

# DRAFT



# DRAFT

Challenger TAFE ANNUAL REPORT 2007



**TAFEWA**  
challenger



# Overview of Agency

Responsible Minister:	Minister for Education & Training, The Hon Mark McGowan MLA
Accountable Authority:	Challenger TAFE
Board Chairperson:	Ms Paddi Creevey
Managing Director:	Ms Liz Harris
Challenger TAFE Address:	Challenger TAFE 1 Fleet Street FREMANTLE WA 6160
Contact:	Phone: (08) 9239 8200 Fax: (08) 9239 8555 Email: <a href="mailto:info@challengertafe.wa.edu.au">info@challengertafe.wa.edu.au</a>
Hearing Impaired:	SMS Manager Student Support Services 0418 900 943  Information can be made available in electronic format, large print, audio tape, Braille or PDF format on request.
Web site:	<a href="http://www.challengertafe.wa.edu.au">www.challengertafe.wa.edu.au</a>
Country callers:	1800 001 001
Australian Business Number:	59 818 370 873

## 0.1 Operational Structure

Challenger TAFE is a statutory authority delivering Vocational Education and Training and part of the Technical and Further Education Western Australian (TAFEWA) network. Each College is a body corporate with functions conferred by the Minister for Education and Training and consists of a Governing Council, the staff and the enrolled students of the college. TAFEWA colleges are the primary providers of publicly funded vocational education and training in Western Australia offering:

- Nationally recognised qualifications;
- Apprenticeship and traineeship training;
- Entry and bridging courses leading into mainstream courses; commercial training – customised training and short courses; and
- Adult Community Education (ACE) courses.

Funding for delivery of this training is negotiated with the Department of Education and Training each calendar year.

Under the Act, the college is also able to generate income from other training services and in any year, approximately 20% of income is generated in this manner.

# Overview of Agency

## 0.2 Legislative Functions

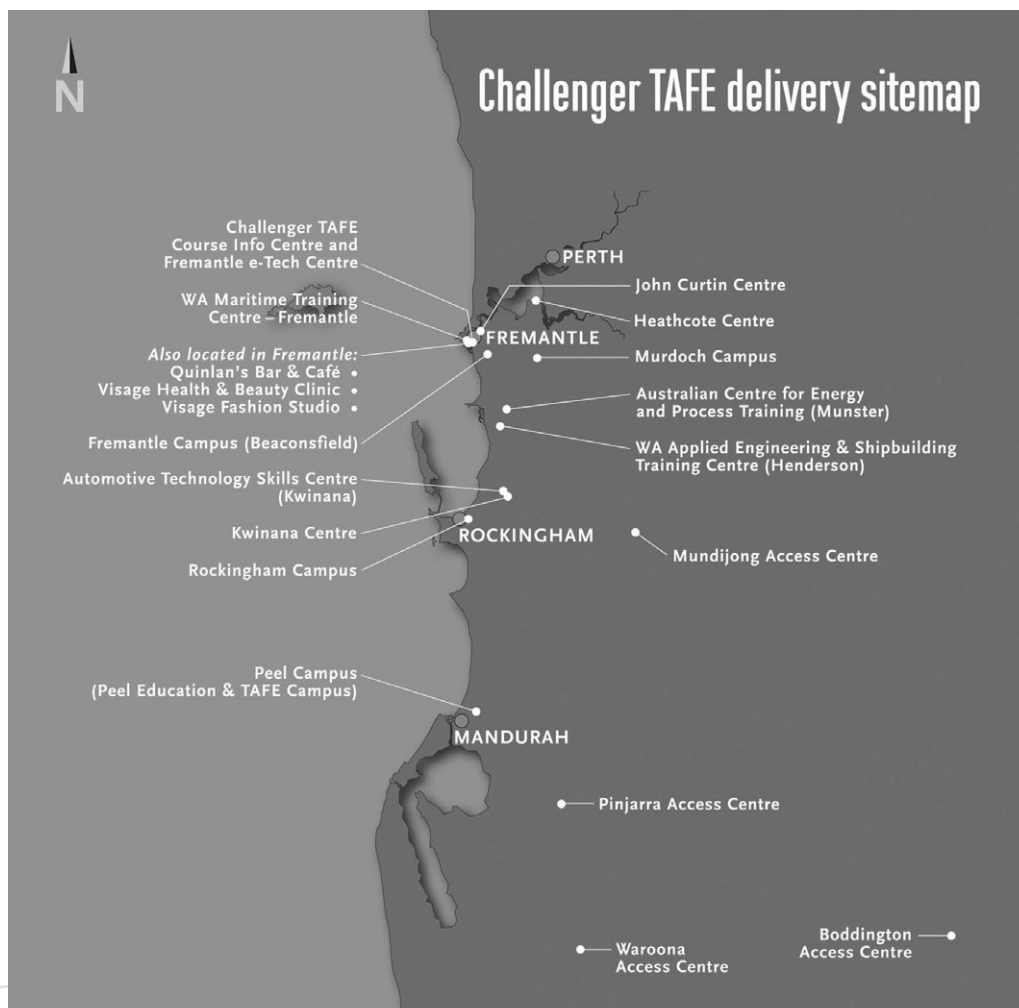
The TAFE colleges were established under Section 35 of the Vocational Education and Training Act 1996 by the Minister for Education and Training. The State's training system, as reflected in the Act, comprises four key functions:

- the Training Accreditation Council (TAC);
- a network of statutory colleges delivering VET;
- coordination of the vocational education and training system by the WA Department of Education and Training; and
- coordination of apprenticeship and traineeship arrangements.

## 0.3 Area Covered

In 2007 Challenger TAFE used 17 locations in the Perth Metropolitan South-West sector and Peel Regions for delivering training, in an area extending south from the Swan River for 150 kms. The population of the combined regions is approximately 285,000 people and growing at a rate of up to 5% per annum in some sub regions. The College employs nearly 1,000 staff in any year of which approximately two thirds are involved in training delivery and support for learning programs. Challenger TAFE enrolled over 24,500 students in 2007.

## 0.4 Map of Challenger TAFE



The Hon Mark McGowan  
Minister for Education and Training  
21st Floor, 197 St Georges Tce  
Perth WA 6000

Dear Minister

PRESENTATION OF THE CHALLENGER TAFE ANNUAL REPORT 2007

In accordance with Section 54 of the Vocational Education and Training Act 1996 and Section 61 of the Financial Management Act 2006, I have pleasure in submitting eight hard copies and one electronic copy on CD ROM of the tenth Annual Report of Challenger TAFE for your information and for your presentation to Parliament.

The Annual Report is for the year ending 31 December 2007 and has been prepared in accordance with the provisions of the Financial Management Act 2006.



Paddi Creevey  
CHAIR, GOVERNING COUNCIL



Liz Harris  
MANAGING DIRECTOR

28 February 2008

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# Executive Summary

This Annual Report provides evidence of the level of efficiency and effectiveness of the training and related services provided by Challenger TAFE as a provider of Vocational Education and Training to the people of Western Australia during the 2007 calendar year.

2007 has been characterised by significant increases in apprentice enrolments, the number in training more than doubling since 2004. Training provided to students aged under 18, now represents 23% of Challenger TAFE's training funded through the Delivery and Performance Agreement 2007. Both services have required adjustments to the deployment of College resources and implementation of new operational policies. The growing number of people in employment who require additional workplace skills has prompted Challenger TAFE to respond by providing new training solutions for learners in the workplace. This is encouraging the College to continually revise how and where its services are delivered, within existing budgets.

Within the Challenger TAFE 2007 Delivery and Performance Agreement (DPA) and Addendum Three 2007, the College was contracted to provide 3,917,102 student curriculum hours and allocated \$40,321,561 for this purpose. The mid-February 2008 audit of 2007 enrolments entered on the Curriculum Management Information System confirmed that Challenger TAFE had delivered 3,979,243 student curriculum hours thus achieving the full requirements of the contract with DET. In 2007, expenditure amounted to \$73,479,359 including a financial commitment of \$4.3m in strengthening services and infrastructure since 2006. Income for 2007 was \$70,576,950. The overall trading deficit was covered by retained earnings, and was consistent with the approach set out in the January 2007 Section 42 Forward Estimates. A target of \$7,146,806 was set for Fee for Service Training activities and \$7,666,149 were generated being an increase of 16% on 2006 revenue..

The authenticity of the data presented in the 2007 Annual Report has been verified by the relevant audit processes:

- the Office of the Auditor General
- the Australian Quality Training Framework 2007
- Bureau Veritas registration under ISO 9001
- Colmar Brunton Intelligence measuring student satisfaction levels, and
- the National Centre for Vocational Education Research measuring student satisfaction levels and employment outcomes for graduates of 2006.

# Executive Summary

## 0.5 Performance Highlights 2007

Record annual income of \$70,569,950, an increase of \$1,374,410 on 2006 income

3,500 VET in Schools students from 70 schools

128 presentations of workshops to schools and community groups on career opportunities for young people and 1912 Career Advice appointments

Record enrolments of 3547 apprentices, more than doubling since 2004

Record level of training delivery of 4,960,683 SCH, an increase of more than 175,000 SCH on 2006 outcomes

556,835 visitors to the Challenger TAFE website in 2007 which is a 22% increase from 2006. In addition 30% of those website 'hits' were new visitors to the website, including international visitors from over 100 different countries

Record commercial revenue – increase of 16% on 2006 achievement

Significant applied research:

- Extending applications for the Semi-Intensive Floating Tank System in cooperation with McRobert Aquaculture Systems (MAS) and CY O'Connor College of TAFE
- Trial for a 50 tonne per annum snapper farm in Fremantle Harbour in cooperation with McRobert Aquaculture Group
- Continuation of the re-stocking of black bream program in the Blackwood River in cooperation with Murdoch University
- 15 pilot projects in workforce development training for industry areas of the College as part of an innovation program to bring Recognition of Prior Learning and training to workplaces and assist with workforce development and planning for other enterprises, and communities
- National recognition and wide take-up of new practice in workplace training.

## Individual and Group Achievements in 2007

Dale McMullen (Gold medal) International World Skills 2007 in Automotive

Margarita Ramirez (Gold medal) and Christine Fawzy (Bronze medal) WA World Skills 2007 in Beauty Therapy

Stacey Pitman (Gold medal) and Kaj Britschgi (Bronze medal) WA World Skills 2007 in Floristry

Wei Wei Chuah (Silver medal) WA World Skills in Cookery

Sarah Richards (Bronze medal) WA World Skills in Restaurant Services

Timothy Lewis (Silver medal) WA World Skills in Electrical Installation

Sarah Richards (Gold medal) WA World Skills and Gold Plate Student Wait competitions

Bonnie Johnson (First place and an award of \$1500) New Generation Showcase Awards for Fashion students

Kristy Gray (Second place and an award of \$750) New Generation Showcase Awards for Fashion students

Therima Noorgat (Third place and an award of \$500) New Generation Showcase Awards for Fashion students

Ken Gwyer (Highly Commended and an award of \$25,000) 2007 Premier's Teacher of the Year

Marine Tourism Training (Gold award) Tourism Education programs WA 2007 Tourism Awards

Quinlan's Hospitality Training (Silver award) Tourism Education programs WA 2007 Tourism Awards

Quinlan's Hospitality Training won the Catering Institute of Australia Gold Plate Award for Best Training Restaurant

Winjan Aboriginal Community in Mandurah (Finalist) Premier's Awards 2007 in the Regional Development category

# Statement of Compliance

## **STATEMENT OF COMPLIANCE WITH PUBLIC SECTOR STANDARDS (PUBLIC SECTOR MANAGEMENT ACT 1994 S311)**

In the administration of Challenger TAFE, I have complied with the Public Sector Standards in Human Resource Management, the WA Public Sector Code of Ethics and our Code of Conduct. I have put in place procedures designed to ensure such compliance and have conducted appropriate internal assessments to satisfy myself that the statement made above is correct.

I conduct and commission appropriate checks and audits to assure myself that these procedures have been carried out, including those associated with quality endorsement under ISO 9001 and the requirements of a Registered Training Organisation, addressing the Standards set out by the Australian Quality Training Framework 2007 (AQTF).



Liz Harris  
Managing Director

28 February 2008

# Performance Management Framework and Outcomes Summary

Challenger TAFE's performance management is informed by our obligations:

- as a State Government statutory authority, and
- as a Registered Training Organisation meeting Australian Quality Training Framework 2007 standards

As well, the College maintains voluntary quality registration at ISO 9001 level through Bureau Veritas.

## 1.1 Chief Executive Officer Performance Agreement

The Chief Executive Officer's Performance Agreement with the Premier as Minister for Public Sector Management, the Minister for Education and Training and the Chair of Governing Council provided a framework for Challenger TAFE's 2007 obligations and operations.

The Western Australian Government's *Better Planning: Better Futures A Framework for the Strategic Management of the Western Australian Public Sector* released in September 2006 provides a framework of five strategic goals to guide the delivery of public services.

Challenger TAFE's results against these State Goals and Minister for Education and Training priorities are set out below.

### 1.1.1 STATE GOAL

#### BETTER SERVICES

To enhance the quality of life and wellbeing of all people throughout Western Australia through the provision of high quality, accessible services.

<b>Strategic Outcome</b>
World class training system
<b>Agency Actions</b>
Challenger TAFE Goal 1: Industry-driven training & related services to meet workforce needs
Increase enrolments in industry areas where there is a demand for higher level qualifications
<b>Outcome December 2007 (summary)</b>
143% growth in apprenticeships and traineeships in skills shortage areas over past two years.
284,177 training hours were delivered in the Building and Construction industry in 2007, an identified industry experiencing skills shortages.
110,294 training hours were delivered in Certificates III and IV Aged Care in 2007, an identified industry experiencing skills shortages.
Quinlan's Hospitality & Tourism Training Centre completed 30 applications for Recognition of Prior Learning in Cookery, providing these workers with formally recognised industry skills.
Introduction of a new higher level qualification in the skills shortage sector of Engineering with a Diploma of Engineering – Advanced Trade with students mainly from the Royal Australian Navy. The program used a combination of Recognition of Prior Learning, small group and off campus assistance, enabling one complete group to receive their fast-tracked qualification. A CNC Machining program for a similar cohort was also conducted and marketing commenced for training/ fast tracking two further groups.

# Performance Management Framework and Outcomes Summary

## Strategic Outcome

Supporting effectiveness in Public Health Services

## Agency Actions

Challenger TAFE Goal 1: Industry-driven training & related services to meet workforce needs

Extend programs and provide high quality training that contributes to supporting the effectiveness of the Public Health Services

## Outcome December 2007 (summary)

Increased enrolments in Aged Care and Enrolled Nursing courses comprising 110,294 training hours in the Certificates III and IV Aged Care and 15,200 training hours in the Diploma of Nursing.

Implementation of the Diploma of Nursing in July 2007, with 38 students completing Stage One of a three stage program to become Enrolled Nurses.

## Strategic Outcome

Lifelong learning

## Agency Actions

Challenger TAFE Goal 2: Expanding the community's access to relevant vocational education and training and support services

Increase the number of young people enrolled in re-engagement in learning programs

## Outcome December 2007 (summary)

In cooperation with local high schools, Challenger TAFE developed a WorkSmart program comprising five weeks of training and workplace experience at Tenix Marine and Austal Ships. The program particularly targeted young people in danger of leaving without school completion or training. Of the group of eleven, three were selected to undertake apprenticeships and a further four from Kwinana moved to employment.

A Young Pregnant and Very Excited (YPAVE) program for pregnant teenagers and young mothers continued to run at community locations in Fremantle and Rockingham, supported by the WA Department of Education and Training and the City of Rockingham. The number of participants increased to 41 across the two locations. In partnership with the Kwinana Industries Education Partnership, the College continued to deliver the Rockingham Educating Young Parents program at South Coastal Women's Health Centre, supporting young parents to complete their secondary education or undertake TAFE studies via external studies.

Programs for clients of the Department of Corrective Services were conducted at Rockingham, including a partnership with the Rockingham Police Citizens Youth Centre in delivery of Metals training for young indigenous clients.

Positive schools feedback was received on Challenger TAFE's five-week Marine industry 'taster programs' for Years 10 and 11 students with many schools identifying that the program was helpful in keeping this cohort of students engaged, and provided the participants with course selection suggestions for 2008 and in some cases direct employment.

e-Tech's IT Community Website was launched on 5 December 2007. It was developed, and will be managed, by IT students to provide a networking space for students, graduates, and friends of e-Tech, to share information and opportunities in learning and working in technology.

# Performance Management Framework and Outcomes Summary

1

<b>Strategic Outcome</b>
Strong communities
<b>Agency Actions</b>
Challenger TAFE Goal 2: Expanding the community's access to relevant vocational education and training and support services
Developed programs and monitored results for training provision for special groups: indigenous, youth and disability
<b>Outcome December 2007 (summary)</b>
<b>Indigenous</b>
In 2007 there were 549 Indigenous student enrolments Certificate II through to Diploma level.
Twelve students commenced an Indigenous School Based Traineeship in Process Operations in July 2007 and are on track to complete the Certificate I in Process Operations Skills early in 2008. These students have been strongly supported by a mentor.
Eleven indigenous trainees employed by the Department of Justice completed their Certificate II in a Business traineeship in July 2007.
Employment based training was delivered to seven employees of the Nyoongar Patrol Inc onsite in their Lindsay St Headquarters in Perth.
The College delivered Certificates II, III, IV in Aboriginal Art and Tourism and Certificate IV in Community Development, including a Certificate IV in Tourism provided to Moropoi Community situated 200 kilometres North East of Kalgoorlie.
The College delivered a DET funded "Street Beat" program to street present Aboriginal people in Fremantle.
<b>Youth</b>
To encourage participation in training by people seeking to re-enter education, and in response to the needs of special interest groups in the community, the Access and Participation section of Challenger TAFE worked in partnering arrangements with the Peel Music Foundation, Billy Dower Youth Centre, Rockingham Police Citizens Youth Centre, Workpower, the June O'Connor Centre, the Lifelong Learning Centre and Connections.
In 2007, the College delivered training to 3500 school aged students from 70 schools.
WA Maritime Training Centre – Fremantle conducted five Hooked on Fishing programs in the Fremantle/Peel regions, to young people considered to be at risk.
WA Maritime Training Centre – Fremantle developed and successfully implemented the "Fishy Logistics" programs for students from North Lake Senior Campus who are recent arrivals, with English as their new language.
<b>Disability</b>
The College delivered training to 230 registered students with a disability in 2007.
The College delivered a Certificate I in Manufacturing for workers of Activ Industries, incorporating components of skills recognition and 'skill gap' training.
The College delivered a Certificate I in Work Education for students with a disability, incorporating a stronger focus on career planning and workplace education.

# Performance Management Framework and Outcomes Summary

The Access and Participation section of Challenger TAFE commenced a project funded through the Department of Education and Training's Innovation Strategy which will offer tailored workforce development training and skills recognition for enterprises employing people with a disability. Targeted programs were delivered to clients with schizophrenia at the Stan Reilly Centre.

A DET funded "Home Beat" skills training program was provided for residents and clients of St Patrick's Care Centre in Fremantle.

## Strategic Outcome

Reliable and sustainable education services

## Agency Actions

Challenger TAFE Goal 3: Building a strong enterprising culture within our workforce to generate commercial and international business and to access alternative revenue sources

Build the number of international students in 2007

Increase the total value of external funding 2007

## Outcome December 2007 (summary)

### International Students

The number of international students in 2007 increased from 174 in 2006 to 303 in 2007 with a doubling of the number of students completing Hospitality training.

### Off Shore Work

India Strategy – On behalf of TAFEWA, Challenger TAFE organised a seminar in Mumbai India on the Australian vocational education and training system that attracted participation from Indian business and government.

India Strategy – Challenger TAFE worked with Leighton International leading to two training contracts for the delivery of training in India, in Training and Assessment and Building and Construction skills.

Challenger TAFE commenced pre-sea programs for 60 Deck Cadets in India and Sri Lanka, in preparation for their gaining eligibility to attend Challenger TAFE for the next component of their Maritime training.

With financial support from Education and Training International (ETI) Diploma, Advanced Diploma and Associate Degree programs in Process Engineering have been developed specifically for the international market. The materials will be complete in 2008.

In 2007, Challenger TAFE developed training contracts with the Australian College of Kuwait and the Institute of Applied Technology UAE.

International partnership arrangements for the provision of IT and Business Services training expanded, with work completed with three offshore institutions: Swami Dayanand Institute of Management Mauritius, Charles Telfair Institute Mauritius, and Qatar Petroleum in Qatar. Challenger TAFE now has 1000 student enrolments in Mauritius in Hospitality, Tourism, Child Care, Beauty Therapy and Business and IT.

The College completed an introductory Maritime training program for administrative personnel working in the Malaysian Department of Youth and Sport.



# Performance Management Framework and Outcomes Summary

1

## Fee For Service

The College generated more than to \$7,500,000 in fee-for-service revenue, a 11% increase on 2006 revenue, and exceeded our 2007 revenue target by \$1,485,182 or 16% and the fee for service target by more than \$500,000.

Responsible Service of Alcohol programs were delivered to 500 Coles and 81 Transfield Services employees.

Front Line Management training was delivered to the Australian Submarine Corporation (ASC) on a fee-for-service basis.

Challenger TAFE's Information Technology and Business Skills Centre developed a marketing strategy comprising: updating of marketing materials; a promotional CD which was distributed to local government agencies; and industry meetings for marketing the new training.

The Information Technology and Business Skills Centre increased delivery of short commercial courses, resulting in \$16,316 revenue. Various courses such as Word, Excel, Access, Customer Service, Resume Writing and Starting a Small Business were conducted during the year.

New specialist programs for Remotely Operated Vehicles (ROV) were introduced for the Water Corporation; and short courses in Hydraulics and Electronics for the Maritime industry.

The Recreational Skipper's Ticket program was expanded and now comprises 83 private assessors who are auspiced by the WA Maritime Training Centre – Fremantle.

WA Maritime Training Centre – Fremantle completed a second annual training program with the Maritime Union of Australia. This was on a fee-for-service basis.

WA Maritime Training Centre – Fremantle Aquaculture Development Unit continued applied research into the applications for the Semi-Intensive Floating Tank System with McRobert Aquaculture Systems (MAS) and CY O'Connor College of TAFE. This was funded by the Fisheries Research and Development Corporation.

Other commercial and externally funded Aquaculture contracts included:

- an Aquaculture Development Council contract with Open Ocean Aquaculture
- a contract pending, with McRobert Aquaculture Group to construct a barramundi farm at Gin Gin to produce 100 tonne per annum,
- a trial with McRobert Aquaculture Group for a 50 tonne per annum snapper farm in Fremantle Harbour, and
- continuation of a project with Murdoch University involving re-stocking the Blackwood River with black bream.

# Performance Management Framework and Outcomes Summary

## 1.1.2 STATE GOAL 2

### JOBS AND ECONOMIC DEVELOPMENT

To create conditions that foster a strong economy that delivers more jobs, more opportunities and greater wealth for all Western Australians.

<b>Strategic Outcome</b>
Enhancing job opportunities for Western Australians
<b>Agency Actions</b>
Challenger TAFE Goal 1: Industry-driven training and related services to meet workforce needs
Develop more partnering arrangements with industry for 2007
Increase the level of activity generated by CareerConnect and Career Information in 2007
<b>Outcome December 2007 (summary)</b>
<b>Partnering Arrangements</b>
Six BP employees commenced Certificate II in Process Plant Operations through the Australian Centre for Energy and Process Training
Partnership with Sodexo Food & Facilities Management Services commercial catering for skills training for Indigenous community members from Boddington
Challenger TAFE's Construction Industry Skills Centre staff delivered 20 PVC Pipelaying programs to Water Corporation pipelaying operatives
Built a new partnership with Coles Supermarkets for training delivery of Responsible Service of Alcohol training to over 500 employees
Partnering arrangement for Aged Care training with Aged Care facilities in Mandurah
Won a new contract to deliver systems integration training to the Royal Australian Navy
Through an oil and gas industry partnership, skills recognition services were provided to 12 companies
A Department of Main Roads partnering arrangement was established to undertake a workforce development strategy
<b>Career Information</b>
82 school visits, 43 community group sessions conducted, 1912 career advice appointments conducted and Challenger TAFE industry training showcased at seven career expos.
Industry training for students in Certificate III and Certificate IV in Fitness provided transitions to employment in local Fitness Centres.
<b>CareerConnect Activities</b>
In 2007, 586 job vacancies were lodged with CareerConnect, 632 Challenger TAFE students were registered with the service and 407 employers were registered. The service was able to successfully place 133 students.
Strong links with the Fashion industry provided students placements and assisted transitions into employment.
A School Apprenticeship Link course provided school students with industry placements in Beauty and Hairdressing and opportunities to obtain traineeships or apprenticeships.

# Performance Management Framework and Outcomes Summary

1

## Aligning with Industry Requirements

In response to needs identified on behalf of special interest groups in the community, the Access and Participation section of Challenger TAFE working in partnering arrangements with:

- Disability in the Arts Disadvantage in the Arts Australia (DADAA),
- Activ Industries,
- Hilton Police Citizens Youth Centre (PCYC),
- Fremanshed,
- Castlerock Institute of Music,
- InfoXchange, Kwinana,
- South Metropolitan Youth Link (SMYL),
- Bridging the Gap,
- Mission Australia,
- Community First,
- City of Rockingham,
- Kwinana Industries Education Partnership (KIEP),
- Unitingcare West,
- Alma Street Clinic, and
- Disability Services Commission (DSC)

The programs were customised to the needs of each group and provided new courses totalling 25,000 training hours.

Adjustments of programs to ensure skills alignment to address the needs of the Building and Construction industry in Peel was achieved through partnering arrangements with:

- JD& EM Moore, ATC Group Training,
- Skill Hire, and
- Housing Industry of Australia (HIA) Group Training.
- A commercial / housing employer survey in the Peel Region was also completed to ensure local enterprises' needs were being addressed.

To recognise the high standard of their training, Office Administration students received a team award of Excellence for Outstanding Customer Service at the biennial WA Network of Virtual Enterprises Trade Fair.

Industry alignment is also demonstrated through our work-based delivery arrangements and partnerships. The College currently delivers approximately 40% of its training in the workplace or using blended modes of training delivery.

# Performance Management Framework and Outcomes Summary

## Strategic Outcome

A workforce with both general and specific skills

## Agency Actions

Challenger TAFE Goal 1: Industry-driven training and related services to meet workforce needs

Increase the level of training and skills recognition provided in workplaces

## Outcome December 2007 (summary)

The College has almost doubled skills recognition availability and assessments over the past 18 months.

To enable assessment of overseas qualifications for immigration; and for WA licensing purposes, the Plumbers' Licensing Board contracted Challenger TAFE to provide hands skills assessments for a client group of 80 migrant employees in the Plumbing industry. This will enable these workers to gain provisional tradesperson status in WA. Five night classes for migrant Plumbers were run to fully accredit these workers into the WA Plumbing employment sector.

The Construction Industry Skills Centre expanded its skills recognition services across the Building and Construction trades in Carpentry, Bricklaying and Wall and Ceiling Lining areas. A whole-of-trades assessment project involving two accelerated skills training classes of apprentices in 2007 resulted in six students completing their fast track programs in a record time.

Challenger TAFE's Building and Construction industry trainers expanded their project based training methodology across Carpentry and Bricklaying to enable more off-site assessment and off-site delivery in 2007, particularly in the Peel Region and Rockingham.

Metals Fabrication and Engineering skills assessments were conducted in the workplace and 'skills gaps' training was delivered when other classes were in recess.

Applied Skills Recognition programs were developed for:

- the WA Maritime Training Centre – Fremantle's Certificate in Fisheries Compliance
- industry personnel enrolling in the Certificate IV in Warehousing
- Certificates of Competency within the guidelines allowed by the Australian Marine Safety Authority and the Department of Planning and Infrastructure.

Recognition of Prior Learning tools for the Hairdressing industry, Carpentry and Joinery, Automotive and Bricklaying industries were developed and implemented, as well as, example templates to be used for a more holistic, task-based approach to skills recognition.

Professional development has been provided within the College for staff to assist them in adopting a more holistic approach in using Recognition of Prior Learning tools.

# Performance Management Framework and Outcomes Summary

1

## Strategic Outcome

A workforce with both general and specific skills

## Agency Actions

Challenger TAFE Goal 1: Industry-driven training and related services to meet workforce needs

Implement recommendations of Infrastructure Review relating to Challenger TAFE

## Outcome December 2007 (summary)

Expansion of the facilities at Peel Education and TAFE Campus using Department of Education and Training funding allowed service to the Building and Construction industry in the Peel Region to expand, resulting in a 120% outcome for training contracted under the 2007 Delivery and Performance Agreement.

Metals Trades equipment was provided at the Rockingham Campus to assist in addressing skills shortages in the Metals and Engineering trades areas. Higher level qualifications were developed to complement this initiative.

Australian Centre for Energy and Process Training (ACEPT) situated near the Australian Marine Complex, Henderson was available for occupancy in Semester 2.

Construction of the Automotive Technology Skills Centre located within the Kwinana Education precinct is progressing on schedule for students in Semester 1 2008.

## 1.1.3 STATE GOAL 3

### LIFESTYLE AND THE ENVIRONMENT

To protect and enhance the unique Western Australian lifestyle and ensure sustainable management of the environment.

## Strategic Outcome

A unique lifestyle that is maintained and enhanced

## Agency Actions

Challenger TAFE Goal 4: Being an Employer of Choice

Implementation of Challenger TAFE's Family Friendly policies

Challenger TAFE Goal 5: Continuously improving business processes and systems

Implementation of flexible staff working arrangements

## Outcome December 2007 (summary)

To increase the range of flexible training options available to students and staff, IT and Business Skills Centre lecturers took part in a WebCT Learnscope project to improve their skills in using podcasts, wikis and blogs which are communication and management tools that enable students to access training in their own time and staff to deliver support from a convenient location.

# Performance Management Framework and Outcomes Summary

## 1.1.4 STATE GOAL 4

### REGIONAL DEVELOPMENT

To protect and enhance the unique Western Australian lifestyle and ensure sustainable management of the environment.

<b>Strategic Outcome</b>
Providing Health industry training in Peel region
<b>Agency Actions</b>
Challenger TAFE Goal 1: Industry-driven training and related services to meet workforce needs
Implementation of Pathway program from Challenger TAFE Aged Care training to Murdoch University Nursing program
<b>Outcome December 2007 (summary)</b>
In 2006 Challenger TAFE, the Peel Development Commission and Department of Education and Training funded the development of the Peel Workforce Development Strategy. In 2007 implementation of the recommendation included addressing an increased demand for training in Aged Care.
The following initiatives assisted in addressing Health Industry training in Peel: <ul style="list-style-type: none"> <li>• Completion of a project to develop Recognition of Prior Learning (RPL) tools for the nursing industry: and</li> <li>• Implementation of a pathway program from Challenger TAFE Aged Care training to the Nursing program at Peel Campus, Murdoch University with 120 jointly enrolled students.</li> </ul>
<b>Strategic Outcome</b>
Supporting Peel Workforce Development Plan
<b>Agency Actions</b>
Challenger TAFE Goal 1: Industry-driven training and related services to meet workforce needs
Challenger TAFE training delivery will reflect needs outlined in the Peel Workforce Development Plan
<b>Outcome December 2007 (summary)</b>
In line with the Peel Workforce Development Strategy, Challenger TAFE implemented increased training delivery in Aged Care, Beauty Therapy, Building and Construction and Commercial Cookery.
Apprentice delivery in the Peel Region exceeded the target by nearly 20%, with significant growth in Carpentry. Training for the Wall and Ceiling lining apprentice program exceeded the target numbers in its first year.
Fast-tracking students in Carpentry and Bricklaying also provided industry ready workers in Peel in a shorter time.
Improved Peel Construction industry training infrastructure with a \$200,000 grant for a new shed and site works for training Construction industry apprentices.
Arrangements in place with Mandurah Senior College in 2008 for implementation of Automotive training School Apprenticeship Links programs, VET in Schools and Pre-Apprenticeship training courses for the Peel Region.

# Performance Management Framework and Outcomes Summary

1

## Strategic Outcome

Providing training programs in Peel region that include sustainability components

## Agency Actions

Challenger TAFE Goal 1: Industry-driven training and related services to meet workforce needs

Provide training in Peel that includes understanding and implementation of sustainability principles

Challenger TAFE Goal 2: Expanding the community's access to relevant vocational education and training and support services

Provide community education programs or activities in Peel that include understanding and implementation of sustainability principles

## Outcome December 2007 (summary)

### Economic Sustainability

Adjustments of programs to ensure skills alignment to address the needs of the Building and Construction industry in Peel was achieved through liaison with:

- JD& EM Moore, ATC Group Training,
- Skill Hire, and
- Housing Industry of Australia (HIA) Group Training.

A commercial / housing employer survey in the Peel Region was also completed to ensure local enterprises' needs were being addressed.

Challenger TAFE's Building and Construction industry trainers expanded their project based training methodology across Carpentry and Bricklaying to enable more off-site assessment and off-site delivery in the Peel Region.

Expansion of the facilities at Peel Education and TAFE Campus using Department of Education and Training funding allowed service to the Building and Construction industry in the Peel Region to expand, resulting in a 120% outcome for training contracted under the 2007 Delivery and Performance Agreement.

### Social Sustainability

To encourage participation in training by people seeking to re-enter education, and in response to the needs of special interest groups in the community, the Access and Participation section of Challenger TAFE worked in partnering arrangements with the Peel Music Foundation, Billy Dower Youth Centre.

WA Maritime Training Centre – Fremantle conducted 'Hooked on Fishing' programs in the Peel region to young people considered to be at risk.

Delivery of training at Certificate I in Kitchen Operations in Boddington has encouraged local people to gain skills appropriate to local industry demand for the Boddington Gold Mine.

The Information Technology and Business Skills Centre delivered a range of IT and Business training for the Department of Environment and Conservation at DEC's training venue in Dwellingup.

Information Technology and Business Skills Centre increased training at the Regional Access Centres in the Peel Region at Boddington, Waroona, Pinjarra and Serpentine/Jarrahdale. The use of a range of technologies to increase the flexibility and availability of the training has assisted this growth.

# Performance Management Framework and Outcomes Summary

## 1.1.5 STATE GOAL 5

### GOVERNANCE AND PUBLIC SECTOR IMPROVEMENT

To develop and maintain a skilled and ethical public sector which serves the Government with consideration of the public interest.

<b>Strategic Outcome</b>
Providing comprehensive staff development training
<b>Agency Actions</b>
Challenger TAFE Goal 4: Being an Employer of Choice
Providing staff development to meet staff skill requirements
<b>Outcome December 2007 (summary)</b>
Fifteen innovation programs were funded to encourage each industry Centre within the College to trial flexible delivery training and skills assessment formats in workplaces and the community. Staff presented their findings late in the year and recommendations drawn from their projects will be funded in 2008.
Work commenced in late 2007 on developing a Learning Organisation culture and, specifically, a People Development Framework to support the development of a learning culture..
More than 200 staff participated in Octoberfest professional development activities available to all staff and held over two days. Many sessions were conducted by staff as information sharing on good practice in VET. A range of activities that focused on improved staff health and wellbeing were also provided. Inspiring key note speakers included Ruth Browne from Pivot Point Hairdressing, who shared her learning journey and revealed aspects of her business, and Glenn Capelli, who encouraged staff to think about their talents
Within the Access & Participation Section an Educational Leadership network was established to develop new directions and drive new initiatives. The Section responds to a broad range of sector demands. The network, comprising the Program Manager and eight lecturers, met on three occasions and will continue to evolve in 2008 to promote lecturers' leadership and other skills. As a result of this coordinated approach, lecturers participated in a wide range of professional development opportunities, including Certificate in Adult Vocational Skills training, the Challenger TAFE staff Octoberfest, an e-Learning Experience program, a Learnscope Young Pregnant and Very Excited (YPAVE) project, and an Access and Equity Forum.



# Performance Management Framework and Outcomes Summary

1

## Strategic Outcome

Programs responsive to community need

## Agency Actions

Challenger TAFE Goal 2: Expanding the community's access to relevant vocational education and training and support services

Training resources are adjusted to meet the needs of Challenger TAFE sub-regions and identified special groups

## Outcome December 2007 (summary)

### Special Group Support

The Access and Participation Section delivered an expanded range of bridging courses with pathways into industry areas through the Certificate I in Wider Opportunities For Work (WOW) to include a Certificate I in a Training Package qualification, e.g. Community Services; Business; Information Technology; Hospitality; Engineering; and Animal Care.

Engineering, Construction, Electrotechnology, Health, Community Services, Horticulture, Hospitality, Maritime and Science students were supported with additional assistance with literacy, numeracy, study skills and learning management techniques. This improved student completion rates in skill shortage and other vocational course areas.

### Responsiveness in Sub Regions

Apprentice delivery in the Construction industry exceeded targets by nearly 20%, with significant growth in Carpentry and Plumbing through Fremantle Campus and Carpentry in the Peel Region.

Metals and Composites training in Henderson expanded with a 5% increase from 245,000 to 257,000 training hours.

In 2007 funding was allocated to Challenger TAFE by the Peel Development Commission as part of the Pinjarra Brunswick Sustainability Strategy to implement a Local Jobs for Local People Strategy. This strategy is linked to development and economic growth occurring in the Peel region created by the upgrade of Alcoa's Wagerup Refinery. This project includes community engagement, localised training needs analysis, delivery and assessment, as well as skills recognition and gap training.

# Performance Management Framework and Outcomes Summary

## Strategic Outcome

Whole of government approach to planning and decision making

## Agency Actions

Challenger TAFE Goal 5: Continuously improving business processes and systems

Collecting data for local areas to inform Challenger TAFE training resources allocation through Delivery & Performance Agreement

## Outcome December 2007 (summary)

Challenger TAFE worked across a range of industry and community agencies to ensure a whole of government approach to planning. (See previous details on partnership arrangements across Government departments, community agencies and industry).

The College worked closely with Peel Development Commission to ensure regional planning needs are met.

Challenger TAFE's Governing Council Planning and Development Committee and Training Centres' Industry Advisory Boards provided informed input on industry changes throughout 2007.

Fifteen projects were funded to encourage each Training Centre within the College to trial flexible delivery training and skills assessment formats in workplaces and the community. Staff had to identify the industry, community or specific enterprise's requirements and customise a solution. The recommendations resulting from the program will attract resource support and external funds in 2008.

As part of a data collection project, Challenger TAFE conducted Construction industry visits in the Peel region to gather the needs of the commercial and housing construction sectors.

A new Industry Advisory Board was formed to guide the newly formed Construction Industry Skills Centre in key areas such as Wall and Ceiling Industry and Building Industry employers.

The Defence Industry Skills Unit contacted more than 600 stakeholders to gather data for their industry and has formed strong relationships with schools and enterprises to increase skills development for this industry.

# Performance Management Framework and Outcomes Summary

## 1.1.6 TAFEWA STRATEGIC PLAN 2006-2010

The TAFEWA Strategic Plan 2006-2010 provides a shared direction statement on behalf of the ten TAFEWA Colleges.

The statement identifies four strategic priorities:

- contribute to economic development with a focus on reducing industry skills shortages
- contribute to community development with a focus on increasing the effective participation of 15 to 24 year olds in TAFEWA
- improve the quality of teaching and learning with a focus on improving learning resources to support the implementation of Training Packages
- increase client service with a focus on making it easier for students and industry to access and navigate the TAFEWA Network.

### Challenger TAFE's Priorities and Targets from Minister of Education and Training

Increase Apprenticeships and Traineeships in conjunction with appropriate branches of the Department of Education and Training with 3,507 in-training as at December 31 2007.

#### Outcomes December 2007

In December 2007, Challenger TAFE had 3547 apprentices and trainees.

Increase number of Indigenous students enrolled in employment based outcomes (Certificate III and above) from a base of 206 in 2004 to 237 by December 2007.

#### Outcomes December 2007

In December 2007, Challenger TAFE had 266 individual indigenous students who had gained a course result at Certificate III or higher levels in 2007.

All lecturers to hold a Certificate IV in Training and Assessment, or equivalent, within two years of commencement, as per the Certified Agreement. All Challenger TAFE lecturers who do not hold this qualification are undertaking training.

#### Outcomes December 2007

Challenger TAFE had trained 43 new lecturing staff in Certificate IV Training and Assessment between 2005 and 2007.

### Work with Department of Education and Training to assist in meeting other State Government Training Commitments

Achieve level of expenditure consistent with estimates provided by College under Section 40 of the *Financial Management Act 2006*.

#### Outcomes December 2007

Challenger TAFE's level of expenditure was \$630,690 below 2007 estimates.

Provide strong leadership and effective governance by meeting DPA targets for effective delivery of training to students and industry.

#### Outcomes December 2007

Challenger TAFE's DPA targets were achieved with 1.59% above 100% delivery.

Provide strong leadership and effective governance by meeting all relevant requirements of the AQTF.

# Performance Management Framework and Outcomes Summary

## Outcomes December 2007

Challenger TAFE has met all relevant AQTF requirements. Challenger TAFE has completed all necessary course registrations and re-registrations during 2007.

Lead academic delivery to improve outcomes for students and increase student satisfaction rate by 1% on 2006 outcomes.

## Outcomes December 2007

Challenger TAFE's employment outcomes for Graduates showed an improved outcome of 3.6% from the previous measure in 2005

Challenger TAFE's Graduate satisfaction rose by 2.5% in achieving their main reason for study

Module Load Completion Rates (MLCR) rose by nearly 5% on 2006 outcomes.

Ensure a capable and equipped workforce to counter an ageing demographic and meet future challenges of the Department by:

- meeting all relevant requirements of the AQTF
- registering with the Training Accreditation Council and ensuring that the training services are delivered in accordance with the AQTF
- identifying lecturers' skills gaps and developing and implementing programs to up-skill as required.

## Outcomes December 2007

Challenger TAFE has met all relevant AQTF requirements.

Challenger TAFE has completed all necessary course registrations and re-registrations during 2007.

Staff attended more than 150 different courses in 2007 and 80 staff attended the Training Forum in May 2007.

More than 200 members of staff attended sessions of the two day staff development program, Octoberfest, in October 2007.

In December 2007, Challenger TAFE had a further 43 lecturing staff who had been employed prior to or during 2005 who had completed their Certificate IV Training and Assessment requirements.

Improve pathways and choices for students by:

- making a commitment to skills recognition delivery
- maintaining and fostering a close working relationship with the Career Development Centre (formally the Training Information Centre) to build a stronger focus upon career guidance services for students
- implementing the Western Australian Certificate of Education requirements through cooperative delivery of VET for Schools program
- achieving targets as set out in the District Education Training Plan for 2007 and supporting the District Education and Training plan development for 2008.

## Outcomes December 2007

Challenger TAFE increased the level of skills recognition undertaken by each industry training centre in 2007.

This was partially achieved by each centre undertaking project work to lift the level of skill recognition and training in the workplace or community provided by their lecturers.

Challenger TAFE Career Development Centre established a Skills Recognition Database as the point of contact for skills recognition enquiries across the college. CareerConnect advice, employment services and skills recognition services were coordinated through one portal. The enhancement of on-line facilities through Student Portal 3 has provided students improved access to information relating to all aspects of their relationship with Challenger TAFE.

In 2007, Challenger TAFE worked in cooperation with more than 70 high schools in the Fremantle/Peel district, assisting them in the provision of programs to encourage students' successful school completions; and in achieving targets sets out in the Fremantle/Peel District Education Plan.

# Performance Management Framework and Outcomes Summary

1

Work with business and industry to:

- deliver training in flexible ways to ensure graduates have expertise and skills relevant to current industry standards;
- provide on-the-job training for existing and new workers in order to maximise training and upskilling opportunities;
- reduce skill shortages and align outcomes to meet future industry needs;
- develop and implement programs to expand and increase the flexibility of apprenticeships and traineeships;
- increase market share of apprenticeship training in TAFEWA colleges; and
- develop and implement programs to meet the needs of high priority industry sectors with special skills needs.

## **Outcomes December 2007**

Fifteen projects were funded to encourage each Training Centre within the College to trial flexible delivery training and skills assessment formats in workplaces and the community. Staff had to identify the industry, community or specific enterprise's requirements and customise a solution.

Challenger TAFE met all targets relating to provision of training in areas experiencing shortages of skills and also assisted with English as a Second Language provision to skilled migrant workers.

The range of programs Challenger TAFE provided to expand and increase the flexibility of apprenticeships and traineeships included:

- developing a WorkSmart program comprising five weeks of training and workplace experience for young people interested in careers in the Shipbuilding industry
- provision of School Apprenticeship Link courses in Beauty and Hairdressing with opportunities move to a traineeship or apprenticeship
- delivery of a whole-of-trades assessment project involving two accelerated skills training classes of apprentices in 2007 which resulted in six students completing their fast track programs in a record time
- Apprentice delivery in the Peel Region exceeded the target by nearly 20%, with significant growth in Carpentry
- training for the Wall and Ceiling Lining apprentice program exceeding the target numbers in its first year
- Fast-tracking students in Carpentry and Bricklaying providing industry ready workers in Peel in a shorter time
- An improved Construction industry training facility in Mandurah for training industry apprentices.

# Performance Management Framework and Outcomes Summary

## 1.1.7 ACROSS-SECTOR INITIATIVES

### Across Sector Initiatives

Leading, promoting and preparing for Corporate Services reform.

- a) Within your agency
- b) At a whole of government level
  - ensure compliance with agency readiness requisites such as agency data prior to roll in
  - reform agency corporate services structures, systems and processes and provide staff where required to assist with the reform process
  - participate and engage in the Whole of Government Steering Committee or the respective Client Management Councils.

All current Corporate Services reform targets have been achieved on time and as required.

Leading, promoting and preparing for functional review initiatives.

- a) Within your agency
- b) At a whole of government level
  - demonstrate pro active participation and engagement in functional review initiatives
  - assist in the identification of efficiency and effectiveness improvements
  - implement identified efficiency and effectiveness improvements and savings initiatives All current functional review targets have been achieved on time and as required.

All current functional review targets have been achieved on time and as required.

Leading, promoting and preparing for E-Government initiatives

- a) Within your agency
- b) At a whole of government level
  - demonstrate active collaboration with other agencies to identify and implement e-government initiatives that lead to more coordinated service delivery
  - establish agency processes that lead to improvements in knowledge and information sharing for better decision making and service delivery
  - put in place processes for managing agency data and information as a strategic asset of government.

All current E-Government responsibilities have been met.

Promoting and encouraging Indigenous employment

- a) Within your agency
- b) At a whole of government level and/or in the private sector
  - demonstrate promotion and development of strategic indigenous employment initiatives
  - evidence of the development of strategies to increase training and career development opportunities for indigenous employees to increase representation at all levels of the organisation
  - demonstrate pro active participation and engagement in Whole of Government indigenous employment initiatives such as entry level recruitment, traineeships, cadetships and graduate programs.

Challenger TAFE established two indigenous lecturer cadetships in 2007 and had a 1% representation of indigenous people in its workforce. In 2008 the target is to achieve a 2.8% indigenous representation in the Challenger TAFE workforce.

# Performance Management Framework and Outcomes Summary

1

## 1.2 Australian Quality Training Framework 2007 (AQTF 2007) Requirements

Challenger TAFE is a Registered Training Organisation (RTO) and ongoing registration is dependent upon our adherence to the Australian Quality Training Framework. In 2007 a new set of revised guidelines was released to improve the quality of training and assessment in the VET sector. The changes came into effect on 1 July 2007.

### 1.2.1 ESSENTIAL STANDARDS FOR REGISTRATION AS AN RTO

The Essential Standards for Registration – Training organisations must meet these standards in order to deliver and assess nationally recognised training and issue nationally recognised qualifications. They include three standards, a requirement for registered training organisations to gather information on their performance against three quality indicators, and nine conditions of registration.

Standard 1 The Registered Training Organisation provides quality training and assessment across all of its operations.

Standard 2 The Registered Training Organisation adheres to principles of access and equity and maximises outcomes for its clients.

Standard 3 Management systems are responsive to the needs of clients, staff and stakeholders, and the environment in which the Registered Training Organisation operates.

#### Quality Indicators

Employer satisfaction is evidenced by employers' evaluations of learners' competency development, its relevance to work and further training, and the overall quality of the training and assessment. (competency development, and training and assessment quality).

#### Outcomes December 2007

A new measure is currently being developed at the national level.

Learner satisfaction is evidenced by a) their engaging in activities likely to promote high-quality skill outcomes and b) by their perceptions of the quality of their competency development and the support they receive from RTOs.

#### Outcomes December 2007

Challenger TAFE's employment outcomes for Graduates showed an improved outcome of 3.6% from the previous measure in 2005.

Challenger TAFE's Graduate satisfaction rose by 2.5% in achieving their main reason for study.

Competency completion rate calculated for qualifications and units of competency/modules delivered, based on data provided by RTOs on the previous calendar year's number of enrolments and qualifications completed and/or units of competency/modules awarded.

#### Outcomes December 2007

Module Load Completion Rates (MLCR) rose by 1.97% on 2006 outcomes.

### 1.2.2 EXCELLENCE STATUS: VOLUNTARY IMPROVEMENT PROCESS

Challenger TAFE has committed to undertaking the voluntary improvement process available through registration and is therefore working to achieve Excellence status as noted in the Challenger TAFE Strategic Plan 2008-2010.

# 1 Performance Management Framework and Outcomes Summary

## 1.3 Bureau Veritas Qualite Internationale (BVQI) Registration

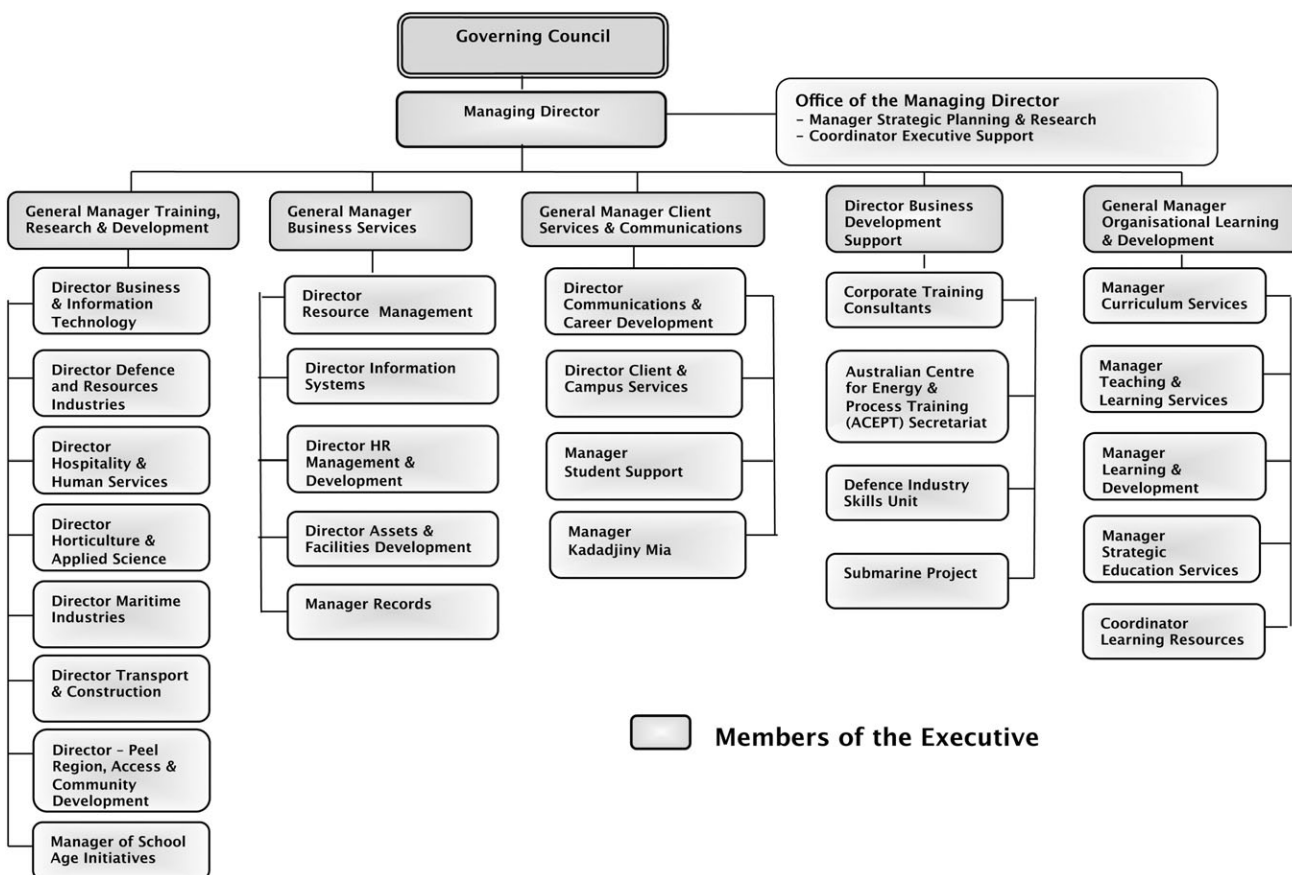
The College has been certified to the ISO 9000 series of International Quality Management Standards since 1992. The accrediting agency is Bureau Veritas Quality International (BVQI). The Scope of Certification approved by BVQI for Challenger TAFE covers 'The design, development and provision of vocational education and training and associated services'.

In 2007 the College was re-certified to ISO Standard AS/NZS ISO 9001-2000 Quality Management Systems, by the accrediting agency Bureau Veritas. The College is audited twice each year and for 2007 no non-compliances were reported; however, a few opportunities for improvement were suggested. The College incorporated these suggestions into its continuous improvement program.

The outcome of the audit visits in April and August 2007 recognised the College's continuing strong focus on program development at the strategic level and its vigilance in ensuring student delivery activities are performed in accordance with requirements.

Bureau Veritas documented evidence of staff adopting innovative approaches to addressing emerging training needs and strategies for assisting workplaces to develop appropriate organisational development solutions consistent with the College's Four Paradigm Model of Service Delivery.

## 1.4 Organisational Chart





My congratulations go to the many Challenger TAFE students, programs and staff who achieved public recognition in 2007 including:

## **STUDENTS**

- Dale McMullen (Gold medal) International World Skills 2007 in Automotive
- Margarita Ramirez (Gold medal) and Christine Fawzy (Bronze medal) WA WorldSkills 2007 in Beauty Therapy
- Stacey Pitman (Gold medal) and Kaj Britschgi (Bronze medal) WA WorldSkills 2007 in Floristry
- Wei Wei Chuah (Silver medal) WA WorldSkills in Cookery
- Sarah Richards (Bronze medal) WA WorldSkills in Restaurant Services
- Timothy Lewis (Silver medal) WA WorldSkills in Electrical Installation
- Sarah Richards (Gold medal) WA WorldSkills and Gold Plate Student Wait competitions
- Bonnie Johnson (First place and an award of \$1500) New Generation Showcase Awards for Fashion students
- Kristy Gray (Second place and an award of \$750) New Generation Showcase Awards for Fashion students
- Therima Noorgat (Third place and an award of \$500) New Generation Showcase Awards for Fashion students

## **STAFF**

- Ken Gwyer (Highly Commended and an award of \$25,000) 2007 Premier's Teacher of the Year
- Faye Arcaro Horticulture lecturer National 2007 ABC Gardener of the Year Horticulture lecturer

## **INDUSTRY TRAINING CENTRES**

- Marine Tourism Training (Gold award) Tourism Education programs WA 2007 Tourism Awards
- Quinlan's Hospitality Training (Silver award) Tourism Education programs WA 2007 Tourism Awards
- Quinlan's Hospitality Training won the Catering Institute of Australia Gold Plate Award for Best Training Restaurant

## **PARTNERING AGENCIES**

- Winjan Aboriginal Community in Mandurah (Finalist) Premier's Awards 2007 in the Regional Development category

# 2 Chairperson's Report

## 2.1 Aligning with Industry and Community Needs

Recent outcomes of research conducted by the State Training Board indicated that while the buoyant economy is serving many Western Australians well there is an important minority group who are not sharing the 'good times'. An important obligation of the Governing Council is to ensure that, while the College must respond to the present and future skills demands of industry, our training provision also addresses the interests of the community with training and related services formulated to serve their needs.

Governing Council's awareness of the varied pressures exerted by global impacts at the local level is helping us to work with the College to shape appropriate strategies for delivering tailored services in a changing environment. Aligning the College's services to meet industry requirements has been a priority, with a particular focus on delivering training and skills assessments in workplaces.

With financial assistance from the WA Department of Education and Training, policies and processes for Duty of Care to young people under 18 years were implemented. A further increase by one year in the school leaving age in 2008 has encouraged Challenger TAFE to customise more programs for an anticipated increased population of younger learners. In 2007, The College worked with 70 schools and 3500 school students enrolled in a range of programs.

## 2.2 Strategic Responsiveness

In 2008 the Perth Mandurah rail link will provide new opportunities for communities with rail access. Governing Council sees this as both an opportunity and a threat for Challenger TAFE as metropolitan and Peel Region students will have more choices of training locations and skills they can access within or beyond the College's training region.

During 2007, Challenger TAFE has been mindful of how it provides training and skills recognition and assessment programs, focusing on customising solutions to address local needs. This approach has provided many formats for our students acquiring new skills and recognition of their existing capabilities, for example, through lecturers working in enterprises eg small businesses and the Water Corporation; by conducting skills recognition for workers in industry or community agencies eg Austal Ships or the many Child Care centres the College works with or working with the Oil and Gas industry to recognise existing skills.

## 2.3 Infrastructure Development

Current infrastructure projects that the College is involved with in partnership with the WA Department of Education and Training include:

- A construction project for the \$20.5m Australian Centre for Energy and Process Training (ACEPT), located within the Australian Marine Complex Henderson, was completed and occupied from June 2007. The accompanying process plant was completed in mid December. The facility will be operational from the beginning of 2008.
- A \$10.5m Automotive Technologies Skills Centre, under construction within the Kwinana Education and Training Precinct, will be available for a Term 2 student intake in 2008. Most Automotive trade training will occur from the Kwinana site, allowing many students access via the new rail line and requiring less travel for Automotive students from Rockingham and Peel Region who had previously made the journey to Fremantle regularly. The Centre is located close to the Kwinana Motorplex and the proposed Wattleup heavy transport terminal so, longer term, the Centre may need to service a wider range of Automotive skills demands.
- A \$200,000 allocation by the WA Department of Education and Training to provide a Building and Construction Shed on the Peel Campus, Mandurah to address skill shortages in the Region. It was completed in July 2007 and opened by Minister McGowan in September. The number of apprentices and trainees accessing the facility exceeded targets in its first year of operation.

- Hospitality training facilities that will be expanded in Peel with the completion of 'the Peel Kitchen,' a jointly funded initiative undertaken by Challenger TAFE, Mandurah Senior College and the WA Department of Education and Training. Valued at \$0.75m, Mandurah Senior College's existing kitchen was upgraded to commercial status and is scheduled for student use in February 2008.
- Approximately 13 hectares of Murdoch Campus land being transferred to the WA Department of Health under the Murdoch Activity Centre Structure Plan for the proposed Fiona Stanley Hospital. Within the proposal, new road alignments for the Murdoch Campus will facilitate improved access for students.
- Challenger TAFE has continued to develop an increased presence in Fremantle's West End with some administrative functions formerly located in the Fremantle Port Authority being relocating to Elder House, at a cost of \$0.75m. Phillimore Chambers, directly opposite Elder House, has been modified to accommodate a student Fashion Design Studio at a cost of \$0.15m. This links students into the vibrant Fashion industry developing in Fremantle's West End. Students used the facility from Semester 2.

## 2.4 Contractual Obligations

The Governing Council is pleased with the outcomes achieved with the College's Delivery and Performance Agreement in 2007. As part of our contractual obligation as a semi-autonomous government instrumentality, in 2007, Challenger TAFE received a total of \$40,321,561 to deliver 3,917,102 Student Curriculum Hours (SCH), an increase of \$1,027,336 and 121,837 Student Curriculum Hours (SCH) on our 2006 Agreement. The College achieved above 100% delivery of the 2007 Delivery and Performance Agreement including enrolling 309 more apprenticeships and trainees than in 2006. Challenger TAFE also earned \$18,204,676 from other sources, including delivering training and related services within the State and overseas. As part of this activity, 981,440 Student Contact Hours (SCH) were delivered as fee-for-service training, not including additional training for the Ministry for Defence and work undertaken entirely off-shore.

## 2.5 Governing Council Business

The Governing Council welcomed the expertise of one new member during 2007 and farewelled one departing member. Council met on six occasions and both the Performance Monitoring and Audit and Planning and Development committees considered committee business on four occasions.

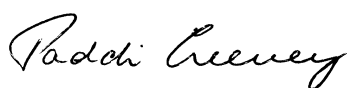
The Governing Council and its Committees members reported no conflicts of interest during 2007.

The Governing Council approved the use of Challenger TAFE's Corporate Seal on contracts on 56 occasions and approved the directions set out in the Challenger TAFE 2008-2010 Strategic Plan.

## 2.6 A Strong Future

The Governing Council is committed to providing Challenger TAFE with strategic advice and direction; oversight of operations; feedback on local industry and community needs and likely impacts of the expanding populations in the southern metropolitan corridor and Peel region.

The Governing Council thanks the Challenger TAFE staff for its commitment and hard work, and congratulates them on the extent of the College's achievements in meeting 2007 targets and in addressing strategic directions.



Paddi Creevey  
CHAIR, GOVERNING COUNCIL

# 3 Managing Director's Report

In 2007 the College worked on enhancing its reputation in the training market, increasing its commercial activity and strengthening its capacity to provide 'anywhere, any time training' for industry and the community. This has included substantial reinvestment in the College working environment, representing \$4.3 million since 2006.

## 3.1 Minister's Outcomes Summary 2007

### CHALLENGER TAFE'S PRIORITIES AND TARGETS FROM MINISTER OF EDUCATION AND TRAINING

TARGET	OUTCOMES DECEMBER 2007
Increase Apprenticeships and Traineeships in conjunction with appropriate branches of the Department of Education and Training with 3,507 in-training as at December 31 2007	In December 2007, Challenger TAFE had 3547 apprentices and trainees.
Increase number of Indigenous students enrolled in employment based outcomes (Certificate III and above) from a base of 206 in 2004 to 237 by December 2007	In December 2007, Challenger TAFE had 266 individual indigenous students who had gained a course result at Certificate III or higher levels in 2007.
All lecturers to hold a Certificate IV in Training and Assessment, or equivalent, within two years of commencement, as per the Certified Agreement	Challenger TAFE had trained 43 new lecturing staff in Certificate IV TAA between 2005 and 2007. All Challenger TAFE lecturers who do not hold this qualification are undertaking training.

## 3.2 Challenger TAFE Goal 1

### INDUSTRY-DRIVEN TRAINING TO MEET WORKFORCE NEEDS

The College has placed a high priority on workforce development approaches in industry and regions through the implementation of a Four Paradigm Model of Service Delivery. As part of this initiative in 2007, fifteen innovations projects were implemented with Challenger TAFE's specialist Training Centres to develop or enhance the College's strategies for providing skills recognition for existing workers and workplace training. The work based innovations identify practical ways of encouraging workforce planning and employee development. These arrangements necessitate greater mobility and a range of technology supported solutions to be available to staff.

In terms of provision of training for skill shortages industry areas, a particular success for Challenger TAFE in 2007 has been a 100% increase in the provision of Diploma of Enrolled Nursing training in 2007. To facilitate delivery of the Diploma of Enrolled Nursing practical skills sessions and clinical placements, the College has been fortunate to gain the cooperation of the University of Notre Dame and local health industry services, including Fremantle Hospital and St John of God Hospital, Murdoch. Advanced Diplomas in Peri-operative Nursing and Anaesthetics are currently being negotiated and will commence in mid 2008. The program will feature substantial course acceleration for participants who already have skills gained in a related industry area.

In 2007, seven Challenger TAFE students were State Finalists in the WA division of the WorldSkills (trade skills) competitions while former Automotive apprentice Dale McMullen attracted global success in the international level of the WorldSkills competition in Tokyo. It is an exciting outcome for the Automotive Technology training staff who will celebrate a move to a new Automotive Technology Training Centre within the Kwinana Education Precinct in Term 2 2008.

## 3.3 Challenger TAFE Goal 2

### EXPANDING COMMUNITY'S ACCESS TO TRAINING AND SUPPORT SERVICES

An example of Challenger TAFE's approach to expanding the community's access to training is occurring in Boddington. A very productive partnership for fostering employment in the local community has been developed in cooperation with Boddington Gold Mine and its subcontractors. In 2007, Challenger TAFE partnered with Universal Sodexo to provide employment opportunities for 21 indigenous and other students by designing and providing a bridging course incorporating a Certificate I in Hospitality (Kitchen Operations). The students' training included practical work in the Sodexo kitchens at the mine site for one day per week. This program is in addition to an Introductory Metals Training Course offered in 2006, as a result of which, a number of indigenous apprentices are currently working with Gold Mine subcontractors.

The town is also supported with Challenger TAFE Learn Local Initiative facilities developed for outlying parts of the Peel Region. This arrangement allows community members to access course information; complete a Challenger TAFE enrolment; utilise computer and internet facilities; and access flexible study options.

## 3.4 Challenger TAFE Goal 3

### ENTERPRISING CULTURE TO GENERATE COMMERCIAL AND INTERNATIONAL BUSINESS AND ACCESS ALTERNATIVE REVENUE SOURCES

In 2007, income from sources other than the Delivery and Performance Agreement with the WA Department of Education and Training rose by 16%, bringing the total College revenue from sources outside of the 2007 Delivery and Performance Agreement with the WA Department of Education and Training, to 45% of total revenue. This represents a significant increase for the College and relies on the entrepreneurial spirit of the staff.

The number of International students studying on Challenger TAFE campuses in 2007 increased, with the highest representation in Hospitality and Tourism and Horticulture programs. In 2008, a cohort of Hospitality and Tourism industry international students will undertake their training and work experience in Mandurah. Offshore, international work in Mauritius increased this year through Swami Dayanand Institute of Management and Charles Telfair Institute resulting in over 1000 enrolments by the College in Mauritius. Challenger TAFE now has 1000 student enrolments in Mauritius in Hospitality, Tourism, Child Care, Beauty Therapy and Business and IT. Work was also undertaken in India, Qatar and the United Arab Emirates, with over 300 enrolments now from these countries.

## 3.5 Challenger TAFE Goal 4

### BEING AN EMPLOYER OF CHOICE

In 2007 Challenger TAFE has implemented a strong focus on becoming an employer of choice. This is an imperative under the current labour market conditions where skilled personnel, particularly in technical industries, may attract high salaries in the private sector; and in relation to the TAFEWA workforce where many skilled staff members are approaching retirement age. Challenger TAFE's approach has featured an organisational climate survey with a diagnostic analysis of the results; and the development of a People Development Framework which will be released to staff early in 2008. The People Development Framework will form another strategy for strengthening the College's Learning and Development culture. This new initiatives will also inform the new iteration of the College's Workforce Development Strategy due for completion by the close of 2008.

The People Development Framework will have additional resources to address in-house skill deficits and staff training; greater responsiveness to our internal customers; and enhanced tools for communications, particularly for staff working away from the campuses in various forms of flexible working arrangements. A publication of case studies: *Building a New Practice: Implementation of the Four Paradigm Model* has showcased the College's new approach and the innovative responses of our staff and this has attracted Australia-wide interest. As part of our priority for developing our workforce, the College has increased the learning development budget from 1% to 4% of salary expenditure annually.

# 3 Managing Director's Report

The College has acknowledged the commitment of staff in other ways as well. Three staff scholarships were awarded including study assistance to teaching areas such as Business Administration and Electrical Instrumentation. Staff commitment to College values was also rewarded with individual and team Achievement Awards in outstanding service and customer service areas and covered a diverse range of staff activities including revitalisation of the Pre-apprenticeship programs and developing excellent working relationships between the College and overseas clients.

As a guide for good practice, the College has also re-energised its Basic Principles and Values and developed a set of Five Basic Principles for staff conduct focusing on excellence, innovation, integrity, empowerment, accountability and collaboration.

## 3.6 Challenger TAFE Goal 5

### IMPROVING BUSINESS PROCESSES AND SYSTEMS

In order to strengthen the College's capacity to provide 'anywhere, any time training' for industry and the community, there has been demand from the delivery staff for more flexible working options for both students and staff. In response, Information Systems has developed 30 access points deployed around the major campuses to supply wireless access and has begun the infrastructure development for remote off-campus access to College Information Systems. Evidence for the need for an acceleration of system changes came from recommendations from training staff who had worked on 15 innovative training projects designing and trialing anywhere, any time training solutions for industry and the community. Information Systems improvements were supplemented with other IT training solutions, PDAs and other technology capabilities for improving staff's off-site training and assessment capacity.

2007 has been a very successful year by all indicators, with all targets set for the College achieved, and in many cases, exceeded. The College has continued to encourage innovation and this is reflected in the many strategic initiatives developed and implemented by staff.



Liz Harris  
MANAGING DIRECTOR

## 4.1 Challenger TAFE's Vision, Mission and Values

### 4.1.1 VISION

To be a high performance, visionary training organisation.

### 4.1.2 MISSION

To provide training and related services that are enterprise and community driven and career courses aligned with the current and future skills requirements of Western Australia.

### 4.1.3 CULTURE

Fostering a shared culture across a large organisation is an on-going task with good practice starting from the top. Our good practice will encourage:

- Excellence – achieving high quality outcomes in the development of programs and provision of services.
- Innovation – developing new and improved ways of doing business and meeting client needs.
- Integrity – applying honest and ethical practice in all transactions.
- Empowerment – supporting informed decisions at every level within policy and resource parameters.
- Accountability – accepting responsibility at each level for achieving agreed outcomes.
- Collaboration – building positive working relationships with each other and community, government, industry and other education and training agencies.

### 4.1.4 OUR GUIDING PRINCIPLES

In our interactions we will abide by the College Guiding Principles and will:

- Focus on the situation, issue or behaviour, not the person;
- Maintain the self confidence and self esteem of others;
- Maintain constructive relationships;
- Take initiative to make things better; and
- Lead by example.

## 4.2 Achieving Results in 2007

We achieve our results through the appropriateness of our services to the public, the quality and commitment of our dedicated people and the effectiveness of our enabling processes.

## 4.3 Strategic Goals

### GOAL 1: PROVIDING INDUSTRY-DRIVEN TRAINING AND RELATED SERVICES TO MEET WORKFORCE NEEDS

Key result area: Challenger TAFE will provide training, skills recognition, career development and employment placement services to meet industries' current and future skill requirements, in an environment of user choice.

### GOAL 2: EXPANDING THE COMMUNITY'S ACCESS TO RELEVANT VOCATIONAL EDUCATION AND TRAINING AND APPROPRIATE SUPPORT SERVICES

Key result area: Individuals and special groups will select Challenger TAFE to provide their skills training, allowing them to participate more fully in the community and economy.

### GOAL 3: BUILDING A STRONG ENTREPRENEURIAL CULTURE WITHIN OUR WORKFORCE TO GENERATE COMMERCIAL AND INTERNATIONAL BUSINESS AND TO ACCESS ALTERNATIVE REVENUE SOURCES

Key result area: Challenger TAFE will continue to expand commercial and international training activities, accessing a range of revenue sources.

Goals 4 and 5 are internally focused and address our strategies for learning and growing as an organisation, and improving on our efficiencies.

### GOAL 4: BEING AN EMPLOYER OF CHOICE

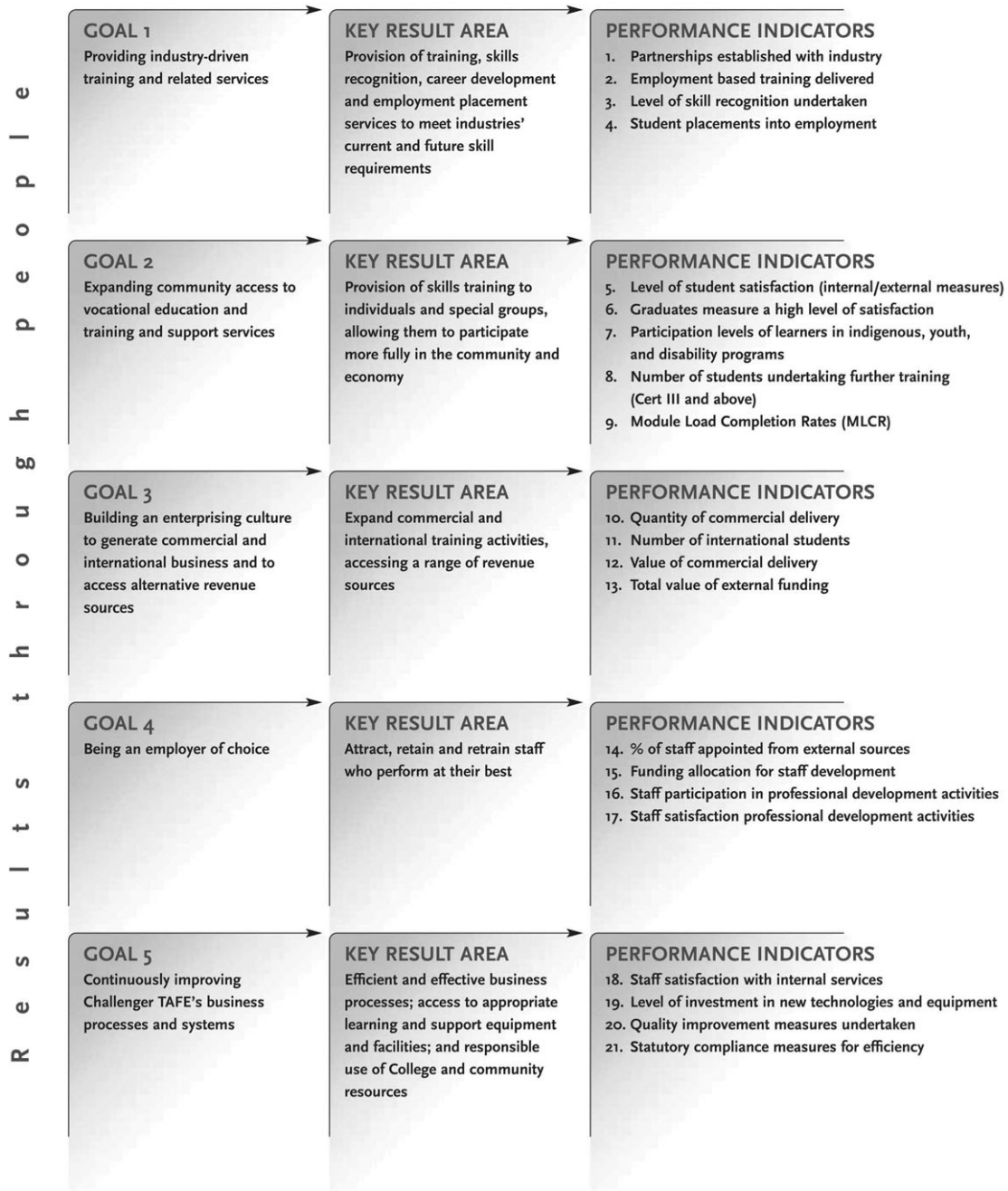
Key result area: Within a sector with an ageing workforce, Challenger TAFE will attract, retain and retrain staff who perform at their best.

### GOAL 5: CONTINUOUSLY IMPROVING OUR BUSINESS PROCESSES AND SYSTEMS

Key result area: Challenger TAFE will provide increasingly efficient and effective business processes; access to appropriate learning and support equipment and facilities; and responsible use of College and community resources.



## 4.4 Table 4.1 Goal Achievement Framework



## 4.5 Outcomes against Challenger TAFE Goal 1

### Goal 1 Key Result Area

Provision of training, skills recognition, career development and employment placement services to meet industries' current and future skill requirements Performance Indicators

### Performance Indicators

1 Partnerships established with industry

2 Employment based training delivered

3 Level of skill recognition undertaken

4 Student placements into employment

### 2007 Significant Outcomes against this Goal

#### 1 Partnerships Established with Industry

A Young Pregnant and Very Excited (YPAVE) Access to Vocational Education program for pregnant teenagers and young mothers continued to run at community locations in Fremantle and Rockingham, supported by the WA Department of Education and Training and the City of Rockingham. The Number of participants increased to 41 across the two locations. In partnership with the Kwinana Industries Education Partnership, the College continued to deliver the Rockingham Educating Young Parents program at South Coastal Women's Health Centre, supporting young parents to complete their secondary education or undertake TAFE studies via external studies.

International partnership arrangements for the provision of IT and Business Services training expanded with work completed with three offshore institutions: Swami Dayanand Institute of Management Mauritius, Charles Telfair Institute Mauritius and Qatar Petroleum in Qatar. Challenger TAFE now has 1,000 student enrolments in Mauritius in Hospitality, Tourism, Child Care, Beauty Therapy and Business and IT.

A very productive partnership for fostering employment in the local community has been developed in cooperation with Boddington Gold Mine and its subcontractors. In 2007, Challenger TAFE partnered with Universal Sodexho to provide employment opportunities conducted for 21 indigenous and other students by designing and providing a bridging course incorporating a Certificate I in Hospitality (Kitchen Operations). The students' training included practical work in the Sodexho kitchens at the mine site for one day per week. This program follows on from an Introductory Metals Training Course offered in 2006, as a result of which, a number of indigenous apprentices are currently working with Gold Mine subcontractors. Through an oil and gas industry partnership, skills recognition services were provided to 12 companies.

A Department of Main Roads partnering arrangement was established to undertake a workforce development strategy.

In 2007, Challenger TAFE worked in cooperation with more than 70 high schools in the Fremantle/ Peel district, assisting them in the provision of programs to encourage students' successful school completions; and in achieving targets set out in the Fremantle/Peel District Education Plan.

## 2 Employment Based Training Delivered

In December 2007, Challenger TAFE had 3,547 apprentices and trainees.

Industry alignment is also demonstrated through our work-based delivery arrangements and partnerships. The College currently delivers approximately 40% of its training in the workplace or using blended modes of training delivery.

Quinlan's Hospitality and Tourism Training Centre built a new partnership with Coles Supermarkets for training delivery of Responsible Services of Alcohol training over 500 employees.

The Challenger TAFE Building and Construction Skills Centre staff delivered 20 PVC Pipelaying programs to Water Corporation pipelaying operatives.

## 3 Level of Skills Recognition Undertaken

Challenger TAFE increased the level of skills recognition undertaken by each industry training centre in 2007. This was partially achieved by each centre undertaking project work to lift the level of skill recognition and training in the workplace or community provided by their lecturers.

Challenger TAFE Career Development Centre established a Skills Recognition Database as the point of contact for skills recognition enquiries across the College. CareerConnect advice, employment services and skills recognition services were coordinated through one portal. The enhancement of on-line facilities through Student Portal 3 has provided students improved access to information relating to all aspects of their relationship with Challenger TAFE.

## 4 Student Placements into Employment

Challenger TAFE's employment outcomes for Graduates showed an improved outcome of 3.6% from the previous measure in 2005.

## 4.6 Outcomes against Challenger TAFE Goal 2

### Goal 2 Key Result Area

Provision of skills training to individuals and special groups, allowing them to participate more fully in the community and economy Performance Indicators

### Performance Indicators

5 Level of student satisfaction (internal/external measures)

6 Graduates measure high level satisfaction

7 Participation levels of learners in indigenous, youth, and disability programs

8 Number of students undertaking further training (Certificate III and above)

9 Module Load Completion Rates (MLCR)

### 2007 Significant Outcomes against this Goal

#### 5 Level of Student Satisfaction (External/Internal Measures)

The College results from the Annual State Survey of TAFEWA Module Completers registered a Student Satisfaction level of 83.4%.

A satisfaction level of 91% for delivery of funded training was achieving in 2007 through the College's internal Improvement Processes monitoring arrangements. This compared with an outcome of 85% in 2006.

### 6 Graduates Measure High Level Satisfaction

Challenger TAFE's employment outcomes for Graduates showed an improved outcome of 3.6% from the previous measure in 2005.

Graduate satisfaction showed an improved outcome of 2.5% from the previous measure in 2005 on Graduates achieving their main reason for study.

### 7 Participation Levels of Learners in Indigenous, Youth and Disability Programs

#### INDIGENOUS PROGRAMS

In 2007 there were 549 Indigenous student enrolments Certificate II through to Diploma level.

Twelve students commenced an Indigenous School Based Traineeship in Process Operations in July 2007 and are on track to complete the Certificate I in Process Operations Skills early in 2008. These students have been strongly supported by a mentor.

Eleven indigenous trainees employed by the Department of Justice completed their Certificate II in a Business traineeship in July 2007.

Employment based training was delivered to seven employees of the Nyoongar Patrol Inc onsite in their Lindsay St Headquarters in Perth.

The College delivered Certificates II, III, IV in Aboriginal Art and Tourism and Certificate IV in Community Development, including a Certificate IV in Tourism provided to Moropoi Community situated 200 kilometres North East of Kalgoorlie.

The College delivered a DET funded "Street Beat" program to street present Aboriginal people in Fremantle.

#### YOUTH PROGRAMS

To encourage participation in training by people seeking to re-enter education, and in response to the needs of special interest groups in the community, the Access and Participation section of Challenger TAFE worked in partnering arrangements with the Peel Music Foundation, Billy Dower Youth Centre, Rockingham Police Citizens Youth Centre, Workpower, the June O'Connor Centre, the Lifelong Learning Centre and Connections.

The College delivered training to 3,500 school aged students from 70 schools in 2007.

WA Maritime Training Centre Fremantle conducted five Hooked on Fishing programs in the Fremantle/Peel regions, to young people considered to be at risk.

Developed and successfully implemented the "Fishy Logistics" programs for students from North Lake Senior Campus who are recent arrivals with English as their new language.

By providing auspicing arrangements to partnering high schools for their delivery of the Certificate in the General Education of Adults, Challenger TAFE assisted in encouraging students with limited literacy and numeracy to remain in high schools.

A new youth program was delivered at the Billy Dower Youth Centre in Mandurah, and at Rockingham Campus with an engineering focus.

New partnerships were established with the Rockingham Connections program, Lifelong Learning Centre and Rockingham Police Citizens Youth Centre (PCYC). Programs for young people continued to run at Kwinana Campus, Hilton Police Citizens Youth Centre (PCYC) and Rockingham Campus.

A Young Pregnant and Very Excited (YPAVE) program for pregnant teenagers and young mothers continued to run at community locations in Fremantle and Rockingham, supported by the WA Department of Education and Training and the City of Rockingham. The Number of participants increased to 41 across the two locations. In partnership with the Kwinana Industries Education Partnership, the College continued to deliver the Rockingham Educating Young Parents program at South Coastal Women's Health Centre, supporting young parents to complete their secondary education or undertake TAFE studies via external studies.

Programs for clients of the Department of Corrective Services were conducted at Rockingham, including a partnership with the Rockingham Police Citizens Youth Centre in delivery of metals training for young indigenous clients.

Positive schools feedback was received on Challenger TAFE's five-week Marine industry 'taster programs' for Year 10 and 11 students with many schools identifying that the program was helpful in keeping this cohort of students engaged, and provided the participants with course selection suggestions for 2008 and in some cases direct employment.

In cooperation with local high schools, Challenger TAFE developed a WorkSmart program comprising five weeks of training and workplace experience at Tenix Marine and Austal Ships. The program particularly targeted young people in danger of leaving without school completion or training. Of the group of eleven, three were selected to undertake apprenticeships and a further four from Kwinana moved to employment.

Fremantle e-Tech's IT Community Website was launched on 5 December 2007. It was developed, and will be managed, by IT students to provide a networking space for students, graduates, and friends of e-Tech, to share information and opportunities in learning and working in technology.

## DISABILITY PROGRAMS

The College delivered training to 230 registered students with a disability in 2007.

The College delivered a Certificate I in Manufacturing for workers of Activ Industries, incorporating components of skills recognition and 'skill gap' training.

The College delivered a Certificate I in Work Education for students with a disability, incorporating a stronger focus on career planning and workplace education.

The Access and Participation section of Challenger TAFE commenced a project funded through the Department of Education and Training's Innovation Strategy which will offer tailored workforce development training and skills recognition for enterprises employing people with a disability.

Targeted programs were delivered to clients with schizophrenia at the Stan Reilly Centre.

A DET funded "Home Beat" skills training program was provided for residents and clients of St Patrick's Care Centre in Fremantle.

## 8 Number of Students Undertaking Further Training (Certificate III and above)

In 2007, there were 14,189 course enrolments in Certificates III, IV, Diploma and Advanced Diploma.

## 9 Module Load Completion Rates

Module Load Completion Rates (MLCR) 75.91% which rose by 1.97% on 2006 outcomes.

## 4.7 Outcomes against Challenger TAFE Goal 3

<b>Goal 3 Key Result Area</b>
Expand commercial and international training activities, accessing a range of revenue sources
Performance Indicators
<b>Performance Indicators</b>
10 Quantity of commercial delivery
11 Number of international students
12 Value of commercial revenue
13 Total value of external funding
<b>2007 Significant Outcomes against this Goal</b>
<b>10 Quantity of Commercial Delivery</b>
The College delivered 981,765 hours in commercial training.
<b>11 Number of International Students</b>
The number of international students in 2007 increased from 174 in 2006 to 303 in 2007 with a doubling of the number of students completing Hospitality training
<b>12 Value of Commercial Revenue</b>
The College generated almost \$8m in fee-for-service training revenue and 45% of all income was outside of the income received through the 2007 Delivery and Performance Agreement with the WA Department of Education and Training
<b>13 Total Value of External Funding</b>
11% increase on 2006 revenue and 16% increase on our 2007 revenue target was exceeded by \$1,485,182.

## 4.8 Outcomes against Challenger TAFE Goal 4

<b>Goal 4 Key Result Area</b>
Attract, retain and retrain staff who perform at their best
<b>Performance Indicators</b>
14 % of staff appointed from external sources.
15 Funding allocation for staff development.
16 Staff participation in professional development activities.
17 Staff satisfaction professional development activities.
<b>2007 Significant Outcomes against this Goal</b>
<b>14 % of staff appointed from external sources</b>
56% were appointed from external sources.
<b>15 Funding Allocation for Staff Development</b>
In 2007, 1% equivalent of the estimated costs for staff salaries for 2007 was allocated for supporting staff development activities.
<b>16 Staff Participation in Professional Development Activities</b>
Challenger TAFE trained 43 new lecturing staff in Certificate IV TAA between 2005 and 2007.
Over 200 delegates attended the College's two-day staff development conference, with 36 sessions including health and lifestyle themed sessions, improvisation theatre, teaching strategies, job application skills and e-learning.
A three-day induction program for new lecturers was conducted at the start of the academic year and covered procedures that underpin effective classroom management and skills that underpin competency based delivery and assessment.
Campus based mentors to provided on the job support to lecturers particularly casuals and those new to the job.
<b>17 Staff Satisfaction Professional Development Activities</b>
A targeted survey and series of consultative forums were conducted in December 2007 to determine a minimum benchmark of staff satisfaction with professional development activities. The following focus areas were identified for improvement
<ul style="list-style-type: none"> <li>• Need to close capability gaps</li> <li>• Develop capabilities for operating across the Four Paradigm Service Delivery Model</li> <li>• Individual experts must maintain competence in their industry fields</li> <li>• More attention will be directed to Ideas, Innovation, Experimentation</li> <li>• Group Learning as well as individual learning</li> <li>• Knowledge sharing across the organisation</li> </ul>
Future evaluations 2008+ will monitor outcomes in the focus areas identified.

## 4.9 Outcomes against Challenger TAFE Goal 5

### Goal 4 Key Result Area

Efficient and effective business processes; access to appropriate learning and support equipment and facilities; and responsible use of College and community resources.

### Performance Indicators

18 Staff satisfaction with internal services

19 Level of investment in new technologies and equipment

20 Quality improvement measures undertaken

21 Statutory compliance measures for efficiency

### 2007 Significant Outcomes against this Goal

#### 18 Staff Satisfaction with Internal Services

A number of activities measured staff satisfaction with internal services. This included a survey and a series of consultative forums designed to measure Challenger TAFE's organisational climate.

As a result of this evaluation Challenger TAFE has commissioned a project to commence in 2008 to develop and implement a customer service model that aims to improve satisfaction with service for internal and external customers and stakeholders.

#### 19 Level of Investment in New Technologies and Investment

In 2007 the College strengthened its capacity to provide 'anywhere, any time training' for industry and the community. This has included substantial reinvestment in the College working environment, representing \$4.3 million since 2006.

#### 20 Quality Improvement Measures Undertaken

The Challenger TAFE improvement process monitors training experience evaluation feedback from students on Course Content, Delivery, Assessment, Resources and Course Administration. An improvement of 6% was achieved in 2007 compared with the 2006 outcome.

ISO 9001 audit attracted no qualifications for 2007.

AQTF registration requirements were adjusted in 2007. No audit has occurred under the new standard.

#### 21 Statutory Compliance Measures for Efficiency

The statutory measure of efficiency is the Cost per Student Curriculum Hour. In 2007 the target within the Forward estimates of January 2007 was a cost of \$14.97. The College achieved a cost of \$14.81 per Student Curriculum Hour.



2007 was a successful year for Challenger TAFE in meeting the targets within the 2007 Delivery and Performance Agreement with the WA Department of Education and Training, and in exceeding January 2007 Forward Estimates commercial revenue targets by \$500,000.

## 5.1 Quinlan's Hospitality & Tourism Training Centre

The Centre improved its outcome for apprentices by exceeding the target by 4% and delivering 1100 training hours above target. In addition, Quinlan's exceeded their training target for Trainees by 17%. Quinlan's is the only WA Registered Training Organisation that is Training and Accreditation Council approved to undertake Trade Recognition for the Cookery industry and in 2007 provided Recognition of Prior Learning (RPL) to 30 workers. Quinlan's also developed a 'meet the industry' program for its students, providing monthly industry guest speakers who addressed the whole student body.

### **PUBLIC RECOGNITION FOR OUR STUDENTS, STAFF AND CENTRE**

- Brendan Pratt, a newly qualified chef working Fraser's Restaurant in Kings Park was a finalist in the 2007 WA Training Awards and became Apprentice of the Year.
- Sarah Richards from Quinlan's Restaurant became Waiter of the Year, in the Catering Institute of Australia WA Division Gold Plate Student Wait competitions 2007. She also won a Bronze medal in Restaurant Services in the 2007 State WorldSkills competition.
- Wei Wei Chuah won a Silver medal in Cookery in the 2007 State WorldSkills competition.
- Phil Westwood who was instrumental in establishing Quinlan's Café in High St Fremantle was a finalist for the WA Trainer of the Year Awards in August 2007.
- Quinlan's Hospitality & Tourism Training Centre won the Catering Institute of Australia Gold Plate for best training restaurant and a Silver Medal in the WA 2007 Tourism Awards in Tourism Education went from strength to strength in 2007 in terms of public recognition for high quality training.

### **2007 OUTCOMES FOR THE CENTRE**

- Quinlan's Hospitality & Tourism Training Centre completed 30 applications for RPL in Cookery, providing these workers with formally recognised industry skills.
- In response to the newer VET professionals' Certificate IV, 75% of the lecturing staff chose to upgrade their qualification to the newer Certificate IV Training and Assessment qualification.
- Responsible Service of Alcohol programs were delivered to 500 Coles and 81 Transfield Services employees.

## 5.2 Community Services Training Centre

The Centre particularly focused on supporting training in the workplace and developed an online Learning Management System to support all courses and to facilitate more flexibility in delivery and assessment, both on and off the job. A highly successful new approach to Aged Care training in the workplace was piloted and accompanied by relevant staff development. It resulted in significant increases in skills recognition enrolments for this industry area. This was streamlined by the development of new Skills Recognition Assessment tools. The Centre also delivered new Traineeships in the Diploma in Children's Services; Certificate III in Community Services Work; Certificate III in Disability Work; and Certificate IV in Disability Work. Our international training expanded with auspicing of Children's Services training programs in Mauritius through the Swami Dayanand Institute of Management.

### **PUBLIC RECOGNITION FOR OUR STUDENTS AND CENTRE**

In order to enhance training in the workplace, the Centre:

- Developed an online Learning Management System to support all courses, and to facilitate more flexibility in delivery and assessment, both on and off the job.
- Developed and successfully piloted Aged Care training delivered in the workplace, including the application of new streamlined Skills Recognition Assessment tools which resulted in significant increase in skills recognition enrolments in these areas. 75% of students were able to complete the Certificate III in Aged Care in 50% of the usual time frame, which enabled them to take up employment in the industry
- All lecturers have gained their professional qualification, Certificate IV Training and Assessment. One lecturer has completed the Diploma
- All students who attend training on a full-time basis are allocated class time each week with a Student Support Lecturer to provide support for academic and related career matters

## **5.3 Visage Training Centre for Health & Lifestyle**

Individual achievements by students in Beauty Therapy and Hairdressing were highlights. The number of hairdressing apprentices increased from three classes in 2006 to four classes in 2007 while Beauty Therapy student enrolments also more than doubled in number compared with 2006. This was facilitated by a newly developed program that provided training through project based learning across a number of related career pathway areas. To fast track the training of students in Hairdressing, the Centre developed flexible learning and assessment materials, capturing evidence from the apprentices' work place activities. A pilot School Apprenticeship Link (SAL) program in Hair and Beauty was conducted, resulting in increased training delivery in this industry area.

In an important move to address skills shortages in the Health industry, Visage successfully completed a project to develop RPL tools to fast track students through their Enrolled Nursing training.

### **PUBLIC RECOGNITION FOR OUR STUDENTS AND CENTRE**

- Former Visage student, Margaret Micale, a qualified hairdresser with Erin Morgan Hair in Subiaco, was a finalist for the WA Apprentice of the Year award.
- Remedial Massage student, Sigrid Kramp was a finalist for the WA Vocational Student of the Year category.
- Beauty Therapy student Margarita Ramirez won a Gold medal in the 2007 State WorldSkills competition.
- Christine Fawzy also from Beauty Therapy won a Bronze medal in the 2007 State WorldSkills competition.
- Student Fashion Designers Tina Tanya and Jessica Froid presented their clothing ranges at the 2007 Fremantle Fashion Festival 2007.
- At the New Generation Showcase Award, Fashion student Bonnie Johnson gained first place winning a cash prize of \$1500. Second place went to Kristy Gray who received a cash prize of \$750 and third place and a cash prize of \$500 went to Therima Noorgat. All place winners will compete in the Australian Design Awards on the Gold Coast in March 2008.

### **2007 OUTCOMES FOR THE CENTRE**

- 110,294 training hours were delivered in Certificates III and IV Aged Care in 2007, an identified industry experiencing skills shortages.
- The Diploma of Nursing was implemented in July 2007, with 38 students completing Stage One of a three stage program to become Enrolled Nurses.

## 5.4 Information Technology & Business Skills Centre

Information Technology (IT) and Business lecturers successfully took part in a \$10,000 professional development special project during Semester 1 to improve their understanding of the task-based approach to RPL and develop whole of qualification assessment tools for new training products to facilitate workplace training. The Centre had 84 new IT, Retail, Finance, Business and Office Administration trainees in 2007 including 11 Indigenous trainees who were employed by the Department of Justice. They completed their Certificate II in Business traineeship in July 2007. To address the challenge of encouraging students to complete a qualification, the Division used its industry networks to assist IT Diploma students to find part-time employment in the IT industry and continue their studies. To enable these students to continue with a full-time study load, a flexible timetable was developed around their work commitments. Agreement was also reached with each employer for the students' assessments to be conducted in their workplace.

### **PUBLIC RECOGNITION FOR OUR STUDENTS AND CENTRE**

- Office administration students Susanne Arena, Morgan Gilbert and Juliana Kobayashi (an international student from Brazil) received a team Award of Excellence for Outstanding Customer Service at the biennial WA Network of Virtual Enterprises Trade Fair held in September.
- Peter Owen from Fremantle e-Tech was a TAFEWA Round Two winner in the 2007 Premier's Teacher of the Year Award.

### **2007 OUTCOMES FOR THE CENTRE**

- To increase the range of flexible training options available to students and staff, the IT and Business Skills Centre lecturers took part in a WebCT Learnscope project to improve their skills in using podcasts, wikis and blogs which are communication and management tools that enable students to access training in their own time and enable staff to provide support from a convenient location.
- Three staff members upgraded their qualifications by completing Certificate IV in Training and Assessment and four are currently undertaking the Diploma of Training and Assessment.
- The Centre had auspicing contracts with 15 secondary schools for the delivery of a range of Certificates I, II and III in IT, Business and Retail qualifications.

## 5.5 Defence & Resources

A new Diploma of Engineering – Advanced Trade was developed and conducted with a flexible class running all year to service the first wave of students pursuing the Diploma qualification. A combination of RPL, small group tutorials and off campus assistance enabled one cohort of students to complete their qualification. These students were mainly from the Royal Australian Navy and classes were boosted by students working in other industries. With the introduction of the Navy program, the Computer Numerically Controlled (CNC) Machining stream was reinvigorated. In particular, with the introduction of additional expertise, the second Navy class achieved great success. This will ensure at least two successive CNC Machining classes will run with public funding at the conclusion of the Navy funded program.

A number of students progressed through a Fast Track RPL pilot program that was started in 2006. The students continued to enter the program as RPL students, a majority being in Metal Fabrication. The program was promoted with the assistance of the Client Communications division.

### 5.5.1 WA APPLIED ENGINEERING & SHIPBUILDING TRAINING CENTRE

Demand for trained workers for the industry led to the Centre experiencing a 5% growth beyond target in 2007 expanding delivery from 245,000 to 257,000 training hours. The Centre maintained its close working relationship with Austal Ships training 258 apprentices. To address an identified skills gap in the Composites industry, an Industry Advisory Board was formed and assisted with the formation of a Composites Apprenticeship. Assessments provided in the workplace supported industry in addressing skills gap training in Metals Fabrication and Engineering. In cooperation with local high schools in the Rockingham area, a five week WorkSmart program was developed for potential school leavers, incorporating two weeks work experience for the students at Tenix Marine and Austal Ships and three weeks intensive training. The program is planned for delivery in the Peel Region in 2008. Three WorkSmart graduates gained apprenticeships and a further four went directly into employment.

#### 2007 OUTCOMES FOR THE CENTRE

- Four new part time lecturers began their Certificate IV in Training and Assessment as part of an induction and internship program established with Austal Ships, to be in place for assessment programs in 2008.
- The Centre trained 258 Austal Ships apprentices in 2007.
- Metals and composites training in Henderson expanded with a 5% increase from 245,000 to 257,000 training hours.
- In cooperation with local high schools and industry, Challenger TAFE developed a WorkSmart program which particularly targeted young people in danger of leaving without school completion or training. Of the group of eleven students, three were selected to undertake apprenticeships and a further four from Kwinana moved to employment.

### 5.5.2 AUSTRALIAN CENTRE FOR ENERGY & PROCESS TRAINING (ACEPT)

Construction of the \$21m ACEPT facility at the Australian Marine Complex in Henderson was completed in 2007 with training from the new site commencing in Semester 1 2008. The Centre developed and delivered an Indigenous School Based Traineeship with 12 students commencing the course in July and are on track to complete the Certificate I in Process Operations Skills early in 2008. BP Australia commenced six employees in a Certificate II Process Plant Operations in the second half of 2007. In co-operation with schools, 19 VET for Schools (VETfS) students graduated from a Certificate I Process Plant Operations and 10 graduated at Certificate II level.

#### 2007 OUTCOMES FOR THE CENTRE

- Through an oil and gas industry partnership, skills recognition services were provided to 12 companies with 66 process plant operators awarded certificates through RPL, including 54 awarded the Certificate IV in Process Plant Technology.
- Approximately 300 off-shore students were enrolled in Certificate I, II or III courses at Qatar Petroleum under an auspicing arrangement with Challenger TAFE. The majority were in Process Operations with some Engineering and Business Studies courses. Twenty company employees were awarded the Certificate IV Training and Assessment.
- The Centre achieved 14.5% of its training profile in 2007.

### 5.5.3 DEFENCE INDUSTRY SKILLS UNIT

The Defence Industry Skills Board was established in early 2007 with representation from Western Australia's Defence industry, the training, education and university sectors, group training companies, local government and professional associations. Mr Paul Papalia MLA chairs the Board. As part of the Board's strategy to increase the supply of skilled workers to the industry, arrangements were made for 12 schools to pilot school-to-industry programs in 2008, with a wider roll-out planned in 2009. To stimulate interest in growing the number of skilled workers for the sector, 2000 companies were contacted to encourage the uptake of apprentices in engineering related industry areas.

#### 2007 OUTCOMES FOR THE UNIT

- Strategies for the short, medium and long term are being pursued to cover issues such as skilled migration, up-skilling the existing workforce; putting more students into the training 'pipeline' for the future; and reversing the decline in students choosing engineering career paths, boosting the number of engineering course graduates.

- Negotiations are in progress to cooperate with Scitech in operating school-to-industry day visits to Challenger TAFE's new ACEPT facility and to the AMC, as a means to interest school students in defence industry and process careers.
- An Associate Degree in Engineering (Defence Systems), designed by the Defence and Systems Institute (DASI) of South Australia, is being reviewed for its relevance to the WA defence industry context.

## 5.6 Construction Industry Skills Centre

Responding to the demand for trained workers, the Centre significantly expanded its skills recognition service across the construction trades in Carpentry, Bricklaying and Wall and Ceiling Lining areas, including commencement of a whole-of-trades' assessment project involving three client companies, three fast track training groups and two classes of accelerated apprenticeship training. In 2007 apprentice training delivery in this area exceeded the target by nearly 20%, with significant growth in Carpentry (at Peel and Fremantle Centre sites) and in Plumbing. To address the training needs of new lecturers, six lecturing staff enrolled in the new Certificate IV Training and Assessment.

### **PUBLIC RECOGNITION FOR OUR STUDENTS AND CENTRE**

- The State Infrastructure Review conducted by the State Training Board has recognised the importance of the Building industry to the economy and community in Rockingham and Peel, with building allocations for both areas: the new Peel Shed opened for classes in Semester 2, 2007; and a larger facility is planned for Rockingham after 2009.

### **2007 OUTCOMES FOR THE CENTRE**

- 284,177 training hours were delivered in the Building and Construction industry in 2007, an industry identified as experiencing skills shortages.
- The Centre worked with Leighton International to obtain two training contracts for the delivery of training in India, in VET professional qualification, Certificate IV and Diploma Training and Assessment and Building and Construction skills.
- To enable assessment of migrants' overseas qualifications; and for WA licensing purposes, the Plumbers' Licensing Board contracted Challenger TAFE to provide hands skills assessments for a client group of 80 migrant employees in the Plumbing industry. Five night classes for migrant Plumbers were run to fully accredit these workers into the WA Plumbing employment sector.
- A reflection of the high level of demand for new lecturing staff in the skills shortage Building and Construction industry was that six new staff began their Certificate IV in Training and Assessment.

## 5.7 Automotive & Electrical Trades

Automotive and Electrical trades exceeded their 2007 apprenticeship training targets by: 23% in Automotive; and 45% in Electrical. To encourage a simplified transition to apprenticeship training, the training course pathways for VET for Schools, School Apprenticeship Link and Pre-Apprenticeships were modified. While the newly established Automotive Training Centre in Kwinana within the Kwinana Education Precinct will be taking students in Semester 1 2008, the section also built closer ties with Mandurah Senior College to establish a stronger Automotive training presence for the Peel Region. A revitalized Industry Working Group of local industry representatives provided valuable advice on industry opportunities and skills requirements.

Effort was directed towards building the capability of staff to undertake skills recognition for clients and this was achieved at whole-of-trade level for two trades people and as a fast-track program for a further eight participants. Seven new lecturing staff joined Automotive and Electrical trades and they are currently undertaking training towards a Certificate IV in Training and Assessment.

### **PUBLIC RECOGNITION FOR OUR STUDENTS AND CENTRE**

- Dale McMullen, a former Challenger TAFE Automotive apprentice became the international WorldSkills Gold medallist in Automotive in the 2007 competitions in Japan, having won the Australian National round in 2006.
- Timothy Lewis won a Silver medal in Electrical Installation Systems in the 2007 State WorldSkills competition.

**2007 OUTCOMES FOR THE CENTRE**

- The Section worked with Swan TAFE within a Transforming the Trade project which was established as a consequence of the recommendations of the Skills Formation Taskforce. New Degen, Quizdom and CDX training and assessment systems will be implemented as an outcome of the project.
- In order to address the shortage of qualified Electrical tradespeople, the Electrical training staff worked with former Royal Australian Navy personnel, designing and delivering a fast track training program to allow these people to gain an Electrical licence.
- Working with Automotive Training Australia to establish a skills recognition process to apply to the training package for Air Conditioning licence requirements.

**5.8 WA Maritime Training Centre – Fremantle**

In 2007 the Centre increased its commercial activity to \$1.67m (as at November 2007), compared with a 2006 total of \$1.25m. Commercial activity included an auspicing program for the Australian College of Kuwait for which a first audit was completed. A new national training program for Ships' Pilots was accredited and significant progress made towards its scoping. The Centre also implemented the first program for Integrated Rating Trainees and commenced negotiations with Woodside Petroleum to include Aboriginal students in the Integrated Rating Traineeship program for 2008. The Centre addressed fast tracking by providing skills recognition as a routine initial process for all new students. In addressing the requirements of the Lecturers' Industrial Agreement, ten lecturers completed their professional qualification in Certificate IV in Training and Assessment in 2007, and a further six lecturers were continuing their training.

**PUBLIC RECOGNITION FOR OUR STUDENTS AND CENTRE**

- Marine Tourism Training (Gold award) in the Tourism Education programs category as part of the WA 2007 Tourism Awards.

**2007 OUTCOMES FOR THE CENTRE**

- New specialist programs for Remotely Operated Vehicles (ROV) were introduced for the Water Corporation; and short courses in hydraulics and electronics for the Maritime industry.
- The College completed an introductory Maritime training program for administrative personnel working in the Malaysian Department of Youth and Sport.
- WA Maritime Training Centre – Fremantle conducted five Hooked on Fishing programs in the Fremantle/Peel regions, for young people considered to be at risk.

**5.8.1 AQUACULTURE DEVELOPMENT UNIT**

Catching fish previously released into the Blackwood River to monitor their survival rates represents the next phase of the Aquaculture Development Unit (ADU) and Murdoch University's work on river restocking. The ADU worked with business and industry to deliver training in flexible ways. The ADU continued working with McRobert Aquaculture Group in commissioning the trialing of the Semi Intensive Floating Tank System (SIFTS) technology in Fremantle Harbour. Fifty tonne per annum of fish will be farmed, including species such as mullaway, pink snapper, yellow tail kingfish and rainbow trout. The ADU expanded its activities to support the emerging WA aquaculture industry sector by providing a range of direct assistance and consulting services to industry. These included an agreement for long-term scientific bioassays for a leading WA aquaculture company; and major desk-top consultancy for the Aquaculture Development Council, a Minister of Fisheries Advisory Group.

**2007 OUTCOMES FOR THE CENTRE**

- WA Maritime Training Centre - Fremantle Aquaculture Development Unit continued applied research into the applications for the Semi-Intensive Floating Tank System with McRobert Aquaculture Systems (MAS) and CY O'Connor College of TAFE. This was funded by the Fisheries Research and Development Corporation.

- Other commercial and externally funded aquaculture contracts included:
  - an Aquaculture Development Council contract with Open Ocean Aquaculture;
  - a trial with McRobert Aquaculture Group for a 50 tonne per annum snapper farm in Fremantle Harbour; and
  - continuation of a project with Murdoch University involving re-stocking the Blackwood River with black bream.
- Partnering with McRobert Aquaculture Group to develop a new 150 tonne per annum Barramundi and Murray Cod Farm at Gingin to be constructed during 2008. This farm has an existing College training arrangement in place and students will have access to a new state-of-the-art facility within the new Farm.

## 5.9 WA Horticulture & Environmental Science Skills Centre

In 2007 an important focus was on training in industry, for example, the Centre commenced training of Main Roads WA laboratory staff, undertook mapping of Units of Competence at Level II for Archaeological Assistants at Rio Tinto Iron Ore in the Pilbara and designed training delivery and assessment tools. This approach increased the Centre's capacity to provide just-in-time and advanced skills programs. The programs were run in tandem or partnership with industry groups and peak bodies, including: the WA Tree Guild; the Lawn Mowing Contractors' Association; the WA Irrigation Association of Australia; and a number of local government agencies. The Centre also increased the quantity of training in Certificate III in Rural Operations, an industry experiencing skills shortages.

### **PUBLIC RECOGNITION FOR OUR STUDENTS AND CENTRE**

- Stacey Pitman from Floristry won a Gold medal in the 2007 State WorldSkills competition.
- Kaj Britschgi from Floristry won a Bronze medal in the 2007 State WorldSkills competition.
- John Forrest from the WA Horticulture & Environmental Science Skills Centre was a TAFEWA Round One winner in the 2007 Premier's Teacher of the Year Award.
- Faye Arcaro a lecturer from the WA Horticulture & Environmental Science Skills Centre, won the Golden Spade ABC National Gardener of the Year 2007 Award and also the Golden Trowel, WA ABC Gardener of the Year 2007 Award.

### **2007 OUTCOMES FOR THE CENTRE**

- The Centre had 227 new trainees commence.
- Assessment resources and strategies to support Recognition of Prior Learning for the whole of a qualification in the horticulture trade areas.
- With \$12000 in special funding, the Centre designed 'TAFE Taster' programs in Horticulture and companion animal training for Years 10 to 12 students at Boddington High School who were seeking direction with their employment options.

## 5.10 WA Centre for Leadership, Community & Cultural Development

In building the Colleges' capacity to meet the training needs of Indigenous students in higher level programs, the Centre enrolled eight Indigenous students in Certificate IV in Community Development, 14 Indigenous Students in Certificate IV in Aboriginal Tourism and eight students in Certificate IV in Aboriginal Art. The Centre delivered VET for Schools programs at Lakelands, Applecross, Melville and Safety Bay Senior High Schools, Northlake Community Campus, Mandurah Senior College and the Careerlink school. To facilitate our lecturers' skills in undertaking Recognition of Prior Learning (RPL) for volunteer associations, the staff worked with the Boys Brigade to map their training to Certificate I in Leadership Development and designed training to cover the skill gaps. The Centre will work with the Girls Brigade in 2008 in a similar process.

**2007 OUTCOMES FOR THE CENTRE**

- Three lecturers from the Centre undertook training towards their professional qualification in Certificate IV in Training and Assessment.
- The Centre Implemented a mentoring system for students with a disability to enable them to practice their entry skills for work readiness.
- Training for a Certificate IV in Tourism was provided to the Moropoi Community, using flexible delivery options and including training in their workplace.

**5.10.1 PEEL EDUCATION & TAFE CAMPUS**

In 2007 funding was allocated to Challenger TAFE by the Peel Development Commission as part of the Pinjarra Brunswick Sustainability Strategy, to implement a Local Jobs for Local People Strategy. This strategy is linked to the economic growth created by the upgrade of Alcoa's Wagerup Refinery. The project includes community engagement, localised training needs analysis, training delivery and assessment, as well as, skills recognition and skills gap training. Four years ago the Peel Campus of Challenger TAFE had just 28 students in Carpentry and Joinery. By 2007, there were more than 300 students, including students in the Wall and Ceiling Lining trades. A new Wet Trades facility is now operating and will meet increased industry demand in 2008. Peel has shown a 158% increase in training hours since 1999, with wider opportunities for students to access their training in Peel rather than have to travel elsewhere. From 2006 to 2007, there was a 12% increase in the level of training delivered in the Peel Region.

**PUBLIC RECOGNITION FOR OUR STUDENTS AND CENTRE**

- Ken Gwyer, from Peel Campus's Winjan Training Centre was Highly Commended in the Premier's Teacher of the Year Award November 2007, becoming the top TAFE lecturer in WA in 2007 and receiving a \$25,000 prize.
- In August the Minister opened the Construction Shed for Wet Trades and announced the formation of the Challenger TAFE Construction Industry Skills Centre to service the building industry across the region.

**2007 OUTCOMES FOR THE CENTRE**

- A pathway program, from Challenger TAFE Aged Care training to Murdoch University's Nursing program at the Peel Campus, implemented in 2005, has continued to grow, with 120 jointly enrolled students in 2007.
- Apprentice delivery in the Peel Region exceeded the target by nearly 20%, with significant growth in Carpentry. Training for the Wall and Ceiling Lining apprentice program exceeded the target numbers in its first year.
- Fast tracking students in Carpentry and Bricklaying provided industry ready workers in Peel in a shorter time.
- Arrangements were made with Mandurah Senior College to implement Automotive training, School Apprenticeship Links programs, VET in Schools and Pre-Apprenticeship training courses for the Peel region in 2008.

**5.10.2 ACCESS & PARTICIPATION**

During 2007 delivery of State-funded Access and Participation programs increased by more than 6% or around 14,000 training hours, from 223,500 in 2006, to over 237,000 in 2007.

A significant area of growth was in supporting students in mainstream courses in literacy, numeracy and meta-learning skills. A new direction in 2007 was to introduce delivery of the Course in Applied Vocational Study Skills (CAVSS) which generated over 15,000 training hours. The Section continued to provide programs responsive to community needs and tailored to specific client groups. New versions of several accredited bridging courses were implemented, for example, Gaining Access to Training and Employment, Wider Opportunities for Work and English as a Second Language, while courses such as the Certificate II in Music and Certificate I in Work Education were delivered for the first time. The range of community partnerships and off-campus delivery arrangements increased, particularly in relation to programs for young people.



## 2007 OUTCOMES FOR THE CENTRE

- In response to needs identified on behalf of special interest groups in the community, the Access and Participation section of Challenger TAFE worked in partnering arrangements with:
- Disability in the Arts Disadvantage in the Arts Australia (DADAA),
  - Activ Industries,
  - Hilton Police Citizens Youth Centre (PCYC),
  - Fremanshed,
  - Castlerock Institute of Music,
  - InfoXchange, Kwinana,
  - South Metropolitan Youth Link (SMYL),
  - Bridging the Gap,
  - Mission Australia,
  - Community First,
  - City of Rockingham,
  - Kwinana Industries Education Partnership (KIEP),
  - Unitingcare West,
  - Alma Street Clinic, and
  - Disability Services Commission (DSC)
- Programs for special interest groups were customised to specific learner requirements and provided new courses totalling 25,000 training hours.
- In delivering a Certificate I In Manufacturing Pathways (Cloth Stream) for workers at Activ Industries, the section worked with the Visage Training Centre for Health and Lifestyle's Fashion lecturers, to provide skills recognition and skills gap training for Activ staff.

## 5.10.3 CENTRE FOR ADULT EDUCATION

In 2007, the Centre attracted repeat business from Intrepid Travel, Hollywood Hospital and WorkSafe and enrolled its first two off-shore students who undertook their learning programs on-line. In response to skill shortages in Western Australia, the Centre provided customised training to migrant workers at Austal Ships' subsidiary Image Marine, providing English as a Second Language training for their Visa Category 457 workers and supplying a similar service for Howard Porter Transport for their Visa Category 457 workers and management.

Enterprise based commercial training in Digital Photography was delivered to the staff of Iona College and Challenger TAFE staff from Murdoch Campus undertook training in the new Microsoft Outlook. The Centre also provided an on-going customised individual learning service through a retraining funding program for an expatriate Irish student.

## 2007 OUTCOMES FOR THE CENTRE

- Community Education programs in Peel Region (Mandurah) and Rockingham were increased and a new venue in Falcon was established.
- A 70% increase in Community Education programs for Term 4 2007 was achieved for the Peel Region, compared with Term 4 2006. The overall increase for Peel for the year was 18.75%.

## 5.11 Kadadjiny Mia – Centre for Aboriginal Learning

Kadadjiny Mia's role is to provide student support services to Indigenous students at Challenger TAFE and leadership and strategic advice in the development, implementation and management of training programs designed for Aboriginal students. Kadadjiny Mia strengthened partnerships with Newmont Asia Pacific, Universal Sodexho, Alcoa Australia and the Winjan Community Centre. The Centre provided cross-cultural awareness training on worksites and assisted Winjan Aboriginal Corporation's efforts to develop industry skills in their community in Mandurah. The College was delighted when Winjan was a finalist in the Premier's Awards 2007 in the Regional Development category.

An Indigenous School Based Traineeship in Process Operations provided 12 students an opportunity to complete a Certificate I in Process Operations Skills at the Australian Centre for Energy and Process Training (ACEPT). Students commenced the course in July 2007 and are on track to complete in early in 2008.

College students and staff were treated to a special 50th NAIDOC Week celebration including some wise words to young people from Indigenous comedian Mary G (alias of Mark Bin Bakar).

### 2007 OUTCOMES FOR THE CENTRE

By December 2007, Challenger TAFE had 287 individual indigenous students who gained a course result at Certificate III or higher levels, involving approximately 90,000 training hours and a total of 329 course completions for those students.

#### 5.11.1 LEVEL OF PARTICIPATION INDIGENOUS STUDENTS

Course Level	Student Curriculum Hours	Number of Students
Certificate I and II	77,988	283
Certificate III and IV	73,286	195*
Diploma and higher	7,150	17

\* This tally excludes Indigenous apprentices and trainees.

#### 5.11.2 ALL INDIGENOUS APPRENTICES AND TRAINEES CERTIFICATE III LEVEL AND ABOVE: (A SUB CATEGORY OF SCHOOL BASED TRAINEESHIPS)

	2006		2007	
	Trainees	Apprentices	Trainees	Apprentices
Information Technology, Retail, Business & Office Administration	7		9	
Engineering, Automotive & Construction		28		24
Horticulture & Science	5	5	3	5
Hospitality, Hairdressing, Beauty, Fashion & Human Services		7		10
Maritime Transport & Distribution	2			
Defence & Resources Industries				20
<b>Total</b>	<b>14</b>	<b>40</b>	<b>12</b>	<b>59</b>

Data source: Training Records System WA Department of Education and Training

### 5.11.3 INDIGENOUS STUDENTS CERTIFICATE III AND ABOVE

Year	Target	Actual	% Target	% Actual
2007/8	252 students	287 students	Incr. 15%	Incr. 26.7%

## 5.12 Apprenticeships & Traineeships

A total of 3574 apprentices and trainees undertook their training at Challenger TAFE in 2007. This represented a 9.4% increase on the 2006 total figure of 3236. Growth areas for apprentice enrolments were in metals, Building and Construction, Automotive and Electrical. These four trades areas accounted for nearly 77% of all apprentice enrolments.

### 2007 SUMMARY OF KEY OUTCOMES

- 143% growth in apprenticeships and traineeships was achieved in skills shortage areas over past two years.

### 5.12.1 TOTAL ANNUAL APPRENTICESHIP AND TRAINEESHIP REGISTRATIONS

Apprentices	2006	2007
Engineering, Shipwright and Composite Laminating	701	821
Building and Construction, Automotive and Electrical	1295	1489
Horticulture	185	174
Hospitality and Hairdressing	484	518
<b>Total</b>	<b>2665</b>	<b>3002</b>

Data source: Training Records System WA Department of Education and Training.

A sub category of this data comprises School Based Traineeship (SBT) programs.

### 5.12.2 SCHOOL BASED TRAINEESHIPS: A SUB CATEGORY OF TOTAL ANNUAL APPRENTICESHIP AND TRAINEESHIPS.

Trainees	2006	2007
Engineering and Process Operations	127	116
Automotive	39	19
Horticulture, Irrigation, Water Operations, Wool Clip, Pest Management and Companion Animals	192	203
Hospitality, Beauty, Fashion and Community Services	46	47
Information Technology, Retail, Financial and Business Services	97	84
Maritime Operations, Aquaculture and Transport and Distribution	89	55
Workplace Readiness	21	40
<b>Total</b>	<b>572</b>	<b>545</b>

Data source: Training Records System WA Department of Education and Training.

## Industry Training Centres



WA Applied Engineering & Shipbuilding Training Centre



WA Wool Technology Training Centre



Quinlan's Hospitality & Tourism Training Centre



WA Centre for Leadership & Community Development



Australian Centre for Energy and Process Training



Visage Training Centre for Health & Lifestyle



WA Horticulture & Environmental Science Skills Centre



Community Services Training Centre



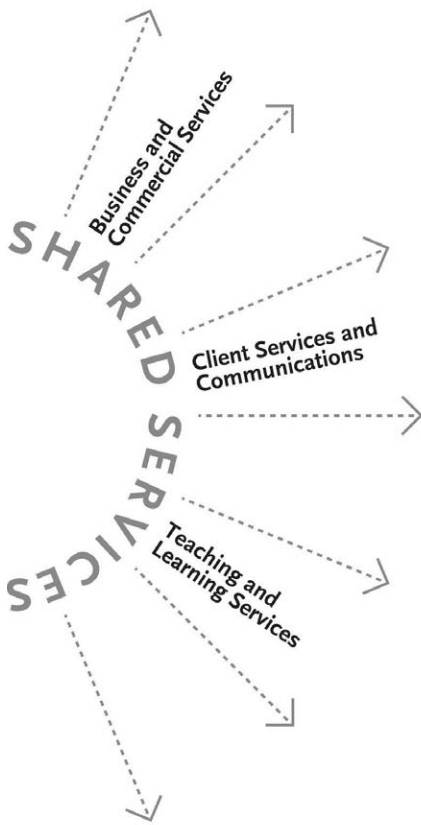
Centre for Adult Education



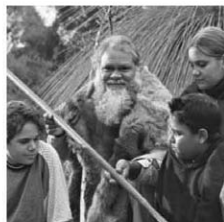
WA Maritime Training Centre - Fremantle



Information Technology & Business Skills Centre



## Specialist Training & Support



Kadadjiny Mia Centre for Aboriginal Learning



Peel Education and TAFE Campus

## 6.1 Support to Students and Community Members in Career Development

The range of services provided by Challenger TAFE to foster career development opportunities for all sectors of the community include:

- a service to prospective students on learning programs and career opportunities available;
- career advice for current and prospective students;
- a job matching service, and
- a service to people seeking formal recognition for work skills they already hold.

In 2007 the Career Development team undertook 82 school visits, conducted 1912 career advice appointments with prospective and current students, completed 43 community group visits and staffed displays at seven career exhibitions.

Prospective and existing students have online access to course information, on-line enrolment facilities and an automated student resulting facility through the Student Portal. The Portal carries information about Challenger TAFE courses and services and facilities for Challenger TAFE students.

CareerConnect is a job matching service for students and local industry. In 2007, 407 employers logged jobs with the service; 586 job vacancies were lodged; 632 students registered with CareerConnect, and 130 direct employment placements were achieved. These outcomes demonstrated significant growth from 2006. More than 1900 individual one-on-one career advice appointments were conducted with students and an additional 125 group workshops also promoted a range of career options to interested students and community members.

The Career Development Centre, located in the Fremantle Chamber of Commerce in Fremantle's West End has been established by the College as its centralised point of contact for all enquiries from the public, relating to gaining skills recognition. This is supported with a Skills Recognition Database that logs enquiries and the consequent referrals to areas of expertise within the College. Within the first three months of operation of the service (September – November) over 150 applications were lodged.

Table 6.1 CareerConnect 2007 Outcomes January – December 2007

Activity	2006	2007
Job vacancies lodged with CareerConnect	453	586
Employers who had registered positions with CareerConnect	326	407
Students registered with CareerConnect	577	632
Students into Job Placements through CareerConnect	77	133
Individual Career advice sessions conducted	300	1912
Class workshops conducted	69	82
Community group sessions conducted	N/A	43
Skills Recognition enquiries	N/A	150

## 6.2 Student Support Services

These are available to students requiring assistance while studying at Challenger TAFE at any campus. The service addresses the needs of:

- special activities for students,
- international students,
- students with a disability, and
- students in crises

### STUDENT SERVICE CAMPUS PROMOTIONAL ACTIVITIES

#### Orientation Days

Orientation Days encourage new students to participate in Campus life and provide access to a range of information and services external to the College that are beneficial to overall study and student wellbeing. During 2007 a number of Student based activities occurred at all Campuses. Key events included Orientation Days ('O Days') at each major campus for each semester.

#### Annual Events

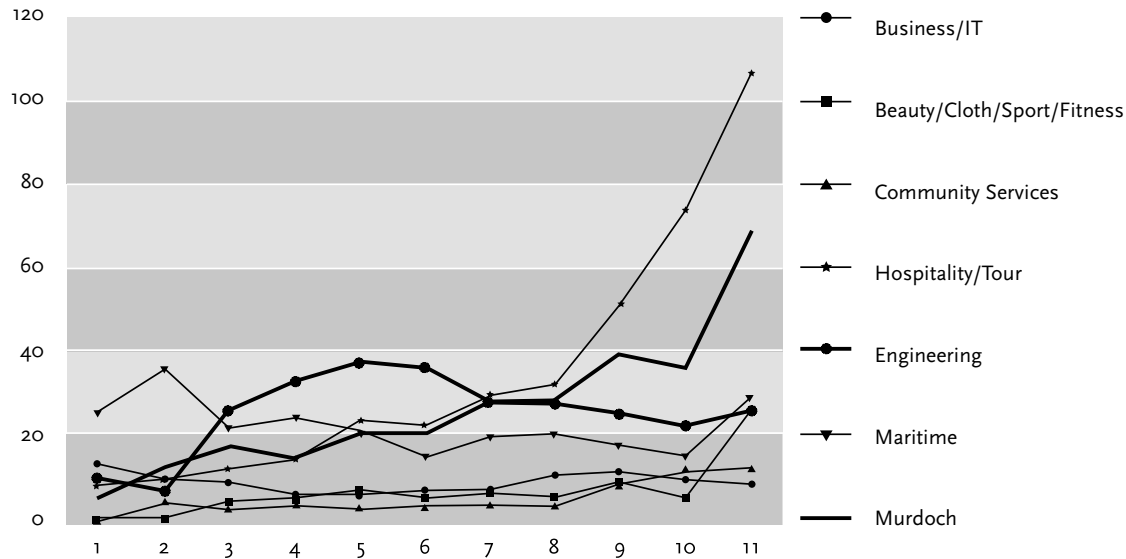
Activities to celebrate the following important events during the year were also conducted at a variety of locations:

- International Women's Day
- Harmony Day
- Multicultural Week
- NAIDOC Week
- Career Development Day
- TAFE Sports Day
- Dis Ability Week

### INTERNATIONAL STUDENTS

The numbers increased in 2006/07 by 59% over the 12 month period. Growth areas were in students enrolled through Quinlan's Hospitality and Tourism Training Centre and the WA Horticulture and Environmental Science Skills Centre.

## STUDENTS WITH A DISABILITY



A new role of Transition Advisor role was established in March 2007 to support students with disabilities in their learning pathways from school to Challenger TAFE and then to employment. The program is proving successful, with events such as an information day at Challenger TAFE for all students attending Education Support Units at local Senior High schools along with their carers and teachers. Three schools attended the event and 25 students were involved.

### INFORMATION FOR STUDENTS WITH A DISABILITY

To ensure that the College's website addresses the requirements of people with visual impairment, Student Support Services funded the College's website designer to undertake a specialist course. The information gained will be applied to the new web site development in 2008. A link to the new Challenger TAFE Disability Access and Inclusion Plan (DAIP) 2007-2011 has been established on the intranet and internet and new pamphlets and fliers are being designed to address the needs of students with a disability addressing such aspects as font size and complexity.

### AUSLAN SERVICES

In 2007, the College funded Auslan interpreters for three students. Challenger TAFE tendered for provision of interpreting services for these students and Vital Information Products serviced hearing impaired students throughout 2007.

Two interpreters were employed for approximately three days a week and this will continue into 2008. The verbal content of the training programs has prompted this requirement.

### STAFF AWARENESS TRAINING

A staff awareness on disability issues training workshop and a session for customer service staff on Customer Relations with students with a disability were provided during the staff development two day program, Octoberfest.

Eleven Challenger TAFE staff completed a Mental First Aid course and are now accredited in administration of Mental First Aid.

A particular focus for Student Support Services in 2008 will be evacuations processes and College signage which address the needs of students with a disability, and an on-going staff awareness program.

## 6.3 Marketing Challenger TAFE to the Community and Industry

Marketing and promotional support was provided to the Specialist Training Centres by the Communications team with activities such as:

- paid advertising in newspapers
- public relations feature articles in local newspapers
- public relations feature articles in industry journals
- promotional stands at public events and career exhibitions.

### ELECTRONIC MARKETING PRESENCE

In 2007, the college website had 556,835 visitors, a 22% increase from 2006. In addition, 30% of those web hits were unique or new visitors to the website, including international visitors from over 100 different countries.

Another important task for electronic marketing has been the customising of Challenger TAFE's presence within Australian Skills Recognition Information (ASRI) to provide flexible and accessible course information for Challenger TAFE prospective students, enrolments for Challenger TAFE, automated resulting and a customised Challenger TAFE Products and Services catalogue.

### EVENTS MANAGEMENT

The College hosted a range of events including the following:

- College Student Graduation at the Esplanade Hotel Fremantle in May with 200 graduands who gained a diploma or higher level qualification and a total of 900 guests;
- Launch of the new Visage Fashion Studio in the West End (Fremantle) featuring a dazzling display of student and former student fashion designs on parade. This Challenger TAFE initiative will support the fashion industry by developing skilled sample machinists, pattern makers and designers;
- Hosting of the State Executive and TAFEWA Governing Council Chairs meetings at Fremantle e-Tech on Friday 22nd June in which the Minister for Education and Training was in attendance;
- The College hosted a judging panel visit to Winjan Corporation in Mandurah in June for WA State Training Awards, in the Access and Equity category;
- Launch by the Minister for Education and Training of the new Peel Shed for Wet Trades on the Peel Education and TAFE Campus Mandurah in October, and announcement of the formation of the Challenger TAFE Construction Industry Skills Centre.

## 6.4 Campus Services

Campus Services took delivery of new facilities. These are:

- new Australian Centre for Energy Process Training (ACEPT) in Russell Rd close to the Australian Marine Complex Henderson that, from 2008, will provide training for the oil and gas industry and will include a full process train for learning purposes.
- Challenger TAFE Centre on the corner of Cliff and Phillimore Streets in Fremantle's West End which accommodates a range of College administrative functions. Staff formerly located in Levels 1 and 3 of the Fremantle Port Authority Building have been moved to this site.
- Visage Training Centre for Health and Lifestyle, Phillimore House, Cliff Street, Fremantle which now houses a Fashion workshop for students training within the Fashion industry.



The new facilities have enabled teaching and administrative operations to continue in their new locations with minimal disruption.

Challenger TAFE has raised staff and student awareness of energy management principles and promotes these practices within its training delivery and administrative functions at every opportunity.

For the duration of the Energy Smart program, Challenger TAFE has expanded core business, as is reflected in the 12.9% increase in Effective Student Units in 2006/7. It has, however, managed to achieve this while also reducing its overall energy consumption by around 2.1% on 2005/6 and 6.5% on the 2001/2 baseline measures. Challenger TAFE is becoming more efficient in the way it uses energy, as these results also represent a 12.8% decrease in Mj/EFSTU and a 1.5% reduction in Mj/M2 of floor space as compared with 2005/6 outcomes.

With the assistance of the Sustainable Energy Development Office (SEDO) the College has worked to implement a number of energy saving initiatives across its major campuses throughout 2006/7. These initiatives have included: installation of power savers; motion sensors; and the retro-fitting of more energy efficient lighting in workshops, classrooms and offices. Many of these tasks were completed late in 2006/7, so the benefits will be evident in coming years. The college has also embraced new technologies in the Metals training area, replacing ageing welding equipment with more energy-efficient models.

## 6.5 Monitoring Quality and Improving Customer Services

Challenger TAFE undertakes a range of processes that provide accountability to the people of Western Australian for the resources provided by the State for training and related services to individuals from a range of backgrounds; for industry and the community; within a framework of sustainability; and focusing particularly on industry areas currently experiencing skills shortages.

Challenger TAFE undertakes a range of audit processes to monitor the quality of its administrative practices; training and related services, and internal improvement practices. These are addressed through regular audits by the Office of the Auditor General, Australian Qualifications Framework and Bureau Veritas. In addition the College includes a Client Services Improvements section that surveys a minimum of 10% of training delivery and reports on a monthly basis to the College Executive on the progress of improvements that have been initiated.

In addition, in 2007, a new complaints management database enables effective tracking and recording of complaints received by the College. This is consistent with the Minister's requirements that complaints are handled in a timely fashion and that allegations of inappropriate staff behaviour are reported to the Department of Education and Training.

## 6.6 Curriculum Services

The section has maintained currency of scope of Registration for the delivery of qualifications within the new Australian Quality Framework 2007, addressing the College's obligation within the Managing Director's Performance Agreement as follows:

Accreditation of Courses (Including Extensions):	12
Amendments to Scope of Registration:	109
Trade Skills Recognition Applications:	7
Changes to Delivery Locations	45

The Primary Industry and Personal Services CSSN provided advice and curriculum support to a State-wide network, encompassing 33 industry areas in WA. Key activities this year have included:

- organisation of a State wide Industry Forum to launch the new Maritime Training Package.
- implementation of School Apprenticeship Links (SAL) pilot programs for Personal Services and for Horticulture.
- convening 50 Curriculum Advisory Group meetings across 33 industry areas.

## 6.7 Staff Development Programs

The value in a learning organisation such as Challenger TAFE is in its people and the College has worked at building staff skills and a systemic approach to learning innovation. The College therefore funded 15 innovative training projects designing and trialing anywhere, any time training solutions for industry and the community. Evidence for the need for an acceleration of system changes came from recommendations from the training staff who had worked on these projects. In 2008 specially funded projects will address these needs.

In May, 80 academic staff attended the State Training Forum and during 2007 staff also attended over 150 learning opportunities: for improving facilitation skills; industry specific development options; leadership development opportunities; and attendance at industry and training conferences.

State funding was made available for: staff to provide mentoring programs for new lecturing staff on each larger campus; a range of action learning programs; and further work in e-learning and instructional intelligence. The funds were also able to support professional development for individual staff members.

### PROFESSIONAL DEVELOPMENT CONFERENCE

An annual conference event hosted more than 200 delegates attending from all areas and divisions of the College. With a choice from 36 different sessions, delegates participated in formal sessions ranging from health and lifestyle themed sessions through to teaching strategies, job application skills and e-learning. In addition to the formal learning, many delegates shared their experiences with staff from different areas of the College. State funds were used to support the administration of the conference.

The College also awarded three Scholarships to staff which included study assistance in areas such as Business Administration and Instrumentation.

### STAFF GAINING A REQUIRED TRAINING QUALIFICATION

By December 2007, Challenger TAFE had a further 43 lecturing staff who had been employed prior to or during 2005 who had completed their Certificate IV in Training and Assessment requirements.

Introduction of a free workplace assessment model for up-grading staff to the Certificate IV in Training and Assessment resulted in 64 lecturers registering their interest, and 23 lecturers completing. A three day induction program for new lecturers at the beginning of each semester, and a New Lecturer Support Strategy from Semester Two prepared and supported lecturers. More than 30 lecturers participated with 25 enrolling to complete a Certificate IV Training and Assessment.

### MEASURING OUTCOMES

A targeted survey and series of consultative forums were conducted to determine benchmarks for staff satisfaction with professional development activities. The following areas will therefore be monitored in order to establish satisfaction levels:

- identifying and closing capability gaps;
- identifying and developing capabilities for staff to successfully operate the Four Paradigm Service Delivery Model;
- strategies for individual experts to maintain competence in their industry fields;
- fostering the development and sharing of ideas, innovation and experimentation;
- ensuring group learning as well as individual learning occurs for the College Business Units;
- establishing arrangements to maximise knowledge sharing across the organisation.

## 6.8 Learning Resources

The College's focus on working with enterprises, industries and communities in 2007 has demonstrated that lecturers require flexible and innovative delivery and assessment solutions. Evidence for the need for an acceleration of system changes came from recommendations from training staff who had worked on 15 innovative training projects designing and trialing anywhere, any time training solutions for industry and the community. Information Systems improvements were supplemented with other virtual training solutions, PDAs and other technology capabilities for improving staff's training and assessment capacity. Further investigation of learning technologies in 2008 as part of a specially funded project, will include:

- learning management systems for example, WebCT6 and Moodle;
- Web 2.0 tools such as blogs, wikis, bookmarking;
- photo and video sharing sites;
- podcasts and video casts;
- mobile technologies; for example, PDAs, mobile phones, tablets, Ultra Mobile PCs; and
- virtual worlds,

Beaconsfield Library was redesigned to provide an open and welcoming space to cater for students using a range of learning strategies, including: installation of a second computer access area, with dual use as a training room. Personal student use computers were also updated and more than 2,400 new titles were added to the collection, an increase of 14% in total holdings. A Foxtel connection was installed, and this is used to capture a wide range of information for training programs recorded in DVD format and then included it in the Library's collection. Challenger TAFE also hosted the Learning Resources Services Network (LRSN) Annual Conference.

## 6.9 Human Resource Management

Human Resource Management and Development have reviewed the existing Occupational Safety and Health (OSH) WorkSafe Plan and developed a new Management Plan for 2007/2009. The aim of the plan is to ensure continuous improvement in occupational safety and health across the College. This includes five objectives representing the five Standards of the College's OS&H Management. These objectives are;

- Management commitment
- OS&H Planning
- Consultation
- Hazard management
- Training and information

Human Resource Management and Development have developed the College's Equal Employment Opportunity (EEO) Management Plan in response to the State Government's Equity and Diversity Plan for the Public Sector Workforce 2006 – 2009. The Plan includes a number of strategic priorities for 2007/9 which are divided into three main outcomes;

- The organisational culture values diversity and the work environment is free from racial and sexual harassment
- Workplaces are free from employment practices that are biased or discriminate unlawfully against employees or potential employees
- Employment programs and practices include strategies for EEO groups to achieve workforce diversity

# 6 Customer Focus

To encourage staff effort and recognise commitment to Challenger TAFE, a number of individual and team Achievement Awards were given in the categories of Outstanding Achievement and Outstanding Customer Service for diverse initiatives such as;

- revitalisation of pre-apprenticeships
- improving telephone services to both internal and external customers
- fostering excellent working relationships between the College and overseas clients

## 6.10 Capital Works and Infrastructure Development

### WA DEPARTMENT OF EDUCATION AND TRAINING FUNDED PROJECTS

#### AUSTRALIAN CENTRE FOR ENERGY PROCESS TRAINING PROJECT

Location: Marine Industry Technology Park – AMC Henderson

Project budget \$19.1m

Land acquisition \$1.4m

Building was completed and subsequently occupied in June 2007. The process plant construction was commenced in April 2007 and is scheduled for completion in mid December 2007. The whole facility should be operational for the beginning of the 2008 training program.

#### KWINANA AUTOMOTIVE TRAINING CENTRE - KWINANA PROJECT

Project budget \$10m initial (increased to \$10.5m)

Building construction began in February 2007 scheduled for completion in February 2008 and ready for operation in April 2008.

#### PEEL BUILDING & CONSTRUCTION SHED

Location: Peel TAFE Campus, Mandurah

Project budget \$0.1m initial (increased to \$0.20m)

Completed in July 2007 and opened by Minister McGowan in September 2007.

#### MURDOCH ACTIVITY CENTRE STRUCTURE PLAN-

Location: Fiona Stanley Hospital/Murdoch TAFE Master planning

Project budget \$0.025m

Ian Wilkes Architect appointed in April 2006 to consider planning options for Challenger TAFE's Murdoch Campus and make recommendations to Department of Planning and Infrastructure following the release of the Murdoch Activity Centre Structure Plan. This was completed November/December 2006. There have been on going negotiations with the Department of Health throughout 2007 with respect to the future planning needs of our site and the impact of subsequent arrangements through the Department of Education and Training to finalise the transfer of approx 13 hectares of land to the Department of Health.

## CHALLENGER TAFE FUNDED PROJECTS

### ELDER HOUSE (OFFICE FITOUT AND RENOVATIONS)

Location: Cliff St, Fremantle West End  
Project budget: \$0.6m initial (increased to \$0.75m)

Refurbishment completed early in August 2007. Following completion, the offices known as Challenger TAFE Centre were subsequently occupied by Client Services and Business Services staff.

### PHILLIMORE CHAMBERS (FASHION DESIGN)

Location: Phillimore St, Fremantle West End  
Project budget: \$0.15m approx

Works commenced in late December 2006 and were completed in March 2007. Visage Training Centre for Health and Lifestyle moved into the building and it was officially opened by Mrs Carpenter, wife of the Premier and a local member, in July 2007.

### QUINLAN'S AT THE POINT

Location: Mandurah  
Project budget: TBD

This project is still pending while alternatives are considered.

### PEEL KITCHEN (JOINT TAFE / MANDURAH SENIOR COLLEGE/ DEPARTMENT OF EDUCATION AND TRAINING FUNDED TRAINING KITCHEN)

Location: Peel Education and TAFE Campus  
Project budget: \$0.75m (\$0.25m Challenger TAFE share)

Upgrading of Mandurah Senior College kitchen to commercial status began in October 2007 and is scheduled for completion in February 2008.

## INTERNAL SERVICES: PROCUREMENT

The Supply Section processed approximately \$5.5M worth of goods and services and has passed all compliance checks, audits and met statutory reporting requirements.

# 7 Statement of Compliance

As a TAFEWA college, Challenger TAFE is a body corporate created under the Vocational Education and Training Act 1996. Its purpose is:

- to provide vocational education and training consistent with a College Training Profile
- to provide to an employer, a group of employers or any other persons or authorities such fee for service training programmes as are authorised by the Minister
- to undertake research and development related to vocational education and training which has a direct practical application to industry, commerce and the community
- to promote equality of opportunity in the undertaking of vocational education and training
- to provide or arrange for the provision of services to students
- to participate in initiatives involving the whole of the State training system and to collaborate with other colleges and educational institutions to ensure the greatest effectiveness and economy in expenditure and the most beneficial relationship between the college and other colleges and educational institutions throughout the State
- to contribute to the general development of the community in the region of the college through such activities, including the provision of adult and community education, as may be authorised by the Minister
- subject to provision in the Act, to provide on behalf of another educational authority such post-secondary education as is approved by the Minister

Challenger TAFE is listed as a government department for the purpose of meeting the requirements of the Public Sector Management Act 1994, Superannuation and Family Benefits Act 1938, Government Employees Superannuation Act 1987 and the Government Employees Housing Act 1964.

## 7.1 Compliance with Written Law

Challenger TAFE has exercised controls, which provide reasonable assurance that it has complied with all relevant requirements of the written law, including those for the receipt and expenditure of monies, the acquisition and disposal of public properties and the incurring of liabilities.

Challenger TAFE complies with the following legislation in carrying out its functions and activities:

- Auditor General Act 2006
- Corruption and Crime Commission Act 2003
- Criminal Code 1913
- Curriculum Council Act 1997
- Disability Services Act 1993 (S29)
- Equal Employment Act 1984 (S146)
- Education Act 1928
- Electoral Act 1907 (S175ZE)
- Financial Management Act 2006
- Freedom of Information Act 1992 (S96-97)
- Government Employees Superannuation Act 1987
- Industrial Relations Act 1979; 1990 Commonwealth
- Library Board of Western Australia Act 1951
- Minimum Conditions of Employment Act 1993
- Occupational Health, Safety and Welfare Act 1984
- Public Interest Disclosure Act 2003 (S23 (1) (f))
- Public Sector Management Act 1994 (S8, S9, S31 (1) (f); S7 (e))

- State Records Act 2000
- State Superannuation Act 2000
- State Supply Commission Act 1991
- Vocational Education and Training Act 1996
- Workers' Compensation and Injury Management Act 1981
- Working with Children (Criminal Record Checking) Act 2004

## 7.2 Pricing Policy for Services

Most Challenger TAFE courses are funded by the Western Australian Department of Education and Training. Each year the Department reviews the current Fees and Charges policy and formulates the new policy for the coming year. TAFEWA colleges also offer some 'fee-for-service' courses which are not government funded. Challenger TAFE sets its own charges for fee-for-service courses. Please refer to the College for details on a particular course.

For details on TAFEWA Fees and Charges please go to:  
<http://www.tafe.wa.gov.au/Dynamic/DynamicPge.asp?a=10016,o,Std>

## 7.3 Advertising and Sponsorship (Electoral Act 1907 S175ZE)

In 2007, Challenger TAFE paid \$453,635.79 to Media Decisions, a division of Marketforce Productions for advertising and paid Marketforce Productions \$9,052.23 for advertising purposes during 2007. This amount included \$125,609.42 for advertising for targeted lecturer recruitment campaign.

## 7.4 Equal Employment Opportunities

Under the Equal Opportunity Act 1984, Challenger TAFE has complied with the requirement to develop and implement an Equal Employment Opportunity Management Plan. The development and endorsement of a new Staff Equity and Diversity Plan occurred in 2006, for the period 2007 - 2009.

The College has an active and ongoing commitment to greater representation of indigenous Australians, people with disabilities, people with culturally and linguistically diverse backgrounds, women in management and youth within the College.

## 7.5 Table 7.1 2006 - 2009 Workforce Diversity Statistics

Distribution (Equity Index)	2006	2007		2009	
	Actuals	Sector	Challenger	Sector	Challenger
Women in Management Tier 2 & 3 combined	32	N/A	39	N/A	45
People from Culturally Diverse Backgrounds	8.1	10.5	10.5	13	13
Indigenous Australians	2.5	2.8	2.8	3.2	3.2
People with Disabilities	1.5	3.6	3.6	3.7	3.7
Youth (<25 years)	5.7	7	7	8	8

# 7 Statement of Compliance

## 7.6 Table 7.2 Challenger TAFE's distribution, represented as an Equity Index (EI)

Distribution (Equity Index)	2006	2007		2009	
	Actuals	Sector	Challenger	Sector	Challenger
Women	74.8	70	75	78	78
People from Culturally Diverse Backgrounds	54.6	100	100	100	100
Indigenous Australians	60	39	42	45	45
People with Disabilities	59.8	100	100	100	100

## 7.7 Evaluations

In accordance with the Circular to Ministers No. 37/94, summaries of evaluations undertaken by Challenger TAFE are published in this Annual Report. Evaluations of organisational performance are reported in Chapter 4 under the Key Performance Indicators, common to all TAFEWA colleges. The College's internal performance indicators are set out in the same chapter. (Refer to Chapter 4). Summaries of Operations are contained in Chapter 8.

## 7.8 Priorities set by the Minister for Training

Priorities set by the Minister for Training are contained in Chapter 1 Performance Management Framework and Summary of Outcomes and Chapter 3, Managing Director's Report.

## 7.9 Disability Access and Inclusion Plan 2007 -2011 (DAIP) Disability Services Act S29

Challenger TAFE conducted internal and external community consultation to establish the 2008-2011 Disability Access and Inclusion Plan (DAIP).

The DAIP was accepted by Disability Services Commission in August 2007 and is now in its implementation phase.

### 2006/2007 REPORT ON THE CHALLENGER TAFE DISABILITY SERVICES PLAN AGAINST THE DAIP OUTCOMES

#### 1 PEOPLE WITH DISABILITIES HAVE THE SAME OPPORTUNITIES AS OTHER PEOPLE TO ACCESS THE SERVICES OF AND EVENTS ORGANISED BY CHALLENGER TAFE

The Student Services Team have provided equipment and support to ensure all students with disabilities have access to all services and teaching at every campus of Challenger TAFE.

Examples of this intervention includes:-

- provision of buses and specialised taxi's to transport students with a disability to College Events eg. TAFE Sports Day
- ensured all events have disability access as a part of event management checklist.
- the College streamlined its referral process for students with a disability.
- the Student Services Advisors / previously called Disability Officers (DSO) developed stronger links with staff teaching students with a disability.
- improved information to staff and students on the services provided by the Student Support Advisors including



developing a resource guide for the internal intranet site to assist with supporting and delivering training to students with a disability.

- college practices continuous review and assessment of teaching and learning strategies to cater for individual learning needs and styles in line with the AQTF benchmarks.
- the Student Support Advisors have an “open door policy” for prospective and current students with a disability.
- adaptive equipment has been provided to students so they can participate in class and participate in hands on learning in the trade areas. Equipment includes gas lift desk's, hoist's, computer software and hardware, supportive body equipment etc.

## **2. PEOPLE WITH DISABILITIES HAVE THE SAME OPPORTUNITIES AS OTHER PEOPLE TO ACCESS THE BUILDINGS AND OTHER FACILITIES OF CHALLENGER TAFE**

The college has continued to review, modify and adapt equipment and facilities in order to appropriately respond to and improve access to facilities and services for people with disabilities.

Over the year furniture including specialist chairs, gas lift desks, toilet hoists etc have been provided. The team are ensuring that new campuses meet the Australian standards for the Building code. All campus managers have been given a CD called “The Good, The Bad and The Ugly” with information on the building code and resources on where to purchase the required equipment.

Challenger TAFE continues to review its capital and minor works programs priorities to address access and egress for people with disabilities. These priorities were identified through consultation and by conducting access audits. The priority needs identified were incorporated into submissions for on-going capital works improvement program.

Automatic doors into the Maritime Building and Beaconsfield canteen have been purchased and installed. Henderson has had an injection of funds to raise the access to meet the Australian Standards.

The College has maintained on-going communication with customers about the physical access to buildings and facilities.

## **3. PEOPLE WITH DISABILITIES RECEIVE INFORMATION FROM CHALLENGER TAFE IN A FORMAT THAT WILL ENABLE THEM TO ACCESS THE INFORMATION, AS READILY AS OTHER PEOPLE ARE ABLE TO ACCESS IT**

The College presents information in clear, concise language and this can be made available in alternative formats, upon request. Alternative formats include, but are not limited to: large print, audio cassette, digital recorders, and Braille and IBM compatible disks/CD.

Staff have attended information sessions and workshops on IT systems for the visually impaired, including Live captioning, Spectronics, and Wynn systems to ensure they are up to date with the latest adaptive technologies.

The College continued to educate and inform staff and raise public awareness of the type and availability of alternative formats, flexible delivery modes and alternative assessment arrangements offered at the college for students with disabilities.

The college has purchased assorted forms of assistive technology during 2006 including hardware (Scannar) and speech and word recognition programs software (Dragon), Digital recording devices, word processing units, and other support equipment for students with physical disabilities.

# 7 Statement of Compliance

## **4. PEOPLE WITH A DISABILITY RECEIVE THE SAME LEVEL AND QUALITY OF SERVICE FROM THE STAFF OF CHALLENGER TAFE AS OTHER PEOPLE RECEIVE FROM STAFF AT CHALLENGER TAFE**

The College participated in a successful partnership with ACTIV Industries, the Department of Education and Training, and Ratio Consultancy and trialled the delivery of the new national Certificate I Industry Pathways course to people with a disability. This national project piloted the course for a range of disadvantaged target groups.

Challenger TAFE won funding to conduct a national e-learning project, through the Australian Flexible Learning Framework's Inclusive e-Learning Strategy, for people with a disability. Entitled Ch@llenging e-W@res, the project involved students setting up a virtual retail business. The project, designed to increase their employability skills taught students technology skills such as using a PC mouse, emailing, live chat, website maintenance and wikis, all necessary components of a successful online business. Students also learned retail management skills such as invoicing, merchandising and stock control.

Challenger TAFE recognised the need to provide further services to ensure access and inclusion for students with disabilities and approved an increase to the number of "disability officers" known as Student Support Advisors (SSA's) to service all campuses. Challenger TAFE, provides two SSA's who, in conjunction with Program Managers, staff and members of the Client Services and Communication Directorate, provides a range of support services for people with disabilities and/or medical conditions, within the College. In addition, Challenger TAFE has a Disabilities Transition Advisor who assists students with entry pathways, develops an Employment Action Plan for each student who enters into Challenger TAFE and provides on going support for pathways into employment at the completion of training.

As a result of small audits on several campuses, a number of minor works projects commenced in early 2007.

A successful Gaining Access to Training and Employment program was designed for people living with a mental illness was delivered in partnership with the Alma Street Clinic that assists people living with a mental illness. The students participated in a holistic program that incorporated music and art into the skills development program.

## **5. PEOPLE WITH DISABILITIES HAVE THE SAME OPPORTUNITIES AS OTHER PEOPLE TO MAKE COMPLAINTS TO CHALLENGER TAFE**

The Student Services Team promotes the feedback channels for all students including those with disabilities. The Student Support Advisors will advocate on a students behalf if they do not have the capacity to complete the 'Customer Comment Form' and will assist the student to provide feedback and go through the complaint process. As we explore further avenues to communicate with students who have a disability through the areas of virtual technology we hope to be able to facilitate further communication for students with a disability as ensuring they have access to the complaint process.

## **6. PEOPLE WITH DISABILITIES HAVE THE SAME OPPORTUNITIES AS OTHER PEOPLE TO PARTICIPATE IN ANY PUBLIC CONSULTATION WITH CHALLENGER TAFE.**

All public consultation events held by Challenger TAFE are held in accessible buildings and we endeavour to also ensure the hearing impaired have access to the audio presentations. For future events we will be exploring further assistance through 'Live Captioning' or 'Hearing Loops'.

The recent introduction of the 'Student Leadership Team' has included representation by a student with a Disability. This student represents both his campus and fellow students in the GATE student population.

The DAIP implementation community consultation included representation by students with a disability to ensure participation and consultation at the highest level.

## 7.10 Public Sector Standards and Ethical Codes

### COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

Challenger TAFE complied with all Public Sector Standards in Human Resource Management and Public Sector Ethical Codes in 2007. There were nil breaches lodged against the Recruitment, Selection and Appointment Standard within the reporting period. There were two disciplinary processes completed for an allegation of harassment which was substantiated against one staff member and an allegations of inappropriate use of computer technology which was substantiated against five staff members (November 2006).

The Code of Conduct is issued to all staff on commencement as part of their induction with the manager noting on the induction checklist that it has been received by the employee.

The Code of Conduct, WA Code of Ethics and Public Sector Standards in Human Resource Management are also featured on the College's Intranet site for staff to refer to when required.

The College's Code of Conduct is currently under review in response to the recent changes in the WA Code of Ethics. All College policies are reviewed every one to two years and in response to Government revisions.

The College Intranet site also provides the following:

- Job Application Information Booklet for applicants.
- Selection Panel Information to assist Selection Panels in conducting interviews and writing up selection reports.
- Lists of staff trained to be panel members and convenors.
- Manager Guide to Human Resource processes including how to advertise and recruit.

Each Principal HR Consultant provides support to selection panels and vets selection reports prior to them being endorsed by Senior Management and sent on to ETSSC for generation of letters accompanied by instructions on how to lodge a breach.

# 7 Statement of Compliance

## 7.11 Table 7.3 OPSSC reporting under s31 of the Public Sector Management Act 1994

### CHALLENGER TAFE 2006-2007

Compliance Issues	Significant action taken to monitor and ensure compliance
<b>Public Sector Standards (PSS)</b>	
Nil breach claims	Information about Standards included on agency intranet and internet and in job application packages
	Ongoing training provided to grievance officers and persons on recruitment panels to ensure compliance with relevant Standards
	All Recruitment and Selection processes audited internally as a quality assurance process
<b>WA Code of Ethics</b>	
Allegation of harassment substantiated against one staff member	Investigation found allegations regarding one employee harassing students to be substantiated and led to disciplinary action being taken against that staff member
	WA Code of Ethics on agency intranet
	Exemplifying Personal Integrity and Self Awareness is now part of senior staff selection criteria
<b>Agency Code of Conduct</b>	
Allegations of inappropriate use of computer technology investigated and substantiated for five staff members (November 2006)	An investigation found allegations regarding five employees misusing the college network to be substantiated and led to disciplinary action being taken against those staff.
Allegation of harassment substantiated against one staff member	An investigation found allegations regarding one employee harassing students to be substantiated and led to disciplinary action being taken against that staff member.
	Agency Code revised January 2007 and distributed to all staff
	Agency Code accessible on intranet

## 7.12 Corruption Prevention

Challenger TAFE has developed risk management strategies to minimise the risk of corruption and misconduct. Corruption prevention and detection is being addressed in the following ways:

- Consistent with an across TAFEWA approach, Challenger TAFE developed and placed on its intranet site documentation to cover Corruption Reporting; Corruption Prevention and Detection; A Corruption Prevention Guide; and A Corruption Control Plan.
- In 2006, Challenger TAFE conducted a series of staff workshops relating to the Corruption Prevention and Detection legislation.
- Developed a 2007 Corruption Prevention Plan.
- In 2007, all induction programs include information on Corruption Reporting and College information on the intranet.
- In 2007, the College strengthened the Complaints Management procedures with the installation of a complaints management database which can track the nature of complaints for quality purposes and ensures prompt resolution of concerns.

## 7.13 Sustainability Action Plan

Outcomes for 2007

- Introduction of multi-functional devices (MFDs) with financial savings (ongoing) and significant reduction in resource usage (paper).
- Continuation of energy management program with reduction in energy consumption and costs.
- Introduction of VOIP resulting in financial savings (ongoing) and improved telecommunications efficiency.
- Developing and trialling a water management strategy including re-using run-off water for circulation through utilities at the Australian Centre for Energy Process Training (ACEPT) campus.
- Exploring opportunities to obtain certification to Environmental Management Standard – ISO 14001.
- Strategic review of OSH activities and a new OSH management plan developed resulting in greatly improved safety and welfare of staff and students.

## 7.14 Freedom of Information

The Office of the Information Commissioner publishes annually a summary of the number and nature of information requests dealt with by agencies. This information can be accessed at <http://www.foi.wa.gov.au/Publication.html>

## 7.15 Types of Publications Available to the Public

Details of the Colleges' organisational structure, mission, values, goals and policies are incorporated in a range of documents, including its Quality Manual and Annual Report.

Sources of information available to clients and customers without them having to use the FOI instrumentation include:

- Course information
- Enrolment dates
- Career (Course) Prospectus
- Advertisements, flyers, Brochures, News items
- Course Information Officers and Prospective Student Advisers (available at all delivery sites)
- Challenger TAFE Customer Service Charter
- Student support services brochures and student diary
- Policy and Procedures Manual – available at the Learning Resource Centres (LRCs)
- "Waves" magazine produced by Challenger TAFE (distributed to industry, staff and graduates)

All publications are provided free of charge and can be accessed via the College web-site [www.challengertafe.wa.edu.au](http://www.challengertafe.wa.edu.au), by mail out or by visiting any of the campuses.

## CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records which are appropriate and relevant to assisting users to assess the performance of Challenger TAFE and fairly represent the performance of the college for the financial year ending 31st December 2007.



Paddy Creevey  
Chair, Governing Council



Liz Harris  
Managing Director

28 February 2008

## **Auditor General Independent Audit Opinion**

TO THE PARLIAMENT OF WESTERN AUSTRALIA

Challenger TAFE

Performance Indicators for the year ended December 31, 2007

**Letter to be inserted**

## 8.1 Key Performance Indicators

### CHALLENGER TAFE'S VISION AND MISSION

The College's aims to be a high performance, visionary organisation. As a member of TAFEWA, our mission is to provide training and related services that are enterprise and community driven, and career courses aligned with WA's current and future skills requirements.

### CHALLENGER TAFE'S KEY DIRECTIONS FOR 2007

To improve skill development and employment outcomes by:

Goal 1 – Providing industry-driven training and related services to meet workforce needs
Goal 2 – Expanding the community's access to relevant vocational education and training and appropriate support services
Goal 3 – Building a strong enterprising culture within the workforce to generate commercial and international business and to access alternative revenue sources
Goal 4 – Being an employer of choice
Goal 5 – Continuously improving our business processes and systems

### DESIRED OUTCOMES FOR 2007

A key desired outcome for 2007 was timely, efficient and effective vocational education and training and employment services successfully addressing employment, enterprise and community needs.

The following effectiveness and efficiency indicators have been developed to assist in the College's monitoring and management processes and to enhance accountability to the people of WA. The data are subject to audit under the provisions of the Financial Management Act 2006. They also measure the efficiency and effectiveness of Challenger TAFE's efforts in addressing community and industry's training needs, with a focus on the South West Metropolitan and Peel Regions.

## 8.2 Key Indicator for Performance Efficiency based on Total Delivery Cost Per SCH

Total delivery cost per Student Curriculum Hour (SCH) measures efficiency. Every student at Challenger TAFE enrolls in one or more modules. Each module is linked to a course that has a nominal number of curriculum hours. Students' enrolments in these modules generate Student Curriculum Hours (SCH), for monitoring and contract fulfilment. The level of expenditure that is required to produce an output or product unit is a standard measure of efficiency. Challenger TAFE, as a TAFEWA College, uses the Student Curriculum Hour (SCH) measure and the cost per SCH provides an indicator of efficiency. For each year, a cost per SCH target has been established, based on the previous year's results. In 2007, the Student Curriculum Hour (SCH) was calculated on resulted students. Prior to this time, the measure was taken on enrolled students.



## 8.3 Key Performance Indicator 1: Cost Per SCH

Year	SCH	Cost per SCH
2003	4,114,949	\$13.53
2004	4,286,082	\$14.17
2005	4,468,758	\$14.60
2006	4,785,212	\$15.22
2007	4,960,683	\$14.81
2007 Target	4,911,526	\$14.97

The Financial Data applied in the measure is from the 2003 – 2006 Annual Reports, the Section 42 Forward Estimates lodged in January 2007 for the 2007 trading year and the 2007 Financial Statements included in this report. The total of the Student Curriculum Hours of training delivered is as reported in Key Performance Indicator Matrix Target (below) from the 2007 census provided to the Western Australian Department of Education and Training in February 2008.

### METHODOLOGY

The average cost per Student Curriculum Hour is derived from the amount identified as Cost of Services divided by the total Student Curriculum Hours delivered. The Cost per SCH is shown in Table KPI 1 above.

### EXPLANATION

The average cost of \$14.81 per SCH in 2007 shows a reduced rate over last year's outcome of \$15.22 by \$0.41 per SCH and represents a reduced cost per SCH from the 2007 target set in the Section 42 Forward Estimates of January 2007 (\$14.97).

Other factors associated with the Cost per SCH in 2007 include:

- increases in delivery costs are not indexed against annual Cost of Living measures;
- delivery costs for employment-based training are higher per SCH than for other State contracted training delivered and the College exceeded its employment-based training delivery target, in line with 2007 DPA Agreement priorities;
- above base-grade salaries were provided to attract additional lecturing staff to deliver training in skills shortage areas from industries where salaries are more competitive than TAFE lecturer salaries;
- for security reasons, contracted training provided for the Royal Australian Navy, including training subcontracted to the College by the Australian Submarine Corporation, is not entered on the College's Curriculum Management Information System and in 2007 included additional delivery for the Navy of Computer Numerically Controlled (CNC) training;
- the cost of operating multiple facilities increases the influence of the capital elements on operating costs including the impact of depreciation and amortisation of the College's capital over the 17 sites covering a 1000sq kilometre region; (Depreciation is included in the cost of services and therefore influences the cost per SCH.)
- the costs of consultancy services, especially those related to the development of overseas training programs;
- "off-shore" delivery is externally funded and incurs costs reflected in the cost per SCH but may not contribute to the production of SCH.

### RESULT

This year's Cost per SCH was \$0.16 lower than the cost submitted in the January 2007 Forward Estimates.

## 8.4 Key Indicators of Performance Effectiveness (KPIs 2-5)

Challenger TAFE provides four KPI measures of effectiveness applying:

- achievement of College Profile (%) using 2007 enrolment data confirmed at 17 February 2007 from Challenger TAFE's College's Management Information System (CMIS) enrolment data;
- Student Satisfaction (%) using data from the WA government annual 2007 Student Satisfaction Survey conducted by contractor Colmar Brunton Intelligence;
- data from the NCVET Graduate Satisfaction and Graduate Employment Outcomes from 2006 graduates, available biennially, satisfied with outcome of Graduates' main reason for study;
- Graduate Employment (%) using data from the biennial Student Outcomes Surveys conducted Australia wide and contracted to NCVET.

### ACHIEVEMENT OF COLLEGE PROFILE TARGETS APPLYING DATA FROM THE COLLEGE'S MANAGEMENT INFORMATION SYSTEMS (CMIS)

Every student at Challenger TAFE enrolls in one or more modules. Each module is linked to a relevant course and has a nominal number of curriculum hours ascribed to training delivery. Students' enrolments in these modules generate Student Curriculum Hours (SCH). Module enrolments and therefore the SCH are coded in the system according to funding source, delivery location, method of study, occupational category to which the course has been assigned (WADT Group) and a variety of other categories. Data are aggregated according to the number of students who have achieved a result in each module in any designated category.

Aggregated data using the standard SCH measure are set out in Key Performance Indicator 2 and 3. The data for this Key Performance Indicator are generated from CMIS. The measures have been generated from the 2007 CMIS Census provided by Challenger TAFE in February 2008 to the Western Australian Department of Education and Training and were extracted according to the Business Rules of the Australian Vocational Education and Training Management Information Statistical Standards (AVETMISS).

## 8.5 Key Performance Indicator 2: Profile Achievement (Comparative) 2003-2007

Year	SCH Profile Target	SCH Actual Delivery	% Achievement
2003	3,545,000	3,544,878	100.00%
2004	3,551,062	3,612,644	101.73%
2005	3,675,319	3,707,596	100.88%
2006	3,795,265	3,815,542	100.53%
2007	3,917,102	3,979,243	101.59%

The measure in 2007 was based on training for which students gained a result. From 2003-2006 the measure was of students who were engaged in training each category.

### DEFINITION:

'Profile delivery' is training which the Western Australian Department of Education and Training purchases from Challenger TAFE under the terms of the annual Delivery and Performance Agreement. The training programs are specified by occupational category/industry grouping (known as a WADT Group) and course level in Student Curriculum Hour targets. The extent to which the College meets its profile targets by resulting the appropriate number of contracted SCH is a measure of its effectiveness in contributing to the State Training Strategy by meeting industry and community training needs.

### SOURCE:

Challenger TAFE 2007 Delivery and Performance Agreement (DPA) and Third Addendum, and the College CMIS Census summary and outcomes 2003-2006 as documented in the Annual Reports 2003-2006.

### METHODOLOGY:

The profiled delivery targets for 2007 were initially included in the College's Delivery and Performance Agreement with the Western Australian Department of Education and Training agreed to in December 2006 and were finalised in a Third Addendum, November 2007. The targets are detailed in the purchasing matrix, cross-matched by Industry Group and course level (see 8.30 Glossary of Terms for description of Industry Group etc.)

### DERIVATION:

The percentages achieved for each year's outcome was calculated by dividing the achieved Government funded training delivered into the resulted delivery by the SCH in each year.

### EXPLANATION:

Reporting arrangement for 2007 were adjusted by WA Department of Training so that the total SCH reported were of all students who had achieved a result from the outcome of their study rather than a module enrolment only.

## 8.6 Key Performance Indicator: Matrix Target to Actual Achieved Delivery of SCH 2007

WADT Group	WADT Group Description	Profile Targets	Profile SCH
01A	Recreation Sports and Entertainment	96,042	102,374
01B	Visual and Performing Arts	29,430	21,399
02A	Automotive	99,171	99,734
03A	Building and Construction	277,148	271,675
03B	Surveying and Building	22,592	24,410
04A	Community Service Workers	250,828	245,188
04B	Education and Childcare	162,305	167,701
04C	Health	47,997	58,091
05A	Finance Insurance Property Service Workers	20,000	17,399
06A	Food Trades and Processing	7,580	10,760
07A	Clothing Footwear and Soft Furnishings	39,537	35,394
09A	Engineering and Drafting	156,000	167,570
09B	Metal and Mining	341,394	314,892
10A	Animal Care	46,042	40,960
10B	Forestry, Farming and Landcare	117,527	132,325
10C	Fishing	61,380	58,755
10D	Horticulture	204,683	221,699
11A	Process Manufacturing	76,300	106,076
12A	Personal Service	165,071	160,794
12B	Retail	45,983	46,449
13A	Cooking	72,440	67,451
13B	Hospitality	93,177	87,875
13C	Tourism	42,925	43,089
13D	Travel Agents	3,800	13,970
14A	Transport Trades, Storage and Associated	227,058	222,080
15A	Electrical and Electronic Engineering	60,396	66,246
15B	Electrical Trades	133,106	165,918
16A	Accounting and Other Business Services	94,125	109,480
16B	Management	120,885	111,375
16C	Office and Clerical	152,065	160,581
17A	Computing	212,545	214,580
18A	Science and Technical Workers	107,899	83,540
19B	Adult Literacy/ESL	98,440	95,045
19D	Miscellaneous	5,000	2,740
19E	Targeted Access and Participation Courses	226,231	231,628
		<b>3,917,102</b>	<b>3,979,243</b>

**SOURCE:**

Challenger TAFE 2007 Delivery and Performance Agreement (DPA) and Third Addendum, and the College CMIS Census summary, based on resulted students.

**METHODOLOGY:**

The profiled delivery targets for 2007 were initially included in the College's Delivery and Performance Agreement with the Western Australian Department of Education and Training in December 2006 and were finalised in a Third Addendum November 2007. The targets are detailed in the purchasing matrix, cross-matched by Industry Group and course level (see 8.30 Glossary of Terms for description of a WADT Industry Group etc.)

**DERIVATION:**

The percentages achieved in each Industry Group and overall were calculated by dividing the achieved resulted delivery by the SCH targets specified in the Third Addendum to the 2007 Delivery and Performance Agreement.

**EXPLANATION:**

Profile resulted delivery achieved in 2007 was 163,701 SCH more than that achieved in 2006 and was 62,141SCH above the 2007 November target.

In 2007, training delivery was achieved on or above target in Industry Groups 1A, 2A, 3B, 4B, 4C, 6A, 9A, 10B, 10D, 11A, 12B, 13C, 13D, 15A, 15B, 16A, 16C, 17A and 19E. Both enterprise-based and Institution delivery met their targets.

## 8.7 Level of Student Satisfaction – Data from the State Survey of Enrolled Students (Data Source Colmar Brunton)

In 2007, the Managing Director's Delivery and Performance Agreement with the Minister for Education and Training included a 1% improvement in levels of student satisfaction. Student satisfaction measures are derived from two external sources: 1) the State TAFEWA Colleges' Module Completers Survey 2007, available from the Western Australian Department of Education and Training, and conducted by Colmar Brunton and 2) the Australian VET 2006 graduates' outcomes, available from the Department of Education Science and Training and conducted biennially by the National Centre for Vocational Education Research (NCVER) through contractor 1-View, on behalf of the Australian states and territories, and in a more detailed format for the Western Australian Department of Education and Training.

The State TAFEWA Colleges' Module Completers Survey 2007 survey managed by the Western Australian Department of Education and Training during the 2007 academic year measured student satisfaction at College and State levels and provides an indicator of the effectiveness of Challenger TAFE's training services and products. The survey asked students about their degree of satisfaction with the quality and relevance of their courses and the teaching, student support, learning resources and facilities provided.

## 8.8 Key Performance Indicator 3: College and State Student Satisfaction Percentages 2003 – 2007 (all students)

	2003	2004	2005	2006*	2007	2007 Target
College	82.9%	82.2%	84%	85%	83.4%	N/A
State	85.4%	84.7%	85%	86%	86.8%	N/A

\*NB: Percentage only reported to whole number level 2005-2006.

### SOURCE

2007 Student Satisfaction Survey: (The Western Australian Department of Education and Training contracted Colmar Brunton Intelligence to conduct the surveys of all Western Australian TAFE Colleges).

### METHODOLOGY

The 2007 Student Satisfaction Survey was conducted as a two-stage mail out to Challenger TAFE Students, augmented with an on-line response facility. The WA data were augmented with Computer Assisted Telephone Interviews in areas exhibiting low response rates. A prize draw was used as an incentive to encourage students to complete a survey. As in prior years, the results were weighted to overcome sampling error and were based on the satisfaction levels of students who were enrolled in publicly funded courses at either a TAFE College or a publicly funded private training institution in Semester One or Semester Two of 2007. Two surveys instruments were used, one measured the outcomes of enterprise-based students and the other, institution-based students.

### DERIVATION

The performance indicator was calculated using the collective responses to a question that was in common to both survey instruments and which asked students about their level of satisfaction with their course at the TAFE College or private institution in which they had been or were enrolled in 2007.

### STATISTICAL DETAILS

Challenger TAFE had a potential 8,786 usable student records 6,319 were contacted and 1,236 responses received, 326 of these having been completed on-line. This was a Challenger TAFE response rate of 20%. The confidence intervals were in the range of +/-2.1% and at a 95% confidence level.

### EXPLANATION

The satisfaction rating for Challenger TAFE was at the 83.4% level, performing slightly below an overall State performance average of 86.8%. The change from 2006 represented a reduced satisfaction level of above 1% which was likely to be influenced by the lower response levels than in previous years. Challenger TAFE satisfaction levels continue to be lower than State measures.

## 8.9 Graduate Satisfaction with outcomes of their training at Challenger TAFE (Data Source NCVET)

In the 2007 survey of 2006 graduates, all the graduates surveyed had completed their course with a VET provider and had an Australian address as their usual address. In 2007, the survey collected key information on the employment status of graduates, further study destinations and satisfaction with their training programs, covering students who graduated with a vocational education and training (VET) award in 2006 in each Australian State and territory. Hobby, recreational and short courses were excluded from the survey. The survey was conducted by I-view Pty Ltd on behalf of the National Centre for Vocational Education Research (NCVER). Collated results from the study evaluation process continue to show high levels of students' satisfaction with Challenger TAFE. The following graphs are representation of the process and outcomes.

## 8.10 Key Performance Indicator 4: Graduates Achievement of Main Reason for Doing Training 2001-2007

	2001	2002	2003	2004	2005	2006	2007	2007 Target
Challenger TAFE	77.99%	81.16%	79.70%	N/A	81.00%	N/A	83.50%	N/A
Western Australia	76.33%	76.98%	77.96%	N/A	84.00%	N/A	86.90%	N/A
Australia	78.96%	77.98%	78.80%	N/A	86.00%	N/A	86.40%	N/A

The result documented in KPI 5: Graduates Achievement of Main Reason for Study 2001-2007 indicates Challenger TAFE has a slightly lower measure of graduate satisfaction than the State and Australia VET average. Improving graduates' satisfaction with the outcomes of their studies is priority in 2008, establish with the Challenger TAFE Strategic Plan 2008-2010.

### SOURCE

The 2007 Managing Director's Delivery and Performance Agreement with the Minister for Education and Training included a 1% improvement in satisfaction target. Student satisfaction measures are derived from two external sources (see also KPI 3), including the Australian VET 2006 graduates' outcomes, available from the Department of Education Science and Training and conducted by the National Centre for Vocational Education Research (NCVER) through contractor 1-View and those state outcomes reported in KPI 3 above.

### METHODOLOGY

The measures were drawn from the survey report titled "2007 Student Outcomes Survey Western Australian Institute Report for Challenger TAFE November 2007" that provides comparative data on an institution, State and national basis. In 2006, there were 1.68 million students enrolled in the publicly funded VET system with the majority of these undertaking training at a Technical and Further Education (TAFE) institution or other government provider. Graduates were students who successfully completed a vocational qualification with a VET provider and who had an Australian address as their usual residence. Questionnaires were sent to a stratified, randomly selected sample of graduates. The national response rate was 41%.

### DERIVATION

In each of the Student Outcomes Surveys (previously called Graduate Destination Surveys) conducted since 1997, the same question regarding the main reason for doing the course was asked of graduates and the same rating scale used enabling maintenance of trend data to 2003. To 2003, the measure was re-based and reflected as a percentage of those who answered "Yes" or "Partly" as a proportion of all those who gave a valid response to the question. From 2005 the survey was conducted using a weighted sample of graduates. Outcomes have been reported as percentages but the sample population canvassed has been smaller. The survey comprised a weighted sample of graduates rather than a census. Percentage of graduates who were satisfied was defined as those graduates who **achieved** or **partly achieved** their main purpose in studying at Challenger TAFE.

### STATISTICAL DETAILS

In a stratified randomly selected sample, 619 Challenger TAFE 2006 graduates responded to a question about whether they achieved their main reason for completing a course at Challenger TAFE. The estimated Challenger TAFE graduate population sample was 5808 so the number of responses achieved through the survey instrument was assumed to be greater than 10% of the total graduate population.

**EXPLANATION**

The results indicated that most TAFE graduates, including those from Challenger TAFE, were studying for vocational reasons in 2006 and the majority of these students sought to get a job. Note that national data on graduate satisfaction was not available prior to 2000 nor in 2004 or 2006, based on the 2003 and 2005 graduate populations. The lower result for Challenger TAFE compared with the state and national figures may relate to the College having an older profile for its students. Older graduates experience less success when seeking their desired employment.

The percentage of Challenger TAFE respondents who indicated that they 'achieved' or 'partly achieved their main purpose in studying' increased by 2.5% on the previous measure taken in 2005. This is one indicator of the students' degree of satisfaction with their training program and its relevance. In 2007, 83.5% of Challenger TAFE's 2006 graduates (compared with 86.9% of Western Australian TAFE graduates and 86.7% of Australian TAFE graduates) achieved or partly achieved their main reason for studying.

**8.11 Graduate Employment Outcomes (Destination)**

Graduates' employment status after the completion of a training program provides one indicator of the effectiveness of training provided. The 2006 Challenger TAFE graduates destinations after study provides one indicator of Challenger TAFE's effectiveness in providing skills for the workforce that the graduates consider relevant, allowing them to contribute to the economy, the development of industry and the region.

**8.12 Key Performance Indicator 5:  
Graduates' Main Reasons for Doing Training 2001-2007**

	2001	2002	2003	2004	2005	2006	2007
Employment Related	71.50%	71.30%	73.17%	N/A	72.00%	N/A	68.1%
To enter further study	10.00%	9.10%	9.20%	N/A	19.00%	N/A	8.8%
Personal or Interest	12.70%	16.80%	14.98%	N/A	19.00%	N/A	23.1%
Other Reasons	5.80%	2.70%	2.65%	N/A	0.00%	N/A	0.00%

*Note: Since 2003 this measure has been completed biennially using a weighted sampling technique. There is no target for this indicator as graduate employment outcome is beyond the influence and control of the College.*

**SOURCE**

In 2007, a student satisfaction measure based on Australian VET graduate outcomes was available from the Department of Education Science and Training and conducted by the National Centre for Vocational Education Research (NCVER) through contractor 1-View. This measure is available biennially. The Western Australian survey results were derived from "Australian Vocational Education and Training Statistics Student Outcomes Challenger TAFE 2007, a national 2005 Student Outcomes Survey" which is an additional WA survey of graduates which was funded by the WA TAFE Colleges and the Department of Education and Training.

**METHODOLOGY**

The measures were drawn from the survey report titled "2007 Student Outcomes Survey Western Australian Institute Report Challenger TAFE November 2007" that provides comparative data on an institution, State and national basis. In 2006, there were 1.68 million students enrolled in the publicly funded VET system with the majority of these undertaking training at a Technical and Further Education (TAFE) institution or other government provider. Graduates were students who successfully completed a vocational qualification with a VET provider and who had an Australian address as their usual residence. Questionnaires were sent to a stratified, randomly selected sample of graduates. The national response rate was 41%.



## STATISTICAL DETAILS

In a stratified randomly selected sample, 565 students responded to a question on their reasons for training at Challenger TAFE of an estimated population of 5332. A standard error measure was provided based on the response population for each question.

## DISCUSSION

68.1% of the stratified, randomly selected sample indicated their main reason for studying was employment-related, a decrease of 3.9% on the previous measure completed in 2005 on the 2004 cohort. Within that response, the most frequently given single reason was: to get a job (19.7%) to improve general education skills (17.5%), requiring extra skills (12.4%) and to try for a different career (10.6%). 31.8% of the respondents identified that they had sought to improve their work circumstances through a different career or extra skills or a better job or promotion, indicating the graduates' expectation of their studies at Challenger TAFE. 6.3% of graduates' reasons included improving skills for starting or building their own business.

## EXPLANATION

In 2007, the Managing Director's Delivery and Performance Agreement with the Minister for Education and Training included a 1% improvement in levels of student satisfaction. Student satisfaction measures are derived from two external sources: 1) the State TAFEWA Colleges' Module Completers Survey 2007, available from the Western Australian Department of Education and Training, and conducted by Colmar Brunton (see KPI 3); and 2) the Australian VET 2006 graduates' outcomes, available from the Department of Education Science and Training and conducted biennially by the National Centre for Vocational Education Research (NCVER) through contractor 1-View, on behalf of the Australian states and territories, and in a more detailed format for the Western Australian Department of Education and Training. The results indicated that most Challenger TAFE graduates were studying for vocational reasons in 2006 with students' reasons for training being more diverse than those from the State sample. The College's second chance role is relevant for almost one third of all graduates.

## 8.13 Graduate Labour Market Status as at 25 May 2007

		2001	2002	2003*	2005*	2007*
Challenger TAFE	Employed	64.08%	65.18%	72.20%	76.00%	79.60%
	Unemployed	14.89%	13.34%	11.81%	11.00%	5.70%
	Not in the labour force	21.04%	19.93%	14.65%	12.00%	14.60%
Western Australia	Employed	67.83%	70.50%	72.36%	78.00%	83.00%
	Unemployed	13.83%	12.55%	11.72%	9.00%	6.20%
	Not in the labour force	18.34%	16.05%	13.77%	13.00%	10.60%
Australia	Employed	72.90%	72.50%	74.76%	79.00%	81.00%
	Unemployed	12.28%	12.77%	11.93%	10.00%	8.70%
	Not in the labour force	14.82%	13.96%	11.36%	11.00%	9.90%

*Note: Since 2003 these data have been collected biennially. The College has no control or influence over this indicator therefore no target for this indicator had been set.*

## **SOURCE**

In 2007, a student satisfaction measure based on Australian VET graduate outcomes was available from the Department of Education Science and Training and conducted by the National Centre for Vocational Education Research (NCVER) through contractor 1-View. This measure is available biennially. The Western Australian survey results were derived from "Australian Vocational Education and Training Statistics Student Outcomes Challenger TAFE 2007, a national 2005 Student Outcomes Survey" which is an additional WA survey of graduates which was funded by the WA TAFE Colleges and the Department of Education and Training.

## **METHODOLOGY**

The measures were drawn from the survey report titled "2007 Student Outcomes Survey Western Australian Institute Report Challenger TAFE November 2007" that provides comparative data on an institution, State and national basis. In 2006, there were 1.68 million students enrolled in the publicly funded VET system with the majority of these undertaking training at a Technical and Further Education (TAFE) institution or other government provider. Graduates were students who successfully completed a vocational qualification with a VET provider and who had an Australian address as their usual residence. Questionnaires were sent to a stratified, randomly selected sample of graduates. The national response rate was 41%.

## **STATISTICAL DETAILS**

In a stratified randomly selected sample, 611 students responded to a question on their reasons for training at Challenger TAFE of an estimated population of 5727. A standard error measure was provided based on the response population for each question.

## **DERIVATION**

Graduate employment status was measured by questions asked every two years on whether graduates were employed, unemployed or not in the labour force at a specified date at the end of May 2007. The measure is expressed as a percentage of the respondents in each category. Note that national data on graduate employment outcomes were not available prior to 2000 nor in 2004 and 2006.

## **EXPLANATION**

In 2007, the Managing Director's Delivery and Performance Agreement with the Minister for Education and Training included a 1% improvement in levels of student satisfaction. Student satisfaction measures are derived from two external sources: 1) the State TAFEWA Colleges' Module Completers Survey 2007, available from the Western Australian Department of Education and Training, and conducted by a Colmar Brunton (see KPI 3) and 2) the Australian VET 2006 graduates' outcomes, available from the Department of Education Science and Training and conducted biennially by the National Centre for Vocational Education Research (NCVER) through contractor 1-View, on behalf of the Australian states and territories, and in a more detailed format for the Western Australian Department of Education and Training. The results indicated that while most Challenger TAFE graduates were studying for vocational reasons in 2006 with students' reasons for training being more diverse than those from the State sample, a lower percentage of Challenger TAFE students indicated they were unemployed in May 2007, compared with the State and national student percentages, in contrast with outcomes in 2005 when the percentage of Challenger TAFE students indicating they were unemployed was higher than both the State and national percentages. The percentage of graduates who reported that they were in employment increased from the previous survey in 2005 by 3.6% and the percentage of those who reported that they were unemployed or not in the workforce declined since the 2005 measure was taken.

## NON-AUDITED DATA – COLLEGE MEASURES

### 8.14 Outcomes, Outputs and Performance Information

**Outcome:** The provision of effective and efficient vocational education and training services to meet community and industry training needs.

**Output:** Development and delivery of quality vocational education and training services and products which contribute to the social and employment-related skills of Challenger TAFE's clients; and promote industrial, community and regional growth and development.

**Output Measures:** - reported in accordance with Treasurer's Instruction 904.

		2007 Targets SCH	2007 Actuals SCH	Change SCH	Explanatory Notes
<b>1.</b>	<b>QUANTITY</b>				
1.1	Total Student Curriculum Hours (SCH) delivered (profile +non-profile)	3,917,102 + 994,424 4,911,526	3,979,243 981,440 4,960,683	62,141 - 12,984 49,157	A conversion of 38,312SCH to Innovation Strategy (DPA Addendum 3) reduced overall contracted delivery total from 3,955,414SCH to 3,917,102SCH. The College achieved the new target and also achieved the original target
1.2	Profiled Delivery Target Achievement	100%	101.59%	1.59%	Profile includes employment-based and industry-based delivery. Employment-based training delivery increased, exceeding this year's target of 3507 students by 40.
		2006 Outcomes	2007 Actual	Change	Explanatory Notes
<b>2.</b>	<b>QUALITY</b>				
2.1	Student Satisfaction - Apprentices & Trainees EBT	84	82.2	-1.8	The level of satisfaction in Challenger TAFE's 2007 apprentices and trainees, as measured by the Colmar Brunton State survey reported a lower outcome than in 2006. Raising this measure is a College priority for 2008.
2.2	Student Satisfaction - Other Students (IBT)	86	83.8	-1.7	There was a 2.3% reduction in satisfaction levels of Institution Based Challenger TAFE's students, as measured by the 2007 Colmar Brunton State survey.
2.3	Graduates Achieved Main Reason for Study	81.00% (2005 measure)	83.5%	2.5%	The comparative measures were derived from a 2005 and 2007 national surveys of 2004 and 2006 graduates conducted by NCVET. Raising this measure is a College priority for our 2008 graduate. This is a biennial measure.
2.4	Graduate Labour Market Status: students employed	76.00%* (2005 measure)	79.6%	3.6%	This year's measure is derived from the 2007 national survey of 2006 graduates. 3.6% more graduates from 2006 had found employment compared with the 2004 cohort
2.5	Module Load Completion Rate (MLCR) - Successful training completions	73.94%	75.91%	1.97%	A College-wide emphasis on outcome measures has improved this measure.
<b>3.</b>	<b>TIMELINESS</b>				
3.1	Completion of Delivery and Performance Agreement	January 07	December 07	Achieved	Agreement for 2007 signed December 2006
		2007 Targets	2007 Actuals	Change	Explanatory Notes
<b>4.</b>	<b>COST</b>				
4.1	Cost per SCH	\$14.97	\$14.81	\$0.16	The target was set in Section 42 preview Jan 07. The Cost per SCH demonstrates an increased efficiency in operations 2007

*The method of calculating students in employment was altered in 2005 to exclude students who were enrolled in TAFE at the time the survey was taken (May 2005). In previous years this group had been included in the total.*

## 8.15 Delivery Profile (Reputation and Growth)

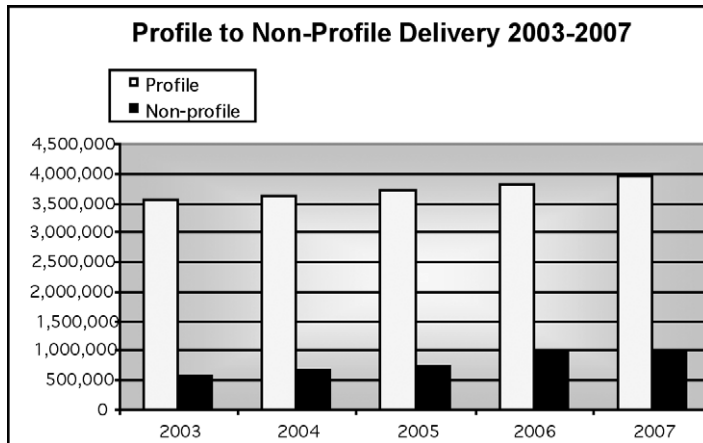
Most of Challenger TAFE's training programs are specified and funded in the annual Delivery and Performance Agreement through a formula-driven resource-allocation process. Funds to support the delivery of additional training programs are secured through a variety of alternative sources. These include tendering for public funds targeting specific enterprise or community training needs; fee-for-service customised training or provision for overseas students (in partnership with Education and Training International). Adult Community Education courses that cater for community and personal development, including hobby courses, are included here and are conducted on a self-supporting basis.

The College's non-profile training delivery (not including the Collins Class Submarine Training) has shown progressive growth in SCH since 2005, with the percentage of total delivery (20.43% in 2007) also trending upward. There has been a consistent upward trend in SCH generated from overseas students since 2002. The training recorded on the CMIS for overseas students relates only to delivery to those students whose usual address is overseas but who are located within Western Australia while studying and does not include training delivered in other countries. In 2007, both Adult Community Education and 'Industry Specific' which covers competitive tendering for WA Department of Education and Training programs have shown a downturn.

## 8.16 Internal Performance Indicator 6: Comparison Non-Profile and Profile Delivery 2003-2007

	2003	2004	2005	2006	2007
Industry Specific	93,475	83,768	78,104	67,614	54,689
Fee-for-Service	507,398	437,131	415,569	607,389	642,215
Overseas Students	95,026	148,416	207,445	229,691	242,125
ACE	62,673	84,653	60,044	64,976	42,411
Profile	3,544,878	3,612,644	3,707,596	3,815,542	3,979,243
Non-Profile	570,071	673,438	761,162	969,670	981,440
Total SCH	4,114,949	4,286,082	4,468,758	4,785,212	4,960,683
% Non-profile	13.85%	15.71%	17.03%	20.26%	19.78%

## 8.17 Internal Performance Indicator (Trend) 6.1: Profile to Non-Profile Delivery 2003-2007



### SOURCE

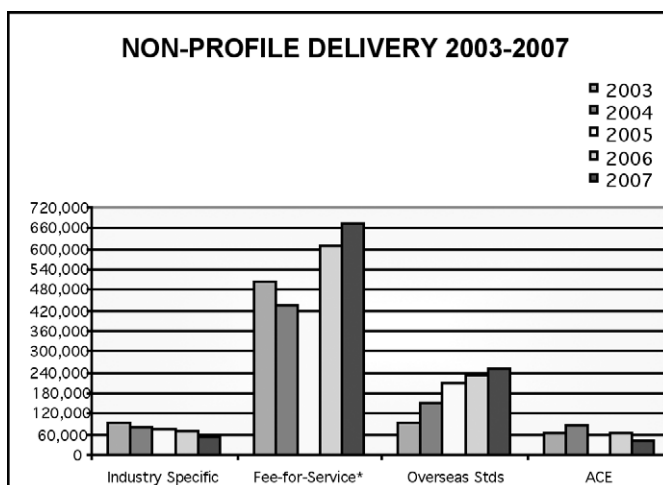
Non-profile delivery is all training delivery outside of the annual Delivery and Performance Agreement between the College and the Western Australian Department of Education and Training. Non profile delivery will include programs funded through State and Commonwealth sources other than the annual Delivery and Performance Agreement. Student enrolment in non-profile courses is identified on the College Management Information System (CMIS) by funding source codes other than "C" or "10".

### EXPLANATION

The quantity of non-profile delivery increased from the 2006 outcome, with fee for service and international student categories being the best performers by quantity. Non-profile delivery of 981,440SCH is an increase on all previous years. Table 6.2 and Table 7 (below) demonstrate that delivering training to overseas students has experienced consistent growth while other areas such as Adult Community Education activity demonstrate a negative trend.

Training delivered to submariners under a subcontracted arrangement with Australian Submarine Corporation and training provided to the Royal Australian Navy in Computer Numerically Controlled (CNC) is not included in the final tally of student Contact Hours (SCH).

## 8.18 Internal Performance Indicator (by category) 6.2: Non-Profile Delivery Categories 2003-2007



The Specialist Training Centres have developed a strong rapport with industry and community organisations, providing customised training programs when and where their clients require. It is anticipated that fee-for-service training delivered to clients in Western Australia; nationally and in overseas locations will remain a reliable source of substantial income. For 2008, the College aims to produce the following outcomes in Profile and Non Profile VET Delivery (Source: Annual Reports 2003-2007; Section 40 Estimates lodged July 2007; and 2008 Delivery and Performance Agreement with WA Department of Education and Training).

### 8.19 Internal Performance Indicator 6.3: Profile and Non Profile VET Delivery 2003 – 2008 SCH

Year	Profile Delivery SCH	Non Profile Delivery SCH (1)	Total Delivery SCH
2003	3,544,878	570,071	4,114,949
2004	3,612,644	673,438	4,286,082
2005	3,707,596	761,162	4,468,758
2006	3,815,542	969,670	4,785,212
2007	3,979,243	981,440	4,960,683
2008	4,005,414 (2)	1,000,000	

#### NOTES:

- Non-profile delivery does not include training for the Navy (submarine school) or delivery off-shore
- Delivery recorded in the 2008 Delivery and Performance Agreement December 2007
- Estimated Non-profile delivery based on Section 40 Estimates 2008

The number of overseas students undertaking vocational qualifications in Australia has increased and Challenger TAFE has reflected this change in trend, with a steady increase in numbers.

### 8.20 Internal Performance Indicator 7: International Students on Campus (2003-2007)

Year	2003		2004		2005		2006		2007	
	Sem 1	Sem 2	Sem 1	Sem 2	Sem 1	Sem 2	Sem 1	Sem 2	Sem 1	Sem 2
<b>Total</b>	<b>90</b>	<b>100</b>	<b>116</b>	<b>108</b>	<b>119</b>	<b>125</b>	<b>159</b>	<b>172</b>	<b>273</b>	<b>303</b>

In 2004, the Minister established annual targets for Challenger TAFE in the Managing Director's Performance Agreement for Apprenticeships and Traineeships, applying a base of 1817 in the June quarter 2004 and seeking a target of 2,638 Apprenticeships and Traineeships by June 2009, with an emphasis on apprenticeships in traditional trades in the initial years.

## 8.21 Internal Performance Indicator 8: Apprenticeships and Traineeships Annual Progressive Targets

Year	Target	% Target Increase	Actual	Apprentices	Trainees	% Increase
2004/5			1817	1386	431	
2005/6	2,349 (rev)	10.6%	2531	2115	416	16.40%
2006/7	2,414 (rev)	2.76%	3238	2665	573	34.1%
2007/8	3507 (rev)	45.3%	3547	3002	545	46.9%
2008/9	3600 (rev)					

### INDIGENOUS STUDENTS

In 2004, the Minister established annual targets for Challenger TAFE in the Managing Director's Performance Agreement in producing improvements in work related outcomes for indigenous students, using enrolments in employment related qualifications, Certificate III and above, as a measure of achievement. Very successful coordination across government agencies has led to increased enrolments in 2007.

## 8.22 Internal Performance Indicator 9: Outcomes Indigenous Students 2004-2007 (Certificate III Level and above)

Year	Target	% Target	Actual	% Increase
2004/5			206	
2005/6	221	7.50%	224	8.70%
2006/7	237	15.00%	261	26.7%
2007/8	252	22.50%	266	29.1%
2008/9	258	25%		

### EXPLANATION:

Apprenticeships and Traineeships form an important sub category of the Indigenous student group undertaking employment related qualifications.

In 2006, increases in Apprenticeships and Traineeships at Certificate III level and above were achieved in Information Technology, Retail, Business & Office Administration, Engineering, Automotive & Construction and Horticulture & Science. Numbers in the remaining industry areas remained as for 2005.

### 8.23 Internal Performance Indicator 10: Indigenous Apprentices and Trainees (Certificate III Level and above)

Year	2006		2007	
	Trainees	Apprentices	Trainees	Apprentices
Indigenous				
Information Technology, Retail, Business & Office Administration	1		9	
Engineering, Automotive & Construction	1	20		24
Horticulture & Science	3	6	3	5
Hospitality, Hairdressing, Beauty, Fashion & Human Services		7		10
Maritime, Transport & Distribution	2			
Defence & Resource Industries				20
<b>Total</b>	<b>7</b>	<b>33</b>	<b>12</b>	<b>59</b>

### 8.24 Challenger TAFE Improvement Process

#### PROGRAM EVALUATION

The Challenger TAFE improvement process monitors training experience evaluation feedback from students on Course Content, Delivery, Assessment, Resources and Course Administration.

#### OBJECTIVE

The process enables actions to be identified to rectify shortfalls in service delivery standards and allows for positive feedback on areas of successful effort.

### 8.25 Internal Performance Indicator 11: Volume Evaluations Received (Profile and Non profile)

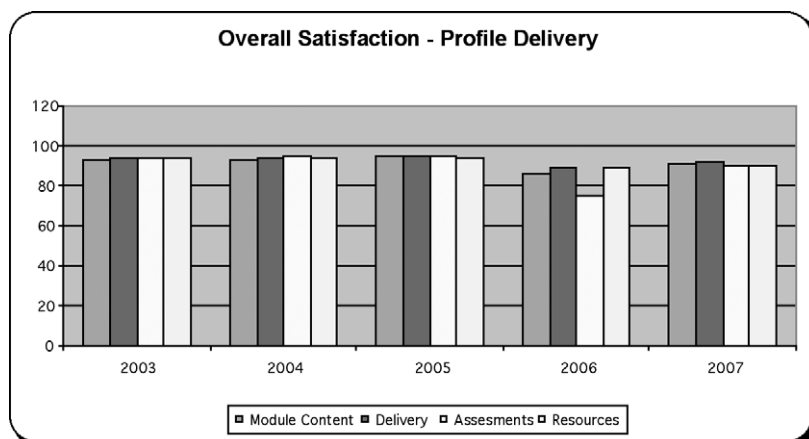
2003	2004	2005	2006	2007
8529	8446	6873	6971	6351

#### METHODOLOGY

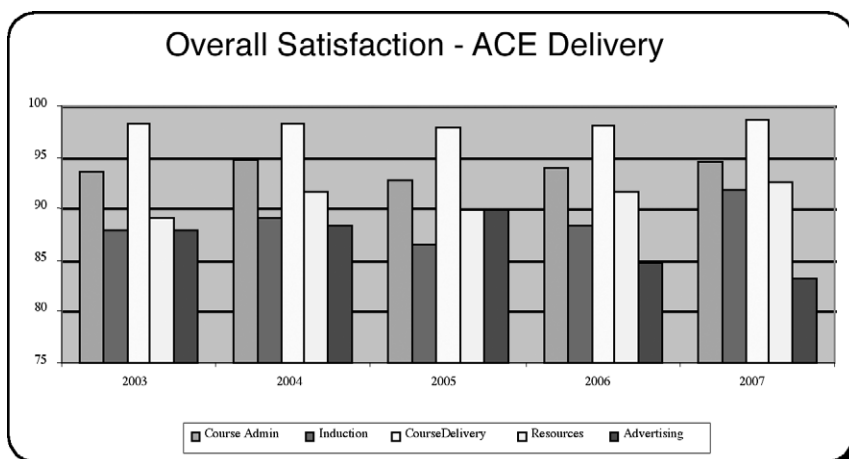
College provides electronic and manual facilities for students to submit their feedback. Electronic reporting facilities provide an improved response rate. In 2007 there was a decreased volume of evaluations however the College's target to monitor 10% of delivery with 18% achieved. The groupings relate to the categories of questions asked of students. On average the satisfaction levels have increased slightly when compared to previous years (Internal Performance Indicator 12). There was only one category in the ACE delivery which had a minor decrease in satisfaction levels when compared to previous years. Overall satisfaction with training delivery remains at a high level and is a reflection of the College's ongoing commitment to AQTF and ISO standards.



## 8.26 Internal Performance Indicator 12: Student Satisfaction with Training Delivery (Profile)



## 8.27 Internal Performance Indicator 12.1: Student Satisfaction with Training Delivery



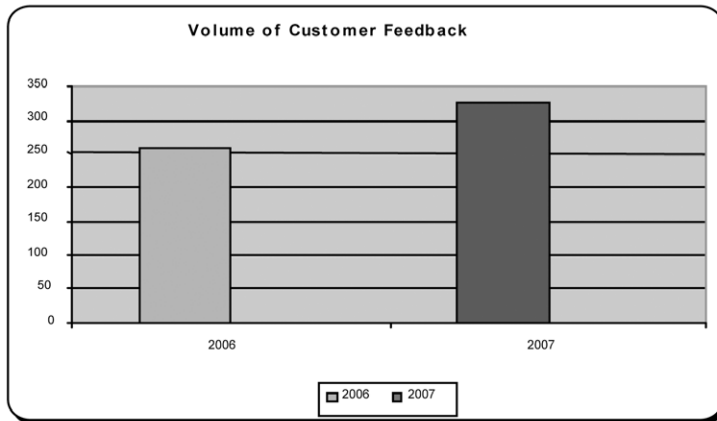
### (Adult Community Education)

#### CUSTOMER COMMENTS INCLUDING INTERNAL COMPLAINTS MANAGEMENT

Any area of College operations may prompt comment from our customers. Customers can provide feedback through a staff member, by completing a feedback form or logging their comment electronically via the Internet. The process identifies opportunities for College improvement and provides feedback on best practice exhibited by staff.

In 2006 a total of 256 customer comments were received. Positive feedback represented 37% of the comments received.

In 2007 there were 326 comments submitted, with positive feedback representing 22% of the total, representing a decline in instances of positive feedback however an ongoing awareness has encouraged our customers to increase the volume of feedback in 2007.

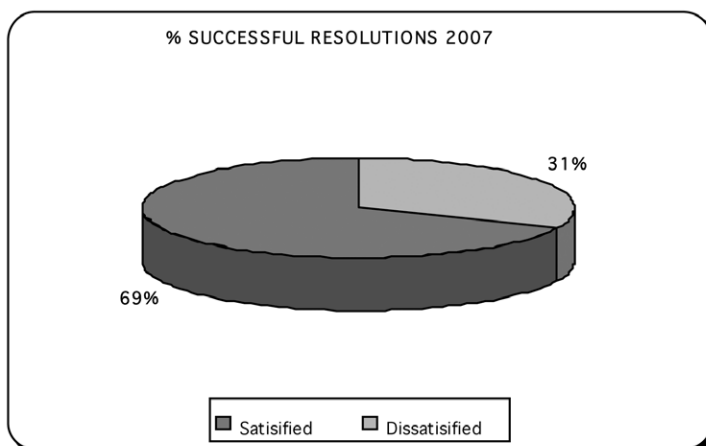


## 8.28 Internal Performance Indicator 13: Volume of Customer Feedback 2006-2007

To conform with the Minister for Education and Training's desire for a speedy resolution to complaints a "close out" survey was initiated in 2007 to ensure each complainant's concern had been satisfactorily resolved. The measure will provide a benchmark for future performance monitoring.

## 8.29 Internal Performance Indicator 14: Percentage of Successful Resolutions

### CERTIFICATION OF THE COLLEGE'S MANAGEMENT SYSTEM



In 2007 the College was re-certified to ISO Standard AS/NZS ISO 9001-2000 Quality Management Systems, by the accrediting agency Bureau Veritas. The Scope of Re-certification approved by Bureau Veritas for Challenger TAFE covers "The design, Development and Provision of Vocational Education and Training and Associated Services". The College has been certified to this high level international recognised standard since 1997.

The College auditors identified a strong focus on program development at the strategic level; and operationally, student delivery activities were performed in accordance with requirements. At the request of the College, the auditors reviewed the College's capacity for innovation and case studies of some of this evidence were developed for a wider audience in November 2007.

## 8.30 Glossary of Terms used in the Key Performance Indicators

### **CENSUS**

The student-based information gathered on the College Management Information System (CMIS) and provided to the Western Australian Department of Education and Training (WADT) periodically and at the conclusion of the academic year as specified in the Delivery and Performance Agreement. The census has a formal set of Business Rules, complies with the Australian Vocational Education and Training Information Statistical Standards (AVETMISS) and is the source of the measures of target achievement for the College. Delivery is measured in Student Curriculum Hours (SCH).

The following categories of activity do not produce SCH and are excluded from the census:

- exam only (no tuition) enrolments
- enrolments which commenced prior to 1 January of the calendar year or which were reported in a previous full year collection
- exemptions
- unsupervised field placements
- module enrolments in which no attendance or submission of work are recorded

### **COURSE**

Every module must be attached to a course, which usually comprises one or more modules. The same module may be assigned to more than one course.

### **COURSE LEVEL**

A classification which distinguishes new apprenticeships from other delivery as Level 1 and sub-divides the remainder on the basis of the Australian Qualification Framework levels. This classification provides the vertical or “Y” axis of the Profile Matrix. The classification is the value recognised by the Department of Education and Training.

### **DELIVERY AND PERFORMANCE AGREEMENT (DPA)**

Constitutes a Resource Agreement, as per Section 5 of the Vocational and Training Act 1996, between the Western Australia Department of Education and Training representing the Minister for Training, and the Governing Council of the College for the delivery of vocational education and training for the agreed calendar year.

### **INDUSTRY GROUP**

A classification of courses based on the Australian Standard Classification of Occupations and related to the occupation or outcome the course is intended to serve. This classification provides the horizontal or “X” axis of the Profile Matrix. The classification is the value recognised by the Western Australian Department of Education and Training.

### **MODULE**

A unit of training, usually with a prescribed curriculum, in which a client enrolls within a course structure. Modules may or may not be assessable. All modules must be assigned to a course for enrolment purposes.

### **PROFILED MATRIX**

Refers to the approved planned delivery by the College as described in Schedule 1 of the DPA. This consists of the SCH for each combination of WADT Group and WADT Level.

### **STUDENT CURRICULUM HOURS (SCH)**

The nominal hours assigned to a program of study by the curriculum or, in the absence of an endorsed curriculum, by common agreement with the Western Australian Department of Education and Training’s Statistical Unit.

### **WADT**

WADT groups are industry categories originally derived from ABS industry categories. Although the naming, WADT, no longer refers to WA Department of Training, the grouping arrangements for analysing training delivery, funding of training hours and Delivery and Performance Agreement rules has remained.

## FINANCIAL STATEMENTS

## CHALLENGER TAFE

The accompanying financial statements of Challenger TAFE have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the year ending 31 December 2007 and the financial position as at 31 December 2007.

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




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Chair of Governing Council

4/3/2008

Dated

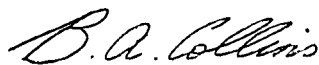



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Managing Director  
(Member of Governing Council)

5/3/2008

Dated




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Principal Financial Officer

4/3/2008

Dated



**INDEPENDENT AUDIT OPINION**  
To the Parliament of Western Australia

**CHALLENGER TAFE**

**FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

**Letter to be inserted**

<b>Challenger TAFE</b>			
<b>INCOME STATEMENT</b>			
<b>FOR THE YEAR ENDED 31 DECEMBER 2007</b>			
		<b>2007</b>	<b>2006</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	41,992,785	39,558,437
Supplies and services	7	18,364,313	15,208,837
Depreciation and amortisation expense	8	3,930,923	4,654,821
Grants and subsidies	9	142,223	185,338
Capital user charge	10	4,167,238	8,860,514
Cost of sales	15	590,648	571,946
Loss on disposal of non-current assets	19	36,849	73,504
Other expenses	11	4,254,380	3,725,776
<b>Total cost of services</b>		<b>73,479,359</b>	<b>72,839,173</b>
<b>Income</b>			
<b>Revenue</b>			
Fee for service	12	7,666,149	7,218,571
Student fees and charges	13	6,334,426	5,888,874
Ancillary revenue	14	859,775	577,398
Sales	15	714,233	745,929
Commonwealth grants and contributions	16	47,659	44,581
Interest revenue	17	556,479	509,133
Other revenue	18	2,025,955	1,419,260
<b>Total revenue</b>		<b>18,204,676</b>	<b>16,403,746</b>
<b>Total income other than income from State Government</b>		<b>18,204,676</b>	<b>16,403,746</b>
<b>NET COST OF SERVICES</b>		<b>(55,274,683)</b>	<b>(56,435,427)</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
State funds	20	50,967,778	50,423,755
Liabilities assumed by the Treasurer		-	701,735
Resources received free of charge		1,404,496	1,673,304
<b>Total income from State Government</b>		<b>52,372,274</b>	<b>52,798,794</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(2,902,409)</b>	<b>(3,636,633)</b>

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

<b>Challenger TAFE</b>			
<b>BALANCE SHEET</b>			
<b>AS AT 31 DECEMBER 2007</b>			
		<b>2007</b>	<b>2006</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	32	3,899,918	6,569,447
Restricted cash and cash equivalents	21,32	2,587,376	724,091
Inventories	22	198,801	189,562
Receivables	23	2,491,079	2,004,261
Other current assets	24	44,645	4,887,516
<b>Total Current Assets</b>		<b>9,221,819</b>	<b>14,374,877</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	25	178,056,643	148,818,843
<b>Total Non-Current Assets</b>		<b>178,056,643</b>	<b>148,818,843</b>
<b>TOTAL ASSETS</b>		<b>187,278,462</b>	<b>163,193,720</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	28	80,546	200,419
Provisions	29	6,041,699	6,244,792
Other current liabilities	30	2,769,043	6,653,200
<b>Total Current Liabilities</b>		<b>8,891,288</b>	<b>13,098,411</b>
<b>Non-Current Liabilities</b>			
Provisions	29	2,267,288	2,380,020
<b>Total Non-Current Liabilities</b>		<b>2,267,288</b>	<b>2,380,020</b>
<b>TOTAL LIABILITIES</b>		<b>11,158,576</b>	<b>15,478,431</b>
<b>NET ASSETS</b>		<b>176,119,886</b>	<b>147,715,289</b>
<b>EQUITY</b>			
Contributed equity	31	26,180,393	13,726,915
Reserves		103,735,947	82,151,484
Accumulated surplus		46,203,546	51,836,890
<b>TOTAL EQUITY</b>		<b>176,119,886</b>	<b>147,715,289</b>

The Balance Sheet should be read in conjunction with the accompanying notes.

**Challenger TAFE****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2007**

		<b>2007</b>	<b>2006</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Balance of equity at start of period</b>		147,715,289	112,264,272
<b>CONTRIBUTED EQUITY</b>	31		
Balance at start of period		13,726,915	11,522,966
Capital contributions		12,453,478	2,203,949
Balance at end of period		26,180,393	13,726,915
<b>RESERVES</b>	31		
<b>Asset Revaluation Reserve</b>			
Balance at start of period		82,151,484	45,267,783
Restated balance at start of period		82,151,484	45,267,783
Gains/(losses) from asset revaluation		21,584,463	36,883,701
Balance at end of period		103,735,947	82,151,484
<b>ACCUMULATED SURPLUS (RETAINED EARNINGS)</b>	31		
Balance at start of period		51,836,890	55,473,523
Change in accounting policy (b)		(2,730,935)	-
Restated balance at start of period		49,105,955	55,473,523
Surplus/(deficit) for the period		(2,902,409)	(3,636,633)
Balance at end of period		46,203,546	51,836,890
<b>Balance of equity at end of period (a)</b>		176,119,886	147,715,289
Total income and expenses for the period		18,682,054	33,247,068

(a) The aggregate net amount attributable to each category of equity is:  
 Deficit \$2,902,409 plus gain from asset revaluation of \$21,584,463  
 (2006 : Deficit \$3,636,633 plus gain from asset revaluation of \$36,833,701).

(b) The College made a voluntary change in its accounting policy by increasing the capitalisation threshold from \$1,000 to \$5,000.

Refer to Note 5(b).

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



## Challenger TAFE

### CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 \$	2006 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Recurrent state funding - Department of Education and Training		52,312,057	42,417,141
<b>Net cash provided by State Government</b>		<b>52,312,057</b>	<b>42,417,141</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(38,810,882)	(35,796,820)
Supplies and services		(16,298,560)	(12,950,201)
Grants and subsidies		(142,223)	(185,338)
Capital user charge		(9,009,244)	(4,018,508)
GST payments on purchases		(1,970,339)	(1,559,973)
GST payments to taxation authority		(628,644)	(799,582)
Other payments		(4,335,494)	(4,265,467)
<b>Receipts</b>			
Fee for service		7,295,966	7,153,748
Student fees and charges		6,109,892	5,738,152
Ancillary trading		859,775	577,398
Commonwealth grants and contributions		47,659	44,581
Interest received		557,344	482,160
GST receipts on sales		677,242	690,026
GST receipts from taxation authority		1,968,025	1,634,346
Other receipts		2,740,188	2,165,189
<b>Net cash provided by/(used in) operating activities</b>	32	<b>(50,939,295)</b>	<b>(41,090,289)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets		146,782	241,982
Purchase of non-current physical assets		(2,325,788)	(1,804,123)
<b>Net cash provided by/(used in) investing activities</b>		<b>(2,179,006)</b>	<b>(1,562,141)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Other proceeds		-	323,588
Other repayments		-	(323,588)
<b>Net cash provided by/(used in) financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(806,244)</b>	<b>(235,289)</b>
Cash and cash equivalents at start of period		7,293,538	7,528,827
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	32	<b>6,487,294</b>	<b>7,293,538</b>

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

**Challenger TAFE****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2007****1 Australian equivalents to International Financial Reporting Standards****(a) General**

The College's financial statements for the year ended 31 December 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the College has adopted, where relevant to its operations, new and revised standards and interpretations from their operative dates as issued by the Australian Accounting Standards Board (AASB) and formerly the Urgent Issues Group (UIG).

The Australian Accounting Interpretations are adopted through AASB 1048 'Interpretation and Application of Standards' and are classified into those corresponding to International Accounting Standards Board (IASB) Interpretations and those only applicable in Australia.

The AASB has decided to maintain the Statements of Accounting Concepts (SAC 1 and SAC 2) and has continued to revise and maintain accounting standards and the interpretations that are of particular relevance to the Australian environment, especially those that deal more specifically with not-for-profit entity issues and/or do not have an equivalent IASB Standard or Interpretation.

**(b) Early adoption of standards**

The College cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by Treasurer's Instruction (TI) 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No standards and interpretations that have been issued or amended but are not yet effective have been early adopted by the College for the annual reporting period ended 31 December 2007.

**2 Summary of significant accounting policies**

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

**(a) General statement**

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the TIs. Several of these are modified by the TIs to vary application, disclosure, format and wording. For example, AASB 116 requires land and buildings to be measured at cost or fair value; TI 954 mandates the fair value option.

The Financial Management Act and the TIs are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

Modifications or clarifications to accounting standards through the TIs are to provide certainty and ensure consistency and appropriate reporting across the public sector.

**(b) Basis of preparation**

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

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

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

The judgements that have been made in the process of applying the College's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 'Judgements made by management in applying accounting policies'.

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The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed at note 4 'Key sources of estimation uncertainty'

**(c) Reporting entity**

The reporting entity comprises the College and entities listed at note 40 'Related bodies'.

**(d) Contributed equity**

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

Transfer of net assets to/from other agencies are designated as contributions by/distributions to owners to where the transfers are non-discretionary and non-reciprocal. See note 31 'Equity'.

Repayable capital appropriations are recognised as liabilities.

**(e) Income**

**Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable.

Revenue is recognised for the major business activities as follows:

*Sale of goods*

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

*Rendering of services*

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

*Grants, donations, gifts and other non-reciprocal contributions*

Revenue is recognised at fair value when the College obtains control over the assets comprising the contributions, usually upon their receipt.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

*State funds*

The funds received from the Department of Education and Training in respect of the delivery of services forming part of the Delivery Performance Agreement are included in State funds, disclosed under 'Income from State Government'. They are the result of training successfully tendered for under competitive tendering arrangements. This revenue is recognised at nominal value in the period in which the College meets the terms of the Agreement.

See note 20 'Income from State Government'.

**Gains**

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

**Challenger TAFE****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2007****(f) Borrowing costs**

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

**(g) Property, plant and equipment***Capitalisation/Expensing of assets*

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are recognised as an expense in the Income Statement (other than where they form part of a group of similar items which are significant in total).

The College has changed its capitalisation threshold in 2007 from \$1,000 to \$5,000. Please refer to Note 5(b).

*Initial recognition and measurement*

All items of property, plant and equipment are initially recognised at cost. For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

*Subsequent measurement*

After recognition as an asset, the revaluation model is used for the measurement of land and buildings and the cost model for all other property, plant and equipment. The College has changed its valuation policy for Motor vehicles caravans and trailers, Plant furniture and general equipment, Computer equipment communications network and Marine craft. Land and buildings are carried at fair value less accumulated depreciation on buildings and accumulated impairment losses. All other items of Artwork and Software in 2007, refer to Note 5(b). Land and buildings are carried at fair value less accumulated depreciation on buildings and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

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

Where market-based evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount of the asset and the net amount restated to the revalued amount.

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Landgate) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date. Date of valuation 1/7/07, valuations applied from 1/12/07.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets. Refer to note 25 'Property, plant and equipment' for further information on revaluations.

*Depreciation*

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

Land is not depreciated. Depreciation on other assets is based on the straight line method over its useful life, using rates which are reviewed annually.

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Estimated useful lives for each class of depreciable asset are:

Buildings	40 to 94 years
Motor vehicles, caravans and trailers	4 to 13 years
Plant, furniture and general equipment	5 to 23 years
Computing, communications and software (a)	1 to 15 years
Marine craft	8 to 19 years

Works of art controlled by the College are classified as property, plant and equipment which are anticipated to have very long and indefinite useful lives.

Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

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

**(h) Intangible assets**

*Capitalisation/Expensing of assets*

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more, are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are recognised as an expense in the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the College have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Software (a)	3 to 4 years
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(a) Software that is not integral to the operation of any related hardware.

Intangible assets that have an indefinite useful life are not subject to amortisation but must be tested annually for impairment. Intangible assets can only be revalued to fair value where an active market exists.

*Licences*

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

*Research and development costs*

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future recoverability can reasonably be regarded as assured and the total project costs are likely to exceed \$50,000. Other development costs are expensed as incurred.

Specific recognition criteria apply to development costs and must be satisfied before costs can be capitalised.

*Computer software*

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$50,000 is expensed in the year of acquisition.

*Web site costs*

Web site costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a

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website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

**(i) Impairment of assets**

Property, plant and equipment, and intangible assets are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the College is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life.

Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of assets' future economic benefits and to evaluate any impairment risk from falling replacement costs or a significant change in useful life.

See note 27 'Impairment of assets' for the outcome of impairment reviews and testing. See note 2(p) 'Receivables' and note 23 'Receivables' for impairment of receivables.

**(j) Non-current assets (or disposal groups) classified as held for sale**

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell and are presented separately from other assets in the Balance Sheet. Assets classified as held for sale are not depreciated or amortised.

**(k) Leases**

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

**(l) Financial instruments**

The College has two categories of financial instruments:

*Financial assets*

- cash and cash equivalents (including restricted cash and cash equivalents)
- receivables

*Financial liabilities*

- payables
- finance leases

Initial recognition and measurement of financial instruments is at fair value. Usually the transaction cost or face value is equivalent to fair value and subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

**(m) Cash and cash equivalents**

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

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**(n) Accrued salaries**

The accrued salaries suspense account (see note 21 'Restricted cash and cash equivalents' consists of amounts paid annually into a suspense account over a period of ten financial years to largely meet the additional cash outlay in each eleventh year when 27 pay days occur instead of the normal 26.

No interest is received on this account.

Accrued salaries (see note 30 'Other liabilities') represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The College considers the carrying amount of accrued salaries to be equivalent to its net fair value.

**(o) Inventories**

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

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

See note 22 'Inventories'.

**(p) Receivables**

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off. The provision for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the College will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(l) 'Financial instruments' and note 23 'Receivables'.

A provision for impairment of receivables can only be raised if there is objective evidence of impairment.

**(q) Payables**

Payables are recognised at the amounts payable when the College becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 2(l) 'Financial instruments' and note 28 'Payables'.

**(r) Borrowings**

All loans are initially recognised at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method. See note 2(l) 'Financial instruments'.

**(s) Provisions**

Provisions are liabilities of uncertain timing and/or amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date. See note 29 'Provisions'.

**(i) Provisions - employee benefits**

*Annual leave and long service leave*

The liability for annual and long service leave expected to be settled within twelve months after the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than twelve months after the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary

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components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the College does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

A liability for long service leave is recognised after an employee has completed four years of service. An actuarial assessment of long service leave undertaken by Pricewaterhouse Coopers Securities Ltd Actuaries at 24 January 2007 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. The shorthand method is compliant with AASB 119 'Employee Benefits'.

*Superannuation*

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation (GSS) Scheme, a defined benefit lump sum scheme also closed to new members. Both schemes are administered by the Government Employees Superannuation Scheme (GESB).

The College has no liabilities for superannuation charges under those schemes, as the liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the College to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation (WSS) Scheme. Employees commencing employment on or after 16 April 2007 became members of the GESB Super (GESBS) Scheme. Both of these schemes are accumulation schemes. The College makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

The GESB makes all benefit payments in respect of the Pension Scheme and the GSS Scheme transfer benefits and is recouped by the Treasurer for the employer's share. See also note 2(t) 'Superannuation expense'.

**(ii) Provisions - other***Employment on-costs*

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as expenses and liabilities when the employment, to which they relate, has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the College's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. (See note 11 'Other expenses' and note 29 'Provisions'.)

**(t) Superannuation expense**

The following elements are included in calculating the superannuation expense in the Income Statement:

**(i) Defined benefit plans**

Change in the unfunded employer's liability (i.e. current service cost and actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the GSS Scheme; and

**(ii) Defined contribution plans**

Employer contributions paid to the WSS Scheme, GESBS Scheme and the equivalent of employer contributions to the GSS Scheme.

Defined benefit plans – in order to reflect the true cost of services, the movements (i. e. current service cost and actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS Scheme transfer benefits are recognised as expenses



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directly in the Income Statement. As these liabilities are assumed by the Treasurer (refer note 2(s)(i)), a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under 'Income from State Government' in the Income Statement (see note 20 'Income from State Government').

Defined contribution plans – in order to reflect the College's true cost of services, the College is funded for the equivalent of employer contributions in respect of the GSS Scheme (excluding transfer benefits). These contributions were paid to the GESB during the year and placed in a trust account administered by the GESB on behalf of the Treasurer. The GESB subsequently paid these employer contributions in respect of the GSS Scheme to the Consolidated Fund.

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the College to GESB extinguish all of the College's obligations to the related superannuation liability. The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided by the College in the current year.

**(u) Resources received free of charge or for nominal cost**

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

**(v) Comparative figures**

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

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

No significant judgements have been made in the process of applying accounting policies, that have a material effect on the amounts recognised in the financial statements.

**4 Key sources of estimation uncertainty**

The key estimates and assumptions made concerning the future, and other key sources of estimation uncertainty as at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

The College revalues its Land and Buildings each year.

General receivables from other government agencies are considered risk free, no provision, and all others are by individual assessment, with a provision to the full value if required.

**5 (a) Disclosure of changes in accounting policy and estimates**

**Initial application of an Australian Accounting Standard**

The College has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 January 2007:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard resulted in increased disclosures of risk exposure, both quantitative and qualitative, enhanced disclosure regarding components of the financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

The application of this Standard has no financial impact.

2. AASB 101 'Presentation of Financial Statements'. This Standard was revised and issued in October 2006 so that AASB 101 has the same requirements as IAS 1 'Presentation of Financial Statements' (as issued by the IASB) in respect of for-profit entities. The College is a not-for-profit entity and consequently, the application of this Standard has no financial impact.

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3. AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'. The amendments are as a result of the issue of AASB 7 'Financial Instruments: Disclosures', which amends the financial instrument disclosure requirements in these standards. The application of this Standard has no financial impact.

The following Australian Accounting Standards and Interpretations are considered to have no impact, or are not applicable, to not-for-profit entities:

AASB 2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]'
UIG Interpretation 7	'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'
UIG Interpretation 8	'Scope of AASB 2'
UIG Interpretation 9	'Reassessment of Embedded Derivatives'
AASB Interpretation 10	'Interim Financial Reporting and Impairment'

**(b) Voluntary changes in accounting policy**

Challenger TAFE in 2007 increased its asset capitalisation threshold from \$1,000 to \$5,000 for non-current assets. \$2,730,935 of assets with a cost less than \$5,000 were derecognised from Non current assets and charged to the opening balance of retained earnings as at 1 January 2007. It is impracticable to determine the amount of the adjustment on prior year comparatives.

Challenger TAFE discontinued the revaluation of Motor vehicles, caravans and trailers, Plant furniture and general equipment, Computer equipment communication network, Marine Craft and computer software Non-Current Physical Assets in 2007. The impact is considered not to be material for the current or future financial statements, with most assets routinely turned over. The assets will be shown at cost from 2007 onwards. It is impracticable to determine the amount of the adjustment on prior year comparatives.

**(c) Future impact of Australian Accounting Standards not yet operative**

The College cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the College has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments [AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038]'. The amendments arise as a result of the AASB decision to make available all options that currently exist under IFRSs and that certain additional Australian disclosures should be eliminated. It is expected that the TIs will be amended to maintain the status quo when the Standard is first applied and consequently there will be no financial impact. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.

2. AASB 2007-5 'Amendments to Australian Accounting Standard - Inventories Held for Distribution by Not-for-Profit Entities [AASB 102]'. This amendment changes AASB 102 'Inventories' so that inventories held for distribution by not-for-profit entities are measured at cost, adjusted when applicable for any loss of service potential. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.

3. AASB 101 'Presentation of Financial Statements'. This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The College does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2009.

4. AASB 123 'Borrowing Costs'. This Standard has been revised to mandate the capitalisation of all borrowing costs attributable to the acquisition, construction or production of qualifying assets. The College does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2009.

5. AASB 1049 'Financial Reporting of General Government Sectors by Governments'. This new Standard sets out requirements for the form and content of General Government Sector (GGs) financial reports. This Standard is required to be applied to annual reporting periods beginning on or after 1 July 2008.

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6. AASB Interpretation 4 'Determining whether an Arrangement contains a Lease [revised]'. This Interpretation was revised and issued in February 2007 to specify that if a public-to-private service concession arrangement meets the scope requirements of AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007, it would not be within the scope of Interpretation 4. The College does not expect any financial impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

The following Australian Accounting Standards and Interpretations are considered to have no impact, or are not applicable, to not-for-profit entities:

AASB 8	'Operating Segments'
AASB 2007-1	'Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]'
AASB 2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]'
AASB 2007-3	'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]'
AASB 2007-6	'Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]'
AASB 2007-7	'Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]'
AASB 2007-8	'Amendments to Australian Accounting Standards arising from AASB 101'
ERR	'Erratum: Proportionate Consolidation [AASB 101, AASB 107, AASB 121, AASB 127, Interpretation 113]'
UIG Interpretation 11	'AASB 2 - Group and Treasury Share Transactions'
AASB Interpretation 12	'Service Concession Arrangements'
AASB Interpretation 13	'Customer Loyalty Programmes'
AASB Interpretation 14	'AASB 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'
AASB Interpretation 129	'Service Concession Arrangements: Disclosures [revised]'
AASB Interpretation 1003	'Australian Petroleum Resource Rent Tax'

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	2007 \$	2006 \$
<b>6 Employee benefits expense</b>		
Wages and salaries (a)	35,605,527	32,318,623
Superannuation - defined contribution plans (b)	2,635,528	2,320,255
Superannuation - defined benefit plans (c)	862,199	1,546,088
Long service leave (d)	742,932	795,229
Annual leave (e)	1,745,582	2,163,680
Other	401,017	414,562
	<u>41,992,785</u>	<u>39,558,437</u>
(a) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component.		
(b) Defined contribution plans include the GESB Super, West State and Gold State Schemes (contribution paid).		
(c) Defined benefit plans include the Pension and the Gold State Scheme (pre-transfer benefit).		
(d) An equivalent notional income is also recognised (see note 20 'Income from State Government').		
(e) Includes a superannuation contribution component.		
Employment on-costs such as workers' compensation insurance are included at note 11 'Other expenses'. The employment on-costs liability is included at note 29 'Provisions'.		
<b>7 Supplies and services</b>		
Consumables and minor equipment	3,844,023	3,286,981
Communication expenses	783,521	717,176
Utilities expenses	1,298,364	1,033,277
Consultancies and contracted services	6,037,682	5,254,129
Minor works	2,639,061	1,821,063
Repairs and maintenance	371,186	329,355
Operating lease and hire charges	1,421,742	1,173,650
Travel and passenger transport	220,698	268,913
Advertising and public relations	901,653	622,420
Supplies and services - other	846,383	701,873
	<u>18,364,313</u>	<u>15,208,837</u>
<b>8 Depreciation and amortisation expense</b>		
<b>Depreciation</b>		
Buildings	2,082,643	1,794,540
Leasehold improvements - buildings	758,114	711,566
Motor vehicles, caravans and trailers	173,069	169,127
Plant, furniture and general equipment	428,545	685,484
Computers and communication network	406,089	1,112,614
Marine craft	82,463	155,597
Total depreciation	<u>3,930,923</u>	<u>4,628,928</u>
<b>Amortisation</b>		
Software	-	25,893
Total amortisation	<u>-</u>	<u>25,893</u>
Total depreciation and amortisation	<u>3,930,923</u>	<u>4,654,821</u>
<b>9 Grants and subsidies</b>		
Payments to non-TAFE providers for VET service delivery	21,120	13,711
Other (a)	121,103	171,627
	<u>142,223</u>	<u>185,338</u>
(a) Includes apprentice travel and living away from home allowance.		

**Challenger TAFE**  
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	2007	2006
	\$	\$
<b>10 Capital user charge</b>		
Capital user charge expense		
	<u>4,167,238</u>	<u>8,860,514</u>
The charge was a levy applied by Government for the use of its capital. In 2007, the final year in which the charge was levied, a single payment was made equal to the appropriation for 2007 less any adjustment relating to 2006.		
<b>11 Other expenses</b>		
Building maintenance	855,541	1,246,675
Doubtful debts expense	316,419	33,654
Employment on-costs (a)	2,755,787	2,385,375
Donations	5,542	7,540
Student prizes and awards	30,299	27,179
Losses and write-offs	193,119	33
Other (b)	97,673	25,320
	<u>4,254,380</u>	<u>3,725,776</u>
(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 29 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.		
(b) Includes refund of revenue from prior year, forex losses etc.		
<b>12 Fee for service</b>		
Fee for service - general	5,821,431	5,448,238
Fee for service - Department of Education and Training	322,688	523,733
Fee for service - Government (other than Department of Education and Training)	67,849	83,091
Adult community education fees	67,485	225,360
International division fees	1,386,696	938,149
	<u>7,666,149</u>	<u>7,218,571</u>
<b>13 Student fees and charges</b>		
Tuition fees	3,234,403	3,064,901
Enrolment fees	390,105	360,892
Resource fees	2,611,416	2,521,032
Other college fees	98,502	(57,951)
	<u>6,334,426</u>	<u>5,888,874</u>
<b>14 Ancillary revenue</b>		
Live works (not a trading activity)	742,142	545,750
Contracting and consulting	104,903	26,334
Other ancillary revenue	12,730	5,314
	<u>859,775</u>	<u>577,398</u>
<b>15 Trading profit</b>		

**Challenger TAFE**  
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	2007	2006
	\$	\$
<b>Bookshop:</b>		
Sales	714,233	745,929
Cost of sales:		
Opening inventory	(189,562)	(196,759)
Purchases	(600,941)	(564,749)
	(790,503)	(761,508)
Closing inventory	199,855	189,562
Cost of goods sold	(590,648)	(571,946)
Trading profit/(loss) - Bookshop	<u>123,585</u>	<u>173,983</u>
See note 2(o) 'Inventories' and note 22 'Inventories'.		
<b>16 Commonwealth grants and contributions</b>		
Commonwealth specific purpose grants and contributions	<u>47,659</u>	<u>44,581</u>
	<u>47,659</u>	<u>44,581</u>
These grants include Department of Environment and Heritage grant to undertake a Wetlands Project and apprentice completion incentive payment.		
<b>17 Interest revenue</b>		
Interest revenue	<u>556,479</u>	<u>509,133</u>
Interest was received from funds on deposit at the Commonwealth Bank		
<b>18 Other revenue</b>		
Rental and facilities fees	252,443	166,793
Other direct grants and subsidy revenue	-	31,205
Copyright and royalties revenue	1,559	835
Sponsorship and donations revenue	604,031	164,250
Miscellaneous revenue (a)	1,167,922	1,056,177
	<u>2,025,955</u>	<u>1,419,260</u>
(a) Includes recoup of expenses, salaries and workers compensation from third parties.		
<b>19 Net (loss) on disposal of non-current assets</b>		
Costs of disposal of non-current assets		
Motor vehicles, caravans and trailers	(157,555)	(274,674)
Plant, furniture and general equipment	(17,094)	(30,553)
Computers and communication network	(8,982)	(10,259)
Total cost of disposal of non-current assets	(183,631)	(315,486)
Proceeds from disposal of non-current assets		
Motor vehicles, caravans and trailers	139,182	239,409
Plant, furniture and general equipment	7,600	152
Computers and communication network	-	148
Marine craft	-	2,273
Total proceeds from disposal of non-current assets	146,782	241,982
Net (loss)	<u>(36,849)</u>	<u>(73,504)</u>

**Challenger TAFE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	2007	2006
	\$	\$
<b>20 Income from State Government</b>		
<b>State funds (received from Department of Education and Training):</b>		
Delivery and Performance Agreement (DPA)	40,321,560	37,294,334
Superannuation	3,497,728	3,164,608
Other recurrent funds	2,981,252	1,104,299
Capital user charge funding	4,167,238	8,860,514
Total State funds	<u>50,967,778</u>	<u>50,423,755</u>
<b>The following liabilities have been assumed by the Treasurer during the financial year:</b>		
Superannuation (a)	<u>-</u>	<u>701,735</u>
Total liabilities assumed by the Treasurer	<u>-</u>	<u>701,735</u>
<b>Resources received free of charge determined on the basis of the following estimates provided by agencies(c):</b>		
Department of Education and Training		
- Corporate systems support	1,180,458	1,224,778
- Marketing and publications	50,892	430,261
- Human resources, and industrial relations support	172,761	741
- Other	385	17,524
Total resources received free of charge	<u>1,404,496</u>	<u>1,673,304</u>
Total income from State Government	<u>52,372,274</u>	<u>52,798,794</u>

(a) The assumption of the superannuation liability by the Treasurer is notional income to match the notional superannuation expense reported in respect of current employees who are members of the Pension Scheme and current employees who have a transfer benefit entitlement under the GSS Scheme. (The notional superannuation expense is disclosed at note 6 'Employee benefits expense'.)

(b) Where the Treasurer or other entity has assumed a liability, 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. In 2007 there was no increase in pension liability for the Treasurer to assume.

(c) Where assets or services have been received free of charge or for nominal cost, the College recognises revenues (except where the contribution of assets or services is in the nature of contributions by owners, in which case the College shall make a direct adjustment to equity) 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.

**21 Restricted cash and cash equivalents**

Specific capital equipment and minor works (a)	<u>2,587,376</u>	<u>724,091</u>
	<u>2,587,376</u>	<u>724,091</u>

(a) Capital equipment funding received from the Department of Education and Training can only be spent for the nominated purpose.

**22 Inventories**

Inventories held for resale:		
Bookshop (at cost)	<u>199,855</u>	<u>189,562</u>
	<u>199,855</u>	<u>189,562</u>
Less: Provision for obsolete stock	<u>(1,054)</u>	<u>-</u>
Total	<u>198,801</u>	<u>189,562</u>

See also note 2(o) 'Inventories' and note 15 Sales.

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	2007	2006
	\$	\$
<b>23 Receivables</b>		
Current		
Receivables - trade	1,821,030	1,450,846
Receivables - students	653,074	322,558
Allowance for impairment of receivables	(586,962)	(301,009)
GST receivable	195,415	227,880
	<u>2,082,557</u>	<u>1,700,275</u>
Prepayments	408,522	303,986
Total current	<u>2,491,079</u>	<u>2,004,261</u>
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of year	(301,009)	(365,420)
Doubtful debts expense recognised in the Income Statement	(316,419)	(33,654)
Amount written off during the year	32,250	98,065
Amount recovered during the year	(1,784)	-
Balance at end of year	<u>(586,962)</u>	<u>(301,009)</u>
Credit Risk		
[Colleges are required to disclose the following by class of financial instrument, per AASB 7.36:		
(a) the amount that best represents its maximum exposure to credit risk at the reporting date without taking account of any collateral held or other credit enhancements (e.g. netting agreements that do not qualify for offset in accordance with AASB 132);		
(b) in respect of the amount disclosed in (a), a description of collateral held as security and other credit enhancements;		
(c) information about the credit quality of financial assets that are neither past due nor impaired; and		
(d) the carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated.]		
<b>Ageing of receivables past due but not impaired based on the information provided to senior management, as at the balance sheet date:</b>		
Not more than 3 months	1,565,488	1,101,494
More than 3 months but less than 6 months	108,774	157,864
More than 6 months but less than 1 year	87,844	181,509
More than 1 year	125,036	31,528
	<u>1,887,142</u>	<u>1,472,395</u>
<b>Receivables individually determined as impaired as at the balance sheet date:</b>		
Carrying amount, before deducting any impairment loss	586,962	386,368
Impairment loss	<u>(586,962)</u>	<u>(301,009)</u>
	-	85,359
See also note 2(p) 'Receivables' and note 37 'Financial instruments'.		
<b>24 Other assets</b>		
Current		
Accrued income	44,645	4,887,516
Total current	<u>44,645</u>	<u>4,887,516</u>



**Challenger TAFE**  
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	2007	2006
	\$	\$
<b>25 Property, plant and equipment</b>		
<b>Land</b>		
At fair value (a)	71,301,000	56,691,000
	<u>71,301,000</u>	<u>56,691,000</u>
<b>Buildings</b>		
At fair value (a)	94,102,752	76,696,300
Accumulated depreciation	(341,664)	(159,784)
	<u>93,761,088</u>	<u>76,536,516</u>
<b>Buildings under construction</b>		
Construction costs	1,105,231	118,307
	<u>1,105,231</u>	<u>118,307</u>
<b>Leasehold improvements</b>		
At cost	9,707,164	9,040,086
Accumulated depreciation	(1,930,731)	(1,172,618)
	<u>7,776,433</u>	<u>7,867,468</u>
<b>Motor vehicles, caravans and trailers</b>		
At cost	1,265,851	1,174,879
Accumulated depreciation	(349,941)	(284,116)
	<u>915,910</u>	<u>890,763</u>
<b>Plant, furniture and general equipment</b>		
At cost	4,239,914	6,810,795
Accumulated depreciation	(1,783,109)	(2,362,958)
	<u>2,456,805</u>	<u>4,447,837</u>
<b>Computer equipment, communication network</b>		
At cost	1,866,152	5,275,084
Accumulated depreciation	(1,388,971)	(3,385,604)
	<u>477,181</u>	<u>1,889,480</u>
<b>Marine craft</b>		
At cost	905,429	946,156
Accumulated depreciation	(642,434)	(573,484)
	<u>262,995</u>	<u>372,672</u>
	-	-
<b>Works of art</b>		
At cost	-	4,800
	<u>-</u>	<u>4,800</u>
	<u>178,056,643</u>	<u>148,818,843</u>

(a) Freehold land and buildings were revalued as at 1 July 2007 by the Western Australian Land Information Authority (Landgate). The valuations were performed during the year ended 30 June 2007 and recognised at 1 December 2007. The fair value of all land and buildings was determined by reference to market values. See note 2(g) 'Property, plant and equipment'.

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

2007	Land	Buildings	"Buildings under Construction"	Leasehold improvements	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment, communication network	Marine craft	Works of art	Total
Carrying amount at start of year	56,691,000	76,536,516	118,307	7,867,468	890,763	4,447,837	1,889,480	372,672	4,800	148,818,843
Additions	-	-	986,924	633,676	370,255	165,928	154,661	-	-	2,311,445
Transfers	-	12,332,752	-	33,493	-	-	-	-	-	12,366,155
Disposals - Sold	-	-	-	-	(152,192)	(17,093)	-	-	-	(169,285)
Disposals - Write-offs	-	-	-	-	-	(151,507)	(41,612)	-	-	(193,119)
Threshold Change	-	-	-	-	(19,847)	(1,559,815)	(1,119,259)	(27,214)	(4,800)	(2,730,935)
Revaluation increments	14,610,000	6,974,463	-	-	-	-	-	-	-	21,584,463
Depreciation expense	-	(2,082,643)	-	(758,114)	(173,069)	(428,545)	(406,089)	(82,463)	-	(3,930,923)
Carrying amount at end of year	71,301,000	93,761,088	1,105,231	7,776,433	915,910	2,456,805	477,181	262,995	-	178,056,643

2006	Land	Buildings	"Buildings under construction"	Leasehold improvements	Motor vehicles, caravans and trailers	Plant, furniture and general equipment	Computer equipment, communication network	Marine craft	Works of art	Total
Carrying amount at start of year	33,242,500	63,495,855	-	8,267,946	962,481	4,580,188	2,461,435	367,756	4,800	113,382,961
Additions	-	-	118,307	18,616	366,912	586,785	554,578	160,513	-	1,805,711
Transfers	1,400,000	-	-	292,472	-	-	-	-	-	1,692,472
Disposals - sold	-	-	-	-	(269,503)	(33,652)	(13,919)	-	-	(317,074)
Revaluation increments	22,048,500	14,835,201	-	-	-	-	-	-	-	36,883,701
Depreciation expense	-	(1,794,540)	-	(711,566)	(169,127)	(685,484)	(1,112,614)	(155,597)	-	(4,628,928)
Carrying amount at end of year	56,691,000	76,536,516	118,307	7,867,468	890,763	4,447,837	1,889,480	372,672	4,800	148,818,843

(a) Recognised in the Income Statement. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in the Income Statement. Where an asset measured at fair value is written down to recoverable amount, the loss is accounted for as a revaluation decrement.

**Challenger TAFE  
NOTES TO THE FINANCIAL STATEMENTS  
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	2007 \$	2006 \$
<b>26 Intangible assets</b>		
<b>Computer software</b>		
At cost	144,909	144,909
Accumulated amortisation	(144,909)	(144,909)
	<u>-</u>	<u>-</u>
<b>Reconciliations</b>		
<b>Computer software</b>		
Carrying amount at start of year	-	25,893
Amortisation expense	-	(25,893)
	<u>-</u>	<u>-</u>
Carrying amount at end of year	-	-
<b>27 Impairment of assets</b>		
There were no indications of impairment of property plant, equipment and intangibles as at 31 December 2007.		
The College held no goodwill or intangible assets with indefinite useful lives during the reporting period and at balance sheet date there were no intangible assets not yet available for use.		
All surplus assets as at 31 December 2007 have either been classified as assets held for sale or written off.		
<b>28 Payables</b>		
<b>Current</b>		
Trade payables	-	133,692
GST payable	80,546	66,72
Total current	<u>80,546</u>	<u>200,419</u>
<b>29 Provisions</b>		
<b>Current</b>		
Employee benefits provision		
Annual leave (a)	3,295,411	3,616,629
Long service leave (b)	2,169,433	2,118,408
Salary deferment (d)	234,023	173,408
	<u>5,698,867</u>	<u>5,908,445</u>
Other provisions		
Employment on-costs (c)	342,832	336,347
	<u>342,832</u>	<u>336,347</u>
Total current	<u>6,041,699</u>	<u>6,244,792</u>
<b>Non-current</b>		
Employee benefits provision		
Long service leave (b)	2,081,729	2,129,489
Salary deferment (d)	54,964	117,979
	<u>2,136,693</u>	<u>2,247,468</u>
Other provisions		
Employment on-costs (c)	130,595	132,552
	<u>130,595</u>	<u>132,552</u>
Total non-current	<u>2,267,288</u>	<u>2,380,020</u>

**Challenger TAFE****NOTES TO THE FINANCIAL STATEMENTS  
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	2007 \$	2006 \$
<p>(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follow:</p>		
Within 12 months of balance sheet date	1,987,792	2,769,106
More than 12 months after balance sheet date	1,307,619	847,523
	<u>3,295,411</u>	<u>3,616,629</u>
<p>(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:</p>		
Within 12 months of balance sheet date	826,766	1,715,632
More than 12 months of balance sheet date	3,424,396	2,776,913
	<u>4,251,162</u>	<u>4,492,545</u>
<p>(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 11 'Other expenses'.</p>		
<p><b>Movements in other provisions</b> Movements in each class of provisions during the financial year, other than employee benefits, are set out below.</p>		
<p><b>Employment on-cost provision</b></p>		
Carrying amount at start of year	468,899	465,328
Additional provisions recognised	325,748	229,755
Payments/other sacrifices of economic benefits	(321,220)	(226,183)
Carrying amount at end of year	<u>473,427</u>	<u>468,900</u>
<p>(d) Salary deferral liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follow:</p>		
Within 12 months of balance sheet date	234,023	173,408
More than 12 months after balance sheet date	54,964	117,979
	<u>288,987</u>	<u>291,387</u>
<p><b>30 Other liabilities</b></p>		
<p><b>Current</b></p>		
Income received in advance (a)	191,921	55,473
Accrued expenses	1,846,587	6,285,237
Accrued salaries and related costs	317,061	145,588
Money/deposits held in trust	88,810	41,291
Other (b)	324,664	125,611
Total current liabilities	<u>2,769,043</u>	<u>6,653,200</u>
<p>(a) Income received in advance comprises:</p>		
Fee for service	45,184	-
Student fees and charges	146,737	55,473
	<u>191,921</u>	<u>55,473</u>
<p>(b) Other includes accrued payroll tax and fringe benefits tax</p>		

**Challenger TAFE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
<b>31 Equity</b>		
Equity represents the residual interest in the net assets of the College. The Government holds the equity interest in the net assets of the College. The Government holds the equity interest in the College on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.		
<b>Contributed equity</b>		
Balance at start of year	13,726,915	11,522,966
Contributions by owners		
Capital contribution (a)	12,453,478	2,203,949
Balance at end of year	<u>26,180,393</u>	<u>13,726,915</u>
(a) Capital Contributions (appropriations) and non-discretionary (non-reciprocal) transfers of net assets from other State Government agencies have been designated as contributions by owners in Treasurer's Instruction TI 955 'Contribution by Owners Made to Wholly Owned Public Sector Entities' and are credited directly to equity. Building and Leasehold \$12,366,155 and maintenance of buildings \$87,323 total capital contribution \$12,453,478.		
(b) UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires that where the transferee accounts for a transfer as a contribution by owner, the transferrer must account for the transfer as a distribution to owners. Consequently, non-discretionary (non-reciprocal) transfers of net assets to other State Government agencies are distribution to owners and are debited directly to equity.		
(c) TI 955 requires non-reciprocal transfers of assets to Government to be accounted for as distribution to owners.		
<b>Reserves</b>		
Asset revaluation reserve		
Balance at start of year	82,151,484	45,267,783
Net revaluation increments (d)		
Land	14,610,000	22,048,500
Buildings	6,974,463	14,835,201
	<u>103,735,947</u>	<u>82,151,484</u>
(d) Land and Buildings revaluations were taken up on 1/12/2007. Refer note 25.		
<b>Accumulated surplus/(deficit)</b>		
Balance at start of year	51,836,890	55,473,523
Result for the period	(2,902,409)	(3,636,633)
Change in capitalisation threshold	(2,730,935)	-
Balance at end of year	<u>46,203,546</u>	<u>51,836,890</u>

**Challenger TAFE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
<b>32 Notes to the Cash Flow Statement</b>		
<b>Reconciliation of cash</b>		
Cash at the end of the financial year, as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash on hand	17,289	17,469
Cash advances	9,212	-
Cash at bank	(3,338)	(394,539)
Short term deposit (At call)	3,876,755	6,946,517
	<u>3,899,918</u>	<u>6,569,447</u>
Restricted cash and cash equivalents (refer to note 21 'Restricted cash and cash equivalents')	2,587,376	724,091
	<u>6,487,294</u>	<u>7,293,538</u>
<b>Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</b>		
Net cost of services	(55,274,683)	(56,435,427)
Non-cash items:		
Depreciation and amortisation expense	3,930,923	4,654,821
Doubtful debts expense	316,419	33,654
Superannuation expense	3,497,727	3,866,343
Resources received free of charge	1,491,819	2,184,781
Net (gain)/loss on sale of property, plant and equipment	36,849	73,504
Losses and write-offs (excludes cash shortages/thefts of money)	193,119	-
(Increase)/decrease in assets:		
Current receivables (c)	(731,164)	(211,544)
Current inventories	(9,239)	7,196
Other current assets	(103,671)	(61,781)
Increase/(decrease) in liabilities:		
Current payables (c)	(133,692)	(493,313)
Current provisions	(203,093)	(1,257,374)
Other current liabilities	(3,884,159)	5,312,977
Non-current provisions	(112,734)	1,271,056
Other non-current liabilities		
Net GST receipts/(payments) (a)	(1,293,097)	(869,946)
Change in GST in receivables/payables (b)	1,339,381	834,764
Net cash provided by/(used in) operating activities	<u>(50,939,295)</u>	<u>(41,090,289)</u>

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

(b) This reverses out the GST in receivables and payables

(c) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included as they are not reconciling items.

**Challenger TAFE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
<b>33 Commitments</b>		
<b>Capital expenditure commitments</b>		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	639,721	405,345
	<u>639,721</u>	<u>405,345</u>
<b>Lease commitments</b>		
Commitments in relation to leases contracted for at the balance sheet date but not recognised in the financial statements, are payable as follows:		
Within 1 year	802,329	715,45
Later than 1 year and not later than 5 years	2,789,172	2,372,618
Later than 5 years	2,617,887	3,186,368
	<u>6,209,388</u>	<u>6,274,441</u>
Representing:		
Cancellable operating leases		
Non-cancellable operating leases	6,209,388	6,274,441
	<u>6,209,388</u>	<u>6,274,441</u>
<b>Non-cancellable operating lease commitments</b>		
Commitments for minimum lease payments are payable as follows:		
Within 1 year	802,329	715,455
Later than 1 year and not later than 5 years	2,789,172	2,372,618
Later than 5 years	2,617,887	3,186,368
	<u>6,209,388</u>	<u>6,274,441</u>
<b>Other expenditure commitments contracted for at the balance sheet date but not recognised as liabilities are payable as follows:</b>		
Within 1 year	3,390,996	3,581,260
	<u>3,390,996</u>	<u>3,581,260</u>

These commitments are all inclusive of GST.

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

In addition to the liabilities incorporated in the financial statements, there are no contingent liabilities.

**Contingent assets**

In addition to the assets incorporated in the financial statements, there are no contingent assets.

**35 Events occurring after the balance sheet date**

No events occurred after balance date that would have a significant impact on the College's financial position as at 31 December 2007.

**Challenger TAFE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**36 Explanatory Statement**

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than or \$500,000.

**Significant variations between estimated and actual results for 2007**

Expense	2007	2007	Variation
	Estimate	Actual	
	\$	\$	\$
1. Employee expenses	42,536,612	41,992,785	543,827
2. Supplies and services	17,118,397	18,364,313	(1,245,916)
3. Capital user charge	6,049,017	4,167,238	1,881,779
4. Other expenses	3,403,549	4,254,380	(850,831)
<b>Income</b>			
5. Fee for Service	7,146,806	7,666,149	(519,343)
6. Other revenue	687,500	2,025,955	(1,338,455)
7. State funds	48,711,996	50,967,778	(2,255,782)

1. Employee expenses - below estimate due to nil pension expense and longer recruitment lead time.
2. Supplies and services - variance arose from escalating material and consumables prices and increased expenditure on minor
3. Capital user charge - the actual net assets on which the capital user charge levied were lower than forecast.
4. Other expenses - variance arose as the estimate did not include building maintenance in this category.
5. Fee for service - increased due to an upsurge in international student enrolments
6. Other revenue - increased due to the receipt of donations for Australian Centre for Energy and Process Training plus recoups and recoveries from external parties.
7. State funds - increased due to the receipt of equipment grants.

**Significant variations between actual results for 2007 and 2006**

Expense	2007	2006	Variance
	\$	\$	
1. Employee expenses	41,992,785	39,558,437	(2,434,348)
2. Supplies and services	18,364,313	15,208,837	(3,155,476)
3. Depreciation	3,930,923	4,654,821	723,898
4. Capital User Charge	4,167,238	8,860,514	4,693,276
5. Other expenses	4,254,380	3,725,776	(528,604)
<b>Income</b>			
6. Other revenue	2,025,955	1,419,260	606,695
7. State Funds	50,967,778	50,423,755	544,023
8. Liabilities assumed by the Treasurer	-	701,735	(701,735)

1. Employee expenses - increased expenditure on salaries resulted from increases in both salary and staffing for disability services, duty of care and employment based training.
2. Supplies and services - increased due to increased minor works to improve facilities, assets up to \$5,000 cost are now expensed, and escalation in materials and consumables cost.
3. Depreciation - reduced as a \$5,000 asset threshold was adopted from 1/1/07 for all fixed assets.
4. Capital User Charge - phased out at June 2007, whereas the 2006 figure is for a whole year.
5. Other expenses - increased due to increased employee oncosts and provision for doubtful debts.
6. Other revenue - increased due to the receipt of donations for Australian Centre for Energy and Process Training.
7. State Funds reduced Capital User Charge funding mainly offset by increased Delivery and Performance Agreement funding and equipment grants.
8. Liabilities assumed by the Treasurer - there was no pension scheme liability to assume in 2007.



**Challenger TAFE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**37 Financial instruments**

**(a) Financial risk management objectives and policies**

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

*Credit risk*

The College trades only with recognised, creditworthy third parties. The College has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the College's exposure to debt is minimal. There are no significant concentrations of credit risk.

*Liquidity risk*

The College has appropriate procedures to manage cash flows including drawdowns from Department of Education and Training, Training of Delivery and Performance Agreement Funding.

**(b) Financial instrument disclosures**

Credit risk, liquidity risk and interest rate risk exposures

The following table details the College's maximum exposure to credit risk, and the exposure to liquidity risk and interest rate risk as at the reporting date, based on information provided to senior management of the College. The contractual maturity amounts in the table are representative of the undiscounted amounts as at the balance sheet date.

An adjustment for discounting has been made where material.

The College does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The College does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.



**Challenger TAFE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

2007      2006  
\$            \$

**Interest rate sensitivity analysis**

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

	- 1% change			+1% change	
	Carrying amount	Profit	Equity	Profit	Equity
<b>2007</b>	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalent	3,899,918	(38,999)	(38,999)	38,999	38,999
Restricted cash and cash equivalent	2,587,376	(25,874)	(25,874)	25,874	25,874
<b>2006</b>	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalent	6,569,447	(65,694)	(65,694)	65,694	65,694
Restricted cash and cash equivalent	724,091	(7,241)	(7,241)	7,241	7,241

**Fair values**

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

**38 Remuneration of members of the College and Senior Officers**

**Remuneration of members of the College**

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

\$		
\$0 - \$10,000	11	10
\$10,001 - \$20,000	-	1
\$100,001 - \$110,000	-	1
\$170,001 - \$180,000	1	-
\$190,001 - \$200,000	-	1

The total remuneration of the members of the College is: 172,568      317,830

Total remuneration includes the superannuation expense incurred by the College in respect of members of the College.

**Challenger TAFE****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
<b>Remuneration of Senior Officers</b>		
The number of senior officers other than senior officers reported as members of the College, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:		
\$		
\$20,001 - \$30,000	1	-
\$30,001 - \$40,000	-	1
\$40,001 - \$50,000	2	-
\$50,001 - \$60,000	1	-
\$70,001 - \$80,000	1	-
\$90,001 - \$100,000	-	1
\$100,001 - \$110,000	-	1
\$110,001 - \$120,000	1	1
\$120,001 - \$130,000	-	2
\$130,001 - \$140,000	2	-

The total remuneration of senior officers is:

632,384	600,524
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The total remuneration includes the superannuation expense incurred by the College in respect of senior officers other than senior officers reported as members of the College.

No senior officers are members of the Pension Scheme.

**39 Remuneration of auditor**

Remuneration payable to the Auditor General for the financial year is as follows:

Auditing the accounts, financial statements and performance indicators

81,710	71,000
--------	--------

The expense is included in note 11 'Other expenses'.

**40 Related Bodies**

The College has no related bodies.

**41 Affiliated Bodies**

The College has no affiliated bodies.

**42 Supplementary Financial Information****Write-offs**

Public property  
Bad debts  
Inventory

61,779	-
38,207	98,065
206	-

Losses through theft, defaults and other causes

Losses of public and other moneys and public and other property through theft, default or otherwise  
Amount recovered

1,612	-
-	-

**Gifts of Public Property**

Gifts of Public Property provided by the College

-	-
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**43 Schedule of Income and Expenditure by Service**

The college provides only one service and that is Vocational Education and Training Delivery.

## SECTION 40 ESTIMATES FOR 2008

In accordance with Treasurer's Instructions 953 the annual estimates for the current financial year (i.e. 2008) are hereby included in the annual report. These estimates do not form part of the financial statement and are not subject to audit.

### INCOME STATEMENT

\$

#### COST OF SERVICES

##### Expenses

Employee Expenses	44,270,730
Supplies and Services	16,958,631
Depreciation and amortisation expense	4,419,864
Grants and Subsidies	150,000
Other Expenses	3,572,637
Cost of sales	740,000
<b>Total Cost of Services</b>	<b>70,111,862</b>

##### Income

##### Revenue

Fee for service	7,755,084
Student fees and charges	6,684,278
Sales	800,000
Ancillary revenue	875,000
Commonwealth grants and contributions	100,000
Interest Revenue	400,000
Other Revenue	715,000
<b>Total Revenue</b>	<b>17,329,362</b>

#### NET COST OF SERVICES

(52,782,500)

#### INCOME FROM STATE GOVERNMENT

State Funds	44,639,471
Liabilities assumed by the treasurer	250,000
Resources Received Free of Charge	1,700,000
<b>Total Income from State Government</b>	<b>46,589,471</b>

#### CHANGE IN NET ASSETS

(6,193,029)

## SECTION 40 ESTIMATES FOR 2008

## BALANCE SHEET

\$

**CURRENT ASSETS**

Cash Assets	4,113,463
Restricted Cash Assets	1,300,000
Inventories	190,000
Receivables	2,320,000
<b>Total Current Assets</b>	<b>7,923,463</b>

**NON-CURRENT ASSETS**

Property, plant, equipment and vehicles	167,693,004
<b>Total Non-Current Assets</b>	<b>167,693,004</b>

**TOTAL ASSETS****175,616,467****CURRENT LIABILITIES**

Payables	76,187
Provisions	6,300,186
Other Liabilities	1,502,000
<b>Total Current Liabilities</b>	<b>7,878,373</b>

**NON-CURRENT LIABILITIES**

Provisions	2,535,733
<b>Total Non-Current Liabilities</b>	<b>2,535,733</b>

**TOTAL LIABILITIES****10,414,106****NET ASSETS****165,202,361****EQUITY**

Contributed Equity	44,226,915
Reserves	82,151,484
Accumulated Surplus	38,823,962
	<b>165,202,361</b>

**TOTAL EQUITY****165,202,361**