Wellness Plan* the College aims to achieve financial and human resource advantages including lower workers' compensation contributions, reduced absenteeism and turnover, increased performance and productivity, improved employee morale and an enhanced public image.

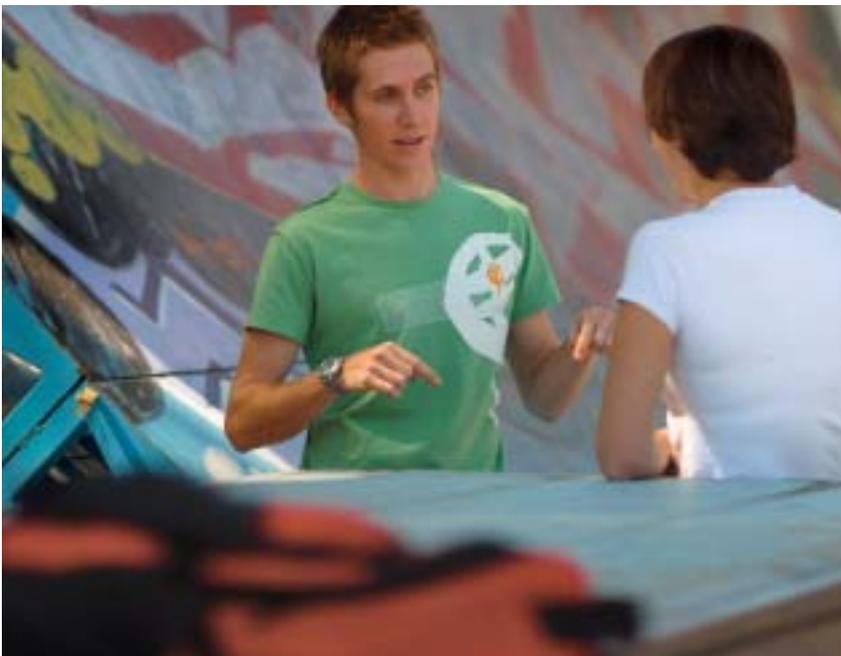
In recognition of TAFE's changing working environment and the College's commitment to quality educational outcomes, management initiated a *Lecturer Workload* project, to conduct a high level assessment of lecturer workloads to determine a position that would address issues relating to workloads, staff satisfaction and quality. The role of the project team was to consult lecturers to identify the work related issues that are important to them and to give the College more specific information about these issues. Thirty seven percent of lecturing staff responded by either attending forums or completing a questionnaire.

A Peak Group and an Operational Group consisting predominantly of lecturing staff will be established early in 2003 to address the issues raised. The philosophy that will be adopted by the Peak and Operational Groups is to empower experts in the academic areas to find solutions to the diverse training requirements of Central TAFE's students. Each academic division will have a dedicated full time resource to work with them to implement the solutions across the schools.

In 2002, Central TAFE also formed a Strategic Employee Relations Peak Group Consultative Committee. Membership consists of the Managing Director, General Manager Science, Technology, the Arts and Business Development, General Manager Management, Business and Customer Service, Director of Human Resources, staff delegates and union representatives who rotate on a regular basis. The aim of the Consultative Committee is to "provide a strategic forum for workplace relations to be fostered and discussed with the view to increase College consultation with lecturing staff". The desired outcomes are to achieve greater understanding of all issues affecting management and lecturing staff and open up a communication channel for frank discussions on academic issues.

The College has a long history of providing quality training programs and services to the Western Australian community and to industry. To continue this, and achieve the College Vision, Central relies on the expertise, commitment and professionalism of its workforce. The *Staff Code of Conduct* and *College Charter* details Central's expectations of staff and what staff can expect from the College. The Code was reviewed during 2002 in a consultative process with representation from across the College. Copies of the Code and the Charter were provided to all staff members.

The College has a long history of providing quality training programs and services to the Western Australian community and to industry.





**OBJECTIVE THREE:
STRENGTHENING OF
FINANCIAL POSITION**

Financial operating results for the year ending 31 December 2002, show that the College has had a very successful year. A combination of additional revenues and reduced expenditure has contributed to this better than expected operating result. In addition, the College had an encouraging cash position at year end.

The College is committed to ensuring that it has the capacity to invest in its future direction

Overall, the College has completed a successful financial year posting a surplus of \$477,910 for 2002 as compared with a loss of \$2,245,887 in 2001. This improved result is attributed to growth in revenues, particularly with fee-for-service, grants, Government purchased training and continued productivity improvements. The College finished the year with cash totalling \$7,142,447, which is \$802,391 more than in 2001. The ratio of current assets when compared with current liabilities has increased from 0.84:1.0 in 2001 to 1.02:1.0 in 2002. This ratio indicates that the College is in a sound financial position and meets the prudential standards established for TAFE Colleges.

The College is committed to ensuring that it has the capacity to invest in its future direction and to maintain a level of strategic cash reserves. Strategies implemented to improve the College's

financial position aim at continuing to increase its fee-for-service activity and improve productivity. The implementation of technological solutions through the Online Strategy has enabled the College to reduce transaction costs and improve customer service.

In 2000/2001, Central TAFE carried out a Functional Review to examine the College's business processes and activities. The Review identified a number of cost saving measures and business improvement opportunities. Since then, the TAFE Review (a whole of sector review by the Government) has been finalised with a number of outcomes that affect the College. The major impact relates to the development and implementation of sector-wide shared support services and the requirement for internal support services to deliver major savings. In addition, the College itself has identified a need to become more customer focussed both externally and internally, in order to provide a more comprehensive and consistent educational service to its students.

During 2002, \$1.4million was invested in strategic initiatives such as the Australian Quality Training Framework project, flexible delivery and skills recognition projects, staff development programs and business development projects.

The College has undertaken an *Infrastructure Planning Study* to develop a range of viable project options and a draft Implementation Plan to meet the short to long term infrastructure needs of the College in line with its vision, business needs and strategic objectives. The Study aims to consolidate College sites and training program delivery, therefore providing a holistic approach to College student services and improving educational outcomes and operational efficiencies.

The projects identified in the *Infrastructure Planning Study* have been prioritised and costed to determine a short and long term plan to achieve the required objectives and obtain best value-for-money outcomes. During 2002/2003, Central TAFE has

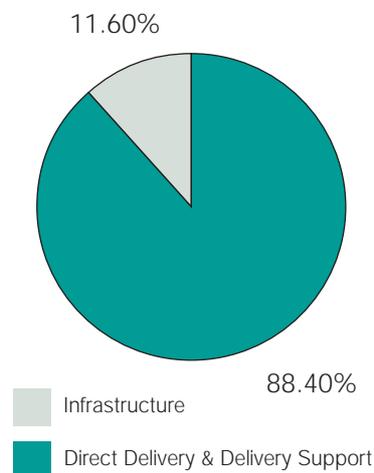
proceeded with a number of relocation projects involving a variety of program areas and other College functions.

The College recognises the major part that it can play in contributing to a sustainable future for Western Australia through the adoption of "best practice" within its own facility operations. The College has a comprehensive energy management and conservation project that has been developed over many years and has been successful in winning a number of awards. Central TAFE is committed to playing a leadership role in environmental best practice by ensuring that its operations and activities are environmentally and financially sustainable and compliant with all relevant legislative requirements.

In 2002, Central TAFE continued to concentrate on energy efficiency to reduce costs to the College and to support and protect the environment. Particular emphasis was placed on reducing energy consumption and waste output and maximising resource use to enhance operational and financial management. Energy efficiency has now been linked by Central TAFE to the broader agenda of sustainability, so that the College can assist in addressing the problems facing Western Australia and its communities.

Central is conscious of ensuring that its overall investment predominantly supports training delivery. The graph below illustrates that 88.4% of Central's salary expenditure is directed to provide educational services to students.

Total Salary Expenditure 2002



OBJECTIVE FOUR: 21ST CENTURY COMPETENT

Central TAFE continued its commitment to 21st century competency through the increased adoption of online technologies. The College is committed to using information technology as a tool to improve educational capability and enhance education and administrative support required for optimal service levels to the student population. The already strong links with WestOne and other TAFE colleges, were also enhanced, thus meeting the Government's desire for a cooperative approach to developing a holistic training system.



To meet goals set by Central TAFE's Strategic Plan, an *Online Strategy* was implemented to assist internal and external clients to gain immediate access to accurate and timely information. In 2002, the *Online Strategy* continued in a conservative but innovative manner. As a part of this strategy, Central implemented systems to allow 125,000 current and former students to have online access to their personal details, results, a variety of electronic services and password change facilities for network accounts. The systems will facilitate transformation of the organisation to make the College more accessible to its students and the community.

In line with the Online Strategy, Central TAFE is extending the methods of contemporary communication used to inform and obtain feedback from the public about its products and services. Such methods include the upgrade of the College website to a Student Portal and the use of email, short message service and the advanced telecommunication capabilities of the Call Centre for marketing purposes. Examples of Central TAFE's Online initiatives are as follows:

- **Products & Services Catalogue (PSC)**

The PSC provides a repository for all Central TAFE's products and services, including qualifications and courses, modules of competency, and associated learning materials. Students and potential students can access information about the College through the Internet.

- **Student Portal**

During 2002, Central was the pilot site for the Student and Corporate Portal. The Portal is now used as the primary marketing tool for the College and customer feedback regarding the Portal, has been very positive. Students are now able to access results from the Student Portal. Visitors to the website have increased by at least 50% as a result of the quality of information available. The total number of unique visitors to the website for 2002 was 171,389, which substantially exceeded the 2002 target of 115,000 unique visitors.

- **e-Learning**

Central TAFE offers a number of courses in an online environment. During 2002, approximately 100 courses were offered with an online component. These components are self-paced and self-contained online, and all have full lecturer support.

The College commenced a formal *Commercial eLearning Strategy* in 2002, targeting single subscriber students seeking vendor specific information technology and other

eLearning training and providing corporate and agency eLearning solutions. A project to develop online learning modules for the Small Business Development Corporation was initiated. The first module of the project *eStart* was launched in 2002 with media coverage and Ministerial attendance. Further modules have been commissioned including *eTrade and eMarketing*. The eLearning approach for this project has been one of simplicity, clarity and interactivity.

- **Short Message Service**

The College also piloted the use of Short Message Service (SMS) marketing and targeted personalised emails for promotional purposes.

- **Marketing via the Call Centre**

The College conducted several marketing campaigns via the Call Centre, which involved targeting specific customer groups from the Call Centre database for mail out of course supplements and full-time applications

- **Corporate Information Systems**

The College implemented the Financial Management Information System, Human Resources Empower (the Human Resources database) and the Electronic Document Management System to enhance administrative support and improve efficiencies.

The College is committed to using information technology as a tool to improve educational capability and enhance education and administrative support



VET STUDENT OF THE YEAR AWARD

- Winner of the Vocational Student of the Year Award and representative for Western Australia at the National Awards in Sydney – **Leanne Edwards**

PHOTOGRAPHY

- National Ilford Photographic Award – **Helena Taylor & Robin Telfa**
- 1st place, year 3 category National Tertiary Students Photographic Competition – **Helena Taylor**
- 2nd place, year 3 category National Tertiary Students Photographic Competition – **Robin Telfa**
- 3rd place, year 1 category National Tertiary Students Photographic Competition – **Anthony Urbini**

DESIGN FOR INDUSTRY

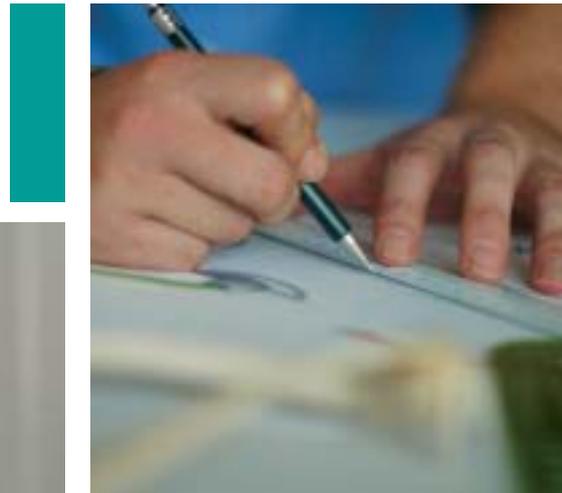
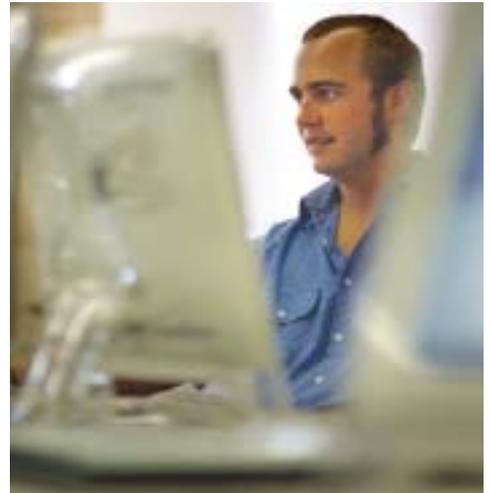
- Winner of the 2002 Training Excellence Awards trophy Design Competition, including responsibility for the manufacturing process – **Eugen Orel-Hughes**
- 1st prize in the National Packaging Awards – for the Design of a drip-less, stacking paint packaging system – **Shane Janicki**

TRAVEL & TOURISM

- Winner of the Brian Philippson Scholarship (Industry Award) – **Leanne Edwards**

CIVIL & STRUCTURAL ENGINEERING

- Finalist for the Vocational Student of the Year Awards – **Andre-Phillippe Aerts**



CORPORATE GOVERNANCE AND COMPLIANCE REQUIREMENTS



3

SECTION THREE

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Corporate Governance and Compliance Requirements

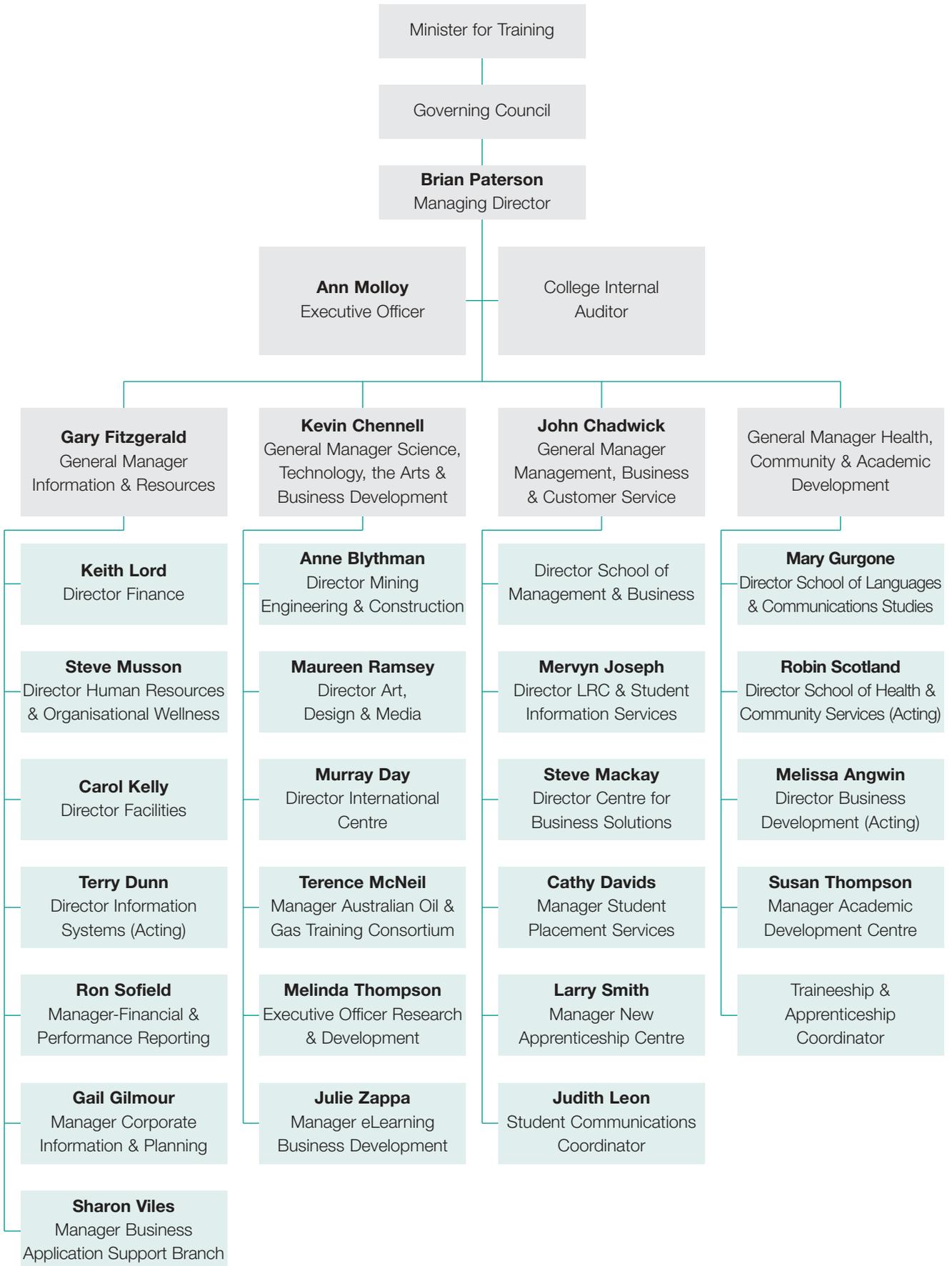
Central TAFE embraced the principles of corporate governance in alignment with the *Corporate Guidelines for Western Australian Public Sector Chief Executive Officers* to achieve the following outcomes:

- Effective resource management
- Effective delivery of public services
- Compliance with the varied requirements as a statutory authority
- Provision of the required level of information to the Minister for Training.

Central TAFE embraced the principles of corporate governance to achieve the following outcomes...



COLLEGE STRUCTURE



ACCOUNTABLE AUTHORITY

Under the *Vocational Education and Training Act 1996*, Central TAFE is a statutory authority responsible to the Minister for Training. The College has the legislative authority to implement components of its strategic and operational plans. The accountable authority is the Governing Council, chaired by the Hon Mal Bryce AO. Central TAFE's Governing Council convened quarterly to review and discuss business compliance, performance and related issues. The Finance and Audit Subcommittee held monthly meetings. During 2002, two additional subcommittees were established to enable Council members to have a closer involvement in the strategic direction of the College. These were the Process and Innovation Subcommittee and the Customer Focus and Support Subcommittee.

GOVERNING COUNCIL

The Governing Council comprises a chairperson, a deputy chairperson and up to ten members appointed by the Minister, plus the Managing Director.

The members of the Council in 2002 are:



Hon Mal Bryce AO

Appointed Chair of Council from 26 March 2001 until 31 December 2003. He is an eCommerce pioneer and architect

of Australia's first online community. He was Deputy Premier of Western Australia during the 1980s, and has been a company director, corporate manager and senior consultant. Currently, he is a Senior Associate of The Australian Centre for Innovation and International Competitiveness in Sydney and an Adjunct Professor at Edith Cowan University.



Dr Debra Rosser

was appointed to Council on 1 January 2000 until 31 December 2002. On 13 May 2002 she was appointed

Deputy Chair until 30 April 2005. She is part owner of Blair Fox Generation Western Australia, a company that develops renewable energy (biomass) power stations in Australia. She has worked extensively with WA industry as an industrial sociologist developing and implementing strategies to match organisational performance with desired social and business outcomes.



Adjunct Professor Mike Grant

was appointed to Council with effect from 1 January 1998, was re-appointed from 1 January 2000

until 31 December 2001 and from 13 May 2002 until 30 June 2003. He is an Executive Director of the Avanti Group. He was formerly Chief Executive of Imago Multimedia Centre Ltd. and head of the Division of Media Services at Edith Cowan University.



Ms Sharon Brown

was the '1999 Telstra Business Woman of the Year' in Western Australia, and is employed as the Strategic Business

Manager for Solution 6 AlphaWest. She was appointed on 1 January 2000 and resigned on 10 June 2002.



Ms Glenda Martinick

was appointed to Council from 26 March 2001 until 31 December 2003. She is a director of an

environmental consulting group and is an IT consultant. Her experience includes information technology, business improvement and service level management with extensive expertise in information technology management and reviews.



Mr Stewart Key

was appointed to Council with effect from 1 January 1998 and re-appointed from 1 January 2000 to 31 December

2001 and from 13 May 2002 until 30 June 2003. He is Principal Consultant at Management Consulting Australia. His experience includes business and market planning, strategic research, capital raising and the implementation of the Balanced Scorecard Approach to business development and growth.



Mrs Nerina Coopes

was appointed to Council with effect from 1 January 2000 until 31 December 2002.

As Executive Director

of the Women's Economic Development Organisation and Business Development and Marketing Manager for Perth IteC, Mrs Coopes has promoted innovative approaches to VET for Schools and Youth in Enterprise initiatives.



Ms Joanna Robertson

was appointed to Council with effect from 1 January 2000 for a three-year term.

She has a degree in

Fine Art from Dublin; has exhibited in over 50 exhibitions worldwide (Ireland, USA and Australia) and founded and currently operates three arts related businesses. Ms Robertson resigned on 4 February 2002.



Mr Graeme Wallis

was appointed to Council on 1 January 2000 until December 2002. He is the Managing Director of Wallis Drilling, a

family-owned company employing 150 people that services the mining industry. His experience ranges from the management of a

coffee plantation in Papua New Guinea to the finance and banking sectors in Australia, specialising in marketing, credit control and management.



Dr Yit-Seng Yow was appointed to Council with effect from 1 January 1998, re-appointed from 1 January 2000 until 31 December 2001

and from 13 May 2002 until 30 June 2003. He is a leading member of Perth's Chinese Community. Dr Yow's experience in marketing Australian technology and products internationally has been an invaluable asset to the Council. His knowledge of China and other Asian countries has aided Central TAFE to build strong relationships in this area.



Ms Toni Aslett was appointed to Council from 13 May 2002 until 30 April 2005. She has previously worked in executive positions as a

Director for Allied Health Services (Austin Hospital) and Ambulatory and Allied Health Services (Austin and Repatriation Medical Centre). At present Ms Aslett is the Director of Care Services at Brightwater Care Group.



Mr Noel Bridge was appointed to Council from 13 May 2002 until 30 April 2005. Mr Bridge is the Managing Director and Principal

Consultant of First Acuity Management Enterprises Pty Ltd, a consulting company focussed on business development, strategic planning, and community economic development projects. Mr Bridge has over 17 years experience involving accounting and financial services, mining industry, telecommunications, rural and Indigenous economic development. Mr Bridge is a member of the

Telstra Countrywide Advisory Board and is a Fellow of the Australian Institute of Company Directors.



Mr John Burns, a Central TAFE lecturer, was appointed to Council from 13 May 2002 until 30 April 2005 as a representative of the

Australian Education Union.

Central TAFE's Managing Director, **Mr Brian Paterson**, is a member of the Council by virtue of his position.

Central TAFE recognises that the key to success is satisfying the various needs of its customers.

MINISTERIAL REPORTING

The College conformed with the reporting requirements of statutory authorities stated in the *Financial Administrative and Audit Act 1985* and in *Treasurer's Instructions*. Annual Reports were provided to the Minister for Training and the Office of the Auditor General for audit within the required timeframe.

The College responded promptly to ministerial queries and parliamentary questions. In 2002, the College provided 29 Ministerial Briefings and 52 Ministerial responses as well as responding to 13 Parliamentary Questions relevant to operational objectives, investment or financing activities.

EVALUATION OF PROGRAMS

Under the *Vocational Education and Training Act 1996*, Central TAFE has:

- Managed its resources in accordance with the Delivery and Performance Agreement entered into with the Department of Training
- Prepared a 2002 College Training Profile and budget for the approval of the Minister for Training
- Conducted student, staff, organisational health and employer satisfaction surveys to ensure the quality of its programs meet stakeholder requirements.

REPORTS ON CUSTOMER OUTCOMES

CUSTOMER FOCUS

Central TAFE recognises that the key to success is satisfying the various needs of its customers. It is the College's customers who define satisfactory levels of service. Therefore, the College aims to provide consistently high levels of customer satisfaction. Central TAFE's customers are clearly identified in all strategic and operational planning processes. The College strives to maintain high educational and customer service standards across all schools and campuses. To assist with this, the College has in place processes for customer complaints, suggestions for improvement, grievance resolutions procedures for students, staff and other interested parties and a *Student Code of Conduct and Customer Charter*

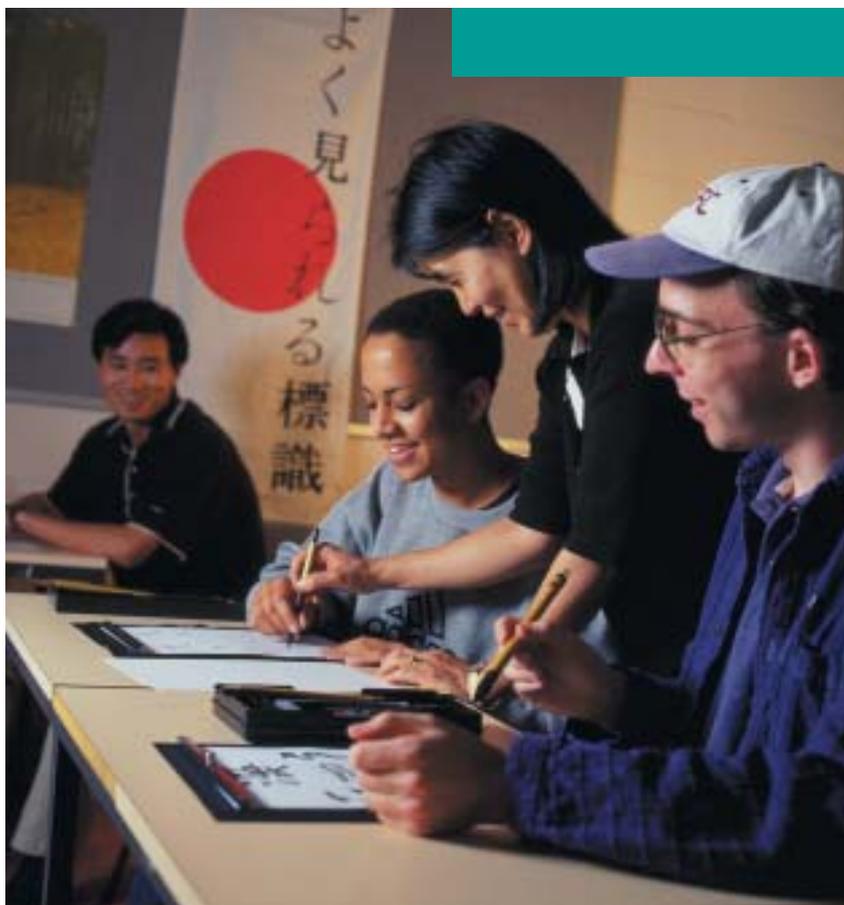
In 2002, Central TAFE's *Student Code of Conduct* was reviewed. The Charter of Customer Service was added to the Code of Conduct. The Customer Charter sets out the service standards that Central TAFE's customers can expect. The standards have been based upon the Australian Quality Training Framework and the College's values. The *Student Code of Conduct* provides advice about how students are expected to behave and has been based on the College's values, general good manners and courtesy, *Central TAFE's Bylaws 1997* and other legislation. A draft of the Central TAFE *Student Code of Conduct* and *Customer Charter* was available for student comment via the Central TAFE

Student Portal (website) for a two month period. It has been published on the Student Portal and in the 2003 Student Diary Supplement.

In 2002, the College revised its complaints handling process to ensure that all complaints received by College staff are recorded, dealt with in a fair, just and timely manner and that all customer complainants are kept informed of the progress of their complaint. To assist this process the College developed an online customer complaints form for staff to complete. This form is electronically sent to the Customer Complaints Officer. The College views all customer complaints as an opportunity for improvement and thus treats each complaint with a consistent approach. During 2002, 185 complaints were lodged and processed.

JOBSCENTRAL

Central TAFE recognises the value of an employment service and has made one available to all its students and graduates, through 'JobsCentral'.



Job Placement Statistics for 2002

| Number of employers registered | Number of vacancies lodged | Number of students registered | Number of student referrals to vacancies | Number of placements |
|--------------------------------|----------------------------|-------------------------------|--|----------------------|
| 369 | 460 | 838 | 784 | 130 |

STUDENT SURVEY

In 2002, Central TAFE took the decision to suspend and review the content of the *Annual Student Satisfaction Survey of Internal Services*, and refer, instead, to the statewide *Department of Training Student Satisfaction Survey* in order to measure student perception of College performance. This survey has been refocused in an effort to improve College performance. The results were analysed and critical areas and groups identified to address crucial factors impacting on performance. Central TAFE achieved an overall satisfaction rating of 81% in the *Department of Training Student Satisfaction Survey* for 2002.

STUDENT CUSTOMER SERVICE COUNCIL

The Student Council for 2002 comprised five students from across the College, the Manager Customer Services and a Customer Services Officer. They met once per term. Students were given the opportunity to provide feedback on College operations through Council members. The Council gave members the experience of a formal meeting environment, which included chairing the meetings.

COLLEGE CUSTOMER SERVICES AVAILABLE FOR STUDENTS ARE:

- Learning Resource Centres
- Gymnasium (Perth)
- Bookshops
- Canteens

- Information Centres
- Customer Contact Centre (formerly the Call Centre)
- Student Council
- Child Care Centre (Perth)
- Disability Services Officer
- Aboriginal Services Officers
- Pastoral Care (Chaplain)
- College Counsellor/Psychologist
- International Student Coordinators and Counsellor
- International Student Mentors
- Graduate and Student Employment Service (JobsCentral)
- Art Exhibition Space
- Security Officers
- Prayer Room

DISABILITY SERVICE PLAN OUTCOMES

Central TAFE had a significant year in relation to disability services as the College reviewed its performance and plans for the future. After the Ministerial launch of *Central Access and Equity Strategy (2002-2004)*, specific plans for the disability area were developed.

State estimates show that the number of students with a disability accessing Central TAFE training will increase from a base of 1,121 students in 2002 to 1,424 students by 2007. Within this group, the number of students with 'high support needs' is increasing rapidly. To address this Government priority during 2002, Central TAFE focused on developing its new *Disability Services Plan*. The first step in this process was to review the current teaching and learning services. Subsequently, the College released its *Review of Services for Students with a Disability – Teaching and Learning Best*

Services for students with a disability will undergo a major change in focus.

Practice Services in August 2002. All recommendations from the Review were supported. Implementation of the new *Disability Services Plan* will be through integration into the College's 2003 operational planning process.

Services for students with a disability will undergo a major change in focus. The move from the existing dependent and costly 'support' model to an empowering and strategically 'inclusive' model, will promote the responsibility of all College employees to deliver training services to cater for all students. The new inclusive model recognises barriers at their source and benefits all students, lecturers and staff. The College will also lobby to ensure that the new Certificate IV curriculum adequately addresses the professional development needs of lecturers in this area.

The new Central TAFE *Disability Services Plan* will take effect from 2003 and includes strategies that will operationalise the 'inclusive' model for best practice in teaching and learning for all students.

Central TAFE continues to offer quality Access courses to students with an intellectual disability. Central TAFE lecturers have gained national recognition for their outstanding achievements with curriculum in this

field. Specific areas of success for the Access courses include:

- Close liaison with employers and community groups for student work experience
- Pathways into horticulture, retail and warehousing industries which are areas of employment for people with mild intellectual disability
- Effective School to Work Programs for high school students with a disability who attend Access programs for two days each week
- Delivery of the Certificate IV of AUSLAN Teaching to deaf students
- Delivery of the customized course of Certificate of General Education for Adults (Hearing Impaired) to deaf and hard of hearing students
- The Liberated Learning Project which focuses on the use of voice recognition software as a teaching tool for both mainstream and special needs groups.

Based on the Functional Review and in line with Government direction, Central TAFE is committed to a significant investment in adaptive technology. The investment will be managed over seven years and aims to equip every campus with the best teaching and learning technology from around the world for students with a disability.



As Central TAFE’s teaching and learning environment becomes more ‘inclusive’, the Disability Services Unit of Central TAFE will start to shift its focus to the training needs of the “high support” disability students.

The College has continued its audit program to improve physical access to the College. It has also continued to purchase adaptive technologies to meet the needs of individual students with a disability as they are identified.

CULTURAL DIVERSITY AND LANGUAGE SERVICES OUTCOMES

Central has continued its journey towards implementation of the *Access and Equity Strategic Vision 2001-2004*, by developing an Operational Plan.

Hallmarks of the Operational Plan are:

- Involvement of State and national leaders in multicultural and youth issues
- Consultation with staff, students, industry and community in the planning process
- Research into strategies used by other education and training organisations nationally and internationally
- Integration of the *Access and Equity Plan* into the College planning processes
- Cohesion with key Human Resources strategies such as Central’s *Diversity Plan*

In 2002, an Access and Equity Advisory Board was established, chaired by Mrs Nerina Coopes, a Governing Council member. Members included high level representatives from local government, Ethnic Communities Council and the Aboriginal and Torres Strait Island Commission. The Board stimulates a leading edge approach to the planning and implementation of Access and Equity issues.

The College has been recognised for its leadership in Access and Participation Programs by the Department of Training and has subsequently been allocated the Access and Participation Curriculum area. The Director of the School of Languages and Communication Studies was

nominated by representatives from across the TAFE sector to chair the *State Access and Participation Industry Advisory Group*. The Advisory group led a State Wide Symposium on Access and Equity Programs in a Training Package Environment.

Cultural Diversity training for lecturers throughout the College has resulted in a raised awareness of the needs of Central’s diverse student population.

Participation Rates

| Student Participation Rates: (expressed as % of enrolments) | 2000 | 2001 | 2002 |
|---|-------|-------|--------|
| Female | 54.4% | 53.2% | 52.87% |
| Aboriginal and Torres Strait Islander (ATSI) | 0.6% | 0.7% | 0.53% |
| Disabled | 3.3% | 3.0% | 4.37% |
| English as a Second Language (ESL) | 10.6% | 10.9% | 7.6% |

YOUTH OUTCOMES

The goal of the Government’s new plan *Young People, 2000-2003* is to give young people aged between 14 and 25 opportunities to develop the skills, knowledge and confidence they need for employment, independent living and adult life. The College’s programs and policies specifically targeted at this group include:

CAREER CHOICES EXPO

More than 12,000 high school students representing over 100 schools attended the Careers Expo in August 2002. The Expo was a valuable opportunity for Central TAFE to target young people, particularly school leavers who comprise a significant portion of Central’s enrolments.

YOUTH HEADQUARTERS – LEEDERVILLE

Central TAFE has conducted a number of leading edge programs for youth in the non-institutional setting provided by Youth Headquarters including:

- A collaborative project with the Department of Training for Aboriginal youth at risk supported by Aboriginal lecturers as mentors.
- Art and Information Technology Courses for Aboriginal youth.

- Horticulture Programs for youth with a mild intellectual disability.

The College representative on the Youth Headquarters Board, the Director of the School of Languages and Communication Studies, ensured the two-way communication between the youth and relevant programs at Central TAFE. The result was a number of projects being funded to be conducted at Youth Headquarters, including programs for the high school students identified as at risk of dropping out of school. The non-institutional setting was integral to the success of the program at increasing student attendance and completion rates.

BUILDING DIVERSITY FOR YOUTH

The continuing focus on youth from diverse backgrounds has resulted in significant outcomes for Central TAFE’s young people. Innovative programs for youth included:

- VET for Schools for high school students, who were identified as at risk of dropping out, resulted in improved retention and attendance rates for the 45 students who participated in the program. The program was a project using



team-based teaching to integrate literacy and generic skills into the delivery of Certificate 2 courses in Sport and Recreation (using skateboarding projects), Information Technology, Music and Beauty Therapy. The course was conducted at Youth Headquarters in a non-institutional setting.

- Counselling support for Youth at Risk attending Central TAFE courses in the Certificate of General Education for Adults, which resulted in reduced incident reports from lecturers of the program and increased retention and satisfaction of students
- Hands on skills training for Aboriginal youths in the Carpentry area is addressing the need for Aboriginal young men to develop skills, while renovating a historically significant cottage at Robertson Park for the Town of Vincent. This follows another successful project of the same type undertaken in the previous year.

INDUSTRY LINKAGES

At Central, the academic framework is underpinned by Industry Advisory Boards and Curriculum Advisory Groups. These linkages allow academic areas to keep abreast of all issues affecting youth.

PUBLICATIONS

Central TAFE produced a range of publications to satisfy compliance, stakeholder and potential customer requirements. Copies of publications and all corporate documents are available on line at Central's Home Page www.central.wa.edu.au or by contacting the Customer Contact Centre on 1300 300 822. Examples are as follows:

College Publications

Student Communications:

- Course information including Flexible Learning and Skills Recognition
- Course Lists
- Course Information Brochures
- College and School Brochures
- College Diary – including by laws and student code of conduct
- Website – comprehensive list of College, course and module information
- Frequently Asked Questions Booklets for Parents/Guardians
- Various Promotional brochures, posters and advertisements

Learning Resource Centre (LRC):

- Referencing Guide: Using the Harvard Referencing System
- Your Guide to the LRC
- Learning Resource Centre Services to Staff
- Self Paced Orientation to the Learning Resource Centre
- Self Paced Introduction to the LRC Catalogue
- Self Paced Guide to the World Wide Web
- Self Paced Guide to Creating an Email Account

Corporate Information and Planning:

- College Annual Report
- Business Performance Review Quarterly Reports
- A Guide to "Surviving" the AQTF at Central TAFE
- AQTF Implementation Kit
- AQTF Response to Audit (RTO Action Sheet)

Teaching and Learning Centre:

- Skills Recognition Information Booklet (updated version)
- Teaching and Learning Centre Booklet (now due for update following change of name and structure)
- Numerous learning guides and texts – published through WestOne by the Product Sales and Information Officer on behalf of program areas
- Flexible/E Learning Support Materials, including "Small Steps in Cyberspace"
- Program of Professional Development for Lecturers
- Off-campus course lists
- Off-campus information brochures

Human Resources:

- Brochures and pamphlets on Human Resource and Occupational Safety and Health issues and Equal Opportunities issues
- Recruitment documentation
- Staff Training Pamphlets and Staff Training Calendar
- Staff Code of Conduct

FREEDOM OF INFORMATION (FOI)

The College complies with the requirements of the *Freedom of Information Act 1992*.

The College's *Information Statement* details College functions, categories of documents held by the College and arrangements for public access to these documents, including any associated fees. An FOI application may be required when obtaining personal records, to amend personal information (no fee involved) and to obtain records about Central TAFE's business. Central TAFE has a nominated FOI Coordinator in Records and Intellectual Property to assist with FOI requests and access to documents. Three Freedom of Information requests were received and two processed in 2002.



The total quantity of paper collected from the College for re-cycling purposes at present equates to approximately 120,000 litres annually.

ASSETS AND LIABILITIES

The College is committed to effective and efficient management and custodianship of College assets and desirable items/equipment in accordance with Management System Procedures. This includes management of asset registration, disposal/transfer and stocktakes.

ENVIRONMENTAL SUSTAINABILITY

Central TAFE is concerned about achieving and demonstrating sound environmental performance through controlling the impact of its activities, products and services on the environment. As a major industry training provider, Central TAFE also plays a leading role in training the 'environmental champions of the future' who can take the knowledge they gain at Central into the workforce.

To emphasise its commitment to the environment and the sustainability of resources, the College is a member of the WA TAFE Network Environmental Sustainability Framework. The College has signed a declaration, with other TAFE colleges, to "...seek to provide leadership and direction with regard to the environmental management and sustainable development of all activities undertaken by our respective

organisations". WA TAFE Network Environmental Sustainability Framework has "commissioned the development of a Quality Framework to provide guidance to WA TAFE colleges that will enable proper management of their environmental impact."

• ENVIRONMENTAL MANAGEMENT

During 2002 Central TAFE developed an *Environmental Management System* to guide the *institutional transformation* that will be required for all aspects of Central's activities including teaching, research and its operational activities. An effective *Environmental Management System* will allow Central to reduce waste and greenhouse gas emissions, make more efficient use of resources, cut the cost of inputs and ultimately improve Central's 'bottom line'.

• WASTE PAPER RECYCLING

Central TAFE has paper-recycling bins situated at the e-Central, Perth and Wembley campuses. The College's Print Cell, located at WestOne, has its own paper re-cycling bin. The total quantity of paper collected from the College for re-cycling purposes at present equates to approximately 120,000 litres annually.

• ENERGY MANAGEMENT

The State Government has introduced an Energy Smart policy initiative for all government agencies. The policy requires all agencies to reduce their total energy consumption by 12% over 5 years – with a 5% reduction targeted for the 2002/2003 financial year. Agencies must also report annually to the Sustainable Energy Development Office.

HUMAN RESOURCES ENHANCEMENT OF THE COLLEGE RECRUITMENT PROCESS

Central TAFE aims to attract the best possible field of eligible applicants to compete for all vacant positions within the College. The College has adopted an innovative, consultative approach to recruitment to ensure that the best applicants are appointed to Central TAFE. The model involves identifying and using the most suitable methods of recruitment by acknowledging the specific requirements of each vacancy.

During 2002, appointment pools for vacant lecturing positions were advertised to fill vacancies arising within the next 12 months. The benefits of these appointment pools are anticipated to include a reduction in the costs associated with advertising, recruitment and selection, and having a readily available pool of qualified applicants to appoint to vacant positions as they arise. For applicants, appointment pools will make the application process easier, making Central TAFE a more attractive potential employer.

Full Time Equivalent (FTE) staff employed by Central TAFE – Permanent, Contract and Casual Staff

| | 2000 | 2001 | 2002 |
|--|--------|--------|--------|
| Average FTE for Calendar Year | 836.83 | 864.76 | 855.49 |
| Academic (Direct Delivery) | 53.5% | 53.1% | 54% |
| Academic Support & Academic Services (Including Commercial Activities) | 31.7% | 33.3% | 31.7% |
| Corporate Services | 10.4% | 9.5% | 10.6% |
| Casual Support (Non Delivery) | 4.4% | 4.1% | 3.7% |



frameworks. Employment programs recognise and include strategies to achieve workforce diversity.

The plan incorporates two components:

- Achieving competitive advantage through the strategic management of a diverse workforce,
- Meeting set targets and obligations identified in the State Government's *Equity and Diversity Plan 2001 – 2005* to improve the diversity of the WA State Public Sector.

Central TAFE is committed to creating a workforce that achieves the outcomes and targets stated in this Plan. Specific targets for the diversity profile of the Central TAFE workforce have been established with priority equity groups of Indigenous Australians, people with disabilities and youth (under the age of 25 years) being identified. The target performance objectives for Central TAFE and the public sector are shown below.

Indigenous Australians

| | WORK-FORCE % | EQUITY* INDEX |
|-------------------------|--------------|---------------|
| 2001 | | |
| Central TAFE Actual | 0.8% | N/A |
| 2003 | | |
| Central TAFE Objective | 2.3% | 31 |
| Public Sector Objective | 2.5% | 34 |
| 2005 | | |
| Central TAFE Objective | 3.3% | 43 |
| Public Sector Objective | 2.9% | 39 |

People With Disabilities

| | WORK-FORCE % | EQUITY* INDEX |
|-------------------------|--------------|---------------|
| 2001 | | |
| Central TAFE Actual | 1.6% | 63 |
| 2003 | | |
| Central TAFE Objective | 2.9% | 47 |
| Public Sector Objective | 2.8% | 100 |
| 2005 | | |
| Central TAFE Objective | 5.1% | 51 |
| Public Sector Objective | 3.6% | 100 |

Youth (<25yrs)

| | WORK-FORCE % | EQUITY* INDEX |
|-------------------------|--------------|---------------|
| 2001 | | |
| Central TAFE Actual | 2.7% | N/A |
| 2003 | | |
| Central TAFE Objective | 4.4% | N/A |
| Public Sector Objective | 5.2% | N/A |
| 2005 | | |
| Central TAFE Objective | 5.6% | N/A |
| Public Sector Objective | 5.5% | N/A |

People from Culturally Diverse Backgrounds

| | WORK-FORCE % | EQUITY* INDEX |
|-------------------------|--------------|---------------|
| 2001 | | |
| Central TAFE Actual | 8.7% | 75 |
| 2003 | | |
| Central TAFE Objective | 8.7% | 76 |
| Public Sector Objective | 5.5% | 100 |
| 2005 | | |
| Central TAFE Objective | 8.8% | 78 |
| Public Sector Objective | 6.7% | 100 |

DIVERSITY

The Central TAFE *Workforce Equity and Diversity Plan 2002 – 2005* was developed during 2002 in response to the Government's priority to increase the diversity of the Public Sector at all levels to improve equity and service delivery. There is an expectation of all Public Sector agencies to contribute to this improvement by developing organisational objectives that ensure sector wide objectives can be met.

The Central TAFE *Workforce Equity and Diversity Plan* represents the framework for achieving three major outcomes in relation to the management of equity and diversity. These three outcomes are:

1. Central TAFE values and has clear management accountability for EEO and diversity. There is an inclusive work environment that is free from sexual and racial harassment, and harassment due to any of the grounds covered by Equal Opportunity legislation.
2. Workplace policies and practices support the achievement of equity and diversity objectives and are free from bias and unlawful discrimination against employees or potential employees.
3. Central TAFE has an equitable and diverse workforce profile at all levels that is suited to business imperatives and consistent with Government policy and legislative

* Explanatory Note:

The Equity Index measures the distribution of employees across salary levels and compares it to the distribution of the equity group. If the distribution of the equity group is lower than the distribution for all employees, there is compression of the equity group at the lower salary levels. An index of 100 indicates that the equity group is proportionately represented at all salary levels and an index of less than 100 denotes that members of the equity group are compressed at the lower salary ranges.

INDUSTRIAL RELATIONS

A General Agreement for all Government Officers within the Public Sector was registered in March 2002. This agreement reflects the State Government's Public sector labour relations policy to:

- a) Introduce collective employment arrangements;
- b) Restore parity of pay and conditions between like employees; and;
- c) Discontinue workplace agreements.

The General Agreement replaced the *Central TAFE Government Officers Enterprise Bargaining Agreement* and became the main employment instrument for non academic staff. The *Central TAFE Government Officers' Workplace Agreement* remains in place until 14 March 2003.

Crucial to the continuing management of occupational safety and health at Central TAFE is the continuous activity of safety inspections.

The *Central TAFE Lecturers' Certified Agreement 2000* expired on 31 December, 2002. A further industrial agreement is currently being negotiated between the Australian Education Union and representatives of TAFE Colleges.



In October 2002, Premier's Circular 2002/17 *Fixed Term Contract Staff* was issued to facilitate the Government's policy platform in relation to the use of fixed term contract employment in the public sector. Ninety-one contract lecturing staff were converted to permanent status following the implementation of this circular.

CHANGE MANAGEMENT

As a result of the Functional Review being conducted within the College and Central TAFE's commitment to continuous improvement, the need for a consistent and structured approach to managing all major organisational change was identified. A Change Management policy was drafted to reflect the College's values of Integrity, Openness, Accountability, Customer Service, and Respect for the right of others. These principles and the processes documented in the Change Management Policy have underpinned and will continue to underpin the Functional Review and associated restructures. Documented process and undertakings relating to communication and consultation provide managers and staff with guidelines, direction and a common understanding to ensure that significant changes occur with minimal disruption to staff and clients.

OCCUPATIONAL SAFETY AND HEALTH (OSH)

Significant resources were contributed to the management of safety and health issues during 2002, including the development of an *Occupational Safety and Health Management System Framework*. This framework documents the various elements that combine to form the *Occupational Safety and Health at Central TAFE*.

The *Central TAFE OSH Management System* is the system by which the College will achieve the objectives stated in the Central TAFE OSH Policy.

The Management System is predicated on the following principles:

- effective OSH is based on a systematic approach;
- clearly defined responsibilities that must be met to manage the system effectively; and
- operational efficiency that exists in parallel with and is complementary to other management systems used in the College.

Crucial to the continuing management of occupational safety and health at Central TAFE is the continuous activity of safety inspections. During 2002, all managers assumed the responsibility for conducting safety inspections of allocated areas of all College sites. Managers are responsible for identifying and reporting hazards during quarterly safety inspections.

LEAVE LIABILITY

Leave Liability as at 31 December 2002

| Financial:* | 2000 | 2001 | 2002 |
|--------------------|-------------|-------------|-------------|
| Long Service Leave | \$5,783,893 | \$5,611,643 | \$6,462,603 |
| Annual Leave | \$2,434,782 | \$2,358,538 | \$2,611,938 |
| Total | \$8,218,675 | \$7,970,181 | \$8,340,011 |
| Days: | | | |
| Long Service Leave | 13,887 | 13,749 | 15,294 |
| Annual Leave | 12,832 | 12,172 | 12,013 |
| Total | 26,719 | 25,921 | 27,307 |

* The financial liability accounts for: (1) Actual accrued long service and annual leave (2) Long service leave entitlements of employees >54 years of age (3) Pro rata long service leave of employees who have completed 2 years of service (4) Provision for workers compensation, superannuation and payroll tax.

GRIEVANCES / EQUAL OPPORTUNITY (EO)

A high level of importance is placed on the resolution of staff grievances and other workplace issues, which are managed by the Manager Organisational Wellness. During 2002, 15 Grievance Officers received instruction during a two and a half day training course that also emphasised EO issues. These newly trained Grievance Officers are in addition to 12 existing Grievance Offices and are located on various campuses. The role of these officers is to assist the Senior Grievance Officer (the Manager Organisational Wellness) to facilitate a resolution of issues raised. A further 15 staff are scheduled to attend training courses in March 2003.

Sixteen formal grievances and 14 workplace issues were managed during 2002.

There were seven claims of breaches of Public Sector Standards in Human Resource Management lodged during 2002, all in relation to the Recruitment, Selection and Appointment Standard. Two of these claims were withdrawn and the remaining five were not found to be substantiated.



Hon. Mal Bryce
Chair Governing Council
Central TAFE



Brian Paterson
Managing Director
Central TAFE

STAFF AWARDS

The *Reward and Recognition Program* for staff continued in 2002. There was an enormous response to the program in the College with an overwhelming 126 nominations. The College congratulated all staff nominated. The Staff Recognition Committee, made up of representatives from all Divisions of the College, assessed nominations on a quarterly basis. An overall winner was selected each quarter judged on his/her commitment to customer service and innovative solutions to workplace procedures and awarded professional development opportunities to the value of \$1000.

The *Outstanding Lecturers Award* is awarded to individuals or teams who have embraced Central's values of accountability, openness, integrity, respect for the rights of others and striving for excellence.

FINANCE

Accrual accounting practices ensure that administration occurs in a timely and accurate manner. The College complies with the *Financial Administration and Audit Act 1985* in managing its financial transactions.

During 2002, the College successfully implemented a new Financial System, *Finance One*. This system introduces several new approaches to providing and managing financial information.

Central TAFE's *Five-Year Financial Plan* is reviewed each year to assist College management estimate future revenue and expenditure. This Plan forms the basis for developing the College's annual operating budget, and actual performance against the Plan is regularly reviewed through a comprehensive management information reporting system. Central TAFE has a Finance and Audit committee which is a sub-committee of Governing Council. Financial reports are provided to the Finance and Audit committee on a monthly basis

ADVERTISING & SPONSORSHIP

As required under Section 175ZE of the *Electoral Act 1907*, the following is a statement of all expenditure incurred by Central TAFE during 2002 in relation to advertising, market research, polling, direct mail and media advertising organisations:

ADVERTISING AGENCIES:

| | |
|---|-------------|
| MJB & B Advertising and Marketing (until March 2002) and Core Marketing (from March 2002) | \$49,043.97 |
|---|-------------|

MARKET RESEARCH ORGANISATIONS:

| | |
|----------------|-------------|
| Market Share | |
| Progression IM | |
| Market Equity | \$19,354.70 |

MEDIA ADVERTISING ORGANISATIONS:

| | |
|-----------------|--------------|
| Marketforce | \$86,366.04 |
| Media Decisions | \$221,940.69 |

RISK MANAGEMENT

The College has a *Risk Management Plan* which is reviewed annually during strategic and operational planning processes. In 2002, Central TAFE's primary focus and resources were aligned to the implementation of AQTF Standards and occupational safety and Health.

In 2002, Central TAFE's primary focus and resources were aligned to the implementation of AQTF Standards and Occupational Safety and Health.

INTERNAL AUDIT

Internal Audit reviewed the College's policies, processes and procedures and drew to management's attention any matters that may have affected the efficient and effective conduct of the College's operations. In some instances these items were simply noted for information purposes, however in other instances decisions were required to balance internal controls and inherent risks with operational necessities.

Central TAFE completed the following Audits in 2002:

- Contracting Out of Commercial Activity
- Customer Complaints Handling process
- Staff Induction Policies and Procedures

The Internal Audit was based on the guidelines, processes and procedures set out in the *Institute of Internal Auditors Standards and Code of Practice*.

LEGISLATION IMPACTING ON COLLEGE ACTIVITIES

Agreements Act 1985
Anti Corruption Commission Act 1988
Anti Discrimination Act 1988
Archives Act 1983, (Commonwealth)
Censorship Act 1996 (Commonwealth)
Commercial Tenancy (Retail Shops) 1989
Copyright Act 1968 (Commonwealth)
Disability Services Act 1993
Education Service Providers (Full Fee Overseas Students) Registration Act 1991
Education Services for Overseas Students (Registration of Providers and Financial Registration) Act 1991, (Commonwealth)
Electoral Act 1907
Equal Opportunity Act 1984
Financial Administration and Audit Act 1985
Freedom of Information Act 1992
Government Employees Superannuation Act 1987
Income Tax Assessment Act 1936
Industrial Relations Act 1979
Industrial Relations Act 1990, (Commonwealth)
Industrial Training Act 1975
Library Board of Western Australia Act 1951-1983
Minimum Conditions of Employment Act 1993
Occupational Safety and Health Act 1984
Public Sector Management Act 1994
State Records Act 2001
State Supply Commission Act 1991
Treasury Regulations and Treasurer's Instructions
Vocational, Education and Training Act 1996
Workers' Compensation and Rehabilitation Act 1981
Workplace Agreements Act 1993
State Records Act 2000
Education Services for Overseas Students Act 2000 (Commonwealth)

KEY PERFORMANCE INDICATORS



4

DESIRED OUTCOME

To deliver high quality and relevant training programs that meet the needs of Central TAFE's customers, and are in accordance with the Delivery and Performance Agreement as well as aiming to diversify revenue sources and reduce reliance on Government funding through commercial activities.

| | |
|--|----|
| Desired Outcome..... | 33 |
| Certification of Performance Indicators..... | 34 |
| Auditors Opinion for the Performance Indicators..... | 35 |
| Achievement of College Profile..... | 36 |
| Student Satisfaction Rating (Effectiveness Indicator)..... | 38 |
| Graduate Achievement (Effectiveness Indicator)..... | 39 |
| Graduate Destination (Effectiveness Indicator)..... | 40 |
| Total Delivery Cost Per SCH (Efficiency Indicator)..... | 41 |
| Certification of Financial Statements..... | 42 |
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| Financials..... | 44 |

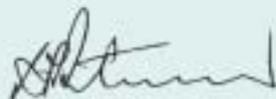
CENTRAL TAFE 2002 ANNUAL REPORT

CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess Central TAFE's performance, and fairly represent the performance of the College for the financial year ended 31 December 2002.



Hon. Mal Bryce AO
Chair
Governing Council
Central TAFE
28 February 2003



Mr. Brian Paterson
Managing Director
Central TAFE
28 February 2003



AUDITORS OPINION FOR THE PERFORMANCE INDICATORS



AUDITOR GENERAL

To the Parliament of Western Australia

**CENTRAL TAFE
PERFORMANCE INDICATORS FOR THE YEAR ENDED DECEMBER 31, 2002**

Scope

I have audited the key effectiveness and efficiency performance indicators of the Central TAFE for the year ended December 31, 2002 under the provisions of the Financial Administration and Audit Act 1985.

The Governing Council is responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the College's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Central TAFE are relevant and appropriate for assisting users to assess the College's performance and fairly represent the indicated performance for the year ended December 31, 2002.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
May 30, 2003

ACHIEVEMENT OF COLLEGE PROFILE

This performance indicator reports the effectiveness of the College in meeting Delivery and Performance Agreement targets.

MEASURE A: PROFILE ANALYSIS FOR CENTRAL TAFE (EFFECTIVENESS INDICATOR)

Details the total number of Student Curriculum Hours (SCH) delivered (both fee-for-service and Delivery and Performance Agreement Funded)

Department of Training (DOT) Industry Group

| Department of Training and Employment (DOTE) Industry Group | 2001 Planned Profile (SCH) | 2001 Actual Profile (SCH) | 2002 Planned Profile (SCH) | 2002 Actual Profile (SCH) |
|---|-------------------------------------|------------------------------------|-------------------------------------|------------------------------------|
| 01A Recreation Sports and Entertainment | 143,854 | 170,269 | 160,582 | 174,250 |
| 01B Visual and Performing Arts | 515,531 | 520,412 | 498,209 | 485,344 |
| 01C Design | 331,570 | 325,406 | 328,357 | 305,219 |
| 03A Building and Constructions | 95,770 | 99,668 | 108,844 | 112,800 |
| 03B Surveying and Building | 413,367 | 408,544 | 383,446 | 390,383 |
| 04A Community Service Workers | 271,247 | 278,282 | 282,512 | 286,839 |
| 04B Education and Childcare | 313,965 | 318,916 | 291,472 | 296,160 |
| 04C Health | 221,000 | 223,253 | 251,400 | 254,969 |
| 04D Library Workers | 60,200 | 84,987 | 95,349 | 94,166 |
| 05A Finance Insurance Property Service Workers | 139,245 | 161,155 | 199,000 | 209,625 |
| 07A Clothing Footwear and Soft Furnishings | 61,000 | 68,012 | 75,000 | 71,130 |
| 08B Printing and Publishing | 225,466 | 231,853 | 219,865 | 205,840 |
| 09A Engineering and Drafting | 100,670 | 96,049 | 157,999 | 165,252 |
| 09B Metal and Mining | 229,401 | 207,981 | 167,696 | 151,648 |
| 10D Horticulture | | | 1,000 | 972 |
| 11A Process Manufacturing | 74,250 | 77,420 | 66,130 | 39,750 |
| 12A Personal Service | 100,000 | 118,387 | 131,029 | 144,549 |
| 12B Retail | | 0 | 4,000 | 3,697 |
| 13C Tourism | 137,768 | 165,004 | 137,311 | 145,602 |
| 13D Travel Agents | 89,453 | 97,075 | 84,458 | 77,903 |
| 14A Transport Trades, Storage and Associated | | | 1,000 | 900 |
| 15A Electrical and Electronic Engineering | 261,696 | 278,833 | 278,296 | 254,681 |
| 15B Electrical Trades | 32,650 | 30,236 | 21,500 | 23,445 |
| 16A Accounting and Other Business Services | 323,952 | 334,306 | 330,882 | 338,025 |
| 16B Management | 394,101 | 401,493 | 334,399 | 338,792 |
| 16C Office and Clerical | 92,775 | 106,503 | 101,210 | 93,672 |
| 17A Computing | 472,983 | 498,904 | 467,005 | 449,647 |
| 18A Science and Technical Workers | 188,140 | 187,967 | 228,054 | 210,188 |
| 19B Adult Literacy/ESL | 284,943 | 316,977 | 363,754 | 356,668 |
| 19C Languages | 215,945 | 236,502 | 243,789 | 264,430 |
| 19D Miscellaneous | 15,000 | 25,972 | 18,950 | 23,190 |
| 19E Targeted Access and Participation Courses | 54,688 | 80,340 | 87,048 | 74,478 |
| Total Profile Delivery | 5,860,630 | 6,150,706 | 6,119,546 | 6,044,214 |
| Non Profile Delivery | 738,000 | 808,896 | 800,000 | 1,426,824 |
| College Total Delivery | 6,598,630 | 6,959,602 | 6,919,546 | 7,471,038 |

NOTES:

- A) SOURCE: 2001 and 2002 Central TAFE Delivery and Performance Agreement, through which the College is resourced to deliver courses under government purchased funding guidelines.
- B) DEFINITION: The table indicates the quota and actual achievement of SCH in profiled DOT Industry Group categories. The classification of these Industry Groups is based on the occupation or outcome the course is intended to serve.
- C) DERIVATION: 2001 and 2002 Profile data represents the actual achievement of SCH in respective years. The 2001 and the 2002 Planned data was obtained from the respective Delivery and Performance Agreements. The actual 2001 and 2002 SCH is the total SCH from the College Management Information System (CMIS). Non-Profile Delivery SCH is the actual SCH count of enrolments not funded under the 2002 Delivery and Performance Agreement in CMIS.
- D) COMMENT: In 2nd semester 2002 the Department of Training offered the College additional SCH for innovative delivery and therefore revised the target from 6,060,451 SCH to 6,119,548 SCH. Based on these figures, Central TAFE achieved 98.8% of its revised target.

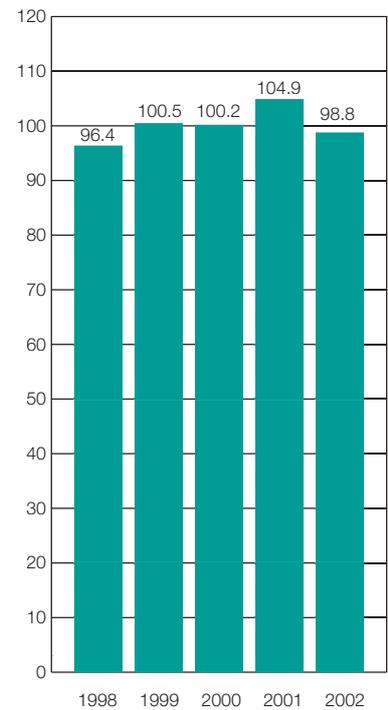
MEASURE B: PROFILE ACHIEVEMENT (EFFECTIVENESS INDICATOR)

This indicator shows the percentage of total SCH achieved against total planned profile activities as contracted with Department of Training through the Delivery and Performance Agreement.

$$\text{Profile Achievement} = \frac{\text{Actual Delivery and Performance Agreement SCH Achieved}}{\text{Target SCH contained within Delivery and Performance Agreement}}$$

| 1998 Actual | 1999 Actual | 2000 Actual | 2001 Actual | 2002 Actual |
|-------------|-------------|-------------|-------------|-------------|
| 96.4% | 100.5% | 100.2% | 104.9% | 98.8% |

Profile Achievement



NOTES:

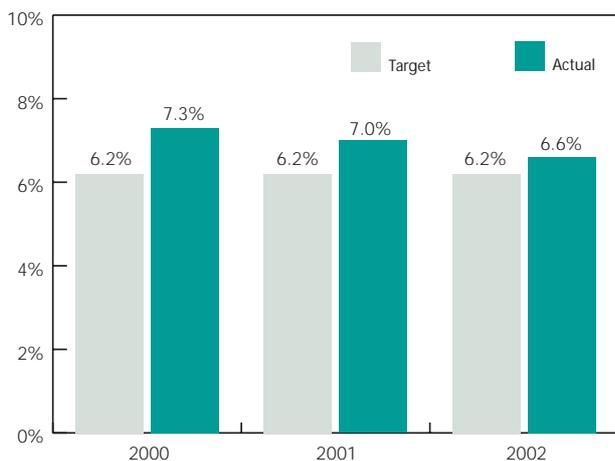
- A) SOURCE: }Refer to Notes
- B) DEFINITION: }Measure A
- C) DERIVATION }
- D) EXPLANATION: }

MEASURE C: ACCESS AND EQUITY SCH DELIVERY LEVELS (EFFECTIVENESS INDICATOR)

This indicator shows Access and Equity Participation as a percentage of training provided under the Delivery and Performance Agreement with the Western Australian Department of Training.

| 2000 | | 2001 | | 2002 | |
|--------|--------|--------|--------|--------|--------|
| Target | Actual | Target | Actual | Target | Actual |
| 6.2% | 7.3% | 6.2% | 7.0% | 6.2% | 6.6% |

Access & Equity SCH Delivery Levels (Effectiveness Indicator)



NOTES:

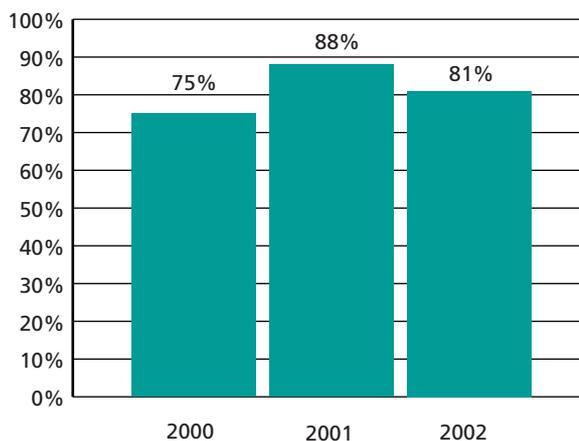
- A) SOURCE: 2000, 2001 and 2002 College Management System CMIS and College Operational Plans.
- B) DEFINITION: Access and Equity courses provide targeted groups with preparatory studies to enhance future education and employment options. The percentage of SCH the College delivers for Access and Equity is an effectiveness measure that indicates the extent to which the College's delivery is provided towards the requirements of people with special needs, including indigenous people as well as people that come from diverse cultural and linguistic backgrounds.
- C) DERIVATION: Measure is calculated using profile SCH in courses designed for targeted special needs groups (from College CMIS), and is expressed as a percentage proportion of Cental TAFE's total SCH delivery.

STUDENT SATISFACTION RATING (EFFECTIVENESS INDICATOR)

Each year a Student Satisfaction Survey is conducted to gauge overall student satisfaction with courses undertaken at the College and their expectations and perceptions about the quality of teaching and the standard of services provided by the College.

| 2000 Actual | 2001 Actual | 2002 Actual |
|-------------|-------------|-------------|
| 75% | 88% | 81% |

Department of Training Student Satisfaction Survey



NOTES:

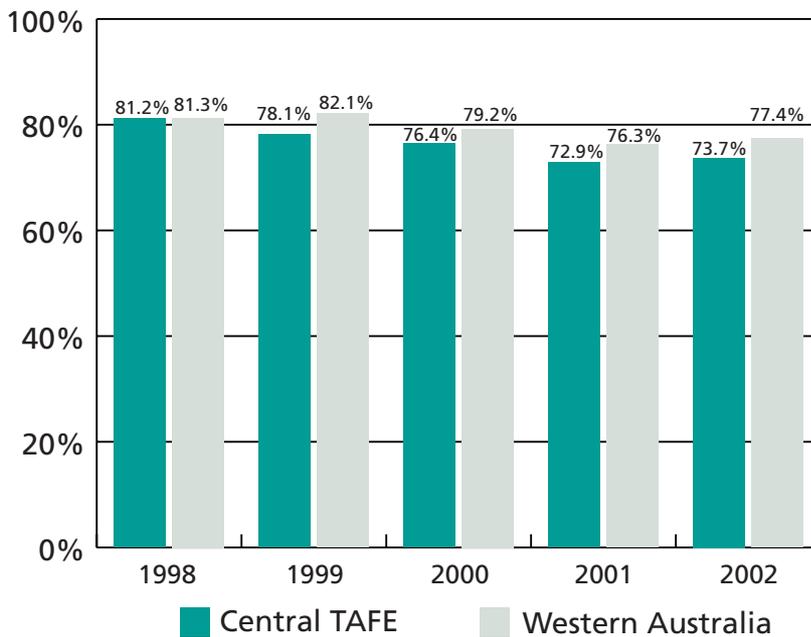
- A) SOURCE: Department of Training Student Satisfaction Survey for 2002.
- B) DEFINITION: The calculation for overall satisfaction is a weighted response to a single question asking the student to rate their overall satisfaction with their course. The survey approach is a mass market mail out, to a random sample of students who had undertaken a course in either first or second semester. The option to complete the survey online is also provided.
- C) DERIVATION: The survey comprised two separate instruments, focussing on the needs of employment-based students (EBS) and the other on institution based students (IBS). A total of 6,935 surveys were mailed to the institution based students and 80 to employment based students; with 27% and 18% useable returns, respectively. The institution based students survey instrument comprised 22 questions, a number of which required the student to rate issues related to learning, assessment and perceptions of the College experience, on a 7 point scale. The sampling error for the survey is 1.71% at the 95% confidence level.
- D) COMMENTS: Whilst the Satisfaction Score for 2002 shows a reduction from the previous year, this should be balanced by the longer-term trend, which shows an increase from the prior years. External factors may have been a significant driver for the reduction in 2002. It is interesting to note that the pattern reflects a statewide trend, which also experienced an increase in 2001, with a drop in satisfaction scores in 2002. Central TAFE discontinued its internal student survey in 2002 and has decided to adopt the Department of Training survey (above) as a measure of Student Satisfaction. Prior year comparisons have been adjusted to show Department of Training survey results.

GRADUATE ACHIEVEMENT (EFFECTIVENESS INDICATOR)

The graduate achievement is an indicator that measures the extent to which Central TAFE graduates have wholly or partly achieved their main reason for undertaking the course.

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---------------------|--------------|--------------|--------------|--------------|--------------|
| Central TAFE | 81.2% | 78.1% | 76.4% | 72.9% | 73.7% |
| Western Australia | 81.3% | 82.1% | 79.2% | 76.3% | 77.4% |
| Australian Average | 79.9% | 80.1% | 79.6% | 79.0% | 78.2% |

Graduate Achievement



NOTES:

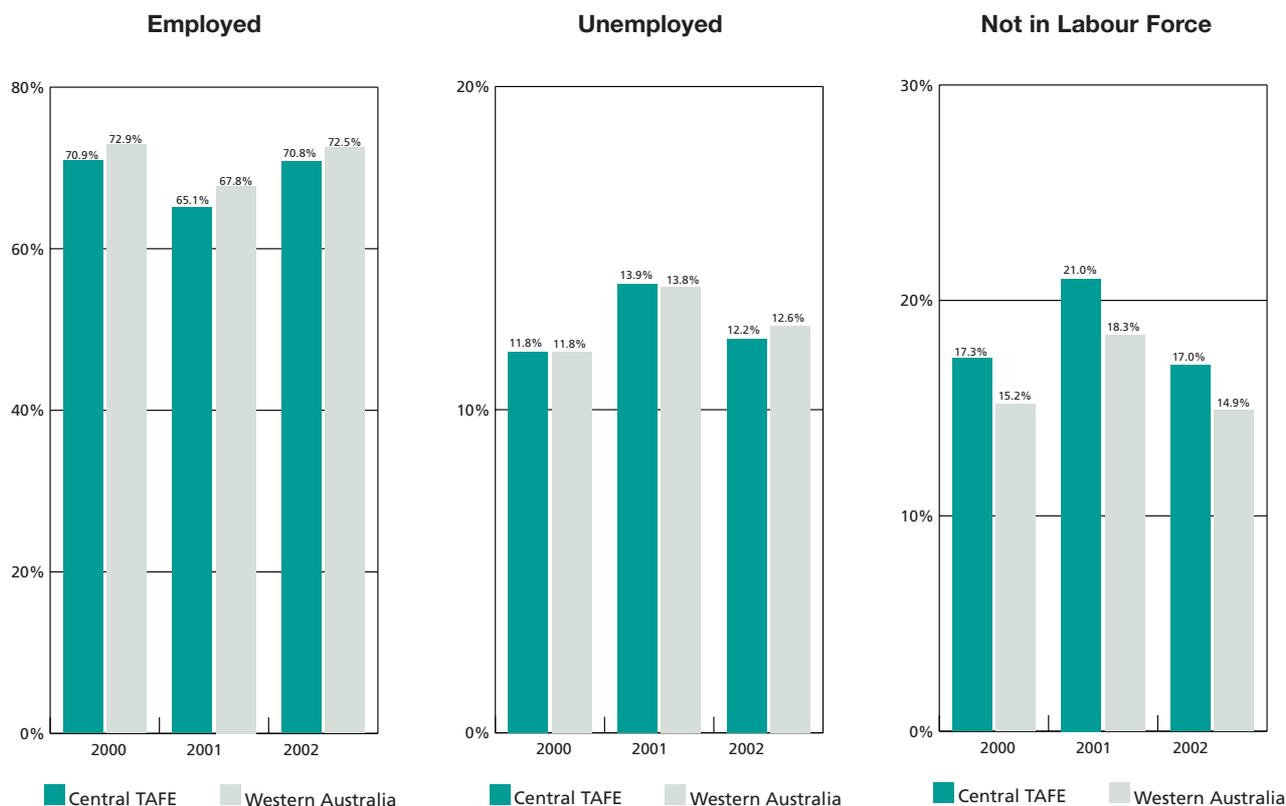
- A) SOURCE: 2002 Student Outcomes Survey - National Report conducted by the National Centre for Vocational Education Research (NCVER), published in November 2002.
- B) DEFINITION: The 2002 survey was administered to Central TAFE 2001 graduates who had an Australian address and completed an award course, including persons who were awarded a qualification as recognition of prior learning.
- C) DERIVATION: The measure was derived from the number of graduates who indicated they had fully or partly achieved their main reason for undertaking the course, expressed as a percentage of all survey respondents. This method of calculation has been consistently used since 1997 to ensure a basis for comparison. 1,691 graduates responded to the Survey, representing a response rate of 41.3%. Sampling error for the survey is estimated to be +/- 1.3% at the 95% confidence level.
- D) COMMENTS: Graduate achievement increased in 2002 for Central TAFE, following substantial segmentation work to clearly identify the market segments. The College has undertaken detailed research to establish the issues of the segments. Research is seeking to establish the particular characteristics of the College population in order to address their needs.

GRADUATE DESTINATION (EFFECTIVENESS INDICATOR)

The proportion of graduates in employment is a performance measure that shows the extent to which Central TAFE is providing relevant quality training that improves student employment skills.

| Employment Outcome | Employed | | | Unemployed | | | Not in the labour Force | | |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------------|--------------|--------------|
| | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 |
| Central TAFE | 70.9% | 65.1% | 70.8% | 11.8% | 13.9% | 12.2% | 17.3% | 21.0% | 17.0% |
| Western Australia | 72.9% | 67.8% | 72.5% | 11.8% | 13.8% | 12.6% | 15.3% | 18.4% | 14.9% |
| Australian Average | 75.6% | 72.9% | 73.4% | 11.7% | 12.3% | 13.0% | 12.7% | 14.8% | 13.6% |

Figures adjusted to one decimal place



NOTES:

- A) SOURCE: 2002 Student Outcomes Survey - National Report conducted by the National Centre for Vocational Education Research (NCVER), published in November 2002.
- B) DEFINITION: The 2002 survey was administered to 2001 Central TAFE graduates who had an Australian address and completed an award course, including persons who were awarded a qualification as recognition of prior learning. 1,691 graduates responded to the Survey of whom 1,669 responded in the categories, representing a response rate of 41.3% and an error rate of 1.3% at 95% confidence level.

C) DERIVATION: Graduate labour force status was derived according to the standard Australian Bureau of Statistics definitions of employed, unemployed and not in the labour force. The measure represents the proportion of graduates in each category according to the responses to questions concerning their work situation at 25 May 2002, expressed as a percentage of all survey respondents.

D) COMMENTS: There is an improvement in the number of students gaining employment. Central TAFE graduates are more likely than all Western Australian graduates to be enrolled in further study. This is reflected in the higher proportion of graduates who were not in the labour force. Central's Student Employment Service, JobsCentral, was set up to assist current students and graduates with their transition from training to employment.

TOTAL DELIVERY COST PER SCH (EFFICIENCY INDICATOR)

This indicator demonstrates the efficiency with which Central TAFE manages its resources to enable the provision of vocational education and training programs.

$$2002 \text{ Actual Cost} = \frac{\text{Total Operating Expenses}}{\text{Total SCH}}$$

| | 2000 Actual | 2001 Actual | 2002 Actual |
|---------------------------------------|----------------|----------------|----------------|
| Cost excluding Capital User Charge | \$9.96 | \$10.77 | \$10.13 |
| Capital User Charge | – | \$0.74 | \$1.38 |
| Total | \$9.96 | \$11.51 | \$11.51 |

Total Delivery Cost Per SCH



NOTES:

- A) SOURCE: Financial Statements and College Management Information System (CMIS).
- B) DEFINITION: The total delivery cost per SCH is calculated by dividing the total cost of services, measured on an accrual basis, by the delivered total SCH.
- C) DERIVATION:
- The total SCH is the total number of module enrolments multiplied by the hourly duration of these modules as registered in the College Management Information System (CMIS) in accordance with the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS). Delivery from all funding sources is included.
 - The total cost of services figure was obtained from the Annual Financial Statements
- D) COMMENT: State Treasury commenced allocating capital user charges to the College from 1 July 2001. The table showing cost per SCH has been amended to show capital user charge costs separately to other costs so that a fair comparison can be made with prior years. After allowing for the impact of the capital user charge the College has been able to successfully reduce its 2002 delivery cost per SCH from 2001. This is a positive result when considering the College has faced increased costs such as for staff salary increases and also general increases in other operating cost.

CENTRAL TAFE 2002 ANNUAL REPORT

CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the Central TAFE, have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985*, from proper accounts and records to present fairly the financial transactions for the twelve months ending 31 December 2002 and the financial position at that date.

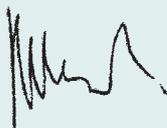
At the date of signing, we are not aware of any circumstances, which would render the particulars included in the Financial Statements misleading or inaccurate.



Hon. Mal Bryce AO
Chair
Governing Council
Central TAFE
4 March 2003



Mr. Brian Paterson
Managing Director
Central TAFE
4 March 2003



Mr. Keith Lord
Principal Accounting Officer
4 March 2003



AUDITORS OPINION FOR THE FINANCIAL STATEMENTS



AUDITOR GENERAL

To the Parliament of Western Australia

**CENTRAL TAFE
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2002**

Scope

I have audited the accounts and financial statements of the Central TAFE for the year ended December 31, 2002 under the provisions of the Financial Administration and Audit Act 1985.

The Governing Council is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Governing Council.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the College to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the College's financial position, its financial performance and its cash flows.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the controls exercised by the Central TAFE provide reasonable assurance that the receipt, expenditure and investment of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the College at December 31, 2002 and its financial performance and its cash flows for the year then ended.

D D R PEARSON
AUDITOR GENERAL
May 30, 2003

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 December 2002

| | Notes | 2002 \$ | 2001 \$ |
|--|-------|---------------------|---------------------|
| COST OF SERVICES | | | |
| Expenses from Ordinary Activities | | | |
| Employee Expenses | 2 | 52,502,774 | 52,139,696 |
| Borrowing Costs Expense | 3 | 73,317 | 20,819 |
| Depreciation and Amortisation Expense | 4 | 5,484,462 | 4,994,186 |
| Charges to Provisions | 5 | 66,687 | 43,247 |
| Supplies and Services | 6 | 17,648,249 | 17,831,235 |
| Grants and Subsidies | 7 | - | 11,950 |
| Net Loss on Disposal of Non-Current Assets | 8 | 12,456 | 19,936 |
| Capital User Charge | 10 | 10,316,938 | 5,162,426 |
| Other Expenses from Ordinary Activities | 11 | 57,936 | 178,300 |
| Total Cost of Services | | 86,162,818 | 80,401,795 |
| Revenues from Ordinary Activities | | | |
| <i>Revenue from Operating Activities</i> | | | |
| Fee for Service | 12 | 6,993,573 | 6,954,355 |
| Student Fees and Charges | 13 | 7,020,269 | 7,004,801 |
| Ancillary Trading | 14 | 1,315,076 | 961,257 |
| Commonwealth Grants and Contributions | 15 | 2,808,399 | 2,547,845 |
| Trading Profit | 9 | 478,332 | 442,683 |
| Other Revenues from Ordinary Activities | 16 | 1,044,958 | 1,437,099 |
| <i>Revenue from Non-Operating Activities</i> | | | |
| Interest Revenue | | 440,906 | 461,972 |
| Total Revenues from Ordinary Activities | | 20,101,512 | 19,810,011 |
| Net Cost of Services | | (66,061,306) | (60,591,784) |
| REVENUES FROM GOVERNMENT | | | |
| State Funds | 17 | 63,133,870 | 51,214,229 |
| Resources Received Free of Charge | 18 | 3,371,535 | 5,271,233 |
| Liabilities Assumed by the Treasurer | 19 | - | 1,860,435 |
| Total Revenues from Government | | 66,505,405 | 58,345,897 |
| CHANGE IN NET ASSETS | | | |
| Net Increase/(Decrease) in Asset Revaluation Reserve | 33 | (3,174,162) | 10,833,493 |
| Total Revenues, Expenses and Valuation Adjustments | | | |
| Recognised Directly in Equity | | (3,174,162) | 10,833,493 |
| TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS | | | |
| | | (2,730,063) | 8,587,606 |

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

STATEMENT OF FINANCIAL POSITION
as at 31 December 2002

| | Notes | 2002 \$ | 2001 \$ |
|--------------------------------------|-------|--------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash Assets | 20 | 3,508,842 | 4,320,777 |
| Restricted Cash Assets | 21 | 20,551 | 19,414 |
| Inventories | 22 | 598,370 | 555,601 |
| Receivables | 23 | 1,733,359 | 1,117,590 |
| Other Financial Assets | 24 | 3,999,409 | 1,999,866 |
| Other Assets | 25 | 4,703,983 | 4,177,461 |
| Total Current Assets | | 14,564,513 | 12,190,709 |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 26 | 136,049,848 | 140,265,674 |
| Works of Art | 27 | 629,588 | 605,406 |
| Intangible Assets | 28 | - | 2,400 |
| Total Non-Current Assets | | 136,679,437 | 140,873,480 |
| TOTAL ASSETS | | 151,243,950 | 153,064,189 |
| CURRENT LIABILITIES | | | |
| Payables | 29 | 5,560,241 | 1,913,650 |
| Interest Bearing Liabilities | 30 | 849,774 | 123,857 |
| Provisions | 31 | 6,291,539 | 5,922,449 |
| Other Liabilities | 32 | 2,533,801 | 6,446,380 |
| Total Current Liabilities | | 15,235,355 | 14,406,336 |
| NON-CURRENT LIABILITIES | | | |
| Interest Bearing Liabilities | 30 | 1,253,143 | 271,430 |
| Provisions | 31 | 3,166,379 | 4,067,287 |
| Total Non-Current Liabilities | | 4,419,522 | 4,338,717 |
| TOTAL LIABILITIES | | 19,654,877 | 18,745,053 |
| NET ASSETS | | 131,589,072 | 134,319,136 |
| EQUITY | | | |
| Asset Revaluation Reserve | 33 | 26,024,254 | 29,198,416 |
| Accumulated Surplus | 34 | 105,564,819 | 105,120,720 |
| TOTAL EQUITY | | 131,589,072 | 134,319,136 |

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

STATEMENT OF CASH FLOWS

for the year ended 31 December 2002

| | Notes | 2002 \$ Inflows/(Outflows) | 2001 \$ Inflows/(Outflows) |
|---|-------|----------------------------------|----------------------------------|
| Cash Flows From/(To) Government | | | |
| Recurrent State Funding - Department of Training | | 52,075,049 | 44,199,487 |
| NET CASH PROVIDED BY GOVERNMENT | | 52,075,049 | 44,199,487 |
| Utilised as follows: | | | |
| Cash Flows From Operating Activities | | | |
| Payments | | | |
| Employee Costs | | (50,823,997) | (43,718,586) |
| Supplies and Services | | (14,071,064) | (16,408,128) |
| Grants and Subsidies | | - | (11,950) |
| Borrowing Costs | | (21,350) | (20,819) |
| Capital User Charge | | (2,688,610) | (2,697,126) |
| GST Payments to all Suppliers | | (1,527,227) | (1,855,020) |
| Other Payments | | (36,526) | 115,283 |
| Receipts | | | |
| Fee For Service | | 6,532,942 | 4,744,641 |
| Student Fees and Charges | | 6,781,145 | 7,156,234 |
| Ancillary Trading | | 1,291,288 | 951,340 |
| Interest Received | | 465,490 | 461,972 |
| Commonwealth Grants and Contributions | | 2,306,851 | 2,547,845 |
| GST Receipts from all Customers | | 558,534 | 541,087 |
| GST Receipts from ATO | | 1,179,111 | 1,289,568 |
| Other Receipts | | 1,231,583 | 3,727,409 |
| NET CASH USED IN OPERATING ACTIVITIES | 35 | (48,821,829) | (43,176,249) |
| Cash Flows From Investing Activities | | | |
| Purchase of Non-Current Physical Assets | | (1,158,870) | (1,568,064) |
| Proceeds from the Sale of Non-Current Physical Assets | | 31,239 | 69,487 |
| NET CASH USED IN INVESTING ACTIVITIES | | (1,127,631) | (1,498,577) |
| Cash Flows From Financing Activities | | | |
| Finance Lease Repayment of Principal | | (936,843) | (124,390) |
| NET CASH USED IN FINANCING ACTIVITIES | | (936,843) | (124,390) |
| NET INCREASE/(DECREASE) IN CASH HELD | | 1,188,746 | (599,729) |
| Cash Assets at the Beginning of the Financial Year | | 6,340,057 | 6,939,785 |
| CASH ASSETS AT THE END OF THE FINANCIAL YEAR | 36 | 7,528,802 | 6,340,057 |

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

1 Significant accounting policies

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

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views 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 Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Basis of Accounting

The statements have been prepared on the accrual basis of accounting using the historical cost convention, with the exception of certain non-current assets which have been measured at fair value.

(a) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(b) Depreciation of Non Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their future economic benefits. Depreciation is provided for on the straight line basis, using rates which are reviewed annually. Useful lives for each class of depreciable assets are:

| | |
|---------------------------------------|--------------|
| Buildings | 40 years |
| Motor Vehicles, Caravans and Trailers | 6 years |
| Plant, Furniture, General Equipment | 5 years |
| Computing, Communications & Software | 2 to 5 years |
| Leasehold improvements | 10 years |

Works of Art controlled by the College are classified as heritage assets. They are anticipated to have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of them.

(c) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets net of outstanding bank overdrafts. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

(d) Inventories

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

(e) Investments

Investments are brought to account at the lower of cost and recoverable amount. Interest revenues are recognised as they are accrued.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2002

(f) Employee Entitlements

Annual Leave

This entitlement is recognised at current remuneration rates and is measured at the amount unpaid at the reporting date in respect to employees' service up to that date.

Long Service Leave

Leave entitlements are calculated at current remuneration rates. A liability for long service leave is recognised after an employee has completed four years service. An actuarial assessment of long service leave undertaken by PriceWaterhouseCooper Actuaries in 2000 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

This method of measurement of the liability is consistent with the requirements of Australian Accounting Standard AAS 30 "Accounting for Employee Entitlements".

Superannuation

Staff may contribute to the Pension Scheme, a defined benefits scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The Pension Scheme and the pre-transfer benefit for employees who transferred to the Gold State Superannuation Scheme are unfunded and the liability for future payments are provided for at reporting date.

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by payment of employer contributions to the GESB.

Disclosure accounting policy for superannuation liability

The note disclosure required by paragraph 51 (e) of AAS 30 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The Government Employees Superannuation Board's records are not structured to provide the information for the College. Accordingly, deriving the information for the College is impractical under current arrangements and thus any benefits thereof would be exceeded by the cost of obtaining the information.

(g) Leases

The College's rights and obligations under finance leases, which are leases that effectively transfer to the College substantially all of the risks and benefits incidental to ownership of the leased items, are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as computer equipment and communication network under lease, and are depreciated to the Statement of Financial Performance over the period during which the College is expected to benefit from use of the leased assets. Minimum lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

Finance lease liabilities are allocated between current and non-current components. The principal component of lease payments due on or before the end of the succeeding year is disclosed as a current liability, and the remainder of the lease liability is disclosed as a non-current liability.

The College has entered into a number of operating lease arrangements for property, computer and communication equipment and motor vehicles, where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2002

(h) Revenue Recognition

The funds received from the Department of Training in respect of the delivery of services forming part of the Delivery Performance Agreement, capital grants and other monies have been disclosed as Revenues from Government'. Revenue is recognised in the period in which the College gains control of the funds. Control is normally recognised upon receipt.

The majority of operating revenue of the College represents revenue earned from student fees and charges, fee for service, ancillary services, trading activities and Commonwealth grants and subsidies, as well as revenue received from the Department of Training as a result of training successfully tendered for under competitive tendering arrangements.

Revenue from the sale of goods and disposal of other assets, and the rendering of services is recognised when the College has passed control of the goods or other assets, or delivery of the service to the customer.

(i) Grants and Other Contributions Revenue

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the College obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions 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.

(j) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses, as appropriate at fair value.

(k) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of accounts receivable is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exists and in any event where the debt is more than 60 days overdue.

(l) Payables

Payables, including accruals not yet billed, are recognised when the College becomes obliged to make future payments as a result of a purchase of assets or services. Accounts payable are generally settled within 30 days.

(m) Accrued Salaries

Accrued salaries 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. The College considers the carrying amount approximates net fair value.

(n) Revaluation of Land and Buildings

The College has a policy of valuing land and buildings at fair value. The annual revaluations of the College's land and buildings undertaken by the Valuer General's Office are recognised in the financial statements.

(o) Comparative Figures

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

(p) Rounding

Amounts in the financial statements have been rounded to the nearest dollar.

(q) Foreign Currency Translation and Hedges

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions. Foreign currency receivables and payables at reporting date are translated at exchange rates current at reporting date. Exchange gains and losses are brought to account in determining the result for the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

| | 2002 \$ | 2001 \$ |
|---|-------------------|------------|
| 2 Employee Expenses | | |
| Salaries | 45,913,673 | 43,912,132 |
| Superannuation | 3,077,316 | 4,726,264 |
| Other Staffing Costs | 3,511,785 | 3,501,300 |
| | 52,502,774 | 52,139,696 |
| <p>Since 1 July 2001, the superannuation contributions for West State and Gold State schemes are met by the Department of Training on behalf of the College. The revenue is recognised under State Funds. (Refer to Note 17).</p> | | |
| 3 Borrowing Costs Expense | | |
| Finance Charges on Finance Leases | 73,317 | 20,819 |
| | 73,317 | 20,819 |
| 4 Depreciation and Amortisation Expense | | |
| Buildings | 2,752,698 | 2,870,386 |
| Motor Vehicles, Caravans & Trailers | 6,074 | 19,718 |
| Plant, Furniture & General Equipment | 481,336 | 499,770 |
| Computers, Communication Network & Software | 1,270,767 | 1,419,312 |
| Leasehold Improvements – Buildings | 34,343 | 38,633 |
| Leased Computers, Communication Network & Software | 936,844 | 112,288 |
| Intangible Assets | 2,400 | 34,079 |
| Total Depreciation | 5,484,462 | 4,994,186 |
| 5 Charges to Provisions | | |
| Doubtful Debts Expense | 66,687 | 43,247 |
| | 66,687 | 43,247 |
| 6 Supplies and Services | | |
| Consumables and Minor Equipment | 2,352,768 | 2,432,826 |
| Communication Expenses | 909,336 | 1,062,265 |
| Utilities Expenses | 1,631,784 | 1,320,706 |
| Consultancies and Contracted Services | 7,318,789 | 4,660,045 |
| Minor Capital Works | 2,645,215 | 1,159,582 |
| Repairs and Maintenance | 427,115 | 2,004,739 |
| Operating Lease and Hire Charges | 1,136,407 | 1,657,478 |
| Travel and Passenger Transport | 267,150 | 331,144 |
| Advertising and Public Relations | 366,184 | 500,610 |
| Supplies and Services – Other | 593,501 | 2,701,840 |
| | 17,648,249 | 17,831,235 |
| 7 Grants and Subsidies | | |
| Other providers for provision of training | – | 11,950 |
| | – | 11,950 |

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

| | 2002 \$ | 2001 \$ |
|--|-------------------|------------|
| 8 Net Profit/(Loss) on Disposal of Non-Current Assets | | |
| Motor Vehicles, Caravan & Marine Craft Proceeds | 30,235 | 52,518 |
| Written Down Value | (17,095) | (43,666) |
| Net Profit (Loss) on Sale | 13,140 | 8,852 |
| Plant, Furniture & General Equipment Proceeds | 7,175 | 2,913 |
| Written Down Value | (9,332) | (29,892) |
| Net Profit (Loss) on Disposal | (2,157) | (26,979) |
| Computers, Communication & Software Proceeds | 12,129 | 13,850 |
| Written Down Value | (33,823) | (9,289) |
| Net Profit (Loss) on Disposal | (21,694) | 4,561 |
| Works of Art Proceeds 505 | | |
| Written Down Value | (1,745) | (6,875) |
| Net Profit (Loss) on Disposal | (1,745) | (6,370) |
| | (12,456) | (19,936) |
| 9 Trading Profit | | |
| Bookshop: | | |
| Sales | 1,394,095 | 1,510,062 |
| Less: Cost of Sales: | | |
| Opening Inventory | 548,208 | (498,472) |
| Plus Purchases | 956,432 | 1,117,116 |
| Less: Closing Inventory | (588,877) | (548,208) |
| Cost of Goods Sold | 915,763 | 1,067,379 |
| Trading Profit (Loss) – Bookshop | 478,332 | 442,683 |
| | 478,332 | 442,683 |
| 10 Capital User Charge | | |
| Capital User Charge Expense | 10,316,938 | 5,162,426 |
| <p>A capital user charge rate of 8% has been set by the Government from 2001 – 02 and represents the opportunity cost of capital invested in the net assets of the College used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.</p> | | |
| 11 Other Expenses from Ordinary Activities | | |
| Miscellaneous | 25,930 | 34,060 |
| Losses and Write-Offs (refer to note 45) | 32,006 | 144,240 |
| | 57,936 | 178,300 |

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

| | 2002 \$ | 2001 \$ |
|--|-------------------|------------|
| 12 Fee for Service | | |
| Fee For Service -General | 3,210,627 | 2,758,651 |
| Fee For Service -Department of Training | 449,116 | 1,318,661 |
| International Division Fees | 3,320,540 | 2,877,043 |
| Fee For Service – Other | 13,290 | – |
| | 6,993,573 | 6,954,355 |
| 13 Student Fees and Charges | | |
| Tuition, Enrolment and Resource fees | 6,866,375 | 6,859,347 |
| Other College Fees | 153,894 | 145,454 |
| | 7,020,269 | 7,004,801 |
| 14 Ancillary Trading | | |
| Live Works (not a trading activity) | 78,483 | 34,136 |
| Contracting and Consulting | 606,170 | 632,356 |
| Sale of Curriculum Materials | 565,131 | 272,624 |
| Other Ancillary Revenue | 65,292 | 22,141 |
| | 1,315,076 | 961,257 |
| 15 Commonwealth Grants and Contributions | | |
| Commonwealth Grants & Contributions | 2,808,399 | 2,547,845 |
| | 2,808,399 | 2,547,845 |
| 16 Other Revenues from Ordinary Activities | | |
| Rental and Facilities Fees | 725,747 | 677,104 |
| Sponsorship & Donations Revenue | 212,076 | 399,338 |
| Miscellaneous Revenue | 107,135 | 360,657 |
| | 1,044,958 | 1,437,099 |
| 17 State Funds (Received from Department of Training) | | |
| DPA | 46,424,998 | 44,298,597 |
| Non-DPA Grants | 2,380,413 | 1,753,206 |
| Funding For Superannuation | 4,011,521 | – |
| Capital User Charge Funding | 10,316,938 | 5,162,426 |
| Total Recurrent Funding | 63,133,870 | 51,214,229 |

During January – June 2002, the charge was paid to the Department of Treasury and Finance by the Department of Training.

From July 2002, the funding for the payment of the charge was provided to the College by the Department of Training.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

| | 2002 | 2001 |
|---|------------------|-----------|
| | \$ | \$ |
| 18 Resources Received Free of Charge | | |
| Comprised of: | | |
| Department of Training Capital Works Transferred | – | 3,305,577 |
| * Corporate Systems Support | 2,476,079 | 1,452,491 |
| * Capital Projects Maintenance | 667,951 | 173,577 |
| * Human Resources / Industrial Relations Support | 109,955 | 167,886 |
| * Other | 64,050 | 135,702 |
| | 3,318,035 | 5,235,233 |
| Other Government | | |
| Office of the Auditor General – External Audit Services | 53,500 | 36,000 |
| Total Resources Received Free of Charge | 3,371,535 | 5,271,233 |

Where assets or services have been received free of charge or for nominal consideration, the College recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

19 Liabilities Assumed by the Treasurer

| | | |
|----------------|---|-----------|
| Superannuation | – | 1,860,435 |
| | – | 1,860,435 |

Where a liability has been assumed by the Treasurer or other entity, the College recognises revenues equivalent to the amount of the liability assumed and an expense relating to the nature of the event or events that initially gave rise to the liability.

20 Cash Assets

| | | |
|---------------------|------------------|-----------|
| Cash on Hand | 33,020 | 28,320 |
| Cash Advances | 9,690 | – |
| Cash at Bank | (33,868) | 2,042,457 |
| Short Term Deposits | 3,500,000 | 2,250,000 |
| | 3,508,842 | 4,320,777 |

21 Restricted Cash Assets

| | | |
|----------|---------------|--------|
| * Awards | 20,551 | 19,414 |
| | 20,551 | 19,414 |

* Represents monies bestowed on college by private companies or individuals for provision of awards to students.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

| | 2002 | 2001 |
|---|------------------|-----------|
| | \$ | \$ |
| 22 Inventories | | |
| Non Trading Inventory | | |
| Teaching Materials | | |
| Other at cost | 18,517 | 16,418 |
| Total Non Trading Inventory | 18,517 | 16,418 |
| Trading Inventory: | | |
| Book Shop at Cost | 588,877 | 548,208 |
| Less: Provision for Obsolete Stock | (9,024) | (9,025) |
| Total trading Inventory | 579,853 | 539,183 |
| | 598,370 | 555,601 |
| 23 Receivables | | |
| Current | | |
| Current Receivables includes trade debtors, student debtors and over-paid salaries. | | |
| Receivables | 1,712,775 | 1,100,046 |
| Less: Provision for Doubtful Debts | (211,884) | (181,611) |
| Net Receivables | 1,500,892 | 918,435 |
| GST Receivable | 232,467 | 199,155 |
| | 1,733,359 | 1,117,590 |
| 24 Other Financial Assets | | |
| Current | | |
| Cash Investments – Bank Bills | 3,999,409 | 1,999,866 |
| | 3,999,409 | 1,999,866 |
| 25 Other Assets | | |
| Current | | |
| Prepayments | 728,071 | 753,402 |
| Accrued Income | 1,095,512 | 726,933 |
| Capital User Charge Receivable from Department of Training | 2,688,609 | 2,697,126 |
| Prepaid salaries | 166,241 | – |
| Other | 25,550 | – |
| | 4,703,983 | 4,177,461 |

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

| | 2002 \$ | 2001 \$ |
|---|--------------------|-------------|
| 26 Property, Plant and Equipment | | |
| Land | | |
| At Valuation (1/7/2000) | - | 23,599,000 |
| At Valuation (1/7/2002) | 25,870,000 | - |
| | 25,870,000 | 23,599,000 |
| Buildings | | |
| At Cost | - | 8,725,422 |
| Less: Accumulated Depreciation | - | (375,608) |
| | - | 8,349,814 |
| At Valuation (1/7/2000) | - | 106,882,500 |
| At Valuation (1/7/2002) | 104,607,900 | - |
| Less: Accumulated Depreciation | (1,307,599) | (4,008,094) |
| | 103,300,301 | 102,874,406 |
| Buildings Under Construction at Cost | 471,355 | 429,841 |
| Leasehold Improvements | | |
| At Cost | 303,480 | 303,480 |
| Less: Accumulated Depreciation | (194,250) | (159,907) |
| | 109,230 | 143,573 |
| Motor Vehicles, Caravans & Trailers | | |
| At Cost | 21,352 | 62,538 |
| Less: Accumulated Depreciation | (17,593) | (35,610) |
| | 3,759 | 26,928 |
| Plant, Furniture & General Equipment | | |
| At Cost | 4,837,682 | 4,321,627 |
| Less: Accumulated Depreciation | (2,963,655) | (2,528,135) |
| | 1,874,027 | 1,793,492 |
| Computer Equipment, Communication Network and Software | | |
| At Cost | 8,370,296 | 8,322,776 |
| Less: Accumulated Depreciation | (6,331,485) | (5,669,442) |
| | 2,038,811 | 2,653,334 |
| Leased | 4,362,751 | 519,676 |
| Less: Accumulated Depreciation | (1,980,387) | (124,389) |
| | 2,382,364 | 395,287 |
| | 136,049,848 | 140,265,675 |

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

| | 2002 | 2001 |
|-----------------------------|------------------|-----------|
| | \$ | \$ |
| 29 Payables | | |
| Current | | |
| Trade Payables | 2,453,292 | 1,913,650 |
| GST Payable | 31,986 | – |
| Capital User Charge Payable | 2,688,609 | – |
| | 5,173,887 | 1,913,650 |

Trade payables are settled within the following month or, where required by supplies on shorter terms.

30 Interest Bearing Liabilities

Current

| | | |
|----------------------------------|----------------|---------|
| Finance Lease Liabilities | 849,774 | 123,857 |
| Total Current Borrowings: | 849,774 | 123,857 |

Non-Current

| | | |
|-------------------------------------|------------------|---------|
| Finance Lease Liabilities | 1,253,143 | 271,430 |
| Total Non-Current Borrowings | 1,253,143 | 271,430 |

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default

31 Provisions

a) Current

| | | |
|--------------------|------------------|-----------|
| Annual Leave | 2,611,938 | 2,556,357 |
| Long Service Leave | 3,679,601 | 3,366,092 |
| | 6,291,539 | 5,922,449 |

b) Non-Current

| | | |
|--------------------|------------------|-----------|
| Long Service Leave | 2,783,003 | 2,716,220 |
| Superannuation** | 371,299 | 1,305,504 |
| Salary Deferment | 12,077 | 45,563 |
| | 3,166,379 | 4,067,287 |

The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation, payroll tax and WorkCover premiums. The liability for such on-costs is included here.

The associated expense is included under Other Staffing Costs (under Employee expenses) at Note 2.

The superannuation liability has been established from data supplied by the Government Employees Superannuation Board.

The college considers the carrying amount of employee entitlements approximates the net fair value.

Employee Entitlements

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

Provision for employee entitlements:

| | | |
|-------------|------------------|-----------|
| Current | 6,291,539 | 5,922,449 |
| Non-Current | 3,166,379 | 4,067,286 |
| | 9,457,918 | 9,989,735 |

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

| | 2002 | 2001 |
|---|---------------------|--------------|
| | \$ | \$ |
| 32 Other Liabilities | | |
| Current | | |
| Income Received in Advance | 1,660,957 | 1,834,281 |
| Accrued Expenditure | 852,294 | 598,027 |
| Accrued Salaries and Related Costs | – | 1,296,611 |
| Capital User Charge Payable | – | 2,697,126 |
| Money/Deposits Held in Trust | 20,550 | 20,334 |
| | 2,533,801 | 6,446,380 |
| 33 Reserves | | |
| Asset Revaluation Reserve | | |
| Opening Balance | 29,198,416 | 18,364,923 |
| Increments/(Decrements) on Valuation (a) | (3,174,162) | 10,833,493 |
| Closing Balance | 26,024,254 | 29,198,416 |
| | 26,024,254 | 29,198,416 |
| Total Reserves | | |
| | 26,024,254 | 29,198,416 |
| Revaluations recognised during the year were in respect of: | | |
| Land | 2,271,000 | 299,000 |
| Buildings | (5,361,472) | 10,305,707 |
| Works of Art | (83,690) | 228,786 |
| | (3,174,162) | 10,833,493 |
| 34 Accumulated Surplus/(Deficit) | | |
| Opening Balance | 105,120,720 | 107,366,607 |
| Change in Net Assets | 444,099 | (2,245,887) |
| Closing Balance | 105,564,819 | 105,120,720 |
| 35 Reconciliation of Net Cash used in Operating Activities to Net Cost of Services | | |
| Net Cash (used in) from Operating Activities | (48,821,829) | (43,176,249) |
| Change in Operating Assets and Liabilities | | |
| Increase/(Decrease) in Receivables | 728,173 | 2,157,477 |
| Increase/(Decrease) in Inventories | 42,769 | 36,865 |
| Increase/(Decrease) in Prepayments | (25,331) | 250,811 |
| Increase/(Decrease) in Other Assets | 418,703 | – |
| (Increase)/Decrease in Payables | (949,489) | (453,772) |
| (Increase)/Decrease in Income Received in Advance/Grants and Advances | 225,993 | 90,112 |
| (Increase)/Decrease in Provisions | 811,363 | (1,391,841) |
| (Increase)/Decrease in Other Liabilities | 998,121 | (2,847,540) |
| Adjustments for Non Cash Items | | |
| Profit / (Loss) on Disposal on Non-current Assets | (12,456) | (19,936) |
| Depreciation and Amortisation Expense | (5,484,462) | (4,994,186) |
| Charges to Provisions | (66,687) | (43,247) |
| Losses and Write-Offs (excludes cash shortages/thefts of money) | – | 414,997 |
| Resources Received Free of Charge | (3,371,535) | (1,965,656) |
| Superannuation Expense | (3,077,316) | (3,720,870) |
| Capital User Charge (Paid by DoT) | (7,628,328) | (5,162,426) |
| GST Cashflows Recoverable from ATO | 151,005 | 233,678 |
| Net Cost of Services | (66,061,306) | (60,591,784) |

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

| | 2002 \$ | 2001 \$ |
|--|------------------|------------------|
| 36 Reconciliation of Cash | | |
| Cash at the end of the financial year, as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows: | | |
| Cash Resources | 3,508,842 | 4,320,777 |
| Restricted Cash Resources | 20,551 | 19,414 |
| Cash investments | 3,999,409 | 1,999,866 |
| | 7,528,802 | 6,340,057 |
| 37 Commitments for Expenditure | | |
| (a) Capital Expenditure Commitments | | |
| Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows: | | |
| Within 1 year | 109,832 | 864,648 |
| | 109,832 | 864,648 |
| The capital commitments include amounts for: | | |
| Buildings | | |
| (b) Lease Commitments | | |
| Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities are payable as follows: | | |
| Within 1 year | 941,877 | 1,636,205 |
| Later than 1 year and not later than 5 years | 1,244,342 | 1,194,896 |
| Later than 5 years | - | 1,169,975 |
| | 2,186,219 | 4,001,076 |
| Representing: | | |
| Cancellable Operating Leases | 242,218 | 107,306 |
| Non-Cancellable Operating Leases | 1,944,001 | 3,893,770 |
| | 2,186,219 | 4,001,076 |
| (i) Finance Lease Commitments | | |
| Within 1 year | 921,212 | 123,857 |
| Later than 1 year and not later than 5 years | 1,308,166 | 311,767 |
| Minimum Finance Lease Payments | 2,229,378 | 435,624 |
| Less: Future Finance Charges | (126,461) | (40,337) |
| | 2,102,917 | 395,287 |
| Included in the financial statements as: | | |
| Current | 849,774 | 123,857 |
| Non – Current | 1,253,143 | 271,430 |
| Total Lease Liability | 2,102,917 | 395,287 |
| (ii) Non-cancellable Operating Lease Commitments | | |
| Within 1 year | 814,717 | 1,512,348 |
| Later than 1 year and not later than 5 years | 1,129,284 | 923,466 |
| Later than 5 years | - | 1,169,975 |
| | 1,944,001 | 3,605,789 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2002

38 Contingent Liabilities

The College has no contingent liabilities

39 Explanatory Statement

(a) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year

Significant variations in revenues and expenditures between actual revenue (income) and expenditure and the corresponding item of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$250,000.

Employee Expenses

Total Employee expenses are \$52,502,774 (2002) and \$52,123,696 (2001). The increase of \$0.36m is mainly due to the redundancies paid in 2002 (\$0.67m).

Capital User Charge

Total CUC was \$10,316,938 for (2002) and \$5,162,426 (2001) The increase of \$5.15m is attributed to CUC for 2001 being for only one half of the year as the charge was introduced in July 2001.

REVENUES FROM SERVICES

Ancillary Trading

Total Ancillary Trading are \$1,315,076 (2002) and \$961,257 (2001). The increase of \$0.35m is mainly due to the increase in the sale of curriculum material (\$0.29m).

Other Revenue

Total Other Revenue was \$1,044,958 (2002) and \$1,437,099 (2001). The decrease of \$0.39m (27%) is attributed to reductions in donation revenue (\$0.18), venue hire revenue (\$0.15m) and miscellaneous revenue of (\$0.13m).

State Funds

Total State funds were \$63,133,870 (2002) and \$51,214,229 (2001). The large variations have been caused by Capital User Charge funding for a full year in 2002 (\$10.3m) whereas this funding was for only half a year in 2001 (\$5.16m). In addition, Superannuation funding that was previously categorised under Liabilities Assumed by the Treasurer has now been included within State Funds as the College is to be funded for that amount.

Resources Received Free of Charge

Total resources received free of charge were \$3,371,535 (2002) and \$5,271,233 (2001). The variation is mainly attributed to land transferred to the College in 2001 amounting to \$3.25 million. Further to this an additional \$1.2 million was received by the College in 2002 for Common IT systems, mainly relating to hardware required for the operations of the new Financial Management System.

(b) Significant variations between estimates and actual results for the financial year

Section 42 of the Financial Administration and Audit Act requires the college to prepare annual budget estimates. Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10% of budget (or \$250,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

| | Budget | Actual | Variation | |
|--|------------|------------|-----------|--------|
| | \$ | \$ | \$ | % |
| (i) EXPENSES FROM ORDINARY ACTIVITIES | | | | |
| Supplies and Services | 17,606,932 | 17,648,249 | 1,233,650 | 0.23% |
| The increase in Supplies and Services is mainly due to higher than expected resources received free of charge. | | | | |
| Capital User Charge | 10,837,840 | 10,316,938 | -520,902 | -4.81% |
| Capital User Charge is fully funded by Department of Training. The estimate is calculated as 8%pa of Net Assets. At the time S42 estimates were prepared, Net Assets were expected to be higher. | | | | |
| (ii) REVENUES FROM ORDINARY ACTIVITIES | | | | |
| Fee for Service | 5,757,575 | 6,993,573 | 1,235,997 | 21% |
| Fee of Service revenue is higher than expected predominantly due to additional revenues from International students, and additional delivery of short courses. | | | | |
| Student Fees and Charges | 7,390,621 | 7,020,269 | -370,352 | -5.0% |
| Student Fees and Charges are less than S42 predictions. A moderate reduction between expected and actual Tuition Fees is the main reason for the variation. | | | | |
| Ancillary Trading | 962,653 | 1,315,076 | 352,423 | 36.6% |
| Ancillary trading has performed better than estimates mainly due to better than expected sales of curriculum materials. | | | | |
| Interest Revenue | 249,000 | 440,906 | 191,906 | 77.1% |
| Section 42 Estimates for Interest Revenue have historically been conservative. Higher than expected interest revenue has resulted from higher than expected cash levels and more favourable interest rates than those expected at the time estimates were prepared. | | | | |
| Other Revenues from Ordinary Activities | 267,878 | 1,044,958 | 777,080 | 290.1% |
| Other Revenues from Ordinary Activities is also traditionally a conservative estimate as it is difficult to predict items such as Donations. 2002 Actual amounts comprise a number of items, the main ones are rental income (\$0.25m), Venue Hire charges (\$0.1m), Donations (\$0.2m), Canteen Revenue (\$0.12m) | | | | |
| (iii) REVENUES FROM GOVERNMENT | | | | |
| State Funds | 60,948,817 | 63,133,870 | 2,185,053 | 3.6% |
| State Funds are higher than estimates mainly due to some unexpected Capital grants (\$1.2m), and a number of funded leave payouts (\$0.32m) | | | | |
| Resources Received Free of Charge | 1,502,600 | 3,371,535 | 1,868,935 | 124.4% |
| Additional revenue for common IT facilities (\$1.2m) was received in 2002. This was not included in estimates at the time they were prepared. | | | | |

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

40 Financial Instruments

(a) Interest Rate Risk Exposure

The College's exposure to interest rate risk, and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

| | Weighted Average Effective Interest Rate | Variable Interest Rate | Fixed Interest Rate Maturity | | | Non Interest Bearing | Total |
|---|--|------------------------------|---------------------------------|---------------------|--------------|----------------------------|--------------------|
| | | | 1 year or less | 1 to 5 years | Over 5 years | | |
| 2002 | % | \$ | \$ | \$ | | \$ | \$ |
| Financial Assets | | | | | | | |
| Cash Assets | 4 | | 3,122,487 | – | – | – | 3,122,487 |
| Restricted Cash Assets | 4.5 | | 20,551 | – | – | – | 20,551 |
| Receivables | – | | – | – | – | 1,733,359 | 1,733,359 |
| Other Financial Assets | 4.5 | | 3,999,409 | – | – | – | 3,999,409 |
| Total Financial Assets | | – | 7,142,447 | – | – | 1,733,359 | 8,875,806 |
| Financial Liabilities | | | | | | | |
| Payables | – | – | – | – | – | 2,453,292 | 2,453,292 |
| Interest bearing liabilities | 6.35 | – | 921,212 | 1,308,165 | – | – | 2,229,377 |
| Employee Entitlements | – | – | – | – | – | 9,178,373 | 9,178,373 |
| Other Liabilities | – | – | – | – | – | 2,367,560 | 2,367,560 |
| Total Financial Liabilities | | – | 921,212 | 1,308,165 | – | 13,999,225 | 16,228,602 |
| Net Financial Assets (Liabilities) | | – | 6,221,235 | (1,308,1665) | – | (12,265,866) | (7,352,796) |

| | Weighted Average Effective Interest Rate | Variable Interest Rate | Fixed Interest Rate Maturity | | | Non Interest Bearing | Total |
|---|--|------------------------------|---------------------------------|------------------|--------------|----------------------------|--------------------|
| | | | 1 year or less | 1 to 5 years | Over 5 years | | |
| 2001 | % | \$ | \$ | \$ | | \$ | \$ |
| Financial Assets | | | | | | | |
| Cash Assets | 4.23 | | 1,809,686 | 2,250,000 | – | 28,320 | 4,088,006 |
| Restricted Cash Assets | 1.5 | | 19,413 | – | – | 232,771 | 252,184 |
| Receivables | – | | – | – | – | 2,026,134 | 2,026,134 |
| Other Financial Assets | 5.03 | | – | 1,999,866 | – | – | 1,999,866 |
| Total Financial Assets | | – | 1,829,099 | 4,249,866 | – | 2,287,225 | 8,366,190 |
| Financial Liabilities | | | | | | | |
| Payables | – | – | – | – | – | 1,913,650 | 1,913,650 |
| Interest Bearing Liabilities | – | – | – | – | – | 395,287 | 395,287 |
| Employee Entitlements | – | – | – | – | – | 9,989,736 | 9,989,736 |
| Other Liabilities | – | – | – | – | – | 1,914,972 | 1,914,972 |
| Total Financial Liabilities | | – | – | – | – | 14,213,645 | 14,213,645 |
| Net Financial Assets (Liabilities) | | – | 1,829,099 | 4,249,866 | – | (11,926,420) | (5,847,455) |

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

| | 2002 | 2001 |
|--|---------|---------|
| | \$ | \$ |
| (a) Credit Risk Exposure | | |
| All financial assets are unsecured. | | |
| The carrying amounts represent the College's maximum exposure to credit risk in relation to those assets as indicated in the Statement of Financial Position. | | |
| Other financial instruments | | |
| The College had in place the following further financial instruments as at balance date. | | |
| (l) A contractual Delivery and Performance Agreement with the Department of Training and Employment to deliver training outcomes in accordance with the College Training Profile. An amount of \$230,000, being money repayable to the Department of Training and Employment under the agreement is included in Prepaid Revenue. | | |
| (b) Net Fair Values | | |
| The carrying amount of Financial Assets and Financial Liabilities recorded in the Financial Statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the Financial Statements. | | |
| 41 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 of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are: | | |
| \$ | | |
| \$120,001 – \$130,000 | 1 | – |
| \$130,001 – \$140,000 | – | 1 |
| The total remuneration of the members of the Accountable Authority is: | 126,104 | 139,876 |
| The superannuation included here represents the superannuation expense incurred by the College in respect of members of the Accountable Authority. | | |
| No members of the Accountable Authority are members of the Pension Scheme. | | |
| Remuneration of Senior Officers | | |
| The number of Senior Officers other than senior officers reported as members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits receivable for the financial year, fall within the following bands are: | | |
| \$ | | |
| \$20,000 – \$30,001 | – | 1 |
| \$50,001 – \$60,000 | – | 1 |
| \$90,001 – \$100,000 | 1 | – |
| \$100,001 – \$110,000 | 2 | 2 |
| \$110,001 – \$120,000 | – | 1 |
| \$150,001 – \$160,000 | 1 | – |
| The total remuneration of senior officers is: | 471,729 | 448,064 |
| The superannuation included here represents the superannuation expense incurred by the College in respect of Senior Officers other than senior officers reported as members of the Accountable Authority. | | |
| No Senior Officers are members of the Pension Scheme. | | |

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

| | 2002 | 2001 |
|---|--------|---------|
| | \$ | \$ |
| 42 Related Bodies | | |
| The College has no related bodies. | | |
| 43 Affiliated Bodies | | |
| The College has no affiliated bodies. | | |
| 44 Controlled Entities | | |
| During 2002 Central TAFE had control over the company WANMTC Pty Ltd, which was incorporated in WA in 2001. The two Directors of the company are employees of Central TAFE. The company has three shareholders being Curtin University, The University of Western Australia and the Minister for Training. Each hold one nominal share. Results for 2002 have not been consolidated as the net assets value of \$19,794 was not considered financially material. There were no other transactions for 2002. | | |
| 45 Public property losses, write offs and gifts | | |
| The following losses and write-offs are incorporated in other expenses from ordinary activities (refer to note 11) | | |
| Revenue and debts and public and other property written off | 32,006 | 144,240 |
| 46 Segment Information | | |
| The College has only one segment (as defined by Treasurer's Instruction 1101 (2) (viii)) and that is Vocational Education and Training Delivery | | |

