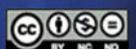




Department of
Education

DEPARTMENT OF EDUCATION ANNUAL REPORT 2017-18



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OVERVIEW

About this report

This report details our achievements and successes as well as the challenges we face and the opportunities ahead. It also outlines our contribution to broader Government desired outcomes and compliance with legislation and policy.

The report addresses reporting requirements in Treasurer's Instruction 903: Agency Annual Reports and the Western Australian Public Sector Commission's Annual reporting framework 2017/18.

Activities and performance for the 2017–18 financial year are in the context of our [strategic outline](#), [strategic plan for public schools](#), State Government budget papers and other strategy documents.

Notes:

- Activities and performance previously reported by the Department of Education Services are included in this report.
- Activities and performance previously reported by the Country High School Hostels Authority are included in this report as they pertain to the *School Boarding Facilities Legislation Amendment and Repeal Act 2016*.
- The [annual report](#) of the Teacher Registration Board of Western Australia is included in this report.
- The School Curriculum and Standards Authority tables its own [annual report](#).
- The Training Accreditation Council tables its own [annual report](#).
- Public school annual reports by calendar year are published on [Schools Online](#).

Statement of compliance

Hon Sue Ellery MLC
Minister for Education and Training

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament the annual report of the Department of Education for the financial year ended 30 June 2018.

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

In accordance with section 114 of the *Teacher Registration Act 2012*, the annual report of the Teacher Registration Board of Western Australia for the financial year ended 30 June 2018 is included in this report.



JENNIFER McGRATH
ACTING DIRECTOR GENERAL
(ACCOUNTABLE AUTHORITY)

11 September 2018

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About us

On 1 July 2017, a new Department of Education was created following Machinery of Government changes and other changes that had been designated to occur at this time.

- The Department of Education and Department of Education Services amalgamated.
- Staff employed by these two departments and the School Curriculum and Standards Authority were transferred to the new Department of Education through a Disposition Order pursuant to section 22 of the *Public Sector Management Act 1994*.
- The School Curriculum and Standards Authority continued as a statutory authority under the *School Curriculum and Standards Authority Act 1997*. The Department provided secretariat support to the Authority.
- The Department provided secretariat support to the Teacher Registration Board of Western Australia which operates under the *Teacher Registration Act 2012*.
- The Department provided secretariat support to the Training Accreditation Council which operates under the *Vocational Education and Training Act 1996*.
- Responsibility for student residential colleges was transferred to the Department following the commencement of the *School Boarding Facilities Legislation Amendment and Repeal Act 2016*.

We now have a role in influencing the education of all students in Western Australia and enact this in different ways in line with relevant legislation – directly through a system of public schools and indirectly through regulation and funding of Catholic and Independent schools.

Regardless of these differences, the aim is the same: to deliver a high quality education to all students in all learning environments. We are committed to all students achieving their best and being lifelong learners who contribute actively to their communities and to society.

We recognise and respect the independence of Catholic and Independent schools; and undertake our responsibilities to all schools, systems and sectors with diligence and integrity. We are impartial in our role as a regulator and funder.

We have responsibility for student residential colleges, providing expertise focused on the needs of students and schooling; systems for dealing with child protection, complaints management and staff oversight; and clear accountability and reporting lines.

Our vision

All students in Western Australia, regardless of background and across all schools and learning environments, reach their learning and achievement potential.

To achieve this vision, we work to deliver our aspirations across six key objectives. The tools and approaches we use to deliver these aspirations are different for the provision of public education and for the regulation and funding of public, Catholic and Independent schools.

Our objectives

Contemporary curriculum and assessment

Curriculum and assessments meet the needs of students and deliver contemporary learning experiences for students to become confident, creative learners and active, informed citizens.

High quality teaching

All teachers are supported, developed and challenged to be their best and to deliver differentiated curriculum to students that enhances their learning experiences.

Effective leadership

School leaders have high aspirations for their students and teachers, and drive improvement in student outcomes using evidence-based practice.

Good governance

Schools and school systems are governed effectively to ensure appropriate standards are delivered.

Safe, healthy and resilient learners

Students are healthy and resilient, and all schools and learning environments are child safe organisations.

Strong partnerships and collaboration

Schools, school sectors and systems work together to improve outcomes for all students.

Our values

Learning

We have a positive approach to learning and encourage it in others. We advance student learning based on our belief that all students have the capacity to learn.

Excellence

We have high expectations of students and ourselves. We set standards of excellence and strive to achieve them. The standards and expectations challenge all of us to give our best.

Equity

We recognise the differing circumstances and needs of students and are dedicated to achieving the best possible outcomes for all. We strive to create workplaces and learning environments that are free of discrimination, abuse and exploitation.

Care

We treat all individuals with care. Our relationships are based on trust, mutual respect and the acceptance of responsibility. We recognise the value of working with parents/carers and the wider community to provide a high quality education for students.

Integrity

We act with integrity, responsibility and transparency in all that we do.

Respect

We treat everyone fairly, and we treat all schools, school systems and school sectors with respect.

—

Our Minister is Hon Sue Ellery MLC, Minister for Education and Training.

Our accountable authority in 2017–18 was Ms Sharyn O’Neill, Director General, Department of Education.

Our enabling legislation is the *Public Sector Management Act 1994* in which the Department of Education is established under section 35.

We are responsible for the following legislation in accordance with the allocation of legislation to portfolios, Western Australian Government Gazette 3 July 2017:

- *Curriculum Council (Fees and Charges) Act 2006*
- *Curtin University Act 1966*
- *Edith Cowan University Act 1984*
- *Education Service Providers (Full Fee Overseas Students) Registration Act 1991*
- *Hale School Act 1876*
- *Higher Education Act 2004*
- *Murdoch University Act 1973*
- *School Curriculum and Standards Authority Act 1997*
- *School Education Act 1999*
- *Teacher Registration Act 2012*
- *University Colleges Act 1926*
- *University of Notre Dame Australia Act 1989*
- *University of Western Australia Act 1911*
- *Vocational Education and Training Act 1996 Part 4.*

We provided staff, facilities and resources to a number of entities created under legislation enacted by the Western Australian Parliament or by Ministerial administrative action:

- Non-Government Schools Planning Advisory Panel
- Non-Government Schools Registration Advisory Panel
- Rural and Remote Education Advisory Council
- School Curriculum and Standards Authority
- Training Accreditation Council
- Teacher Registration Board of Western Australia
- Western Australian Higher Education Council.

Executive summary

Year in numbers



Public schools

In 2018, we were responsible for 307 520 students in 809 public schools.



Market share

67.5% of all Western Australian students were in public schools – a market share increase for the seventh consecutive year, up from 67.2% in 2017.



Workforce

37 572 full-time equivalent staff were employed in public schools, nearly 97% of all our staff.



Attainment rate

96.2% of WACE-eligible Year 12 public school students achieved ATARs of at least 55 and/or certificate II or higher VET qualifications in 2017.



Non-government school funding

The Department provided more than \$430 million in recurrent financial assistance for 147 813 students in non-government schools.



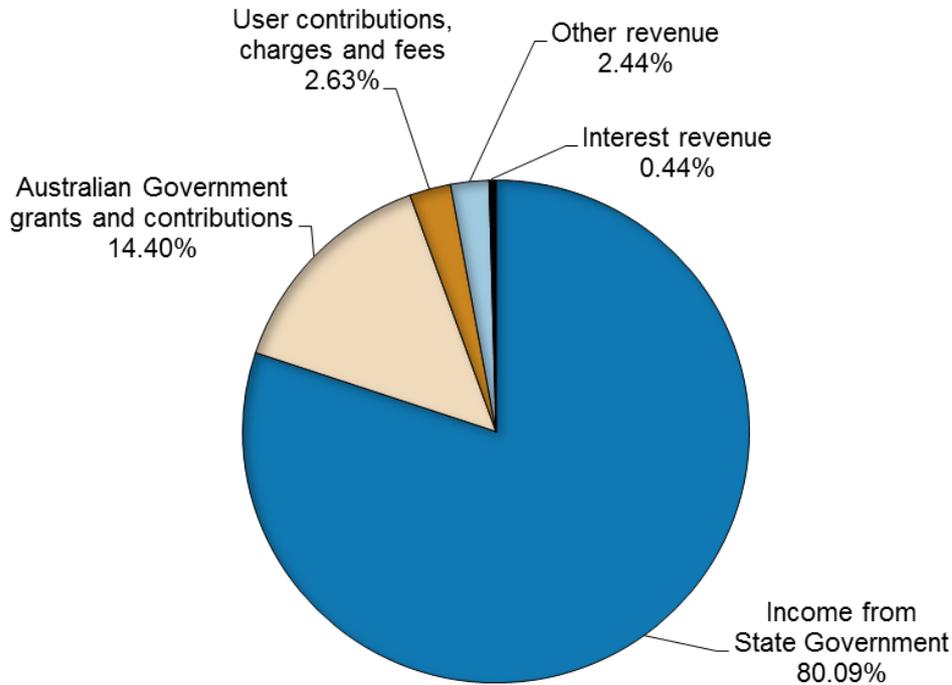
Budget

\$5.4 billion was spent in 2017–18 providing our services.

Year in dollars

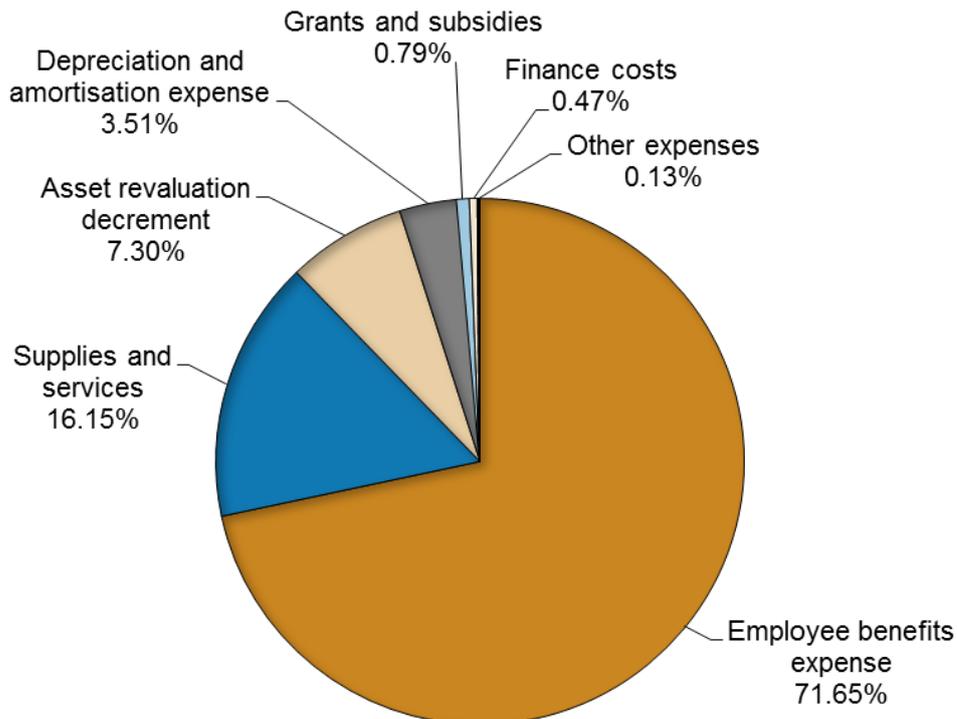
The total cost of providing our services in 2017–18 was \$5.4 billion. [Figures 1 and 2](#) summarise sources of revenue and cost of services. Full details of financial performance during 2017–18 are in the [Financial statements](#).

Figure 1: Revenue sources 2017–18



Source: Department of Education, Financial Statements 2017–18

Figure 2: Costs 2017–18



Source: Department of Education, Financial Statements 2017–18

Our results in 2017–18 against agreed financial targets (based on Budget Statements and the Resource Agreement) are in [Table 1](#).

Table 1: Budget targets compared to actual results 2017–18 ^(a)

	2017–18 budget (\$'000)	2017–18 estimated actual (\$'000)	2017–18 actual (\$'000)	Actual vs estimated actual (\$'000)	Actual vs budget (\$'000)
Total cost of services	5 019 766	5 035 811	5 351 220	315 409	331 454
Net cost of services	4 043 280	4 048 641	4 332 959	284 318	289 679
Total equity	14 357 136	13 905 621	13 613 020	(292 601)	(744 116)
Net increase/(decrease) in cash held	(27 980) ^(b)	(25 493) ^(b)	642 608 ^(c)	–	–
	2017–18 budget (FTE) ^(d)	2017–18 estimated actual (FTE)	2017–18 actual (FTE)	Actual vs estimate actual (FTE)	Actual vs budget (FTE)
Staff	39 011	39 035	38 836	(199)	(175)

Source: Education Business Services

(a) Brackets indicate a negative value.

(b) Excludes cash balances transferred to the Department as result of Machinery of Government changes.

(c) Includes cash balances transferred to the Department as result of Machinery of Government changes.

(d) Full-time equivalent.

The overspend of \$315.4 million (6.3%) in actual total cost of services to estimated actual total cost of services was mainly due a revaluation of Department land and buildings (\$390.4 million). This was partly offset by:

- Lower supplies and services expenditure including lower direct school expenses. This underspend was partially attributable to the capitalisation of purchases by schools of assets over \$5000.
- Depreciation was lower than estimated actual due to changes in school building values.

The net cost of services of \$4.3 billion was higher than the estimated actual by \$284.3 million (7.0%) primarily due to the overspend of \$315.4 million and revenue being \$31.1 million higher than expected. The latter was mainly due to a higher than anticipated RiskCover workers' compensation adjustment and additional developers' contributions in 2017–18.

The decrease of \$292.6 million in total equity compared with the estimated actual was mainly due to a decrease in the asset revaluation reserve of \$390.4 million due to a decrement to school building values.

The 2017–18 average FTE of 38 836 was 175 FTE (0.5%) lower than the 2017–18 budget estimate due mainly to the Voluntary Targeted Separation Scheme.

Year scorecard

Key performance indicators help us assess and monitor the extent to which we have achieved Government desired outcomes and enhance our ability to account to the community for our performance. Further information is in [Key performance indicators](#).

Desired Outcome 1: Through a strong public school system, students across Western Australia have access to a high quality education

Effectiveness indicators	Target	Achievement
Participation rate	97%	96.3%
Apparent retention rate	81%	80.1%
Secondary graduation rate	73%	65.5%
Students achieving at or above national minimum standards in the National Assessment Program – Literacy and Numeracy:		
Year 3 Reading	93%	92.7%
Year 3 Writing	96%	94.1%
Year 3 Numeracy	95%	94.3%
Year 5 Reading	91%	91.6%
Year 5 Writing	92%	89.7%
Year 5 Numeracy	94%	93.9%
Year 7 Reading	93%	89.9%
Year 7 Writing	86%	82.5%
Year 7 Numeracy	94%	92.6%
Year 9 Reading	92%	89.3%
Year 9 Writing	81%	77.6%
Year 9 Numeracy	95%	94.9%
Efficiency indicators	Target	Achievement
Service 1: Public primary education		
Cost per student full-time equivalent	\$15 640	\$15 505
Service 2: Public secondary education		
Cost per student full-time equivalent	\$18 944	\$18 372

Desired Outcome 2: Western Australian education and training providers, and teachers comply with appropriate regulatory and policy requirements

Effectiveness indicators	Target	Achievement
Percentage of non-government schools complying with registration requirements of the <i>School Education Act 1999</i>	90%	90.3%
Percentage of providers of education services to full fee international students complying with registration requirements of the <i>Education Service Providers (Full Fee Overseas Students) Registration Act 1991 (WA)</i> and <i>Education Services for Overseas Students Act 2000 (Commonwealth)</i>	100%	100%
Percentage of registered training organisations compliant with the Australian Quality Training Framework Essential Standards for Registration	100%	98.7%
Percentage of reviewed Independent Public Schools that have met service and delivery requirements	100%	100%
Percentage of teachers compliant with the <i>Teacher Registration Act 2012</i>	100%	100%

Efficiency indicators	Target	Achievement
Service 3: Regulation, review, funding, and policy advice		
Cost of regulatory services per registered provider/institution	\$17 659	\$20 358
Cost of recurrent funding programs per student	\$6	\$5.24
Cost of loan services per loan advance	\$709	\$1 033
Hourly cost of providing policy advice and support	\$107	\$153
Cost of review services per school	\$15 798	\$26 027
Cost of regulatory services per teacher	\$107	\$108

Desired Outcome 3: Western Australian schools implement the Western Australian Curriculum and Assessment Outline (Pre-primary to Year 10); Western Australian Certificate of Education (Years 11 and 12); and quality assessment, moderation and certification procedures

Effectiveness indicators	Target	Achievement
Engagement of, and acceptance by, stakeholders of responsive syllabuses, accreditation and review	4.1	4.2
Engagement of, and acceptance by, stakeholders of comprehensive and easily understood assessment policy and support	4.1	4.2
Engagement of, and acceptance by, stakeholders of valid and reliable external and school-based assessments	4.2	4.3
Efficiency indicators	Target	Achievement
Service 4: Curriculum development, evaluation and support		
Average cost per registered school for syllabus development and review (Pre-primary–Year 12)	\$7 842	\$7 145
Service 5: Student assessment and certification		
Average cost per enrolled student for moderation (Years 3–12)	\$74	\$68
Average cost per enrolled student for external assessment (Years 11–12)	\$209	\$194
Average cost per enrolled Year 12 student for certification	\$965	\$868
Average cost per enrolled student for NAPLAN	\$39	\$32

Desired Outcome 4: Quality accommodation, care and services for isolated students who have to board away from home to attend school

Effectiveness indicators	Target	Achievement
Average residential college occupancy rate	62%	56%
Families rating accommodation, care and services as good or better	92%	93.6%
Efficiency indicator	Target	Achievement
Service 6: Establishment, operation and maintenance of residential colleges		
Average cost per student	\$25 600	\$31 220

Director General's foreword

While my appointment as Acting Director General commenced after the end of the reporting period, I am pleased to present the first annual report of the new Department of Education that was created to take effect on 1 July 2017 following Machinery of Government changes.

I take this opportunity to acknowledge Sharyn O'Neill who was Director General until 27 July 2018. Ms O'Neill was appointed to the office of the Public Sector Commissioner beginning on 30 July 2018. She made a very valuable contribution to the Department in many roles over 33 years, and particularly as Director General for the last 12 years.



We reshaped our work this financial year to reflect our broader mandate as a regulator and funder, as well as our traditional mandate as a provider of public education. While we enacted our responsibilities differently in line with relevant legislation, the aim was the same – to deliver a high quality education to all students in all learning environments.

We worked closely with the School Curriculum and Standards Authority, Training Accreditation Council and Teacher Registration Board of Western Australia to ensure they were provided with secretariat services to support their functions. We also formed new relationships with Catholic Education Western Australia and the Association of Independent Schools of Western Australia as key partners of our new Department.

During the year, we implemented a number of the State Government's election commitments in relation to public schools, including more teachers and education assistants in schools, science laboratories in primary schools and capital works programs.

We also made significant progress on new school reviews for all public schools and a new public school leadership strategy.

We were challenged by the behaviour of some students in public schools and began work on a range of strategies that will be implemented in 2019.

I thank all of our partners who contributed to our work this year. I particularly thank our staff who committed to our strategic directions and made a difference in the lives of students across the State.

A handwritten signature in black ink, appearing to read 'J. McGrath'.

JENNIFER McGRATH
ACTING DIRECTOR GENERAL

GOVERNANCE

Framework and directions

Performance management framework

Government Goal	
Strong communities: Safe communities and supported families	
Desired Outcomes	Services
1. Through a strong public school system, students across Western Australia have access to a high quality education	1. Public primary education (Kindergarten to Year 6) 2. Public secondary education (Years 7 to 12)
2. Western Australian education and training providers, and teachers comply with appropriate regulatory and policy requirements	3. Regulation, review, funding and policy advice
3. Western Australian schools implement the Western Australian Curriculum and Assessment Outline (Pre-primary to Year 10); Western Australian Certificate of Education (Years 11 and 12); and quality assessment, moderation and certification procedures	4. Curriculum development, evaluation and support 5. Student assessment and certification
4. Quality accommodation, care and services for isolated students who have to board away from home to attend school	6. Establishment, operation and maintenance of residential colleges

Strategic directions

Following the Machinery of Government changes that took effect on and from 1 July 2017, a [strategic outline](#) was developed in consultation with key stakeholders. The outline reflects the new role of the Department in influencing the education of all students in Western Australia and how this is enacted in different ways in line with relevant legislation.

Our strategic plan for public school education from 2016 to 2019, [High Performance – High Care](#), focuses our improvement efforts directly on student learning. It sets expectations for the creation of a culture of high performance and high care in every school, and in regional and central offices to enable us to achieve the best outcomes for students.

To provide specific directions for public education each school year, we published [Focus 2017](#) and [Focus 2018](#). Aligned to our strategic plan, these documents provided directions for public schools, Statewide Services, regions and central services.

Functional structure

Public Schools

- Policy and governance framework
- High quality teaching and learning in schools
- Monitoring of school performance and effectiveness
- Leadership and management in regions

Statewide Services

- Support and services for students and schools in curriculum, student behaviour and wellbeing, inclusive education, literacy and numeracy, and pathways including agricultural education
- Support for schools to meet the needs of Aboriginal students
- Policy and strategic planning in early childhood education
- Coordination and implementation of State and national education reforms

Strategic Initiatives and Performance

- System reform initiatives to support increased school autonomy, including leadership strategy
- Strategic and technical advice about State and national education reforms
- Coordination of the move to National Assessment Program – Literacy and Numeracy (NAPLAN) online
- School and system performance, evaluation, and accountability including student assessment
- Online learning including contemporary teaching and learning technologies and systems
- Distance education
- Higher education policy
- Secretariat services to the Rural and Remote Education Advisory Council and Western Australian Higher Education Council

Planning, Regulation and Review

- Planning for future delivery of public schooling
- Regional development and remote public schools
- Management of residential colleges
- Public school accountability
- Non-government school regulation
- Regulation of international school education providers
- Coordination of delivery of professional learning for leadership

Workforce

- Human resource and recruitment consultancy services
- Workforce strategic policy
- Industrial relations matters
- Employee support services
- Compliance with public sector legislation related to employment

Professional Standards and Conduct

- Standards of staff professional conduct and integrity
- Audit procedures
- Risk management services
- Screening of criminal history records for staff
- Monitoring compliance with Working with Children legislation
- Management of allegations of misconduct by staff
- Legal advice

Education Business Services

- Strategic and operational financial management
- Budget processes
- Payroll processes
- Financial services support and training
- Acquisition and management of resources
- Commercial and contract governance support
- Capital works, maintenance programs and property services
- Information and communication technologies services
- Freedom of information
- Non-government school funding

Executive and Communications Services

- Office of the Director General
- Ministerial services and support
- Media and crisis communications
- Program and policy governance
- Public relations and marketing
- Internal communications management

School Curriculum and Standards

- Secretariat services and support to the School Curriculum and Standards Authority

Teacher Registration

- Secretariat services and support to the Teacher Registration Board of Western Australia

Training Regulation

- Secretariat services and support to the Training Accreditation Council

The organisational chart is in [Appendix 4](#).

Corporate executive



Sharyn O'Neill – Director General

Sharyn O'Neill was appointed Director General of the then Department of Education and Training in June 2007, the youngest Director General of Education ever appointed in this State.

With a clear focus on students at the centre of all decisions, her 2007 Classroom First strategy was a blueprint for the future and gave a clear mandate for public education – for every student to be successful, every teacher to be effective and every school to be good.

It was this vision and commitment that saw her lead the new Department of Education, which was established on 1 July 2017, with responsibility for both public and non-government education services. At the same time, Ms O'Neill was appointed Chief Executive Officer of the School Curriculum and Standards Authority.

Ms O'Neill has a Master of Education (Education Administration and Policy). She was a member of the Australian Education Senior Officials Committee and served on a number of State Government working groups.

In 2016 she was awarded the Institute of Public Administration Australia (WA) Patron's Award and was also made a Fellow of the Institute in recognition of her contribution to public administration in Western Australia.

In July 2018, Ms O'Neill was appointed as Western Australia's Public Sector Commissioner.



Stephen Baxter – Acting Deputy Director General, Public Schools

Stephen Baxter is responsible for providing leadership and strategic direction for the eight education regions and networks of schools across the State. All regional executive directors report to this position.

Mr Baxter is a qualified teacher and has more than 35 years' experience in public education. He has held a number of senior executive positions, including in regional Western Australia.



Jennifer McGrath – Deputy Director General, Education Business Services

Jennifer McGrath was appointed to this position in 2015 and is responsible for leading resource allocation and financial management across the Department including school funding, infrastructure, information technology, payroll and recordkeeping.

Ms McGrath has worked in the Western Australian public sector for 14 years, holding senior executive positions in a number of agencies including the Department of the Premier and Cabinet and Department of Finance. She has a Bachelor of Commerce and is a Certified Practising Accountant.



Lindsay Hale – Executive Director, Statewide Services

Lindsay Hale was appointed to this position in 2014 and is responsible for portfolios that deliver support services to public schools across the State.

Mr Hale joined the Department in 1984 as a teacher and worked in a range of positions before being appointed principal of Belmont City College. He was foundation Managing Director of the then Institute for Professional Learning and has held a number of executive positions. He has a Master of Education Administration.

Mr Hale reports to the Deputy Director General, Public Schools.



Jane Machin-Everill – Director, Executive and Communications Services

Jane Machin-Everill took up this position in 2017 and is responsible for the executive functions of the Department including media and communications, public relations and marketing, policy, governance, ministerial services, and the Office of the Director General. Prior to this she was Director, Corporate Communications and Marketing, appointed in 2008.

Before joining the Department in 2002, she worked in other government agencies, universities and education sectors. She has a Bachelor of Arts, Graduate Diploma in Library and Information Studies, and Diploma of Education. She is a Fellow of the Public Relations Institute of Australia.



Pam Moss – Acting Executive Director, Planning, Regulation and Review

Pam Moss is responsible for public school planning, public school accountability, non-government school regulation and the provision of professional learning for public school leaders.

She began her career as a secondary languages teacher and has held a number of senior positions in regional (then district) and central offices.



Eamon Ryan – Executive Director, Professional Standards and Conduct

Eamon Ryan was appointed to this position in 2011 and is responsible for standards of staff professional conduct and integrity, management of allegations of misconduct by staff, audit, risk management, criminal history screening and legal services.

Mr Ryan joined the Department in 2009. Prior to this he worked as a consultant in the private sector and held senior roles in the State and Australian Governments. He has a Bachelor of Arts (Legal Studies).



Damien Stewart – Executive Director, Workforce

Damien Stewart was appointed to this position in 2017 and leads workforce policy and coordination, staff recruitment and employment, and employee relations.

Mr Stewart has nearly 30 years' experience in the State's public sector across a number of Government agencies including holding executive positions in the Department for Child Protection and Family Support, Department of the Premier and Cabinet, and Department of Corrective Services.



Peter Titmanis – Executive Director, Strategic Initiatives and Performance

Peter Titmanis took up this position in 2018 and is responsible for public school system reform initiatives that support and enhance students' education outcomes including school autonomy and online learning which includes contemporary teaching and learning technologies and systems. Mr Titmanis is also now responsible for the higher education policy. Before this, he was Executive Director, Innovation, Performance and Research, appointed in 2012.

Mr Titmanis began his career as a secondary science teacher before becoming a university lecturer in education and working as an education strategic planner as part of an Australian overseas aid program. He has extensive experience on national initiatives having led the development and implementation of NAPLAN and up until recently, the move to NAPLAN online and has a keen interest in data and extensive experience in school accountability and reporting.

Mr Titmanis began his career as a secondary science teacher before becoming a university lecturer in education and working as an education strategic planner as part of an Australian overseas aid program. He has extensive experience on national initiatives having led the development and implementation of NAPLAN and up until recently, the move to NAPLAN online and has a keen interest in data and extensive experience in school accountability and reporting.

Senior staff



Allan Blagaich – Executive Director, School Curriculum and Standards

Allan Blagaich took up this position in 2017 and is responsible for leading the development of curriculum, assessment and standards for student achievement in all schools across Western Australia. Before this, he was Chief Executive Officer of the School Curriculum and Standards Authority, appointed in 2011.

He has many years of experience in education leadership, having held executive roles in Statewide planning and metropolitan public schooling. He is a board member of the Australian Curriculum, Assessment and Reporting Authority and chairs the Australasian Curriculum, Assessment and Certification Authorities' vocational education and training committee.

Mr Blagaich reports to the chair of the School Curriculum and Standards Authority, and maintains a strategic reporting relationship with the Director General.



Richard Miles – Director, Teacher Registration

Richard Miles was appointed in 2013, and is responsible for secretariat services to the Teacher Registration Board of Western Australia, including administration of registration services to more than 50 000 teachers, assessment and investigation of disciplinary and impairment matters involving registered teachers, and accreditation of initial teacher education programs.

Mr Miles has a Master of Arts (Political Science), Bachelor of Laws and Graduate Diploma in Practical Legal Training.

Mr Miles reports to the chair of the Teacher Registration Board of Western Australia and the Director General.



Morena Stanley – Acting Director, Training Regulation

Morena Stanley has been in this position since 2018 and is responsible for the quality assurance and recognition of vocational education and training in Western Australia. Before this she was Manager, Risk and Information at the Department of Education Services, appointed in 2016.

Ms Stanley has worked with the Training Accreditation Council since 2011 and has over 20 years' experience in the vocational education and training sector.

Ms Stanley reports to the chair of the Training Accreditation Council and the Director General.

Governance framework

Corporate Executive

Corporate Executive, chaired by the Director General, met 18 times during the year. The increase in the number of meetings was a result of governance changes, with Corporate Executive meetings held fortnightly in 2018 instead of monthly as in previous years.

The Director General had a performance agreement with the Minister. All other Corporate Executive members had performance agreements with the Director General, except the Executive Director, Statewide Services who had a performance agreement with the Deputy Director General, Public Schools.

Information about members is in [Corporate executive](#) and our organisational chart is in [Appendix 4](#).

We changed the composition of Corporate Executive to reflect the new Department from 1 July 2017 and established a new committee of Corporate Executive – Regional and Statewide Services.

During the year, we also commenced a review of Corporate Executive committees for implementation next year. The review aimed to align governance structures with the Department's new functions and responsibilities.

Corporate Executive committees

Audit

The Audit Committee assists the Director General to fulfil corporate governance and oversight responsibilities in relation to the Department's risk management and internal control systems.

The Audit Committee monitors the activities of the Internal Audit and Assurance Directorate, including progress of the internal audit plan that takes account of our strategic priorities and risks.

A representative from the Office of the Auditor General is an observer on the Audit Committee.

The Audit Committee met three times during the year, providing oversight to the audit program and final approval of each audit undertaken. In addition, the Committee endorsed the audit plan for the 2018 calendar year and the updated audit charter and Audit Committee terms of reference.

Finance

The Finance Subcommittee establishes high levels of financial governance and budget risk management, and ensures resources are used to maximise education outcomes of students. It provides advice to Corporate Executive and the Director General on resource allocations, performance against budget, financial risk management and financial implications of initiatives.

During the year, the Finance Subcommittee approved the Department's internal budget allocations and submission to the State Government annual budget process as well as the student-centred funding model rates for schools. It also monitored performance against budget and implemented strategies to address budget and service delivery risk.

Information and communication technologies (ICT)

The Information and Communication Technologies Subcommittee ensures appropriate alignment of ICT-related services and initiatives to our strategic drivers. It reviews major ICT initiatives and makes recommendations to Corporate Executive on funding allocations for ICT.

During the year, 14 work proposals (14 in 2016–17) for new projects were approved and 20 projects (28 in 2016–17) were closed on time and within budget. At 30 June 2018, 16 projects (23 at 30 June 2017) were being monitored.

Policy

The Policy Subcommittee maintains the policy framework and advises Corporate Executive on strategic policy priorities. It manages compliance with processes to ensure policies achieve their identified outcomes, comply with requirements, and are consistent with legal and policy obligations.

This year, the Policy Subcommittee examined, proposed and revised policies, and provided recommendations to Corporate Executive for approval. Five policies underwent major assessments (10 in 2016–17), 19 policies had minor amendments (11 in 2016–17) and four policies were removed (eight in 2016–17).

Our [Policies website](#) continued as the definitive repository for all policies. We received and completed 189 formal policy enquiries (145 in 2016–17).

Program governance

Governance of projects, programs, operations, grants, services, funding agreements, evaluations, reviews, pilots and trials is undertaken by the Program Governance Group. It ensures these are aligned strategically with our priorities. It reviews their status and considers variations before making recommendations for approval to Corporate Executive on proposals, plans and cessations.

At 30 June 2018, 67 projects (94 in 2016–17), 66 programs (58 in 2016–17) and 202 operations (206 in 2016–17) were documented. During the year, 27 new projects (33 in 2016–17) were recommended to Corporate Executive and approved by the Director General; and 42 projects (40 in 2016–17) closed on time.

Regional and Statewide Services

To maintain the strategic contribution of regional executive directors, a new Regional and Statewide Services Subcommittee was established in 2018. It includes the eight regional executive directors and senior staff of Statewide Services, and is chaired by the Deputy Director General, Public Schools.

The committee met five times between its establishment and the end of the financial year and considered matters related to regions and services to all schools.

Significant issues for the next financial year

Legislative amendments to Commonwealth funding of schools took effect in 2018, providing funding for public and non-government schools in Western Australia over the next six years. The proposed funding arrangements will impose unwarranted Commonwealth control and constrain the State's capacity to implement reforms and efficiencies of its own choosing. The State is currently actively negotiating with the Commonwealth to achieve a final funding agreement that is both financially responsible and ensures a fair share for Western Australia.

As part of the State Government's commitment to responsible financial management and delivering an operating surplus by 2020–21, all government agencies are required to contribute to budget repair measures. Areas for budget reductions in the Department were identified for 2018–19 and beyond. The Department will need to continue operating within tight financial constraints.

An investment of \$1.2 billion over four years from 2018–19 will deliver new public schools, as well as expand existing ones to meet student enrolment growth across the State. This program will also provide upgrades to existing public schools, and will help shape the growth and development of towns and suburbs across Western Australia while strengthening the delivery of education services.

Success for every student and best possible teaching practice remain key priorities for delivering high quality education in public schools. The focus will be on explicit teaching of literacy and numeracy, particularly writing across all years; development of students' innovation, creativity and entrepreneurial skills; progressive implementation of the new languages curriculum; and continued targeting of science, technology, engineering and mathematics (STEM) and digital technologies learning. Teacher professional learning will be tied to targeted areas for improvement identified in each teacher's performance.

With issues in the community often spilling into schools, the safety of students and staff in public schools remains a focus. Further training and resources will be provided to support the prevention and management of violent incidents in schools.

Resilience, emotional regulation and behaviour of children and young people will be further supported in public schools through training mental health coordinators in key school-based preventative mental health programs; strengthening cross-agency partnerships to better support students; and piloting the first ever full service secondary school.

To provide more help for students with learning difficulties, new specialist programs for students with autism are being set up in public schools. Six programs are operating in 2018 and a further 10 will be set up by 2020 in both primary and secondary schools. They will provide a seamless education across Kindergarten to Year 12 for students with autism.

Improved engagement and academic performance of Aboriginal students are vital, as outcomes for Aboriginal students remain unacceptably low in comparison with non-Aboriginal students. Priorities for public schools include self-assessment against the Aboriginal Cultural Standards Framework, targeted support for identified secondary schools to strengthen Aboriginal student outcomes, and continuing the KindiLink pilot.

In line with the State Government's election commitment to increase the connection between public schools and children's care services, exploration of opportunities to make school facilities available to third party providers of outside school hours care will continue. Planning will also progress for long day care services to be set up on appropriate school sites in response to community needs, creating local jobs and strengthening the State's economy.

As growth in vocational education and training in schools continues, a new model will be trialled of allocating TAFE places to increase access for students. This is part of a broader plan being implemented to improve support for public schools and future job prospects for students.

With the ongoing implementation of the Western Australian Curriculum, grades used to report student achievement need to be comparable across the State and from school to school. Moderation processes will continue to be developed for Pre-primary to Year 10, and implemented for examinable and non-examinable courses in Years 11 and 12.

The Machinery of Government changes took effect on 1 July 2017 and governance arrangements were revised and a new organisation structure implemented. This also took into account the State Government's Voluntary Targeted Separation Scheme. Service level agreements will be finalised between the Department and each of the School Curriculum and Standards Authority, and Teacher Registration Board of Western Australia.

An independent evaluation of the student-centred funding model for public schools started at the beginning of 2018. Any changes to the model arising from the review will be implemented over a number of years to enable the ongoing delivery of high quality education to all students across the State.

Of the 409 recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse, many are directly or indirectly relevant to, or impact on, the operations of schools and/or the Department. The Department has commenced its consideration of the relevant recommendations and this significant body of work will continue.

PERFORMANCE IN PUBLIC EDUCATION

Success for all public school students

High expectations of success for every student in every public school.

Student performance and achievement

With enrolment in 2018 of 307 520 students from Kindergarten to Year 12, public schools increased market share for the seventh consecutive year, up from 67.2% in 2017 to 67.5%. Enrolment information is in [Appendix 1](#).

The student attainment rate, which had improved from 88.6% to 97.5% between 2015 and 2016, dropped slightly in 2017 to 96.2%. This drop was more significant for Aboriginal students, from 97.7% in 2016 to 89.4% in 2017.

The Year 12 Western Australian Certificate of Education (WACE) achievement rate again dropped in 2017 following the higher requirements introduced in 2016. Achievement rates dropped from 89.4% in 2016 to 87.8% in 2017 and from 69.8% to 67.4% for Aboriginal students. Since 2016, students have been required to demonstrate designated standards in reading, writing and numeracy through Year 9 national testing or the School Curriculum and Standards Authority's Online Literacy and Numeracy Assessment to achieve the WACE. All three standards were achieved by 90.8% of Year 12 students who met enrolment requirements to achieve the WACE. The three standards were achieved by 72.7% of Year 12 Aboriginal students who met enrolment requirements to achieve the WACE.

Details of Year 12 student achievement are in [Table A24 to A26](#).

In 2017, our students received 1858 School Curriculum and Standards Authority awards (1742 in 2016). Isabel Longbottom from Rossmoyne Senior High School won the Beazley Medal: WACE; and Andreea Ioan from Willetton Senior High School won the Beazley Medal: Vocational Education and Training (VET).

The 2017 Rob Riley Memorial Prizes for the top Year 12 Aboriginal students from public schools were won by Ashley Maroney from John Curtin College of the Arts (WACE) and Kieran Davis from Belmont City College (VET).

In 2017, Follow the Dream: Partnerships for Success supported 1056 (938 in 2016) Aboriginal secondary students across 25 host schools and a further 55 schools through outreach services. It accounted for 65% (68% in 2016) of Aboriginal students who achieved ATARs at and above 55 and 42% (41% in 2016) of Aboriginal students who achieved a WACE. Thirty-four percent of Aboriginal students (171 of 507) who received certificate II or higher VET qualifications participated in Follow the Dream.

We are in the process of developing actions for improving Follow the Dream based on the findings and recommendations of an external review into the governance of the program. Key findings of the review related to program intent, student pathways, professional learning for staff, data interpretation and program modelling.

In 2017–18, initiatives funded under the Australian Government’s Indigenous Advancement Strategy continued to strengthen Aboriginal student outcomes, including the Aboriginal Youth Ranger Program, Aboriginal Early Childhood Language Support Program and Remote School Attendance Strategy.

More than 86 000 Year 3, 5, 7 and 9 public school students were assessed in the annual National Assessment Program – Literacy and Numeracy (NAPLAN) in 2017, the tenth year of the assessment.

Only one of the [key performance indicator](#) targets relating to the percentages of students achieving national minimum standards in reading, writing and numeracy was exceeded (Year 5 reading). However, the percentages achieved for Year 5 and Year 9 numeracy were the highest ever. The percentages for reading and writing in Years 3 and 5 were the second best on record.

In comparison with the NAPLAN baseline year of 2008 for reading, spelling, grammar and punctuation, and numeracy, the 2017 percentages of students achieving the national minimum standards were higher in 14 of the 16 assessments. Year 7 reading and numeracy declined marginally.

For writing, where the baseline comparison is 2011, the 2017 percentages of students achieving the national minimum standards increased marginally in Years 3, 5 and 9 but declined for Year 7.

Between 2016 and 2017 there were substantial improvements in the percentages of students achieving the national minimum standards in Year 5 reading and numeracy. However, there were substantial declines for writing in Years 7 and 9.

The mean scores for all assessments were higher than in the baseline year of 2008. For writing, the 2017 means were similar to the baseline 2011 means in Years 3, 5 and 9 but the Year 7 mean was substantially lower.

Between 2016 and 2017 the means remained stable for all 20 assessments.

Female students substantially outperformed male students in all areas of literacy across all year levels in 2017. Male students had marginally higher means in numeracy than female students in all year levels. However, slightly higher percentages of female students than male students achieved at or above the national minimum standards in numeracy in all year levels.

With the exception of writing, Aboriginal students generally made good gains in comparison with the baseline results.

Further NAPLAN results are in [Key performance indicators](#) and [Appendix 2](#). Results for 2018 NAPLAN will be reported in next year’s annual report.

Following deferral of the implementation of NAPLAN Online across Australia in 2017, we continued to support schools to prepare for the transition to online which will enable results to be available sooner than for paper based tests. In May 2018, 43 740 students in 273 schools, including 230 public schools, completed NAPLAN online for the first time.

Student attendance

Attendance at public schools has remained stable since 2013 at close to 91%. The attendance rate in 2017 was 90.9% (90.7% in 2016). In 2017, it was 75.8% for Aboriginal students for the second year running. In 2017, 71.8% of our students attended school regularly (90% and more of the time). Details of attendance rates are in [Appendix 3](#).

The Student Attendance Toolkit, released at the start of 2017, assisted school leaders to build attendance into strategic, operational and classroom planning. During 2017–18, we supported schools to use the toolkit and developed additional resources based on feedback from teachers.

During 2017, 57 attendance advisory panels were convened (83 in 2016 and 53 in 2015). We developed training and support in response to an evaluation that identified the need to ensure panel members have the required skills and expertise.

In 2017, 149 responsible parenting agreements were initiated (105 in 2016 and 80 in 2015). These outlined actions by parents and support services to improve student attendance and/or behaviour. A number of education regions chose to emphasise the agreements as a strategy to improve student attendance.

No parents were prosecuted in 2017 for their children's non-attendance (none in 2016 and 2015).

We continued to work with other agencies and organisations to locate students whose whereabouts were unknown and reduce the number not participating in education or approved options. At 30 June 2018, the whereabouts of 1286 students of compulsory school age were unknown (1423 in June 2017).

Student behaviour and engagement

In 2017, 6391 staff (6490 in 2016) participated in Classroom Management Strategies and Positive Behaviour Support programs.

During 2017, the Midland Learning Academy enrolled 21 severely disengaged students who, by the end of 2017, had an average attendance of 47.6% compared to 29.8% in 2015 at their previous schools. This is down from 2016 when the academy was piloted and 17 severely disengaged students had an average attendance rate of 80.9%.

We commissioned the Telethon Kids Institute to evaluate the impact of the program on students. Findings indicated the academy improved student attendance for the first cohort. Recommendations focused on establishing reliable measures, refining partnerships and interagency collaboration, and building the capacity of staff through practice-based evidence.

Our 13 engagement centres and the Midland Learning Academy managed 862 cases of intensive support for students with extreme, complex and challenging behaviours in 2017 (609 in 2016).

We continued to work with other government and non-government organisations (such as the Child and Adolescent Mental Health Service, Youth Justice Services and Department of Communities – Child Protection and Family Support) to address complex behaviour support needs.

In 2017, 14 075 students (4.7% of enrolled students) were suspended due to behaviour breaches – an increase from 4.3% in 2016.

To support schools to access services for these students, we introduced an automated system that informs principals when students reach eight or more suspensions or 20 or more days suspended in a school year. In 2017, 1003 students reached this threshold. A total of 792 requests for support from school psychologists and 222 requests for services of the School of Special Educational Needs: Behaviour and Engagement were made. Some students were the subjects of requests for both.

Eight students were excluded in 2017 (eight in 2016 and 12 in 2015).

We provided resources and alternative settings to meet the specific needs of some students.

In 2017, the School of Isolated and Distance Education (SIDE) provided education to more than 2700 Kindergarten to Year 12 students across WA unable to access regular schools or specific subjects. It delivered more than 3500 virtual lessons each month and provided nearly 600 web-based courses.

Through the Boarding Away from Home Allowance for Isolated Children, we supported 1442 students in 2017 (1556 students in 2016) at a total cost of just under \$3.0 million (just over \$3.2 million in 2016). We also supported 263 students (272 in 2016) boarding at the Western Australian Colleges of Agriculture through the Agriculture Colleges Special Subsidy Boarding Away from Home Allowance, amounting to about \$538 000 (about \$554 000 in 2016).

Through the Secondary Assistance Scheme, in 2017 we supported 28 380 students from Years 7 to 12 in public and non-government schools (26 483 in 2016) from low-income families to pay contributions and charges, and purchase school uniforms. Payments of more than \$6.5 million (more than \$6.1 million in 2016) were made under the Education Program Allowance and just over \$3.2 million (just under \$3.0 million in 2016) under the Clothing Allowance.

The Clontarf Foundation Academies continued in 24 schools during 2017, and a new academy was established at Fremantle College in Term 2, 2018. The academies supported male Aboriginal secondary students through school and into post-school destinations.

In 2017, intensive support was provided to 12 685 students (12 450 in 2016) by the Schools of Special Educational Needs (Behaviour and Engagement, Disability, Medical and Mental Health, and Sensory).

The School of Special Educational Needs: Medical and Mental Health supported 5851 students (5167 in 2016) with medical and mental health issues that prevented them from participating in programs at their enrolled schools. We maintained the link between schools and more than 20 Department of Health settings.

In December 2017, the State Government announced Armadale Senior High School as the site for a three-year pilot of the Full Service Schools program. The pilot project supports young people and their families living in the area through a youth and community service hub at the school. The Department is working with other State Government agencies and non-government organisations to provide additional services and supports through the pilot.

Intensive English Centres at 14 metropolitan public schools provided programs to 1400 primary and secondary students for whom English is an additional language. Mainstream schools were provided with additional funding and resources to support approximately 10 000 English as an additional language or dialect students in acquiring Standard Australian English.

Science, technology, engineering and mathematics (STEM) education

We started implementing the State Government's election commitment to convert existing classrooms in 200 schools with primary enrolments to science laboratories. The 200 schools will each receive \$25 000 to purchase laboratory equipment and STEM related resources. The first 100 schools were selected and work on converting the first 49 classrooms commenced late in the financial year.

In 2017, 27 Teacher Development STEM Innovation Partnership schools engaged with 34 other schools on innovative STEM practices. Feedback from partner schools suggested the program improved confidence to implement STEM education and led to teachers changing their teaching and learning practices. At an expo in August 2017, innovative STEM practices were showcased to more than 470 school leaders and teachers.

In 2017–18, 66 STEM-based professional learning workshops were delivered to 1401 staff through the STEM Learning Project that we contracted Scitech to deliver.

Gifted and talented education

In 2018, 1765 students (1921 in 2017) in Years 5 and 6 were eligible to participate in courses through the [Primary Extension and Challenge](#) (PEAC) program.

In 2018, selective [Gifted and Talented programs](#) were delivered by 18 secondary schools including, for the first time, Fremantle College. We offered 1054 Year 7 places (976 in 2017) in selective academic, languages and arts programs. The academic program was also available online for selected students in country WA. Host schools provided a unique and challenging curriculum, and this was monitored through their annual school reports.

In 2018, we received 4156 applications for Year 7 secondary places commencing in 2019, an increase of 16.7% from 2017. We also received a further 1726 applications from students applying for entry to Years 9, 10 and 11 in 2019.

Best start to learning for young students

The triennial Australian Early Development Census (AEDC) took place in Term 2, 2018 with information collected about approximately 99% of the Western Australian Pre-primary cohort. We developed tools to assist schools and the community to use AEDC data to inform their planning for the early years.

We assessed more than 25 000 Pre-primary students in the on-entry assessment program, giving teachers high quality diagnostic information about literacy and numeracy skills and understandings of students at the start of compulsory schooling.

At 30 June 2018, 285 three-year-old Aboriginal children were registered to participate with their parents in the final year of the three-year KindiLink pilot. The play and learn sessions supported children's learning before starting school, forged home-school partnerships, and built the confidence and capacity of families.

In 2017–18, our 21 Child and Parent Centres provided 709 programs and services with approximately 100 000 child attendances and 90 000 adult attendances. The centres continued to support families and communities to provide young children with the best start to learning. A new centre was announced for Arbor Grove Primary School in Ellenbrook, with work to start in 2018–19.

In 2017, 4234 parents attended the Positive Parenting Program, with 313 sessions offered through schools and 133 through Child and Parent Centres. The program provided general parenting strategies as well as tailored support for targeted groups such as parents of children with disability, and prioritised parents of children in the early years of schooling and transitioning into secondary schooling. Tonia Fahey, one of our school psychologists, received the Positive Parenting Program Practice Excellence Award at the Helping Families Change Conference in California for her work delivering the program through Child and Parent Centres to families across WA.

Playgroup WA (in partnership with the Departments of Education and Communities, Australian Government, Catholic Education Western Australia, and Association of Independent Schools of Western Australia) supported stronger links between schools and community-led playgroups to enhance families' and children's transition to Kindergarten. The project supported 135 community-led playgroups with links to public schools. These playgroups provided opportunities for wrap-around services, engagement with the community, and optimisation of children's transition to school.

Five metropolitan Language Development Centres provided intensive early intervention programs for 1350 students in 2018. The centres also deployed trained speech pathologists to build the capacity of mainstream school teachers across the state to address the needs of students with speech and language difficulties. This mainstream support was supplemented in 2017 and 2018 through the Australian Government-funded Aboriginal Early Childhood Language Support Program.

We started preparations to implement the State Government’s EduCare commitment. It aims to support parents to balance work and family responsibilities by providing: a site for a long day care centre in the planning for new primary schools; opportunities for outside of school hours care services at new primary schools; and opportunities for more childcare, holiday and before and after school care and facilities at existing primary schools. We sought an amendment to the planning provisions to provide additional land for new primary school sites to accommodate childcare facilities, and conducted a survey about third parties’ current use of school facilities.

High quality teaching

A renewed and relentless focus on the best possible teaching practices.

Teacher performance and support

In 2017–18, more than 4700 teachers completed components of the Graduate Teacher Professional Learning Program, and a further 582 accessed individual support and mentoring through the In-Class Coaching component. The support was aligned to the Australian Professional Standards for Teachers.

In 2017–18, 82 teachers became Level 3 Classroom Teachers. Four hundred and twenty (420) teachers took part in information sessions about becoming a Level 3 Classroom Teacher, 309 attended professional learning on developing their portfolios, and 72 attended professional learning about the reflective practice component.

In the same year, 584 teachers became Senior Teachers and 841 teachers interested in becoming Senior Teachers attended information sessions (face-to-face or through video conferencing) or completed the online information program. In addition, aspirant classroom leaders were offered professional learning opportunities.

Forty-one (41) Teach For Australia associates commenced teaching in six country and 17 metropolitan secondary schools in 2018, complementing the 28 associates in 14 schools in their second year of teaching. Associates were high calibre graduates willing to work in relatively disadvantaged schools for two years while also completing a Master of Teaching.

In 2017, 69 Teacher Development Schools supported teachers to implement the WA Curriculum through professional learning events with 7209 attendances. They also provided tailored learning, with 5564 attendances in response to 779 requests for support. Based on over 1500 responses to a survey on the initiative, 88% reported increased confidence to implement the curriculum and 66% reported changed practices as a result of the professional learning.

In 2018, 44 Teacher Development Schools, including seven digital technologies schools and nine schools supporting primary languages, supported implementation of phase three of the WA Curriculum.

In 2017–18, 8755 active Connect Communities provided forums for principals and teachers to share practices, ideas and resources.

Access to high quality online data services – including the Student Achievement Information System and Online Student Information, and professional learning in the use of these services – assisted teachers to develop analytical and evaluative practices.

In 2017, 459 schools used our Kindergarten reporting template (introduced in Semester 1, 2017) to inform parents of their children's development across the five outcomes of the Australian Government's Early Years Learning Framework.

Teaching quality and practice

Twenty (20) schools were selected to participate in an extension of the Innovation Partnerships initiative to strengthen outcomes for Aboriginal students; improve secondary engagement and retention of students; develop innovative science, technology, engineering and mathematics (STEM) practices; and engage students in digital technologies. The initiative supported the growing international trend for school staff to work together and alongside community experts to develop and test new practices.

The Leap program (previously Switch) provided training in identified areas of need with a focus on secondary STEM and primary languages. Since the program commenced as Switch in 2013, 1207 teachers have undertaken training, including 869 in STEM.

In 2017–18, teaching and learning consultants from Statewide Services provided professional learning to 2284 staff to support the WA Curriculum.

Literacy, numeracy and English as an additional language or dialect staff offered 150 professional learning sessions to almost 3000 participants.

In partnership with the University of Sydney, we prepared 105 teachers (Years 3 to 10) to deliver Teachers Can Code professional learning.

We supported implementation of the languages policy and Western Australian Curriculum: Languages with 11 Language Teacher Development Schools providing tailored professional learning for language teachers. KETAWA, our online Indonesian language program designed by Education Services Australia, was made available for Year 3 students with 112 schools registering interest in 2018. In addition, our Lead Language Schools initiative grew from five schools in 2017 to eight in 2018. These schools provided face-to-face delivery, an online primary languages program and shared teacher expertise.

In 2018, 32 Aboriginal staff attended the Aboriginal Languages Teacher Training course to meet the continued demand for Aboriginal languages teachers.

Work began to establish the Western Australian Centre for Excellence in the Explicit Teaching of Literacy. Through a partnership between the Department, a university and five exemplary public primary schools, the Centre will support explicit teaching practices through professional learning, resource development, internships, and summer schools for teachers and principals. The university will be selected through a public tender process early in the next financial year, and the five primary schools will then be invited to join the partnership.

In 2017–18, the Expert Review Group conducted six reviews of schools where performance was of concern and four enquiries to examine specific performance concerns. Follow-up support was provided to school leaders to implement the identified improvement strategies.

Two performance studies examined exemplary practice with findings available to all school leaders.

We worked on the introduction of a new three-year cyclic review of all our schools to be implemented in 2018–19.

Each year, all schools with students from Kindergarten to Year 2 must complete an internal audit against the National Quality Standard. To support consistent interpretation of the Standard, schools may seek verification of their school's internal audit. In 2017, we verified the audits of 111 schools.

Teaching students with complex learning needs

In 2017, the four Schools of Special Educational Needs (Behaviour and Engagement, Disability, Medical and Mental Health, and Sensory) delivered 2026 professional learning workshops attended by 15 186 staff to strengthen their capacity to support students with a range of complex learning needs.

The School of Special Educational Needs: Sensory finished distributing 164 Soundfield Systems to regional and remote schools in the Pilbara, Goldfields and Midwest to amplify teachers' voices to improve classroom listening environments. Schools with an Aboriginal student population greater than 60% could request systems due to the prevalence of middle ear infections and conductive hearing loss among Aboriginal students.

Through workshops, seminars and online information we continued to support school staff to make informed judgements about which students met the broad definition of disability under the *Disability Discrimination Act 1992* when completing the Nationally Consistent Collection of Data on School Students with Disability.

For more information see [Services for students with disability](#).

Student wellbeing and support

An average 331.2 full-time equivalent (FTE) school psychologists in 2017 (316.8 FTE in 2016) supported school staff with student behaviour, learning, mental health and wellbeing.

All school psychologists were mental health professionals who supported schools with consultation, assessment, intervention and management of students, with suicide prevention a priority.

We implemented the updated School Response and Planning Guidelines for Students with Suicidal Behaviour and Non-Suicidal Self-Injury in collaboration with the Mental Health Commission, Youth Focus, Child and Adolescent Mental Health Service and non-government schools.

Coordinated by a dedicated school psychologist, in 2017 we provided Gatekeeper Suicide Prevention training to 596 school staff from all sectors. Also in 2017, the teen Mental Health First Aid program was delivered to approximately 3000 secondary students from the three education sectors to enable students to provide mental health first aid to their friends.

Through 24 school psychologists who are accredited instructors, we provided Youth Mental Health First Aid training to more than 561 school staff and other community members who work with young people, to assist adolescents developing mental health problems or in mental health crisis.

Three hundred (300) schools were provided with an additional 0.1 FTE Level 3 Classroom Teacher salary to oversee the delivery of mental health programs for students.

As part of our pastoral care for students in 2017, 637 schools (644 in 2016) accessed chaplaincy services through in-school chaplaincy programs, school chaplaincy support and pastoral critical incident response services. In the 2017–2018 funding round, 501 schools received State and/or national funding towards their In School Chaplaincy programs in 2017, and 500 schools in 2018.

By the end of 2017, 202 schools had implemented Promoting Alternative Thinking Strategies (PATHS™) to enhance social and emotional competencies and understanding in students. Thirty-seven (37) schools implemented the Friendly Schools Plus program promoting bullying prevention and social emotional learning.

Effective leadership

Strong and empowering leadership in every public school and across the whole system.

High quality teaching and performance management

In 2017–18, 446 school leaders attended our Leading School Improvement program. A further 38 school leaders who had completed the program attended the Leading School Improvement Master Class.

Our Instructional Leadership program supported 32 school leaders in 2017–18 to be directly involved in improving instruction in their schools to reduce variability in instructional quality across classrooms.

Performance management professional learning tailored to managers corporate services and principals was attended by 142 staff. We also provided four workshops and one presentation to managers corporate services to specifically support their performance management of school support staff.

The Introduction to Leadership Coaching course was attended by 47 staff who learned how to manage others through a coaching approach.

At the end of 2017, 74 early years leaders were trained to conduct verifications of internal National Quality Standard school audits. See also [Teaching quality and practice](#).

The Quality Teaching Support Team continued to assist school leaders to manage processes related to the unsatisfactory performance of teachers. During 2017–18, the team worked with 38 schools, supporting 84 school leaders. It also conducted 26 workshops and three presentations to help 514 school leaders lead effective performance management processes to support underperforming teachers.

Leadership programs and support

Two pieces of work that we commissioned to assist with developing a comprehensive school leadership strategy were completed in 2017–18. Dr Ben Jensen provided an [assessment and report](#) on the context, needs and possible directions for public school leadership in WA, and Professor Geoff Masters produced a [principal performance improvement tool](#). Their findings were incorporated into the strategy to develop high quality leadership which will be implemented next financial year.

We enhanced the School Workforce Profile Report to provide school leaders with more detailed information about their school's workforce, including providing comparative data for like schools, to support workforce planning and monitoring.

A third group of 20 principals was selected for the Principals' Fellowship Program in November 2017. The first group of principals completed the fellowship in August 2017 and formed a pool of experienced leaders to support their colleagues and lead system change initiatives.

High performing leaders were co-opted as reviewers in the work of the Expert Review Group. They will be a key element of the new three-year cyclic review process.

In 2017–18, three principals received attraction and retention incentive payments on top of their usual salaries to lead reform aimed at improving student outcomes in some of our most challenging schools.

Sixty-nine (69) teachers and classroom leaders aspiring to the role of principal completed Explore: A Career in School Leadership, an online course that supported them to reflect on their current practices in relation to the Australian Professional Standards for Principals.

The 60 managers corporate services we funded in 2016–17 to complete a Graduate Certificate of Education Business Leadership from Deakin University graduated in March 2018. We funded a further 40 managers corporate services and school leaders to begin the certificate in May 2018.

Staff and student wellbeing

We used the internationally recognised [Potential Project](#) to deliver the Mindful Leaders Program to 90 school leaders. They explored mindfulness and mental effectiveness techniques to better focus their attention, time and effort.

The Verbal Judo course was attended by 264 staff who learned skills to influence and motivate people, and resolve conflict.

To support schools to implement protective behaviours education, we provided online professional learning in child protection and abuse prevention, teaching and learning resources aligned to the WA Curriculum, and professional face-to-face learning for staff and parents.

In response to recommendations from a parliamentary inquiry into the functions of the Commissioner for Children and Young People WA, we began surveying schools on protective behaviours education for students. For the 2017 school year, 99% of the 713 schools that completed the survey indicated they were implementing protective behaviours education for students. Schools that indicated no or partial implementation were supported to identify barriers and enact protective behaviours education.

With the *Children and Community Services Act 2004* amended on 1 January 2016 to include boarding supervisors as mandatory reporters of child sexual abuse, we provided professional learning for staff in eight residential colleges during the first half of 2017, with the final college receiving the training in January 2018.

At June 2018, 2648 (95%) of the 2774 children in the care of the Chief Executive Officer of the Department of Communities and enrolled in our schools had documented plans.

Four hundred and thirty-nine (439) students undertook the NAPLAN reading tests while in care in both 2015 and 2017; and 430 in numeracy. Between 2015 and 2017 the percentages of these children who were at or above the national minimum standard improved in numeracy for all three cohorts (Year 3 to Year 5, Year 5 to Year 7 and Year 7 to Year 9) and in reading for one of the three cohorts (Year 3 to Year 5). See [Table A20](#).

Improving education outcomes of children in care continued to be affected by external factors and circumstances beyond the influence of schools.

In October 2017, formal protocols were set for agencies to share vital information about school-aged sex offenders. Agreed safety planning protocols were introduced for young offenders, requiring the WA Police Force, Department of Communities and Department of Justice to work with us to protect all students.

In 2018, 44 workshops were conducted to support implementation of the Keeping Our Workplace Safe initiative in schools. Workshops were delivered in partnership with the State School Teachers' Union of WA and WA Police Force. In total, 1915 staff from 789 schools/sites attended the workshops so they could lead implementation in their own schools.

Approximately 1500 school staff completed training in violence de-escalation and restraint.

During 2017, 692 staff in senior leadership positions completed Building Resilience and Preventing Radicalisation to Violent Extremism training to address concerns of violent extremism and its effects on young people.

[Aboriginal Cultural Standards Framework](#)

In 2017–18, we provided professional learning and tailored support to assist staff to implement the Aboriginal Cultural Standards Framework, undertake self-assessment against the framework and embed the framework in their school improvement planning.

Professor Colleen Hayward AM and Mr Ian Trust, our Elders in Residence, provided advice on matters relating to the learning and wellbeing of Aboriginal children and young people.

Strong governance and support

A capable and responsive organisation for now and into the future.

Expectations of principals

Expectations of principals continued to be specified in Delivery and Performance Agreements for Independent Public Schools. Two hundred and fifty-eight (258) schools were provided with new agreements, including nine schools that commenced in 2018 and 249 schools where previous agreements had ended. Compliance was monitored internally as well as through triennial school reviews. See [Independent Public Schools](#) for information about these reviews.

We continued planning for the three year-cyclical review of all public schools, including Independent Public Schools, that will commence in the new financial year. All schools will use a web-based school assessment tool to inform an external validation of their performance.

The Funding Agreement for Schools, introduced in 2016, continued to articulate accountability mechanisms for principals in managing their school's budget to meet the learning and wellbeing needs of students. Principals reported school activities in annual reports published on [Schools Online](#).

Independent Public Schools

In 2018, two thirds (531) of our schools were operating as Independent Public Schools. Forty-six (46) schools commenced the development program to be part of the selection process later in 2018 to become Independent Public Schools in 2019.

Reviews of 82 Independent Public Schools were completed during 2017–18, fewer than in the last two years ([Table 2](#)) due to a planned move to cyclic reviews for all public schools from 2018–19.

Reviewers analysed findings from school self-reviews and undertook a validation process taking into account published student performance data, and discussions with students, staff, parents and board members. The reviews aimed to provide assurance about the extent to which schools met the commitments of their Delivery and Performance Agreements and business plans. A report detailing strengths and areas for improvement was provided to each principal, board chair and the Director General. Reports were published on school websites.

Table 2: Number of Independent Public School reviews 2013–14 to 2017–18

2013–14	2014–15	2015–16	2016–17	2017–18
64	71	106	119	82

Source: *Planning, Regulation and Review*

Regional schooling and residential colleges

The *School Boarding Facilities Legislation Amendment and Repeal Act 2016* was enacted on 1 July 2017, placing residential colleges under the responsibility of the Department. This provided residential colleges with access to additional resources and expertise focused on the needs of students and schooling; access to established systems for dealing with child protection, complaints management and staff oversight; and clear accountability and reporting lines.

The Kimberley Schools Project commenced in 2018 with ten of WA's most remote schools (nine public and one non-government) participating. We supported these schools to intensify and accelerate children's learning through targeted teaching practices, with planning underway for a focus on community engagement, early childhood initiatives and attendance. Support included expert staff visiting the schools to provide one-on-one support and advice to principals and teachers, and specifically developed curriculum materials.

Ten regional senior high schools received funding for a full-time equivalent independent learning coordinator in each school to supervise and help senior secondary students studying through the School of Isolated and Distance Education.

To build the supply of high quality staff, we continued to promote careers in rural and remote public education. In 2017–18, 118 student teachers and school psychologists were approved to receive financial support under our Country Practicum Program (previously the Rural Teaching Practicum Program) to undertake their final practicums in schools in the Goldfields, Midwest, Kimberley, Pilbara and Wheatbelt. Of these, 99 were also professionally developed and supported through the Rural and Remote Training Schools project. This project was awarded the 2017 Australian Rural Education Award by the Society for the Provision of Education in Rural Australia for demonstrating excellence in professional learning practice in rural, regional, and remote settings.

Services for students with disability

At the end of 2017, we were supporting 10 491 students through the student-centred funding model's individual disability allocation to schools, up from 9853 students at the same point the previous year.

Western Australia joined the nationally delivered National Disability Insurance Scheme (NDIS), replacing the previous agreement for the State to administer the scheme. We supported the NDIS through selected schools continuing to trial aspects of the scheme to improve education planning for students with disability and support their transition to the workforce.

In 2017, the Early Intensive Intervention Program was delivered at 10 education support centres to 84 students with autism in Kindergarten and Pre-primary to equip them to transition to Year 1 at their local schools.

The Secondary Autism Extension Program was provided to 42 students through four secondary schools to support their social and emotional development and self-regulation.

Specialist learning programs to support the educational needs of students with autism opened in 2018 at Samson Primary School, Heathridge Primary School (which incorporated the Accelerated Learning Centre for Autism), Marangaroo Primary School and Cooina Primary School. Southern River College transitioned to the new model. This brought the number of schools to have established the program to six with a total of 16 to be opened by 2020 in primary and secondary schools.

Information and communication technologies (ICT)

Nearly all schools operate within our Standard Operating Environment (SOE) which offers a common yet flexible and secure network environment to deliver online learning and content for students. During the year, two more schools came on board and implementation has been scheduled for another school later in 2018. Four schools are yet to commit to adopting the SOE.

We improved the ratio of wireless access points on average from one for every 20 students in 2016–17 to one for every 17 students in 2017–18.

Throughout 2017–18 we improved regional broadband by implementing metropolitan equivalent fibre optic broadband services in 136 country schools. The 23 schools that did not have access to fibre optic broadband services were provided with additional broadband services via alternate means with continuing plans to add additional services.

Approximately 90% of schools now have SMS software to facilitate communication with school communities. In 2017–18, more than seven million messages were sent by schools and nearly one million messages were received from parents.

In 2017–18, an increasing number of schools used our integrated online environment, Connect. Over 126 000 teachers, students and parents used Connect during Semester 1, 2018 compared to 77 000 for the same period last year. More than 33 000 online classrooms provided students with learning opportunities.

During 2017–18, availability of Connect for parents increased by more than half with nearly 125 000 parents having secure Connect logins to school and classroom information relating to their children. In addition, 114 schools provided parents with access to electronic versions of their children's school reports at the end of Semester 1, 2018 (up from 75 schools at the end of 2017).

In 2017–18, approximately 150 000 requests for ICT technical support, advice and consultancy were made by Department staff. More than 75% were resolved at first contact with more than 80% of customers reporting a positive service experience.

School infrastructure

Expenditure in our asset investment program for 2017–18 was \$377.1 million compared with \$348.2 million last year across the amalgamated agencies, School Curriculum and Standards Authority, and Country High School Hostels Authority.

This included completing construction of stage one of Yanchep Secondary College, stage two permanent facilities at Honeywood Primary School, and new primary schools at Wellard and Rapids Landing in Margaret River which all opened for the 2018 school year.

Primary schools in Aspiri, Aveley North, Oakwood and Southern Grove opened with Kindergarten and Pre-primary students for the beginning of the 2018 school year. Construction commenced for permanent facilities at those schools to open at the start of 2019 extending the schools from Kindergarten to Year 6.

Stage one of Aveley Secondary College procured through the Public Private Partnership opened for the 2018 school year. Construction continued on the new secondary school in Lakelands (2019), planning continued for the new secondary school in Hammond Park (2020), and planning commenced for the second stage of HARRISDALE Senior High School, all delivered through the Public Private Partnership.

Planning was completed and forward works commenced for Inner City College (planning name) in Subiaco (2020).

Planning commenced for four new primary schools in Baldivis North, Banksia Grove East, Byford South East and Caversham South to open for 2020. Banksia Grove East will open for Kindergarten and Pre-primary students in 2019.

Construction commenced for secondary schools in Baldivis South (2019) and Butler North (2020).

Planning commenced for the redevelopment of Balcatta Senior High School, a new performing arts centre at Melville Senior High School, and additions at Canning Vale College and Southern River College.

Construction was completed at Fremantle College and the third stage of Byford Secondary College. Additions and refurbishments at Geraldton Senior College and additions at Churchlands Senior High School were completed.

Additions and refurbishments were completed at Warwick Senior High School for the relocation of Duncraig Secondary Education Support Centre (now named West Coast Secondary Education Support Centre) and refurbishments were also completed at Swan View Senior High School for an education support program.

Construction of an additional stage at Shenton College continued with work expected to be completed for early 2019.

Construction commenced on upgrades to John Willcock College, and refurbishments and additions at Carine Senior High School.

Construction was completed for the replacement Doubleview Primary School and relocation of the Japanese School in Perth to City Beach Primary School. Planning continued for the relocation of the International School of Western Australia to the old Doubleview Primary School.

Construction commenced for additions at City Beach Residential College.

To cater for increased inner city enrolments, projects at Highgate Primary School, Inglewood Primary School, Wembley Primary School and West Leederville Primary School were completed. Construction commenced for additional accommodation at Mount Hawthorn Primary School.

Early childhood facilities at Floreat Park Primary School, Palmyra Primary School and Subiaco Primary School were completed. Planning commenced for early childhood facilities at Attadale Primary School and Ballajura Primary School.

Planning for a new covered assembly area at Caversham Primary School and construction of a new library at North Morley Primary School commenced.

In 2017–18, 42 schools received funding from the \$1 million allocation for new playgrounds and shade sails as part of an ongoing program that began in 2012–13.

Funding was provided for administration upgrades at five primary schools, toilet upgrades at 29 primary and district high schools, and a covered assembly area at one school.

Construction commenced for stage one of the Investing in Science program, providing science facilities at 49 primary schools. Planning for stage two commenced.

Under Royalties for Regions:

- planning commenced for additions at Bunbury Senior High School and Collie Senior High School;
- redevelopment of Kalgoorlie-Boulder Community High School was completed;
- planning commenced for an early intervention centre at Glen Huon Primary School and classroom additions at South Bunbury Primary School;
- construction was completed for stage two of the redevelopment of Carnarvon Community College, and construction on stage three commenced; and
- construction commenced for stage two of Cape Naturaliste College and Margaret River Senior High School.

Detailed information is in [Major capital works](#).

In response to concerns about lead in drinking water, sampling and analysis of water was undertaken at newly constructed public schools. The results showed that the water at these schools is safe to drink.

At June 2018, 684 sites were protected by electronic security systems. The number of incidents reported is detailed in [Table 3](#).

Table 3: Security incidents reported 2016–17 and 2017–18

	2016–17		2017–18
	At 3 July 2017	Revised at 3 July 2018 ^(a)	At 3 July 2018 ^(a)
Break-ins	1 393	1 547	1 211
Wilful damage	4 496	5 336	4 138
Arson	5	5	2
Other ^(b)	101	106	80
Totals	5 995	6 994	5 431

Source: RiskCover and Department of Education's Infrastructure

(a) Incidents may be reported or processed through to Department after end of relevant financial year.

(b) Covers a range of security incidents from small fires and theft from perimeters of schools to bomb threats.

Collaboration to support school staff

We continued to maintain partnerships with other government agencies, including the Department of Communities and Department of Health, through established memoranda of understanding.

The National Partnership on Universal Access to Early Childhood Education continued to fund eight Education and Care Networks which supported shared professional learning opportunities for early childhood educators in schools and neighbouring long day care centres.

Our School of Special Educational Needs: Behaviour and Engagement continued work with the Department of Justice to support students moving between Youth Justice Services and schools. In 2017, 119 students were supported in their education transition from Banskia Hill Detention Centre to school. This included sharing information with the schools students enrolled in to provide continuity for their education and care needs.

The Dyslexia-SPELD Foundation of WA continued to support students with specific learning difficulties, including dyslexia and other literacy related learning difficulties.

The WA Foundation for Deaf Children provided family support services and resiliency programs for students with hearing loss.

Supportive and transparent governance

The four year reform of our finance and administration areas continued into its second year in 2017–18 with a new business model, transition to our new structure (called Education Business Services), and release of a new intranet. The business model drove continuous business improvement through process management of services to better support the needs of schools. Ikon (Information and knowledge online), our new customer-focused intranet, provided a single point of entry for staff. In 2018, Ikon went live with 170 business services prioritised by school staff.

To ensure a greater level of equity across all schools, an equity adjustment was applied through the student-centred funding model. This resulted in a reduced per student funding rate for each student above 1200 for large senior high schools and additional funding for small senior high schools with fewer than 900 students. This adjustment improved equity across our system and was consistent with the 2012 report by Professor Teese that highlighted advantages to large schools and disadvantages to smaller schools.

We provided 83 training sessions to 944 staff as part of a comprehensive program of professional learning on managing and monitoring school budgets. Programs included an introduction to student-centred funding, targeted support for individual schools, and forward planning to lead and maximise budgets.

We adapted the resources and training for Independent Public School boards for use by school councils, and developed additional support materials. This was part of a strategy to better equip council and board members to undertake their functions in school governance.

We supported school staff to maintain accountability and good governance through online services and applications, including Reporting Requirements of Schools, Online Incident Notification System, and School Survey that schools can use to develop and deliver their own surveys. The Year 12 student intentions and satisfaction survey continued to provide schools with valuable planning and evaluation information (see [Appendix 3](#)).

During the year, we provided to State Government a number of activities and programs to contribute to its budget repair measures, with a focus on reducing duplication and providing services more efficiently. Some of the activities and programs set to be reduced or closed from 2019 were later reversed by the Government. Others progressed, including a number of grants to organisations and government agencies to be reduced or cease. A process to find alternative providers for camp schools and Landsdale Farm School was undertaken, with decisions to be made in the new financial year.

In response to a State Government election commitment, we implemented the direct-to-market program allowing schools to directly source contractors for maintenance and minor capital works. Through training and an online hub with forms, templates, instructions and guidelines, schools were supported to procure lower risk school-funded projects. This gave them increased flexibility and the ability to use local contractors.

As part of the State Government Local Projects: Local Jobs program, we administered 163 individual grants across 152 projects in metropolitan public and non-government schools for upgrades to facilities, and specific projects. Public schools received \$6.1 million in 2017–18, in addition to the \$0.5 million provided to public and non-government schools in 2016–17.

Through the relevant development commissions, the Department of Primary Industries and Regional Development administered Local Projects: Local Jobs grants to regional schools with 79 individual grants totalling \$1.2 million.

During the year, we continued to manage policy developments across 31 national key decision making forums including the Council of Australian Governments (COAG) and Ministerial Councils.

Four COAG-related national education agreements and initiatives were negotiated and coordinated with the Australian Government. We also achieved the relevant milestones and associated payments for all Australian Government agreements.

We updated our work plan around vocational education and training in schools based on the 2017 Education and Health Standing Committee's Inquiry. A number of initiatives began including projects to improve and support placement allocation and contracting agreements, and a feasibility study into the Department becoming a registered training organisation.

To attract staff – particularly to regional, rural and remote public schools – we continued to arrange and subsidise housing. In 2017–18, more than \$61 million was paid in rent for 2154 properties occupied by our staff and owned or leased by Government Regional Officers' Housing. Of this, we subsidised 70%.

We maintained transparent accountability by ensuring responses to Ministerial correspondence, briefing requests, Parliamentary questions and Cabinet requests were accurate and provided in a timely manner (see [Table 4](#)). We identified issues and trends from correspondence, and regularly updated contentious issues.

Table 4: Ministerial requests processed 2015–16 to 2017–18

Type	2015–16	2016–17 ^(a)	2017–18
Letters	979	1 094	1 701
Briefing notes/advice	1 332	1 220 ^(b)	1 476 ^(c)
Answers to Parliamentary questions	415	186	262
Cabinet comments	39	23	29
Contentious issues reports	10	12	11 ^(d)
Totals	2 775	2 535	3 479
Percentages processed on time	94	95	93

Source: Executive and Communications Services

(a) Caretaker period and subsequent time for new Cabinet to be sworn in affected number of requests.

(b) As budget was not handed down until 7 September 2017, briefings relating to Parliamentary Estimates Hearings were not prepared in 2016–17. As a result of 2017 State Election, briefings for incoming Government were included.

(c) As budget was not handed down until 7 September 2017, Parliamentary Estimates Hearings for both 2016–17 and 2017–18 were held in 2017–18, affecting number of briefings prepared.

(d) On average, each report contained 33 briefings.

PERFORMANCE IN NON-GOVERNMENT EDUCATION AND OTHER RESPONSIBILITIES

With the Machinery of Government changes effective this financial year, the Department took on a role of influencing the education of all students in Western Australia. We enacted this indirectly for non-government school education through regulation and funding of Catholic and Independent schools. We also worked with a number of entities including the School Curriculum and Standards Authority, Training Accreditation Council and Teacher Registration Board of Western Australia, to ensure they were provided with secretariat services to support their functions.

Non-government school regulation and funding

Approximately one-third of Western Australian students (147 813) were enrolled in 307 non-government schools in 2018. See [Appendix 1](#) for further enrolment information.

Many non-government schools had religious affiliations, with more than half being Catholic schools ([Table A12](#)). Approximately one-third of all non-government schools were located in regional WA, including remote Aboriginal communities. There were 18 remote sole provider schools, with no other education providers in these communities.

The non-government school sector also included a special cohort of Curriculum and Re-engagement in Education (CARE) schools for secondary students.

Non-government school regulation

The *School Education Act 1999*, standards determined by the Minister for Education and Training, and policies adopted by the Director General provided the regulatory framework for the quality assurance and registration of non-government schools. The 2016–17 standards were revised during the year with new [standards](#) to come into effect on 1 July 2018.

During the year, the Director General approved two new non-government schools, 30 registration renewals, six additional sites/campuses, 11 extensions of year levels for existing schools, and eight other registration changes.

Also during the year, secretariat support was provided to the Minister's Non-Government Schools Planning Advisory Panel. The Panel provided advice to the Minister on 24 planning proposals seeking advance determination to establish a non-government school or to make a significant registration change.

Non-government school funding

The main sources of funding for non-government schools were State Government grants, Australian Government grants, and tuition fees paid by parents.

The Non-Government Schools Funding Order and Guidelines were issued by the Minister during the year and set out funding amounts, and accountability and eligibility requirements.

Funding was provided on a per student basis based on a policy commitment over successive governments for students in non-government schools to receive a rate of funding equivalent to, on average, 25% of the costs of educating typical students in public schools.

During the year, we provided more than \$430 million in recurrent financial assistance for 147 813 students in non-government schools (\$424 million in 2016–17) including \$29.4 million to support students with special education needs.

We provided \$4.6 million to Catholic Education Western Australia (CEWA) and the Association of Independent Schools of Western Australia (AISWA) to administer the State Government’s Non-Government School Psychology Service.

We also provided \$1.27 million to CEWA and AISWA to support the re-engagement of students at educational risk, and \$181 000 to the Australian Music Examinations Board (WA).

Through the Low Interest Loan Scheme, there were 397 active loans for non-government schools and The University of Notre Dame Australia with an outstanding balance of \$334.4 million ([Table 5](#)). Of the \$52.7 million advanced during the year, \$47.7 million was for new works and \$5.0 million was for works in progress ([Table 6](#)). In 2017–18, we received recurrent appropriation of \$1.6 million (\$1.29 million in 2016–17) to meet the annual costs of the interest subsidy.

Table 5: Low interest loans summary 2015–16 to 2017–18

	2015–16	2016–17	2017–18
Balance outstanding	\$294.4m	\$314.1m	\$334.4m
Number of active low interest loans	444	429	397

Source: Education Business Services

Table 6: Low interest loans nature of works summary 2015–16 to 2017–18

	2015–16	2016–17	2017–18
New works	\$47.1m	\$44.5m	\$47.7m
Works in progress	\$8.6m	\$4.6m	\$5.0m

Source: Education Business Services

There is [further information](#) on our website about funding of non-government schools in 2017–18 including financial assistance to individual schools and a list of schools that received loans.

School curriculum and standards

As an independent statutory body with its functions prescribed in the *School Curriculum and Standards Authority Act 1997*, the School Curriculum and Standards Authority tabled its own [annual report](#) in Parliament.

Key performance indicators and budget matters related to the Authority are included in [our report](#).

We provided the Authority with secretariat services through a School Curriculum and Standards division that was set up on 1 July 2017. The services enabled the Authority to fulfil its statutory functions under the Act including:

- developing and maintaining the Kindergarten to Year 12 curriculum and syllabuses;
- assessments, examinations, reporting and certification;
- monitoring and reporting on standards of student achievement; and
- internationalisation of the Western Australian Curriculum and Assessment Outline and the Western Australian Certificate of Education (WACE).

We maintained internal processes and systems that ensured the Authority received independent advice and support from our staff, and that the data it collected and managed were protected.

Teacher registration

As an independent statutory body with its functions prescribed in the *Teacher Registration Act 2012*, the Teacher Registration Board of Western Australia produced its own [annual report](#) which is included in this report.

Key performance indicators and budget matters related to the Board are included in [our report](#).

We provided the Board with secretariat services through a Teacher Registration directorate that was set up on 1 July 2017. The secretariat supported the Board to deliver its functions including: managing application processes for the registration of teachers and the accreditation of initial teacher education programs for its consideration; assisting in the administration of the Board's disciplinary function under the Act; and supporting the work of the Board on policy matters.

We maintained internal processes and systems that ensured the Board received independent advice and support from our staff; the data it collected and managed were protected; and investigations remained confidential.

At the request of the Minister for Education and Training, a mandated statutory review of the Act was led by staff from the Department, assisted by a stakeholder reference group. The review received 24 submissions. A final report was submitted to the Minister.

Training regulation

As an independent statutory body with its functions prescribed in Part 4 and 7A of the *Vocational Education and Training Act 1996*, the Training Accreditation Council tabled its own [annual report](#) in Parliament.

Key performance indicators and budget matters related to the Council are included in [our report](#).

We provided the Council with secretariat services through a Training Regulation directorate that was set up on 1 July 2017. Services supported the Council to deliver its functions including registering training providers, approving vocational education and training accredited courses and investigating complaints against Council registered training providers.

We maintained internal processes and systems that ensured the Council received independent advice and support from our staff; the data it collected and managed were protected; and investigations remained confidential.

Higher education

We provided secretariat services to the Western Australian Higher Education Council. Chaired by our Minister and comprising the vice chancellors of WA's five universities, it met three times during the year and provided for collaboration between the universities and the Government on matters of mutual interest.

Priority projects included increasing higher education opportunities and encouraging university aspirations in students in regional WA; working across universities in medical education and research; developing innovation hubs; and marketing Perth internationally as an education destination.

Rural and remote education

We provided secretariat services to the Rural and Remote Education Advisory Council chaired by Matthew Hughes MLA and including representatives of community, consumer, and funding provider groups. It met on four occasions during the year and provided the Minister with strategic advice to improve education outcomes of students in rural and remote schools and promote cooperation between funding providers.

The Council began developing a strategic direction to be presented to the Minister next year.

DISCLOSURES AND LEGAL COMPLIANCE

General disclosures

Ministerial directives

No directives were issued by the Minister in 2017–18 relevant to the setting of desired outcomes or operational objectives, achievement of desired outcomes or operational objectives, investment activities and financing activities.

Unauthorised use of credit cards

During 2017–18, 397 unauthorised uses of corporate credit cards were reported with one referred for investigation. Thirty (30) of these were reported by staff in central and regional offices and 367 by staff in schools. Generally, unauthorised transactions were as a result of cards being used in error. If repayment was not received within two working days, strategies were employed to recover the amount owing including reminder notices and cancellation of cards.

The number of instances reported in 2017–18 increased by approximately 8% (29 instances) in comparison to the 2016–17 results (368 instances). Further information is in [Table 7](#).

Table 7: Unauthorised use of credit cards 2017–18

Category	\$
Aggregate amount of personal use expenditure for the reporting period	\$27 261.01
Aggregate amount of personal use expenditure settled by the due date (within five working days)	\$21 411.90
Aggregate amount of personal use expenditure settled after the period (after five working days)	\$5 079.31
Aggregate amount of personal use expenditure outstanding at balance date ^(a)	\$769.61

Source: Education Business Service

(a) Outstanding amount for 2017–18 raised debtor invoices was \$769.80 (still outstanding). This comprised aggregate amount of \$769.61 plus rounding \$0.19.

Expenditure on advertising and market research

In 2017–18, we incurred expenditure centrally of \$0.64 million with media advertising organisations, advertising agencies and market research organisations (see [Table 8](#)). There was no expenditure with polling and direct mail organisations.

Table 8: Central expenditure on advertising and market research 2017–18

Category	Provider	\$
Media advertising organisations	AdCorp Australia Carat Australia Media	137 028
Advertising agencies ^(a)	Ad Capital Rare creativethinking 303 Mullen Lowe Australia	388 133
Market research organisations	Advantage Communication and Marketing Painted Dog Research Perth Market Research Research Solutions	117 950

Source: Executive and Communications Services, Education Business Services

(a) Provided full range of creative services.

Disability access and inclusion plan outcomes

Our new [Disability Access and Inclusion Plan 2018–2023](#) was published in June 2018. It was developed in consultation with community members, staff and disability service organisations; and included key achievements from the 2012 to 2017 plan.

As with the previous plan, it covered outcomes required under the *Disability Services Regulations 2004* and an additional outcome related to improving learning outcomes for students with disability; and identified strategies to enhance equitable inclusion of people with disability in our services, schools and employment.

We continued to provide professional learning, support and resources to build staff capacity to deliver high quality education and incorporate equal opportunity in recruitment and employment practices.

Recordkeeping plans

We continued to progress our compliance with the *State Records Act 2000* through our recordkeeping plan which detailed our recordkeeping program and systems, disposal arrangements, policies, practices and projects. The State Records Commission approved our reviewed recordkeeping plan on 24 October 2017.

We introduced new online recordkeeping awareness training using game-like technology to engage staff and provide better learning outcomes. We also made it mandatory for all staff to complete a recordkeeping awareness refresher every two years. In 2017–18, 5168 staff (including 4865 school staff) completed recordkeeping awareness training or the mandatory refresher.

We piloted the Student File Collection Program in nine schools to collect hardcopy inactive student files to relieve storage pressures in schools, reduce the risk of loss or damage to records, and have current and inactive student files accessible and more complete.

We held 56 records management workshops for school administrators and teachers, and resolved 4762 requests for assistance. We made 251 visits (including follow-up visits) to 116 schools to advise and support staff on information management including how to improve recordkeeping practices to ensure legislative compliance.

Since the introduction of the school archives collection program in 2011, we have invited 465 schools to take part with 390 schools completing the transfer of their archival records to central office.

During the year, we upgraded our recordkeeping system to HPE Records Manager v9.2 and introduced TRIM WebClient to allow secure access to corporate records from anywhere, through any device and at any time.

We trained 250 new TRIM users and seven staff participated in advanced TRIM training.

Pricing policies

The Department charges for goods and services rendered on a full or partial cost recovery basis. These fees were determined in accordance with [Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector](#).

The *School Education Act 1999* and *School Education Regulations 2000* govern the setting of fees, charges and contributions for students in public schools. The amounts that may be requested of parents were limited to \$60 a year for primary and community kindergarten students and \$235 a year for secondary students up to and including Year 10 for non-optional components of education programs. The amount of contributions and charges for each school was determined by the principal, approved by the school council/board and communicated to parents at least two months before the school year began. In accordance with regulation 149 of the *School Education Regulations 2000*, we completed a review of the limits applied to contributions and charges, which resulted in no change to the maximum limits.

The following were compulsory:

- course charges in Years 11 and 12 – the Education Program Allowance through the Secondary Assistance Scheme provided \$235 towards these costs for eligible parents
- extra cost optional components across all learning programs (for example, outdoor education programs, specialised design and technology courses, camps, excursions, visiting performances, graduation dinners and balls)
- fees for overseas students as defined in the Act and Regulations
- fees for adult students over the age of 19 years and six months by 1 January of the year in which they were enrolled
- residential accommodation fees on school premises.

The *Education Service Providers (Full Fee Overseas Students) Registration Regulations 1992* prescribed fees for registration and re-registration of international education service providers in WA.

Under the *Vocational Education and Training (General) Regulations 2009*, the Training Accreditation Council set fees for registration of training providers and regulation 28 outlined fees for course accreditation.

Fees and charges associated with teacher registration were governed by the *Teacher Registration (General) Regulations 2012*, with [new fees and charges](#) implemented on 1 July 2017.

The School Curriculum and Standards Authority charged for its regulatory functions relevant to certification, assessment and examinations as prescribed by the *School Curriculum and Standards Authority Regulations 2005*.

Fees for residential colleges were prescribed in regulation 14 (7) of the *School Education (Student Residential Colleges) Regulations 2017*.

Substantive equality

We continue to apply the [Substantive Equality guidelines](#) and [Equality and Inclusion guidelines](#) in the development of new and revised policies to consider the diverse needs of staff, students and their families.

To support inclusive learning and work environments that are free of discrimination and harassment, the [Equal Opportunity, Discrimination and Harassment policy](#) was revised and published in 2018 with additional support resources.

Board and committee remuneration

Members of boards and committees, as defined in Premier's Circular 2017/08 – State Government Boards and Committees, were remunerated as determined by the Minister for Education and Training, on the recommendation of the Public Sector Commissioner. Details of these remunerations are in [Tables 9 to 14](#).

Table 9: Training Accreditation Council remuneration 2017–18

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Mr Ian Hill	Annual	12 months	\$36 155
Member	Miss Janelle Dawson	Annual	12 months	\$18 458
Member	Mr Neil Fernandes	Annual	12 months	\$18 458
Member	Ms Debra Goostrey	Annual	12 months	\$18 458
Member	Mr Ron Dullard	Annual	12 months	\$18 458
Member	Ms Siobhán Mulvey	Annual	12 months	\$17 803 ^(a)
Member	Ms Louise Hillman	Annual	8 months	\$11 075
Member	Dr Irene Ioannakis	Annual	2.3 months	\$4 184
			Total	\$143 049

Source: *Training Regulation*

(a) Only eligible for sitting fees from 1 July 2017 to 20 May 2018.

Table 10: Teacher Registration Board of Western Australia remuneration 2017–18

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Ms Margaret Collins	Annual	4 months	\$11 716.50
Deputy Chair	Mr Ron Dullard	Meeting	12 months	\$4 545.00
Member	Mr Peter Collins	Meeting	12 months	\$5 050.00
Member	Mr Jeremy Bruse	–	12 months	–
Member	Ms Julie Woodhouse	–	4 months	–
Member	Ms Kate Offer	Meeting	4 months	\$2 020.00
Previous Chair	Mrs Audrey Jackson	Annual	8 months	\$17 574.75
Member	Mr Ian Curlewis	Meeting	8 months	\$2 525.00
Member	Ms Jenny Dougan	Meeting	8 months	\$3 030.00
Member	Mr Greg Robson	–	8 months	–
			Total	\$46 461.25

Source: Teacher Registration

Table 11: Non-Government Schools Planning Advisory Panel remuneration 2017–18

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Ms Audrey Jackson	Half/full day	12 months	\$2 300
Member	Mr Llewellyn Woodford	Half/full day	12 months	\$1 130
Member	Mr Simon Rebeiro	–	12 months	–
Member	Mr Simon Luscombe	–	12 months	–
Member	Mr Simon Clarke	–	12 months	–
Member	Ms Joanne Taggart	Half/full day	10 months	\$250 ^(a)
Member	Mr Gavin Agacy	–	1.5 months	–
			Total	\$3 680

Source: Planning, Regulation and Review

(a) Only eligible for sitting fees from 31 March to 14 May 2018.

Table 12: School Curriculum and Standards Authority Board remuneration 2017–18

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Emeritus Professor Patrick Garnett	Annual	12 months	\$37 380
Member	Chapple Professor David Andrich	Annual	12 months	\$23 474
Member	Dr Lennie Barblett	Annual	12 months	\$23 474
Member	Ms Margaret Herley	Annual	12 months	\$23 474
Member	Dr Bruce Matthews	Annual	12 months	\$23 474
Member	Mr Neil Fernandes	Annual	11 months	\$21 759
Member	Dr Lynette Henderson-Yates	Annual	12 months	\$23 474
			Total	\$176 509

Source: School Curriculum and Standards

Table 13: School Curriculum and Standards Authority – Curriculum and Assessment Committee remuneration 2017–18

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Ms Margaret Herley	Meeting	12 months	\$3 300
Member	Associate Professor Caroline Barratt-Pugh	Meeting	12 months	\$1 480
Member	Ms Elizabeth Blackwell	–	12 months	–
Member	Ms Gabrielle Doyle	–	12 months	–
Member	Mr Ian Elder	Meeting	6 months	\$1 110
Member	Ms Fiona Forbes	–	12 months	–
Member	Ms Janette Gee	–	10 months	–
Member	Mr Lindsay Hale	–	12 months	–
Member	Mr Tony Misich	Meeting	12 months	\$1 850
Member	Ms Claire Sly	Meeting	9 months	\$1 480
Member	Ms Melanie Sorensen	–	7 months	–
Member	Ms Katherine Ward	–	12 months	–
Member	Mr Roderick (Rod) Wood	Meeting	12 months	\$1 850
			Total	\$11 070

Source: School Curriculum and Standards

Table 14: School Curriculum and Standards Authority – Standards Committee remuneration 2017–18

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Dr Bruce Matthews	Meeting	12 months	\$2 200
Member	Mr Chris Booth	–	12 months	–
Member	Ms Keryl Caird	–	7 months	–
Member	Associate Professor Stephen Humphry	Meeting	12 months	\$1 100
Member	Mr Blair Marsh	–	7 months	–
			Total	\$3 300

Source: School Curriculum and Standards

Compliance with public sector standards and ethical codes

Our commitment to upholding expected standards of professional conduct, ethical behaviour and integrity continued through ensuring policies and procedures complied with [Public Sector Standards and the Code of Ethics](#).

We provided selection panel training in all education regions to ensure line managers fully understood their roles and responsibilities and to ensure compliance with the [Employment Standard](#).

We managed Breach of Standard claims as required by the *Public Sector Management (Breaches of Public Sector Standards) Regulations 2005* (see [Table 15](#)). No breaches were found against us.

We maintained and monitored staff records in compliance with the *Working with Children (Criminal Record Checking) Act 2004*. We also provided advice and support in relation to the legislation and continued to enhance automated alerts and reporting functions of our Working with Children recording system. We issued \$1 228 538 in reimbursements (\$573 278 the previous year) to staff and volunteers required to renew Working with Children cards as part of their employment.

We managed misconduct matters relating to discipline provisions of the *Public Sector Management Act 1994* and principles of Common Law (see [Table 16](#)). Matters were either managed centrally, or referred for local management with central oversight if assessed as relatively minor in nature and suitable for local resolution and/or performance management. Serious misconduct matters were referred to the Corruption and Crime Commission; minor misconduct matters that met certain criteria were referred to the Public Sector Commission; and matters that involved alleged criminal conduct were referred to the WA Police Force.

Several allegations may arise from one misconduct matter. Allegation figures are detailed in [Table 17](#), and [Table 18](#) shows the most common types of allegations. Matters reported but assessed as not involving misconduct are in [Table 19](#).

The reduction in child protection-related allegations during the year was the result of allegations being more clearly defined in our new case management system, introduced on 3 July 2017. Previously, all ‘inappropriate behaviour’ and ‘inappropriate relationship’ allegations were classified as ‘child protection’; however, in the new system, new categories allowed for more specificity in classifying allegations (see [Table 17](#)).

Twenty (20) public interest disclosure officers were available to receive disclosures under the *Public Interest Disclosure Act 2003* (20 in 2016–17). Induction programs, and prevention and education training included information about the legislation. No disclosures were received during the year.

[Table 20](#) shows the number of suspensions and redirection orders issued against staff. The Director General has the authority to direct staff away from school premises when it is suspected that their continued presence constitutes a risk to the safety or welfare of students (section 240 of the *School Education Act 1999*). Where applicable, the Director General has the authority to suspend staff suspected of misconduct and initiate disciplinary proceedings (section 82 of the *Public Sector Management Act 1994*).

In 2017–18, 3584 staff completed the Accountable and Ethical Decision Making professional learning online and 3511 staff completed it through face-to-face presentations (total of 5523 staff in 2016–17). In addition, 115 current student and graduate teachers completed face-to-face professional learning in complaints management, use of social media and pre-service knowledge of expected standards of conduct.

In 2017–18, our screening unit processed 18 434 criminal history record checks (18 164 in 2016–17) of prospective staff, volunteers, contractors and students undertaking practicums in the education and training sectors. Seventeen (17) were refused clearance due to their criminal history being in breach of our Criminal Convictions Suitability Criteria (24 in 2016–17).

Table 15: Public Sector Standards claims by status of claim 2017–18

Standard	Employment	Grievance resolution	Performance management	Redeployment, termination and discipline	Totals
Resolved internally, relief provided	3	0	0	0	3
Claim withdrawn, no relief provided	14	1	0	0	15
Breach of Standard upheld	0	0	0	0	0
Claim received after expiry of prescribed timeframe	0	0	0	0	0
Dismissed following formal review	5	3	0	0	8
Ineligible breach claim	4	1	1	0	6
Claim lapsed by the Public Sector Commissioner	0	0	0	0	0
Under investigation	1	1	0	0	2
Totals	27	6	1	0	34

Source: Workforce Policy and Coordination

Table 16: Management of matters assessed as involving misconduct 2015–16 to 2017–18^(a)

	Received			Resolved		
	2015–16	2016–17	2017–18	2015–16	2016–17	2017–18
Central management	228	249	258	247	288	318
Local management with central oversight ^(b)	378	382	362	357	356	357
Totals	606	631	620	604	644	675

Source: Professional Standards and Conduct

(a) Number of matters received in one year may not be the same as number resolved that same year as resolution may occur in subsequent years.

(b) Matters assessed as relatively minor in nature and, as such, suitable for local resolution and/or performance management rather than formal disciplinary action.

Table 17: Misconduct allegations 2015–16 to 2017–18 ^{(a) (b) (c)}

	Received			Resolved		
	2015–16	2016–17	2017–18	2015–16	2016–17	2017–18
Central management	356	339	439	458	553	576
Child protection	236	259	216	293	402	358
Non-child protection	120	80	223	165	151	218
Local management with central oversight	402	393	374	382	372	368
Child protection ^(d)	280	300	184	272	287	201
Non-child protection	122	93	190	110	85	167
Totals	758	732	813	840	925	944

Source: Professional Standards and Conduct

(a) Number of allegations received may be greater than number of matters received in any year as there can be more than one allegation per matter received.

(b) Number of allegations received in one year may not be the same as number resolved that same year as resolution may occur in subsequent years.

(c) New case management system has categories that allow for better definition of child protection allegations, resulting in reduced number of allegations falling within child protection definition.

(d) Category may include behaviours such as tap on hand or tug on ponytail; manoeuvre into line by shirt/cardigan; showing video or DVD that is not age-appropriate; inappropriate social media comments or interaction; and low level inappropriate comments.

Table 18: Misconduct allegations received by most common category 2017–18 ^(a)

Category	2017–18
Central management	439
Personal behaviour – treatment of others	129
Physical contact – student	77
Personal behaviour – breach of professional boundaries	63
Fraudulent and corrupt behaviour	38
Other categories	132
Local management with central oversight	374
Physical contact – student	107
Personal behaviour – decision making	60
Personal behaviour – treatment of others	56
Breach criminal history screening policy	40
Other categories	111
Totals	813

Source: Professional Standards and Conduct

(a) First year reporting against new categories of allegations introduced in 2017–18 which do not match previous categories. Comparative data to previous years not available.

Table 19: Management of matters assessed as not involving misconduct 2015–16 to 2017–18 ^(a)

	Received			Resolved		
	2015–16	2016–17	2017–18	2015–16	2016–17	2017–18
Matters assessed as not involving misconduct	522	487	552	522	487	552

Source: Professional Standards and Conduct

(a) Includes matters involving service delivery concerns and other matters reported but assessed as not involving misconduct that are more appropriately resolved through other processes such as grievance resolution.

Table 20: Suspension or redirection orders issued against staff 2015–16 to 2017–18

	Redirected			Suspended without pay			Suspended with pay ^(a)		
	2015–16	2016–17	2017–18	2015–16	2016–17	2017–18	2015–16	2016–17	2017–18
Teaching staff	12	13	15	0	0	0	0	0	0
Non-teaching staff	5	9	10	0	0	0	0	0	0
Totals	17	22	25	0	0	0	0	0	0

Source: *Professional Standards and Conduct*

(a) Includes suspended with partial pay.

Occupational safety, health and injury management

In 2017–18, we continued our commitment to provide safe and healthy workplaces for all staff and others involved in the delivery of our services at all our workplaces. We sought to enlist the support and cooperation of all staff to minimise and control hazards as far as practicable.

Our occupational safety and health, and workers' compensation and injury management policies outlined roles and responsibilities of line managers, including the requirement to identify and manage hazards and risks in workplaces. Our documented Statement of Intent and Commitment to Occupational Safety and Health was required to be displayed in all our workplaces.

To ensure there were opportunities for formal consultation on occupational safety and health matters between management and staff, we encouraged worksites to elect safety and health representatives and establish safety and health committees.

We consulted with key stakeholders (including RiskCover, WorkSafe and the State School Teachers' Union of WA) and sought feedback from principals and line managers to develop and implement our safety and health initiatives.

Occupational safety and health

At 30 June 2018, more than 90% of principals had completed occupational safety and health training, which is mandatory for all newly appointed principals.

Through 46 presentations and information sessions, we promoted occupational safety and health awareness to school leaders, design and technology staff, managers corporate services and education assistants. Advice on injury prevention and risk management was provided through visits to 226 schools, including to remote community schools in the Ngaanyatjarra lands.

We implemented a new psychological risk assessment and investigation process to assist in the management of psychological injuries in the workplace.

Our hazardous substance management system, ChemAlert, was used by staff in secondary science areas, design and technology, cleaning, gardening and agricultural colleges to register hazardous substances, provide risk assessments and create safety data sheets. At 30 June 2018, there were 844 licences issued to schools to access the system.

Training in four-wheel driving and recovery was provided to 111 staff required to drive vehicles in remote locations.

During the year, 139 newly elected safety and health representatives undertook WorkSafe accredited training, and 49 safety and health representatives attended refresher courses. At 30 June 2018, there were 217 safety and health representatives as members of the Occupational Safety and Health Connect Community. We distributed 15 alerts, bulletins, factsheets and newsletters to schools with updates on current safety and health related resources and events.

PeopleSense (by Altius), our employee assistance program provider, offered confidential intervention counselling services to staff and immediate family members for work-related and personal matters that may impact work performance. During 2017–18, 2609 staff or members of their families accessed support services (2359 in 2016–17). The program also offered an advisory service for managers dealing with difficult and complex staff matters. In 2017–18, there were 91 contacts to the Manager Assistance Program.

In 2017–18, 53 schools were provided with mediation facilitation services (29 schools in 2016–17). Thirty-four (34) staff across two education regions were trained in mediation strategies.

Workers' compensation and injury management

Our Injury Management and Workers' Compensation policy outlined processes developed in accordance with the requirements of the *Workers' Compensation and Injury Management Act 1981*. This included the requirement for written return-to-work programs to be developed when injured staff returned to work with medical restrictions on their hours or duties.

All staff with workers' compensation claims who had at least three days off work were advised of support available to assist recovery and return to work.

In 2017–18, we had a lost time injury severity rate ([Table 21](#)) of 29.88.

During the year, we assisted 302 staff (320 in 2016–17) who experienced difficulties remaining at work or returning to work due to injury, illness and disease unrelated to work.

Occupational physicians from Ability OPN worked with our injury management consultants to provide line managers with clarification of medical conditions of referred staff and guidance on managing risks to prevent further exacerbation of their injuries or illnesses. They undertook 559 fitness for work assessments with 299 staff during 2017–18.

Workers' compensation claims data were used to develop injury prevention packages and risk assessment checklists for a systematic approach to managing occupational safety and health.

The number of workers' compensation claims lodged in 2017–18 was 1812 (1798 in 2016–17). There were 569 claims for being hit by a moving object (601 in 2016–17); 527 claims for slips, trips and falls (476 in 2016–17); 434 claims for body stressing injuries (442 in 2016–17); and 114 claims for mental stress (118 in 2016–17).

We continued to work with RiskCover to manage workers' compensation claims following the implementation of a service level agreement in 2016.

Table 21: Occupational safety and health performance indicators 2015–16, 2016–17 and 2017–18

Indicator	Former agencies	2015–16 ^(a)	2016–17 ^(a)	2017–18 ^(b)	Target ^(c)	2017–18 status
Number of fatalities	Department of Education	0	0	0	Zero (0)	Achieved
	Country High School Hostels Authority	0	0			
	School Curriculum and Standards Authority	0	0			
	Department of Education Services	0	0			
Lost time injury/disease incidence rate ^(d)	Department of Education	2.5	2.7	2.6	0 or 10% improvement on 2015–16	Varied results with former agencies
	Country High School Hostels Authority	3.6	3.35			
	School Curriculum and Standards Authority	0	0			
	Department of Education Services	0	1			
Lost time injury/disease severity rate ^(e)	Department of Education	23.77	27.49	29.88	0 or 10% improvement on 2015–16	Varied results with former agencies
	Country High School Hostels Authority	25	0			
	School Curriculum and Standards Authority	0	0			
	Department of Education Services	0	0			
% of injured workers returned to work: (i) within 13 weeks:	Department of Education	78%	77%	76%		
	Country High School Hostels Authority	100%	100%			
	School Curriculum and Standards Authority	–	–			
	Department of Education Services	–	100%			
% of injured workers returned to work: (ii) within 26 weeks	Department of Education	85%	86%	86%	Greater than or equal to 80%	Achieved
	Country High School Hostels Authority	100%	100%			
	School Curriculum and Standards Authority	–	–			
	Department of Education Services	–	100%			
% of managers and supervisors trained in occupational safety, health and injury management responsibilities	Department of Education	90%	90%	90%	Greater than or equal to 80%	Achieved
	Country High School Hostels Authority	100%	100%			
	School Curriculum and Standards Authority	87%	93%			
	Department of Education Services	81%	81%			

Source: RiskCover and Department of Education

(a) As published in former agencies' 2016–17 final/annual reports.

(b) Includes staff from former Department of Education, Department of Education Services, School Curriculum and Standards Authority, and Country High School Hostels Authority.

(c) As defined by Public Sector Commissioner's Circular 2012-05 Code of Practice: Occupational Safety and Health in the Western Australian Public Sector.

(d) Number of incidents resulting in lost time per 100 full-time equivalent staff.

(e) Percentage of incidents resulting in lost time classified as severe.

Staff

As a result of the Machinery of Government changes and residential colleges coming under our responsibility, staffing levels for 2017–18 included the former Department of Education, Department of Education Services, School Curriculum and Standards Authority, and Country High School Hostels Authority.

During 2017–18, an average of 38 836 full-time equivalent (FTE) staff were employed. Of these 58.9% were teachers, 29.5% were support staff, 6.6% were cleaners and gardeners, and 5.0% were administrative and clerical staff. School-based staff represented 96.7% of total FTE. Further information is in [Tables 22 to 25](#) and [Figures 3 and 4](#).

Both teacher retirements and resignations remained relatively stable in 2017 (see [Appendix 4](#)).

To support the State Government’s target to reduce the number of public sector staff, we accessed its Voluntary Targeted Severance Scheme with 273 staff exiting the Department by 30 June 2018 after accepting voluntary severances as follows:

- 159 staff from central and regional offices;
- 110 surplus staff requiring placement; and
- four staff from sites closing or changing at the end of 2018.

In response to the State Government’s directive to reduce Senior Executive positions by 20%, the Department reduced the number by eight. The eight positions were identified through Machinery of Government restructure and other internal restructure.

As part of the State Government’s commitment to permanent employment we began to review contractual arrangements for education assistants, cleaners and gardeners. To June 2018, the tenure of 1570 education assistants, cleaners, gardeners, home economic assistants and canteen attendants was reviewed with over 800 being made permanent. This work will continue next year.

We started implementing State Government election commitments to fund an additional 120 FTE for Level 3 Classroom Teachers, 300 FTE education assistants and 50 FTE Aboriginal and Islander education officers to directly support students. The funding for additional Level 3 Classroom Teachers has been fully allocated in 2018. Schools will continue to receive funding for additional education assistants and Aboriginal Islander education officers in 2019 and 2020.

At 30 June 2018, an additional 86.42 FTE education assistants were employed in primary and district high schools with the most socially disadvantaged students; and an additional 15.12 FTE Aboriginal and Islander education officers were employed in regional senior high schools, district high schools, remote community schools and residential colleges. All staff were employed on a permanent basis.

In addition, funding for 10 FTE independent learning coordinators was provided to 10 regional senior high schools to support Year 11 and 12 students studying through the School of Isolated and Distance Education; funding for 71.5 FTE additional teachers was provided to schools to free up half a day a week for Level 3 Classroom Teachers to mentor other teachers and share their expertise; and funding for 29.9 FTE additional teachers was provided to schools to free up Level 3 Classroom Teachers to coordinate the delivery of mental health programs for students.

Table 22: Staff ^(a) by category 2013–14 to 2017–18

Category	2013–14	2014–15	2015–16	2016–17	2017–18 ^(b)
Teaching ^(c)	20 836	21 009	21 862	22 889	22 878
Support ^(d)	10 214	10 096	10 390	11 127	11 447
Cleaning and gardening	2 378	2 419	2 479	2 541	2 573
Administrative and clerical ^(e)	1 791	1 647	1 673	1 741	1 938
Totals	35 219	35 171	36 404	38 298	38 836

Source: Education Business Services

(a) Average financial year paid full-time equivalent staff rounded to nearest whole number.

(b) Includes staff from previous Department of Education, Department of Education Services, School Curriculum and Standards Authority, and Country High School Hostels Authority.

(c) Includes principals and deputy principals.

(d) Includes school clerical staff and education assistants.

(e) Public Sector Management Act 1994 positions and teaching award staff in administrative roles.

Table 23: Staff ^(a) by operational area and category 2017–18

Operational area	Teaching ^(b)	Support ^(c)	Cleaning and gardening	Administrative and clerical ^(d)	Totals
Schools ^(e)	22 856	11 446	2 569	701	37 572
Central strategic and corporate services ^(f)	–	–	–	1 143	1 143
Education regional offices ^(g)	22	1	4	94	121
Totals	22 878	11 447	2 573	1 938	38 836

Source: Education Business Services

(a) Average financial year paid full-time equivalent staff rounded to nearest whole number.

(b) Includes principals and deputy principals.

(c) Includes school clerical staff and education assistants.

(d) Public Sector Management Act 1994 positions and teaching award staff in administrative roles.

(e) See [Table 24](#).

(f) Includes staff from previous Department of Education, Department of Education Services, School Curriculum and Standards Authority, and Country High School Hostels Authority.

(g) Teaching includes Primary Extension and Challenge (PEAC) teachers and home education moderators.

Table 24: School-related staff ^(a) by type of school and category 2017–18

Type of school	Teaching ^(b)	Support ^(c)	Cleaning and gardening	Administrative and clerical ^(d)	Totals
Community kindergarten	20	17	–	–	37
Primary ^(e)	12 031	6 155	1 342	23	19 551
District high	1 097	556	164	6	1 823
Kindergarten–Year 12 ^(f)	417	165	42	41	665
Secondary	7 711	2 510	974	517	11 712
Education support ^(g)	865	1 842	27	49	2 783
Specialist services ^(h)	715	201	20	65	1 001
Totals	22 856	11 446	2 569	701	37 572

Source: *Education Business Services*

(a) Average paid full-time equivalent staff rounded to nearest whole number.

(b) Includes principals and deputy principals.

(c) Includes school clerical staff and education assistants.

(d) *Public Sector Management Act 1994* positions and teaching award staff in administrative roles.

(e) Includes schools of the air and remote community schools.

(f) Includes School of Isolated and Distance Education.

(g) Includes language development schools/centres.

(h) Includes education services that do not directly enrol students such as camp schools, some schools of special educational needs, vacation swimming and Instrumental Music School Services. Residential colleges included under Support.

Table 25: School-based teaching staff ^(a) by category and level of schooling ^(b) 2018

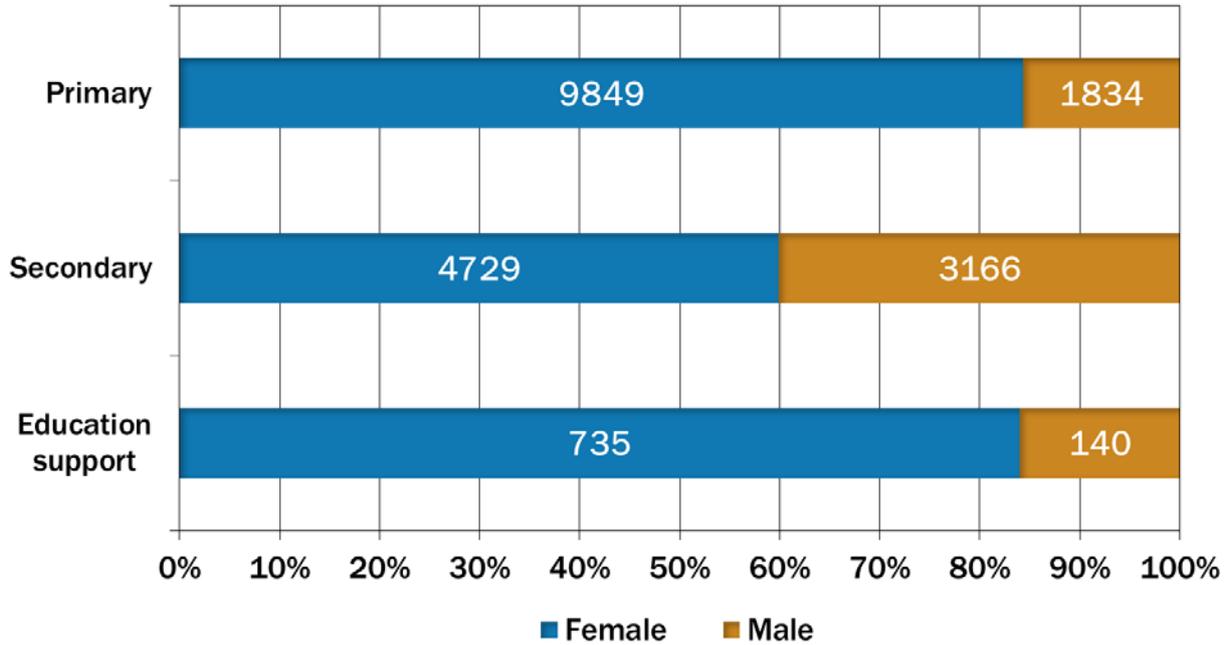
Category	Primary	Secondary	Education support	All
Principal	559	167	67	793
Deputy principal	790	403	67	1 260
Head of department or program coordinator	8	932	6	946
Teacher	10 160	6 271	698	17 129
Guidance/counselling	167	122	37	326
Totals	11 684	7 895	875	20 454

Source: *System and School Performance*

(a) Full-time equivalents at Semester 1 student census including teachers at community kindergartens. Based on counting method used for National Schools Statistics Collection that does not include staff on extended leave.

(b) Staff apportioned to education levels based on proportion of students at each education level.

Figure 3: School-based teaching staff ^(a) by level of schooling ^(b) and gender 2018 ^(c)



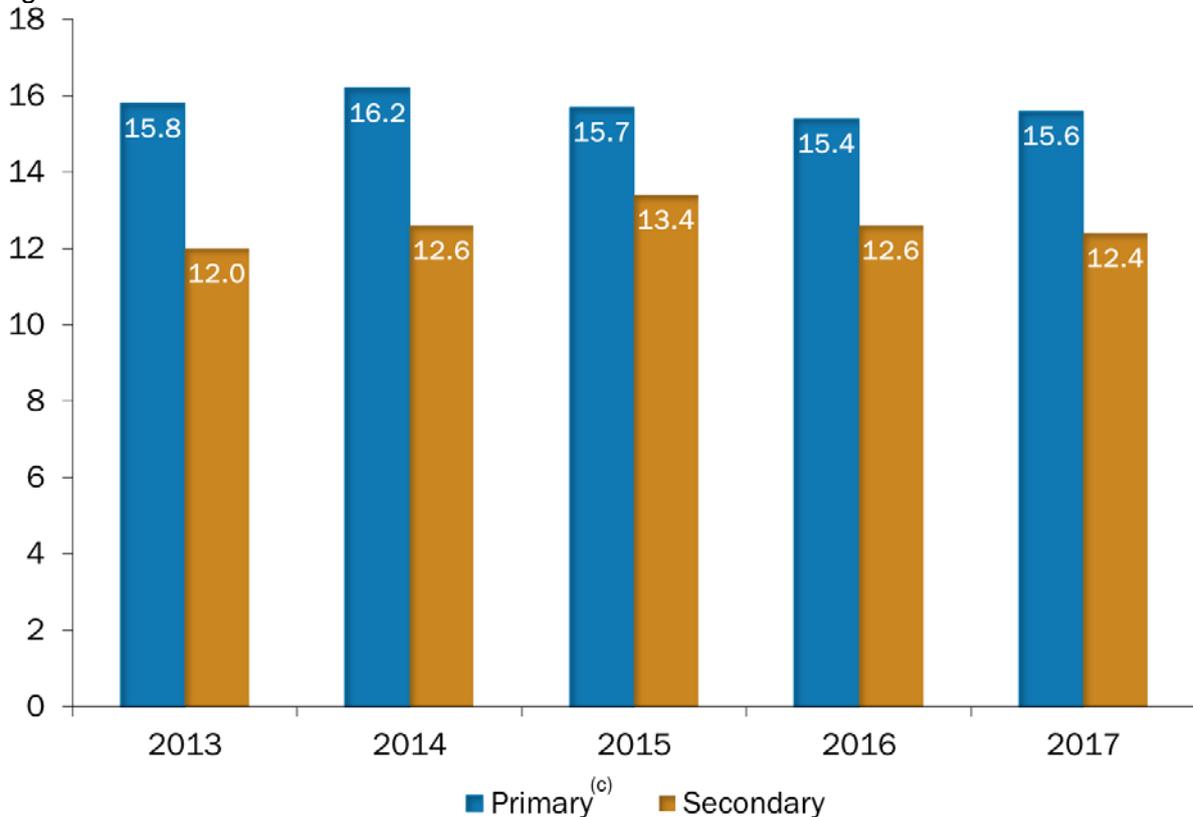
Source: System and School Performance

(a) Full-time equivalents at Semester 1 student census including teachers at community kindergartens. Based on counting method used for National Schools Statistics Collection that does not include staff on extended leave.

(b) Staff apportioned to education levels based on proportion of students at each education level.

(c) See [Appendix 4](#) for corresponding table.

Figure 4: Student-teacher ratios ^(a) 2013 to 2017 ^(b)



Source: System and School Performance

(a) Ratios based on full-time equivalent students and full-time equivalent teaching staff at Semester 2.

(b) Ratios for 2013 and 2014 differ from those reported in annual reports before 2015–16 as data and calculation methodology now align with National Schools Statistics Collection.

(c) Excludes Kindergarten.

Major capital works

Table 26: Completed major capital works 2017–18 ^(a)

Project	Year of completion	Estimated total cost			Variation %	Reason for variation over 5% ^(c)
		Original budget (\$'000)	Revised budget ^(b) (\$'000)	Variation (\$'000)		
New secondary schools						
Willetton Senior High School replacement Stages 1 and 2	2018	42 980	41 644	(1 336)	(3.1)	
Yanchep Secondary College	2018	57 111	43 908	(13 203)	(23.1)	Design resulted in favourable tender.
Inner City College site preparation and services relocation	2018	2 603	2 603	0	0.0	
Subtotals		102 694	88 155	(14 539)		
Additional stages to secondary schools						
Byford Secondary College Stage 3	2017	22 400	15 900	(6 500)	(29.0)	Due to rapidly increasing enrolments, teaching building scoped for Stage 3 brought forward and funded in Stage 2.
Subtotals		22 400	15 900	(6 500)		
Additions and improvements to secondary schools						
Churchlands Senior High School	2018	38 674	34 564	(4 110)	(10.6)	Design resulted in favourable tender.
Fremantle College	2018	31 000	30 000	(1 000)	(3.2)	
Subtotals		69 674	64 564	(5 110)		
New primary schools						
Doubleview Primary School rebuild	2018	15 400	15 400	0		
Rapids Landing Primary School	2018	16 000	17 100	1 100	6.9	Unfavourable tender and regional costs.
Honeywood Primary School	2018	16 700	16 700	0		
Wellard Primary School	2018	15 300	15 300	0		
Subtotals		63 400	64 500	1 100		
Additions and improvements to primary schools						
Highgate Primary School	2017	5 455	5 455	0	0.0	
Inglewood Primary School	2018	3 500	3 500	0	0.0	
Wembley Primary School	2018	3 500	3 500	0	0.0	
West Leederville Primary School	2017	3 500	3 500	0	0.0	
Subtotals		15 955	15 955	0		

Project	Year of completion	Estimated total cost			Variation %	Reason for variation over 5% (c)
		Original budget (\$'000)	Revised budget (b) (\$'000)	Variation (\$'000)		
Royalties for Regions						
Carnarvon Community College	2018	17 600	17 600	0	0.0	
Kalgoorlie-Boulder Community High School redevelopment	2017	45 000	45 000	0	0.0	
Subtotals		62 600	62 600	0		
Western Suburbs Strategy						
Japanese School in Perth relocation	2018	4 350	4 350	0	0.0	
Subtotals		4 350	4 350	0		
Miscellaneous programs						
Transportable classrooms 2017–18	2018	4 500	4 500	0	0.0	
Subtotals		4 500	4 500	0		
Other school facilities						
Administration upgrade 2017–18	2018	2 000	1 787	(213)		Run as combined programs – decrease/increase due to carry forward from prior years' programs.
Covered assembly areas 2017–18	2018	1 000	1 000	0		
Library resource centres 2017–18	2018	500	500	0		
Toilet replacement program 2017–18	2018	2 100	2 135	35		
Student services improvements	2018	1 300	1 241	(59)	(4.5)	
Duncraig Secondary Education Support Centre (now named West Coast Secondary Education Support Centre) located at Warwick Senior High School	2018	4 280	4 280	0	0.0	
Early childhood program 2017–18	2018	2 500	2 705	205	8.2	Increase due to carry forward from prior years' programs.
Subtotals		13 680	13 648	(32)		
Total Major Completed Works 2017–18		359 253	334 172	(25 081)		

Source: Infrastructure

(a) Major projects defined as those with estimated total cost exceeding \$500 000.

(b) As at 30 June 2018.

(c) Cost variations exceeding 5% defined as 'significant'.

Table 27: Major capital works in progress 2017–18 ^(a)

Project	Expected year of completion	Estimated total cost			Estimated cost to complete at 1 July 2018 (\$'000)	Variation %	Reason for variation over 5% ^(c)
		Original budget (\$'000)	Revised budget ^(b) (\$'000)	Variation (\$'000)			
New secondary schools							
Butler North Secondary School	2020	52 400	48 400	(4 000)	44 864	(7.6)	Favourable tender.
Baldivis South Secondary School	2019	54 450	40 600	(13 850)	20 607	(25.4)	Favourable tender.
Inner City College	2020	67 800	70 564	2 764	66 212	4.1	
Subtotals		174 650	159 564	(15 086)	131 682		
Additional stages to secondary schools							
Shenton College Stage 2	2019	49 500	46 100	(3 400)	24 855	(6.9)	Favourable tender.
Subtotals		49 500	46 100	(3 400)	24 855		
Additions and improvements to secondary schools							
Balcatta Senior High School redevelopment	2021	50 000	50 000	0	48 502	0.0	
Canning Vale College upgrades	2019	2 000	2 000	0	1 896	0.0	
Carine Senior High School	2019	18 770	18 770	0	17 794	0.0	
Melville Senior High School performing arts centre	2019	4 500	4 500	0	4 226	0.0	
Southern River College new and upgraded facilities	2020	8 400	8 400	0	8 156	0.0	
Subtotals		83 670	83 670	0	80 574		
New primary schools							
Aspiri Primary School	2019	15 600	18 700	3 100	8 327	19.9	Provision of early childhood annex and bulk earthworks, additional classroom building.
Aveley North Primary School and Education Support Centre	2019	17 800	24 145	6 345	12 521	35.6	Provision of early childhood annex and bulk earthworks, additional classroom building.
Baldivis North Primary School	2020	15 600	16 300	700	16 060	4.5	
Banksia Grove East Primary School (including early childhood annex)	2020	18 800	22 000	3 200	21 815	17.0	Provision of early childhood annex and bulk earthworks, additional classroom building.
Byford South East Primary School	2020	15 600	18 900	3 300	18 554	21.2	Budget includes bulk earthworks and additional classroom building.
Caversham South Primary School	2020	15 600	17 300	1 700	16 919	10.9	Budget includes bulk earthworks.
Oakwood Primary School	2019	15 600	19 700	4 100	10 632	26.3	Provision of early childhood annex and bulk earthworks.

Project	Expected year of completion	Estimated total cost			Estimated cost to complete at 1 July 2018 (\$'000)	Variation %	Reason for variation over 5% (c)
		Original budget (\$'000)	Revised budget (b) (\$'000)	Variation (\$'000)			
New primary schools (cont)							
Southern Grove Primary School	2019	15 600	22 100	6 500	13 721	41.7	Provision of early childhood annex and bulk earthworks, additional classroom building.
Subtotals		130 200	159 145	28 945	118 549		
Additions and improvements to primary schools							
Caversham Primary School undercover area	2018	1 000	1 000	0	703	0.0	
Investing in Science	2021	12 000	12 000	0	11 113	0.0	
Mount Hawthorn Primary School	2018	3 500	4 500	1 000	3 023	28.6	Initial budget insufficient to meet scope required.
North Morley Primary School library	2018	1 500	1 500	0	1 160	0.0	
Subtotals		18 000	19 000	1 000	15 999		
Royalties for Regions							
Geraldton Senior College	2018	5 000	5 000	0	957	0.0	
John Willcock College	2019	20 000	20 000	0	6 537	0.0	
Bunbury Senior High School upgrades	2019	5 000	5 000	0	4 857	0.0	
Cape Naturaliste College	2020	32 100	30 100	(2 000)	25 679	(6.2)	Favourable tender.
Carnarvon Community College amalgamation	2019	38 550	26 550	(12 000)	21 397	(31.1)	Part of scope previously earmarked to be funded from this stage included in Stage 2. Very competitive tender result.
Collie Senior High School new facilities	2019	7 500	7 500	0	7 071	0.0	
Glen Huon Primary School	2019	1 500	1 500	0	1 439	0.0	
Margaret River Senior High School	2020	30 000	30 000	0	28 173	0.0	
Subtotals		139 650	125 650	(14 000)	96 111		
				0			
Western Suburbs Strategy							
International School of Western Australia	2020	21 600	21 600	0	19 719	0.0	
City Beach Residential College	2019	6 440	6 440	0	5 075	0.0	
Subtotals		28 040	28 040	0	24 794		

Project	Expected year of completion	Estimated total cost			Estimated cost to complete at 1 July 2018 (\$'000)	Variation %	Reason for variation over 5% (c)
		Original budget (\$'000)	Revised budget (b) (\$'000)	Variation (\$'000)			
Miscellaneous programs							
Playground equipment and shade structures	2019	5 800	5 800	0	2 000	0.0	
Universal Access Program	2019	40 916	40 916	0	4 808	0.0	
Universal Access Ballajura Primary School	2019	3 200	3 200	0	2 984	0.0	
Subtotals		49 916	49 916	0	9 793		
Total capital works in progress 2017–18		673 626	671 085	(2 541)	502 356		
Total completed works and works in progress 2017–18		1 032 879	1 005 257	(27 622)	502 356		

Source: Infrastructure

(a) Major projects defined as those with estimated total cost exceeding \$500 000.

(b) As at 30 June 2018.

(c) Cost variations exceeding 5% defined as 'significant'.

TEACHER REGISTRATION BOARD OF WESTERN AUSTRALIA ANNUAL REPORT 2017–18

This annual report reflects the operations of the Teacher Registration Board of Western Australia (Board) in regulating the registration and discipline of teachers, and accrediting initial teacher education programs.

Letter of transmittal

Ms Sharyn O'Neill
Director General
Department of Education

Dear Ms O'Neill

In accordance with section 114 of the *Teacher Registration Act 2012*, I am pleased to submit the Annual Report of the Teacher Registration Board of Western Australia for the period 1 July 2017 to 30 June 2018 for inclusion in the Annual Report of the Department of Education.

Yours sincerely



MARGARET COLLINS
CHAIRPERSON
TEACHER REGISTRATION BOARD OF WA

20 July 2018

Chairperson's report

It is an honour to have been appointed Board Chairperson in March this year and I am very pleased to be presenting my first Chairperson's report. In doing so, I acknowledge the service of my predecessor, Mrs Audrey Jackson AM, who chaired the Board from its establishment in 2012. Mrs Jackson is highly esteemed by all Board members who served with her, as well as by the secretariat and stakeholders. I also acknowledge the work of the other outgoing members – Mr Ian Curlewis, Mr Greg Robson and Ms Jenny Dougan – for the significant contributions each has made in establishing the Board as an effective regulator.

I take this opportunity to welcome Ms Kate Offer and Ms Julie Woodhouse to their new roles on the Board, and I welcome Mrs Tracey Gray, Head of Campus at St Stephens School, who was recently appointed by the Minister for Education and Training following the resignation of Mr Robson. Mrs Gray will commence her term on 2 July 2018.

As I settle into this role, it is apparent that we are in a period of reform across the education portfolio with a number of review projects which have the potential to impact significantly the Board's work. This includes reviews of regulatory practice locally with a statutory review of the *Teacher Registration Act 2012* and nationally with the national review of teacher registration and further reforms proposed for the regulation of initial teacher education. Although the outcomes of these reviews are yet to be fully formulated, the Board is taking this opportunity to reflect on key aspects of its practice and has provided submissions to these important bodies of work.

With the best interests of children foremost in the Board's considerations, the recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse have also been keenly examined with particular attention given to those recommendations which have a bearing on our regulatory work. The Board will work with relevant agencies as the broader impacts of these recommendations are fully considered and progressed through the relevant authorities for implementation.

Following Machinery of Government changes to increase collaboration and achieve efficiencies in service delivery across the public sector, the Board's secretariat, the Teacher Registration Directorate, was transferred into the new Department of Education on 1 July 2017. I would like to acknowledge the work of the Director and staff in collaborating with their Department colleagues to effect a seamless transition.

The Board is mindful that, while implementing these arrangements, any actual or perceived conflicts of interest are managed and the Board's independence is properly maintained, particularly with respect to its decision making. I would also like to acknowledge the leadership of the Director General of the Department of Education in this regard.

There has been a number of changes to the client interface with Board services to improve online application processes and security. In particular, the Board is introducing a new look login experience through a secure portal access for registered teachers and new applicants to access application forms, manage contact details and review registration information.

I extend a thank you to my fellow Board members for their commitment and work, especially those members who chair or are members of the committees of the Board. I also thank the Director and staff of the secretariat for their support and continued professionalism. I look forward to working with all stakeholders as we continue the important regulatory work of the Board.



MARGARET COLLINS
CHAIRPERSON

About the Board

The Board is the teacher regulatory authority in Western Australia responsible for registering teachers including renewing teacher registration, and administering the teacher disciplinary and impairment review processes. The Board is also responsible for the accreditation of initial teacher education programs delivered by WA higher education providers.

In performing its role, the Board's paramount consideration is the best interests of children.

In undertaking these functions, the Board maintains an up-to-date register of teachers, and has developed and published professional standards for teachers, accreditation standards and a professional learning activities policy.

The Board's vision is to be an effective regulator for the teaching profession in Western Australia that reflects the highest standards of expertise and professional conduct.

The Board's mission is to serve the public interest in Western Australia by ensuring that teachers are registered and teacher education programs are properly accredited.

The relevant legislation is the *Teacher Registration Act 2012* which established the Board in December 2012.

The Board is appointed by the Minister for Education and Training, and must include an Australian lawyer and at least three currently registered teachers.

At 30 June 2018 the Board members were:

- Margaret Collins (Chairperson) – former Regional Executive Director, South Metropolitan Education Region, Department of Education
- Ron Dullard (Deputy Chairperson) – former Director, Catholic Education Western Australia
- Peter Collins – Vice Principal, Holy Cross College, Ellenbrook
- Jeremy Bruse – Deputy Principal – Student Services, Professional Learning Coordinator, Cecil Andrews College
- Julie Woodhouse – Principal, Butler Primary School
- Kate Offer – Assistant Professor, School of Law, The University of Western Australia.

During the reporting period:

- Margaret Collins replaced Audrey Jackson AM as Chairperson of the Board
- Kate Offer replaced Ian Curlewis as the Australian lawyer on the Board
- Julie Woodhouse replaced Jenny Dougan as a registered teacher member of the Board
- Ron Dullard was reappointed to the Board as the Deputy Chairperson
- Greg Robson resigned from the Board on 27 February 2018; the term of the new Board member is to commence 2 July 2018.



From L to R: Jeremy Bruse, Kate Offer, Margaret Collins, Julie Woodhouse and Peter Collins. Absent: Ron Dullard.

The Department of Education's Teacher Registration Directorate provides secretariat support to the Board which includes:

- processing teacher registration applications, and initial teacher education program accreditation applications for consideration by the Board
- assisting the Board to administer its disciplinary function
- supporting the work of the Board on policy matters.

The Board has delegated powers such as granting teacher registration to the Director, Teacher Registration who refers matters that require further examination to the Board.

The operations of the Board are funded by fees collected in accordance with the *Teacher Registration Act 2012* and [Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector](#) published by the Department of Treasury. The Board implemented a new [fee schedule](#) from 1 July 2017 to accommodate adjustments in the consumer price index. The financial statements and key performance indicators for the Teacher Registration Directorate are provided in the Department's annual report.

Activities of the Board

In 2017–18, the Board formally met 11 times and considered 34 items out-of-session. The Board considered teacher registration and course accreditation applications, disciplinary, fit and proper, policy and accreditation matters, the formulation of complaints and the imposition of conditions on registration.

The *Teacher Registration Act 2012* requires the Board to establish at least one disciplinary committee and an impairment review committee. The Board may establish other committees to assist it to perform its functions.

The Board referred four complaints about the conduct of a registered teacher to the two Disciplinary Committees.

The Board referred two complaints about the impairment of a registered teacher to the Impairment Review Committee.

The Interim Disciplinary Order Committee, delegated by the Board, has the authority to make an interim disciplinary order in circumstances where there is the risk of imminent injury or harm to the physical or mental health of any person, or where a registered teacher had been charged with a sexual offence involving a child. Seven matters were considered by the committee in 2017–18 (see [Interim disciplinary orders](#)).

The Accreditation Committee met once to advise the Board on accreditation matters including considering recommendations from panels that had assessed accreditation applications from providers of initial teacher education programs.

Key achievements

Overseas criminal record checks

Applicants for teacher registration were required, where relevant, to provide the Board with overseas criminal record checks from each country they have resided in for a cumulative period of 12 months or more.

As the associated administrative process was considered unduly onerous for applicants, to reduce this burden the Board sourced through an approved process an online provider with considerable experience as a trusted provider of overseas criminal record checks.

Since introducing this new process, the turnaround times for applications requiring an overseas criminal record check have reduced significantly and the supporting operational requirements have been streamlined.

New contractual arrangements with the Australian Criminal Intelligence Commission

Contractual arrangements with the Australian Criminal Intelligence Commission (ACIC) facilitated the Board's requirements to undertake criminal record checks including obtaining applicants' informed consent.

In December 2017, ACIC provided formal notification of new contractual requirements, effective from 1 July 2018, under the Agreement for controlled access by duly Accredited Bodies to Nationally Coordinated Criminal History Checks.

The Board introduced processes to implement the new requirements in relation to proof of identity and linkage between applicants and claimed identities, and implementation of new privacy safeguards.

Strengthening child protection

The Act is designed to ensure only fit and proper persons are registered as teachers and places certain obligations on teachers, employers and others. With the best interests of children as its paramount consideration, the Board has processes in place to ensure child protection matters are dealt with as a matter of the highest priority.

The investigations and compliance branch continued to play a significant role in strengthening child protection across education venues. To facilitate this work, the Board worked closely with key stakeholders to ensure that critical child welfare information was shared appropriately.

The Board monitored the compliance of employers to ensure notification to the Board on child protection matters. Information regarding these matters was shared between teacher regulatory authorities across all the jurisdictions.

Significant issues for the next financial year

Royal Commission into Institutional Responses to Child Sexual Abuse

In December 2017, the Royal Commission presented its final report to the Governor-General, including its recommendations, detailing the culmination of its five-year inquiry into institutional responses to child sexual abuse and related matters.

The Board has preliminarily considered those recommendations relevant to its work as a teacher regulatory authority. The Board will work with relevant agencies as the broader impacts of these recommendations are fully considered and progressed through the relevant authorities for implementation.

Review of the *Teacher Registration Act 2012*

Section 130 of the *Teacher Registration Act 2012* requires the Minister for Education and Training to review the operation and effectiveness of the Act as soon as practicable after four years of operation.

The Minister approved terms of reference and established a statutory review that was led by staff from the Department of Education, assisted by a stakeholder reference group.

The review published an information paper in September 2017, calling for submissions from interested stakeholders. The Board provided a comprehensive submission to the review, and additional information and data in response to requests from the review. A report was prepared for the Minister's consideration and the Board awaits the outcomes of this review process.

National review of teacher registration

In September 2017, state and territory Ministers for Education agreed to participate in a national review of teacher registration. The review, led by an expert panel of state and territory representatives and supported by the Australian Institute for Teaching and School Leadership (AITSL) is currently underway. The review will consider how the current national registration framework is operating across jurisdictions.

The Board administers the registration scheme within the provisions of the *Teacher Registration Act 2012* and consistent with the agreed framework for a national approach to the registration of teachers. The Board provided a submission to the National Review.

It is understood that a report of findings and recommendations from the expert panel is to be provided to the Council of Australian Governments Education Council later in 2018. The Board will work with relevant authorities and its regulatory counterparts to consider the outcomes and potential impacts of this review.

Initial teacher education reform

Since the 2015 release of the Teacher Education Ministerial Advisory Group report into the accreditation of initial teacher education programs, AITSL has led a national review of initial teacher education accreditation. This reform process, which has resulted in the development of revised accreditation standards and procedures, remains ongoing.

The Board continues to engage with AITSL, state and territory teacher regulatory authorities and other stakeholders in respect of a variety of proposed reforms of the initial teacher education accreditation scheme. The Board remains committed to the administration of an effective and efficient accreditation scheme for Western Australia that continues to strike an appropriate balance between regulatory rigour and reasonableness.

Regulatory activity of the Board

Teacher registration

All teachers teaching in schools and other educational venues in Western Australia (including centre-based education and care services such as long day care) are required to be registered with the Board.

At 30 June 2018, 54 045 teachers were registered with the Board across four registration categories. To meet [registration requirements](#) applicants must be appropriately qualified, have the necessary English language skills, meet the required Professional Standards for Teachers for the relevant registration category, and be a fit and proper person. To renew registration, the Board must be satisfied that the teacher continues to meet the requirements for their category of registration.

Table 1: Total teachers registered at June 30 by category 2015 to 2018

Category	2015	2016	2017	2018
Full Registration	40 455	41 076	41 721	42 994
Provisional Registration	8 046	5 701	5 710	5 913
Non-Practising Registration	2 008	3 802	4 649	4 490
Limited Registration	541	691	684	648
Totals	51 050	51 270	52 764	54 045

During 2017–18, the Board received 8997 teacher registration applications and approved 8439 applications. Where relevant, applicants had to provide criminal record checks from countries outside of Australia and 1590 of these checks were conducted.

Table 2: Total applications received and approved by type 2016–17 to 2017–18 ^(a)

Type of application	2016–17		2017–18	
	Received	Approved	Received	Approved
New registration	4 104	4 062	3 501	3 500
Renewal of registration	6 684	7 843	2 542	2 240
Move registration category	2 798	2 031	2 773	2 515
Extension of non-practising	73	73	181	184
Totals	13 659	14 009	8 997	8 439

(a) Number of applications received in one year may not be the same as number approved that same year as applications may be processed in subsequent years.

The volume of applications received and approved was higher in 2016–17 as there were significantly more applications for renewal in that period.

In 2017–18, 1612 applications for Full Registration from holders of Provisional Registration, including early career teachers, were approved. Five hundred and fifty (550) holders of Non-Practising Registration successfully applied for Full Registration and 184 applications to extend the period of Non-Practising Registration were approved.

The Board registered 312 teachers based on Mutual Recognition enabling people registered in connection with an occupation in another Australian state or territory or in New Zealand to carry on the equivalent occupation in WA.

Board determinations

The Board has delegated the granting of teacher registration to the Director, Teacher Registration. Applications considered by the Director to require further examination are referred to the Board.

During 2017–18, of the 56 applications referred to the Board, 42 were refused as they did not meet one or more of the requirements for the grant of registration or for the renewal of registration.

Table 3: Applications considered and refused by the Board by registration requirements 2016–17 to 2017–18

Requirement(s) under consideration	2016–17		2017–18	
	Applications considered	Applications refused	Applications considered	Applications refused
Qualifications	22	18	24	18
English Language	31	23	19	15
Fit and Proper	15	1	8	4
More than one requirement:				
Qualifications and English Language	0	0	4	4
Qualifications and Professional Standards	2	2	1	1
Professional Standards and Professional Engagement	1	1	0	0
Totals	71	45	56	42

The Board imposed conditions on the registration of eight teachers to ensure the professional, competent and safe practice of teaching by them.

Annual teacher registration fee

In January 2018, the Board raised 52 802 invoices for the annual fee registered teachers are required to pay by 31 March each year to maintain their registration. A late payment processing fee was applied to 2212 outstanding payments and 1089 teachers who had not paid by 3 May had their registrations cancelled.

By 30 June 2018, the Board had received and approved 17 requests from teachers whose registrations were cancelled for non-payment for reinstatement of registration due to extenuating circumstances.

Unregistered teaching

Three incidents of unregistered teaching were referred for investigation. Two matters were subsequently the subject of prosecution with the final matter still subject to investigation at 30 June 2018.

Provision of advice

In 2017–18, the Board determined 99 requests for advice from people considering applying for registration on whether their qualifications would meet the requirements for teacher registration. Of these, 66 were approved under delegation by the Director, Teacher Registration and 29 of the 33 qualifications referred to the Board were determined to not meet qualifications requirements.

The Board received one request for advice from a person considering applying for registration as to whether they would meet the fit and proper person requirements of registration. The Board determined the person would not be fit and proper to be registered as a teacher.

Review by the State Administrative Tribunal

Certain decisions by the Board may be subject to review by the State Administrative Tribunal (SAT). In 2017–18, one such matter was the subject of review by the SAT, resulting in conditions placed on a teacher's registration being modified.

Disciplinary and impairment matters

The Board's paramount consideration in dealing with disciplinary and impairment matters is the best interests of children. The *Teacher Registration Act 2012* requires that only fit and proper people are registered as teachers, and places obligations on teachers, employers and certain other parties.

Notifications required by the *Teacher Registration Act 2012*

Notifications are received about registered teachers from employers, teachers, the Commissioner of Police and Director of Public Prosecutions (DPP) or from members of the public.

In 2017–18, the Board received 69 notifications relating to 64 matters which included five notifications from multiple sources relating to the same matter.

Table 4: Notifications received by the Board by requirements 2016–17 to 2017–18

Notifications	2016–17	2017–18
From Teachers		
Section 38 – Legal actions	2	4
Section 39 – Loss of qualifications	0	0
Section 40 – Issued Working With Children Negative Notice	0	0
From DPP/Police – Section 41	4	4
From Employers		
Section 42 – Serious incompetence	15	6
Section 42 – Serious misconduct	39	41
From the Public/Other	11	14
Totals	71	69

The outcomes of the 64 matters are reflected in the following table.

Table 5: Outcomes of notifications 2017–18

Outcomes	2017–18
Registration Cancelled – Section 27(2)(b)	4
Complaint not required – Section 45(e)	26
Still to be decided – Section 51(3)(a)	7
Further action	
Section 53(1)(c) – Disciplinary Committee	0
Section 53(1)(d) – Impairment Committee	1
Section 53(1)(e) – State Administrative Tribunal	1
Investigations continuing – Section 53(2)	19
No further action	
Section 57(1)(a) – other authority	0
Section 57(1)(b) – not within power	6
Section 57(1)(c) – without substance	0
Totals	64

Four of the notifications resulted in cancellation of registration.

Board consideration of the notifications resulted in the formulation of a complaint and subsequent investigation in 27 matters. The Board considered it was not necessary to formulate complaints in relation to 26 matters.

On completion of relevant investigations, one matter was referred to the Impairment Review Committee and one matter to the State Administrative Tribunal (SAT).

There are 19 matters still subject of investigation by the Board and seven matters yet to be considered.

Interim disciplinary orders

Table 6: Matters referred to the Interim Disciplinary Order Committee 2017–18

Interim disciplinary orders	Considered	Made
Section 59 – an activity that involves a risk of imminent injury or harm	4	2
Section 60 – charged with child sexual offence	4	4
Totals	8	6

The Board must refer all matters for which an interim disciplinary order has been made to the SAT within 14 days unless the order is revoked. Two matters were referred to the SAT and four were revoked as the teachers concerned were no longer entitled to be registered.

Matters carried over from previous reporting periods

In 2017–18, the Board continued to progress the 37 matters that were ongoing at the end of the 2016–17 reporting period. The registration of one teacher was cancelled. One matter was referred to a Disciplinary Committee and was still under consideration at the end of this reporting period.

The Board determined that in seven matters cancellation of registration was appropriate and to date three have been referred to the SAT. Of these, one matter was finalised with orders to cancel registration and to disqualify the teacher from reapplying for three years; one matter resulted in a teacher being disqualified from applying for registration for two years; and one matter was finalised with orders to cancel registration. The remaining four matters were prepared for application to the SAT.

Following consideration of the remaining 28 matters, the Board decided that no further action was required.

A number of matters carried over from previous reporting periods was also dealt with during 2017–18. One matter was referred to a Disciplinary Committee and resulted in a finding of serious incompetence, one matter was referred back to the Board for further investigation and another matter was still under consideration at 30 June 2018.

One matter referred to the SAT was discontinued; one matter was no longer considered a disciplinary matter in light of new information; and a final matter was reconsidered by the Board and subsequently referred to a Disciplinary Committee for decision.

Accreditation of initial teacher education programs

The accreditation of initial teacher education (ITE) programs is directly linked to teacher registration as the *Teacher Registration Act 2012* requires registered teachers to have a teaching qualification from an accredited ITE program or one that the Board recognises as equivalent.

The accreditation process involves an assessment against the Western Australian Standards for the Accreditation of Initial Teacher Education Programmes (WA Accreditation Standards). These standards are based on nationally agreed accreditation standards, and were revised in 2016.

Applications from ITE providers for program accreditation or reaccreditation are assessed by a panel of education experts appointed by the Board. Approved programs are accredited for up to five years and recognised by other Australian state and territory teacher education regulatory bodies.

During 2017–18, the Board received accreditation applications for four ITE programs. As at 30 June 2018, the assessment of these programs was ongoing. The Board also considered proposals from providers of ITE programs to demonstrate the new requirements of the revised WA Accreditation Standards.

The following table shows the total number of accredited ITE programs in WA. During 2017–18, 22 programs expired and reaccreditation was not sought.

Table 7: WA accredited initial teacher education programs at 30 June, 2016–17 to 2017–18

ITE Programs	Undergraduate		Postgraduate		Total	
	2016–17	2017–18	2016–17	2017–18	2016–17	2017–18
Early Childhood	4	4	2	1	6	5
Early Childhood/Primary	0	0	1	1	1	1
Primary	12	5	6	2	18	7
Primary/Secondary	2	1	0	0	2	1
Secondary	7	6	10	2	17	8
Early Childhood/Primary/Secondary	0	0	1	1	1	1
Totals	25	16	20	7	45	23

Engagement with stakeholders

The Board continued to inform teachers and employers about their obligations by providing clear, consistent and timely information. This included educating the public about its role to ensure trust in the Board.

The [Board's website](#) was the key information resource for prospective and registered teachers, employers, universities and the general public. It included a facility through which registered teachers could view and manage various aspects of their registration.

In 2017–18, the website was accessed 248 187 times by 135 883 users, including 611 664 page views – an 11.6% decrease in web traffic from 2016–17. This decrease was likely to be a return to 'normal' levels as the higher volume in the previous year corresponded to the cyclical spike in registration renewals.

Teacher Register Information (Professional) (TRIP), an online management tool for employers, was available for use by all schools. TRIP provided principals and employers with up-to-date information on the registration status of current and prospective teachers to assist them to meet their obligations under the *Teacher Registration Act 2012*.

The Board delivered presentations at teacher and principal network meetings and provided professional development workshops about the *Teacher Registration Act 2012*, registration requirements and how teachers can maintain their registration. This included two workshops specifically for new, early career and returning teachers; as well as a careers fair and a seminar through LawSense. The Board also delivered 12 presentations across the five WA universities to final year teacher education students on how to become registered.

The Board's [Service Charter](#) continued to provide a framework for customer service delivery standards. In 2017–18, the customer service team received a daily average of 93 telephone calls and approximately 66 emails. Staff assisted with more than 5040 in-person enquiries, an average of 20 visitors a day. These enquiries predominantly related to applications for teacher registration.

The Board continued to be accountable by recording and assessing stakeholder feedback to identify ways through continuous improvement processes to better meet the needs of the community. Complaints and feedback during 2017–18 generally related to the legislative requirements underpinning teacher registration and service provision, including technical issues associated with accessing online forms and online payments during peak periods.

E: info@trb.wa.gov.au

W: www.trb.wa.gov.au

Feedback on our annual report can be sent to feedback@trb.wa.gov.au.

End of Teacher Registration Board of Western Australia Annual Report 2017–18

KEY PERFORMANCE INDICATORS AND FINANCIAL STATEMENTS



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF EDUCATION

Report on the Financial Statements

Opinion

I have audited the financial statements of the Department of Education which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of Education for the year ended 30 June 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Department in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Director General for the Financial Statements

The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Director General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director General is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director General.
- Conclude on the appropriateness of the Director General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Director General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of Education. The controls exercised by the Department are those policies and procedures established by the Director General to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Department of Education are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2018.

The Director General's Responsibilities

The Director General is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Education for the year ended 30 June 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of Education are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2018.

The Director General's Responsibility for the Key Performance Indicators

The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Director General determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Director General is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

This auditor's report relates to the financial statements and key performance indicators of the Department of Education for the year ended 30 June 2018 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
12 September 2018

Key performance indicators

Certification of key performance indicators

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Department of Education, and fairly represent the performance of the Department for the year ended 30 June 2018.



JENNIFER McGRATH
ACTING DIRECTOR GENERAL
(ACCOUNTABLE AUTHORITY)

11 September 2018

Key performance indicators enabled senior management to assess and monitor the extent to which we achieved Government desired outcomes and enhanced our ability to account to the community for our performance.

Government Goal	
Strong communities: Safe communities and supported families	
Desired Outcomes	Services
1. Through a strong public school system, students across Western Australia have access to a high quality education	1. Public primary education (Kindergarten to Year 6) 2. Public secondary education (Years 7 to 12)
2. Western Australian education and training providers, and teachers comply with appropriate regulatory and policy requirements	3. Regulation, review, funding and policy advice
3. Western Australian schools implement the Western Australian Curriculum and Assessment Outline (Pre-primary to Year 10); Western Australian Certificate of Education (Years 11 and 12); and quality assessment, moderation and certification procedures	4. Curriculum development, evaluation and support 5. Student assessment and certification
4. Quality accommodation, care and services for isolated students who have to board away from home to attend school	6. Establishment, operation and maintenance of residential colleges

This section presents effectiveness indicators that show how well we met our four desired outcomes and efficiency indicators that show how efficiently we delivered our six services in 2017–18.

Effectiveness indicators

Desired Outcome 1: Through a strong public school system, students across Western Australia have access to a high quality education

Access to a high quality education means we must provide everyone aged four to 17 years (at 30 June) in WA with access to education provided by the public school system, irrespective of their location, circumstances and whether that provision is taken up or not.

Although we provide access to a public school education for all people of relevant age, a proportion of students attend non-government schools or participate in approved full-time alternatives to school such as employment and vocational education and training provided by registered training organisations. This makes it difficult to measure the extent to which access to the public school system is fully available. Two approaches are used: the participation rate based on the population of a given age, and the apparent retention rate based on the cohort of students that commenced secondary education in public schools.

The participation rate gives an indication of the extent to which everyone is engaged in some form of education during the senior secondary years. Data are included from all forms of education including public and non-government schools, vocational education and training, and university so those not engaged in some form of education can be quantified.

The apparent retention rate is another indication of our success in providing access to a quality education as it measures the proportion of public school students in Year 8 that completed Year 12 at public schools four years later.

Neither of these two indicators is perfect. There are no estimated resident population data that align exactly to the age range of students in Year 12 and current data do not allow for an analysis of actual education pathways of individual students. However, both indicators provide comparable year-by-year data.

The main purpose of a high quality education is for students to achieve standards of learning. The remaining indicators provide measures of the extent to which students achieve high standards of learning.

Year 12 performance is measured in terms of secondary graduation – the criterion for overall success in school. In WA this means achieving a Western Australian Certificate of Education (WACE). To achieve a WACE, students must meet a set of criteria determined by the School Curriculum and Standards Authority. The apparent secondary graduation rate is defined as the percentage of the Year 8 cohort that achieves a WACE by Year 12.

Student achievement is assessed using indicators that measure the extent to which students achieve minimum standards of learning in literacy and numeracy. Students are tested in Years 3, 5, 7 and 9 in aspects of literacy and numeracy. Results are reported here against predetermined national minimum standards of achievement.

Rate of participation in education

The participation rate demonstrates the extent to which potential students receive an education. It is defined as the number of students of a particular age engaged in some form of education as a percentage of the estimated resident population for that age.

The population of most interest comprises those aged 15, 16 and 17 years at 30 June of the year in question. This includes all those expected to be in Years 10, 11 and 12. Participants comprise students aged 15, 16 and 17 years at 1 July of that year who (i) were enrolled in public and non-government schools at the Semester 2 student census; (ii) attended vocational education and training during the year; or (iii) attended university during the year. To ensure students are only counted once, students attending both school and vocational education and training are only counted in the school data.

The extent to which some form of education in the senior secondary years is taken up by 15 to 17 year olds may be ascertained from the participation rates in [Table 28](#). Further data on the participation of 15 to 17 year olds from 2013 to 2017 by gender are in [Figure A4](#).

The target in the 2017–18 Budget Papers is based on the higher of the preliminary actual for 2015 and the estimated actual for 2016, using the latest available data at the time of the 2017–18 Budget.

Table 28: Participation rate (%) of persons aged 15 to 17 years engaged in some form of education 2013 to 2017 ^(a) ^(b) ^(c)

2013	2014	2015	2016	2017	Target in 2017–18 Budget Papers
93.6	93.9	96.7	96.8	96.3	97

Source: *System and School Performance*

(a) Based on Australian Bureau of Statistics preliminary estimates of resident population (age at 30 June) and data collected from public and non-government schools (Semester 2 student census, age at 1 July), universities (age at 30 June), and vocational education and training providers (age at 30 June).

(b) University enrolment data for 2017 is an estimate based on 2016 university enrolment data and an annual compound growth factor calculated from university enrolment data across the previous four years.

(c) Revised figures for 2013 to 2016 due to updated data for 2016 university student enrolments and estimates of resident population in 2013 to 2016. Figures published in our 2016–17 annual report were 2013: 93.3, 2014: 93.9, 2015: 96.8 and 2016: 96.9.

Retention in public school education

The extent to which students continue to participate in public school education is indicated by the apparent Year 8 to 12 retention rate. This is the number of full-time students in Year 12 in a given calendar year as a percentage of the number of full-time students who enrolled in Year 8 four years earlier (the start of secondary school at that time). Data for 2013 to 2017 are in [Table 29](#). The retention rate by subgroup is in [Table A23](#) and [Figure A6](#).

The apparent retention rate does not account for net changes to the school population caused by interstate and overseas migration, or students moving between school sectors.

As noted in previous reports, the 2014 rate was inflated by higher net overseas and interstate migration and more students moving to public schools from non-government schools and vocational education and training providers than in previous years. A marked reduction in these inflationary factors caused the 2015 to 2017 rates to be more consistent with the 2013 rate.

The target in the 2017–18 Budget Papers was based on the higher of the two most recent years' performance at that time (2015 and 2016).

Table 29: Apparent retention rate (%) of public school students Years 8 to 12, 2013 to 2017 ^(a) ^(b)

2013	2014	2015	2016	2017	Target in 2017–18 Budget Papers
79.3	90.3	80.4	77.7	80.1	81

Source: *System and School Performance*

(a) Excludes Canning College and Tuart College students, part-time and international students, and mature-aged students at senior campuses.

(b) Semester 2 student census.

Secondary graduation rate

To achieve secondary graduation students must meet criteria established by the School Curriculum and Standards Authority. For 2017, students had to:

- demonstrate the Authority's minimum standards of literacy and numeracy
- complete at least 20 units (or equivalent) that meet breadth and depth of study requirements
- complete at least four Year 12 Australian Tertiary Admission Rank (ATAR) courses or complete a certificate II (or higher) vocational education and training (VET) qualification
- achieve a grade of C or better in 14 course units (or equivalent) of which at least six must be completed in Year 12.

Students who achieve these secondary graduation requirements receive the Western Australian Certificate of Education (WACE).

The apparent secondary graduation rate is defined as the percentage of the Year 8 cohort (which was the start of secondary school at that time) that satisfies the requirements for secondary graduation by Year 12, and is an indicator of the extent to which the entire population of that age cohort actually reaches a high level of education. Data for 2013 to 2017 are in [Table 30](#) with further breakdowns in [Table A27](#).

The same factors that caused the apparent retention rate to fluctuate in recent years also affect the apparent secondary graduation rate. The apparent secondary graduation rate in 2016 and 2017 was also affected by the introduction of higher requirements for WACE achievement. From 2016, Year 12 students had to meet designated standards in reading, writing and numeracy through either the Year 9 National Assessment Program – Literacy and Numeracy (NAPLAN) or the School Curriculum and Standards Authority's Online Literacy and Numeracy Assessment to achieve the WACE.

The target in the 2017–18 Budget Papers was based on the higher of the two most recent years' performance at that time (2015 and 2016).

Table 30: Apparent secondary graduation rate (%) of public school students 2013 to 2017 ^{(a) (b) (c)}

2013	2014	2015	2016	2017	Target in 2017–18 Budget Papers
70.5	80.5	72.7	63.1	65.5	73

Source: *System and School Performance*

(a) Year 8 cohort figure from Semester 2 student census four years earlier.

(b) Excludes Canning College and Tuart College students, international and non-government school students. Repeating students included but only new instances of students meeting requirements for secondary graduation are counted.

(c) Year 12 graduation data sourced from School Curriculum and Standards Authority and taken at a point in time. Data may be updated after this time for a variety of reasons such as students may appeal their results.

Student achievement in literacy and numeracy

The National Assessment Program – Literacy and Numeracy (NAPLAN) is conducted annually across all states and territories by the Australian Curriculum, Assessment and Reporting Authority. This program provides valuable information for parents on their children's achievements as well as useful information at school-level and Australia-wide.

Full cohorts of Year 3, 5, 7 and 9 students across the country undertake common tests in May. The national and state/territory results are reported in [2017 National Assessment Program – Literacy and Numeracy](#).

The key performance indicators for literacy and numeracy are defined as the proportion of public school students in Years 3, 5, 7 and 9 achieving at or above the national minimum standards in reading, writing and numeracy as measured by the NAPLAN tests. Results for WA public school students are in [Table 31](#).

WA public school students' NAPLAN results, including subgroup performance, are summarised in the [NAPLAN 2017 public schools report](#) and in [Appendix 2](#) of this report.

Each target in the 2017–18 Budget Papers was based on the higher of the two most recent years' performance at that time (2015 and 2016).

Table 31: Percentage of Western Australian public school Year 3, 5, 7 and 9 students achieving the national minimum standards in Reading, Writing and Numeracy 2013 to 2017 (NAPLAN)

	2013	2014	2015	2016	2017	Target in 2017–18 Budget Papers
Year 3						
Reading	93.1	90.3	91.7	92.7	92.7	93
Writing	93.4	92.1	93.6	95.0	94.1	96
Numeracy	94.5	92.8	92.6	94.1	94.3	95
Year 5						
Reading	95.0	89.1	90.1	89.4	91.6	91
Writing	88.9	87.5	89.1	91.4	89.7	92
Numeracy	91.2	90.4	93.0	91.8	93.9	94
Year 7 ^(a)						
Reading	91.4	92.8	92.2	91.0	89.9	93
Writing	86.8	86.0	80.5	85.0	82.5	86
Numeracy	93.4	93.7	93.6	92.9	92.6	94
Year 9						
Reading	89.7	89.8	90.1	91.2	89.3	92
Writing	77.1	80.2	76.7	80.2	77.6	81
Numeracy	87.2	92.4	94.7	93.9	94.9	95

Source: *System and School Performance*

(a) Year 7 became part of public school secondary education in Western Australia from 2015, having previously been part of primary education.

Desired Outcome 2: Western Australian education and training providers, and teachers comply with appropriate regulatory and policy requirements

Requiring teachers, schools, registered training providers and universities to meet regulatory requirements and relevant quality standards is important to ensure high quality school, training and university education services in Western Australia.

The percentage of teachers, schools, registered training providers and universities that comply with requirements laid out by acts, standards and delivery requirements provide measures of quality assurance in the State's school, training and university education sectors.

Compliance of non-government schools with registration requirements

The indicator represents the proportion of Independent non-government schools at the end of the financial year that were compliant with the registration requirements of Part 4 of the *School Education Act 1999*.

Only Independent non-government schools are included because the Catholic Education Commission of Western Australia has been delegated the quality and compliance oversight of most Catholic schools.

Non-government schools' compliance is mainly assessed when schools are inspected for either registration or renewal of registration but can occur at any time during schools' periods of registration. Schools were deemed to have not complied with their registration requirements if they were subject to a direction, condition or quality improvement notice for remedial action as at the end of the financial year.

The rates for 2016–17 and 2017–18 were affected by:

- the inclusion of quality improvement notices from 2017 following amendment to the *School Education Act 1999*;
- new registration standards introduced in 2016 and 2017.

The rate for 2016–17 was further affected by the indicator being based on directions, conditions and/or quality improvement notices issued during the financial year, rather than those outstanding as at 30 June as has been long-standing practice. The rate for 2017–18 reinstated the previous methodology because it was determined that this represents a more accurate measure of compliance as it reflects the responsiveness of schools to identified non-compliance.

The target in the 2017–18 Budget Papers was based on the 2016–17 budget target, after taking into account the estimated actual result for 2016–17.

Table 32: Percentage of Independent non-government schools complying with registration requirements of the *School Education Act 1999*, 2013–14 to 2017–18

2013–14	2014–15	2015–16	2016–17 ^(a)	2017–18	Target in 2017–18 Budget Papers
93.3	91.0	95.0	88.0	90.3	90

Source: *Planning, Regulation and Review*

(a) Different methodology was used for 2016–17 to include any directions, conditions and/or quality improvement notices issued throughout the financial year.

Compliance of providers of education services to full fee international students with registration requirements

The indicator represents the proportion of providers of education services to full fee international students at the end of the financial year that complied with the requirements of the *Education Service Providers (Full Fee Overseas Students) Registration Act 1991* (Western Australia) (the ESPRA) and *Education Services for Overseas Students Act 2000* (Commonwealth) (the ESOS).

Compliance is mainly assessed when providers are inspected for either registration or renewal of registration but can occur at any time during the period of registration.

Providers are considered to have been compliant if their registrations were not subject to conditions under the ESPRA or ESOS at the end of the financial year.

The target in the 2017–18 Budget Papers was based on the 2016–17 budget target, after taking into account the estimated actual result for 2016–17.

Table 33: Percentage of providers of education services to full fee international students complying with registration requirements of the *Education Service Providers (Full Fee Overseas Students) Registration Act 1991 (WA)* and *Education Services for Overseas Students Act 2000 (Commonwealth)* 2013–14 to 2017–18

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
100	100	100	100	100	100

Source: *Planning, Regulation and Review*

Compliance of registered training organisations with standards for registration

The indicator represents the proportion of registered training organisations (RTOs) in a financial year that fully complied with the *Standards for Registered Training Organisations (RTOs) 2015*. These standards replaced the Australian Quality Training Framework Essential Standards.

RTO registration is administered by the Training Accreditation Council in accordance with the *Vocational Education and Training Act 1996*.

RTOs are considered to have not complied if their registration was cancelled, suspended, varied or subject to conditions at any time during a financial year.

The target in the 2017–18 Budget Papers was based on the 2016–17 budget target, after taking into account the estimated actual result for 2016–17.

Table 34: Percentage of RTOs compliant with standards for registration 2013–14 to 2017–18

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
97.0	99.7	99.3	100	98.7	100

Source: *Training Regulation*

Independent Public School reviews

The indicator represents the number of Independent Public Schools that met service and delivery agreement requirements, as a percentage of the total number of reviewed Independent Public Schools in the financial year.

Every Independent Public School has a service and delivery agreement with the Director General. Reviews assess whether schools have met the quality and compliance standards of their agreements.

The target in the 2017–18 Budget Papers was based on the 2016–17 budget target, after taking into account the estimated actual result for 2016–17.

Table 35: Percentage of reviewed Independent Public Schools that met service and delivery requirements 2013–14 to 2017–18

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
100	100	100	100	100	100

Source: *Planning, Regulation and Review*

Teacher compliance with the Teacher Registration Act 2012

The indicator represents the number of teachers who are compliant with the *Teacher Registration Act 2012* as at 30 June as a percentage of the total number of registered teachers. The Teacher Registration Board of Western Australia is responsible for assessing compliance.

The target in the 2017–18 Budget Papers was based on the 2016–17 budget target, and takes into account the expectation that all teachers will be compliant with the *Teacher Registration Act 2012*.

Table 36: Percentage of teachers compliant with the *Teacher Registration Act 2012*, 2013–14 to 2017–18

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
100	100	100	100	100	100

Source: *Teacher Registration*

Desired Outcome 3: Western Australian schools implement the Western Australian Curriculum and Assessment Outline (Pre-primary to Year 10); Western Australian Certificate of Education (Years 11 and 12); and quality assessment, moderation and certification procedures

The success of implementing school curriculum and assessments and undertaking associated procedures provide confidence in the qualifications Western Australian school students are achieving. The engagement of, and acceptance by, informed stakeholders of these matters provide an indication of the quality and success of school curriculum and assessment implementation.

Engagement of, and acceptance by, stakeholders of responsive syllabuses, accreditation and review

The extent to which stakeholders have engaged with and accepted high standards of contemporary curriculum provision, accreditation and formal course review for Pre-primary to Year 12 is assessed by a survey completed by teachers who are members of the School Curriculum and Standards Authority's Course Advisory Committees.

The indicator shows the average rating given by survey respondents on a scale from 1 (Not at all) to 5 (High).

The target in the 2017–18 Budget Papers was based on the actual for 2016.

Table 37: Engagement of, and acceptance by, stakeholders of responsive syllabuses, accreditation and review 2013 to 2017^(a)

2013	2014	2015	2016	2017 ^(b)	Target in 2017–18 Budget Papers
4.2	4.2	4.2	4.1	4.2	4.1

Source: *School Curriculum and Standards*

(a) Survey ratings are reported for the school year to which they relate. School Curriculum and Standards Authority Annual Report 2017–18 reports the same indicator for the year in which the survey was completed.

(b) Number of surveys received from members of Course Advisory Committees: 356 (71.8% response rate; total number of members: 496).

Engagement of, and acceptance by, stakeholders of comprehensive and easily understood assessment policy and support

The extent to which stakeholders have engaged with and accepted the School Curriculum and Standards Authority's provision of clear assessment policy and guidelines is assessed by a survey completed by teachers who are members of the Authority's Course Advisory Committees.

The indicator shows the average rating given by survey respondents on a scale from 1 (Not at all) to 5 (High).

The target in the 2017–18 Budget Papers was based on the actual for 2016.

Table 38: Engagement of, and acceptance by, stakeholders of comprehensive and easily understood assessment policy and support 2013 to 2017 ^(a)

2013	2014	2015	2016	2017 ^(b)	Target in 2017–18 Budget Papers
4.1	4.2	4.2	4.1	4.2	4.1

Source: School Curriculum and Standards

(a) Survey ratings are reported for the school year to which they relate. School Curriculum and Standards Authority Annual Report 2017–18 reports the same indicator for the year in which the survey was completed.

(b) Number of surveys received from members of Course Advisory Committees: 365 (73.6% response rate; total number of members: 496).

Engagement of, and acceptance by, stakeholders of valid and reliable external and school-based assessments

The extent to which stakeholders have engaged with and accepted the School Curriculum and Standards Authority's provision of high quality external assessments and rigorous processes for standards setting and certification is assessed by a survey completed by teachers who are members of the Authority's Course Advisory Committees.

The indicator shows the average rating given by survey respondents on a scale from 1 (Not at all) to 5 (High).

The target in the 2017–18 Budget Papers was based on the actual for 2016.

Table 39: Engagement of, and acceptance by, stakeholders of valid and reliable external and school-based assessments 2013 to 2017 ^(a)

2013	2014	2015	2016	2017 ^(b)	Target in 2017–18 Budget Papers
4.1	4.2	4.2	4.2	4.3	4.2

Source: School Curriculum and Standards

(a) Survey ratings are reported for the school year to which they relate. School Curriculum and Standards Authority Annual Report 2017–18 reports the same indicator for the year in which the survey was completed.

(b) Number of surveys received from members of Course Advisory Committees: 346.5 (69.9% response rate; total number of members: 496).

Desired Outcome 4: Quality accommodation, care and services for isolated students who have to board away from home to attend school

To enable all students to access a high quality education, we must provide accommodation, care and services for isolated students to attend school. From 1 July 2017, the Department of Education had responsibility for residential colleges (previously the function of the former Country High School Hostels Authority).

The quality of the accommodation, care and services must be taken in the context of the level at which these functions are being used. The average residential college occupancy rate gives an indication of the extent to which these facilities are being used.

The extent to which parents are satisfied with the accommodation, care and services is an indication as to the quality provided.

Average residential college occupancy rate

The indicator represents the number of students enrolled at residential colleges as at the annual Semester 1 student census, as a proportion of total student capacity across the colleges at that time.

The target in the 2017–18 Budget Papers was based on the estimated actual for 2016–17.

Table 40: Number of students enrolled at residential colleges as a proportion of total student capacity across residential colleges (%) 2014 to 2018 ^{(a) (b)}

2014	2015	2016	2017	2018	Target in 2017–18 Budget Papers
68	68	68	62	56	62

Source: *Planning, Regulation and Review*

(a) Semester 1 student census.

(b) See [Table A13](#) for WA residential colleges enrolment information.

Families rating accommodation, care and services as good or better

The indicator represents the percentage of parent survey respondents who rated residential college care and services as of good, high or very high quality in the parent satisfaction survey administered on a biennial basis (most recently in 2018).

The survey asks parents of children enrolled in the college: “Most importantly, you are asked to provide an OVERALL rating of the care and services provided by the college”. The survey response categories are: (1) unacceptable quality, (2) inadequate, (3) adequate, (4) good quality, (5) high quality and (6) very high quality.

The data was aggregated to provide an overall rating. In 2018, there were 433 surveys provided to parents, with 204 (47%) completed and returned.

The target in the 2017–18 Budget Papers was based on the estimated actual for 2016–17.

Table 41: Percentage of parent survey respondents who rated residential college care and services as of good, high or very high quality 2010 to 2018

2010	2012	2014	2016	2018	Target in 2017–18 Budget Papers
92.1	90.1	92.2	91.9	93.6	92

Source: *Planning, Regulation and Review*

Efficiency indicators

The indicators have been calculated based on costs of services excluding the non-cash revaluation decrement.

The following information is in relation to the efficiency indicators for Services 4 and 5:

From 1 July 2017, the Department provided administrative support, free of charge, to the School Curriculum and Standards Authority to enable it to perform the functions under the *School Curriculum and Standards Authority Act 1997*. The service appropriations for the Authority were paid to the Department for the operational management of the Authority. The operational expenditure of the Authority was paid by the Department and the revenue equivalent is reported as a service received free of charge (non-cash) by the Authority. Due to the Authority directly receiving revenue and incurring expenditure there is a difference in the results reported for the Department's efficiency indicators for Services 4 and 5 and the equivalent efficiency indicators reported by the Authority in its annual report.

Service 1: Public primary education

This service provides access to education in public schools for persons aged generally from four years and six months to 11 years and six months.

Cost per student full-time equivalents of public primary education

This indicator is the total cost of services for primary education in public schools, divided by the average full-time equivalent (FTE) of public school primary students across the two semesters of the financial year.

Table 42: Cost (\$) per full-time equivalent student of public primary education 2013–14 to 2017–18 ^(a) ^(b)

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
14 465	14 746	15 270	15 344	15 505	15 640

Source: *Education Business Services*

(a) Figures are not adjusted for inflation.

(b) Year 7 became part of public school secondary education in Western Australia from 2015, having previously been part of primary education. No adjustments made to previous years' figures.

Service 2: Public secondary education

This service provides access to education in public schools for persons aged generally from 11 years and six months.

Cost per student full-time equivalents of public secondary education

This indicator is the total cost of services for secondary education in public schools, divided by the average full-time equivalent (FTE) of public school secondary students across the two semesters of the financial year.

Table 43: Cost (\$) per full-time equivalent student of public secondary education 2013–14 to 2017–18 ^{(a) (b)}

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
19 440	18 491	18 348	18 365	18 372	18 944

Source: Education Business Services

(a) Figures are not adjusted for inflation.

(b) Year 7 became part of public school secondary education in Western Australia from 2015, having previously been part of primary education. No adjustments made to previous years' figures.

Service 3: Regulation, review, funding and policy advice

This service provides regulatory, review, funding and policy advisory services, as required by legislation or government policy, to support provision of quality services by registered and/or accredited education and training providers.

Cost of regulatory services per registered provider/institution

This indicator is the total cost of regulatory services divided by the number of registered providers. Registered providers/institutions include all that are registered, accredited or authorised under one or more acts of Parliament, or approved ministerial guidelines, that are administered by the Department, i.e. universities, non-self-accrediting higher education institutions, non-government schools, registered training organisations, and providers of education services to full fee international students.

The higher 2017–18 result than 2017–18 budget target was due to higher than expected cost of services in 2017–18 including the unexpected one-off costs associated with the Voluntary Targeted Separation Scheme.

Table 44: Cost (\$) of regulatory services per registered provider/institution 2013–14 to 2017–18 ^(a)

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
14 182	15 769	17 295	21 401	20 358	17 659

Source: Education Business Services

(a) Figures are not adjusted for inflation.

Cost of recurrent funding programs per student

This indicator is the administrative cost to the Department of providing recurrent funding to non-government schools, divided by the number of (a) students for whom a per capita grant is paid; (b) students to whom a scholarship is awarded; and (c) organisations recognised as providers of specifically funded contracted services.

The lower 2017–18 result than 2017–18 budget target was due to lower than expected salary costs following Machinery of Government changes.

Table 45: Cost (\$) of recurrent funding programs per student 2013–14 to 2017–18 ^(a)

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
7.11	7.92	8.29	5.70	5.24	6

Source: Education Business Services

(a) Figures are not adjusted for inflation.

Cost of loan services per loan advance

The Department administers the Low Interest Loan Scheme on behalf of the Minister for Education and Training. Section 186 of the *School Education Act 1999* provides the Minister with the necessary powers to lend money to approved non-government schools for capital works.

The scheme assists non-government schools with capital development projects including land acquisition, new building construction and upgrades to established facilities. Loans are also available to The University of Notre Dame Australia.

This indicator is the cost to the Department of administering the scheme during the financial year, divided by the number of active loans and loan advances under the scheme.

The higher 2017–18 result than 2017–18 budget target was due to higher than expected indirect costs associated with loan services following the Machinery of Government changes.

Table 46: Cost (\$) of loan services per active loan and loan advance 2013–14 to 2017–18 ^(a)

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
681	783	916	1 082	1 033	709

Source: Education Business Services

(a) Figures are not adjusted for inflation.

Hourly cost of providing policy advice and support

This indicator is the total cost of providing policy advice and support previously provided by the former Department of Education Services, divided by the hours spent providing such policy advice and support.

The higher 2017–18 result than 2017–18 budget target was due to higher than expected indirect costs associated with providing policy advice and support following Machinery of Government changes and a reduction in the number of hours of advice provided due to a decrease in staff FTE that provide such advice and support.

Table 47: Cost (\$) per hour of providing policy advice and support 2013–14 to 2017–18 ^(a)

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
132	136	147	167	153	107

Source: Education Business Services

(a) Figures are not adjusted for inflation.

Cost of review services per school

This indicator is the cost of reviewing Independent Public Schools (IPS), divided by the number of IPS reviewed.

The former Department of Education Services school review function for IPS will be incorporated into a new model of review implemented for all public schools by the Department in 2018–19. During the transition, there were fewer IPS reviews conducted, which led to the higher average cost of such reviews in 2017–18 compared to 2016–17 and the 2017–18 budget target.

Table 48: Cost (\$) of services per Independent Public School review 2013–14 to 2017–18 ^(a)

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
30 320	22 174	22 981	19 682	26 027	15 798

Source: Education Business Services

(a) Figures are not adjusted for inflation.

Cost of regulatory services per teacher

This indicator is the cost to the Department of providing secretariat support to the Teacher Registration Board of Western Australia, divided by the number of registered teachers at 30 June.

The result for 2017–18 was lower than the result for 2016–17 due mostly to the transfer of the International Education program to the Department of Jobs, Tourism, Science and Innovation.

Table 49: Cost (\$) of regulatory services per teacher 2013–14 to 2017–18 ^(a)

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
93	102	121	121	108	107

Source: Education Business Services

(a) Figures are not adjusted for inflation.

Service 4: Curriculum development, evaluation and support

This service involves curriculum development and accreditation for all courses to ensure high quality and standards of contemporary curriculum provision and formal course review based on stakeholder feedback and consultation for Pre-primary to Year 12.

Average cost per registered school for syllabus development and review (Pre-primary–Year 12)

This indicator is the cost to the Department of providing syllabus development and reviews to registered public and non-government schools, divided by the total number of registered public and non-government schools as at the Semester 1 student census. This indicator excludes costs incurred by public schools for syllabus development and review as they are included in Services 1 and 2.

Table 50: Average cost (\$) per registered school for syllabus development and review (Pre-primary–Year 12) 2013–14 to 2017–18 ^(a)

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
7 435	9 095	7 940	7 732	7 145	7 842

Source: Education Business Services

(a) Figures are not adjusted for inflation.

Service 5: Student assessment and certification

This service involves the provision of clear assessment policy and guidelines, provision of high quality external assessments and rigorous processes for standards setting and certification.

Average cost per enrolled student for moderation (Years 3–12)

This indicator is the cost to the Department of moderation processes, divided by the number of Year 3 to Year 12 students being moderated. Moderation activities are used to help ensure the comparability of school marks and grades between schools for students in Years 3 to 12. These activities help maintain standards of achievement, and ensure fairness of marking and grading for students. This indicator excludes costs incurred by public schools for moderation as they are included in Services 1 and 2.

The lower result for 2017–18 than 2016–17 is mainly due to a decrease in the cost associated with providing the services due to efficiencies gained through the Machinery of Government changes.

Table 51: Average cost (\$) per enrolled student for moderation (Years 3–12) 2013–14 to 2017–18 ^(a)

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
104	101	92	78	68	74

Source: Education Business Services

(a) Figures are not adjusted for inflation.

Average cost per enrolled student for external assessment (Years 11–12)

This indicator is the cost to the Department of providing external assessments to Year 11 and 12 students, divided by the number of Year 11 and 12 students enrolled for external assessment. This indicator excludes costs incurred by public schools for external assessment as they are included in Service 2.

The lower result for 2017–18 than 2016–17 is mainly due to a decrease in the cost associated with providing the services due to efficiencies gained through the Machinery of Government changes.

Table 52: Average cost (\$) per enrolled student for external assessment (Years 11–12) 2013–14 to 2017–18 ^(a)

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
235	309	205	218	194	209

Source: Education Business Services

(a) Figures are not adjusted for inflation.

Average cost per enrolled Year 12 student for certification

This indicator is the total cost to the Department associated with the certification of Year 12 students, divided by the number of certificates issued.

Costs include activities involved in the certification process such as curriculum development, moderation, examinations, etc. This indicator excludes costs incurred by public schools for certification as they are included in Service 2.

The lower 2017–18 result than 2017–18 budget target and 2016–17 result was primarily due to a reduction in the total cost of Year 12 certification, due to efficiencies gained through the Machinery of Government changes.

Table 53: Average cost (\$) per enrolled Year 12 student for certification 2013–14 to 2017–18 ^(a)

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
1 042	1 331	913	1 004	868	965

Source: Education Business Services

(a) Figures are not adjusted for inflation.

Average cost per enrolled student for NAPLAN

This indicator is the cost to the Department of the National Assessment Program – Literacy and Numeracy (NAPLAN), divided by the number of students who were registered in NAPLAN testing. It excludes the costs incurred by public schools to conduct NAPLAN as they are included in Services 1 and 2.

The lower 2017–18 result than 2017–18 budget target and 2016–17 result was primarily due to the reduction in the total cost of NAPLAN, due to efficiencies gained through the Machinery of Government changes.

Table 54: Average cost (\$) per enrolled student for NAPLAN 2013–14 to 2017–18 ^(a)

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
39	33	50	36	32	39

Source: Education Business Services

(a) Figures are not adjusted for inflation.

Service 6: Establishment, operation and maintenance of residential colleges

This service provides quality accommodation, care and services for isolated students who have to board away from home to attend school.

Average cost per student

This indicator is the cost to the Department of the establishment, operation and maintenance of residential colleges divided by the total number of students enrolled at the colleges as at the Semester 1 student census.

The higher 2017–18 result than 2017–18 budget target was primarily due to a lower than expected number of residential college students.

Table 55: Average cost (\$) of residential colleges per student 2013–14 to 2017–18 ^(a)

2013–14	2014–15	2015–16	2016–17	2017–18	Target in 2017–18 Budget Papers
26 030	27 258	26 282	29 062	31 220	25 600

Source: Education Business Services

(a) Figures are not adjusted for inflation.

Financial statements

Certification of financial statements for the year ended 30 June 2018

The accompanying financial statements of the Department of Education have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2018 and the financial position at 30 June 2018.

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



JENNIFER McGRATH
ACTING DIRECTOR GENERAL
(ACCOUNTABLE AUTHORITY)



PHILIPPA BEAMISH BURTON
ACTING CHIEF FINANCE OFFICER

11 September 2018

11 September 2018

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note	2017-18 \$'000
COST OF SERVICES		
Expenses		
Employee benefits expense	3.1.1	3 834 394
Supplies and services	3.3	864 037
Depreciation and amortisation expense	5.1.1, 5.2.1	187 748
Grants and subsidies	3.2	42 235
Finance costs	7.4	25 293
Other expenses	3.3	397 513
Total cost of services		5 351 220
Income		
Revenue		
User contributions, charges and fees	4.2	134 547
Interest revenue	4.4	22 442
Other revenue	4.5	124 988
Australian Government grants and contributions	4.3	736 284
Total revenue		1 018 261
Total income other than income from State Government		1 018 261
NET COST OF SERVICES		4 332 959
Income from State Government	4.1	
Service appropriation		4 053 674
Grants from State Government Agencies		11 618
Services received free of charge		14 946
Royalties for Regions Fund		14 677
Total income from State Government		4 094 915
DEFICIT FOR THE PERIOD		(238 044)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(238 044)

See also the 'Schedule of Income and Expenses by Service'.

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	2017-18 \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	7.5.1	586 873
Restricted cash and cash equivalents	7.5.2	28 825
Amounts receivable for services	6.2	19 673
Inventories	6.4	6 084
Receivables	6.1	83 846
Other current assets	6.3	9 584
Non-current assets held for distribution to owner	9.9	4 219
Total Current Assets		739 104
Non-Current Assets		
Restricted cash and cash equivalents	7.5.2	26 910
Receivables	6.1	268 145
Amounts receivable for services	6.2	2 701 398
Property, plant and equipment	5.1	11 265 106
Intangible assets	5.2	10 313
Total Non-Current Assets		14 271 872
TOTAL ASSETS		15 010 976
LIABILITIES		
Current Liabilities		
Payables	6.5	98 728
Borrowings	7.1	47 316
Provisions	3.1.2	588 515
Other current liabilities	6.6	11 442
Total Current Liabilities		746 001
Non-Current Liabilities		
Payables	6.5	242
Borrowings	7.1	465 864
Provisions	3.1.2	185 849
Total Non-Current Liabilities		651 955
TOTAL LIABILITIES		1 397 956
NET ASSETS		13 613 020
EQUITY		
Contributed equity	9.10	13 851 064
Accumulated surplus		(238 044)
TOTAL EQUITY		13 613 020

See also the 'Schedule of Assets and Liabilities by Service'.
The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Note	Contributed equity \$'000	Accumulated surplus \$'000	Total equity \$'000
Balance at 1 July 2017	9.10	-	-	-
Surplus		-	(238 044)	(238 044)
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	(238 044)	(238 044)
Transactions with owners in their capacity as owners:				
Capital appropriations		262 626	-	262 626
Transfer of net assets from other agencies		13 541 789	-	13 541 789
Other contributions by owners		46 660	-	46 660
Distribution to owners		(11)	-	(11)
Total		13 851 064	-	13 851 064
Balance at 30 June 2018		13 851 064	(238 044)	13 613 020

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Note	2017-18 \$'000
CASH FLOWS FROM STATE GOVERNMENT		
Service Appropriation		3 838 110
Capital Contribution		262 626
Holding Account Draw Downs		34 606
Cash balance transferred in from the old Department of Education		585 008
Cash balance transferred in from other agencies - MOG changes		17 728
Royalties for Regions		61 337
Grants and Subsidies Income		8 585
Net cash provided by State Government		4 808 000
Utilised as follows:		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee benefits expense		(3 809 406)
Supplies and services		(844 882)
Grants and subsidies		(51 298)
Finance costs		(17 650)
GST payments on purchases		(122 365)
Loans advanced to non-government schools		(52 698)
Other payments		(860)
Receipts		
User contributions, charges and fees		122 508
Australian Government grants and contributions		736 284
Interest received		14 738
GST receipts on revenue		3 246
GST receipts from taxation authority		119 650
Repayments of loans by non-government schools		32 910
Other receipts		94 089
Net cash used in operating activities	7.5.3	(3 775 734)
CASH FLOW FROM INVESTING ACTIVITIES		
Payments		
Purchases of non-current physical assets		(378 163)
Receipts		
Receipts from sale of non-current physical assets		453
Net cash provided by/(used in) investing activities		(377 710)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments		
Payment Finance Lease Liabilities		(17 805)
Repayment of borrowings loans		(46 700)
Receipts		
Proceeds from borrowings		52 557
Net cash used in financing activities		(11 948)
Net increase/(decrease) in cash and cash equivalents		642 608
Cash and cash equivalents at the beginning of the period		-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.5.3	642 608

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

SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES

As at 30 June 2018

	2017-18 Budget Estimate \$'000	2017-18 Actual \$'000	Variance \$'000
DELIVERY OF SERVICES			
Item 16 Net amount appropriated to deliver services	4 058 388	4 051 999	(6 389)
Amount authorised by other statutes			
<i>Salaries and Allowances Act 1975</i>	1 845	1 675	(170)
Total appropriations provided to deliver services	4 060 233	4 053 674	(6 559)
ADMINISTERED TRANSACTIONS			
Item 17 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	450 593	449 980	(613)
CAPITAL			
Item 92 Capital Contribution	250 313	262 626	12 313
GRAND TOTAL	4 761 139	4 766 280	5 141
DETAILS OF EXPENSES BY SERVICES			
Public Primary Education	2 948 509	3 173 495	224 986
Public Secondary Education	1 984 553	2 095 554	111 001
Regulation, Review, Funding, and Policy Advice	36 754	34 373	(2 381)
Curriculum Development, Evaluation and Support	8 712	7 973	(739)
Student Assessment and Certification	26 134	23 216	(2 918)
Establishment, Operation and Maintenance of Residential Colleges	15 104	16 609	1 505
Total cost of services	5 019 766	5 351 220	331 454
Less total income	976 486	1 018 261	41 775
Net cost of services	4 043 280	4 332 959	289 679
Adjustments	16 953	(279 285)	(296 238)

SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES (CONTINUED)

	2017-18 Budget Estimate \$'000	2017-18 Actual \$'000	Variance \$'000
Total appropriations provided to deliver services	4 060 233	4 053 674	(6 559)
CAPITAL EXPENDITURE			
Purchase of non-current physical assets	452 298	581 382	129 084
Repayment of borrowings	33 415	64 505	31 090
Adjustments for other funding sources	(235 400)	(383 261)	(147 861)
Capital appropriations	250 313	262 626	12 313
DETAILS OF INCOME ESTIMATES			
Income disclosed as Administered Income	450 600	449 980	(620)
	450 600	449 980	(620)

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation. Note 9.12 'Explanatory Statement' provides details of any significant variations between estimates and actual results for 2017-18.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

NOTE 1. BASIS OF PREPARATION

The Department is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The entity is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Department on 11 September 2018.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

1. *The Financial Management Act 2006* (FMA)
2. The Treasurer's Instructions (the Instructions or TI)
3. Australian Accounting Standards (AAS) including applicable interpretations
4. Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Reporting entity

The reporting entity comprises the Department of Education including public schools and residential colleges across the State, central and regional offices, and the Business and Customer Services Centre.

In 2016–17 the Western Australian Government announced major changes to State Government agencies to increase collaboration across departments, deliver services more efficiently and focus on whole of Government objectives. As a result, a newly formed Department of Education commenced 1 July 2017, with responsibility for government and non-government education services. This brings together the operations of the Department of Education, Department of Education Services and the School Curriculum and Standards Authority.

While the School Curriculum and Standards Authority continues as a statutory authority under the *School Curriculum and Standards Authority Act 1997*, all staff of the three agencies became employees of the Department of Education. The Teacher Registration Board of Western Australia and Training Accreditation Council continued as statutory entities.

In a separate change, the Country High School Hostels Authority ceased on 30 June 2017 and the Department of Education assumed responsibility for residential colleges from 1 July 2017.

Amalgamation of accounts

Financial information from 826 educational sites including 812 schools are amalgamated into the financial statements. The information provided by schools is generally drawn from accounts prepared on a cash basis with appropriate accrual information provided for the financial statements. All intra-entity transactions and balances between the Department and educational sites are eliminated.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Comparative figures

The Department has undergone a restructure that has resulted in significant changes to the activities and services it carries out. Consequently, no comparative figures have been disclosed in the financial statements including the notes in accordance with TI 949(5) *Comparative Figures*.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

NOTE 1. BASIS OF PREPARATION (continued)

Contributed equity

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

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

NOTE 2. DEPARTMENT OUTPUTS

This section includes information regarding the nature of funding the Department receives and how this funding is utilised to achieve the Department's objectives. This note also provides the distinction between controlled funding and administered funding:

	Note
Department objectives	2.1
Schedule of Income and Expenses by Service	2.2
Schedule of Assets and Liabilities by Service	2.3

2.1 Department objectives

Mission

The Department's mission is to:

- provide students across Western Australia, through a strong public school system, with access to a high quality education;
- ensure Western Australian education and training providers, and teachers, comply with appropriate regulatory and policy requirements;
- support Western Australian schools to implement the Western Australian Curriculum and Assessment Outline (Pre-primary to Year 10) and Western Australian Certificate of Education (Years 11 and 12); and to provide quality assessment, moderation and certification procedures; and
- provide quality accommodation, care and services for isolated students who have to board away from home to attend school.

Services

The Department provides the following services:

Service 1: Public Primary Education

This service provides access to education in public schools for persons aged generally from four years and six months to 11 years and six months.

Service 2: Public Secondary Education

This service provides access to education in public schools for persons aged generally from 11 years and six months.

Service 3: Regulation, Review, Funding and Policy Advice

This service provides regulatory, review, funding and policy advisory services, as required by legislation or government policy, to support provision of quality services by registered and/or accredited education and training providers.

Service 4: Curriculum Development, Evaluation and Support

This service involves curriculum development and accreditation for all courses to ensure high quality and standards of contemporary curriculum provision and formal course review based on stakeholder feedback and consultation for Pre-primary to Year 12.

Service 5: Student Assessment and Certification

This service involves the provision of clear assessment policy and guidelines, provision of high quality external assessments and rigorous processes for standards setting and certification.

Service 6: Establishment, Operation and Maintenance of Residential Colleges

This service provides quality accommodation, care and services for isolated students who have to board away from home to attend school.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

2.2 Schedule of Income and Expenses by Service

	Primary Education	Secondary Education	Regulation, Review, Funding, and Policy Advice	Student Assessment and Certification	Curriculum Development, Evaluation and Support	Establishment, Operation and Maintenance of Residential Colleges	Total
	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
COST OF SERVICES							
Expenses							
Employee benefits expense	2 288 852	1 507 689	11 684	5 991	11 406	8 772	3 834 394
Supplies and services	478 505	360 613	6 354	1 980	11 793	4 792	864 037
Depreciation and amortisation expense	109 494	75 652	480	-	-	2 122	187 748
Grants and subsidies	27 580	14 591	45	2	17	-	42 235
Finance costs	5 587	3 011	15 791	-	-	904	25 293
Other expenses	263 477	133 998	19	-	-	19	397 513
Total cost of services	3 173 495	2 095 554	34 373	7 973	23 216	16 609	5 351 220
Income							
User contributions, charges and fees	37 641	82 013	6 839	-	-	8 054	134 547
Interest revenue	2 496	3 185	16 708	-	-	53	22 442
Other revenue	71 754	52 812	41	-	-	381	124 988
Australian Government grants and contributions	461 791	274 493	-	-	-	-	736 284
Total income other than income from State Government	573 682	412 503	23 588	-	-	8 488	1 018 261
NET COST OF SERVICES	2 599 813	1 683 051	10 785	7 973	23 216	8 121	4 332 959
Income from State Government							
Service appropriation	2 402 289	1 603 512	14 877	6 770	20 349	5 877	4 053 674
Grants from State Government Agencies	3 659	7 959	-	-	-	-	11 618
Services received free of charge	8 923	6 010	13	-	-	-	14 946
Royalties for Regions Fund	9 920	4 757	-	-	-	-	14 677
Total income from State Government	2 424 791	1 622 238	14 890	6 770	20 349	5 877	4 094 915
SURPLUS FOR THE PERIOD	(175 022)	(60 813)	4 105	(1 203)	(2 867)	(2 244)	(238 044)

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

2.3 Schedule of Assets and Liabilities by Service

	Primary Education	Secondary Education	Regulation, Review, Funding, and Policy Advice	Student Assessment and Certification	Curriculum Development, Evaluation and Support	Establishment, Operation and Maintenance of Residential Colleges	Total
	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
ASSETS							
Current assets	371 809	319 485	41 557	89	101	6 063	739 104
Non-current assets	8 346 936	5 534 409	270 440	-	205	119 882	14 271 872
Total assets	8 718 745	5 853 894	311 997	89	306	125 945	15 010 976
LIABILITIES							
Current liabilities	423 086	283 865	37 252	19	22	1 757	746 001
Non-current liabilities	219 659	128 796	303 500	-	-	-	651 955
Total liabilities	642 745	412 661	340 752	19	22	1 757	1 397 956
NET ASSETS	8 076 000	5 441 233	(28 755)	70	284	124 188	13 613 020

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

NOTE 3. USE OF OUR FUNDING

Expenses incurred in the delivery of services

This section provides additional information about how the agency's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the agency in achieving its objectives and the relevant notes are:

	Notes	2017-18 \$'000
Employee benefits expenses	3.1.1	3 834 394
Employee benefits provisions	3.1.2	774 364
Grants and subsidies	3.2	42 235
Other expenses	3.3	1 261 550

3.1.1 Employee benefits expense

	2017-18 \$'000
Salaries and allowances ^(a)	3 412 403
Termination benefits	28 900
Superannuation ^(b)	338 710
Other employee-related expense ^(c)	54 381
Total employee benefits expense	3 834 394

(a) Includes the value of leave entitlements movement.

(b) Defined contribution plans include GESB West State \$275.1 million, GESB Gold State \$40.6 million and other superannuation funds (contributions paid) and includes the superannuation contribution component relating to leave movement.

(c) Includes furniture (staff relocation costs), Department net GROH contributions and fringe benefits tax.

Employment on-costs expenses, such as workers' compensation insurance are included in Note 3.3 'Other Expenses'.

Salaries and allowances

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax and leave entitlements.

Termination benefits

Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the agency is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation

The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Department to GESB extinguishes the agency's obligations to the related superannuation liability.

The Department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Department to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

3.1.2 Employee benefits provisions

	2017-18 \$'000
Current	
<i>Employee benefits provision</i>	
Annual leave	27 223
Entitlement to payment during student vacation	266 085
Long service leave	263 157
Deferred salary scheme	24 786
Remote teaching service	7 264
	<u>588 515</u>
Non-current	
<i>Employee benefits provision</i>	
Long service leave	184 956
Remote teaching service	893
	<u>185 849</u>
	<u>774 364</u>
Total employee benefits provisions	<u>774 364</u>

Annual leave liabilities

	2017-18 \$'000
Within 12 months of the end of the reporting period	19 641
More than 12 months after the end of the reporting period	7 582
	<u>27 223</u>

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

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

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

Entitlement to payment during student vacation

	2017-18 \$'000
Within 12 months of the end of the reporting period	266 085
	<u>266 085</u>

Entitlement to payment during student vacation is paid during the student vacation period for most school based staff employed under the Teachers Award, Teachers' Aides' Award and Education Department Ministerial Officer's Salaries and Allowances and Conditions Award, subject to meeting relevant conditions of the Award (including teachers, education assistants and some administration and school support staff).

The entitlement to payment during student vacation is used during the school vacations, leaving no balance at the end of the summer holidays (i.e. zero balance when school resumes at the start of each calendar year).

As at financial year end, the Department recognises a liability for the entitlement to payment during student vacation accrued during the current calendar school year (accrued daily) and not yet taken as at 30 June.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

3.1.2 Employee benefits provisions (continued)

Long service liabilities

	2017-18 \$'000
Within 12 months of the end of the reporting period	98 585
More than 12 months after the end of the reporting period	349 528
	448 113

A liability for long service leave is recognised across all employees using a short-hand approach which allows for the likelihood of payment, salary increases and a discount rate based on remuneration rates and bond yields current as at the end of the reporting period.

The short-hand approach was developed by PricewaterhouseCoopers actuaries on the basis that the liability measured using the short-hand approach was not materially different from the liability determined using the present value of expected future payments. This calculation is consistent with the Department's experience of employee retention and leave utilisation.

All long service leave provisions which are unconditional or expected to become unconditional within 12 months of the reporting date, plus all conditional long service leave provisions which are vested (i.e. the employee has met the age (55) or other criteria which allows early access) or will become vested within 12 months of the reporting date are classified as current liabilities. The remaining long service leave provisions are classified as non-current liabilities because the Department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite criteria (e.g. age or years of service).

Deferred salary scheme liabilities

	2017-18 \$'000
Within 12 months of the end of the reporting period	7 188
More than 12 months after the end of the reporting period	17 598
	24 786

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional 12 months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.

Remote teaching service

	2017-18 \$'000
Within 12 months of the end of the reporting period	3 344
More than 12 months after the end of the reporting period	4 813
	8 157

The provision for Remote Teaching Service leave relates to teaching staff who are working in remote and isolated communities within Western Australia. Employees who stay in the same remote location continuously for three years are entitled to an additional 10 weeks paid leave and those who remain in the same remote location continuously for four years are entitled to an additional 22 weeks paid leave. The provision recognises the value of salary set aside for employees. This liability is measured on the same basis as long service leave.

Employment on-costs

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.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 3.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the agency's 'employee benefits expense'.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

3.1.2 Employee benefits provisions (continued)

Key sources of estimation uncertainty – long service leave

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

Several estimates and assumptions are used in calculating the agency's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

3.2 Grants and subsidies

	2017-18 \$'000
<u>Recurrent</u>	
Parents from Government schools	2 396
Non-government schools and other organisations	39 839
Total grants and subsidies	42 235

Transactions in which the agency provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

3.3 Other expenses

	2017-18 \$'000
Supplies and services	
Communication services	27 261
Consumables	3 175
Consumables - utilities	74 177
Equipment purchases (\$4999 and below)	6 121
Insurance	75 987
Minor works	45 002
PPP - School maintenance costs	4 680
Repairs and maintenance	106 079
Service and contracts	140 491
Service and contracts - property	36 928
Staff-related expense	3 211
Travel	5 728
Other - schools	330 806
Other	4 391
Total supplies and services expenses	864 037

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

3.3 Other expenses (continued)

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Operating lease payments

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

[AASB 117.33]

Repairs and maintenance

Repairs, maintenance and cleaning costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

Doubtful debt expense

Doubtful debt expense is recognised as the movement in the provision for doubtful debt. Please refer to note 6.1.1. Movement of the allowance for impairment of receivables.

Employee on-cost

Employee on-cost includes workers' compensation insurance and other employment on-costs. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Other

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

	2017-18 \$'000
Other expenditures	
Loss on disposal of non-current assets ^(a)	3 461
Refund of prior period revenue	677
Asset revaluation decrement	390 425
Other expenditures	2 950
Total other expenditures	397 513
Total other expenses	1 261 550

(a) Refer to Note 3.4 'Net loss on disposal on non-current assets' for detailed breakdown

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

3.4 Net loss on disposal of non-current assets

	2017-18 \$'000
<u>Costs of disposal of non-current assets</u>	
Land	270
Buildings	1 443
Plant and equipment	760
Motor vehicles	42
Buses	130
Computers	404
Communication equipment	85
Office equipment	290
Library collections	184
Miscellaneous assets	307
	3 915
<u>Proceeds from disposal of non-current assets</u>	
Land	265
Plant and equipment	48
Motor Vehicles	3
Buses	27
Computers	26
Communication equipment	6
Office equipment	16
Library collections	12
Miscellaneous assets	51
	454
Net loss	3 461

Refer to note 3.3 'Other Expenses'

Gains or losses

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

NOTE 4. OUR FUNDING SOURCES

How we obtain our funding

This section provides additional information about how the agency obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the agency and the relevant notes are:

	Notes	2017-18 \$'000
Income from State Government	4.1	4 094 915
User changes and fees	4.2	134 547
Commonwealth grants and contributions	4.3	736 284
Interest revenue	4.4	22 442
Other revenue	4.5	124 988

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

4.1 Income from State Government

	2017-18 \$'000
<u>Appropriation received during the period:</u>	
Service appropriation ^(a)	4 053 674
	4 053 674
<u>Grants and subsidies received during the period:^(b)</u>	
State grants - capital	3 032
State grants - recurrent	8 586
	11 618
<u>Services received free of charge from other State government agencies during the period:</u>	
Department of Communities	38
Department of Justice	721
Department of Planning, Lands and Heritage	18
Department of Finance	202
Department of Training and Workforce Development	13
Department of Health	243
WA Child and Adolescent Health Service	13 711
	14 946
<u>Royalties for Regions Fund:</u>	
Regional infrastructure and headworks account ^(c)	14 677
	14 677
	4 094 915

- (a) **Service appropriations:** Service appropriations are recognised as revenues at fair value in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Service appropriations fund the net costs of services delivered (as set out in note 2.2). Appropriations revenue comprise a cash component and a receivable (asset). The receivable (holding account - note 6.2) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

- (b) **Transfer of assets:** Discretionary transfers of assets (including grants) and liabilities between State Government agencies are reported under Income from State Government. Transfers of assets and liabilities in relation to a restructure of administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004 in respect of net assets transferred. Other non-discretionary non-reciprocal transfers of assets and liabilities designated as contributions by owners under TI 955 are also recognised directly to equity.

- (c) **Regional infrastructure and headworks account:** This is a sub-fund within the overarching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as revenue when the Department gains control on receipt of the funds.

Assets and services received free of charge or for nominal value

Assets or services received free of charge or for nominal cost, that the Department would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position. Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

4.1 Income from State Government (continued)

	2017-18 \$'000
Undischarged Royalties for Regions funds	
The Department of Education receives Royalties for Regions funds on the condition that the money shall be expended in a particular manner. Funds which are yet to be fully spent as at the end of the reporting period do not constitute a liability. Royalties for Regions funds yet to be fully spent at 30 June 2018 total -\$0.24 million comprise the following:	
<u>Recurrent</u>	
Aboriginal and Islander Education Officers	454
Boarding Away from Home	289
Clontarf	691
Independent Learning Coordinators	156
Pilbara Partnerships for Student Success	20
Regional Learning Specialists	635
Pilbara Cities	(2)
Kimberley School Project	(247)
	<u>1 996</u>
<u>Capital</u>	
Broome Senior High School Upgrades	47
Carnarvon Community College – Stage 2	2 929
Collie Senior High School New Facilities	662
Glen Huon Primary School	68
Margaret River Senior High School	4 673
Bunbury Senior High School Upgrades	(2 421)
Carnarvon Community College – Completion of Amalgamation	(5 153)
Geraldton Senior College	(111)
John Willcock College	(241)
Kalgoorlie-Boulder Community High School Redevelopment Stage 1	(2 652)
South Bunbury Primary School Upgrades	(35)
	<u>(2 234)</u>
	<u>(238)</u>

4.2 User contributions, charges and fees

	2017-18 \$'000
<u>Schools</u>	
Contributions, charges and fees	108 068
	<u>108 068</u>
<u>Central Office</u>	
Agricultural schools fees	3 092
Other charges and fees	23 387
	<u>26 479</u>
Total user contributions, charges and fees	<u><u>134 547</u></u>

Revenue is recognised and 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.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

4.2 User contributions, charges and fees (continued)

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Student fees and charges

Voluntary contributions are recognised when contributions are received. Fees and charges are also recognised when received, however bi-annually outstanding debts are reported in aggregate.

Interest

Revenue is recognised as the interest accrues.

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2017–18 Budget Statements, the Department retained \$1123.4 million in 2017–18 from the following:

- User contributions, charges and fees (excluding user contributions, and fees and charges in respect of schools);
- Australian government specific purpose grants and contributions; and
- Other departmental revenue.

4.3 Australian Government grants and contributions

	2017–18 \$'000
<u>Central office</u>	
Australian Government grants - recurrent	728 099
Australian Government grants - capital	7 000
	<u>735 099</u>
<u>Schools</u>	
Australian Government grants - recurrent	1 185
	<u>1 185</u>
Total Australian Government grants and contributions	<u>736 284</u>

Undischarged grants

The Department of Education receives Australian Government grants on the condition that the money shall be expended in a particular manner. Grants which are yet to be fully spent as at the end of the reporting period do not constitute a liability but do require disclosure. Australian Government grants yet to be fully spent at 30 June 2018 total \$13.96 million comprising the following:

Recurrent

- COAG National Partnership Program	4 253
- Indigenous Advance Strategy	586
- Special Project Grants	812
- Indian Ocean Territories ^(a)	(553)
	<u>5 098</u>

Capital

- Trade Training Centres in Schools	1 036
- Students with disabilities	44
- Universal Access	7 778
	<u>8 858</u>

Total undischarged grants

13 956

- (a) Undischarged grants is negative due to timing differences between the annual payment of school grants for the 2018 calendar year and the receipt of funds from the Commonwealth.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

4.3 Australian Government grants and contributions (continued)

Grants, donations, gifts and other non-reciprocal contributions

Grant income arises from transactions described as:

- Non-reciprocal (where the agency does not provide approximate equal value in return to a party providing goods or assets (or extinguishes a liability); or
- Reciprocal (where the agency provides equal value to the recipient of the grant provider).

For non-reciprocal grants, the agency recognises revenue when the grant is receivable at its fair value as and when its fair value can be reliably measured. Contributions of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated. For reciprocal grants, the agency recognises income when it has satisfied its performance obligations under the terms of the grant.

Grants can further be split between general purpose grants and specific purpose grants. General purpose grants refers to grants which are not subject to conditions regarding their use. Specific purpose grants are received for a particular purpose and/or have conditions attached regarding their use.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Department obtains control over the funds. The Department obtains control of the funds at the time the funds are deposited into the Department's bank account.

4.4 Interest revenue

	2017-18 \$'000
Interest revenue	5 881
Loan interest revenue	16 561
	22 442

Loan interest revenue amount reflects the interest charged and receivable from low interest loans to non-government schools and University of Notre Dame Australia (UNDA). In 2017-18 loans to the value of \$52.7 million were advanced to non-government schools and UNDA. Interest has been calculated using the effective interest rate method in compliance with AASB 139, paragraph 46. Participating institutions repay financial costs applicable to their loans, with the balance of the interest rate charged (see Note 7.4 Finance Costs) being met by a government appropriation.

4.5 Other revenue

	2017-18 \$'000
<u>Schools</u>	
Bookshops and canteens	4 771
Donations to schools	21 823
Hire of facilities	8 855
Other revenue	21 056
Total other revenue - Schools	56 505
<u>Central office</u>	
<u>Capital contributions and recoveries</u>	
Developer contributions	18 369
Other revenue - Insurance recoveries	963
	19 332
<u>Other</u>	
Recoveries and refunds	23 888
Sale of goods and services	15 670
Other miscellaneous revenue	9 593
	49 151
Total other revenue - Central office	68 483
Total other revenue	124 988

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

NOTE 5. KEY ASSETS

Assets the Department utilises for economic benefit or service potential

This section includes information regarding the key assets the Department utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2017-18 \$'000
Property, plant and equipment	5.1	11 265 106
Intangibles	5.2	10 313
Total key assets		11 275 419

5.1 Property, plant and equipment

	2017-18 \$'000
<u>Land</u>	
At fair value ^(a)	3 750 637
	3 750 637
<u>Buildings</u>	
At fair value ^{(a)(b)}	7 177 118
Accumulated depreciation	(35 214)
	7 141 904
<u>Leased buildings PPP</u>	
At fair value	117 574
Accumulated depreciation	(522)
	117 052
<u>Plant and equipment</u>	
At cost - Central office	291
At cost - schools and residential colleges	74 350
Accumulated depreciation	(61 320)
	13 321
<u>Leased plant and equipment</u>	
At capitalised cost	107
Accumulated depreciation	(22)
	85
<u>Motor vehicles</u>	
At cost - schools and residential colleges	6 568
Accumulated depreciation	(5 338)
	1 230
<u>Leased motor vehicles</u>	
At capitalised cost	514
Accumulated depreciation	(331)
	183
<u>Buses</u>	
At cost - schools and residential colleges	20 031
Accumulated depreciation	(15 393)
	4 638

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

5.1 Property, plant and equipment (continued)

	2017-18 \$'000
<u>Leased buses</u>	
At capitalised cost	431
Accumulated depreciation	(372)
	<u>59</u>
<u>Computers</u>	
At cost - Central office	5 352
At cost - schools and residential colleges	19 519
Accumulated depreciation	(19 686)
	<u>5 185</u>
<u>Communication equipment</u>	
At cost - Central office	492
At cost - schools and residential colleges	5 874
Accumulated depreciation	(5 931)
	<u>435</u>
<u>Office equipment</u>	
At cost - Central office	882
At cost - schools and residential colleges	20 245
Accumulated depreciation	(13 910)
	<u>7 217</u>
<u>Leased office equipment</u>	
At capitalised cost	57 317
Accumulated depreciation	(26 081)
	<u>31 236</u>
<u>Library collections</u>	
At cost - Central office	121
At cost - schools and residential colleges	97 694
Accumulated depreciation	(62 660)
	<u>35 155</u>
<u>Miscellaneous assets</u>	
At cost - Central office	1 738
At cost - schools and residential colleges	8 140
Accumulated depreciation	(5 788)
	<u>4 090</u>
<u>Capital works in progress (at cost)</u>	
New primary schools	44 484
New secondary schools	41 448
New schools - other (ISWA)	1 881
Additions and improvements to high schools	54 123
Additions and improvements to district high schools	173
Additions and improvements to primary schools	10 449
Additions and improvements to education support centres	97
Additions and improvements to camp schools	8
Indigenous child and family centres/child and parent centres	1
Other	15
	<u>152 679</u>
Total property, plant and equipment	<u>11 265 106</u>

(a) For 2017-18 Land and buildings were revalued as at 1 July 2017 and recognised as at 30 June 2018. Information on fair value measurements is provided in Note 8.3 'Fair value measurement'.

(b) Buildings include \$1.502 billion of school infrastructure.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

5.1 Property, plant and equipment (continued)

	Carrying amount at start of the period	Transferred from the old Department of Education	Additions	Disposals	Transferred to land & buildings held for distribution to owner ^(a)	Transferred from land & buildings held for distribution to owner	Transferred to/from works in progress	Depreciation	Transfers/ Adjustments/ Write-offs/ Revaluation tfr to Income Stat't	Carrying amount at the end of the period
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017-18										
Land	-	3 923 746	20 205	(270)	(3 720)	270	41 948	-	(231 542)	3 750 637
Buildings	-	6 955 725	140 359	(1 443)	-	-	322 525	(146 119)	(129 143)	7 141 904
Leased buildings PPP	-	82 898	65 397	-	-	-	71	(1 574)	(29 740)	117 052
Plant and equipment	-	15 725	3 454	(760)	-	-	-	(5 094)	(4)	13 321
Leased plant and equipment	-	7	95	-	-	-	-	(17)	-	85
Motor vehicles	-	932	1 206	(42)	-	-	-	(866)	-	1 230
Leased motor vehicles	-	213	-	-	-	-	-	(84)	54	183
Buses	-	5 813	662	(130)	-	-	-	(1 707)	-	4 638
Leased buses	-	28	-	-	-	-	-	(129)	160	59
Computers	-	6 023	2 403	(404)	-	-	-	(2 835)	(2)	5 185
Communication equipment	-	580	443	(85)	-	-	-	(506)	3	435
Office equipment	-	7 506	2 996	(290)	-	-	-	(2 997)	2	7 217
Leased office equipment	-	21 101	24 785	-	-	-	-	(15 353)	703	31 236
Library collections	-	36 110	7 868	(184)	-	-	-	(8 639)	-	35 155
Miscellaneous assets	-	3 925	1 102	(307)	-	-	-	(630)	-	4 090
Capital works in progress	-	206 818	310 407	-	-	-	(364 544)	-	(2)	152 679
Total	-	11 267 150	581 382	(3 915)	(3 720)	270	-	(186 550)	(389 511)	11 265 106

(a) The Department of Planning, Lands and Heritage (DPLH) is the only agency with the power to sell Crown land. The land is transferred to DPLH for sale and the Department accounts for the transfer as a distribution to owner.

(b) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in the profit and loss. Where a previously revalued asset is written-down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

Information on fair value measurements is provided in Note 8.3

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

5.1 Property, plant and equipment (continued)

Initial recognition

Items of property, plant and equipment, costing \$5000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Assets transferred as part of a Machinery of Government change are transferred at their fair value.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

The initial cost for a non-financial physical asset under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent measurement

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

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

In the absence of market-based evidence, fair value of land and buildings, including building subclasses (school infrastructure) is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

Land and buildings are independently valued annually by Western Australian Land Information Authority (Valuation Services) to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period. School infrastructure, which consists of; roads, foot paths and paved areas, boundary walls, fences and gates, soft landscaping, and external services is valued annually by the Department's valuer and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period. From the commencement of the 2015-16 financial year, valuations for the Department's buildings (only) have been provided by Valuation Services. These valuations are supplemented by valuations from the Department's valuer for building subclasses (school infrastructure) consisting of analyses of data to determine costs attributed to school infrastructure, which is added to the building valuations to present the fair value of buildings (including school infrastructure). Information from the quantity surveyor engaged by the Department, previous analysis of school infrastructure, and a cross reference to industry cost guide publication is considered to estimate the building replacement cost for school infrastructure.

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

De-recognition

Upon disposal or de-recognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Key sources of estimation uncertainty – Valuation of building sub-classes

The Department recognises building sub-classes (school infrastructure) comprising roads, footpaths and paved areas; boundary walls, fencing and gates; soft landscaping and external services from an independent quantity surveyor as determined by the Department's valuer. Currently the value for each sub-class is determined by applying the appropriate disclosed rate per square metre to the gross floor area of the individual school. An appropriate unit rate per square metre is determined by the Department's valuer using, but not limited to such information as building periodicals, Departmental data and analysis of tender results from Department of Finance - Building Management and Works. When determining depreciated replacement cost the effective age for the school buildings is currently used. The carrying amounts of the building sub-classes (school infrastructure) to be included in the 2017-18 financial statements is \$1.516 billion. This is within the total buildings of \$7.142 billion.

The interest rate used to estimate the value of assets and liabilities under the PPP arrangement is 6.79%.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

5.1.1 Depreciation and impairment

	2017-18 \$'000
<u>Depreciation</u>	
Buildings	146 119
Plant and equipment	5 094
Motor vehicles	866
Buses	1 707
Computers	2 835
Communication equipment	506
Office equipment	2 997
Library collections	8 639
Miscellaneous assets	630
Leased buildings PPP	1 574
Leased plant and equipment	17
Leased office equipment	15 353
Leased buses	129
Leased motor vehicles	84
Total depreciation	186 550

As at 30 June 2018 there were no indications of impairment to property, plant and equipment or infrastructure.

All surplus assets at 30 June 2018 have either been classified as assets held for sale or have been written-off.

Please refer to note 5.2 for guidance in relation to the impairment assessment that has been performed for intangible assets.

Finite useful lives

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

In calculating depreciation for buildings, (including the infrastructure sub-class), the Department deems the economic life of the asset (as assessed by the valuer) to be the useful life of the asset. The asset is then depreciated on a straight line basis over its economic life.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable assets are:

Buildings	40 to 80	Years
Communication equipment	5	Years
Computers	4	Years
Furniture and fittings	10	Years
Motor vehicles	5	Years
Buses	10	Years
Musical instruments	8 to 12	Years
Office equipment	5 to 8	Years
Plant and equipment	8	Years
Transportables	16	Years
Software	4	Years
Library collections	Four to five years with 100% depreciation at the end of the fifth year, or in the sixth year respectively after acquisition.	

Works of art controlled by the Department are classified as property, plant and equipment. These are anticipated to have indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and consequently no depreciation has been recognised.

Land is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

5.1.1 Depreciation and impairment (continued)

Impairment

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered to be impaired and is written down to the recoverable amount and the impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Department is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

The Department's central office and regional offices test intangible assets with an indefinite useful life and intangible assets not yet available for use for impairment at the end of each reporting period irrespective of whether there is any indication of impairment. Schools test intangible assets each year for indication of impairment.

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

5.2 Intangible assets

	2017-18 \$'000
<u>Computer software</u>	
At cost - central office	10 627
At cost - schools	156
Accumulated amortisation	(7 493)
	<u>3 290</u>
Work in progress - Intangible internally generated	7 023
	<u>10 313</u>
Reconciliations:	
<u>Computer software</u>	
Carrying amount at start of period	-
Transfer from the old Department of Education	712
Additions	3 776
Amortisation expense	(1 198)
Carrying amount at end of period	<u>3 290</u>
Work in progress - Intangible internally generated	7 023
	<u>10 313</u>

Initial recognition

Acquisitions of intangible assets costing \$50 000 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 lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight-line basis. All intangible assets controlled by the Department have a useful life of four years and zero residual value.

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

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

5.2 Intangible assets (continued)

Subsequent measurement

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

5.2.1 Amortisation and impairment

	2017-18 \$'000
<u>Amortisation</u>	
Intangible assets	1 198
Total amortisation	1 198

As at 30 June 2018 there were no indications of impairment to intangible assets.

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Department have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Software 4 Years

Impairment

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 5.1.1.

Key sources of estimation uncertainty – Impairment of intangible assets with indefinite useful lives

Central office, regional offices and schools assess impairment of intangible assets at the end of each reporting period. The impact of impairment of intangible assets in schools is minimal. Where there is an indication of impairment (such as falling replacement costs), the recoverable amount (depreciated replacement cost) of the intangible asset is estimated. Calculations performed in assessing recoverable amounts incorporate a number of key estimates.

This section sets out those assets and liabilities that arose from the Department's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

NOTE 6. OTHER ASSETS AND LIABILITIES

	Notes	2017-18 \$'000
Receivables	6.1	351 991
Amounts receivable for services	6.2	2 721 071
Other current assets	6.3	9 584
Inventory	6.4	6 084
Payables	6.5	98 970
Other liabilities	6.6	11 442

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

6.1 Receivables

	2017-18 \$'000
<u>Current</u>	
Receivables	38 502
Allowance for impairment of receivables	(919)
GST receivable	14 934
Loans to non-government schools and UNDA ^(a)	31 329
	<u>83 846</u>
<u>Non-current</u>	
Loans to non-government schools and UNDA ^(a)	268 145
	<u>268 145</u>

(a) Loans to non-government schools and UNDA

The Department is required to report the value of subsidised loans it provides to non-government schools and the University of Notre Dame Australia (UNDA), in accordance with AASB 139. The loans are measured at amortised cost and have a maturity term not exceeding 15 years, as per the Low Interest Loan Scheme (LILS) guidelines. These loans are not held for trading purposes. See Note 8.1 Financial Instruments.

The loans are at a reduced average interest rate of 2.62% per annum, as the Department meets the subsidised interest (refer Note 4.4, Interest Revenue) on behalf of borrowers through a government appropriation.

The Department does not hold any collateral or other credit enhancements as security for receivables.

Receivables are recognised and carried at original invoice amount less any allowance for uncollectible amounts (i.e. impairment). The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

6.1.1 Movement of the allowance for impairment of receivables

	2017-18 \$'000
<u>Reconciliation of changes in the allowance for impairment of receivables:</u>	
Balance at start of period	-
Doubtful debts expense	2 773
Amounts written off during the period	(2 867)
Transfer from the old Department of Education	892
Transfer from previous Country High School Hostels Authority	120
Balance at end of period	<u>919</u>

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts.

6.2 Amounts receivable for services (Holding Account)

	2017-18 \$'000
Current	19 673
Non-current	2 701 398

Amounts receivable for services represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

The Department receives income from the State Government partly in cash and partly as an asset (holding account receivable). The holding account receivable balance, resulting from service appropriation funding, is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

6.3 Other assets

	2017-18 \$'000
<u>Current</u>	
Prepayments	9 584
	<u>9 584</u>

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

6.4 Inventories

	2017-18 \$'000
<u>Current</u>	
Inventories held for resale:	
School canteens, publications and bookshops stocks (at cost)	2 480
Livestock and farm produce (at cost)	3 604
	<u>6 084</u>

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 not required, in which case they are valued at net realisable value.

6.5 Payables

	2017-18 \$'000
<u>Current</u>	
Trade and other payables - central office	38 886
Trade and other payables - schools	12 549
Accrued expenses	33 810
Accrued salaries	13 483
	<u>98 728</u>
<u>Non-current</u>	
Trade and other payables - central office	242
	<u>242</u>

Payables

Payables are recognised at the amounts payable when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

Accrued salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account consists of amounts paid annually, from Departmental appropriations for salaries expense, into a suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

6.6 Other liabilities

	2017-18 \$'000
<u>Current</u>	
Income received in advance	3 740
Amounts held in schools suspense accounts	5 259
Accrued interest expense	2 249
Other	194
	<u>11 442</u>

NOTE 7. FINANCING

This section sets out the material balances and disclosures associated with the financing and cash flows of the Department.

	Notes
Borrowings	7.1
Finance leases	7.2
Assets pledge as security	7.3
Finance costs	7.4
Cash and cash equivalents	7.5
Reconciliation of cash	7.5.1
Restricted cash and cash equivalents	7.5.2
Reconciliation of operating activities	7.5.3
Commitments	7.6
Non-cancellable operating lease commitments	7.6.1
Capital commitments	7.6.2
Other expenditure commitments	7.6.3

7.1 Borrowings

	2017-18 \$'000
<u>Current</u>	
WATC loans ^(a)	31 329
Finance lease liabilities (secured) ^(b)	14 343
Finance lease liabilities PPP	1 644
Total current	<u><u>47 316</u></u>
<u>Non-current</u>	
WATC loans ^(a)	303 259
Finance lease liabilities (secured) ^(b)	20 164
Finance lease liabilities PPP	142 441
Total non-current	<u><u>465 864</u></u>
Total borrowings	<u><u>513 180</u></u>

(a) Western Australian Treasury Corporation (WATC) Low Interest Loans

The Department borrows from the WATC to finance loans provided under the LILS (See also Note 6.1 Receivables). Loans are borrowed at an average rate of interest of 3.05% per annum. The carrying amounts are equivalent to their net fair values.

The current WATC Low Interest Loans relates to the portion of the principal repayments payable to WATC within the next 12 months. The amount is derived from estimates provided through the low interest loans system and the repayment schedule provided by WATC.

(b) Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

7.2 Finance Leases

	2017-18 \$'000
Finance lease commitments^(a)	
<u>Minimum lease payment commitments in relation to finance leases are payable as follows:</u>	
Within 1 year	26 439
Later than 1 year and not later than 5 years	66 471
Later than 5 years	280 018
	<u>372 928</u>
Minimum finance lease payments	<u>372 928</u>
Less future finance charges	<u>(194 336)</u>
Present value of finance lease liabilities	<u><u>178 592</u></u>

The present value of finance leases payable is as follows:

Within 1 year	15 987
Later than 1 year and not later than 5 years	27 934
Later than 5 years	134 671
	<u>178 592</u>
Present value of finance lease liabilities	<u><u>178 592</u></u>

(a) Includes finance lease commitments for motor vehicles leased from State Fleet, Department of Finance \$0.26 million.

Included in the financial statements as:

Current liabilities (see note 7.1 'Borrowings')	15 987
Non-current liabilities (see note 7.1 'Borrowings')	162 605
	<u>178 592</u>

The Department has the option to purchase leased assets at their agreed fair value on expiry of the lease. These leasing arrangements do not have escalation clauses, other than in the event of payment default. There are no restrictions imposed by these leasing arrangements on other financing transactions. The commitments above are inclusive of GST where relevant.

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Department is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

Public Private Partnerships

The State Government has partnered with a single Project Company to design, build, finance and maintain four new primary schools and four secondary schools to open progressively from 2017 to 2020, with a subsequent maintenance period ending in December 2047.

Schools are designed, constructed and made available to the Department, upon commercial acceptance (CA). The Project Company is to provide, over the duration of the term, agreed facilities management services, maintenance and refurbishment of the schools. At the end of the term, the Project Company is to hand over the schools to the Department in a well maintained condition, for nil consideration.

These Public Private Partnership (PPP) schools are recognised by the Department as a leased asset with a finance lease liability on achievement of CA of each phase of each school. The Department takes control of the school upon CA and provides school activities, including educational services and administration.

The Department makes Quarterly Service Payments (QSP) over the term comprising repayment of design and construction costs and maintenance and service payments. The payment of the QSP will result in a reduction of the finance lease liability over time.

The PPP schools will be depreciated in accordance with the buildings' useful lives and will be subject to annual revaluation consistent with other school buildings.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

7.3 Assets pledged as security

	2017-18 \$'000
<u>Assets pledged as security</u>	
The carrying amounts of non-current assets pledged as security are:	
Leased buildings PPP	117 052
Leased plant and equipment	85
Leased office equipment	31 236
Leased motor vehicles	183
Leased buses	59
	<u>148 615</u>

The Department has secured the leased assets against the related finance lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

7.4 Finance costs

	2017-18 \$'000
Finance lease charges	698
Finance lease charges PPP	7 937
Loan fair value expense ^(a)	6 072
Interest expensed ^(b)	10 586
Total finance costs expensed	<u>25 293</u>

'Finance cost' includes the interest component of finance leases repayments.

(a) Represents the write down to fair value of low interest loans provided in 2017-18 to non-government schools. The amount of loans provided during 2017-18 was \$52.7 million.

(b) Represents the amounts charged for loans provided to the Department by the Western Australian Treasury Corporation (WATC) for the operation of the Low interest Loan Scheme (LILS) and special loan the UNDA. Refer Note 4.4 Interest Revenue and Note 6.1 Receivables for further details.

7.5 Cash and cash equivalents

7.5.1 Reconciliation of cash

	2017-18 \$'000
<u>Schools</u>	
Bank accounts	368 627
Cash on hand	247
	<u>368 874</u>
<u>Central office</u>	
Operating bank account	217 999
	<u>217 999</u>
Total cash and cash equivalents	<u>586 873</u>

For the purpose of the Statement of Cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise 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.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

7.5.2 Restricted cash and cash equivalents

	2017-18 \$'000
<u>Current</u>	
Grants accounts ^(a)	13 956
Royalties for Regions Fund	(419)
Paid Parental Leave	280
Accrued salaries suspense account (27th pay)	41
Special purpose account - TRBWA ^(b)	9 137
Special purpose account - Student Residential Colleges Fund	5 830
	<u>28 825</u>
<u>Non-current</u>	
Accrued salaries suspense account (27th pay) ^(c)	26 910
	<u>26 910</u>
Total restricted cash and cash equivalents	<u><u>55 735</u></u>

- (a) Unspent cash balances relating to Australian Government grants and state funding, which can only be used for the purpose stipulated by the grant or funding arrangement.
- (b) The purpose of this account is to hold funds received under section 115(3) of the *Teacher Registration Act 2012* for the payment of costs and expenses incurred in the performance of the functions of the Teacher Registration Board of Western Australia (TRBWA).
- (c) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

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

	2017-18 \$'000
Cash and cash equivalents (note 7.5.1)	586 873
Restricted cash and cash equivalents (note 7.5.2)	55 735
	642 608
Reconciliation of net cost of services to net cash flows used in operating activities	
Net cost of services	(4 332 959)
<u>Non-cash Items</u>	
Depreciation expense (note 5.1.1)	186 550
Amortisation expense (note 5.1.1)	1 198
Resources received free of charge (note 4.1)	14 946
Doubtful debts expense (note 6.1)	2 773
Loss on disposal of non-current assets (note 3.3)	3 461
Asset revaluation decrement (note 3.3)	390 425
Adjustment for other non-cash items	2 643
<u>(Increase)/decrease in assets</u>	
Current receivables ^(a)	(43 794)
Current inventories	563
Other current assets	(777)
<u>Increase/(decrease) in liabilities</u>	
Provisions	8 854
Current payables and other liabilities ^(a)	(7 906)
Net GST receipts/(payments) ^(b)	530
Change in GST in receivables and payables ^(c)	(2 241)
Net cash used in operating activities	<u>(3 775 734)</u>
<u>Non-cash investing and financing activities</u>	
Acquisition of property, plant and equipment by means of finance leases	<u>90 277</u>

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

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

(c) This reverses out the GST in receivables and payables.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

7.6 Commitments

7.6.1 Non-cancellable operating lease commitments

	2017-18 \$'000
Non-cancellable operating lease commitments^(a)	
<u>Commitments for minimum lease payments at the end of the reporting period but not recognised as liabilities in the financial statements are payable as follows:</u>	
Within 1 year	28 645
Later than 1 year and not later than 5 years	77 414
Later than 5 years	227 859
	333 918
 (a) Includes operating leasing commitments to Leasing Services, State Fleet, Department of Finance and Government Regional Officer Housing (GROH) \$233.56 million. The GROH commitment contains some leases with no expiry date, for disclosure purposes these were capped at 5 years.	
<u>Future minimum rental receivables for operating leases at the end of the reporting period but not recognised as assets in the financial statements, are receivable as follows:</u>	
Within 1 year	705
Later than 1 year and not later than 5 years	2 117
Later than 5 years	-
	2 822

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

The Department has entered into a number of operating lease arrangements for the rent of buildings and other assets where the lessor effectively retains all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

7.6.2 Capital commitments

	2017-18 \$'000
Capital expenditure commitments	
<u>Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:</u>	
Within 1 year	316 430
Later than 1 year and not later than 5 years	212 954
Later than 5 years	-
	529 384
<u>The capital commitments include amounts for:</u>	
Additional stages at secondary schools	21 667
Additions & improvements to secondary schools	129 375
Additions and improvements at primary schools	21 318
Miscellaneous	84 230
New secondary schools	133 511
New primary schools	111 370
Other school facilities	5 208
Other works	17 680
Universal Access Program	2 193
School funded projects	2 832
	529 384

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

7.6.3 Other expenditure commitments

	2017-18 \$'000
Other expenditure commitments	
<u>Other expenditure commitments, being insurance renewal, open purchase orders and PPP schools - service payments, in addition to amounts reported in the financial statements, are payable as follows:</u>	
Payable within 1 year	96 581
Later than 1 year and not later than 5 years	212 244
Later than 5 years	1 151 681
	<u>1 460 506</u>

Judgements made by management in applying accounting policies - operating lease commitments

The Department has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

NOTE 8. RISKS AND CONTINGENCIES

This section sets out the key risk management policies and measurements techniques of the Department.

	Notes
Financial risk management	8.1
Contingent liabilities	8.2.1
Fair value measurements	8.3

8.1 Financial risk management

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

(a) Summary of risks and risk management

Credit risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairments, as shown in the table at note 8.1 'Financial Instruments Disclosures' and note 6.1 'Receivables'.

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). Policies are in place to minimise exposure to credit risk associated with students and other debtors. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department is exposed to liquidity risk through its trading in the normal course of business. The Department has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. The Department does not trade in foreign currency and is not materially exposed to other price risks.

Other than as detailed in the interest rate sensitivity analysis table at note 8.1, the Department is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing, and it has no borrowings other than the finance leases (fixed interest rate).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

8.1 Financial risk management (continued)

(b) Categories of financial instruments

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

	2017-18 \$'000
<u>Financial Assets</u>	
Cash and cash equivalents	586 873
Restricted cash and cash equivalents	55 735
Loans and receivables ^(a)	3 058 128
<u>Financial Liabilities</u>	
Financial liabilities measured at amortised cost	623 592

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

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

8.1 Financial risk management (continued)

(c) Ageing analysis of financial assets

	Carrying Amount \$000	Not past due and not Impaired \$000	Past due but not impaired					Impaired financial assets \$000
			Up to 1 month \$000	1 - 3 months \$000	3 months to 1 year \$000	1 - 5 years \$000	More than 5 years \$000	
2017-18								
Schools cash balances	233 785	233 785	-	-	-	-	-	-
Central office cash balances	217 999	217 999	-	-	-	-	-	-
Restricted cash - TRBWA	9 137	9 137	-	-	-	-	-	-
Restricted cash - Residential Colleges Fund	5 830	5 830	-	-	-	-	-	-
Restricted cash assets - other	40 768	40 768	-	-	-	-	-	-
Receivables ^(a)	37 583	36 854	-	48	235	233	210	3
Term deposits	135 089	135 089	-	-	-	-	-	-
Loans to non-government schools and UNDA	299 474	299 474	-	-	-	-	-	-
Amounts receivable for services	2 721 071	2 721 071	-	-	-	-	-	-
	3 700 736	3 700 007	-	48	235	233	210	3

(a) The amount of receivables excludes GST recoverable from the ATO and prepayments.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

8.1 Financial risk management (continued)

(d) Liquidity risk and interest rate exposure

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

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

	Weighted Average Effective Interest Rate	Interest rate exposure				Nominal Amount	Maturity dates				
		Carrying Amount	Fixed Interest rate	Variable Interest rate	Non-Interest bearing		Up to 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	More than 5 years
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2017-18											
<u>Financial Assets</u>											
Schools cash balances	1.03	233 785	-	233 538	247	233 785	233 785	-	-	-	-
Central office cash balances		217 999	-	-	217 999	217 999	217 999	-	-	-	-
Restricted cash - TRBWA	1.93	9 137	-	9 137	-	9 137	9 137	-	-	-	-
Restricted cash - Residential Colleges Fund	1.92	5 830	-	2 197	3 633	5 830	4 307	598	925	-	-
Restricted cash balances - other		40 768	-	-	40 768	40 768	40 768	-	-	-	-
Receivables ^(b)		37 583	-	-	37 583	37 583	37 583	-	-	-	-
Term deposits	1.74	135 089	135 089	-	-	135 089	93 540	-	4 875	36 674	-
Loans to non-government schools and UNDA	5.47	299 474	299 474	-	-	299 474	-	7 766	23 563	123 665	144 480
Amounts receivable for services		2 721 071	-	-	2 721 071	2 721 071	2 232	2 976	14 465	78 692	2 622 706
		3 700 736	434 563	244 872	3 021 301	3 700 736	639 351	11 340	43 828	239 031	2 767 186
<u>Financial Liabilities ^(a)</u>											
Payables ^(b)		98 970	-	-	98 970	98 970	98 970	-	-	-	-
Finance lease liabilities	2.33	178 592	178 592	-	-	178 592	1 024	3 354	11 609	30 232	132 373
WATC loans	3.05	334 588	-	334 588	-	334 588	-	7 766	23 563	119 933	183 326
Other liabilities		11 442	-	-	11 442	11 442	11 442	-	-	-	-
		623 592	178 592	334 588	110 412	623 592	111 436	11 120	35 172	150 165	315 699

(a) The amounts disclosed are the calculated undiscounted cash flow of each class of financial liabilities.

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

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

8.1 Financial risk management (continued)

(e) Interest rate sensitivity analysis

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

	Carrying amount \$'000	-100 basis points		+100 basis points	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
2017-18					
<u>Financial assets</u>					
Schools cash balances	233 785	(2 338)	(2 338)	2 338	2 338
Special purpose account - TRBWA	9 137	(91)	(91)	91	91
Special purpose account - Residential Colleges Fund	5 830	(58)	(58)	58	58
Loans to non-government schools and UNDA	299 474	(2 995)	(2 995)	2 995	2 995
<u>Financial liabilities</u>					
WATC loans	334 588	(3 346)	(3 346)	3 346	3 346
Total increase/(decrease)	882 814	(8 828)	(8 828)	8 828	8 828

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

The Department had no contingent assets as at 30 June 2018.

8.2.1 Contingent liabilities

The following contingent liabilities are additional to the liabilities included in the financial statements:

Litigation in progress

The Department is not involved in any litigation proceedings.

In relation to the former historical sexual abuse claims the Department has three uninsured claims. No formal court proceedings have been issued for these claims. The amount that could be considered to be a contingent liability cannot be determined at the stage. The remainder of the claims are being processed through RiskCover.

Contaminated sites

The Department currently has 45 sites that are registered with the Department of Water and Environmental Regulation (DWER). Of these, 10 have been investigated and do not require any further action. Nine have been investigated and confirmed as contaminated. Two of the nine sites have site management plans in place and the other seven sites still need to have their site management plans developed. 26 of the 45 sites are still subject to investigation. There are also 17 other sites that are not registered with DWER but require investigation.

Where a school or school site is identified as possibly contaminated, an investigation is carried out by a qualified environmental health consultant. In addition to a visual inspection, analytical techniques, such as material, water and soil testing are used to confirm the nature and extent of the contamination.

Upon completion of their investigation, the consultant submits a report to the Department of Education, which is then forwarded to the Department of Water and Environment Regulation (DWER) for classification according to the *Contaminated Sites Act 2003*.

Following a series of fires involving aluminium composite panels the Building Commission requested agencies assess their facilities. While the Department of Education has no sites that fall within the Building Commission's/Department of Mines, Industry Regulation and Safety's scope for the State-wide cladding audit the Department is assessing all projects where aluminium composite panels may have been used since 2000. Where projects are identified as having potentially combustible cladding, fire engineering assessments are being undertaken. This work is underway.

8.3 Fair value measurements

	Level 1	Level 2	Level 3	Fair value at end of period
	\$'000	\$'000	\$'000	\$'000
Assets measured at fair value				
2017-18				
Non-current assets classified as held for distribution to owner (Note 9.1)	-	-	4 219	4 219
Land (Note 5.1)	-	-	3 750 637	3 750 637
Buildings (Note 5.1)*	-	-	7 258 956	7 258 956
	-	-	11 013 812	11 013 812

* Included within buildings is school infrastructure totalling \$1.583 billion. There were no transfers between Levels 1, 2 or 3 during the period.

	Land	Buildings
	\$'000	\$'000
Fair value measurements using significant unobservable inputs (Level 3)		
2017-18		
Fair Value at start of period	-	-
Contribution to owner	3 923 746	7 038 623
Additions	20 205	205 756
Transfer from Work in Progress	41 948	322 596
Transfers to/from held for distribution (within level 3)	(3 450)	-
Disposals	(270)	(1 443)
Depreciation expense	-	(147 693)
Adjustments/Revaluation transferred to Income Statement	(231 542)	(158 883)
Fair Value at end of period	3 750 637	7 258 956
Net loss on disposal of non-current assets under 'Costs of disposal of non-current assets' in Note 3.3	-	1 443

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

8.3 Fair value measurements (continued)

Valuation processes

Commencing from 2015–16, the Department has adopted the school building valuations from Western Australian Land Information Authority (Valuation Services).

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for distribution as Treasurer's Instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Fair value for existing use specialised buildings including building sub classes

Fair value for existing use specialised buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is generally determined by reference to the market-observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Fair value for restricted use land

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

Significant Level 3 inputs used by the Department are derived and evaluated as follows:

Effective age

The effective age is determined by the Valuation Services for buildings and by the Department's valuer for the building sub classes, after taking into account factors such as planned routine maintenance, building improvements and upgrades.

Selection of land with restricted utility

Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by Valuation Services.

Percentage rate of add-on cost - buildings and building sub-classes

Valuation Services has determined that the costs relating to contingencies, headworks, demolitions costs, professional and project fees are inherent in the building valuations and therefore should not be added to its valuations. This also applies to the building sub-classes.

Average installation costs - transportables

The cost of transportation and connection of services determined by the Quantity Surveyor.

Amendments to AASB 13

Mandatory application of AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* has no financial impact for the Department as it is classified as not-for-profit and regularly revalues specialised infrastructure, property, plant and equipment assets. Therefore, fair value the recoverable amount of such assets is expected to be materially the same as fair value.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

NOTE 9. OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or other pronouncements for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	9.1
Future impact of Australian standards issued not yet operative	9.2
Key management personnel	9.3
Related parties	9.4
Affiliated bodies	9.5
Special purpose accounts	9.6
Remuneration of auditors	9.7
Services provided free of charge	9.8
Non-current assets classified as held for sale	9.9
Equity	9.10
Supplementary financial information	9.11
Explanatory statement	9.12
Indian Ocean Territories	9.13
Disclosure of administered income and expenses	9.14
Explanatory statement for administered items	9.15
Administered assets and liabilities	9.16

9.1 Events occurring after the end of the reporting period

There have been no material events occurring after 30 June 2018.

9.2 Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. Where applicable, the agency plans to apply the following Australian Accounting Standards from their application date.

	Operative for reporting periods beginning on/after
<p>AASB 9 <i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>.</p> <p>The Department is assessing the recognition of expected credit losses which will increase the amount of impairment losses recognised as Other expenses in the Statement of Comprehensive Income and thus have an adverse impact on the Department's Surplus/(Deficit) for the period.</p>	<p>1 Jan 2018</p>
<p>AASB 15 <i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.</p> <p>The Department's income is principally derived from appropriations which will be measured under AASB 1058 Income of Not-for-Profit Entities and will be unaffected by this change. However, the Department has not yet determined the potential impact of the Standard on 'Australian Government grants', 'User charges and fees' and 'Other' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Department has discharged its performance obligations.</p>	<p>1 Jan 2019</p>

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.2 Future impact of Australian Accounting Standards not yet operative (continued)

		Operative for reporting periods beginning on/after
AASB 16	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the Department currently has operating lease commitments for \$333.92 million. The Department anticipates most of this amount will be brought onto the statement of financial position, excepting amounts pertinent to short-term or low-value leases. Interest and amortisation expense will increase and rental expense will decrease.</p>	1 Jan 2019
AASB 1058	<p><i>Income of Not-for-Profit Entities</i></p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
AASB 1059	<p><i>Service Concession Arrangements: Grantors</i></p> <p>This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The Department has not identified any public private partnerships within scope of the Standard.</p>	1 Jan 2019
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. Other than the exposures to AASB 9 noted above, The Department is only insignificantly impacted by the application of the Standard.</p>	1 Jan 2018
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. These changes have no impact as Appendix E has been superseded and the Department was not permitted to early adopt AASB 9.</p>	1 Jan 2018
AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.2 Future impact of Australian Accounting Standards not yet operative (continued)

	Operative for reporting periods beginning on/after
<i>AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 Jan 2018
<p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Department has not yet determined the application or the potential impact when the deferred AASB 15 becomes effective from 1 January 2019.</p>	
<i>AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	1 Jan 2019
<p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	

9.3 Key management personnel

The Department has determined that key management personnel include Ministers and senior officers of the Department. However, the Department is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

Total compensation (total fees, salaries, superannuation, non-monetary and other benefits) for senior officers of the Department for the reporting period are presented within the following bands:

	2017-18
Compensation Band (\$)	
\$560 001 - \$570 000	1
\$340 001 - \$350 000	1
\$280 001 - \$290 000	1
\$260 001 - \$270 000	2
\$250 001 - \$260 000	2
\$240 001 - \$250 000	2
\$230 001 - \$240 000	4
\$220 001 - \$230 000	2
\$200 001 - \$210 000	2
\$190 001 - \$200 000	1
\$150 001 - \$160 000	1
\$130 001 - \$140 000	1
\$90 001 - \$100 000	1
\$80 001 - \$90 000	1
	\$'000
Short term employee benefits	4 917
Post employment benefits	491
Other long term benefits	(211)
Total compensation of senior officers	5 197

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.4 Related parties

The Department is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Department is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the department include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with government related entities

Significant transactions include:

- service appropriations (note 4.1);
- capital appropriations (note 9.10);
- Royalties for Regions Fund (note 4.1); and
- superannuation payments to GESB (note 3.1.1);
- insurance payments to the Insurance Commission and RiskCover fund (note 3.3);
- GROH payments to the Department of Communities and Housing (note 3.1.1);
- commitment for GROH future lease payments to the Department of Communities and Housing (note 7.6);
- borrowings and repayments from/to Western Australian Treasury Corporation (WATC) (note 7.1);
- operating lease rentals payments to the Department of Finance (note 3.3);
- commitments for future operating lease payments to the Department of Finance (note 7.6);
- land acquisition payments to the Department of Justice (note 5.1);
- services provided free of charge to other State government agencies (note 9.8);
- services received free of charge from other State government agencies (note 4.1);
- student health services payments to the Department of Health (note 3.1.1);
- student transportation service payments to the Public Transport Authority (note 3.3);
- remuneration for services provided by the Auditor General (note 9.7); and
- other payments to Department of Training and Workforce Development, Department of Fire and Emergency Services and Department of Local Government Sports and Cultural Industries (note 3.3).

Material transactions with related parties

The Department has been notified that a current State Government Minister has declared that a close family member is a co-director of a company which has been engaged to provide professional learning services to schools. The declaration stated the value of work for 2017–18 was approximately \$50 000.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.5 Affiliated and related bodies

The following are affiliated bodies that received operational support from the Department. They are not subject to operational control by the Department.

	2017-18 \$'000
Community Kindergartens	3 799
Non-Government Schools Planning Advisory Panel	116
Rural and Regional Education Advisory Council	124
School Curriculum and Standards Authority	31 811
Training Accreditation Council	2 250
Western Australian Higher Education Council	18
Total Affiliated bodies	38 118

The Department had nil related bodies during the financial year.

9.6 Special purpose accounts

Teacher Registration Board of Western Australia Account

The purpose of this account is to hold funds received under section 115(3) of the *Teacher Registration Act 2012* for the payment of costs and expenses incurred in the performance of the functions of the Teacher Registration Board of Western Australia (TRBWA).

The special purpose account was established pursuant to section 16(1)(b) of the *Financial Management Act 2006*.

	2017-18 \$'000
Balance at start of period	-
Receipts*	13 462
Payments	(4 325)
Balance at end of period	9 137

* Include \$7.46 million transferred from the previous Department of Education Services (DES) as part of Machinery of Government changes.

Student Residential Colleges Fund

The Student Residential Colleges Fund is an agency special purpose account under the *Financial Management Act 2006* section 16(1)(b).

	2017-18 \$'000
Balance at start of period	-
Receipts*	35 869
Payments	(30 039)
Balance at end of period	5 830

* Include \$4.40 million transferred from the previous Country High School and Hostels Authority (CHSHA).

Student scholarship accounts

The Department manages the following special purpose accounts in a trustee capacity. The funds are restricted in that they can only be used in accordance with the conditions of the accounts. These are not included in the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.6 Special purpose accounts (continued)

Special Purpose Account	2017-18			
	Balance at start of period \$	Receipts \$	Payments \$	Balance at end of period \$
1 Olive A. Lewis Scholarship	4 736	20 000	20 000	4 736
2 Scholarship - Council of War Service Land Settlers Association	1 008	20	-	1 028
3 R.S. Sampson	1	-	-	1
4 John Henry Kendall	1 121	22	-	1 143
5 Margueretta Wilson Scholarship	3 140	63	-	3 203
6 Perth Girls' Memorial Scholarship	103 777	2 442	7 000	99 219
7 Sir Thomas Coombe Scholarship	121 251	1 954	-	123 205
8 Margery Bennett Prize	1 350	27	-	1 377
9 W.J. Reid Memorial Prize	8 232	162	-	8 394
10 James and Rose Coombe Scholarships	1 000	20 000	20 500	500
11 Perth Boys' Memorial Scholarship	21 849	430	2 000	20 279
12 Roy Grace English Scholarship	-	2 000	2 000	-
13 James A. Heron Memorial Prize	14 591	288	1 000	13 879
14 Ernest Smith Memorial Prize for English	2 700	53	-	2 753
15 Bentley Senior High School	23 172	456	1 000	22 628
16 Elaine Nora Walker Scholarships	103 948	2 046	4 000	101 994
17 William Samuel Bequest	1 919	37	100	1 856
18 Howard Porter Memorial Prize for Good Citizenship	2 609	51	100	2 560
19 Ian Bremner Memorial Scholarship	47 090	907	2 000	45 997
20 Catherine and Ernest Bennett Memorial Scholarship	29 579	582	500	29 661
21 Laurence Armstrong Scholarship	296 820	26 397	-	323 217
Totals	789 893	77 937	60 200	807 630

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.6 Special purpose accounts (continued)

PURPOSE OF SPECIAL PURPOSE ACCOUNTS

1. Olive A. Lewis Scholarship Trust Account

To hold funds received from the Trustees of the Olive A. Lewis Scholarship Trust pending payment of scholarships to students of ability whose further education might otherwise be restricted by virtue of financial need.

2. Scholarship - Council of War Service Land Settlers Association Trust Account

To hold funds for the purpose of providing an annual prize and runner-up award for the students of residential agricultural schools.

3. R.S. Sampson Scholarships Trust Account

To receive money from the Trustees of the R.S. Sampson Scholarship Trust for the purpose of paying cash prizes to students who have at least three years secondary schooling in public schools in the Swan Electorate.

4. John Henry Kendall Trust Account

To hold and invest moneys bequeathed for the purpose of providing funds for the purchase and supply of books to the North Merredin Primary School library.

5. Margueretta Wilson Scholarship Trust Account

To hold the foundation money for the purpose of making available an annual scholarship to a Year 9 student at Collie Senior High School.

6. Perth Girls' Memorial Scholarship Trust Account

To hold moneys for the purpose of awarding scholarships to a girl or girls attending a public secondary school in the metropolitan area.

7. Sir Thomas Coombe Scholarship Trust Account

To hold the money bequeathed for the purpose of awarding scholarships to male students of ability who for financial reasons would otherwise be unable to carry on to the Western Australian Certificate of Secondary Education.

8. Margery Bennett Prize Trust Account

To hold moneys for the purpose of awarding a cash prize on a biennial rotation basis to an Aboriginal tertiary student in a teacher education program or an Aboriginal Education Worker in Western Australia.

9. W. J. Reid Memorial Prize Trust Account

To hold and invest moneys donated for the purpose of awarding an annual prize to a student from Carine Senior High School who displays social maturity, confidence, poise, involvement in student and/or community affairs, and above average scholastic development.

10. James and Rose Coombe Scholarship Trust Account

To hold and invest money bequeathed for the purpose of awarding cash prizes for public country school students who are in need of financial assistance to complete a high school education.

11. Perth Boys' Memorial Scholarship Trust Account

To hold moneys for the purpose of awarding scholarships to a boy or boys attending a public secondary school in the metropolitan area.

12. Roy Grace English Scholarship Trust Account

To hold the foundation money for the purpose of making an annual cash award available to a student at the end of both Years 10 and 11 who is attending a public secondary school and who demonstrates exceptional ability in the area of English.

13. James A. Heron Memorial Prize Trust Account

To hold the foundation money for the purpose of awarding a cash prize to a student residing in the Fremantle district who is proceeding to take a Western Australian Certificate of Secondary Education course at any recognised high school.

14. Ernest Smith Memorial Prize for English Trust Account

To hold and invest moneys donated for the purpose of awarding an annual prize to the best student in English at North Perth Primary School.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.6 Special purpose accounts (continued)

15. Bentley Senior High School Trust Account

To hold and invest moneys provided by the Bentley Senior High School and Parents and Citizens' Association for the purpose of awarding two annual scholarships based on academic merit to students of Kent Street Senior High School or Como Secondary College.

16. Elaine Nora Walker Scholarship Trust Fund

To hold and invest moneys bequeathed for the purpose of providing annual scholarships to assist one male and one female student to continue their education in an institution governed by the Department of Education.

17. William Samuel Bequest Trust Account

To hold and invest the bequest money for the purpose of awarding a boy from White Gum Valley Primary School a cash prize based on all-round efficiency in sport and school work.

18. Howard Porter Memorial Prize for Good Citizenship Trust Account

To hold the bequest money for the purpose of awarding an annual prize for "good citizenship" to a female student at White Gum Valley Primary School.

19. Ian Bremner Memorial Scholarship Trust Account

To hold moneys for the purpose of providing an annual scholarship to the most successful student at Cowaramup Primary School.

20. Catherine and Ernest Bennett Memorial Scholarship Trust Account

To hold moneys for the purpose of providing an annual scholarship to the successful Year 10 student who is continuing on with Year 11 studies at Lake Grace District High School.

21. Laurence Armstrong Scholarship Trust Account

To hold and manage funds for the purpose of funding scholarships for students of the Northam Senior High School in accordance with terms and conditions of the Laurence Armstrong Will.

The Trust consists of a cash component transferred to the Department during 2016–17 and share portfolio component transferred to the Department during 2017–18. The value of the share portfolio as at 30 June 2018 is approximately \$420 739.

9.7 Remuneration of auditors

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

	2017–18 \$'000
Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:	
Auditing the accounts, financial statements and key performance indicators	561

These amounts are due and payable in the next financial year.

The expenses for the 2017–18 audit of the financial statements is included in note 3.3 'Other Expenses'.

9.8 Services provided free of charge

During the period the following services were provided to other agencies free of charge for functions outside the normal operations of the Department:

- Marketing and publications
- Delivery support systems - wide area network
- College management information systems support
- Accounting services
- Asset and building management services
- Industrial relations support
- Lease costs
- Outgoings
- School census information
- Administration support

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.8 Services provided free of charge (continued)

	2017-18 \$'000
Department of Finance	13
Department of Health	953
Department of Communities	3
Mental Health Commission	1
Department of Justice	1
Department of Training & Workforce Development	2
School Curriculum & Standards Authority	31 811
	32 784

9.9 Non-current assets classified as held for sale

The following table represents a summary of assets held for sale:

	2017-18 \$'000
<u>Transfer from the old Department of Education</u>	
Land and buildings	769
Less write-down from cost to fair value less selling costs	-
	769
<u>Add: Assets reclassified as held for distribution</u>	
Land and buildings ^(a)	3 720
Less write-down from cost to fair value less selling costs	-
	3 720
<u>Total assets classified as held for distribution</u>	
Land and buildings	4 489
Less write-down from cost to fair value less selling costs	-
	4 489
<u>Less: Assets distributed to owner</u>	
Land and buildings ^(b)	270
Less write-down from cost to fair value less selling costs	-
	270
<u>Closing balance</u>	
Land and buildings	4 219
Less write-down from cost to fair value less selling costs	-
	4 219

(a) In 2017-18 the following listed land and buildings, surplus to the Department's requirements, and with a fair value of \$3.72 million were transferred to land and buildings held for distribution to owner:

Adams Road Community Centre \$0.27 million
Proposed Bennett Springs (North Beechboro) Primary School \$3.45 million

(b) In 2017-18 the following listed land and buildings, surplus to the Department's requirements, and with a fair value of \$0.27 million were distributed to owner:

Adams Road Community Centre \$0.27 million

Non-current assets (or disposal groups) held for sale/ distribution to owner are recognised at the lower of carrying amount and fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for distribution are not depreciated or amortised.

Non-current assets held for distribution comprise surplus Crown and freehold land 'held for sale' and buildings to be disposed of by the Department as a distribution to owner. All Crown land holdings are vested in the Department by the Government. The Department of Planning, Lands and Heritage (DPLH) is the only agency with the power to sell Crown land. The Department transfers the Crown land and any attached buildings to DPLH when the land becomes available for sale.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.9 Non-current assets classified as held for sale (continued)

The Department has the power to sell freehold land, however cannot retain revenues derived from the sale unless specifically approved for retention by the Treasurer.

Mandatory application of AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014–2016 Cycle* requires disclosure changes and no financial impact. The Department has no interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5.

9.10 Equity

	2017–18 \$'000
Contributed equity	
Balance at start of period	-
<u>Contributions by owners</u>	
Capital appropriation	262 626
Transfer of net assets from other agencies	13 541 789
<u>Other contributions by owners</u>	
Royalties for Regions Fund - Regional Infrastructure and Headwork Account	46 660
Total contributions by owners	13 851 075
<u>Distributions to owners</u>	
Transfer of net assets to Government:	
Machinery of Government transfer from SCSA	(11)
Total distributions to owner	(11)
Balance at end of period	13 851 064
Accumulated surplus	
Balance at start of the year	-
Result for the period	(238 044)
Balance at the end of the year	(238 044)
Total equity at end of the period	13 613 020

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

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets on a class of assets basis as described in Note 8.3 'Fair value measurement'. For 2017–18, the Department changed its practice of recognising revaluation adjustments at the beginning of the reporting period to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.11 Supplementary financial information

	2017-18 \$'000
Write-offs	
<u>Accounts Receivable</u>	
During the financial year, \$3 670 373 of Accounts Receivable was written off under the authority of:	
Accountable Authority	3 670
The Minister	-
Executive Council	-
	<u>3 670</u>
<u>Asset Register</u>	
During the financial year, \$30 915 was written off the Department's asset register under the authority of:	
The Accountable Authority	31
The Minister	-
Executive Council	-
	<u>31</u>
Losses through theft, defaults and other causes	
Losses of public money and other property through theft or default	16
Amounts recovered	4
	<u>20</u>
The dollar amount allocated to "Losses of public money and other property through theft or default" is an estimate as some of the cases are still under investigation and/or the actual loss incurred is not able to be quantified.	
Gifts of public property	
Gifts of public property provided by the Department	-
	<u>-</u>

During the year no gifts of public property were made.

Act of Grace Payments

During the financial year, nil Act of Grace payment was made.

9.12 Explanatory statement

All variances between estimates (original budget) and actual results for 2018 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- 5% and \$25.0 million for the Statement of Comprehensive income and Cash Flows; and
- 5% and \$25.0 million for Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.12 Explanatory statement (continued)

Statement of Comprehensive Income

	Estimate 2017-18 \$'000	Actual 2017-18 \$'000	Variance		Note
			Variance between estimate and actual \$'000	%	
COST OF SERVICES					
Expenses					
Employee benefits expense	3 825 645	3 834 394	8 749	0%	
Supplies and services	921 006	864 037	(56 969)	(6%)	1
Depreciation and amortisation expense	200 837	187 748	(13 089)	(7%)	
Grants and subsidies	41 305	42 235	930	2%	
Finance costs	26 961	25 293	(1 668)	(6%)	
Other expenses	4 012	397 513	393 501	9808%	2
Total cost of services	5 019 766	5 351 220	331 454	7%	
Income					
Revenue					
User contributions, charges and fees	141 346	134 547	(6 799)	(5%)	
Other revenue	85 406	124 988	39 582	46%	3
Australian Government grants and contributions	724 651	736 284	11 633	2%	
Interest revenue	25 083	22 442	(2 641)	(11%)	
Total Revenue	976 486	1 018 261	41 775	4%	
Total income other than income from State Government	976 486	1 018 261	41 775	4%	
NET COST OF SERVICES	4 043 280	4 332 959	289 679	7%	
Income from State Government					
Service appropriation	4 060 233	4 053 674	(6 559)	(0%)	
Grants from State Government Agencies	5 629	11 618	5 989	106%	
Services received free of charge	14 103	14 946	843	6%	
Royalties for Regions Fund	12 769	14 677	1 908	15%	
Total income from State Government	4 092 734	4 094 915	2 181	0%	
SURPLUS FOR THE PERIOD	49 454	(238 044)	(287 498)	(581%)	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	49 454	(238 044)	(287 498)	(581%)	

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.12 Explanatory statement (continued)

Statement of Financial Position

	Estimate 2017-18 \$'000	Actual 2017-18 \$'000	Variance		Note
			Variance between estimate and actual \$'000	%	
ASSETS					
Current Assets					
Cash and cash equivalents	543 517	586 873	43 356	8%	4
Restricted cash and cash equivalents	43 498	28 825	(14 673)	(34%)	
Amounts receivable for services	19 673	19 673	-	0%	
Inventories	-	6 084	6 084	0%	
Receivables	85 227	83 846	(1 381)	(2%)	
Other current assets	9 699	9 584	(115)	(1%)	
Non-current assets held for distribution to owner	-	4 219	4 219	0%	
Total Current Assets	701 614	739 104	37 490	5%	
Non-Current Assets					
Restricted cash and cash equivalents	25 355	26 910	1 555	6%	
Receivables	274 942	268 145	(6 797)	(2%)	
Amounts receivable for services	2 708 120	2 701 398	(6 722)	(0%)	
Property, plant and equipment	12 123 430	11 265 106	(858 324)	(7%)	5
Intangible assets	19 872	10 313	(9 559)	(48%)	
Total Non-Current Assets	15 151 719	14 271 872	(879 847)	(6%)	
TOTAL ASSETS	15 853 333	15 010 976	(842 357)	(5%)	
LIABILITIES					
Current Liabilities					
Payables	142 005	98 728	(43 277)	(30%)	6
Borrowings	45 236	47 316	2 080	5%	
Provisions	601 781	588 515	(13 266)	(2%)	
Other current liabilities	28 178	11 442	(16 736)	(59%)	
Total Current Liabilities	817 200	746 001	(71 199)	(9%)	
Non-Current Liabilities					
Payables	48	242	194	404%	
Borrowings	477 111	465 864	(11 247)	(2%)	
Provisions	201 838	185 849	(15 989)	(8%)	
Total Non-Current Liabilities	678 997	651 955	(27 042)	(4%)	
TOTAL LIABILITIES	1 496 197	1 397 956	(98 241)	(7%)	
NET ASSETS	14 357 136	13 613 020	(744 116)	(5%)	
EQUITY					
Contributed equity	6 230 835	13 851 064	7 620 229	122%	7
Reserves	8 076 847	-	(8 076 847)	(100%)	7
Accumulated surplus	49 454	(238 044)	(287 498)	(581%)	7
TOTAL EQUITY	14 357 136	13 613 020	(744 116)	(5%)	

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.12 Explanatory statement (continued)

Statement of Cash Flows

	Estimate 2017-18 \$'000	Actual 2017-18 \$'000	Variance		
			Variance between estimate and actual		Note
			\$'000	%	
CASH FLOWS FROM STATE GOVERNMENT					
Service appropriation	3 844 669	3 838 110	(6 559)	(0%)	
Capital contributions	301 713	262 626	(39 087)	(13%)	8
Holding account drawdown	29 546	34 606	5 060	17%	
Cash balance transferred in from the old Department of Education	-	585 008	585 008	100%	9
Cash balance transferred in - MOG changes	-	17 728	17 728	0%	
Royalties for Regions Fund	66 995	61 337	(5 658)	(8%)	
Grants and subsidies	5 629	8 585	2 956	53%	
Net cash provided by State Government	4 248 552	4 808 000	559 448	13%	
Utilised as follows:					
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employees benefits	(3 807 902)	(3 809 406)	(1 504)	0%	
Supplies and services	(906 672)	(844 882)	61 790	(7%)	10
Grants and subsidies	(41 305)	(51 298)	(9 993)	24%	
Finance costs	(20 784)	(17 650)	3 134	(15%)	
GST payments on purchases	(108 241)	(122 365)	(14 124)	13%	
Loans advanced to non-government schools	(57 100)	(52 698)	4 402	(8%)	
Other payments	-	(860)	(860)	0%	
Receipts					
User contributions, charges and fees	141 306	122 508	(18 798)	(13%)	
Australian Governments grants and contributions	724 651	736 284	11 633	2%	
Interest received	18 215	14 738	(3 477)	(19%)	
GST receipts on revenue	-	3 246	3 246	0%	
GST receipts from taxation authority	108 142	119 650	11 508	11%	
Repayments of loans by non-government schools	32 463	32 910	447	1%	
Other receipts	85 306	94 089	8 783	10%	
Net cash used in operating activities	(3 831 921)	(3 775 734)	56 187	(1%)	
CASH FLOW FROM INVESTING ACTIVITIES					
Payments					
Purchase of non-current physical assets	(452 298)	(378 163)	74 135	(16%)	11
Receipts					
Receipts from sale of non-current physical assets	-	453	453	0%	
Net cash used in investing activities	(452 298)	(377 710)	74 588	(16%)	
CASH FLOW FROM FINANCING ACTIVITIES					
Payments					
Payment Finance Lease Liabilities	(15 998)	(17 805)	(1 807)	11%	
Repayment of borrowings loans	(33 415)	(46 700)	(13 285)	40%	
Receipts					
Proceeds from borrowings	57 100	52 557	(4 543)	(8%)	
Net cash used in financing activities	7 687	(11 948)	(19 635)	(255%)	
Net increase/(decrease) in cash and cash equivalents	(27 980)	642 608	670 588	(2397%)	
Cash and cash equivalents at the beginning of the period	640 350	-	(640 350)	(100%)	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	612 370	642 608	30 238	5%	

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.12 Explanatory statement (continued)

Major Variance Narratives

Variances between estimate and actual

Statement of Comprehensive Income

- 1 Supplies and services was \$57.0 million (6%) lower than the 2017–18 Estimate due mainly to the lower than expected expenditure in direct schools expenses (\$44.6 million). This underspend was partially attributable to schools spending direct schools expenses funding on assets over \$5000 and as a result this expenditure has subsequently been capitalised.
- 2 The variance of \$393.5 million was due primarily to the revaluation of Department land and buildings (\$390.4 million).
- 3 Other revenue was higher than the original budget by \$39.6 million (55%) as a result of a higher than anticipated RiskCover Workers' Compensation adjustment for 2014–15 (\$15.5 million), additional revenue generated by schools (\$11.8 million), additional developer's contributions (\$11.4 million), and other miscellaneous revenue.

Statement of Financial Position

- 4 Cash and cash equivalents were \$43.4 million (8%) higher than 2017–18 Estimate mainly due to the lower than expected expenditure in supplies and services.
- 5 Due to the timing of the finalisation of the 2017–18 Estimate, the decreases in the 2016–17 actual results relating to this line item are not reflected in the 2017–18 Estimate. This has resulted in significant decreases in the comparison between the 2017–18 Estimate and the 2017–18 Actual. There was also a revaluation decrement in land and buildings of \$390.4 million.
- 6 Payables were \$43.3 million (30%) lower than the 2017–18 Estimate as a result of a reduction to trade and other payables.
- 7 The overall variance is mainly due to the \$390.4 million decrement to land and buildings in 2017–18, with the Estimate expecting an increase in the value of land and buildings. There was a difference in accounting treatment for Reserves, the Estimate reports Reserves as a separate line item and the actuals have transferred the Reserves opening balance to Contributed Equity.

Statement of Cash Flows

- 8 Capital contributions actual is lower than 2017–18 Estimate by \$39.1 million (13%) due to approved changes in the Asset Investment Plan during 2017–18.
- 9 The Treasury Machinery of Government changes resulted in the creation of a new Department of Education. The \$585 million variance is due to the transfer of the 30 June 2017 cash balance from the old Department to the new Department.
- 10 Supplies and services was \$61.8 million (7%) under the 2017–18 mainly reflecting lower than anticipated expenditure in direct schools payments (\$38.6 million). This underspend was partially attributable to schools spending direct schools expenses funding on assets over \$5000 and as a result this expenditure has subsequently been capitalised.
- 11 Purchases of non-current physical assets are \$74.1 million (16%) lower than the 2017–18 Estimate due to unavoidable delays in capital projects.

9.13 Indian Ocean Territories

	2017–18 \$'000
Reconciliation of Australian Government funds received and expended for the Indian Ocean Territories	
Balance at start of period	971
Receipts	14 261
Payments	(15 785)
Balance at end of period	(553)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.14 Disclosure of administered income and expenses

	2017-18 \$'000
Income	
Transfer revenue	449 980
Total administered income	449 980
Expenses	
Transfer payments	464 318
Total administered expenses	464 318

Notes to the schedule of administered items

(i) Transfer revenues

	2017-18 \$'000
Financial assistance for non-government schools	438 273
Other grants and subsidies	8 259
Subsidies for unfunded superannuation liabilities of higher education institutions	3 448
Total	449 980

Notes to the schedule of administered items

(ii) Transfer payments

The Department is responsible for transfers of appropriations to eligible beneficiaries consistent with the requirements of the *School Education Act 1999*, the *School Education Regulations 2000* and the applicable Government Gazettes. The Department does not control amounts for transfer but acts only as an agent. Except for the funding received for the unfunded superannuation liabilities of higher education institutions of \$3.45 million, and \$8.26 million for other miscellaneous grants and subsidiaries, the remaining \$437.65 million relates primarily to per capita funding.

The Department of Treasury provides for per capita grants funding based on student growth, the Education Price Index and the movement in the Average Government School Recurrent Cost (AGSRC) index. The government's policy commitment to the non-government education sector, is that average per capita of total expenditure on non-government students, including payment of direct per capita grants to schools, should be 'no less than 25%' of the adjusted AGSRC.

	2017-18 \$'000
Financial assistance for non-government schools	437 611
Other grants and subsidies	8 259
Return of appropriation	15 000
Subsidies for unfunded superannuation liabilities of higher education institutions	3 448
Total	464 318

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

9.15 Explanatory statement for administered items

All variances between estimates (original budget) and actual results for 2017–18 are shown below. Narratives are provided for key major variances, which are generally greater than 5% and \$9 million.

	Estimate 2017–18	Actual 2017–18	Variance	
			Variance between estimate and actual	
	\$'000	\$'000	\$'000	%
Income				
Transfer revenue	450 600	449 980	(620)	(0%)
Total administered income	450 600	449 980	(620)	(0%)
Expenses				
Transfer payments	450 600	464 318	13 718	3%
Total administered expenses	450 600	464 318	13 718	3%
Net income from administered items	-	(14 338)	(14 338)	0%

9.16 Administered assets and liabilities

	2017–18 \$'000
Assets	
Cash and restricted cash assets	
Cash and cash equivalents	10 854
Total administered current assets	10 854
Net administered assets	10 854

APPENDICES

1. Student enrolment

Table A1: Students at Western Australian schools 2004 to 2018 ^{(a) (b)}

Year	Public schools	Non-government schools	Total
2004	252 593	113 944	366 537
2005	252 040	116 968	369 008
2006	252 061	119 896	371 957
2007	253 209	123 216	376 425
2008	253 838	127 248	381 086
2009	258 132	131 240	389 372
2010	258 115	134 335	392 450
2011	261 013	137 372	398 385
2012	268 129	140 006	408 135
2013	276 275	142 883	419 158
2014	283 739	144 877	428 616
2015	292 952	148 980	441 932
2016	296 377	148 545	444 922
2017	302 271	147 471	449 742
2018	307 520	147 813	455 333

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Public schools include community kindergartens and non-government schools include Independent pre-schools.

(b) Half cohort progressed through school from 2001 to 2014 inclusive, entering secondary education in 2010.

Table A2: Schools and students in Western Australia by sector and subgroup 2018 ^(a)

Sector	Schools	All students	Female	Male	Aboriginal
Public	809	307 520	148 519	159 001	25 471
Non-government	307	147 813	73 883	73 930	4 776
Totals	1 116	455 333	222 402	232 931	30 247

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Public schools include community kindergartens and non-government schools include Independent pre-schools.

Table A3: Students at Western Australian public schools by service and subgroup 2018 ^(a)

Service	All	Female	Male	Aboriginal
Primary education (Kindergarten–Year 6)	200 145	96 714	103 431	16 742
Secondary education (Years 7–12)	107 375	51 805	55 570	8 729
Totals	307 520	148 519	159 001	25 471

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

Table A4: Western Australian public schools and students by school type and level of education 2018^(a)

School type ^(b)	Schools	Students		
		Primary education (Kindergarten–Year 6)	Secondary education (Years 7–12)	Total
Community kindergarten	17	461	0	461
Primary ^(c)	559	186 325	563	186 888
District high	53	8 011	3 799	11 810
Kindergarten–Year 12 ^(d)	6	2 276	2 098	4 374
Secondary	108	0	99 267	99 267
Education support ^(e)	64	2 977	1 627	4 604
Specialist services ^(f)	2	95	21	116
Totals	809	200 145	107 375	307 520

Source: System and School Performance

(a) Semester 1 student census. Primary and full-time secondary students.

(b) Refined school classification scheme introduced in 2017 created additional school type categories (such as Specialist services and Kindergarten–Year 12) and led to some schools moving to different categories that better reflected their services.

(c) Includes schools of the air and remote community schools.

(d) Includes School of Isolated and Distance Education.

(e) Includes language development schools/centres.

(f) Comprises School of Special Educational Needs: Behaviour and Engagement and School of Special Educational Needs: Sensory.

Table A5: Students at Western Australian public schools by year level 2014 to 2018^(a)

Year level	2014	2015	2016	2017	2018
Kindergarten	23 928	23 894	23 877	24 543	24 644
Pre-primary	24 730	25 139	25 171	25 174	25 953
Year 1	25 370	24 918	25 171	25 465	25 444
Year 2	24 785	25 349	24 859	25 102	25 425
Year 3	23 298	24 816	25 261	24 853	25 064
Year 4	22 109	23 145	24 647	25 172	24 708
Year 5	21 083	21 784	22 797	24 301	24 775
Year 6	20 556	20 996	21 639	22 737	24 132
Year 7	17 672	17 394	17 783	18 673	19 679
Year 8	16 993	17 185	17 469	17 970	18 762
Year 9	17 569	17 460	17 326	17 582	18 057
Year 10	17 880	17 811	17 451	17 462	17 576
Year 11	18 115	18 419	18 187	18 088	17 954
Year 12	9 547 ^(b)	14 566	14 660	15 075	15 278
Primary totals^(c)	203 531	190 041	193 422	197 347	200 145
Secondary totals^(c)	80 208	102 911	102 955	104 924	107 375
Grand totals	283 739	292 952	296 377	302 271	307 520

Source: System and School Performance

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens. Totals include ungraded students.

(b) Half cohort.

(c) Year 7 included in secondary from 2015. Prior to this Year 7 included in primary.

Table A6: Proportion (%) of students by public schools' geolocation by level of education 2018 ^{(a) (b)}

Geolocation ^(c)	Primary	Secondary
Metropolitan	73.7	73.7
Inner regional	10.8	11.0
Outer regional	7.7	8.5
Remote	5.3	4.8
Very remote	2.5	2.1

Source: System and School Performance

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

(b) Percentages may not add to 100% due to rounding.

(c) Australian Bureau of Statistics Australian Statistical Geography Standard, based on location of students' schools. This Standard was adopted by education jurisdictions nationally, and by Department at end of 2016, replacing Standing Council on School Education and Early Childhood's Schools Geographic Location Classification System.

Table A7: Western Australian public schools and students by education region and level of education 2018 ^(a)

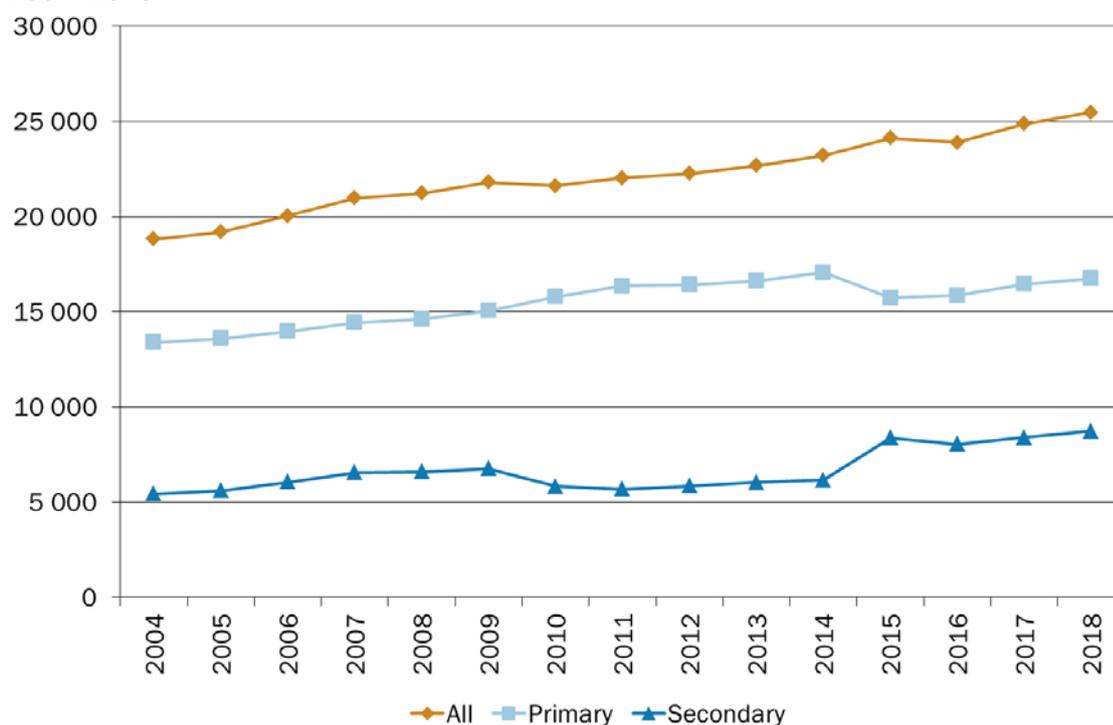
Education region	Schools	Students		
		Primary education (Kindergarten–Year 6)	Secondary education (Years 7–12)	Total
Metropolitan				
North Metropolitan	245	72 589	38 161	110 750
South Metropolitan	258	81 480	43 083	124 563
Totals	503	154 069	81 244	235 313
Country ^(b)				
Goldfields	38	5 625	2 735	8 360
Kimberley	23	3 678	2 056	5 734
Midwest	47	5 366	2 734	8 100
Pilbara	29	6 413	2 742	9 155
Southwest	100	18 916	12 495	31 411
Wheatbelt	69	6 078	3 369	9 447
Totals	306	46 076	26 131	72 207
Grand totals	809	200 145	107 375	307 520

Source: System and School Performance

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

(b) Defined as all non-metropolitan education regions.

Figure A1: Aboriginal students at Western Australian public schools by level of education 2004–2018 ^{(a) (b) (c)}



Source: System and School Performance

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

(b) Year 7 included in secondary from 2015. Prior to this Year 7 included in primary.

(c) Half cohort progressed through school from 2001 to 2014 inclusive, entering secondary education in 2010.

Table A8: Aboriginal students at Western Australian public schools by year level 2014 to 2018 ^(a)

Year level	2014	2015	2016	2017	2018
Kindergarten	1 773	1 812	1 714	1 854	1 860
Pre-primary	1 992	1 997	2 027	2 020	2 115
Year 1	2 071	2 085	2 025	2 123	2 108
Year 2	2 083	2 060	2 076	2 073	2 160
Year 3	1 978	2 120	2 065	2 134	2 074
Year 4	1 882	1 999	2 089	2 095	2 141
Year 5	1 728	1 912	1 989	2 129	2 128
Year 6	1 782	1 754	1 872	2 032	2 156
Year 7	1 767	1 632	1 534	1 714	1 856
Year 8	1 507	1 633	1 619	1 584	1 726
Year 9	1 499	1 546	1 544	1 570	1 530
Year 10	1 466	1 474	1 375	1 457	1 464
Year 11	1 206	1 311	1 228	1 262	1 301
Year 12	485 ^(b)	783	736	816	852
Primary totals ^(c)	17 056	15 739	15 857	16 460	16 742
Secondary totals ^(c)	6 163	8 379	8 036	8 403	8 729
Grand totals	23 219	24 118	23 893	24 863	25 471

Source: System and School Performance

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens. Totals include ungraded students.

(b) Half cohort.

(c) Year 7 included in secondary from 2015. Prior to this Year 7 included in primary.

Table A9: Aboriginal students at Western Australian public schools by education region 2018 ^(a)

Education region	Aboriginal students	Total students	Aboriginal students as % of public school students
Metropolitan			
North Metropolitan	4 507	110 750	4.1
South Metropolitan	6 772	124 563	5.4
Totals	11 279	235 313	4.8
Country ^(b)			
Goldfields	1 875	8 360	22.4
Kimberley	3 552	5 734	61.9
Midwest	2 365	8 100	29.2
Pilbara	2 590	9 155	28.3
Southwest	2 274	31 411	7.2
Wheatbelt	1 536	9 447	16.3
Totals	14 192	72 207	19.7
Grand totals	25 471	307 520	8.3

Source: System and School Performance

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

(b) Defined as all non-metropolitan education regions.

Table A10: Students registered to receive home education 2014 to 2018 ^{(a) (b)}

2014	2015	2016	2017	2018
2 477	2 826	3 303	3 464	3 563

Source: Statewide Services

(a) Under *School Education Act 1999*, Department is responsible for regulation of home education including evaluation of home education programs and educational progress of students.

(b) As at end of March.

Table A11: Western Australian non-government schools and students by school type and level of education 2018 ^{(a) (b)}

School type	Schools	Students		
		Primary education (Kindergarten–Year 6)	Secondary education (Years 7–12)	Total
Independent pre-schools	1	52	0	52
Primary	145	40 009	0	40 009
Primary–secondary	119	35 145	46 413	81 558
Secondary	42	0	26 194	26 194
Totals	307	75 206	72 607	147 813

Source: System and School Performance

(a) Semester 1 student census. Primary and full-time secondary students.

(b) Kindergarten includes pre-kindergarten students at non-government schools.

Table A12: Non-government schools and students by religious affiliation of school 2017 and 2018 ^(a)

Religious affiliation	Number of schools		Number of students	
	2017	2018	2017	2018
Anglican	19	19	22 352	22 241
Baptist	14	14	8 892	9 497
Catholic	165	164	78 782	78 432
Seventh Day Adventist	5	5	676	665
Uniting Church	8	8	9 557	9 267
Various other	46	45	20 589	20 550
Total religious affiliation	257	255	140 848	140 652
No religious affiliation	50	51	6 555	7 109
Independent pre-schools	2	1	68	52
Grand totals	309	307	147 471	147 813

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students.

Table A13: Students at Western Australian residential colleges 2009 to 2018 ^(a)

College	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Albany	118	127	95	97	80	81	86	94	82	69
Broome	78	60	52	77	51	72	73	72	102	99
City Beach	53	63	66	69	60	57	54	56	52	54
Esperance	90	89	78	86	75	73	82	79	95	87
Geraldton	113	109	100	89	89	62	60	80	68	55
Katanning ^(b)	18	–	–	–	–	–	–	–	–	–
Merredin	43	34	24	44	47	48	59	60	41	37
Moora	30	31	29	40	30	28	34	35	32	26
Narrogin	184	163	156	142	133	124	125	113	102	92
Northam	36	39	37	21	19	18	21	24	19	13
Totals	763	715	637	665	584	563	594	613	593	532

Source: *Planning, Regulation and Review*

(a) Semester 1 student census.

(b) Katanning Residential College has not operated as a boarding facility since December 2009.

2. NAPLAN results

Table A14: Percentage of Western Australian public school Year 3 students achieving the national minimum standards in NAPLAN by subgroup 2017

Assessment area	Female	Male	Language background other than English	Aboriginal	All
Reading	94.9	90.7	91.1	74.2	92.7
Writing	96.3	92.0	92.9	75.7	94.1
Spelling	93.7	89.4	91.8	70.9	91.4
Grammar and Punctuation	94.0	89.3	90.4	67.9	91.5
Numeracy	95.0	93.6	92.7	77.2	94.3

Source: System and School Performance

Table A15: Percentage of Western Australian public school Year 5 students achieving the national minimum standards in NAPLAN by subgroup 2017

Assessment area	Female	Male	Language background other than English	Aboriginal	All
Reading	93.8	89.6	90.2	66.0	91.6
Writing	93.8	85.9	89.8	59.5	89.7
Spelling	94.6	89.8	92.5	70.5	92.1
Grammar and Punctuation	92.5	85.5	88.7	55.7	88.9
Numeracy	94.3	93.5	92.6	71.8	93.9

Source: System and School Performance

Table A16: Percentage of Western Australian public school Year 7 students achieving the national minimum standards in NAPLAN by subgroup 2017

Assessment area	Female	Male	Language background other than English	Aboriginal	All
Reading	92.4	87.7	89.2	62.5	89.9
Writing	88.9	76.6	86.4	47.5	82.5
Spelling	92.6	87.0	91.2	66.8	89.7
Grammar and Punctuation	91.6	83.9	88.7	57.0	87.5
Numeracy	93.4	91.9	93.0	71.8	92.6

Source: System and School Performance

Table A17: Percentage of Western Australian public school Year 9 students achieving the national minimum standards in NAPLAN by subgroup 2017

Assessment area	Female	Male	Language background other than English	Aboriginal	All
Reading	91.6	87.3	88.3	62.8	89.3
Writing	85.0	70.7	81.3	40.4	77.6
Spelling	90.3	85.4	89.9	62.6	87.7
Grammar and Punctuation	90.0	81.7	87.5	50.7	85.7
Numeracy	95.2	94.6	95.3	80.2	94.9

Source: System and School Performance

Table A18: Mean NAPLAN reading scores of Western Australian public school students by year level 2008 to 2017 ^(a)

Year of testing	Year 3	Year 5	Year 7	Year 9
2008	380	467	519	556
2009	389	473	524	558
2010	391	469	535	552
2011	393	472	531	562
2012	400	474	527	560
2013	399	488	528	568
2014	399	483	533	572
2015	406	481	528	572
2016	409	485	525	572
2017	413	492	526	569

Source: System and School Performance

(a) Year 7 became part of public school secondary education in Western Australia from 2015, having previously been part of primary education.

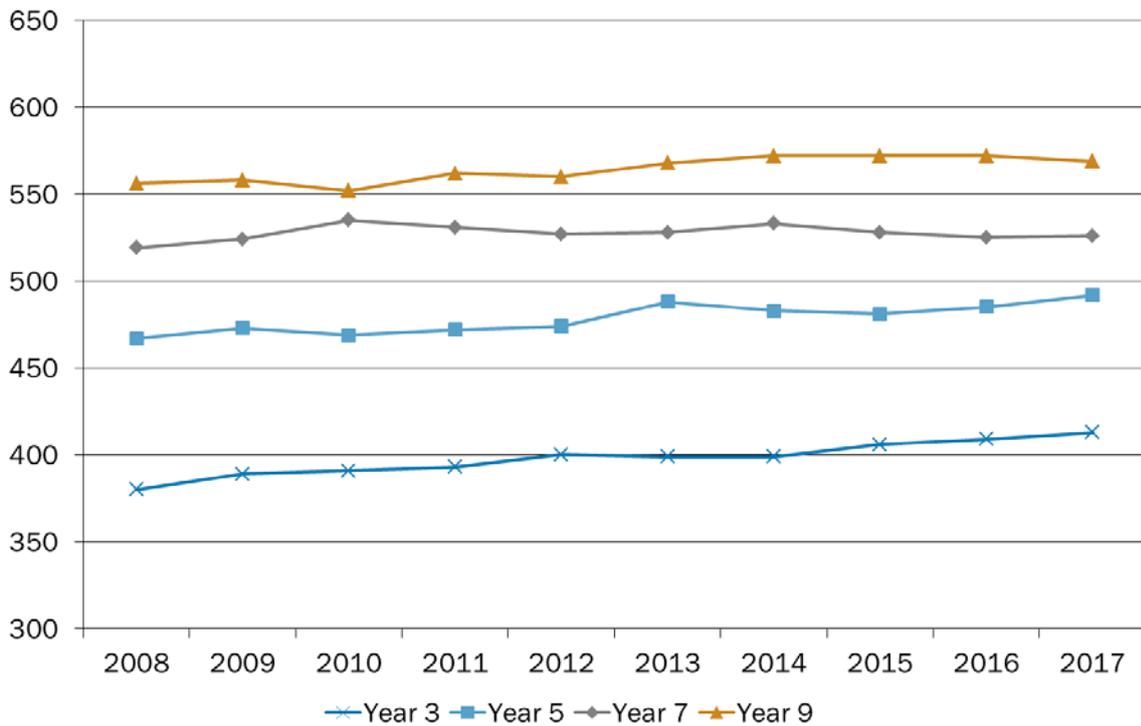
Table A19: Mean NAPLAN numeracy scores of Western Australian public school students by year level 2008 to 2017 ^(a)

Year of testing	Year 3	Year 5	Year 7	Year 9
2008	378	455	526	556
2009	377	467	528	568
2010	379	471	539	565
2011	383	473	537	568
2012	379	470	527	570
2013	383	471	532	572
2014	388	474	534	579
2015	384	479	527	584
2016	391	480	536	583
2017	398	483	539	584

Source: System and School Performance

(a) Year 7 became part of public school secondary education in Western Australia from 2015, having previously been part of primary education.

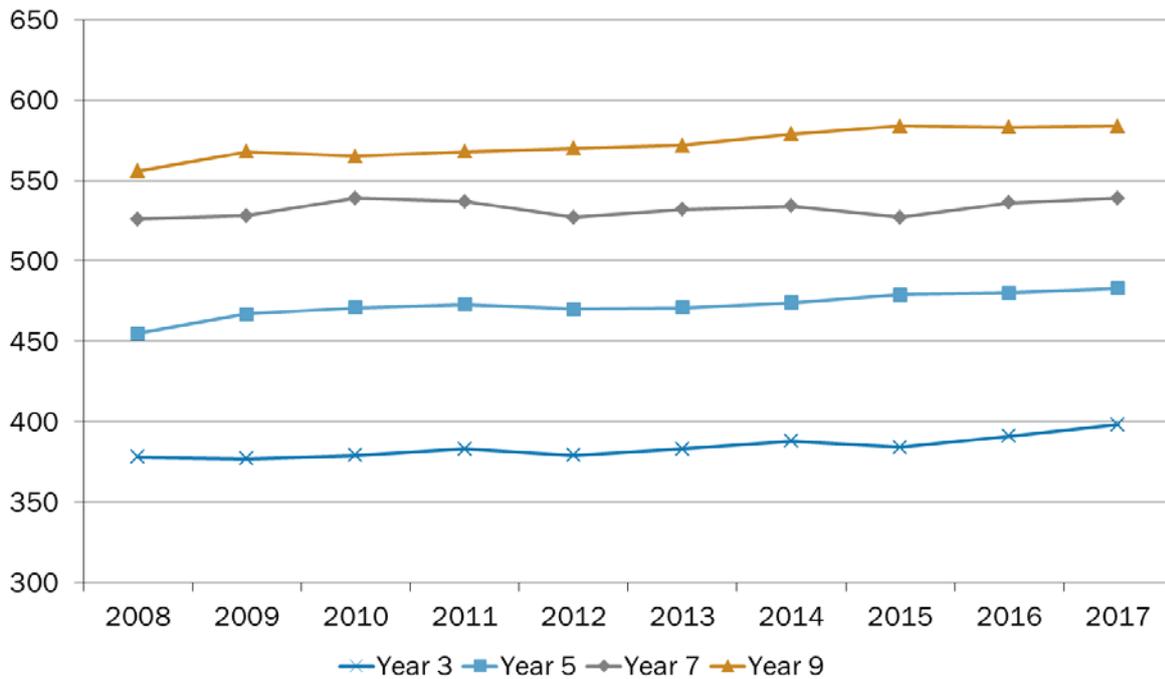
Figure A2: Mean NAPLAN reading scores of Western Australian public school students by year level 2008 to 2017 ^(a)



Source: System and School Performance

(a) Year 7 became part of public school secondary education in Western Australia from 2015, having previously been part of primary education.

Figure A3: Mean NAPLAN numeracy scores of Western Australian public school students by year level 2008 to 2017 ^(a)



Source: System and School Performance

(a) Year 7 became part of public school secondary education in Western Australia from 2015, having previously been part of primary education.

Table A20: Percentage of children in care achieving the national minimum standards 2015 and 2017 ^(a)

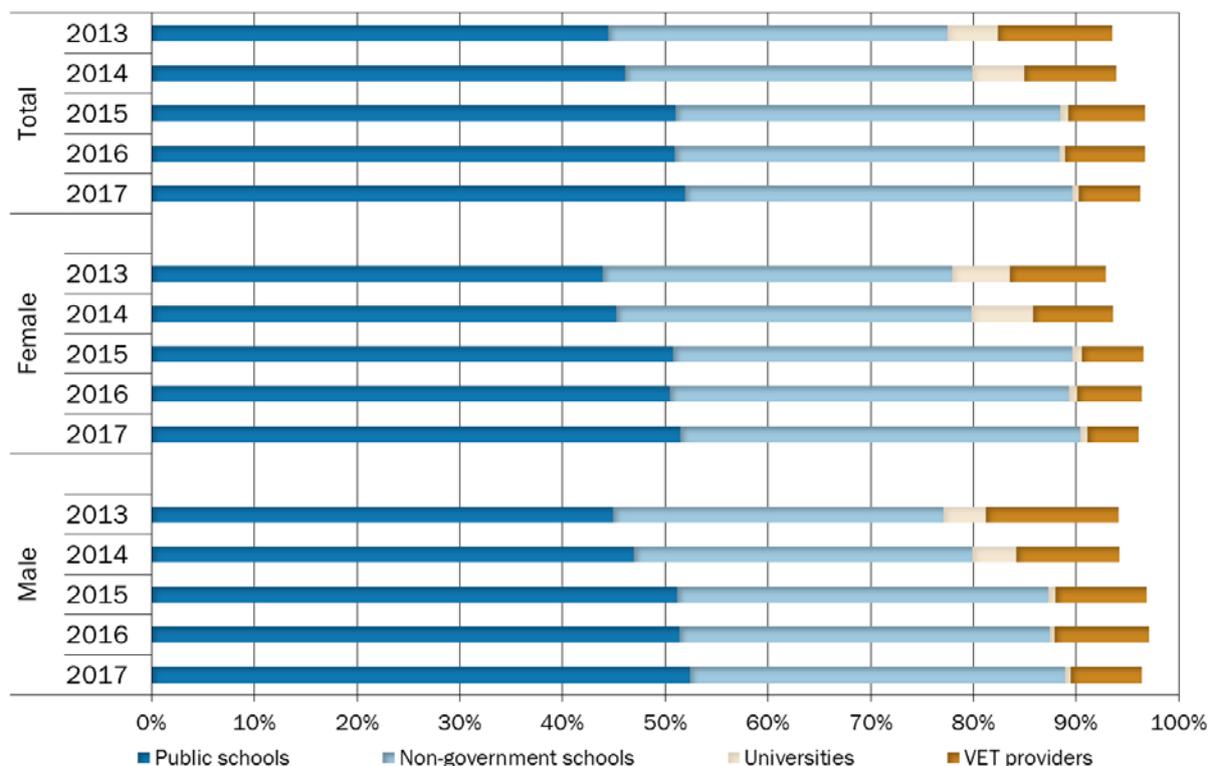
2015		2017	
Year level	%	Year level	%
Reading			
Year 3	72.5	Year 5	80.4
Year 5	81.3	Year 7	67.9
Year 7	80.2	Year 9	65.3
Numeracy			
Year 3	77.8	Year 5	83.7
Year 5	78.9	Year 7	85.2
Year 7	86.9	Year 9	91.9

Source: *System and School Performance*

(a) Only includes students with results in 2015 and 2017.

3. Student participation, achievement and satisfaction

Figure A4: Participation rate (%) of persons aged 15 to 17 years engaged in some form of education by gender 2013 to 2017 ^{(a) (b) (c)}



Source: *System and School Performance*

(a) Based on Australian Bureau of Statistics preliminary estimates of resident population (age at 30 June) and data collected from public and non-government schools (Semester 2 student census, age at 1 July), universities (age at 30 June), and vocational education and training providers (age at 30 June).

(b) University enrolment data for 2017 is an estimate based on 2016 university enrolment data and an annual compound growth factor calculated from university enrolment data across the previous four years.

(c) Revised figures for 2013 to 2016 from previous report due to updated data for 2016 university student enrolments and estimates of resident population in 2013 to 2016.

Table A21: Public school student attendance rate (%) by subgroup 2017 ^{(a) (b)}

Subgroup	Aboriginal	Non-Aboriginal	All
All (Pre-primary–Year 12)	75.8	92.1	90.9
Primary (Pre-primary–Year 6)	81.2	93.8	92.7
Secondary (Years 7–12)	66.6	89.7	87.8

Source: *System and School Performance*

(a) Excludes Canning College and Tuart College, part-time and international students, and mature-aged students at senior campuses.

(b) As per National Standards for Student Attendance Data Reporting.

Table A22: Percentage of public school students by attendance category 2017 ^{(a) (b) (c)}

Subgroup	Aboriginal	Non-Aboriginal	All
Regular attendance (90–100%)	36.5	75.2	71.8
Indicated attendance risk (80–<90%)	20.9	16.8	17.2
Moderate attendance risk (60–<80%)	20.1	5.9	7.1
Severe attendance risk (<60%)	22.4	2.1	3.9

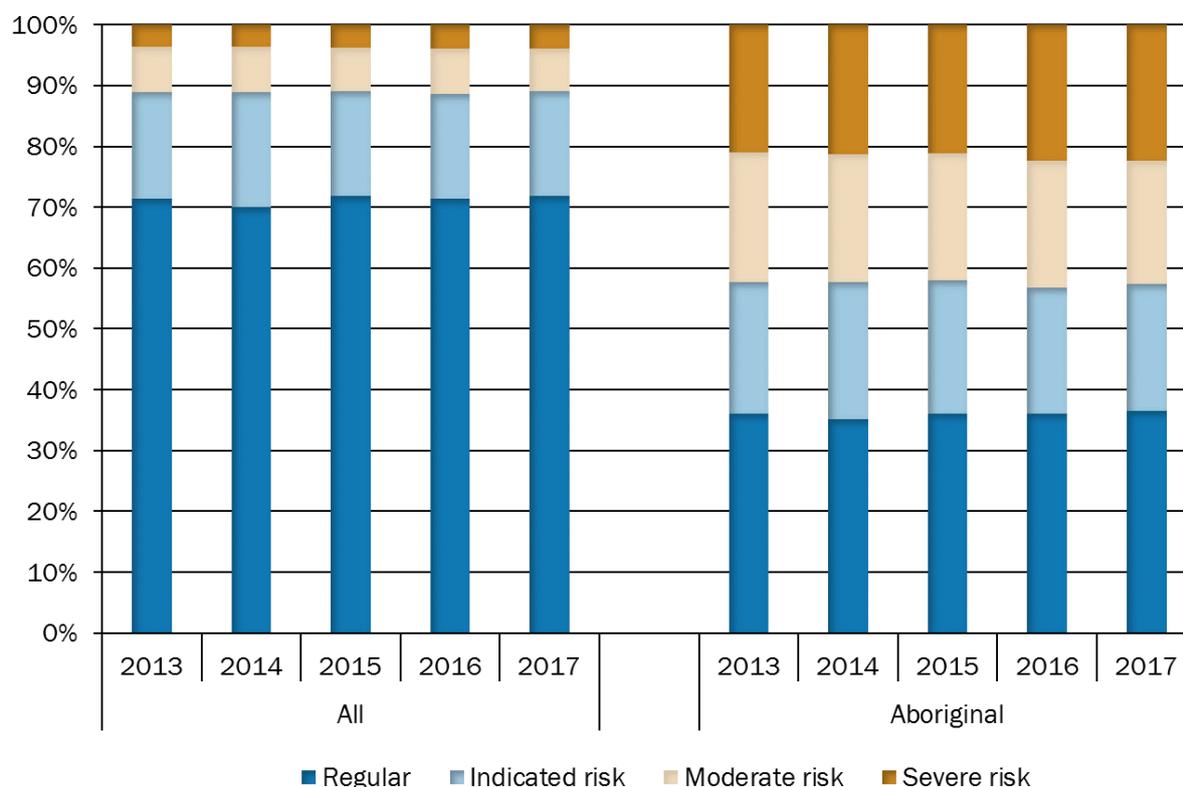
Source: *System and School Performance*

(a) Excludes Canning College and Tuart College, part-time and international students, and mature-aged students at senior campuses.

(b) Percentages may not add to 100% due to rounding.

(c) As per National Standards for Student Attendance Data Reporting.

Figure A5: Percentage of public school students by subgroup by attendance category 2013 to 2017 ^{(a) (b)}



Source: *System and School Performance*

(a) Excludes Canning College and Tuart College, part-time and international students, and mature-aged students at senior campuses.

(b) As per National Standards for Student Attendance Data Reporting.

Table A23: Apparent retention rate (%) of public school students Years 8 to 12 by subgroup 2013 to 2017 ^{(a) (b)}

Subgroup	2013		2014		2015		2016		2017	
	N	%	N ^(c)	%	N	%	N	%	N	%
All	13 161	79.3	8 364	90.3	13 005	80.4	13 398	77.7	13 856	80.1
Female	6 544	83.7	4 125	96.2	6 531	85.3	6 612	80.4	6 927	83.8
Male	6 617	75.3	4 239	85.1	6 474	76.0	6 786	75.1	6 929	76.7
Aboriginal	650	43.8	405	49.1	645	43.9	627	38.8	717	45.3
Female	318	44.4	186	49.3	306	46.2	285	38.0	356	46.7
Male	332	43.2	219	48.9	339	42.1	342	39.5	361	44.1

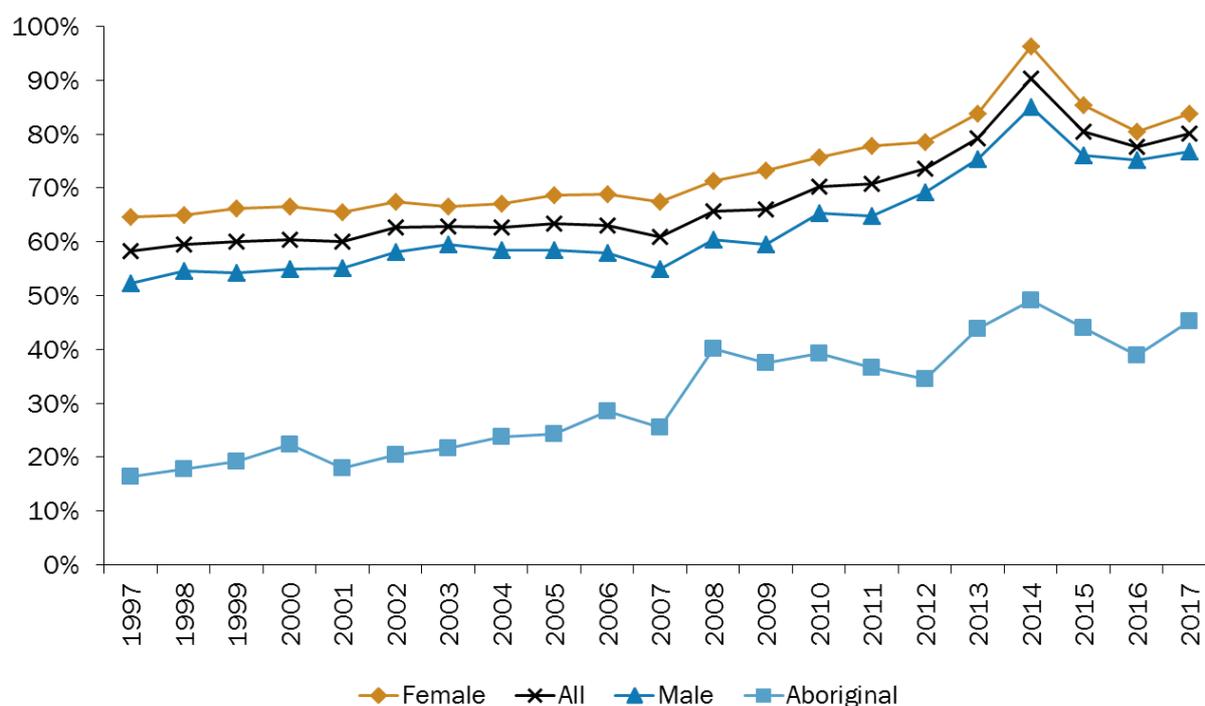
Source: System and School Performance

(a) Excludes Canning College and Tuart College, part-time and international students, and mature-aged students at senior campuses.

(b) Semester 2 student census.

(c) Half cohort in Year 12.

Figure A6: Apparent retention rate (%) of public school students Years 8 to 12 by subgroup 1997 to 2017 ^{(a) (b)}



Source: System and School Performance

(a) Excludes Canning College and Tuart College students, part-time and international students, and mature-aged students at senior campuses.

(b) Semester 2 student census.

Table A24: Achievement of Year 12 public school students 2016 and 2017^(a)

	2016		2017	
	%	N	%	N
WACE achievement rate ^{(b) (c)}	89.4	11 068	87.8	11 417
Attainment rate ^(d)	97.5	12 071	96.2	12 510
Year 12 students who achieved an ATAR	39.1	5 419	37.6	5 400
Year 12 ATAR students who achieved an ATAR of at least 55	85.5	4 633	84.8	4 580
Median ATAR	–	78.20	–	78.55
Year 12 students who achieved a VET certificate II or higher	75.3	10 434	75.8	10 889
VET certificate II or higher achieved by Year 12 students	–	16 093	–	16 789

Source: *System and School Performance*

(a) Based on number of Year 12 students at Semester 2 student census unless specified otherwise.

(b) Percentage of students who met enrolment requirements to achieve WACE (ie WACE eligible) who did achieve WACE.

(c) WACE achievement rate affected by introduction of higher requirements in 2016. See [secondary graduation rate](#) for more information.

(d) Percentage of WACE eligible Year 12 students who achieved an ATAR of at least 55 and/or a certificate II or higher VET qualification.

Table A25: Achievement of Year 12 Aboriginal public school students 2016 and 2017^(a)

	2016		2017	
	%	N	%	N
WACE achievement rate ^{(b) (c)}	69.8	298	67.4	323
Attainment rate ^(d)	97.7	417	89.4	428
Year 12 students who achieved an ATAR	9.3	59	8.9	64
Year 12 ATAR students who achieved an ATAR of at least 55	55.9	33	67.2	43
Median ATAR	–	56.85	–	64.525
Year 12 students who achieved a VET certificate II or higher	75.5	478	65.6	471
VET certificate II or higher achieved by Year 12 students	–	734	–	671

Source: *System and School Performance*

(a) Based on number of Year 12 students at Semester 2 student census unless specified otherwise.

(b) Percentage of students who met enrolment requirements to achieve WACE (ie WACE eligible) who did achieve WACE.

(c) WACE achievement rate affected by introduction of higher requirements in 2016. See [secondary graduation rate](#) for more information.

(d) Percentage of WACE eligible Year 12 students who achieved an ATAR of at least 55 and/or a certificate II or higher VET qualification.

Table A26: Achievement of Year 12 country public school students 2016 and 2017 ^(a)

	2016		2017	
	%	N	%	N
WACE achievement rate ^{(b) (c)}	87.7	2 473	86.8	2 525
Attainment rate ^(d)	96.5	2 721	94.6	2 752
Year 12 students who achieved an ATAR	30.4	973	30.1	981
Year 12 ATAR students who achieved an ATAR of at least 55	81.9	797	82.4	808
Median ATAR	–	74.80	–	73.75
Year 12 students who achieved a VET certificate II or higher	76.7	2 454	75.6	2 464
VET certificate II or higher achieved by Year 12 students	–	3 924	–	3 921

Source: *System and School Performance*

(a) Based on number of Year 12 students at Semester 2 student census unless specified otherwise.

(b) Percentage of students who met enrolment requirements to achieve WACE (ie WACE eligible) who did achieve WACE.

(c) WACE achievement rate affected by introduction of higher requirements in 2016. See [secondary graduation rate](#) for more information.

(d) Percentage of WACE eligible Year 12 students who achieved an ATAR of at least 55 and/or a certificate II or higher VET qualification.

Table A27: Apparent secondary graduation rate (%) of public school students by subgroup 2013 to 2017 ^{(a) (b) (c)}

Subgroup	2013	2014	2015	2016	2017
All	70.5	80.5	72.7	63.1	65.5
Male	65.2	73.6	67.0	60.0	60.9
Female	76.5	88.5	78.9	66.6	70.6
Aboriginal	27.2	29.8	26.2	18.1	20.4

Source: *System and School Performance*

(a) Excludes Canning College and Tuart College students, international and non-government students. Repeating students included but only new instances of persons meeting requirements for secondary graduation are counted.

(b) See [secondary graduation rate](#) for more information.

(c) Year 12 graduation data sourced from School Curriculum and Standards Authority and taken at a point in time. Data may be updated after this time for a variety of reasons such as students may appeal their results.

Table A28: Satisfaction of Year 12 public school students by subgroup 2013 to 2017 ^(a)

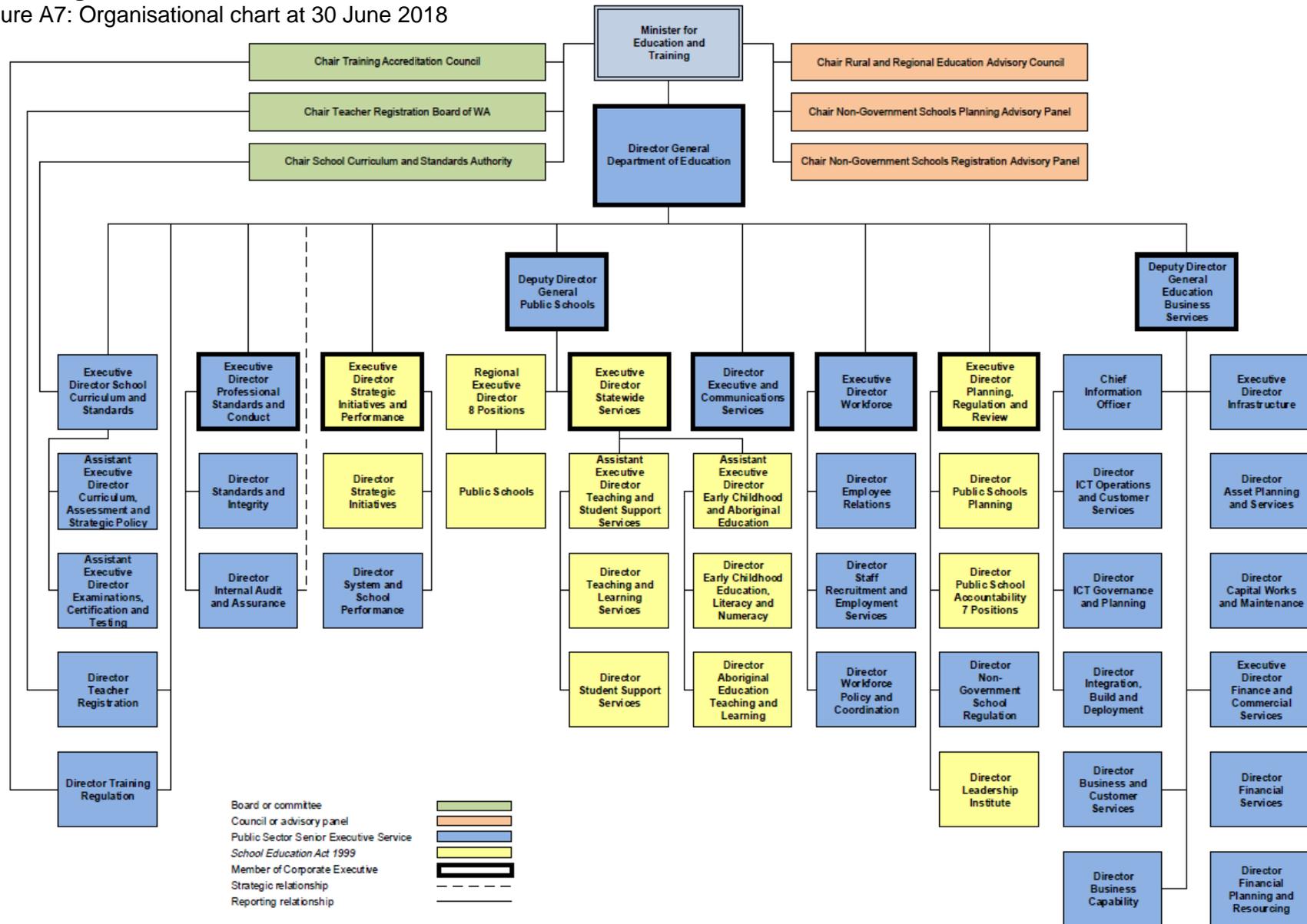
Subgroup	2013	2014	2015	2016	2017
Percentage satisfied with quality of teaching					
All	89.8	89.6	88.4	87.3	88.0
Male	89.0	88.7	87.8	87.0	87.5
Female	90.6	90.4	88.9	87.6	88.6
Aboriginal	94.2	94.4	92.3	91.0	88.2
Percentage satisfied with quality of education facilities					
All	85.4	85.7	84.8	83.3	83.4
Male	84.5	85.4	84.2	83.2	83.2
Female	86.1	85.8	85.4	83.5	83.7
Aboriginal	89.8	87.3	88.1	84.6	82.6

Source: *System and School Performance*

(a) Post school intentions and satisfaction survey, conducted in Semester 2.

4. Staffing

Figure A7: Organisational chart at 30 June 2018



Board or committee
 Council or advisory panel
 Public Sector Senior Executive Service
 School Education Act 1999
 Member of Corporate Executive
 Strategic relationship
 Reporting relationship



Table A29: School-based teaching staff ^(a) by level of schooling ^(b) and gender 2018

Level of schooling	Female		Male		Total numbers
	N	%	N	%	
Primary (Kindergarten–Year 6)	9 849	84.3	1 834	15.7	11 683
Secondary (Years 7–12)	4 729	59.9	3 166	40.1	7 895
Education support	735	84.0	140	16.0	875
Totals	15 313	74.9	5 140	25.1	20 453

Source: *System and School Performance*

(a) Full-time equivalents at Semester 1 student census including teachers at community kindergartens. Based on counting method used for National Schools Statistics Collection that does not include staff on extended leave.

(b) Staff apportioned to education levels based on proportion of students at each education level.

Table A30: Teacher retirements and resignations 2013 to 2017

Category	2013	2014	2015	2016	2017
Retirement	425	549	539	542	566
Resignation	534	577	582	622	597

Source: *Workforce Policy and Coordination*

5. WA Education Awards 2017

Through the WA Education Awards, we acknowledge our teachers, leaders and support staff for their role in making a difference in the lives of students in Western Australia.

Meet our award winners for 2017.

WA Beginning Teacher of the Year

Deborah Yates, Ashdale Secondary College

WA Primary School of the Year

Jolimont Primary School

WA Secondary School of the Year

Carine Senior High School

WA Education Assistant of the Year

Karen Warren, Challis Community Primary School

WA Aboriginal and Islander Education Officer of the Year

Jeanette Hayden, Merredin College

WA Premier's Primary Teacher of the Year

Carl Sanderson, Wattle Grove Primary School

WA Premier's Secondary Teacher of the Year

Jade Warrington, Newton Moore Senior High School

WA Primary Principal of the Year

Lisa Criddle, Allendale Primary School

WA Secondary Principal of the Year

Armando Giglia, Butler College

WA Excellence in Aboriginal Education

Bayulu Remote Community School

WA School Services Staff Member of the Year

Michelle Dirksz, Rockingham Senior High School