



Department of  
Education

Public education  
**A world of opportunities**

# ANNUAL REPORT 2015–16





# STATEMENT OF COMPLIANCE

The Hon Peter Collier MLC  
Minister for Education

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 2016.

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

SHARYN O'NEILL  
DIRECTOR GENERAL  
(ACCOUNTABLE AUTHORITY)

16 September 2016

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## Section 3: Performance

Look at the services we provide and what we have achieved against the priorities in our strategic plan: Success for all students, distinctive schools, high quality teaching and leadership, and a capable and responsive organisation.

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# ABOUT THIS REPORT

We are pleased to provide details of our activities and performance for the 2015–16 financial year in the context of [Excellence and Equity: Strategic Plan for WA Public Schools 2012–2015](#), the State Government budget papers and other strategic documents.

The 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.

Our report addresses the reporting requirements in Treasurer’s Instruction 903: Agency Annual Reports and the Western Australian Public Sector Commission’s *Annual reporting framework: 2015–16 reporting year*.

School annual reports by calendar year are on [Schools Online](#) under each school.

Note that information about Year 12 students in 2014 should be considered in the context that these students were in a ‘half cohort’ following the changed school starting age in 2001.



SECTION 1:

OVERVIEW

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OLYMPIC SILVER MEDAL FOR SWIMMING STUDENT

Swimming to international fame as part of the silver medal 4x200m Australian freestyle relay team at the Rio Olympics was possible for Tamsin Cook through the flexibility of her secondary school.



Tamsin, 17, studies an education program at the School of Isolated and Distance Education that allows her to meet the demands of her high level sport.

“In 2015, I transferred to the School of Isolated and Distance Education where my teachers found a way for me to split Years 11 and 12 over three years instead of two,” she said.

She has been balancing her school studies with a rigorous training schedule ever since she started swimming competitively at the age of 10.

After qualifying second in the 400-metre freestyle event at the 2016 Australian Olympic Selection Trials, Tamsin became the youngest member of the 34-strong Australian swimming team to compete in Rio de Janeiro.

Principal Jacquie Sandhu said Tamsin maintained high standards in her studies despite an extensive travel schedule associated with her swimming career.

“She is a very capable student with outstanding organisation and time management skills,” she said.

Tamsin said she would not have been able to give herself the best chance to get to Rio if she had not made the move to the School of Isolated and Distance Education.





# ABOUT US

## A STRONG PUBLIC EDUCATION SYSTEM IS THE CORNERSTONE OF A SUCCESSFUL SOCIETY.

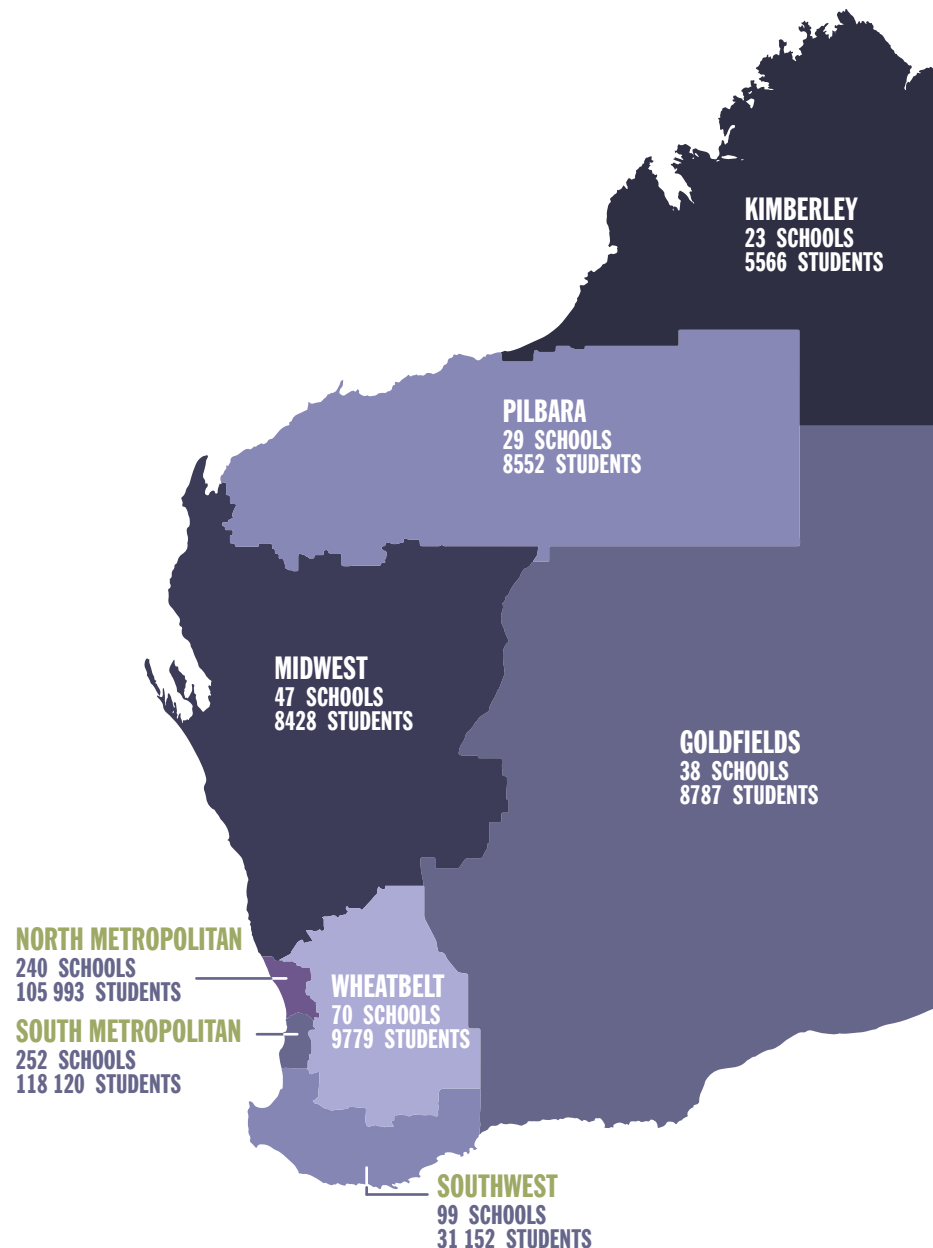
We provide high quality education for children and young people throughout Western Australia, helping them reach their full potential.

We open our doors to all students. We provide programs for every student – for those who are academically gifted, students with special learning needs, those with a flair for the arts or a passion for sports, and students from vulnerable communities.

As the largest public sector employer in the State, our people are our most valuable asset. We value the wealth of knowledge and experience that people from different backgrounds bring to the workplace.

We work with parents, carers, families, agencies and organisations to prepare students with the skills, understandings and values to reach their academic potential and make a positive contribution to society.

Watch our [“Discover a world of opportunities” video](#) to find out more about our schools, our students and our people.





**OUR MISSION** is for every child to be provided with a high quality public school education – whatever their ability, wherever they live, whatever their background.

**OUR GOAL** as a public school system is to achieve excellence and equity by providing opportunities that extend and challenge every student to achieve the highest possible standards and their personal best; and by providing high quality education in communities across Western Australia.

**OUR VALUES** of learning, excellence, equity and care guide everything we do.

**OUR STRATEGIC DIRECTIONS** – success for all students, distinctive schools, high quality teaching and leadership, and a capable and responsive organisation – help us achieve our mission and goal for every child who attends a public school in Western Australia.

**OUR MINISTER** is The Hon Peter Collier MLC, Minister for Education.

**OUR ACCOUNTABLE AUTHORITY** is Ms Sharyn O'Neill, Director General, Department of Education.

**OUR RELEVANT LEGISLATION** is the *Public Sector Management Act 1994* in which the Department of Education is established under section 35; and the *School Education Act 1999* (except Part 4 and other provisions which apply to non-government schools).

## OUR VALUES IN ACTION

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

**Equity:** We recognise the differing circumstances and needs of our 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 in partnership with parents/carers and the wider community in providing a quality education for our students.



EXECUTIVE SUMMARY:

# YEAR IN NUMBERS



## \$4.7 billion

spent in 2015-16, an increase of 5.1% from the previous year.



## 296 377

students were enrolled in 2016, representing 66.6% of all students in Western Australian schools, up from 66.3% in 2015 – a market share increase for the fifth consecutive year.



## 88.6%

of Year 12 students achieved Australian Tertiary Admission Ranks (ATARs) of at least 55 and/or certificate II and higher qualifications, up from 82.9% in 2014.



## 770

schools were funded through the student-centred funding model for the 2016 school year.



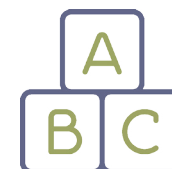
## 746

teachers had participated in Switch to build the supply of secondary teachers (by 30 June 2016).



## 4

new schools opened at the beginning of the 2016 school year in response to Western Australia's expanding population.



## 300+

Aboriginal children and their families registered to participate in 37 individual Kindilink programs at 30 June 2016.





EXECUTIVE SUMMARY:

# YEAR IN DOLLARS

Our total cost of providing education services in 2015–16 was \$4.7 billion. [Figures 1 and 2](#) summarise sources of revenue and cost of services. Full details of financial performance during 2015–16 are in the [Financial statements](#).

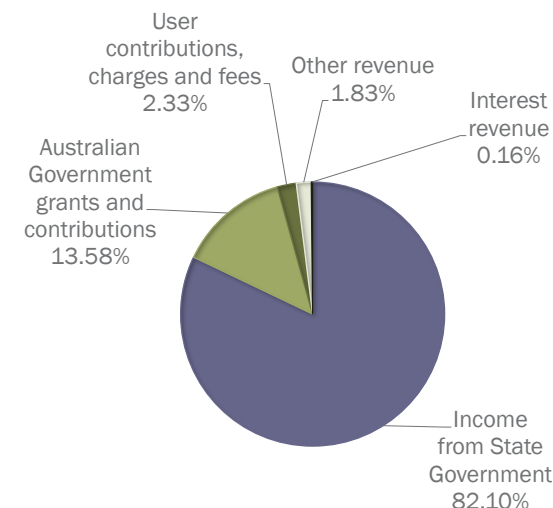
Our results in 2015–16 against agreed financial targets (based on Budget Statements and the Resource Agreement) are in [Table 1](#).

**Table 1: Budget targets compared to actual results 2015–16**

|                                      | 2015–16 budget | 2015–16 estimated actual | 2015–16 actual | Variation 1 estimated actual vs actual | Variation 2 budget vs actual |
|--------------------------------------|----------------|--------------------------|----------------|--|------------------------------|
|                                      | \$'000         | \$'000                   | \$'000         | \$'000                                 | \$'000                       |
| Total cost of services               | 4 797 928      | 4 760 183                | 4 668 800      | 91 383                                 | 129 128                      |
| Net cost of services                 | 3 961 681      | 3 883 325                | 3 816 683      | 66 642                                 | 144 998                      |
| Total equity                         | 15 308 247     | 16 101 661               | 13 645 036     | 2 456 625                              | 1 663 211                    |
| Net increase/(decrease) in cash held | (168 139)      | (218 098)                | (126 340)      | (91 758)                               | (41 799)                     |
| Full-time equivalent (FTE) staff     | 36 508         | 36 422                   | 36 404         | 18                                     | 104                          |

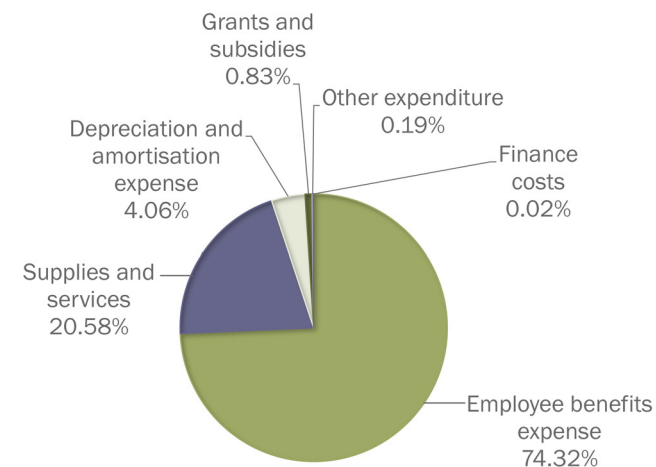
Source: Corporate Budgeting and Reporting

**Figure 1: Revenue sources 2015–16**



Source: Department of Education, Financial statements 2015–16

**Figure 2: Costs 2015–16**



Source: Department of Education, Financial Statements 2015–16







The underspend of \$91.4 million (1.9%) in actual to estimated actual total cost of services was due to:

- lower than projected expenditure by schools as a result of cautious budget management in the 2015 calendar year
- lower than projected Government Regional Officers Housing costs as a result of lower rental rates in many regional locations
- depreciation expense being lower than budget because of lower depreciation for buildings due to a change in the valuation methodology and the re-assessment of the useful life of school buildings from 50 to 80 years.

These underspends were partially offset by increased supplies and services expenditure.

The net cost of services of \$3816.7 million was lower than estimated actual by \$66.6 million (1.7%) mainly due to the underspend of \$91.4 million and revenue being \$24.8 million (2.8%) lower than anticipated.

The decrease of \$2456.6 million in total equity compared with the estimated actual was due to a net decrease in the Asset Revaluation Reserve of \$2514.7 million. The Department changed its building valuation methodology during the year which resulted in a decrement to school building values. The decrease was partially offset by an increase in accumulated surplus.

The decrease in cash held of \$126.3 million is due to the payment of the 27th pay offset by an increase in school bank accounts of \$21.4 million.

The 2015–16 average FTE of 36 404 was 104 FTE (0.3%) lower than the approved FTE ceiling. This small variance was attributed to cautious budget management by schools.



**EXECUTIVE SUMMARY:****YEAR SCORECARD**

Our 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 the [key performance indicators section](#).

| Effectiveness indicators  | Target | Achievement |
|---------------------------|--------|-------------|
| Participation rate        | 92%    | 98.7%       |
| Apparent retention rate   | 91%    | 80.4%       |
| Secondary graduation rate | 81%    | 72.7%       |

**Students achieving at or above national minimum standards in the National Assessment Program – Literacy and Numeracy**

|                           |     |       |
|---------------------------|-----|-------|
| Year 3 Reading            | 94% | 91.7% |
| Year 3 Persuasive Writing | 94% | 93.6% |
| Year 3 Numeracy           | 95% | 92.6% |
| Year 5 Reading            | 95% | 90.1% |
| Year 5 Persuasive Writing | 89% | 89.1% |
| Year 5 Numeracy           | 92% | 93.0% |
| Year 7 Reading            | 93% | 92.2% |
| Year 7 Persuasive Writing | 87% | 80.5% |
| Year 7 Numeracy           | 94% | 93.6% |
| Year 9 Reading            | 90% | 90.1% |
| Year 9 Persuasive Writing | 81% | 76.7% |
| Year 9 Numeracy           | 93% | 94.7% |

| Efficiency indicators  | Target   | Achievement |
|--|----------|-------------|
| Cost per student full-time equivalent (FTE): Primary education   | \$15 496 | \$15 270    |
| Cost per student full-time equivalent (FTE): Secondary education | \$19 068 | \$18 348    |



## FROM THE DIRECTOR GENERAL

**Our focus this reporting year was on building on the achievements we have made in recent years in empowering school communities and delivering an even better education for students attending public schools across Western Australia.**

The interest of communities in having a direct say in their local schools was once again highlighted through the Independent Public Schools initiative, with 124 school communities putting up their hands for the next intake to start operating in 2017.

Our commitment to strong governance was stepped up with funding agreements in place for all schools and particular requirements for spending school funding in the year it is provided. The student-centred funding model was rolled out to more schools, workforce planning was further supported at the school level, and our strategy for reducing redeployees allowed nine out of 10 staff vacancies to be filled through merit selection by schools. These changes are an enormous

achievement in ensuring effective budget management and getting the best teachers in our schools.

I was delighted that important changes in a number of areas resulted in more support for students and their families. The new KindiLink program and five more child and parent centres complemented the many services and supports that we have put in place in early childhood education in recent years. A new model for supporting our most at-risk students started in 2016 with engagement centres, a learning academy and coordinated support for student behaviour and engagement.

In addition, more school psychologists, chaplaincy programs and counselling services were provided for all students. It is an unfortunate reflection of the wider community that many young people need higher levels of care than in the past.





Closing the performance gap between Aboriginal students and their non-Aboriginal peers remains a challenge – with deliberate and concerted effort required. I believe our Aboriginal Cultural Standards Framework, which I understand may be the first of its kind for public schools in Australia, will help us reform practices as we strive to improve outcomes for Aboriginal students.

Enrolment pressures continued in some metropolitan schools brought about by population growth, new residential developments and high density urban infill. A particular pressure point was the western suburbs, where land is at a premium. We continued working on short and longer term solutions for secondary schooling that I anticipate will come to fruition next financial year. Considerable capital investment will be required and this is difficult in the current fiscal environment.

Our new strategic plan for 2016 to 2019, [High Performance – High Care](#), furthers our reform agenda to drive improvement in all schools that will impact directly on student achievement. I look forward to reporting on the new plan in next year’s annual report.

Public education remains both a challenging and very rewarding portfolio. Our achievements in the past year were possible because of the trust that the community put in our schools – and that trust was based on the performance of our staff and the success of our students.

I acknowledge the incredible commitment of school communities – staff, students, families, organisations and stakeholders – across Western Australia.

Sharyn O'Neill

**Our achievements in the past year were possible because of the trust that the community put in our schools.**





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GOVERNANCE

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GLOBAL ACKNOWLEDGEMENT FOR PRIMARY SCHOOL TEACHER

One of the best teachers in the world is inspiring young students at Rostrata Primary School.

Science teacher Richard Johnson was named a top 10 finalist in the Global Teacher Prize 2016 from more than 8000 teachers across 148 countries.



Image credit as from Global Teacher Prize

“It was fantastic to make the top 10 and attend the presentation ceremony in Dubai. It really is a reflection of the quality of public education in Western Australia,” Mr Johnson said.

A classroom filled with the latest in technology – 3D printers, 3D pens, robotics and an augmented reality sandbox to overlay computer images of topography over real formations in sand – inspires and excites students.

“In my class, students solve problems using some of the most amazing technologies in the world – and we even manage a global impact with our website Johnnoscience.com,” Mr Johnson said.

“This allows students to combine learning in information technology and science.”

He also works closely with school technology specialists and organisations such as Scitech and Curtin University.

The Global Teacher Prize is an initiative of the Varkey Foundation, co-chaired by Bill Gates and actor Kevin Spacey who sits on the Global Teacher Prize Academy with responsibility for choosing the winner.

In Dubai, Mr Johnson went to a leadership summit and an education and skills forum, bringing new learnings back to his students in Perth.





# PERFORMANCE MANAGEMENT FRAMEWORK

## Government goal of results-based service delivery

Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

## Department outcome

A public school system which provides access to a quality education throughout Western Australia.

## Department services

1. Primary education  
Kindergarten to Year 6

193 422 students\*

2. Secondary education  
Years 7 to 12

102 955 students\*

\*See [Appendix 1](#).





# ORGANISATION STRUCTURE

For a detailed organisational chart see [Appendix 4](#).



| SCHOOLS AND STATEWIDE SERVICES   | OFFICE OF ABORIGINAL EDUCATION  | INNOVATION, PERFORMANCE AND RESEARCH  | OFFICE OF EARLY CHILDHOOD DEVELOPMENT AND LEARNING   | STATEWIDE PLANNING AND DELIVERY  | WORKFORCE   | PROFESSIONAL STANDARDS AND CONDUCT  | FINANCE AND ADMINISTRATION   | ORGANISATIONAL GOVERNANCE  |
|--|---|---|--|--|---|---|--|--|
| <p>High quality teaching and learning in schools</p> <p>Monitoring school performance and effectiveness</p> <p>Leadership and management in regions</p> <p>Support and services to students and schools in curriculum, student behaviour and wellbeing, inclusive education, and literacy and numeracy</p> | <p>Strategic leadership and direction for Aboriginal education</p> <p>Identification of priorities to support improved outcomes for Aboriginal students</p> | <p>System reform initiatives to support increased school autonomy</p> <p>Strategic and technical advice about State and national education reforms</p> <p>Coordination of the move to NAPLAN online</p> <p>School evaluation, performance and accountability including student assessment</p> | <p>Policy and strategic planning in early childhood education</p> <p>Coordination and implementation of State and national reforms</p> | <p>Planning future delivery of public schooling</p> <p>Regional development, remote schools, distance education and agricultural education</p> <p>Online learning and contemporary teaching and learning technologies and systems</p> <p>Coordination of delivery of staff professional learning</p> | <p>Central staffing support</p> <p>Workforce strategic policy</p> <p>Industrial relations</p> <p>Employee support services</p> <p>Compliance with public sector legislation related to employment</p> | <p>Standards of staff professional conduct and integrity</p> <p>Audit procedures</p> <p>Risk management services</p> <p>Screening of criminal history records for staff</p> <p>Monitoring compliance with Working with Children legislation</p> <p>Management of allegations of misconduct by staff</p> <p>Legal advice</p> | <p>Strategic and operational financial management</p> <p>Budget processes</p> <p>Payroll processes</p> <p>Financial services support and training</p> <p>Acquisition and management of resources</p> <p>Commercial and contract governance and support</p> <p>Capital works, asset acquisition and maintenance programs</p> <p>Information and communication technologies services</p> <p>Freedom of information</p> | <p>Corporate communications and marketing</p> <p>Ministerial and executive services</p> <p>Policy and governance</p> |





# 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. She is responsible for leading the public school system in Western Australia.

Ms O'Neill is a qualified teacher and has a Master of Education. She taught in a range of country and metropolitan primary schools before holding the position of deputy principal. She then progressed to policy, administration and executive positions in regional and central offices, before being appointed Deputy Director General, Schools in 2006.

She is a member of the Australian Education Systems Officials Committee. She is also Chief Executive Officer of the Country High School Hostels Authority. In 2016 she received the Institute of Public Administration (WA) Patron's Award in recognition of her significant contribution to the State.



## DAVID AXWORTHY – DEPUTY DIRECTOR GENERAL, SCHOOLS

David Axworthy was appointed to this position in 2011 and is responsible for providing leadership and strategic direction for education regions, school networks and Statewide support services.

Mr Axworthy is a registered psychologist and worked as a research psychologist for the Medical Research Council. He joined the Department in 1974 and has held leadership positions in schools, and in central and regional offices. In 2007 he acted as Chief Executive Officer of the Curriculum Council.



## JENNIFER MCGRATH – DEPUTY DIRECTOR GENERAL, FINANCE AND ADMINISTRATION

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, capital works and information technology.

Ms McGrath has worked in the Western Australian public sector for 12 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.







**STEPHEN BAXTER – EXECUTIVE DIRECTOR, STATEWIDE PLANNING AND DELIVERY**

Stephen Baxter was appointed to this position in 2014. He is responsible for planning the future delivery of public schooling throughout the State, and establishing the strategic directions for professional learning and leadership development across the Department.

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.



**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 students and 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 Institute for Professional Learning and has held a number of executive positions. He has a Master of Education Administration.



**CLIFF GILLAM – EXECUTIVE DIRECTOR, WORKFORCE**

Cliff Gillam was appointed to this position in 2009 and is responsible for leading workforce directions and policies across the Department.

Mr Gillam has more than 20 years’ public sector experience in human resource management and labour relations. Before joining the public service, he worked as an academic and as a theatre arts professional. He is a Fellow of the Australian Human Resources Institute.

Mr Gillam was awarded the Institute of Public Administration (WA) Human Resource Management Practitioner of the Year in 2015 in recognition of his leadership of education workforce reform.



**GARRY HEWITT – EXECUTIVE DIRECTOR, OFFICE OF EARLY CHILDHOOD DEVELOPMENT AND LEARNING**

Garry Hewitt was appointed to this position in 2014 and is responsible for strategic leadership and delivery of Department, State and Australian Government reforms in early childhood education.

Mr Hewitt’s leadership in public education spans 38 years and includes 22 years as a primary school principal. He has a Master of Education.





**JANE MACHIN-EVERILL – ACTING EXECUTIVE DIRECTOR, ORGANISATIONAL GOVERNANCE**

Jane Machin-Everill was appointed to this position in 2015 and is responsible for corporate communications and marketing, ministerial and executive services, and policy and governance.

Ms Machin-Everill joined the Department in 2002 in the communications and marketing area. Prior to this she worked in communications in other government agencies, universities and education sectors. She is a Fellow of the Public Relations Institute of Australia.



**PETER TITMANIS – EXECUTIVE DIRECTOR, INNOVATION, PERFORMANCE AND RESEARCH**

Peter Titmanis was appointed to this position in 2012 and is responsible for system reform initiatives that support and enhance students’ education outcomes.

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 a keen interest in data and extensive experience in school accountability and reporting.



**JACQUELINE MCGOWAN-JONES – EXECUTIVE DIRECTOR, OFFICE OF ABORIGINAL EDUCATION**

Jacqueline McGowan-Jones was appointed to this position in 2014 and is responsible for strategic planning and policy formulation aimed at improving Aboriginal students’ access to, and participation in, all levels of schooling.

Ms McGowan-Jones is an Aboriginal woman with family ties in the Northern Territory and Victoria. She has more than 20 years’ experience in the Western Australia public sector and extensive experience in the Australian Government. She has worked in regional and remote areas across a number of states and territories. She has an Executive Master of Public Administration.



**EAMON RYAN – EXECUTIVE DIRECTOR, PROFESSIONAL STANDARDS AND CONDUCT**

While not a member of Corporate Executive, the Executive Director of Professional Standards and Conduct reports to the Director General.

Eamon Ryan was appointed to the position in 2011. He first joined the Department in 2009 and prior to that 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).





# REGIONAL EXECUTIVE DIRECTORS



Regional executive directors are responsible in their regions for monitoring school performance and effectiveness, directing and overseeing delivery of support services to schools, and leading and managing operations in an environment of increasing autonomy for schools.



## SUE CUNEO – SOUTH METROPOLITAN EDUCATION REGION

Sue Cuneo was appointed to this position in 2016 after working as Pilbara Regional Executive Director since 2011. She has more than 30 years' experience as a teacher, deputy principal and principal in small remote schools, large metropolitan schools and district high schools. She has also held a director position.



## NEIL DARBY – PILBARA EDUCATION REGION

Neil Darby was appointed to this position in 2016. Prior to this he was a director, Schools Review and a director in the Goldfields, Albany and Fremantle-Peel districts. His teaching and leadership experience includes principalships of metropolitan, regional and remote schools as well as consultant positions in science and Aboriginal education.





**NEIL MILLIGAN – SOUTHWEST EDUCATION REGION**

Neil Milligan was appointed to this position in 2011. His experiences as an education leader have covered the diversity of the State ranging from the challenges of the Ngaanyatjarra Lands to the complexities of the growing southwest.



**GREG ROBSON – KIMBERLEY EDUCATION REGION**

Greg Robson was appointed to this position in 2011. Prior to this he was Professor and Head of the School of Education at Edith Cowan University for four years. He has extensive experience as a teacher, researcher and curriculum consultant, and has held senior education leadership positions in Western Australia and South Australia.



**KEN PERRIS – GOLDFIELDS EDUCATION REGION**

Ken Perris was appointed to this position in 2013. He has more than 30 years' experience with the Department in teaching and leadership positions in rural, remote and metropolitan schools. He has also held leadership development and director positions.



**GREG THORNE – MIDWEST EDUCATION REGION**

Greg Thorne was appointed to this position in 2014. Prior to this he was principal advisor supporting implementation of the student-centred funding model. His teaching and leadership experience includes head of mathematics and principalships of primary, district high and secondary schools. He has a Master of Educational Management.



**ALISON RAMM – WHEATBELT EDUCATION REGION**

Alison Ramm was appointed to this position in 2016. Prior to this she held leadership positions that helped shape and implement recent reforms in staffing, school funding and resourcing, and autonomy. She has also had teaching and leadership experience in metropolitan and country schools.



**JAMES WEBB – NORTH METROPOLITAN EDUCATION REGION**

James Webb was appointed to this position in 2011. His experiences in the Department span 39 years as a teacher and principal in country and metropolitan schools, as well as in leadership roles in regional offices.





# CORPORATE GOVERNANCE: STRATEGIC DIRECTIONS

## Our strategic progress

Our strategic plan from 2012 to 2015, [Excellence and Equity](#), sets our directions as a public school system and moves us towards policies and practices to support distinctive schools within an increasingly autonomous environment.

During the year we developed a new strategic plan that builds on the empowerment reforms of recent years and sets the directions for 2016 to 2019.

[High Performance – High Care](#) focuses our improvement efforts even more 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 highest educational objectives.

To provide specific directions for each school year, we published Focus 2015 and [Focus 2016](#). Aligned to our strategic plans, these documents provided directions for schools, regions and Statewide services, and central responsibilities.

During the year, we consolidated flexible practices to empower school communities and enable them to drive their own processes for improvement.

Our performance in this report is framed around the [strategic plan for 2012 to 2015](#). Next year’s report will be framed around our new strategic plan.





# CORPORATE GOVERNANCE: EXECUTIVE FRAMEWORK

## Corporate Executive

Corporate Executive, chaired by the Director General, met 10 times during the year.

The Director General had a performance agreement with the Minister for Education. Regional executive directors had performance agreements with the Deputy Director General, Schools while all other Corporate Executive members had performance agreements with the Director General.

Information about Corporate Executive members is in [Corporate Executive](#). An organisational chart is in [Appendix 4](#).

## Aboriginal education

The Aboriginal Education Subcommittee provides advice and makes recommendations to Corporate Executive on strategic planning and directions on Aboriginal education.

This year, the subcommittee provided direction and advice in relation to priorities for improved Aboriginal student outcomes; and provided direction, feedback and support for the development of the Aboriginal Cultural Standards Framework and Directions for Aboriginal Education 2016.

## 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 committee has direct oversight of the activities of the Internal Audit and Assurance Directorate including monitoring implementation of the Strategic Internal Audit Plan. The committee maintains a relationship with the Office of the Auditor General, ensuring appropriate action is taken on external audit findings.

## Corporate Executive committees:

Aboriginal Education Subcommittee

Audit Committee

Finance Subcommittee

Information and Communication Technologies Subcommittee

Policy Subcommittee

Program Governance Group

School Planning Subcommittee





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

In 2015–16 the committee endorsed the adoption of a ‘risk based’ internal audit approach to ensure a balanced focus between auditing compliance with Department requirements, and auditing higher risk strategic, operational and financial activities.

We undertook 96 audits across schools, business systems and information systems in 2015–16 (202 in 2014–15). As part of a phased implementation of the new approach, the school audit strategy was revised for 2016–17 to include end-to-end process and control analysis to identify common issues across schools.

### Finance

The Finance Subcommittee establishes high levels of financial governance and budget risk management, and ensures that 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 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. The subcommittee 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. The committee reviews major ICT initiatives and makes recommendations to Corporate Executive on funding allocations for ICT.

During the year 21 work proposals (24 in 2014–15) for new projects were approved and 17 projects (15 in 2014–15) were closed on time and within budget. At 30 June 2016, 33 projects (37 at 30 June 2015) were being monitored.

### Policy

Policy development is governed through the Policy Subcommittee which 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 subcommittee examined, proposed and revised policies, and provided recommendations to Corporate Executive for approval. Four policies underwent major assessments (16 in 2014–15), 34 policies had minor amendments (50 in 2014–15), and 11 policies were removed (six in 2014–15).

Our [Policies website](#) continued as the definitive online repository for all policies. We received and completed 191 formal policy enquiries (231 in 2014–15).

### Program governance

Governance of projects, programs, operations, grants, service agreements, evaluations and reviews is undertaken by the Program Governance Group. The group 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 2015, 84 projects, 62 programs and 209 operations were documented. During the year, 51 new projects (18 in 2014–15) were recommended to Corporate Executive and approved by the Director General; and 23 projects (28 in 2014–15) closed on time and within budget.

### School planning

The School Planning Subcommittee leads the development and monitoring of a Statewide schooling plan and ensures it is aligned with our strategic asset plan.

Work continued during the year on the development of this plan and the mechanisms and governance of decision making and prioritisation for school infrastructure.



# SIGNIFICANT ISSUES

## Reforms continue to drive school improvement, increase engagement of school communities and provide an even better education for students in our schools.

Significant changes have been instituted at all levels of schooling, as well as to support children and families in the years before school. With centralised management of schools reduced and empowerment of school staff and communities increased, the focus is on building a culture of high performance and high care in every school.

The wellbeing, resilience, emotional regulation and behaviour of children and young people continue to be challenging issues in the community that have an impact in schools. Priorities for 2016 include better alignment and integration of services for at-risk students; 13 new engagement centres; pilot of a learning academy; and refinement of the school chaplaincy program.

Outcomes for Aboriginal students remain disproportionately and unacceptably low despite enormous goodwill, effort and investment over many years. Priorities for 2016 are the Council of Australian Government’s closing the gap targets; collaborative actions from the National Aboriginal and Torres Strait Islander Education Strategy; introduction of our Aboriginal Cultural Standards Framework; and the trial of KindiLink for three year old Aboriginal children in partnership with families to support school readiness.

Young children’s development and learning set the foundations for future success. Early support and services continue to be provided for families and their young children both before school and at school. Priorities for 2016 include continued development of Child and Parent Centres; and consolidation of the National Quality Standard.

High expectations of success for every student and best possible teaching practices remain key focus areas. Priorities for 2016 include implementing the Western Australian Curriculum and defining expected year level progress in phase one learning areas; strengthening the teaching of phonics and writing; emphasising science, technology, engineering and mathematics (STEM) instruction; and increasing students’ university aspirations, especially in low socio-economic and country areas.

With the National Assessment Program – Literacy and Numeracy (NAPLAN) going online by 2019, students in a small number of schools will complete NAPLAN online in 2017 and 2018, before all students complete it online in 2019. The priority for 2016–17 is to improve technology infrastructure and capability in schools for the transition. NAPLAN online aims to provide diagnostic information from student results quickly so teachers can better plan and tailor their teaching for student needs.

Empowerment has seen significant changes in public schools in recent years. Principals of Independent Public Schools have used increased empowerment to reinvigorate their schools, engage their communities and focus more acutely on high quality teaching.







Priorities for 2016 include new advanced leadership initiatives incorporating a fellowship program for principals; school board training to enhance governance; and a new intake of Independent Public Schools for 2017.

Effective school leadership in an environment of increased school autonomy is a key focus to drive school improvement. Priorities for 2016 include the development of a comprehensive school leadership strategy; further support for high quality teaching; and the introduction of a comprehensive cyclic review of schools that are not Independent Public Schools.

The student-centred funding model, driven by the learning needs of students, was first instituted in 2015. Refinements were made to systems and 35 additional schools were included in the model for 2016. Priorities for 2016–17 include further system refinements; analysis to inform the incorporation of additional schools; and ongoing training and support for school leaders and corporate services managers.





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INTERNATIONAL RESEARCH SCIENTIST BECOMING A TEACHER

A research scientist who played a major role in the internationally acclaimed discovery of gravitational waves is sharing his expertise with Southern River College students.



Dr David Hosken is now becoming a maths and physics teacher through Teach for Australia that brings highly talented people into teaching.

“I want to show students that science can take you places – it certainly took me on an amazing journey of research across the world,” he said.

In 2014, Dr Hosken worked on a crucial equipment upgrade to a huge laser detector in the United States that measures vibrations of space – predicted by Einstein – from a violent merger of two black holes a billion light years away.

By the time the discovery of gravitational waves was made late in 2015, he had left his 14 year research career to become a secondary school teacher.

Now in his second and final year of the Teach for Australia program, he is teaching 80% of the time and studying for a Master of Education to qualify by the end of 2016.

Well established in science, Teach for Australia allowed him to move quickly into teaching.

Dr Hosken is a contributing author on the scientific paper announcing the discovery of gravitational waves – which is a hot favourite to win its principal authors a Nobel Prize.





PRIORITY 1:

# SUCCESS FOR ALL STUDENTS

## ALL STUDENTS CAN ACHIEVE SUCCESS: OUR JOB IS TO ENSURE EVERY STUDENT HAS THE OPPORTUNITY TO DO SO.

### Establish better intervention strategies and integration of services for children and families before they start school and in the early years of school, including Child and Parent Centres to meet the needs of children in vulnerable communities

Improving children’s readiness for formal education continued as a priority and was informed by the 2015 triennial Australian Early Development Census (AEDC) that showed Pre-primary children in Western Australia improved from one in four presenting as developmentally vulnerable in the first census in 2009 to one in five in 2015. The largest improvement was in the language and cognitive skills domain. While the results were encouraging, important work in the early years remains to be done to ensure good outcomes for all children.

Five new Child and Parent Centres opened at the beginning of 2016, bringing the total to nine centres in country education regions and 12 in metropolitan education regions. In 2015–16, centres provided more than 450 services and programs that focused on early learning, parenting, child health and support for families; and had around 73 000 child attendances and 50 000 adult attendances.

The three year KindiLink pilot began in 2016 at 37 schools to support the development of social, emotional, language and cognitive capabilities of Aboriginal children in the year before Kindergarten. By 30 June 2016, more than 300 Aboriginal children and their families had registered to participate.

Through our partnership with Playgroup WA, by the end of 2015 nearly 80 community playgroups hosted on or near school sites had received resources and support to foster home-school relationships and optimise children’s transition to school.

We continued to support parents through the Positive Parenting Program and in 2015 delivered 320 sessions for more than 3000 parent registrations. To improve accessibility to parents in the Kimberley, we trained a select group of staff to deliver the program in that region.

With funding arrangements for the National Partnership Agreement on Universal Access to Early Childhood Education assured by the Australian Government until December 2017, we continued to provide at least 15 hours a week of Kindergarten delivered by qualified early childhood teachers.

We assessed over 24 500 Pre-primary students in the sixth round of the on-entry assessment program, giving teachers high quality diagnostic information about students’ literacy and numeracy skills and understandings in the year they start compulsory schooling.

### Raise standards in literacy and numeracy for students across the State

In 2015, nearly 82 000 Western Australian public school students in Years 3, 5, 7 and 9 were assessed in the annual National Assessment Program – Literacy and Numeracy (NAPLAN).





In comparison with the NAPLAN baseline year of 2008 for Reading, Spelling, Grammar and Punctuation and Numeracy, the 2015 means were higher for all 16 assessments. The percentages of students achieving the national minimum standards were higher in 14 of the assessments.

For Persuasive Writing, introduced in 2011, the mean scores and percentages achieving the national minimum standards were reasonably consistent in Years 3, 5 and 9 but declined in Year 7.

Between 2014 and 2015 there were improvements in the means for Year 3 Persuasive Writing and Grammar and Punctuation but declines for Persuasive Writing in Years 7 and 9. The percentages of students achieving the national minimum standards improved for Grammar and Punctuation in Year 3 and Numeracy in Years 5 and 9, but declined for Grammar and Punctuation in Year 7 and Persuasive Writing in Years 7 and 9.

Females substantially outperformed males in all areas of literacy across all year levels. Marginally higher means were reported in numeracy for males in all year levels. The percentages achieving the national minimum standards in numeracy for males and females were very similar.

With some exceptions, the performance of Aboriginal students between 2014 and 2015 generally improved in Years 3 and 5 but declined in Years 7 and 9.

In 2016, new resources were available to all schools to strengthen the teaching of phonics and writing. We will continue to focus on raising standards in these two vital areas of student learning.

Further NAPLAN results are in the [key performance indicators](#) and [Appendix 2](#). Results from 2016 NAPLAN will be reported in next year's annual report.

NAPLAN will move online from 2017 over a three year period. For more information see [Ensure rigorous and transparent accountability practices at classroom, school and system levels](#).

From 2016, students who have not already shown minimum levels of literacy and numeracy through NAPLAN must pass the Online Literacy and Numeracy Assessment (OLNA) to achieve the WA Certificate of Education. In preparation for this new student assessment, we developed online professional learning resources to support school staff.

### **Ensure all students attend school regularly**

The Statewide school attendance rate for 2015 was 90.9% (90.5% in 2014). The rate for Aboriginal students was 76.3% and for non-Aboriginal students 92.2%. We had 71.9% of our students attending school regularly (90% or more of the time), the best result since 2011. Details of attendance rates are in [Appendix 3](#).

As part of our drive to increase attendance, we again increased the number of staff designated as attendance officers under the *School Education Act 1999* to work with students and families from 902 in June 2015 to 1176 in June 2016.

Students who could not be located were added to the Students Whose Whereabouts Are Unknown list when schools had exhausted all attempts to contact families. We continued to work with other agencies and organisations to locate these students and reduce the number not participating in education or approved options. At June 2016, there were 1156 students of compulsory school age on the list (1076 in June 2015 the half cohort year).

In Focus 2015, we committed to parents of students in the severe non-attendance category being offered, and supported to participate in, attendance panels. During 2015, 54 panels were convened (14 in 2014). The *School Education Act 1999* was amended in 2014 to allow attendance panels to offer Responsible Parenting Agreements to parents of persistently absent students and 80 were initiated in 2015 (35 in 2014). No parents were prosecuted during 2015 for their children's non-attendance (one in 2014).

### **Ensure most students leave school eligible for university or having completed vocational qualifications**

A continued priority was for Year 12 students to complete their schooling with meaningful and tradable outcomes to support their transition to post-school destinations. Over the last five years, the attainment



rate has increased considerably as more students gain certificate II and higher qualifications.

In 2015, 88.6% (82.9% in 2014) of Year 12 students achieved Australian Tertiary Admission Ranks (ATARs) of at least 55 and/or certificate II and higher qualifications. Forty-nine schools had at least 90% of their WACE eligible students achieve this milestone compared to 38 schools in 2014.

The WACE achievement rate decreased slightly from 96.8% in 2014 to 96.2% in 2015. Thirty schools had 100% WACE achievement, down from 42 in 2014.

The percentage of students who gained ATARs in 2015 was 40.7% (38.2% in 2014). The median ATAR improved slightly from 75.6 in 2014 to 76.0 in 2015.

In 2015, 151 schools delivered nationally-accredited vocational education and training programs to more than 26 000 secondary students, with 8201 Year 12 students leaving school having completed certificate II and higher qualifications (4523 in 2014 with the half cohort).

Our students received 546 School Curriculum and Standards Authority awards in 2015 (330 in 2014 with the half cohort) for outstanding achievements in senior secondary studies, including both Beazley Medals. Hui Min Tay from Perth Modern School was awarded the Beazley Medal: WA Certificate of Education; and Megan McSeveney from the WA College of Agriculture – Harvey was awarded the Beazley Medal: Vocational Education and Training.

New requirements in 2016 set a higher standard for WACE achievement than in previous years due in part to the inclusion of minimum standards for literacy and numeracy. We provided professional learning, resources and advice to support school staff understand the new requirements. In 2016, 26 of our 69 Teacher Development Schools offered specific support to implement the new requirements. Staff were also supported to help individual students at risk of not meeting these standards through a case management approach.

We supported 142 mature-aged and repeating students to achieve the WACE in 2015, and 58 to attain ATARs of at least 55 mainly through programs at Canning College, Tuart College and senior campuses.

**Support innovative strategies to close the educational achievement gap between Aboriginal students and their non-Aboriginal peers**

In 2016, our schools accounted for 84% of the 28 457 Aboriginal students in school education in Western Australia. [Table A8](#) shows the trends in Aboriginal student enrolments in recent years.

In 2014, the Cabinet Subcommittee on Aboriginal Affairs accepted a proposal to develop a framework for Aboriginal cultural standards for public schools. We released the [Aboriginal Cultural Standards Framework](#) in late 2015 following extensive consultation throughout the year. The framework sets expected standards for all staff when working with Aboriginal students, their parents and families, and communities;

and aims to ensure all our schools are culturally responsive.

The framework was specifically designed to support school staff to reflect on their behaviours, attitudes and practices to maximise learning outcomes for Aboriginal students. It has five cultural standards covering relationships, leadership, teaching, learning environment and resources; and a continuum from cultural awareness to cultural understanding and cultural competence through to cultural responsiveness.

In 2016, staff were expected to familiarise themselves with the framework and reflect on their attitudes, values and behaviours. Forums and workshops assisted with familiarisation and prepared staff to incorporate strategies for improvement in their school planning from 2017.

The framework is believed to be the first of its kind for public schools in Australia and has attracted interest from other WA Government agencies as well as other states and territories.

An online Aboriginal cultural appreciation course was made available to all staff as an introductory resource to support the framework.

The Director General issued [Directions for Aboriginal Education 2016](#) which reflected the priorities of the new [National Aboriginal and Torres Strait Islander Education Strategy](#), released in September 2015, our strategic plan and Focus 2016. It also highlighted the





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Aboriginal Cultural Standards Framework as a tool for maximising learning outcomes for Aboriginal students.

The apparent retention rate of Aboriginal students from Year 8 to Year 12 in 2015 was 43.9%. This was comparable to the rate in 2013 (43.8%) but lower than 2014 (49.1%) ([Figure A5](#)).

In 2015, 87.5% of WACE-eligible Aboriginal students achieved a WACE (92.5% in 2014 with the half cohort). Fifty-five Aboriginal students gained ATARs and, of these, 38 achieved ATARs of 55 and more.

The Clontarf Foundation Academies program continued in 24 schools in 2015 providing in-school and extracurricular activities for male Aboriginal secondary students to assist their transition through school and into post-school destinations. Royalties for Regions funded the program in seven of these schools.

Of the 118 students in the program who completed Year 12 in 2015, 60% (71 students) achieved a WACE. This compares to 45% (39 students of a total of 86) in 2014 (the half cohort). There were 1661 students enrolled in the program in Semester 1, 2016.

In 2015, 1208 Aboriginal students participated in the Follow the Dream: Partnerships for Success program that provided after-school tuition and mentoring to aspirant Aboriginal secondary students.

Sixty-eight per cent of Aboriginal students who achieved ATARs at or above 55 (44% in 2014), and

49% (40% in 2014) of Aboriginal students who achieved a WACE participated in Follow the Dream.

The 2015 Rob Riley Memorial Prizes for the top Year 12 Aboriginal students were awarded to Sarah Callow from Esperance Senior High School (WACE) and Aimee Coles from Lynwood Senior High School (VET).

The Australian Government funded Indigenous Advancement Strategy supported a number of our initiatives aimed at closing the education achievement gap between Aboriginal students and non-Aboriginal students. These included an Aboriginal early childhood language support program, a school readiness and school attendance project in Albany, and an Aboriginal youth ranger program in the Kimberley.

In 2015, 10 schools participated in the Australian Government's Remote School Attendance Strategy designed to improve attendance of Aboriginal students, and support Aboriginal people to move from income support to paid employment.

### **Lift the levels of achievement of students with disability, students from rural and remote backgrounds, and those from disadvantaged communities**

The student-centred funding model continued to provide funding to schools to support students with eligible disability as well as funding to implement programs and learning support for students with additional learning needs.

More than 100 schools participated in trialling the National Disability Insurance Scheme. The scheme aims to provide individualised support to enable people with disability to achieve their goals and thrive in their local communities. Evaluation of the trial will inform how disability services are provided in Western Australia and nationally.

In 2015, we supported 2391 students with hearing loss and/or vision impairment in both public and private schools through the School of Special Educational Needs: Sensory. The School of Special Educational Needs: Medical and Mental Health provided services to 5139 students.

The School of Special Educational Needs: Disability supported 4739 students. We also began to support students who were identified under the Nationally Consistent Collection of Data for School Students with a Disability as having imputed disability, in addition to those with diagnosis of disability.

In 2015, 737 students (1364 in 2014) were awarded points towards their WACE following completion of ASDAN Award Programs (Award Scheme Development and Accreditation Network).

The attainment rate for Year 12 students in regional and remote schools was 83.5%, five percentage points below the Statewide rate (proportion of students who achieved ATARs of at least 55 and/or certificate II and higher qualifications) (76.6% in 2014).

The WACE achievement rate of students in regional and remote schools was 95.9% in 2015, close to the





Statewide rate of 96.2% and relatively unchanged from 2014 (95.6%).

Students in regional and remote schools remained less likely to attempt to get ATARs with 31.9% of students compared to 45.5% of metropolitan students enrolling in ATAR courses. Of these students, 80.6% achieved ATARs of 55 and more (82.1% in 2014). We provided new monitoring tools to assist school staff to identify early students capable of university study. We also provided career development resources to help build aspirations for students from remote, regional and disadvantaged backgrounds.

The proportion of Year 12 students in regional and remote schools achieving vocational qualifications at certificate II and higher was 58.7%, similar to students in metropolitan schools at 59.6%.

Through the Secondary Assistance Scheme, in 2015 we supported 26 295 students from Years 7 to 12 in public and private schools (20 045 Year 8 to 12 students in 2014, the last year of the half cohort) from low-income families to pay contributions and charges, and purchase school uniforms. Payments of more than \$6.0 million (more than \$4.6 million in 2014) were made under the Education Program Allowance and more than \$2.9 million (more than \$2.2 million in 2014) under the Clothing Allowance.

Through the Boarding Away from Home Allowance for Isolated Children, we supported 1346 students in 2015 (1233 in 2014) at a total cost of just under \$2.8 million (just over \$2.5 million in 2014). We also supported 297 students (312 in 2014) boarding at

the WA Colleges of Agriculture through the Agricultural Colleges Special Subsidy Boarding Away from Home Allowance, amounting to just under \$0.6 million (just over \$0.6 million in 2014).

Together with the Department of Health, we funded Foodbank WA in 2015 to enable the delivery of the School Breakfast and Nutrition Education Program to 416 schools including 237 schools in regional and remote locations.

**Improve student engagement with learning; and expand opportunities for students to develop personal and social capabilities necessary for full participation in the workforce and society**

The 2015 participation rate of Year 11 and 12 students in school and other approved education, training and/or employment options was 97.5%. This was slightly lower than the rate (98.1%) in 2014 which was affected by the half cohort being in Year 12 and considerably inflated by the State's strong net interstate and overseas migration in recent years.

We supported 25 programs for Year 11 and 12 students not engaged in or at risk of disengaging from school to transition to further education, training or employment; and attain Year 12 and meet obligations for participation under the *School Education Act 1999*.

In 2015, less than half the number of Year 10, 11 and 12 students compared to 2014 undertook the Aboriginal School-Based Training program to develop skills to succeed in the workplace leading

to apprenticeships, traineeships or further training. Significant increases in the cost of the qualifications resulted in fewer places being available through the Department of Training and Workforce Development which managed the program.

**Expand and strengthen education for gifted and talented students**

In 2016, 2017 students (1905 in 2015) in Years 5 and 6 were selected to participate in courses delivered from local [Primary Extension and Challenge](#) (PEAC) centres and online. These students were the most academically able 2.5% of students in each year level.

Seventeen secondary schools continued to host [Gifted and Talented programs](#), offering 975 placement opportunities in each year level for exceptional students in academic, arts and languages areas (unchanged from 2015).

In 2016, we received 4395 applications (4181 in 2015) for entry to the programs for students who were at the time in Years 6 to 10. Of these, 3330 applications were for Year 6, a slight increase from 2015 when we received 3217 applications for Year 6.

**Expand the use of technology to enhance student learning**

With research showing that devices can be powerful tools to help students improve a range of skills, we implemented a program to provide schools with primary students with opportunities to improve integration of technology in classrooms, better manage devices and increase device-to-student ratios.





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Through this program, school funds were matched dollar-for-dollar centrally to a total of \$20 million. Students at 572 schools benefited from new tablets, laptops and desktop computers, and schools also invested in accessories such as charging stations, trolleys, powerboards and monitors. The program contributed to the purchase of more than 20 000 computers/devices, particularly for schools with the highest percentages of students from low socio-economic backgrounds. The investment also supported work being done nationally for the transition to NAPLAN online that is being introduced through a phased approach from 2017.

During the year, work commenced on support for the new digital technologies Western Australian Curriculum to be implemented in 2018. This included professional learning in May for staff from 271 schools, with an emphasis on teaching coding to students. Support for students to become more digitally competent was also provided through a more intensive focus on science, technology, engineering and maths (STEM) teaching and learning. We also started developing resources for teachers to use with students.

Web conferencing increased during the year and was used in wide-reaching, student-focused online learning. For example, in 2015–16, we delivered four e-safety webinars presented by the Office of the Children's eSafety Commissioner that reached thousands of students; a National Science Week webinar presented by Scitech; and six training webinars to teachers about using Connect classrooms. This compared to 2014–15 when just two events were offered to schools. This

style of curriculum delivery was popular with students who enjoyed working across schools with outside experts.

We also provided new and refreshed online professional learning for staff with online course completions of more than 38 000 (nearly 27 000 in 2014–15).

During the first half of 2016, 794 schools used various aspects of our integrated online environment, Connect. This included 16 875 staff and 51 261 students accessing Connect compared with 9119 staff and 31 785 students in the same period last year.

By the end of June, more than 40 000 parents had been provided with secure logins to access class details, classroom learning activities, notifications from teachers, attendance records, work their children have completed, assessments and marks. Parents only saw information relating to their children. This innovative approach provided parents with the capacity to be more closely involved in their children's education.

See also [Deliver strategic infrastructure and information and communication technology to provide students with contemporary learning environments.](#)

### **Implement the Australian Curriculum from Kindergarten to Year 12 and National Quality Standard in the early years**

We continued to extend online resources to align with the Western Australian Curriculum, which adapts the Australian Curriculum to our context. Through Connect, teachers had access to a searchable library of more

than 23 500 resources as well as online support through targeted Connect communities.

Teacher Development Schools continued to support teachers. Survey feedback suggested that learning and support through the 62 Teacher Development Schools in 2015 increased teachers' knowledge and improved their confidence to implement the new curriculum. Of 1471 survey respondents, 78% reported sufficiently or considerably improved knowledge of the curriculum, and 76% reported improved confidence to implement the curriculum. In 2016, we increased the number of Teacher Development Schools to 69, with 13 focused on supporting teachers of students with disability.

2015 was the first year of full implementation of the Western Australian Curriculum phase 1 learning areas. In 2016, with the support of Teacher Development Schools and the judging standards resources developed by the School Curriculum and Standards Authority, school staff continued building their understandings of the progress expected of students in each year level, and adapting their teaching programs accordingly.

In March 2016, 390 schools responded to a survey on the preparedness and support needed to assist implementing phases 2 and 3 Western Australian Curriculum. The information was used to begin the development of additional learning and support initiatives.

Staff from 271 schools undertook professional learning in preparation for full implementation of the digital technologies syllabus in 2018.





In 2016, 11 networks made up of staff from 132 schools started a program to develop their skills, knowledge and understandings of curriculum, assessment and reporting for students with disability and imputed disability.

In 2015–16, protective behaviours curriculum resources were aligned to the Western Australian Curriculum and made available to staff through Connect.

We also established procedures to ensure programs across the vital early years of schooling were high quality and reflected the National Quality Standard (NQS). At the end of 2015, every school with students from Kindergarten to Year 2 used the newly developed National Quality Standard System to record their status on all seven quality areas, and built improvement priorities into their school plans.





PRIORITY 2:

# DISTINCTIVE SCHOOLS

## SCHOOLS MEETING THE NEEDS AND ASPIRATIONS OF THEIR STUDENTS HELP TO BUILD STRONG COMMUNITIES IN WESTERN AUSTRALIA.

**Continue to provide opportunities for schools to become Independent Public Schools; and delegate appropriate authority to principals**

In 2016, another opportunity was provided for schools to become Independent Public Schools next year. The 124 schools that applied began, during the year, a rigorous development and selection program in preparation for increased autonomy. This program will continue next financial year before successful schools are announced and undertake transition training prior to starting 2017 as Independent Public Schools.

The 445 schools operating as Independent Public Schools this year represented 57% of public schools, 72% of teaching staff and 75% of public school students.

See also [Provide principals with greater authority to develop staffing profiles, and select and appoint staff; Introduce new national professional standards for teachers and principals; and provide all staff with access to high quality professional learning opportunities](#), and [Conduct research and system performance analysis to inform policy review and development](#).

### Configure the delivery of schooling across the State to best meet the educational needs of students; and encourage groups of schools to work together to improve student access to high quality education programs

Considerable population growth in Western Australia in recent years continued to place pressure on some of our schools, particularly in outer Perth suburbs with rapid expansion of new residential developments and inner Perth suburbs with high density urban infill. Public schools increased market share for the fifth year in succession, with 66.6% of all WA students compared with 66.3% in 2015. Enrolment information is in [Appendix 1](#).

With the western suburbs of Perth continuing to be under enrolment pressure, further action was taken during the year to secure a site for a new secondary school in the area. In October 2015, four preferred sites were announced for the development of a Year 7 to 12 school for 2000 students. After further analysis and consideration, the former City Beach High School site was deemed to be the preferred site but was not available for occupation due to a current lease with the International School of WA and the Japanese School in Perth to 2027. Further options continued to be investigated as a priority.

Planning and works commenced to expand two nearby schools to accommodate 2000 additional students by 2019. Funding of \$38.8 million was allocated to Churchlands Senior High School and \$49.5 million was allocated to Shenton College.

Further information about planning and construction of schools is detailed in [Deliver strategic infrastructure and information and communication technology to provide students with contemporary learning environments](#).

Following community consultation in Geraldton last year, a decision was made for Geraldton Senior College and John Willcock College to expand to Years 7 to 12





from 2019. Each school will offer a broad curriculum with ATAR and VET pathways, enabling students to complete all of their secondary education at one local secondary school. From 2020, John Willcock College will offer an Academic Extension Program in STEM subjects for students from Years 7 to 10. Both schools will receive facility upgrades and improvements for the start of the 2019 school year.

Buntine Primary School, Grass Patch Primary School, Latham Primary School, Tincurrin Primary School and Nannup Community Kindergarten closed at the end of 2015 due to consistently low student enrolments.

**Encourage diversity within the system to offer greater choice to parents and students**

To enhance training programs for students, Halls Creek Trade Skills Centre and Great Southern Trade Skills Centre (Katanning) were completed in 2015 and ran programs in 2016. There are now 37 trade training and trade skills centres across the State.

In 2015, the School of Isolated and Distance Education (SIDE) delivered more than 4000 virtual classroom lessons per month to students unable to access regular schools or specific subjects. In addition, more than 500 courses were accessed online.

Bandwidth limitations in some schools continued to be an issue for accessing SIDE. The expanded rollout of our new Standard Operating Environment (SOE4) to schools helped, and the rollout of the National Broadband Network is expected to further improve access to online learning for students.

Parents also had the option to home school their children and 3303 students (less than 1% of the total student population) were registered to receive home education in Semester 1, 2016 (2826 in Semester 1, 2015).

**Involve parents and the community in the life of each school**

As part of our commitment to ensure the needs and aspirations of school communities are considered in schools, school board members participated on selection panels for the 73 principal positions advertised for Independent Public Schools in 2015. In many other schools, members of school councils and parents and citizens' associations were involved in principal selection panels.

We commissioned [research into developing highly effective Independent Public School boards](#) and this was completed at the end of 2015. The research informed the creation of training for board members to build skills and knowledge to fulfill their roles more effectively.

Involving parents and communities was again a key aspect of the 2015 [WA Education Awards](#). School communities had the opportunity to acknowledge school leaders, teachers and support staff through the *Who shines at your school?* online promotion. There were 709 entries for *Who shines at your school?* and staff were acknowledged on World Teachers' Day in October 2015. Parents and citizens' associations and school boards/councils were also invited to nominate staff and schools in the 11 categories of the awards. Three of the 11 winners were nominated by school board chairs.

To inform the community of changes taking place in schools, we continued the [Bigger Picture Education](#) campaign. [Evaluation](#) following the first year of the three year campaign showed, while there was a significant increase in awareness among the Western Australian population, some families were still not aware of the reforms.

Phase two of the campaign started in February 2016 and focused on talking directly with parents and engaging them through interesting and relevant stories about the benefits of the changes to children's learning. [Written and video stories](#) were placed online and parents were informed through television, online and social media advertising.

Parents and community members continued to be involved in our schools through parents and citizens' associations and school boards/councils.

**Provide a safe, welcoming and engaging learning environment in each school**

The new model for supporting our most at-risk students, announced in May 2015, commenced in 2016 through 13 Engagement Centres across all regions and the Midland Learning Academy pilot. The new services, as well as Classroom Management Strategies and Positive Behaviour Support programs, were coordinated through the newly established School of Special Educational Needs: Behaviour and Engagement. The Midland Learning Academy offered a trial model of alternative education provision for the most disengaged students.





In 2015, more than 1000 staff completed accredited professional learning in classroom management and instructional practices to better engage students; 205 schools were actively involved in implementing the Positive Behaviour Support framework; and staff from 130 schools engaged in a new program that facilitated whole-school peer classroom observation practices.

About 2000 school staff completed training in violence de-escalation and restraint.

As at the end of 2015–16, three quarters of our teaching staff had completed Child Protection Professional Learning and more than a quarter completed the new Child Protection and Abuse Prevention online professional learning.

Youth Mental Health First Aid courses were delivered to more than 400 school staff and community members; and Teen Mental Health First Aid courses had more than 2000 student participants.

School psychologists continued to be a key source of professional advice to staff and support for students with an average 304.7 FTE school psychologists in 2015 (293.3 FTE in 2014).

As part of our pastoral care for students, 630 schools accessed in-school and support chaplains in 2015 (597 in 2014). Five hundred schools received State and/or national funding towards their in-school chaplaincy programs.

We had significant input into the national Bullying. No Way! website which provided strategies and resources for staff, students and parents on ways to prevent and manage bullying.

In 2015, we began a three year funding agreement to assist Youth Focus to provide counselling services to students demonstrating early signs of depression, self-harm and suicide ideation. In 2015–16 there were 541 face-to-face counselling sessions with 112 students across 21 schools.

As at June 2016, 2330 (96%) of the 2426 children in the care of the Chief Executive Officer of the Department for Child Protection and Family Support were enrolled in our schools and had documented plans.

Student suspensions increased in 2015 with 31 391 suspensions involving 13 365 students (4.6% of all students), up from 27 400 suspensions involving 12 188 students (4.3% of all students) in 2014.

In 2015, 19 students were recommended for exclusion, with the Director General accepting 12 recommendations (22 in 2014 and 20 in 2013).

The Student Behaviour policy was reviewed in response to recommendations of the WA Ombudsman and Auditor General. The revised policy, effective in 2016, included all previous behaviour related policies and was clearly aligned to our strategic directions.

**Strengthen the capacity of regional schools to deliver excellent educational opportunities for their students**

A new agreement with Telstra saw 21 regional schools benefit from upgrades to bandwidth on their fibre optic services. Under this agreement, in 2016–17 a further 102 regional schools will be provided with metropolitan equivalent fibre optic services.

In 2015–16, Royalties for Regions provided \$1.6 million to the Pilbara Cities initiative for enhanced broadband services and access to Connect in our schools in the region. It also provided enriched education experiences for students, including access to virtual events such as the WA Symphony Orchestra, Sydney Opera House project and STEM projects.

The initiative also received \$2.5 million to improve student outcomes in the Pilbara by attracting effective teachers. Teacher applicants selecting the Pilbara as a preferred location increased. Both initiatives finish at the end of 2016.

Royalties for Regions allocated \$3.2 million for the Regional Workers Incentives Allowance Payments in 2015–16 to help regional schools attract and retain high quality staff.

Royalties for Regions funding of \$28 million was allocated to capital works in 2015–16 including \$24.3 million for the redevelopment of Kalgoorlie-Boulder Community High School; \$0.7 million for finalising the Regional Schools Plan; and \$3 million for finalising the move of Year 7 in regional schools.





PRIORITY 3:

# HIGH QUALITY TEACHING AND LEADERSHIP

## THE BASIS FOR IMPROVING STUDENT LEARNING OUTCOMES IS HIGH QUALITY TEACHING AND LEADERSHIP.

### Attract, retain and develop high quality teachers and leaders, including the use of new incentives

In 2016, we consulted with staff and stakeholders across the State as the first step in creating a comprehensive school leadership strategy that incorporates the full leadership lifecycle of identifying, nurturing, developing and supporting aspiring, beginning and current school leaders. We contracted Learning First – with internationally renowned chief executive officer Dr Ben Jensen – to work with us on the development of the strategy. Work will continue on the strategy next year.

As part of our leadership focus, we introduced an advanced leadership program called [Leading for](#)

[Impact](#) funded by the Australian Government. The program was developed to increase the capacity of principals of Independent Public Schools to use autonomy to maximise teaching and learning impact by building more empowered school cultures. Three hundred and twenty-three principals participated in an introductory forum in June that explored leadership perspectives.

We complemented this with a new and innovative [Independent Public School Principals' Fellowship Program](#) in partnership with Harvard University's Graduate School of Education. This year [20 principals](#), from a wide range of schools and with extensive leadership experience in schools as well as in other areas of public education, were invited to be part of this program. The program, which involves learning, mentoring and skills development as well as an international element at Harvard, aims to position principals to play a major role in leading further change and improvement in their schools and across our system. A second group of 20 principals will be invited next year to join the program.

We continued to provide mentoring, coaching and advice to recently-appointed principals and those leading schools in challenging circumstances through our Principal Professional Support Team (previously Principals' Advisory Team). The Australian Professional Standard for Principals (Professional Practices) formed the basis of work with nearly 200 principals in 2015–16.

During 2015–16, there were more than 9000 registrations for professional learning programs for principals, teachers and managers of corporate services that were coordinated by our [Institute for Professional Learning](#). All programs aligned to our strategic plan and focused on effective leadership, high quality teaching and corporate governance. Program content was linked to relevant competencies and standards.

New professional learning initiatives during the year included programs on health and wellbeing for school leaders and school communities; assisting leadership teams to develop strategies to drive high level teaching practice in schools; exploring school leadership as a career choice; and developing the knowledge, understandings, skills and capabilities of managers corporate services to confidently and competently carry out the role.





At 30 June 2016, 746 teachers had participated in training as part of our innovative Switch program to build the supply of secondary teachers, with 58% of these teachers employed in secondary schools.

In 2015–16, three principals were appointed under the Attracting Outstanding Principals initiative (funded through continuation of the Low Socio-economic Status School Communities National Partnership) to lead reform to improve student outcomes in some of our most challenging schools. The principals received attraction and retention incentive payments on top of their usual salaries.

To attract staff, particularly to country schools, we continued to arrange and subsidise housing. In 2015–16, more than \$75 million was paid in rent for 2071 properties occupied by our staff and owned or leased by Government Regional Officers’ Housing. Of this, approximately 74% was subsidised by the Department.

In 2015–16, 62 student teachers received financial support under our Rural Teaching Program to undertake their final practicums in schools in the Goldfields, Midwest, Kimberley, Pilbara and Wheatbelt. Twenty-nine were appointed to rural and remote schools for their first teaching positions.

The Training Schools project (funded through the Improving Teacher Quality National Partnership) provided significantly extended practicum experiences (internships) for final year pre-service teachers. In 2015, 18 pre-service teachers were placed across seven metropolitan secondary schools; and in 2016,

21 pre-service teachers were participating across nine secondary schools. The project focused on pre-service teachers completing qualifications in secondary subject areas of need.

Five pre-service teachers were placed at two secondary schools in 2015 and two pre-service teachers were placed at two secondary schools in 2016 as part of the Pilbara Cities Attraction and Retention Strategy (funded through Royalties for Regions). The pre-service teachers were supported through year-long internships aimed at improving student outcomes in the Pilbara.

Another element of the Training Schools project and Pilbara Cities initiative saw 68 pre-service teachers undertake their final long-term practicums in rural and remote schools in 2015–16. Twenty were placed in the Pilbara and co-funded through Royalties for Regions.

In 2016, 30 Teach for Australia associates were placed across one country and 12 metropolitan secondary schools. This complemented the 13 associates we placed in 2015. Associates were all high calibre graduates willing to work in relatively disadvantaged schools for two years while also completing a Master of Teaching.

**Introduce new national professional standards for teachers and principals; and provide all staff with access to high quality professional learning opportunities**

In 2016, 69 Teacher Development Schools provided and facilitated professional learning, advice and support, online discussions, mentoring and work

shadowing to colleagues. Thirteen concentrated on a range of disability areas. All professional learning was aligned to the Australian Professional Standards for Teachers.

In 2015–16, more than 500 school leaders attended professional learning to support implementation of our revised Employee Performance policy. The policy referenced the Australian Teacher Performance and Development Framework, and Australian Professional Standards for Teachers.

Ninety-five school leaders received training on the requirements for teachers to achieve Full Registration benchmarked at the Proficient career stage of the Australian Professional Standards for Teachers. More than 1000 teachers with Provisional Registration were supported through this requirement.

In 2015–16, 320 principals and managers corporate services were assisted to implement our new Competency Framework for School Corporate Services Staff to build capabilities of school corporate services staff.

See also [Provide a safe, welcoming and engaging learning environment in each school.](#)

**Ensure sound workforce planning for current and future needs**

To better support school workforce planning, principals and managers corporate services were given detailed workforce profiles of their schools to enable them to prioritise their workforce needs. Further information tailored to the individual needs of schools was available on request.





Workforce planning professional development was extended to managers corporate services in recognition of their role in supporting principals as key members of school leadership teams.

Liaison with universities continued to focus on increasing the supply of specialist secondary subject teachers in areas of shortage. Since commencing dialogue with WA universities, the number and proportion of enrolments in secondary courses has increased from 34% (1178) of total teaching degree enrolments in 2013 to 40% (1249) in 2015. There was also an increase in demand for STEM practicum placements in schools.

As the largest employer of graduate teachers, we continued to converse with WA universities about initial teacher education and graduate preparation, particularly about our market requirements in subject areas and in-classroom readiness of graduates.

At the other end of the career journey, 431 staff attended seminars and 162 staff logged into webinars provided in conjunction with the Government Employees Superannuation Board in 2015 on flexible transitions to retirement. Evaluation indicated that 51% of attendees would 'definitely' or 'very likely' change their retirement plans to work longer.

Economic conditions and a tight job market resulted in continued low teacher resignations and retirements in 2015 (see [Table A22](#)).

We continued our focus on redeployment management. At June 2016, 451 permanent staff required permanent placement, substantially fewer than in previous years (699 at June 2015).

We negotiated new general agreements covering the wages and conditions of employment for education assistants, school cleaners and gardeners. The agreements, registered with the WA Industrial Relations Commission in December 2015 and covering approximately 14 500 staff, provided for wage increases of 2.25% from 1 January 2016, 2.5% from 1 January 2017 and 2.5% from 1 January 2018 which complied with the Government's wages policy at the time.

**Support high quality, innovative teaching, assessment and reporting practice among teachers**

Our professional learning maintained a focus on developing and supporting high quality and innovative classroom practice. Workshops were delivered across the contexts of the Western Australian Curriculum; literacy and numeracy; digital technologies with a focus on coding; career development strategies; course counselling including the new WACE requirements; analysis of student achievement data; and evidence-based improvement planning.

Connect Communities provided further support as an innovative forum for principals and teachers to share resources and ideas. Communities were dedicated to curriculum areas, whole-school planning, school leadership and technology in schools. One of the

biggest communities was dedicated to the use of iPads in primary schools with almost 1000 members accessing and participating in professional discussions about practical classroom management and observation along with suggestions for the use of apps and software.

Teachers continued to report student achievement through the Reporting to Parents system. We made enhancements to the system during the year to improve tools for planning, reviewing, tracking and reporting student learning. We also piloted a new process in 19 schools to enable student reports to be delivered electronically. The pilot showed there was support for transition over time to electronic distribution of student reports to parents.

We continued to support innovative teaching through the Notebooks for Teachers Program which provided 8490 notebook computers to teachers under lease arrangements.

High quality, innovative teaching was supported through 69 Teacher Development Schools (see [Introduce new national professional standards for teachers and principals; and provide all staff with access to high quality professional learning opportunities](#)).





**Provide principals with greater authority to develop staffing profiles, and select and appoint staff**

Our staffing reforms and workforce innovations, particularly changes through the Independent Public Schools initiative, were recognised by the Australian Institute of Management WA in 2015 when we received the Human Resource Management Excellence award.

As a result of these changes, only 10% of vacancies were filled by employees requiring placement and 90% of vacancies were filled by principals selecting their staff. Principals also continued to be responsible for determining the portion of their one line budgets to spend on salaries, and for determining the types and numbers of staff to employ.

The role of school staffing consultants evolved fully into a consultancy and support service during the year to better support schools. School leaders accessed support as required for salary management of their one line budgets to ensure they operated in surplus.

**Build a culture of high expectations and high performance; and ensure high standards of professional conduct and ethics**

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 Code of Ethics](#).

We managed Breach of Standard claims as required by the *Public Sector Management (Breaches of Public Sector Standards) Regulations 2005* (see [Table 2](#)). No breaches were found against us.

In 2015–16, 2711 staff completed the Accountable and Ethical Decision Making professional learning online and 1540 staff completed it through face-to-face presentations. In addition, 225 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.

We maintained and monitored staff records in compliance with the *Working with Children (Criminal Record Checking) Act 2004*. We provided advice and support in relation to the legislation, and enhanced the automated alerts and reporting functions of our Working with Children recording system. We issued \$1.16 million in reimbursements to staff and volunteers required to obtain working with children checks.

Our screening unit, an accredited agency for the National Police Checking Service conducted through the Australian Government’s CrimTrac Agency, screened 15 215 (14 954 in 2014–15) prospective staff, volunteers, contractors and students undertaking practicums in the education and training sectors. Thirty-one were refused clearance due to their criminal history being in breach of our Criminal Convictions Suitability Criteria (53 in 2014–15).

Nineteen Public Interest Disclosure officers were available to receive disclosures under the *Public Interest Disclosure Act 2003* (17 in 2014–15). Induction programs, and prevention and education training included information about the legislation.

We managed misconduct matters relating to discipline provisions of the *Public Sector Management Act 1994* and principles of Common Law (see [Table 3](#)). These 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. Certain matters were referred to the Corruption and Crime Commission and Public Sector Commission for external oversight in compliance with the updated *Corruption, Crime and Misconduct Act 2003*.

Several allegations may arise from one misconduct matter. Allegation figures are detailed in [Table 4](#), and [Table 5](#) shows the most common types of allegations. Matters reported but assessed as not involving misconduct are in [Table 6](#).

[Table 7](#) shows the number of suspensions and redirection orders issued against staff. The Director General directed staff away from school premises where it was suspected their continued presence constituted a risk to the safety or welfare of students (Section 240 of the *School Education Act 1999*). Where appropriate, the Director General suspended staff suspected of misconduct and initiated disciplinary proceedings (Section 82 of the *Public Sector Management Act 1994*).







Table 2: Public Sector Standards claims by status of claim 2015–16

| Standard  | Employment | Grievance resolution | Performance management | Redeployment, termination and discipline | Totals    |
|---|------------|----------------------|------------------------|--|-----------|
| Resolved internally, relief provided                | 8          | -                    | -                      | -  | 8         |
| Claim withdrawn, no relief provided                 | 14         | -                    | -                      | -  | 14        |
| Breach of Standard upheld                           | -          | -                    | -                      | -  | -         |
| Claim received after expiry of prescribed timeframe | -          | -                    | -                      | -  | -         |
| Dismissed following formal review                   | 3          | -                    | -                      | -  | 3         |
| Ineligible breach claim                             | 1          | -                    | -                      | -  | 1         |
| Claim lapsed by the Public Sector Commissioner      | -          | -                    | -                      | -  | -         |
| Under investigation                                 | -          | -                    | -                      | -  | -         |
| <b>Totals</b>                                       | <b>26</b>  | <b>0</b>             | <b>0</b>               | <b>0</b>                                 | <b>26</b> |

Source: Workforce Policy and Coordination

Table 3: Management of matters assessed as involving misconduct 2013–14 to 2015–16 <sup>(a)</sup>

|   | Received           |            |            | Resolved           |            |            |
|---|--------------------|------------|------------|--------------------|------------|------------|
|   | 2013–14            | 2014–15    | 2015–16    | 2013–14            | 2014–15    | 2015–16    |
| Central management                      | 221                | 265        | 228        | 213                | 261        | 247        |
| Local management with central oversight | 611 <sup>(b)</sup> | 354        | 378        | 641 <sup>(b)</sup> | 364        | 357        |
| <b>Totals</b>                           | <b>832</b>         | <b>619</b> | <b>606</b> | <b>854</b>         | <b>625</b> | <b>604</b> |

Source: Standards and Integrity

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

(b) The relatively high figure is due to increased minor policy breaches of the Criminal History Screening policy which was strengthened in 2012–13.

Table 4: Misconduct allegations 2013–14 to 2015–16 <sup>(a) (b)</sup>

|  | Received           |            |            | Resolved           |            |            |
|--|--------------------|------------|------------|--------------------|------------|------------|
|  | 2013–14            | 2014–15    | 2015–16    | 2013–14            | 2014–15    | 2015–16    |
| <b>Central management</b>                      | <b>276</b>         | <b>385</b> | <b>356</b> | <b>394</b>         | <b>395</b> | <b>458</b> |
| Child protection                               | 178                | 265        | 236        | 271                | 273        | 293        |
| Non-child protection                           | 98                 | 120        | 120        | 123                | 122        | 165        |
| <b>Local management with central oversight</b> | <b>622</b>         | <b>369</b> | <b>402</b> | <b>651</b>         | <b>380</b> | <b>382</b> |
| Child protection <sup>(c)</sup>                | 228                | 269        | 280        | 202                | 280        | 272        |
| Non-child protection                           | 394 <sup>(d)</sup> | 100        | 122        | 449 <sup>(d)</sup> | 100        | 110        |
| <b>Totals</b>                                  | <b>898</b>         | <b>754</b> | <b>758</b> | <b>1 045</b>       | <b>775</b> | <b>840</b> |

Source: Standards and Integrity

- (a) The number of allegations received may be greater than the number of matters received in any year because there can be more than one allegation per matter received.
- (b) The number of allegations received in one year may not be the same as the number resolved that same year as resolution may occur in subsequent years.
- (c) This category may include behaviours such as a tap on the hand; tug on a ponytail; manoeuvre into line by shirt/cardigan; showing a video that is not age-appropriate; inappropriate Facebook comments or interaction; and low-level inappropriate comments with potential racist, bullying or humiliation overtones.
- (d) The relatively high figure is due to increased minor policy breaches of the Criminal History Screening policy which was strengthened in 2012–13.

Table 5: Misconduct allegations received by most common category <sup>(a) (b) (c)</sup> 2013–14 to 2015–16

| Category                                       | Received           |            |            |
|--|--------------------|------------|------------|
|  | 2013–14            | 2014–15    | 2015–16    |
| <b>Central management</b>                      | <b>276</b>         | <b>385</b> | <b>356</b> |
| Physical assault                               | 78                 | 106        | 72         |
| Inappropriate behaviour                        | 84                 | 146        | 150        |
| Fraud/theft                                    | 24                 | 32         | 32         |
| Other categories                               | 90                 | 101        | 102        |
| <b>Local management with central oversight</b> | <b>622</b>         | <b>369</b> | <b>402</b> |
| Physical assault                               | 112                | 117        | 160        |
| Inappropriate behaviour                        | 115                | 147        | 120        |
| Verbal abuse                                   | 1                  | 0          | 1          |
| Other categories                               | 394 <sup>(d)</sup> | 105        | 121        |
| <b>Totals</b>                                  | <b>898</b>         | <b>754</b> | <b>758</b> |

Source: Standards and Integrity

- (a) The categories are the same as those presented since the table's introduction in 2009–10 to enable analysis of trends over time.
- (b) The category 'Physical assault' covers a range of misconduct allegations involving physical contact from unlawful and/or excessive physical contact to minor-level touch with minimal contact.
- (c) The category 'Inappropriate behaviour' covers a range of misconduct from allegations of inappropriate contact via social network sites to allegations of sexualised contact with students.
- (d) The relatively high figure is due to increased minor policy breaches of the Criminal History Screening policy which was strengthened in 2012–13.

**Table 6: Management of matters assessed as not involving misconduct 2013–14 to 2015–16<sup>(a)</sup>**

|  | Received |         |         | Resolved |         |         |
|--|----------|---------|---------|----------|---------|---------|
|  | 2013–14  | 2014–15 | 2015–16 | 2013–14  | 2014–15 | 2015–16 |
| Matters assessed as not involving misconduct | 315      | 423     | 522     | 310      | 423     | 522     |

Source: *Standards and Integrity*

(a) Includes matters involving the Parent Advocacy and Liaison Officer, service delivery concerns and other matters reported but assessed as not involving misconduct which are more appropriately resolved through other processes such as grievance resolution.

**Table 7: Suspension or redirection orders issued against staff 2013–14 to 2015–16<sup>(a)</sup>**

|                    | Redirected |           |           | Suspended without pay |          |          | Suspended with pay <sup>(b)</sup> |          |          |
|--------------------|------------|-----------|-----------|-----------------------|----------|----------|-----------------------------------|----------|----------|
|                    | 2013–14    | 2014–15   | 2015–16   | 2013–14               | 2014–15  | 2015–16  | 2013–14                           | 2014–15  | 2015–16  |
| Teaching staff     | 10         | 8         | 12        | 0                     | 0        | 0        | 2                                 | 1        | 0        |
| Non-teaching staff | 5          | 2         | 5         | 1                     | 0        | 0        | 0                                 | 0        | 0        |
| <b>Totals</b>      | <b>15</b>  | <b>10</b> | <b>17</b> | <b>1</b>              | <b>0</b> | <b>0</b> | <b>2</b>                          | <b>1</b> | <b>0</b> |

Source: *Standards and Integrity*

(a) Suspension options consistent with amendments to *Public Sector Management Act 1994* as of 28 March 2011.

(b) Includes suspended with partial pay.



PRIORITY 4:

# A CAPABLE AND RESPONSIVE ORGANISATION

## USING RESOURCES WISELY AND MAKING OPEN AND TRANSPARENT DECISIONS BUILD COMMUNITY CONFIDENCE IN PUBLIC EDUCATION.

### Improve budget performance and efficiency; and provide greater equity, transparency and flexibility in school resourcing

In 2016, the second year of operation, the student-centred funding model was extended to 770 schools with the addition of four newly opened primary schools and 35 schools providing unique programs and/or unique modes of delivery. These included language development centres, Canning College, Tuart College, Ngaanyatjarra Lands School, remote community schools and schools of the air. Analysis to incorporate the remaining schools (WA Colleges of Agriculture, School of Isolated and Distance Education, and the Indian Ocean Territories schools at Cocos and Christmas Islands) was progressed, with further work to be completed later in 2016.

To further support budget performance and efficiency, funding agreements outlined principals' accountability expectations in relation to managing their school funding and operating their one line budgets. This is the first time such agreements have been used. The agreements included the expectation that school funding is to be used for students in the year it is provided. To support this expectation, we provided guidance on requirements for principals to spend a minimum of 96% of their annual funding in that year, and progressively reduce carry forward balances that exceeded 10% of their annual funding.

More than 2200 staff participated in training that provided school leadership teams with information about the model, budgeting and forward planning.

Following feedback from school staff, the School Resourcing System was improved to include a new tool to provide more precise planning capabilities at the school-level.

### Ensure rigorous and transparent accountability practices at classroom, school and system levels

Teacher-developed, State and national assessments continued to be used by schools to analyse student performance and progress, and plan for improvement. Information on school performance was published on [Schools Online](#) and on the national [My School](#) website.

A major project was set up during the year to inform the move for our schools to NAPLAN online from 2017. More than 100 schools were involved to provide the system and schools with a greater understanding of classroom-level and school-level readiness as well as better understand technology and logistical requirements. Up to 100 schools will transition in each of 2017 and 2018 before all schools participate in NAPLAN online in 2019.

In 2015–16, our Expert Review Group conducted performance reviews of 11 schools where performance was of concern. Three of these schools were Independent Public Schools. Strategies were developed to improve each of the schools, with regional executive directors monitoring implementation by principals.





Nine follow-up reviews at six months, eight post-six month reviews and 18 reviews at 24 months were completed to evaluate progress towards the improvements required.

Performance enquiries were undertaken in five schools where performance on one or more specific aspects of school performance was of concern. Reports to principals outlined the findings and detailed improvement actions. Regional executive directors supported principals to monitor implementation of the actions and principals conducted self-assessments of progress six months after receiving their reports.

Two performance studies of Independent Public Schools were conducted where exemplary practice was exhibited. Three performance enquiries were conducted at schools where a specific area of performance was of a consistently high standard. These reviews helped to inform school improvement across the system.

A three year cyclic school performance assessment process for schools that are not Independent Public Schools was piloted in 2016. Following feedback from the pilot and any amendments necessary, the process is proposed to start later in 2016.

A Quality Teaching Support Team was formed at the start of 2016 to support principals and school leaders to address teaching and processes related to substandard performance. The team had formal engagement with 24 schools.

### **Deliver strategic infrastructure and information and communication technology to provide students with contemporary learning environments**

Expenditure in our asset investment program for 2015–16 was \$308.9 million compared with \$429.5 million last year.

This included the construction of new schools that opened for the 2016 school year in areas with expanding populations: Alkimos Primary School, Anne Hamersley Primary School (Ellenbrook), Harrisdale Primary School and Rivergums Primary School (Baldivis).

Construction commenced on four new primary schools in Alkimos southwest, Baldivis north (Kerosene Lane), Byford southwest and Landsdale east to open in 2017, and a secondary school in Ellenbrook north to open in 2018; as well as planning for secondary schools for Lakelands (2019) and Hammond Park (2020) to be procured through a Public Private Partnership arrangement. In addition, construction of Harrisdale Senior High School neared completion, in readiness for 2017.

Planning commenced for three new primary schools: Rapids Landing in Margaret River, Wandi and Wellard southwest; and construction commenced on the second stage of Wandina Primary School in Geraldton. Planning for the new Yanchep Senior High School (Semester 2, 2018) and a secondary school in South Baldivis (2019) also commenced.

Construction was completed on the second stages of Butler College, Baldivis Secondary College, Byford Secondary College and Halls Head Community College. Planning commenced for the second stage of Joseph Banks Secondary College and the third stage of Byford Secondary College.

Applecross Senior High School's redevelopment was completed. The first stage of Willetton Senior High School's redevelopment was completed and construction of the second stage commenced. Construction of Fremantle College (planning name) for the amalgamation of Hamilton Senior High School and South Fremantle Senior High School, and major additions at Churchlands Senior High School commenced. In addition, planning for an additional stage at Shenton College commenced.

Planning for the revitalisation projects at Geraldton Secondary College and John Willcock College commenced.

Construction commenced on new specialist facilities at Armadale Senior High School and Cecil Andrews Senior High School; and planning commenced for additional accommodation at Highgate Primary School.

Replacement commenced of the west wing of Newman Senior High School that was destroyed by fire in 2014.

Construction was completed for child and parent centres at Collie Valley, East Maddington, East Waikiki, Gosnells, Mount Lockyer (Albany) and Rangeway (Geraldton).



The \$20.5 million upgrade program at 21 district high schools was finalised with the completion of work at Halls Creek District High School.

In 2015–16, 62 schools received funding from the \$1 million allocation for new playgrounds and shade sails as part of a four year \$5 million program that began in 2012–13.

Funding was provided for administration upgrades, covered assembly areas, library resource centres, toilet upgrades and replacements at 11 schools.

Under the Royalties for Regions’ Regional Infrastructure and Headworks fund, construction of the \$45 million redevelopment of Kalgoorlie-Boulder Community High School continued. Planning for the \$35.5 million redevelopment of Carnarvon Community College commenced with \$29.5 million funding from this fund.

As part of an Australian Government funded program, the final five trade skills centres (formerly trade training centres) were completed or were in the final phases of completion.

Detailed information about major capital works is in [Tables 17 and 18](#).

At June 2016, 670 sites were protected by electronic security systems. Reported security incidents were up by 3.3% at June 2016 compared with the same time last year (6009 incidents up from 5819 incidents). Details are in [Table 8](#).

Table 8: Security incidents reported 2014–15 and 2015–16

|                      | 2014–15         |  | 2015–16                        |
|----------------------|-----------------|--|--------------------------------|
|                      | At 30 June 2015 | Revised at 30 June 2016 <sup>(a)</sup> | At 30 June 2016 <sup>(a)</sup> |
| Break-ins            | 1 477           | 1 555                                  | 1 381                          |
| Wilful damage        | 4 278           | 5 003                                  | 4 512                          |
| Arson                | 5               | 5                                      | 4                              |
| Other <sup>(b)</sup> | 59              | 63                                     | 112                            |
| <b>Totals</b>        | <b>5 819</b>    | <b>6 626</b>                           | <b>6 009</b>                   |

Source: RiskCover and Department of Education’s Strategic Asset Planning

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

(b) Covers a range of security incidents from small fires and theft from perimeters of schools to bomb threats. The increase in 2015–16 is due to 45 random automated bomb threats to schools, similar to those received by other schools across Australia at the time.

Considerable work was completed during the year for students and teachers to use their wireless devices around campuses – essentially having completely mobile classrooms.

We invested in a number of technologies to improve bandwidth including compression and caching hardware, high capacity filtering appliances, alternative options such as National Broadband Network links, 4G links for remote schools as well as alternatives for satellite serviced schools. Wide area network optimisation alone increased bandwidth capacity by 30%, with further improvements expected.

In addition, approximately 5000 wireless access points were purchased and installation in 539 schools commenced.

We completed the rollout of our internationally recognised Standard Operating Environment (SOE4) to all but 31 schools, with an additional eight schools opting not to take on the SOE. Rollout at the remaining schools is expected to be completed later in 2016. The SOE provided schools with a centrally supported baseline infrastructure while also delivering high levels of flexibility for schools to use technology in classrooms.

We also added a new capacity to the SOE to provide each school with information about what technology was in need of replacement, what capacity was currently available and how the ICT infrastructure was coping with current demand.





To further increase bandwidth, we negotiated a new contract with Telstra for bandwidth capacity to be upgraded in schools where needed.

Microsoft Office 365 for Education services to students was enhanced with new online applications and the ability to download Microsoft Office to personally owned devices.

SMS software to facilitate communication with school communities was used by 415 schools, up from 371 schools in 2014–15. More than five million messages were sent by schools and more than 823 000 messages were received from parents.

We concluded contract negotiations for a web-based replacement of our School Information System. It is anticipated that the new system will be implemented by the end of 2019.

**Maximise opportunities for students and teachers through partnerships and initiatives with other sectors**

We continued to support schools to negotiate partnerships with government and non-government agencies to improve student outcomes.

For example, a five year partnership with BHP Billiton Iron Ore was negotiated during the year for enrichment opportunities for students in Port Hedland and Newman.

Under a partnership with Edith Cowan University, the Fogarty Foundation and The Smith Family, an innovative research project at Roseworth Primary

School involved teachers videoing their teaching, and engaging in a cycle of self-reflection and reflective professional conversations with peers.

Yule Brook College expanded its community partnerships through involvement in the City of Gosnells business network to provide opportunities for students in the community which may lead to internships.

A new partnership with Celebrate WA saw classroom resources developed to support the Western Australian Curriculum. The My WA project included story books in Aboriginal English developed by Aboriginal students, communities and Aboriginal organisations in Jungdranung, Kondinin, Medina, Roebourne and Wiluna. The books provided teachers and students with unique resources to recognise and value cultural diversity. Workshops with The Literature Centre provided primary students in Katanning, Karratha and the metropolitan area with opportunities to learn with author Deb Fitzpatrick and illustrator Frené Lessac, and explore what it means to be Western Australian through descriptive writing and illustration.

Sponsorship partnerships valued at \$328 500 supported the WA Education Awards 2015, which formally recognised our inspirational teachers, exceptional leaders, outstanding support staff and excellent schools. A total of \$337 500 in prize money was presented to finalists and winners. The award winners are detailed in [Appendix 5](#).

**Conduct research and system performance analysis to inform policy review and development**

We commissioned two research projects relating to Independent Public Schools, both of which made positive findings about the initiative.

[School autonomy: Building the conditions for student success \(Hamilton Associates\)](#) looked locally and internationally at school autonomy and optimisation of student success. In particular, it looked at how a sample of principals of Independent Public Schools was using increased flexibility and authority in ways that were known to have the most significant influence on teaching and learning.

[Research into developing highly effective school boards for Independent Public Schools \(Curtin University\)](#) evaluated international literature and the governance processes for a sample of Independent Public Schools. Findings from both research projects were used to develop new capacity building programs for Independent Public School principals and boards.

We used results of the annual survey of student intentions and satisfaction to meet system reporting requirements and provide schools with valuable planning and evaluation information. All students in their final year of school were given the opportunity to complete the survey, with responses from nearly 10 000 Year 12 students in 2015 (see [Table A20](#)).

In 2015–16, we approved 119 applications to conduct research on our sites, and the findings from completed research were made available to us to inform





education practices. In collaboration with education jurisdictions around Australia, we started trialling a national application form to streamline processes for researchers conducting studies across multiple states/territories and sectors.

### High quality services to the Minister for Education and State Government

During 2015–16, we ensured responses to Ministerial correspondence, briefing requests, Parliamentary questions and Cabinet requests were accurate and provided in a timely manner.

We identified issues and trends from correspondence and regularly updated contentious issues. Details are in [Table 9](#).

Table 9: Ministerial requests processed 2013–14 to 2015–16

| Type                               | 2013–14                     | 2014–15      | 2015–16           |
|------------------------------------|-----------------------------|--------------|-------------------|
| Letters                            | 1 568                       | 1 257        | 979               |
| Briefing notes/advice              | 1 141                       | 1 264        | 1 332             |
| Answers to Parliamentary questions | 572                         | 532          | 415               |
| Cabinet comments                   | 42                          | 35           | 39                |
| Contentious issues reports         | 7                           | 7            | 10 <sup>(a)</sup> |
| <b>Totals</b>                      | <b>3 330 <sup>(b)</sup></b> | <b>3 095</b> | <b>2 775</b>      |
| Percentages processed on time      | 90                          | 94           | 94                |

Source: Ministerial Services

(a) On average, each report contained 58 individual briefings.

(b) As the State Budget was not handed down until 8 August 2013, two Parliamentary Estimates Hearings were conducted in 2013–14 and affected the number of briefings prepared.







SECTION 4:

# DISCLOSURES AND LEGAL COMPLIANCE

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# DISCLOSURES AND LEGAL COMPLIANCE

## Ministerial directives

No directives were issued by the Minister in 2015–16 relevant to the setting of desired outcomes or operational objectives, achievement of desired outcomes or operational objectives, investment activities and financing activities.

## Governance disclosures

During the year no staff member at Level 9 and above declared interests in contracts, existing or proposed to exist, between the Department and companies in which they had interests.

## Unauthorised use of credit cards

During 2015–16, 274 unauthorised uses of corporate credit cards were reported but no referrals were made for disciplinary action. Generally, unauthorised transactions were as a result of cards being used in error or cards being used to pay for supplies that also had personal use components. If payment was

not received within two working days, we employed a number of strategies to recover the amount owing, including reminder notices and cancellation of cards. Staff held corporate credit cards where their functions warranted use of this facility. Further information is in [Table 10](#).

## Expenditure on advertising and market research

In 2015–16, we incurred expenditure centrally of nearly \$1.1 million with media advertising organisations, advertising agencies and market research organisations (see [Table 11](#)). There was no expenditure with polling and direct mail organisations.

## Government building training policy

We do not contract for public works as this is undertaken by the Department of Finance or Department of Treasury.

## Disability access and inclusion plan outcomes

Our [disability access and inclusion plan](#) included strategies to ensure services, facilities and information were accessible and inclusive. It covered outcomes required under the *Disability Services Act 1993* and an additional outcome for improving learning outcomes for students with disability.

We continued to provide professional support and advice to build the capacity of school staff to ensure successful education outcomes for students with disability.

During 2015–16, support was available to managers in relation to employing and managing staff with disability, and included delivery of the Increasing Disability Employment webinar and Autism in the Workplace workshops.

Our capital and minor works programs continued to provide buildings that met the needs of people with disability and responded to the emerging needs of school communities.





Table 10: Unauthorised use of credit cards 2015–16

| Category   | \$            |
|--|---------------|
| <b>Aggregate amount of personal use expenditure for the reporting period</b>                                   | <b>23 745</b> |
| Aggregate amount of personal use expenditure settled by the due date (within five working days) <sup>(a)</sup> | 4 770         |
| Aggregate amount of personal use expenditure settled after the period (after five working days) <sup>(b)</sup> | 15 185        |
| Aggregate amount of personal use expenditure outstanding at balance date                                       | 3 791         |

Source: Financial management and resourcing

(a) \$34 related to a merchant refund.

(b) \$1947 related to a merchant refund.

Table 11: Central expenditure on advertising and market research 2015–16

| Category                            | Provider   | \$      |
|-------------------------------------|--|---------|
| Media advertising organisations     | AdCorp Australia<br>Carat Australia Media<br>Southern Cross Austereo | 393 825 |
| Advertising agencies <sup>(a)</sup> | Rare creativethinking<br>Vinten Browning                             | 633 564 |
| Market research organisations       | Taylor Nelson Sofres Australia                                       | 55 305  |

Source: Corporate Communications and Marketing, Corporate Business Services

(a) Provided full range of creative services.

### Compliance with public sector standards and ethical codes

Please refer to Priority 3: [Build a culture of high expectations, performance and standards of professional conduct and ethics.](#)

### Recordkeeping plans

We continued to progress our compliance with the *State Records Act 2000* through our [recordkeeping plan](#), with the next major review in 2017. The plan provided an accurate reflection of our recordkeeping program including information about recordkeeping system(s), disposal arrangements, policies, practices and processes.

During the year we upgraded our recordkeeping system from HP TRIM to HP Records Manager; conducted audits to ensure business units and regional offices complied with the plan; and developed a risk assessment checklist to ensure that recordkeeping issues and risks associated with cloud computing were identified, assessed and managed.

In 2015–16, 3232 staff completed records awareness training; 239 new HPRM users were trained; 13 staff participated in advanced HPRM training; and 15 staff participated in HPRM workflow training. Recordkeeping awareness and HPRM training continued to be mandatory.

We held 30 records management workshops involving 700 school administrators and teachers; and 3085 requests for assistance were received and resolved.



One hundred visits were made to schools to provide advice and support to staff on information management including how to improve recordkeeping practices to ensure legislative compliance.

Training and support programs continued to be reviewed to ensure both ongoing compliance with the *State Records Act 2000* and that programs catered for different learner groups and supported staff to incorporate best practice recordkeeping. Feedback from staff following HPRM training sessions showed these were well received.

Since the introduction of the school archives collection program in 2011, 355 schools have been invited to take part with 286 schools completing the transfer of their archival records to central office.

**Substantive equality**

We continued to review all policies, practices and procedures against our [Charter of Equality and Inclusion](#). The charter – developed with reference to both the Equal Opportunity Commission’s [Substantive Equality Framework](#) and [WA Charter of Multiculturalism](#) and incorporating our [strategic plan](#), [disability access and inclusion plan](#), and [equity and diversity management plan](#) – ensured policy managers considered access, participation and equity needs of all people when developing, reviewing and revising policies.

**Occupational safety, health and injury management**

We continued our commitment to provide safe and healthy workplaces for all staff and others affected by the delivery of our services at all our workplaces. We strove to achieve safety excellence and enlisted the support and cooperation of 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.

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.

Occupational safety and health initiatives and programs were developed and implemented based on analysis of claims data and trends, and continuous improvement of operations; consultation with key stakeholders including RiskCover, WorkSafe and the State School Teachers’ Union of WA; and internal consultation and feedback from principals and line managers.

**Occupational safety and health**

A new Connect Community was set up during the year for elected safety and health representatives to share queries and information about occupational safety and health.

At 30 June 2016, more than 90% of principals had completed occupational safety and health training, which is mandatory for all newly appointed principals.

To promote awareness of occupational safety and health, presentations and information sessions were held for principals, design and technology staff, managers corporate services and education assistants. Advice on injury prevention and risk management was provided through visits to 194 schools.

Following Improvement Notices by Worksafe in 2014 (relating to the management of asbestos-containing materials on our sites and about asbestos awareness training for school staff) we reviewed our Asbestos policy and issued a revised policy in December 2015. The policy included a mandated asbestos management plan for each school which we released at the beginning of the 2016 school year. The plan included an online training module for site managers about their responsibilities to manage asbestos-containing materials that may be present in schools. A further Improvement Notice was issued by Worksafe in April 2016 relating to the progress of training. As at the end of June 2016, 821 principals and deputy principals and nearly 2300 other school staff had completed the online training.

With a project to resolve all asbestos-containing materials in schools identified as high risk completed in early 2015, we addressed all Improvement Notices by the end of the financial year.





Our regional laboratory technicians visited 39 secondary schools and conducted science laboratory and chemical audits; provided advice and support on safety issues in science to principals and science staff; and delivered training to 163 staff in safe work practices and handling of hazardous substances.

Training in defensive four-wheel driving and recovery was provided to 139 staff required to drive vehicles in remote locations.

During the year, 82 newly elected safety and health representatives undertook WorkSafe accredited training, and 22 safety and health representatives attended refresher courses. We distributed 11 alerts, bulletins and factsheets to schools, and eight newsletters to safety and health representatives.

Following an open tender process in December 2015, Optum was awarded a three year contract to provide mediation services to staff with the option of extending for a further two years commencing in January 2016.

In 2015–16, 48 line managers were provided with mediation training to help them deal with conflict in the workplace, along with a further 15 receiving mediation facilitation services. In comparison, 106 line managers were provided with mediation training in 2014–15.

PeopleSense Pty Ltd commenced in August 2015 as our employee assistance program provider offering confidential intervention counselling services to staff and immediate family members for work-related and personal matters which may impact work performance.

During 2015–16, 1773 staff or members of their families accessed support services compared to 1637 in 2014–15.

The program also offered an advisory service for managers dealing with difficult and complex staff matters. In 2015–16 there were 40 contacts compared to 58 in 2014–15.

**Workers' compensation and injury management**

Our Injury Management and Worker's 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.

Our lost time injury severity rate ([Table 12](#)) decreased by 1.97 points from 25.74 in 2014–15 to 23.77 this year, and was higher by 0.3 points in comparison to 2013–14.

We assisted 354 staff who experienced difficulties remaining at work or returning to work due to injury, illness and disease unrelated to work.

Occupational physicians from Ability OPN operated in accordance with the contract. Two occupational physicians worked with our injury management consultants to provide line managers with clarification of medical conditions of staff and guidance on managing risks to prevent further exacerbation of injury or illness.

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 2015-16 was 1632 (1535 in 2014–2015). There were 117 claims for mental stress (103 in 2014–15), 410 claims for body stressing injuries (440 in 2014–15) and 447 claims for slips, trips and falls (440 in 2014–15).

**Staff**

During 2015–16, an average of 36 404 full-time equivalent (FTE) staff were employed. Of these, 60.1% were teachers, 28.5% were support staff, 6.8% were cleaners and gardeners, and 4.6% were administrative and clerical staff. School-based staff represented 97.1% of total FTE.

Further information is in [Tables 13 to 16](#) and [Figures 3 and 4](#).



**Table 12: Occupational safety and health performance indicators 2013–14, 2014–15 and 2015–16**

| Indicator  | 2013–14 | 2014–15 | 2015–16 | Target <sup>(a)</sup>                                       | 2015–16 status |
|--|---------|---------|---------|---|----------------|
| Number of fatalities   | 0       | 0       | 0       | Zero (0)  | Achieved       |
| Lost time injury/disease incidence rate <sup>(b)</sup>   | 2.5     | 2.5     | 2.5     | 10% improvement on 2013–14 rate                             | Not achieved   |
| Lost time injury severity rate <sup>(c)</sup>  | 23.46   | 25.74   | 23.77   | 10% improvement on 2013–14 rate                             | Not achieved   |
| Per cent of injured workers returned to work:  |         |         |         |   |                |
| (i) within 13 weeks  | 77      | 79      | 78      | Greater than or equal to 80% return to work within 26 weeks | Achieved       |
| (ii) within 26 weeks   | 86      | 88      | 85      |   |                |
| Per cent of managers and supervisors trained in occupational safety, health and injury management responsibilities | 90      | 90      | 90      | Greater than or equal to 80%                                | Achieved       |

Source: RiskCover and Department of Education

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

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

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

**Table 13: Staff<sup>(a)</sup> by category 2011–12 to 2015–16**

| Category                                   | 2011–12       | 2012–13       | 2013–14       | 2014–15       | 2015–16       |
|--|---------------|---------------|---------------|---------------|---------------|
| Teaching <sup>(b)</sup>                    | 20 013        | 20 583        | 20 836        | 21 009        | 21 862        |
| Support <sup>(c)</sup>                     | 9 239         | 9 885         | 10 214        | 10 096        | 10 390        |
| Cleaning and gardening                     | 2 300         | 2 333         | 2 378         | 2 419         | 2 479         |
| Administrative and clerical <sup>(d)</sup> | 1 882         | 1 922         | 1 791         | 1 647         | 1 673         |
| <b>Totals</b>                              | <b>33 434</b> | <b>34 723</b> | <b>35 219</b> | <b>35 171</b> | <b>36 404</b> |

Source: Financial Management and Resourcing

(a) Average paid full-time equivalent staff rounded to the 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.

Table 14: Staff <sup>(a)</sup> by operational area and category 2015–16

| Operational area                          | Teaching <sup>(b)</sup> | Support <sup>(c)</sup> | Cleaning and gardening | Administrative and clerical <sup>(d)</sup> | Totals        |
|---|-------------------------|------------------------|------------------------|--|---------------|
| Schools <sup>(e)</sup>                    | 21 829                  | 10 388                 | 2 474                  | 648  | 35 339        |
| Central strategic and corporate services  | –                       | –                      | –                      | 932  | 932           |
| Education regional offices <sup>(f)</sup> | 33                      | 2                      | 5                      | 93   | 133           |
| <b>Totals</b>                             | <b>21 862</b>           | <b>10 390</b>          | <b>2 479</b>           | <b>1 673</b>                               | <b>36 404</b> |

Source: *Financial Management and Resourcing*

(a) Average paid full-time equivalent staff rounded to the 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 15](#).

(f) In regional offices includes school psychologists, Primary Extension and Challenge (PEAC) teachers and home education moderators.

Table 15: School-related staff <sup>(a)</sup> by type of school and category 2015–16

| Type of school                   | Teaching <sup>(b)</sup> | Other support <sup>(c)</sup> | Cleaning and gardening | Administrative and clerical <sup>(d)</sup> | Totals        |
|----------------------------------|-------------------------|------------------------------|------------------------|--|---------------|
| Community kindergarten           | 21                      | 18                           | –                      | –  | 39            |
| Pre-compulsory/primary           | 11 505                  | 5 721                        | 1 307                  | 21   | 18 554        |
| District high                    | 1 225                   | 597                          | 181                    | 13   | 2 016         |
| Secondary                        | 7 326                   | 2 191                        | 920                    | 386  | 10 823        |
| Education support <sup>(e)</sup> | 1 022                   | 1 674                        | 27                     | 66   | 2 789         |
| Other <sup>(f)</sup>             | 730                     | 187                          | 39                     | 162  | 1 118         |
| <b>Totals</b>                    | <b>21 829</b>           | <b>10 388</b>                | <b>2 474</b>           | <b>648</b>                                 | <b>35 339</b> |

Source: *Financial Management and Resourcing*

(a) Average paid full-time equivalent staff rounded to the 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 Special Education Needs: Disability, Sensory, and Medical and Mental Health.

(f) Includes camp schools, Canning College, Tuart College, School of Isolated and Distance Education, School for Special Education Needs: Behaviour and Engagement (and Engagement Centres and Midland Learning Academy), WA Colleges of Agriculture, swimming teachers and teachers of instrumental music.

### Pricing policies

The *School Education Act 1999* and *School Education Regulations 2000* govern the setting of fees, charges and contributions.

Contributions and charges that could be requested of parents were limited to \$60 for primary and community kindergarten students; and \$235 for secondary students up to and including Year 10 for non-optional components of education programs. The amount of contributions and charges was determined by principals, approved by school councils/boards and communicated to parents at least two months before the school year began.

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 who were over the age of 19 years and six months by 1 January of the year for which they were enrolled
- residential accommodation fees.



For 2015, the average voluntary contribution collection rate for the primary sector was 59.27% (59.12% in 2014 and 57.63% in 2013) and 52.25% for the secondary sector (53.66% in 2014 and 53.50% in 2013). This was the first year that the Year 7 maximum limit was at the secondary level. The average collection rate for Year 11 and 12 charges, including extra cost options, was 73% for 2015 (74% in 2014 and 75% in 2013).

We also commenced a review of contributions and charges.

Further information is in our [Contributions, Charges and Fees Manual](#).

From 2015, a tuition fee of \$4000 was applied to each family of a 457 Visa holder with children enrolled in public schools. Those experiencing financial hardship (based on family income or exceptional circumstances) could qualify for full or partial fee waivers. As at 30 June 2016, \$5.86 million had been received from 1983 families for the 2015 school year, with 1780 families paying all monies owing and 203 paying part of the monies owing. For the 2015 school year, \$1.14 million was outstanding. Strategies, including reminder notices and payment plans, were employed to collect debts. For the 2015 school year, 250 families received a full hardship waiver and 124 families a partial waver.

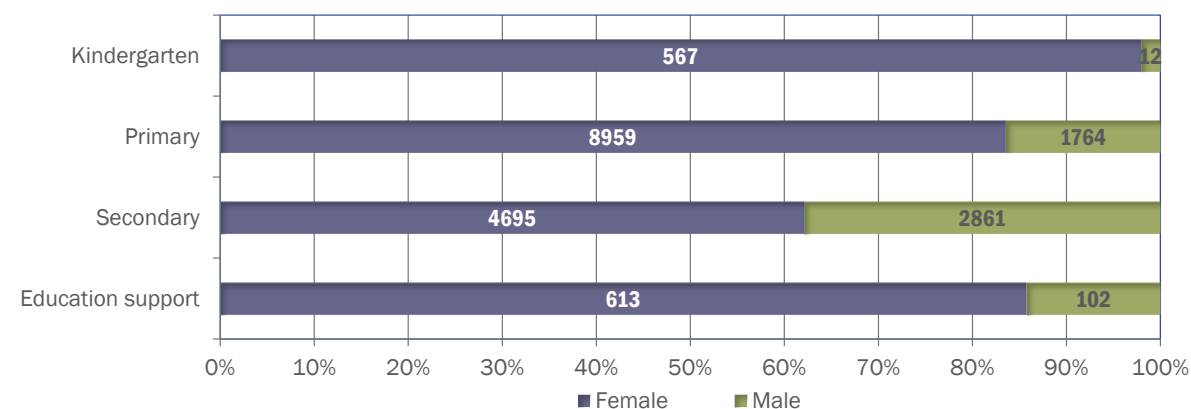
**Table 16: School-based teaching staff <sup>(a) (b)</sup> by category and level of schooling 2016**

| Category                                   | Kindergarten | Primary       | Secondary    | Education support | All           |
|--|--------------|---------------|--------------|-------------------|---------------|
| Principal                                  | 0            | 550           | 166          | 66                | 782           |
| Deputy principal                           | 0            | 811           | 330          | 54                | 1 195         |
| Head of department and program coordinator | 0            | 7             | 869          | 2                 | 878           |
| Teacher                                    | 571          | 9 212         | 6 076        | 571               | 16 430        |
| Guidance/counselling                       | 8            | 142           | 115          | 21                | 286           |
| <b>Totals</b>                              | <b>579</b>   | <b>10 722</b> | <b>7 556</b> | <b>714</b>        | <b>19 571</b> |

Source: Evaluation and Accountability

- (a) Full-time equivalents at the Semester 1 student census, including teachers at community kindergartens. Based on the counting method used for the National Schools Statistics Collection that does not include staff on extended leave.
- (b) Staff apportioned to Kindergarten on the basis of student numbers and classes.

**Figure 3: School-based teaching staff <sup>(a) (b)</sup> by level of schooling and gender 2016**



Source: Evaluation and Accountability

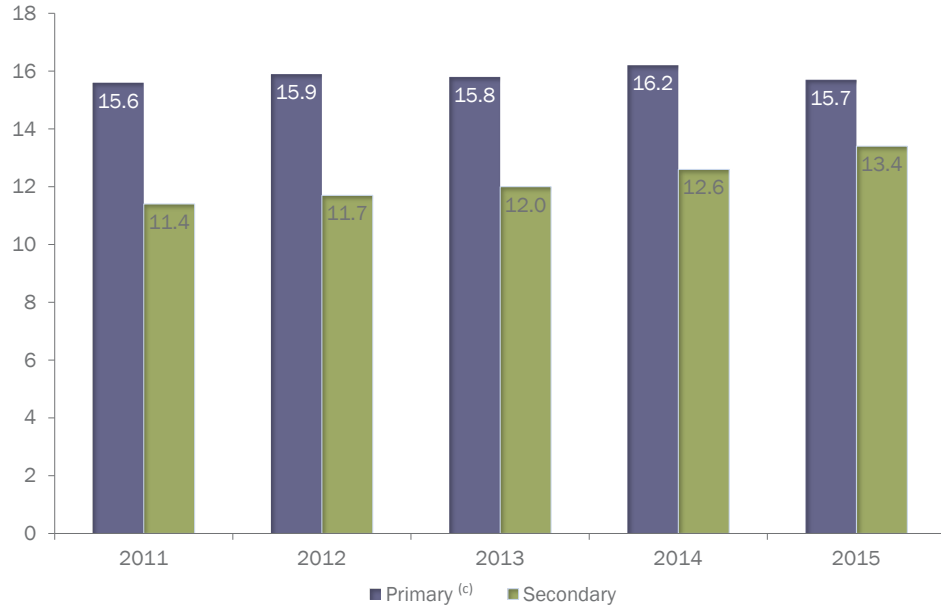
- (a) Full-time equivalents at the Semester 1 student census, including teachers at community kindergartens. Based on the counting method used for the National Schools Statistics Collection that does not include staff on extended leave.
- (b) Staff apportioned to Kindergarten on the basis of student numbers and classes.







Figure 4: Student-teacher ratios <sup>(a)</sup> 2011 to 2015 <sup>(b)</sup>



Source: Evaluation and Accountability

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

(b) Data are different from those reported in previous annual reports because the calculation methodology changed to align with the National Schools Statistics Collection. Data are the same as those reported by the Australian Bureau of Statistics in *Schools Australia* (Cat. no. 4221.0).

(c) Primary excludes Kindergarten.





## Major capital works

Table 17: Completed major capital works <sup>(a)</sup> 2015–16

| Project  | Year of completion | Estimated total cost        |   |                       | Estimated cost to complete at 1 July 2016<br>(\$'000) | Variation<br>% | Reason for variation over 5% <sup>(c)</sup>           |
|--|--------------------|-----------------------------|---|-----------------------|---|----------------|---|
|  |                    | Original budget<br>(\$'000) | Revised budget <sup>(b)</sup><br>(\$'000) | Variation<br>(\$'000) |   |                |   |
| <b>New secondary schools</b>                           |                    |                             |   |                       |   |                |   |
| Joseph Banks Secondary College                         | 2015               | 45 000                      | 40 000                                    | (5 000)               |   | (11.1)         | Favourable tender                                     |
| <b>Subtotals</b>                                       |                    | <b>45 000</b>               | <b>40 000</b>                             | <b>(5 000)</b>        |   |                |   |
| <b>Additional stages to secondary schools</b>          |                    |                             |   |                       |   |                |   |
| Baldivis Secondary College Stage 2                     | 2015               | 40 000                      | 25 300                                    | (14 700)              |   | (36.8)         | Favourable tender                                     |
| Butler College Stage 2                                 | 2015               | 35 000                      | 32 000                                    | (3 000)               |   | (8.6)          | Favourable tender                                     |
| <b>Subtotals</b>                                       |                    | <b>75 000</b>               | <b>57 300</b>                             | <b>(17 700)</b>       |   |                |   |
| <b>Additions and improvements to secondary schools</b> |                    |                             |   |                       |   |                |   |
| Applecross Senior High School                          | 2016               | 56 000                      | 63 000                                    | 7 000                 |   | 12.5           | Extra costs due to heritage and site issues           |
| Dalyellup College Stage 2                              | 2015               | 30 000                      | 28 000                                    | (2 000)               |   | (6.7)          | Favourable tender                                     |
| Duncraig Senior High School                            | 2015               | 5 000                       | 5 000                                     | 0                     |   | 0.0            |   |
| Halls Head College Stage 2                             | 2015               | 30 000                      | 25 900                                    | (4 100)               |   | (13.7)         | Favourable tender                                     |
| Mindarie Senior College                                | 2015               | 5 000                       | 5 000                                     | 0                     |   | 0.0            |   |
| Perth Modern School                                    | 2015               | 2 300                       | 3 384                                     | 1 084                 |   | 47.1           | Increased scope funded by school and school community |
| Relocation of Year 7 to secondary school               | 2015               | 186 989                     | 182 927                                   | (4 062)               |   | (2.2)          |   |
| Shenton College refurbishment                          | 2015               | 4 000                       | 4 000                                     | 0                     |   | 0.0            |   |
| <b>Subtotals</b>                                       |                    | <b>319 289</b>              | <b>317 211</b>                            | <b>(2 078)</b>        |   |                |   |



| Project  | Year of completion | Estimated total cost     |  |                    | Estimated cost to complete at 1 July 2016 (\$'000) | Variation % | Reason for variation over 5% <sup>(c)</sup>   |
|--|--------------------|--------------------------|--|--------------------|--|-------------|---|
|  |                    | Original budget (\$'000) | Revised budget <sup>(b)</sup> (\$'000) | Variation (\$'000) |  |             |   |
| <b>Additional stages to district high schools</b>    |                    |                          |  |                    |  |             |   |
| Upgrades to specialist facilities                    | 2016               | 20 500                   | 21 218                                 | 718                |  | 3.5         |   |
| <b>Subtotals</b>                                     |                    | <b>20 500</b>            | <b>21 218</b>                          | <b>718</b>         |  |             |   |
| <b>Additional stages to agricultural colleges</b>    |                    |                          |  |                    |  |             |   |
| WA College of Agriculture – Denmark                  | 2016               | 700                      | 1 400                                  | 700                |  | 100.0       | Increased scope partially funded by land sale |
| <b>Subtotals</b>                                     |                    | <b>700</b>               | <b>1 400</b>                           | <b>700</b>         |  |             |   |
| <b>New primary schools</b>                           |                    |                          |  |                    |  |             |   |
| Alkimos Primary School                               | 2016               | 14 000                   | 14 032                                 | 32                 |  | 0.2         |   |
| Anne Hamersley Primary School                        | 2016               | 14 000                   | 15 816                                 | 1 816              |  | 13.0        | Unfavourable tender                           |
| Broome North Primary School                          | 2015               | 17 000                   | 18 887                                 | 1 887              |  | 11.1        | Unfavourable tender                           |
| Golden Bay Primary School                            | 2015               | 13 000                   | 13 765                                 | 765                |  | 5.9         | Unfavourable tender                           |
| Hammond Park Primary School                          | 2015               | 14 000                   | 15 128                                 | 1 128              |  | 8.1         | Unfavourable tender                           |
| Harrisdale Primary School                            | 2016               | 14 000                   | 15 224                                 | 1 224              |  | 8.7         | Unfavourable tender                           |
| Rivergums Primary School                             | 2016               | 14 000                   | 18 716                                 | 4 716              |  | 33.7        | Extensive forwards works required             |
| Treendale Primary School                             | 2015               | 15 500                   | 12 928                                 | (2 572)            |  | (16.6)      | Favourable tender                             |
| Yanchep Beach Primary School                         | 2015               | 13 000                   | 12 911                                 | (89)               |  | (0.7)       |   |
| <b>Subtotals</b>                                     |                    | <b>128 500</b>           | <b>137 407</b>                         | <b>8 907</b>       |  |             |   |
| <b>Additions and improvements to primary schools</b> |                    |                          |  |                    |  |             |   |
| Child and Parent Centres                             | 2016               | 10 602                   | 10 602                                 | 0                  |  | 0.0         |   |
| Maida Vale Primary School                            | 2015               | 5 000                    | 5 177                                  | 177                |  | 3.5         |   |





| Project  | Year of completion | Estimated total cost     |  |                    | Estimated cost to complete at 1 July 2016 (\$'000) | Variation % | Reason for variation over 5% <sup>(c)</sup>   |
|--|--------------------|--------------------------|--|--------------------|--|-------------|---|
|  |                    | Original budget (\$'000) | Revised budget <sup>(b)</sup> (\$'000) | Variation (\$'000) |  |             |   |
| <b>Additions and improvements to primary schools (cont)</b>      |                    |                          |  |                    |  |             |   |
| West Morley Primary School                                       | 2015               | 2 200                    | 2 261                                  | 61                 |  | 2.8         |   |
| <b>Subtotals</b>   |                    | <b>17 802</b>            | <b>18 039</b>                          | <b>237</b>         |  |             |   |
| <b>Trade skills centres</b>                                      |                    |                          |  |                    |  |             |   |
| Great Southern Trade Skills Centre                               | 2016               | 2 000                    | 2 066                                  | 66                 |  | 3.3         |   |
| Halls Creek Trade Skills Centre                                  | 2015               | 1 381                    | 1 381                                  | 0                  |  | 0.0         |   |
| <b>Subtotals</b>   |                    | <b>3 381</b>             | <b>3 447</b>                           | <b>66</b>          |  |             |   |
| <b>Royalties for Regions</b>                                     |                    |                          |  |                    |  |             |   |
| Broome Senior High School  | 2015               | 10 000                   | 9 904                                  | (96)               |  | (1.0)       |   |
| Denmark Senior High School                                       | 2015               | 7 000                    | 7 022                                  | 22                 |  | 0.3         |   |
| Derby District High School                                       | 2015               | 15 000                   | 14 741                                 | (259)              |  | (1.7)       |   |
| Relocation of Year 7 to secondary school – Royalties for Regions | 2015               | 42 643                   | 42 643                                 | 0                  |  | 0.0         |   |
| <b>Subtotals</b>   |                    | <b>74 643</b>            | <b>74 310</b>                          | <b>(333)</b>       |  |             |   |
| <b>Miscellaneous programs</b>                                    |                    |                          |  |                    |  |             |   |
| Airconditioning replacement program 2015–16                      | 2016               | 3 000                    | 3 628                                  | 628                |  | 20.9        | Scope increased to include additional schools |
| Gas heater replacement program 2015–16                           | 2016               | 750                      | 762                                    | 12                 |  | 1.6         |   |
| Perimeter security fencing program                               | 2016               | 1 000                    | 1 013                                  | 13                 |  | 1.3         |   |
| <b>Subtotals</b>   |                    | <b>4 750</b>             | <b>5 403</b>                           | <b>653</b>         |  |             |   |





| Project                              | Year of completion | Estimated total cost        |   |                       | Estimated cost to complete a 1 July 2016<br>(\$'000) | Variation<br>% | Reason for variation over 5% <sup>(c)</sup>                       |
|--------------------------------------|--------------------|-----------------------------|---|-----------------------|--|----------------|---|
|                                      |                    | Original budget<br>(\$'000) | Revised budget <sup>(b)</sup><br>(\$'000) | Variation<br>(\$'000) |  |                |   |
| <b>Other school facilities</b>       |                    |                             |   |                       |  |                |   |
| Administration upgrade 2015-16       | 2016               | 2 000                       | 7 031                                     | 5 031                 |  |                | Run as combined programs – carry forward of prior years' programs |
| Covered assembly areas 2015-16       | 2016               | 5 291                       | 1 293                                     | (3 998)               |  |                |   |
| Library resource centres 2015-16     | 2016               | 6 644                       | 11  | (6 633)               |  |                |   |
| Toilet replacement program 2015-16   | 2016               | 1 600                       | 5 161                                     | 3 561                 |  |                |   |
| <b>Subtotals</b>                     |                    | <b>15 535</b>               | <b>13 496</b>                             | <b>(2 039)</b>        |  |                |   |
| <b>Total completed works 2015-16</b> |                    | <b>705 100</b>              | <b>689 232</b>                            | <b>(15 868)</b>       |  |                |   |

Source: Infrastructure

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

(b) As at 30 June 2016.

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

Table 18: Major capital works in progress <sup>(a)</sup> 2015–16

| Project   | Year of completion | Estimated total cost        |   |                       | Estimated cost to complete at 1 July 2016<br>(\$'000) | Variation<br>% | Reason for variation over 5% <sup>(c)</sup> |
|---|--------------------|-----------------------------|---|-----------------------|---|----------------|---|
|   |                    | Original budget<br>(\$'000) | Revised budget <sup>(b)</sup><br>(\$'000) | Variation<br>(\$'000) |   |                |   |
| <b>New secondary schools</b>                            |                    |                             |   |                       |   |                |   |
| Harrisdale Senior High School                           | 2017               | 61 000                      | 52 456                                    | (8 544)               | 16 179  | (14.0)         | Favourable tender                           |
| South Baldivis Secondary School                         | 2019               | 54 450                      | 48 080                                    | (6 370)               | 47 149  | (11.7)         | Revised project definition plan             |
| Willetton Senior High School replacement Stages 1 and 2 | 2017               | 42 980                      | 41 644                                    | (1 336)               | 10 148  | (3.1)          |   |
| Yanchep Secondary School                                | 2018               | 57 177                      | 50 400                                    | (6 777)               | 45 806  | (11.9)         | Revised project definition plan             |
| <b>Subtotals</b>  |                    | <b>215 607</b>              | <b>192 580</b>                            | <b>(23 027)</b>       | <b>119 282</b>  |                |   |
| <b>Additional stages to secondary schools</b>           |                    |                             |   |                       |   |                |   |
| Byford Secondary College Stage 2                        | 2016               | 47 000                      | 43 000                                    | (4 000)               | 3 586   | (8.5)          | Favourable tender                           |
| Byford Secondary College Stage 3                        | 2018               | 22 400                      | 14 500                                    | (7 900)               | 13 951  | (35.3)         | Favourable tender                           |
| Joseph Banks Secondary College Stage 2                  | 2017               | 25 000                      | 19 000                                    | (6 000)               | 19 304  | (24.0)         | Favourable tender                           |
| <b>Subtotals</b>  |                    | <b>94 400</b>               | <b>76 500</b>                             | <b>(17 900)</b>       | <b>36 841</b>   |                |   |
| <b>Additions and improvements to secondary schools</b>  |                    |                             |   |                       |   |                |   |
| Armadale Senior High School                             | 2017               | 4 000                       | 4 000                                     | 0                     | 3 224   | 0.0            |   |
| Cecil Andrews Senior High School                        | 2017               | 4 500                       | 4 500                                     | 0                     | 3 901   | 0.0            |   |
| Churchlands Senior High School                          | 2018               | 38 674                      | 38 674                                    | 0                     | 34 564  | 0.0            |   |
| Fremantle College                                       | 2018               | 31 000                      | 30 000                                    | (1 000)               | 27 449  | (3.2)          |   |



| Project   | Year of completion | Estimated total cost     |  |                    | Estimated cost to complete at 1 July 2016 (\$'000) | Variation % | Reason for variation over 5% <sup>(c)</sup>   |
|---|--------------------|--------------------------|--|--------------------|--|-------------|---|
|   |                    | Original budget (\$'000) | Revised budget <sup>(b)</sup> (\$'000) | Variation (\$'000) |  |             |   |
| <b>Additions and improvements to secondary schools (cont)</b> |                    |                          |  |                    |  |             |   |
| Geraldton Senior College                                      | 2018               | 5 000                    | 5 000                                  | 0                  | 4 875  | 0.0         |   |
| John Willcock College   | 2019               | 20 000                   | 20 000                                 | 0                  | 19 891   | 0.0         |   |
| <b>Subtotals</b>  |                    | <b>103 174</b>           | <b>102 174</b>                         | <b>(1 000)</b>     | <b>93 904</b>                                      |             |   |
| <b>New primary schools</b>                                    |                    |                          |  |                    |  |             |   |
| Rapids Landing (Margaret River) Primary School                | 2018               | 16 000                   | 16 000                                 | 0                  | 15 640   | 0.0         |   |
| Spring Hill (Tapping) Primary School                          | 2016               | 3 152                    | 3 434                                  | 282                | 3 057  | 8.9         | Unfavourable tender   |
| Wandi Primary School  | 2018               | 15 300                   | 15 300                                 | 0                  | 14 715   | 0.0         |   |
| Wandi Primary School early childhood education annex          | 2017               | 1 400                    | 1 992                                  | 592                | 1 992  | 42.3        | Budgets for this and new primary schools due for completion in 2018 are indicative only |
| Geraldton Senior College                                      | 2018               | 5 000                    | 5 000                                  | 0                  | 4 875  | 0.0         |   |
| John Willcock College   | 2019               | 20 000                   | 20 000                                 | 0                  | 19 891   | 0.0         |   |
| Wandina Primary School Stage 2                                | 2018               | 8 000                    | 5 900                                  | (2 100)            | 4 454  | (26.3)      | Favourable tender   |
| Wellard South West Primary School                             | 2018               | 15 300                   | 15 300                                 | 0                  | 14 953   | 0.0         |   |
| <b>Subtotals</b>  |                    | <b>59 152</b>            | <b>57 926</b>                          | <b>(1 226)</b>     | <b>54 811</b>                                      |             |   |
| <b>Additions and improvements to primary schools</b>          |                    |                          |  |                    |  |             |   |
| Highgate Primary School                                       | 2017               | 5 455                    | 5 455                                  | 0                  | 5 001  | 0.0         |   |
| <b>Subtotals</b>  |                    | <b>5 455</b>             | <b>5 455</b>                           | <b>0</b>           | <b>5 001</b>                                       |             |   |





| Project  | Year of completion | Estimated total cost        |   |                       | Estimated cost to complete at 1 July 2016<br>(\$'000) | Variation<br>% | Reason for variation over 5% <sup>(c)</sup>                                    |
|--|--------------------|-----------------------------|---|-----------------------|---|----------------|--|
|  |                    | Original budget<br>(\$'000) | Revised budget <sup>(b)</sup><br>(\$'000) | Variation<br>(\$'000) |   |                |  |
| <b>Trade skills centres</b>                            |                    |                             |   |                       |   |                |  |
| Kullari Trade Skills Centre                            | 2016               | 4 500                       | 4 500                                     | 0                     | 2 730   | 0.0            |  |
| Mandurah Regional Trade Skills Centre                  | 2016               | 3 285                       | 3 400                                     | 115                   | 2 871   | 3.5            |  |
| Peron Trade Skills Centre                              | 2017               | 6 543                       | 6 021                                     | (522)                 | 4 850   | (8.0)          | Favourable tender  |
| <b>Subtotals</b>                                       |                    | <b>14 328</b>               | <b>13 921</b>                             | <b>(407)</b>          | <b>10 451</b>   |                |  |
| <b>Royalties for Regions</b>                           |                    |                             |   |                       |   |                |  |
| Kalgoorlie-Boulder Community High School redevelopment | 2017               | 45 000                      | 45 000                                    | 0                     | 23 529  | 0.0            |  |
| <b>Subtotals</b>                                       |                    | <b>45 000</b>               | <b>45 000</b>                             | <b>0</b>              | <b>23 529</b>   |                |  |
| <b>Miscellaneous programs</b>                          |                    |                             |   |                       |   |                |  |
| Playground equipment and shade structures              | 2017               | 5 000                       | 4 800                                     | (200)                 | 900   | (4.0)          |  |
| Universal Access program                               | 2019               | 22 883                      | 37 116                                    | 14 233                | 11 374  | 62.2           | Increased scope following additional funding provided by Australian Government |
| <b>Subtotals</b>                                       |                    | <b>27 883</b>               | <b>41 916</b>                             | <b>14 033</b>         | <b>12 274</b>   |                |  |
| <b>Total capital works in progress 2015-16</b>         |                    | <b>564 999</b>              | <b>535 472</b>                            | <b>(29 527)</b>       | <b>356 094</b>  |                |  |
| <b>Total completed works 2015-16</b>                   |                    | <b>1 270 099</b>            | <b>1 224 703</b>                          | <b>(45 396)</b>       | <b>356 094</b>  |                |  |

Source: Infrastructure

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

(b) As at 30 June 2016.

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





SECTION 5:

# KEY PERFORMANCE INDICATORS

Introduction .....66

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## STUDENT PERFORMS IN CHINESE ON NATIONAL TELEVISION IN CHINA

Mount Lawley Senior High School student William Tucker recently took his Chinese language skills to the next level, appearing on a game show watched by millions on Chinese television.



William has been learning Chinese as a Second Language through the Gifted and Talented Education program at the school. It's this special language program that helped him earn a place in the Chinese Proficiency Competition in Yunnan after winning the WA and Australian contests.

His fluent performance secured third place for Australia in the prestigious competition and a scholarship to one of China's distinguished universities.

"On stage I realised I was up against teams from 81 countries," William said.

"I was able to choose my style as long as it tied back to Chinese culture, and I was happy my stand-up comedy routine got a few laughs."

After nailing that round, William went on to the grand final, answering quick-fire buzzer questions.

William's parents urged him to learn Chinese.

"Dad felt Australia's ties with China were really important and it would open up a lot of opportunities if I learned Chinese," he said.

William, who is head boy for 2016, is looking forward to studying in China after winning a six month Confucius Institute Scholarship that includes flights, tuition and accommodation.





# INTRODUCTION

## CERTIFICATION

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 2016.

SHARYN O'NEILL  
DIRECTOR GENERAL  
(ACCOUNTABLE AUTHORITY)

16 September 2016

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

Effectiveness indicators for the outcome are presented first followed by efficiency indicators for services 1 and 2 which relate to that outcome. The indicators are presented in tables, and supplementary information is shown in graphs.

### Outcome

A public school system which provides access to a quality education throughout Western Australia.

### Services

1. Primary education
2. Secondary education

### Effectiveness indicators

1. Rate of participation in education
2. Retention in public school education
3. Secondary graduation rate
4. Student achievement in literacy
5. Student achievement in numeracy

### Efficiency indicators

1. Cost per student full-time equivalent (FTE) — Primary education
2. Cost per student full-time equivalent (FTE) — Secondary education





# EFFECTIVENESS INDICATORS

Access to a quality education throughout Western Australia means that we must provide everyone aged four-and-a-half to 17 years in Western Australia 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 private schools or participate in approved full-time alternatives to school such as employment or 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 private 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 quality education is for students to achieve high 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. To achieve secondary graduation, 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 satisfies the requirements for secondary graduation 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.

## 1. 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 private 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 19](#). Further data on the participation of 15 to 17 year olds from 2011 to 2015 by gender are in [Figure 5](#).

The increase in the participation rate from 2014 to 2015 was due to a legislative change to the school starting age in 2001 which resulted in almost everyone aged 17 years as at 30 June 2015 (and each year hereafter) still being of compulsory school age. This meant they had to be either at school or engaged in an approved alternative option such as full-time training or employment on 30 June 2015. Before 2015, approximately half of 17 year olds as at 30 June were no longer within the compulsory school age range, having completed school the previous year.

**Table 19: Participation rate (%) of persons aged 15 to 17 years engaged in some form of education <sup>(a)</sup> 2011 to 2015**

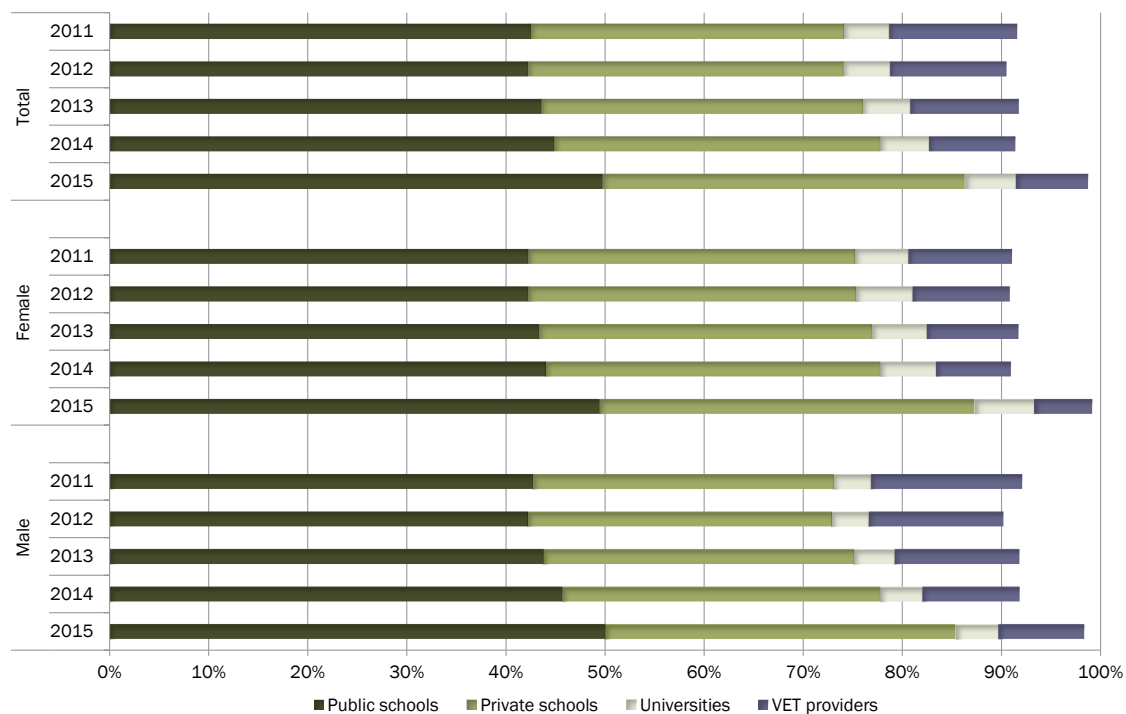
| 2011 | 2012 | 2013 | 2014                | 2015 | Target in 2015–16 Budget Papers |
|------|------|------|---------------------|------|---------------------------------|
| 91.6 | 90.5 | 91.8 | 91.8 <sup>(b)</sup> | 98.7 | 92                              |

Source: Evaluation and Accountability

(a) The participation rate is based on Australian Bureau of Statistics preliminary estimates of the resident population (age at 30 June) and data collected from public and private 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) Revised figure due to updated data for university student enrolments and the estimate of the resident population.

**Figure 5: Participation rate (%) of persons aged 15 to 17 years engaged in some form of education <sup>(a)</sup> by gender 2011 to 2015**



Source: Evaluation and Accountability

(a) Participation rates are based on Australian Bureau of Statistics preliminary estimates of the resident population (age at 30 June) and data collected from public and private schools (Semester 2 student census, age at 1 July), universities (age at 30 June) and vocational education and training providers (age at 30 June).





### 2. 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 2011 to 2015 are in [Table 20](#) and [Figure 6](#) shows the rate from 1995 to 2015. The retention rate by subgroup is in [Table A18](#) and [Figure A5](#).

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 last year’s annual report, the 2014 rate was artificially inflated by higher net overseas and interstate migration and more students moving to public schools from private schools and vocational education and training providers than in previous years. A marked reduction in these inflationary factors caused the 2015 rate to return to a level more consistent with the 2013 rate and the longer term trend of improvement.

The target in the 2015–16 Budget Papers was based on the higher of the two most recent years’ performance at that time (2013 and 2014).

Table 20: Apparent retention rate (%) of public school students Years 8 to 12 <sup>(a)</sup> <sup>(b)</sup> 2011 to 2015

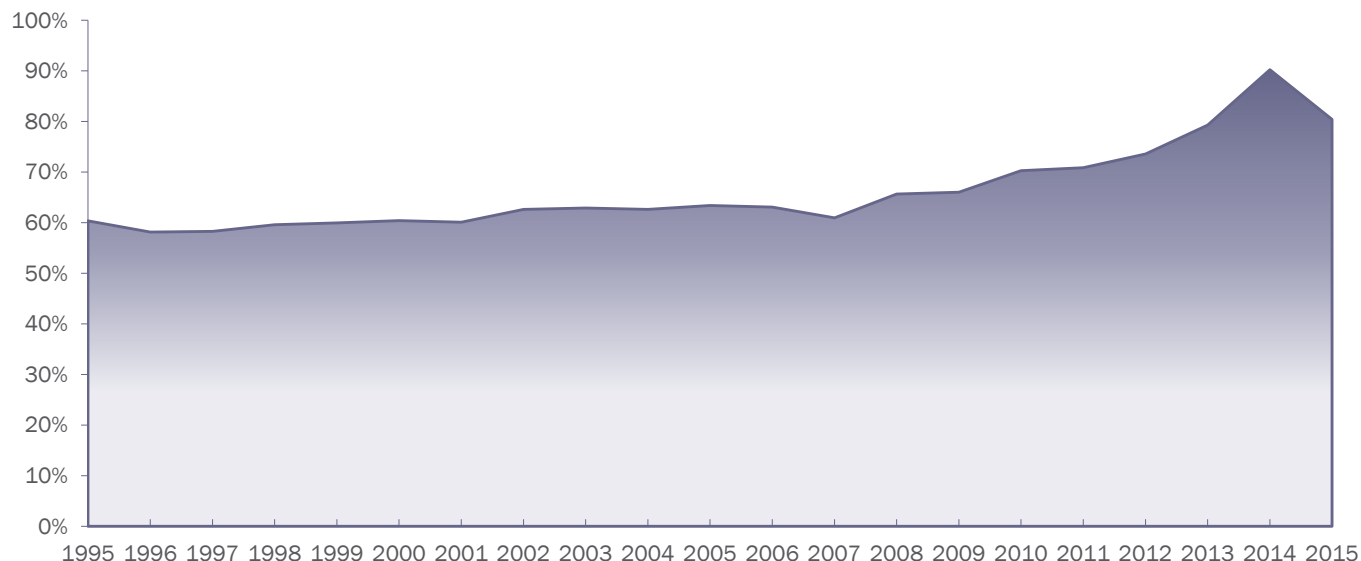
| 2011 | 2012 | 2013 | 2014 | 2015 | Target in 2015–16 Budget Papers |
|------|------|------|------|------|---------------------------------|
| 70.9 | 73.6 | 79.3 | 90.3 | 80.4 | 91                              |

Source: Evaluation and Accountability

(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.

Figure 6: Apparent retention rate (%) of public school students Years 8 to 12 <sup>(a)</sup> <sup>(b)</sup> 1995 to 2015



Source: Evaluation and Accountability

(a) Excludes Canning College and Tuart College students, part-time and international students and, from 1996, mature-aged students at senior campuses.

(b) Semester 2 student census.





### 3. Secondary graduation rate

To achieve secondary graduation, students must meet criteria established by the School Curriculum and Standards Authority. For 2015, students had to:

- i. complete at least 20 units of which at least 10 must be from WACE courses
- ii. achieve an average grade of C or better across the best 16 course units of which at least eight must be completed in Year 12
- iii. complete during Years 11 and 12 at least four course units from an English course (at least two of which must be completed in Year 12)
- iv. meet the Authority’s English language competence standard and meet breadth of study requirements.

Students who achieve these secondary graduation requirements receive the 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. The rate can be affected by net changes to the public school student population caused by interstate and overseas migration and students moving between school sectors. The target in the 2015–16 Budget Papers was based on the higher of the two most recent years’ performance at that time (2013 and 2014). Data for 2011 to 2015 are in [Table 21](#) with further breakdowns in [Table A19](#).

**Table 21: Apparent secondary graduation rate (%) of public school Year 12 students <sup>(a) (b)</sup> 2011 to 2015**

| 2011 | 2012 | 2013 | 2014 | 2015 | Target in 2015–16 Budget Papers |
|------|------|------|------|------|---------------------------------|
| 62.4 | 65.0 | 70.5 | 80.5 | 72.7 | 81                              |

Source: *Evaluation and Accountability* <sup>(c)</sup>

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

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

(c) Year 12 graduation data sourced from the School Curriculum and Standards Authority.

### 4. Student achievement in literacy

The National Assessment Program – Literacy and Numeracy (NAPLAN) is conducted annually across all states and territories by the Australian Curriculum, Assessment and Reporting Authority (ACARA). This program provides valuable information to 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 results for all years of NAPLAN testing since it commenced in 2008 are reported in [2015 National Assessment Program – Literacy and Numeracy](#) which includes national and state/territory level data.

Key performance indicators for literacy 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 and writing as measured by the NAPLAN tests. Results for Western Australian public school students are in [Tables 22 to 25](#).

Western Australian public school students’ NAPLAN results, including subgroup performance, are summarised in the [NAPLAN 2015 public schools report](#) and also in [Appendix 2](#) of this report.



**Table 22: Percentage of Western Australian public school Year 3 students achieving at or above the national minimum standard in Reading and Writing 2011 to 2015 (NAPLAN)**

|         | 2011                | 2012 | 2013 | 2014 | 2015 | Target in 2015–16 Budget Papers |
|---------|---------------------|------|------|------|------|---------------------------------|
| Reading | 90.7 <sup>(a)</sup> | 90.1 | 93.1 | 90.3 | 91.7 | 94                              |
| Writing | 93.9 <sup>(b)</sup> | 93.6 | 93.4 | 92.1 | 93.6 | 94                              |

Source: *Evaluation and Accountability*

- (a) Revised figure from that reported in the 2011–12 annual report.  
 (b) ACARA's assessment changed from Narrative Writing to Persuasive Writing from 2011.

**Table 23: Percentage of Western Australian public school Year 5 students achieving at or above the national minimum standard in Reading and Writing 2011 to 2015 (NAPLAN)**

|         | 2011                | 2012 | 2013 | 2014 | 2015 | Target in 2015–16 Budget Papers |
|---------|---------------------|------|------|------|------|---------------------------------|
| Reading | 87.5                | 87.2 | 95.0 | 89.1 | 90.1 | 95                              |
| Writing | 88.6 <sup>(a)</sup> | 89.1 | 88.9 | 87.5 | 89.1 | 89                              |

Source: *Evaluation and Accountability*

- (a) ACARA's assessment changed from Narrative Writing to Persuasive Writing from 2011.

**Table 24: Percentage of Western Australian public school Year 7 students achieving at or above the national minimum standard in Reading and Writing 2011 to 2015 (NAPLAN)**

|         | 2011                | 2012 | 2013 | 2014 | 2015 <sup>(a)</sup> | Target in 2015–16 Budget Papers |
|---------|---------------------|------|------|------|---------------------|---------------------------------|
| Reading | 92.8                | 91.2 | 91.4 | 92.8 | 92.2                | 93                              |
| Writing | 88.8 <sup>(b)</sup> | 88.1 | 86.8 | 86.0 | 80.5                | 87                              |

Source: *Evaluation and Accountability*

- (a) Year 7 become part of public school secondary education in Western Australia from 2015, having previously been part of primary education.  
 (b) ACARA's assessment changed from Narrative Writing to Persuasive Writing from 2011.

**Table 25: Percentage of Western Australian public school Year 9 students achieving at or above the national minimum standard in Reading and Writing 2011 to 2015 (NAPLAN)**

|         | 2011                | 2012 | 2013 | 2014 | 2015 | Target in 2015–16 Budget Papers |
|---------|---------------------|------|------|------|------|---------------------------------|
| Reading | 86.8                | 86.6 | 89.7 | 89.8 | 90.1 | 90                              |
| Writing | 76.3 <sup>(a)</sup> | 77.1 | 77.1 | 80.2 | 76.7 | 81                              |

Source: *Evaluation and Accountability*

- (a) ACARA's assessment changed from Narrative Writing to Persuasive Writing from 2011.



### 5. Student achievement in numeracy

Key performance indicators for 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 numeracy as measured by the NAPLAN tests. Results for WA public school students are in [Tables 26 to 29](#).

WA public school students' NAPLAN results, including subgroup performance, are summarised in the [NAPLAN 2015 public schools report](#) and also in [Appendix 2](#) of this report.

**Table 26: Percentage of Western Australian public school Year 3 students achieving at or above the national minimum standard in Numeracy 2011 to 2015 (NAPLAN)**

| 2011 | 2012 | 2013 | 2014 | 2015 | Target in 2015–16 Budget Papers |
|------|------|------|------|------|---------------------------------|
| 94.5 | 91.1 | 94.5 | 92.8 | 92.6 | 95                              |

Source: Evaluation and Accountability

**Table 27: Percentage of Western Australian public school Year 5 students achieving at or above the national minimum standard in Numeracy 2011 to 2015 (NAPLAN)**

| 2011 | 2012 | 2013 | 2014 | 2015 | Target in 2015–16 Budget Papers |
|------|------|------|------|------|---------------------------------|
| 92.1 | 89.8 | 91.2 | 90.4 | 93.0 | 92                              |

Source: Evaluation and Accountability

**Table 28: Percentage of Western Australian public school Year 7 students achieving at or above the national minimum standard in Numeracy 2011 to 2015 (NAPLAN)**

| 2011 | 2012 | 2013 | 2014 | 2015 <sup>(a)</sup> | Target in 2015–16 Budget Papers |
|------|------|------|------|---------------------|---------------------------------|
| 93.0 | 91.8 | 93.4 | 93.7 | 93.6                | 94                              |

Source: Evaluation and Accountability

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

**Table 29: Percentage of Western Australian public school Year 9 students achieving at or above the national minimum standard in Numeracy 2011 to 2015 (NAPLAN)**

| 2011 | 2012 | 2013 | 2014 | 2015 | Target in 2015–16 Budget Papers |
|------|------|------|------|------|---------------------------------|
| 88.4 | 90.0 | 87.2 | 92.4 | 94.7 | 93                              |

Source: Evaluation and Accountability







# EFFICIENCY INDICATORS

Efficiency is indicated by the total cost per student FTE of each service. Data for 2011–12 to 2015–16 are in [Table 30](#).

Student FTE is the full-time equivalent of full-time and part-time students associated with each service and calculated as the average of FTE in each of the two semesters in each financial year.

Cost is the total cost of services for each service.

## 1. Cost per student full-time equivalent (FTE) – Primary education (Service 1)

Service 1: Provision of access to education in public schools for people aged generally from four years and six months to 11 years and six months.

## 2. Cost per student full-time equivalent (FTE) – Secondary education (Service 2)

Service 2: Provision of access to education in public schools for people aged generally from 11 years and six months.

**Table 30: Cost per full-time equivalent student by service in public school education <sup>(a)(b)</sup> 2011–12 to 2015–16**

| Service             | 2011–12<br>\$ | 2012–13<br>\$ | 2013–14<br>\$ | 2014–15<br>\$ | 2015–16<br>\$ | Target in 2015–16<br>Budget Papers<br>\$ |
|---------------------|---------------|---------------|---------------|---------------|---------------|--|
| Primary education   | 13 920        | 14 141        | 14 465        | 14 746        | 15 270        | 15 496                                   |
| Secondary education | 19 056        | 19 175        | 19 440        | 18 491        | 18 348        | 19 068                                   |

Source: *Financial Management and Resourcing*

(a) No adjustments for inflation have been incorporated into the above figures.

(b) Year 7 become part of public school secondary education in Western Australia from 2015, having previously been part of primary education. No adjustments have been made to previous years' figures.





SECTION 6:

# FINANCIAL STATEMENTS

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## STUDENT WINS WORLDWIDE SELECTION TO HOUSTON SPACE SCHOOL

**Jaxon Liebeck from Manjimup Senior High School was one of just three Australian students of 50 selected worldwide to join the prestigious United Space School in Texas.**



And that means he’s also a step closer to realising his dream of becoming an aerospace engineer.

Students participated in the Manned Mission to Mars project which included working alongside aerospace professionals to research, simulate and learn about each step of a planned space mission to Mars.

“It can be hard to study this field in Australia so, ironically, I have been dreaming of going to the University of Houston,” he said.

The students chatted via radio with crew members on the International Space Station, toured the Johnson Space Centre, and visited the George Observatory and Houston Museum of Natural Science.

They also had access to the University of Houston’s library and online research facilities.

During the two week stay, Jaxon was hosted by a family in Houston. Many of the program’s host families work in the aerospace industry.

He hopes this opportunity will give him the experience and academic success to gain entry into aerospace engineering at university when he graduates from Year 12 this year.





### CERTIFICATION OF FINANCIAL STATEMENTS

for the year ended 30 June 2016

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 2016 and the financial position at 30 June 2016.

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

SHARYN O'NEILL  
DIRECTOR GENERAL  
(ACCOUNTABLE AUTHORITY)

16 September 2016

JAY PECKITT  
CHIEF FINANCE OFFICER

15 September 2016



**Statement of Comprehensive Income**

For the year ended 30 June 2016

|   | Note | 2015-16<br>\$'000  | 2014-15<br>\$'000 |
|---|------|--------------------|-------------------|
| <b>COST OF SERVICES</b>                                     |      |                    |                   |
| <b>Expenses</b>   |      |                    |                   |
| Employee benefits expense                                   | 6    | 3 469 864          | 3 282 955         |
| Supplies and services                                       | 7    | 960 821            | 803 322           |
| Depreciation and amortisation expense                       | 8    | 189 649            | 266 615           |
| Grants and subsidies  | 9    | 38 757             | 58 480            |
| Finance costs   | 10   | 887                | 1 048             |
| Other expenses  | 11   | 8 822              | 31 820            |
| <b>Total cost of services</b>                               |      | <b>4 668 800</b>   | <b>4 444 240</b>  |
| <b>Income</b>   |      |                    |                   |
| <b>Revenue</b>  |      |                    |                   |
| User contributions, charges and fees                        | 13   | 110 921            | 110 163           |
| Other revenue   | 14   | 86 929             | 97 373            |
| Australian Government grants and contributions              | 15   | 646 578            | 587 133           |
| Interest revenue  |      | 7 689              | 8 209             |
| <b>Total revenue</b>  |      | <b>852 117</b>     | <b>802 878</b>    |
| <b>Total income other than income from State Government</b> |      | <b>852 117</b>     | <b>802 878</b>    |
| <b>NET COST OF SERVICES</b>                                 |      |                    |                   |
| <b>Income from State Government</b>                         | 16   |                    |                   |
| Service appropriation                                       |      | 3 861 288          | 3 664 887         |
| Grants from State Government Agencies                       |      | 6 921              | 4 905             |
| Services received free of charge                            |      | 30 428             | 20 404            |
| Royalties for Regions Fund                                  |      | 9 265              | 6 616             |
| <b>Total income from State Government</b>                   |      | <b>3 907 902</b>   | <b>3 696 812</b>  |
| <b>SURPLUS FOR THE PERIOD</b>                               |      | <b>91 219</b>      | <b>55 450</b>     |
| <b>OTHER COMPREHENSIVE INCOME</b>                           |      |                    |                   |
| <b>Items not reclassified subsequently to profit</b>        |      |                    |                   |
| Changes in asset revaluation surplus                        | 33   | (2 514 708)        | 765 222           |
| <b>Total other comprehensive income</b>                     |      | <b>(2 514 708)</b> | <b>765 222</b>    |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>            |      | <b>(2 423 489)</b> | <b>820 672</b>    |

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 2016

|   | Note | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|------|-------------------|-------------------|
| <b>ASSETS</b>                                     |      |                   |                   |
| <b>Current Assets</b>                             |      |                   |                   |
| Cash and cash equivalents                         | 17   | 620 199           | 641 721           |
| Restricted cash and cash equivalents              | 18   | 82 716            | 187 534           |
| Amounts receivable for services                   | 19   | 45 285            | 21 736            |
| Inventories                                       | 20   | 6 138             | 5 725             |
| Receivables                                       | 21   | 42 993            | 37 690            |
| Other current assets                              | 22   | 8 265             | 17 215            |
| Non-current assets held for distribution to owner | 23   | 769               | 769               |
| <b>Total Current Assets</b>                       |      | <b>806 365</b>    | <b>912 390</b>    |
| <b>Non-Current Assets</b>                         |      |                   |                   |
| Amounts receivable for services                   | 19   | 2 321 230         | 2 126 241         |
| Property, plant and equipment                     | 24   | 11 487 590        | 13 881 262        |
| Intangible assets                                 | 27   | 2 117             | 1 504             |
| <b>Total Non-Current Assets</b>                   |      | <b>13 810 937</b> | <b>16 009 007</b> |
| <b>TOTAL ASSETS</b>                               |      | <b>14 617 302</b> | <b>16 921 397</b> |
| <b>LIABILITIES</b>                                |      |                   |                   |
| <b>Current Liabilities</b>                        |      |                   |                   |
| Payables  | 29   | 130 031           | 185 830           |
| Borrowings  | 30   | 14 586            | 14 139            |
| Provisions  | 31   | 618 706           | 637 818           |
| Other current liabilities                         | 32   | 21 792            | 21 331            |
| <b>Total Current Liabilities</b>                  |      | <b>785 115</b>    | <b>859 118</b>    |
| <b>Non-Current Liabilities</b>                    |      |                   |                   |
| Borrowings  | 30   | 15 058            | 17 521            |
| Provisions  | 31   | 172 093           | 170 863           |
| <b>Total Non-Current Liabilities</b>              |      | <b>187 151</b>    | <b>188 384</b>    |
| <b>TOTAL LIABILITIES</b>                          |      | <b>972 266</b>    | <b>1 047 502</b>  |
| <b>NET ASSETS</b>                                 |      | <b>13 645 036</b> | <b>15 873 895</b> |

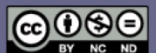


### Statement of Financial Position

As at 30 June 2016

|                     | Note | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---------------------|------|-------------------|-------------------|
| <b>EQUITY</b>       | 33   |                   |                   |
| Contributed equity  |      | 3 902 896         | 3 708 266         |
| Reserves            |      | 8 063 748         | 10 578 456        |
| Accumulated surplus |      | 1 678 392         | 1 587 173         |
| <b>TOTAL EQUITY</b> |      | <b>13 645 036</b> | <b>15 873 895</b> |

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 2016

|  | Note | Contributed equity<br>\$'000 | Reserves<br>\$'000 | Accumulated<br>surplus<br>\$'000 | Total equity<br>\$'000 |
|--|------|------------------------------|--------------------|----------------------------------|------------------------|
| <b>Balance at 1 July 2014</b>                                | 33   | <b>3 394 220</b>             | <b>9 813 234</b>   | <b>1 531 723</b>                 | <b>14 739 177</b>      |
| Surplus  |      | -                            | -                  | 55 450                           | 55 450                 |
| Other comprehensive income                                   |      | -                            | 765 222            | -                                | 765 222                |
| Total comprehensive income for the period                    |      | -                            | 765 222            | 55 450                           | 820 672                |
| <u>Transactions with owners in their capacity as owners:</u> |      |                              |                    |                                  |                        |
| Capital appropriations                                       |      | 306 376                      | -                  | -                                | 306 376                |
| Other contributions by owners                                |      | 25 453                       | -                  | -                                | 25 453                 |
| Distribution to owners                                       |      | (17 783)                     | -                  | -                                | (17 783)               |
| Total  |      | 314 046                      | -                  | -                                | 314 046                |
| <b>Balance at 30 June 2015</b>                               |      | <b>3 708 266</b>             | <b>10 578 456</b>  | <b>1 587 173</b>                 | <b>15 873 895</b>      |
| <b>Balance at 1 July 2015</b>                                | 33   | <b>3 708 266</b>             | <b>10 578 456</b>  | <b>1 587 173</b>                 | <b>15 873 895</b>      |
| Surplus  |      | -                            | -                  | 91 219                           | 91 219                 |
| Other comprehensive income                                   |      | -                            | (2 514 708)        | -                                | (2 514 708)            |
| Total comprehensive income for the period                    |      | -                            | (2 514 708)        | 91 219                           | (2 423 489)            |
| <u>Transactions with owners in their capacity as owners:</u> |      |                              |                    |                                  |                        |
| Capital appropriations                                       |      | 166 217                      | -                  | -                                | 166 217                |
| Other contributions by owners                                |      | 28 935                       | -                  | -                                | 28 935                 |
| Distribution to owners                                       |      | (522)                        | -                  | -                                | (522)                  |
| Total  |      | 194 630                      | -                  | -                                | 194 630                |
| <b>Balance at 30 June 2016</b>                               |      | <b>3 902 896</b>             | <b>8 063 748</b>   | <b>1 678 392</b>                 | <b>13 645 036</b>      |

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 2016

|  | Note | 2015-16<br>\$'000  | 2014-15<br>\$'000  |
|--|------|--------------------|--------------------|
| <b>CASH FLOWS FROM STATE GOVERNMENT</b>        |      |                    |                    |
| Service appropriation                          |      | 3 621 014          | 3 475 349          |
| Capital contributions                          |      | 166 217            | 306 376            |
| Holding account drawdown                       |      | 21 736             | 19 414             |
| Grants and subsidies                           |      | 7 317              | 5 991              |
| Royalties for Regions Fund                     |      | 37 506             | 32 068             |
| <b>Net cash provided by State Government</b>   |      | <b>3 853 790</b>   | <b>3 839 198</b>   |
| Utilised as follows:                           |      |                    |                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>    |      |                    |                    |
| <b>Payments</b>                                |      |                    |                    |
| Employees benefits                             |      | (3 596 186)        | (3 292 624)        |
| Supplies and services                          |      | (901 547)          | (771 316)          |
| Grants and subsidies                           |      | (38 245)           | (58 168)           |
| Finance costs                                  |      | (886)              | (1 113)            |
| GST payments on purchases                      |      | (80 446)           | (88 682)           |
| Other payments                                 |      | (127)              | (3 762)            |
| <b>Receipts</b>                                |      |                    |                    |
| User contributions, charges and fees           |      | 107 749            | 105 081            |
| Australian Government grants and contributions |      | 646 730            | 581 356            |
| Interest received                              |      | 7 689              | 8 209              |
| GST receipts on revenue                        |      | 2 707              | 2 744              |
| GST receipts from taxation authority           |      | 75 278             | 84 461             |
| Other receipts                                 |      | 114 273            | 105 533            |
| <b>Net cash used in operating activities</b>   | 34   | <b>(3 663 011)</b> | <b>(3 328 281)</b> |



**Statement of Cash Flows**

For the year ended 30 June 2016

|  | Note | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|------|-------------------|-------------------|
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                 |      |                   |                   |
| <b>Payments</b>  |      |                   |                   |
| Payments of non-current physical assets                    |      | (303 144)         | (431 773)         |
| <b>Receipts</b>  |      |                   |                   |
| Receipts from sale of non-current physical assets          |      | 208               | 330               |
| <b>Net cash provided by/(used in) investing activities</b> |      | <b>(302 936)</b>  | <b>(431 443)</b>  |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                 |      |                   |                   |
| <b>Payments</b>  |      |                   |                   |
| Payments of finance lease liabilities                      |      | (14 183)          | (14 505)          |
| <b>Net cash used in financing activities</b>               |      | <b>(14 183)</b>   | <b>(14 505)</b>   |
| Net increase in cash and cash equivalents                  |      | (126 340)         | 64 969            |
| Cash and cash equivalents at the beginning of the period   |      | 829 255           | 764 286           |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>  | 34   | <b>702 915</b>    | <b>829 255</b>    |

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



## Schedule of Income and Expenses by Service

For the year ended 30 June 2016

|   | Primary Education |                   | Secondary Education |                   | Total             |                   |
|---|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 | 2015-16<br>\$'000   | 2014-15<br>\$'000 | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
| <b>COST OF SERVICES</b>                                     |                   |                   |                     |                   |                   |                   |
| <b>Expenses</b>   |                   |                   |                     |                   |                   |                   |
| Employee benefits expense                                   | 2 109 582         | 2 071 703         | 1 360 282           | 1 211 252         | 3 469 864         | 3 282 955         |
| Supplies and services                                       | 546 293           | 459 915           | 414 528             | 343 407           | 960 821           | 803 322           |
| Depreciation and amortisation expense                       | 112 512           | 159 858           | 77 137              | 106 757           | 189 649           | 266 615           |
| Grants and subsidies  | 20 318            | 43 323            | 18 439              | 15 157            | 38 757            | 58 480            |
| Finance costs   | 576               | 651               | 311                 | 397               | 887               | 1 048             |
| Other expenses  | 5 218             | 24 216            | 3 604               | 7 604             | 8 822             | 31 820            |
| <b>Total cost of services</b>                               | <b>2 794 499</b>  | <b>2 759 666</b>  | <b>1 874 301</b>    | <b>1 684 574</b>  | <b>4 668 800</b>  | <b>4 444 240</b>  |
| <b>Income</b>   |                   |                   |                     |                   |                   |                   |
| User contributions, charges and fees                        | 37 166            | 37 193            | 73 755              | 72 970            | 110 921           | 110 163           |
| Other revenue   | 48 429            | 58 152            | 38 500              | 39 221            | 86 929            | 97 373            |
| Australian Government grants and contributions              | 399 971           | 376 032           | 246 607             | 211 101           | 646 578           | 587 133           |
| Interest revenue  | 3 481             | 4 005             | 4 208               | 4 204             | 7 689             | 8 209             |
| <b>Total income other than income from State Government</b> | <b>489 047</b>    | <b>475 382</b>    | <b>363 070</b>      | <b>327 496</b>    | <b>852 117</b>    | <b>802 878</b>    |
| <b>NET COST OF SERVICES</b>                                 | <b>2 305 452</b>  | <b>2 284 284</b>  | <b>1 511 231</b>    | <b>1 357 078</b>  | <b>3 816 683</b>  | <b>3 641 362</b>  |
| <b>Income from State Government</b>                         |                   |                   |                     |                   |                   |                   |
| Service appropriations                                      | 2 315 228         | 2 299 042         | 1 546 060           | 1 365 845         | 3 861 288         | 3 664 887         |
| Grants from State Government Agencies                       | 4 073             | 2 177             | 2 848               | 2 728             | 6 921             | 4 905             |
| Services received free of charge                            | 19 527            | 12 550            | 10 901              | 7 854             | 30 428            | 20 404            |
| Royalties for Regions Fund                                  | 6 456             | 3 865             | 2 809               | 2 751             | 9 265             | 6 616             |
| <b>Total income from State Government</b>                   | <b>2 345 284</b>  | <b>2 317 634</b>  | <b>1 562 618</b>    | <b>1 379 178</b>  | <b>3 907 902</b>  | <b>3 696 812</b>  |
| <b>SURPLUS FOR THE PERIOD</b>                               | <b>39 832</b>     | <b>33 350</b>     | <b>51 387</b>       | <b>22 100</b>     | <b>91 219</b>     | <b>55 450</b>     |

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.



## Schedule of Assets and Liabilities by Service

As at 30 June 2016

|                          | Primary Education |                   | Secondary Education |                   | Total             |                   |
|--------------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
|                          | 2015-16<br>\$'000 | 2014-15<br>\$'000 | 2015-16<br>\$'000   | 2014-15<br>\$'000 | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
| <b>ASSETS</b>            |                   |                   |                     |                   |                   |                   |
| Current assets           | 457 502           | 536 690           | 348 863             | 375 700           | 806 365           | 912 390           |
| Non-current assets       | 8 372 538         | 8 711 574         | 5 438 399           | 7 297 433         | 13 810 937        | 16 009 007        |
| <b>Total assets</b>      | <b>8 830 040</b>  | <b>9 248 264</b>  | <b>5 787 262</b>    | <b>7 673 133</b>  | <b>14 617 302</b> | <b>16 921 397</b> |
| <b>LIABILITIES</b>       |                   |                   |                     |                   |                   |                   |
| Current liabilities      | 503 844           | 548 690           | 281 271             | 310 428           | 785 115           | 859 118           |
| Non-current liabilities  | 121 072           | 121 511           | 66 079              | 66 873            | 187 151           | 188 384           |
| <b>Total liabilities</b> | <b>624 916</b>    | <b>670 201</b>    | <b>347 350</b>      | <b>377 301</b>    | <b>972 266</b>    | <b>1 047 502</b>  |
| <b>NET ASSETS</b>        | <b>8 205 124</b>  | <b>8 578 063</b>  | <b>5 439 912</b>    | <b>7 295 832</b>  | <b>13 645 036</b> | <b>15 873 895</b> |

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.



## Summary of Consolidated Account Appropriations and Income Estimates

As at 30 June 2016

|  | 2015-16<br>Budget Estimate<br>\$'000 | 2015-16<br>Actual<br>\$'000 | Variance<br>\$'000 | 2015-16<br>Actual<br>\$'000 | 2014-15<br>Actual<br>\$'000 | Variance<br>\$'000 |
|--|--------------------------------------|-----------------------------|--------------------|-----------------------------|-----------------------------|--------------------|
| <b>DELIVERY OF SERVICES</b>                              |                                      |                             |                    |                             |                             |                    |
| Item 27 Net amount appropriated to deliver services      | 3 935 635                            | 3 860 114                   | (75 521)           | 3 860 114                   | 3 663 741                   | 196 373            |
| Amount authorised by other statutes                      |                                      |                             |                    |                             |                             |                    |
| <i>Salaries and Allowances Act 1975</i>                  | 1 174                                | 1 174                       | -                  | 1 174                       | 1 146                       | 28                 |
| <b>Total appropriations provided to deliver services</b> | <b>3 936 809</b>                     | <b>3 861 288</b>            | <b>(75 521)</b>    | <b>3 861 288</b>            | <b>3 664 887</b>            | <b>196 401</b>     |
| <b>CAPITAL</b>   |                                      |                             |                    |                             |                             |                    |
| Item 122 Capital Contribution                            | 196 630                              | 166 217                     | (30 413)           | 166 217                     | 306 376                     | (140 159)          |
| <b>Total capital appropriations</b>                      | <b>196 630</b>                       | <b>166 217</b>              | <b>(30 413)</b>    | <b>166 217</b>              | <b>306 376</b>              | <b>(140 159)</b>   |
| <b>GRAND TOTAL</b>                                       | <b>4 133 439</b>                     | <b>4 027 505</b>            | <b>(105 934)</b>   | <b>4 027 505</b>            | <b>3 971 263</b>            | <b>56 242</b>      |
| <b>DETAILS OF EXPENSES BY SERVICES</b>                   |                                      |                             |                    |                             |                             |                    |
| Primary education  | 2 829 861                            | 2 794 499                   | (35 362)           | 2 794 499                   | 2 759 666                   | 34 833             |
| Secondary education                                      | 1 968 067                            | 1 874 301                   | (93 766)           | 1 874 301                   | 1 684 574                   | 189 727            |
| <b>Total cost of services</b>                            | <b>4 797 928</b>                     | <b>4 668 800</b>            | <b>(129 128)</b>   | <b>4 668 800</b>            | <b>4 444 240</b>            | <b>224 560</b>     |
| Less total income  | 836 247                              | 852 117                     | 15 870             | 852 117                     | 802 878                     | 49 239             |
| <b>Net cost of services</b>                              | <b>3 961 681</b>                     | <b>3 816 683</b>            | <b>(144 998)</b>   | <b>3 816 683</b>            | <b>3 641 362</b>            | <b>175 321</b>     |
| Adjustments  | (24 872)                             | 44 605                      | 69 477             | 44 605                      | 23 525                      | 21 080             |
| <b>Total appropriations provided to deliver services</b> | <b>3 936 809</b>                     | <b>3 861 288</b>            | <b>(75 521)</b>    | <b>3 861 288</b>            | <b>3 664 887</b>            | <b>196 401</b>     |
| <b>CAPITAL EXPENDITURE</b>                               |                                      |                             |                    |                             |                             |                    |
| Purchase of non-current physical assets                  | 295 260                              | 317 420                     | 22 160             | 317 420                     | 447 641                     | (130 221)          |
| Repayment of borrowings                                  | 14 752                               | (14 183)                    | (28 935)           | (14 183)                    | 14 505                      | (28 688)           |
| Adjustments for other funding sources                    | (113 382)                            | (137 020)                   | (23 638)           | (137 020)                   | (155 770)                   | 18 750             |
| <b>Capital appropriations</b>                            | <b>196 630</b>                       | <b>166 217</b>              | <b>(30 413)</b>    | <b>166 217</b>              | <b>306 376</b>              | <b>(140 159)</b>   |

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Note 45 'Explanatory Statement' provides details of any significant variations between estimates and actual results for 2015-16 and between the actual results for 2015-16 and 2014-15.



## Notes to the Financial Statements

For the year ended 30 June 2016

### NOTE 1. AUSTRALIAN ACCOUNTING STANDARDS

#### General

The Department's financial statements for the year ended 30 June 2016 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

#### Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Partial exemption permitting early adoption of AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not for Profit Public Sector Entities* has been granted. Aside from AASB 2015-7, there has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the Department for the annual reporting period ended 30 June 2016.

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) General statement

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

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

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

#### (b) Basis of preparation

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

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

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

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

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



## Notes to the Financial Statements

For the year ended 30 June 2016

### (c) Reporting entity

The reporting entity comprises the Department of Education including public schools across the State, central and regional offices, and the Corporate Business Services Centre.

#### Mission

For every child to be provided with a high quality public school education - whatever their ability, wherever they live, whatever their background.

#### Goals

As a public school system we aim to achieve the twin goals of excellence and equity. We provide opportunities that extend and challenge every child to achieve the highest possible standards and their personal best; and we provide high quality education in communities across Western Australia.

#### Values

We are guided by four core values in everything we do. In stating these values, we acknowledge that words alone are not sufficient: it is actions based on these values that are important.

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

Equity: We recognise the differing circumstances and needs of our 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 or 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 in partnership with parents/carers and the wider community in providing a quality education for our students.

#### Services

The Department provides the following services:

##### *Service 1: Primary Education*

Since 2015, the Primary Education service provides access to education in public schools for persons generally from four years and six months to 11 years and six months.

##### *Service 2: Secondary Education*

Since 2015, the Secondary Education service provides access to education in public schools for persons generally from 11 years and six months.



## Notes to the Financial Statements

For the year ended 30 June 2016

### Funding

The Department is predominantly funded by Parliamentary appropriations supplemented by funding received from the Australian Government.

Financial support of parents has always played a significant part in providing resources that extend each school's capacity to maximise student learning. Up to Year 10, this support takes the form of voluntary contributions for textbooks, compulsory charges for additional costs such as excursions, and additional requests of parents for whole school projects such as air-conditioning. In Years 11 and 12, all subject costs are compulsory. Contributions and charges are individually set by each school and approved by the school council.

The financial statements encompass all funds the Department controls to meet its outcomes and services. In the process of reporting on the Department as a single entity, all intra-entity transactions and balances have been eliminated (see Note 2(v) 'Amalgamation of Accounts').

### **(d) Contributed equity**

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

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal (see Note 33 'Equity').

### **(e) Income**

#### Revenue recognition

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.

#### *Provision of services*

Revenue is recognised by reference to the stage of completion of the transaction.

#### *Interest*

Revenue is recognised as the interest accrues.

#### *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.



## Notes to the Financial Statements

For the year ended 30 June 2016

### *Service appropriations*

Service Appropriations for the delivery of services comprise two components - amounts to meet the immediate cash needs of the Department and amounts set aside in a suspense (holding) account in Treasury to meet relevant commitments in relation to depreciation (asset replacement) and leave liabilities when these emerge.

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 (see Note 16 'Income from State Government' for further detail).

### *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 2015-16 Budget Statements, the Department retained \$954.4 million in 2015-16 (restated as \$887.4 million in 2014-15 to include student fees) 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.

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

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions, usually when cash is received.

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

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.

### *Gains*

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

## (f) Property, plant and equipment

### Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$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). An example of group assets is Library Collections where individual items are below the capitalisation threshold, but the collection has a long useful life and a material value.

### Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

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





## Notes to the Financial Statements

For the year ended 30 June 2016

### 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 buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

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 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 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.

For 2014–15 the valuations for the Department's buildings were provided by the Department's valuer and recognised in the financial statements. The Department's valuer engaged a quantity surveyor to determine such elements as building areas and to provide appropriate analysis, thereby enabling the Department's valuer to determine such key issues, but not limited to, effective age and replacement costs per square metre, to complete the valuations.

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.

Notes 24, 25, and 33 show further information on revaluations.

### 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.

### 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 26 'Fair value measurement'.



## Notes to the Financial Statements

For the year ended 30 June 2016

### Depreciation

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

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 <sup>(a)</sup> | 4   | Years |
| Library collections     | Four to five years with 100% depreciation at the end of the fifth year, or in the sixth year respectively |       |

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.

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





## Notes to the Financial Statements

For the year ended 30 June 2016

### (g) Intangible assets

#### Capitalisation/expensing of assets

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.

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

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life 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.

#### Computer software

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.

### (h) Impairment of assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered 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 (see Note 28 'Impairment of assets').



## Notes to the Financial Statements

For the year ended 30 June 2016

### (i) Non-current assets (or disposal groups) classified as held for sale/distribution to owner

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 Lands (DoL) is the only agency with the power to sell Crown land. The Department transfers the Crown land and any attached buildings to DoL when the land becomes available for sale.

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.

### (j) Leases

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.

Operating leases (as described in Note 3 '*Operating lease commitments*') 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.

### (k) Financial instruments

In addition to cash, the Department has two categories of financial instruments: loans and receivables; and financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

#### Financial Assets

- School bank accounts
- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Term deposits
- Amounts receivable for services

#### Financial Liabilities

- Payables
- Finance lease liabilities
- Other liabilities



## Notes to the Financial Statements

For the year ended 30 June 2016

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

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

### (l) Cash and cash equivalents

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.

### (m) Accrued salaries

Accrued salaries (see Note 29 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

### (n) Amounts receivable for services (holding account)

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 (see Note 16 'Income from State Government' and Note 19 'Amounts receivable for services - holding account').

### (o) Inventories

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

Inventories not held for resale are valued at cost unless they are not required, in which case they are valued at net realisable value (see Note 20 'Inventories').

### (p) Receivables

Receivables are recognised and carried at original invoice amount less any allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days (see Note 2(k) 'Financial Instruments' and Note 21 'Receivables').

### (q) 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 (see Note 2(k) 'Financial Instruments' and Note 29 'Payables').



## Notes to the Financial Statements

For the year ended 30 June 2016

### (r) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period (see Note 31 'Provisions').

#### i. Provisions - employee benefits

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

#### *Annual leave*

The liability for annual leave that is expected to be settled wholly within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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*

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 vacation leave accrued during the current calendar school year (accrued daily) and not yet taken as at 30 June.

#### *Long service leave*

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 a right to defer the settlement of the liability until the employee has completed the requisite criteria (e.g. age or years of service).



## Notes to the Financial Statements

For the year ended 30 June 2016

### *Deferred leave*

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 leave*

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 and is measured at the normal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

### *Superannuation*

The Government Employees Superannuation Board (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 varies according to commencement and implementation dates.

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

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

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for 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 has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits, attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Department to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

### ii. *Provisions - other*

#### *Employment on-costs*

From 1 July 2014 the Department ceased accruing employment on-costs, including workers' compensation insurance. There is no present obligation to pay these costs on annual leave or long service leave.



## Notes to the Financial Statements

For the year ended 30 June 2016

**(s) Superannuation expense**

The superannuation expense is recognised in the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, or other superannuation funds.

**(t) 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.

**(u) Comparative figures**

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

**(v) Amalgamation of accounts**

Financial information from 820 educational sites including 804 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.

**(w) Borrowing costs**

Borrowing costs are expensed when incurred.





## Notes to the Financial Statements

For the year ended 30 June 2016

### NOTE 3. JUDGEMENTS MADE BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES

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

#### 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 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

#### Valuation of building sub-classes (school infrastructure)

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 2015-16 financial statements is \$1.55 billion. This is within the total buildings of \$7.00 billion.

#### 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.

#### Provisions

In the calculations for provisions, several estimates are made. These include future salary rates and discount rates used. The liability for long service leave is measured at the present value of amounts expected to be paid when liabilities are settled. The assessment of future payments is based on estimated retention rates and remuneration levels and discounted using current market yields on national government bonds with maturity dates that match the estimated future cash outflows.



## Notes to the Financial Statements

For the year ended 30 June 2016

### NOTE 5. DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

#### a) Initial application of an Australian Accounting Standard

The Department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2015 that impacted on the Department.

|             |  |
|-------------|--|
| AASB 2013-9 | <i>Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments</i><br>Part C of this Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Department has not yet determined the application or the potential impact of AASB 9.  |
| AASB 2014-8 | <i>Amendments to Australia Accounting Standards arising from AASB 9 (December 2014) - Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 &amp; 2010)]</i><br>Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010) arising from the issuance of AASB 9 Financial Instruments in December 2014. The Department has not yet determined the application or the potential impact of AASB 9. |
| AASB 2015-3 | <i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i><br>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.   |

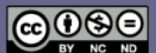
#### b) Future impact of Australian Accounting Standards not yet operative

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

|        |  |
|--------|--|
| AASB 9 | <i>Financial Instruments</i><br>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.<br><br>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 Amendments to Australian Accounting Standards. The Department has not yet determined the application or the potential impact of the Standard. |
|--------|--|

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

1 Jan 2018





## Notes to the Financial Statements

For the year ended 30 June 2016

|             |  | Operative for reporting periods beginning on/after |
|-------------|--|--|
| AASB 15     | <p><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 Department has not yet determined the application or the potential impact of the Standard.</p>   | 1 Jan 2018   |
| 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. The Department has not yet determined the application or the potential impact of the Standard.</p>   | 1 Jan 2019   |
| AASB 1057   | <p><i>Application of Australian Accounting Standards</i></p> <p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.</p>  | 1 Jan 2016   |
| 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 and 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Department has not yet determined the application or the potential impact 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. It has not yet been assessed by the Department to determine the application or potential impact of the Standard.</p>  | 1 Jan 2018   |
| AASB 2014-4 | <p><i>Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 &amp; 138]</i></p> <p>The adoption of the new Standard has no financial impact for the Department as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.</p>   | 1 Jan 2016   |
| AASB 2014-5 | <p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The 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   |



## Notes to the Financial Statements

For the year ended 30 June 2016

|             |   | Operative for reporting periods beginning on/after |
|-------------|---|--|
| AASB 2014-7 | <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i><br>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.   | 1 Jan 2018   |
| AASB 2015-1 | <i>Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 &amp; 140]</i><br>The amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Department has determined the application of the Standard has no financial impact.  | 1 Jan 2016   |
| AASB 2015-2 | <i>Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 &amp; 1049]</i><br>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concern expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact. | 1 Jan 2016   |
| AASB 2015-6 | <i>Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 &amp; 1049]</i><br>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.   | 1 Jul 2016   |
| AASB 2015-8 | <i>Amendments to Australian Accounting Standards - Effective Date of AASB 15</i><br>The Standard amends the mandatory effective date of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Department has not yet determined the application or the potential impact of AASB 15.  | 1 Jan 2017   |
| AASB 2016-2 | <i>Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107</i><br>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.   | 1 Jan 2017   |



## Notes to the Financial Statements

For the year ended 30 June 2016

### Operative for reporting periods beginning on/after

|             |   |            |
|-------------|---|------------|
| AASB 2016-3 | <i>Amendments to Australian Accounting Standards - Clarifications to AASB 15</i><br>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.   | 1 Jan 2018 |
| AASB 2016-4 | <i>Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities AASB 136</i><br>This Standard clarifies that not-for-profit public sector entities carrying non-cash generating specialised assets at fair value (current replacement cost) in accordance with AASB 13 Fair Value Measurement no longer need to consider AASB 136 Impairment of Assets. The Department has not yet determined the application or the potential impact. | 1 Jan 2017 |

### c) Changes in accounting estimates

1. From the commencement of the 2015–16 financial year, valuations for the Department’s buildings only, have been provided by the Western Australian Land Information Authority (Valuation Services). These valuations are supplemented by valuations from the Department’s valuer for building sub-classes (school infrastructure) consisting of roads, footpaths and paved areas; boundary walls, fencing and gates; soft landscaping; and external services, to present the fair value of buildings (including school infrastructure). Consequently, some building costs such as contingencies, headworks, demolition costs, professional and project fees are no longer recognised in the building value. Further information on this is disclosed in Note 24.
2. In 2015–16 the Department changed the useful life of its building class from 50 to 80 years. Further information on depreciation is disclosed in Note 8.





## Notes to the Financial Statements

For the year ended 30 June 2016

### 6. EMPLOYEE BENEFITS EXPENSE

|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| Salaries and allowances <sup>(a)</sup>        | 3 093 210         | 2 914 195         |
| Superannuation <sup>(b)</sup>                 | 307 886           | 283 956           |
| Other employee-related expense <sup>(c)</sup> | 68 768            | 84 804            |
| <b>Total employee benefits expense</b>        | <b>3 469 864</b>  | <b>3 282 955</b>  |

(a) Includes:

- (i) the value of leave entitlements movement; and
- (ii) Voluntary severance expenditure: \$0 2015-16 and \$19.54 million 2014-15.

(b) Defined contribution plans include West State, Gold State, GESB Super Scheme 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 7 'Supplies and Services'

Employment on-costs liability is included at Note 31 'Provisions'.

### 7. SUPPLIES AND SERVICES

|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| Communication services                      | 26 581            | 25 235            |
| Consumables                                 | 2 161             | 2 075             |
| Consumables - utilities                     | 66 722            | 70 810            |
| Equipment purchases (\$4999 and below)      | 30 103            | 18 664            |
| Insurance                                   | 76 935            | 66 913            |
| Minor works                                 | 104 199           | 66 356            |
| Repairs and maintenance                     | 109 920           | 101 030           |
| Service and contracts                       | 143 665           | 115 172           |
| Service and contracts - property            | 34 956            | 36 785            |
| Staff-related expense                       | 5 074             | 4 892             |
| Travel                                      | 5 897             | 5 357             |
| Other - schools                             | 348 669           | 287 674           |
| Other                                       | 5 939             | 2 359             |
| <b>Total supplies and services expenses</b> | <b>960 821</b>    | <b>803 322</b>    |

**Notes to the Financial Statements**

For the year ended 30 June 2016

**8. DEPRECIATION AND AMORTISATION EXPENSE**

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <u>Depreciation</u>                        |                   |                   |
| Buildings                                  | 149 414           | 222 032           |
| Plant and equipment                        | 6 171             | 7 021             |
| Motor vehicles                             | 584               | 599               |
| Buses                                      | 1 901             | 1 736             |
| Computers                                  | 2 615             | 2 784             |
| Communication equipment                    | 699               | 898               |
| Office equipment                           | 3 454             | 3 439             |
| Library collections                        | 8 775             | 9 184             |
| Miscellaneous assets                       | 614               | 601               |
| Leased plant and equipment                 | 14                | 21                |
| Leased office equipment                    | 14 232            | 14 474            |
| Leased motor vehicles                      | 241               | 173               |
| Leased buses                               | -                 | 80                |
| <b>Total depreciation</b>                  | <b>188 714</b>    | <b>263 042</b>    |
| <u>Amortisation</u>                        |                   |                   |
| Intangible assets                          | 935               | 3 573             |
| <b>Total amortisation</b>                  | <b>935</b>        | <b>3 573</b>      |
| <b>Total depreciation and amortisation</b> | <b>189 649</b>    | <b>266 615</b>    |



## Notes to the Financial Statements

For the year ended 30 June 2016

### 9. GRANTS AND SUBSIDIES

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <u>Recurrent</u>                               |                   |                   |
| Parents from Government schools                | 1 189             | 1 128             |
| Non-government schools and other organisations | 37 568            | 57 352            |
| <b>Total grants and subsidies</b>              | <b>38 757</b>     | <b>58 480</b>     |

### 10. FINANCE COSTS

|                                     | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|-------------------------------------|-------------------|-------------------|
| Finance lease charges               | 887               | 1 048             |
| <b>Total finance costs expended</b> | <b>887</b>        | <b>1 048</b>      |

### 11. OTHER EXPENSES

|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| Loss on disposal of non-current assets <sup>(a)</sup> | 6 703             | 22 747            |
| Loss from fires <sup>(b)</sup>                        | 290               | 2 902             |
| Refund of prior period revenue                        | 127               | 4 457             |
| Other expenses  | 1 702             | 1 714             |
| <b>Total other expenses</b>                           | <b>8 822</b>      | <b>31 820</b>     |

(a) Please refer to Note 12 'Loss on Disposal of Non-Current Assets' for detailed breakdown.

(b) Loss from fires in 2014-15 of \$2.9 million has been reclassified from Loss on Disposal of Non-current Assets to Other Expenses.



**Notes to the Financial Statements**

For the year ended 30 June 2016

**12. NET LOSS ON DISPOSAL OF NON-CURRENT ASSETS**

|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| <u>Costs of Disposal of Non-Current Assets</u>      |                   |                   |
| Buildings <sup>(b)</sup>                            | 1 162             | 18 604            |
| Plant and equipment                                 | 2 689             | 1 934             |
| Motor vehicles                                      | 146               | 114               |
| Buses   | 138               | 171               |
| Computers   | 805               | 445               |
| Communication equipment                             | 777               | 283               |
| Office equipment                                    | 737               | 783               |
| Library collections                                 | 176               | 164               |
| Intangible assets                                   | -                 | 12                |
| Miscellaneous assets                                | 298               | 568               |
|   | <b>6 928</b>      | <b>23 078</b>     |
| <u>Proceeds from Disposal of Non-Current Assets</u> |                   |                   |
| Plant and equipment                                 | 128               | 45                |
| Motor Vehicles                                      | 6                 | 53                |
| Buses   | 5                 | 65                |
| Computers   | 31                | 3                 |
| Communication equipment                             | 9                 | -                 |
| Office equipment                                    | 26                | 83                |
| Library collections                                 | 6                 | -                 |
| Miscellaneous assets                                | 14                | 82                |
|   | <b>225</b>        | <b>331</b>        |
| <b>Net loss<sup>(a)</sup></b>                       | <b>6 703</b>      | <b>22 747</b>     |

(a) Loss from fires in 2014-15 of \$2.9 million has been reclassified from Loss on Disposal of Non-current Assets to Other Expenses.

(b) Refer to Note 11 'Other Expenses'.

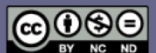


Notes to the Financial Statements

For the year ended 30 June 2016

13. USER CONTRIBUTIONS, CHARGES AND FEES

|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| <u>Schools</u>                                    |                   |                   |
| Contributions, charges and fees                   | 102 338           | 102 057           |
|   | <b>102 338</b>    | <b>102 057</b>    |
| <u>Central Office</u>                             |                   |                   |
| Agricultural schools fees                         | 3 986             | 3 838             |
| Other charges and fees                            | 4 597             | 4 268             |
|   | <b>8 583</b>      | <b>8 106</b>      |
| <b>Total user contributions, charges and fees</b> | <b>110 921</b>    | <b>110 163</b>    |



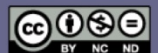


### Notes to the Financial Statements

For the year ended 30 June 2016

#### 14. OTHER REVENUE

|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| <u>Schools</u>                              |                   |                   |
| Bookshops and canteens                      | 5 425             | 6 082             |
| Donations to schools                        | 18 220            | 17 714            |
| Hire of facilities                          | 7 166             | 6 670             |
| Other revenue                               | 20 265            | 18 777            |
| <b>Total other revenue - Schools</b>        | <b>51 076</b>     | <b>49 243</b>     |
| <u>Central office</u>                       |                   |                   |
| <u>Capital contributions and recoveries</u> |                   |                   |
| Developer contributions                     | 7 868             | 9 656             |
| Other revenue - Insurance recoveries        | 18                | 12 505            |
|   | <b>7 886</b>      | <b>22 161</b>     |
| <u>Other</u>                                |                   |                   |
| Recoveries and refunds                      | 9 479             | 8 599             |
| Sale of goods and services                  | 13 760            | 14 492            |
| Other miscellaneous revenue                 | 4 728             | 2 878             |
|   | <b>27 967</b>     | <b>25 969</b>     |
| <b>Total other revenue - Central office</b> | <b>35 853</b>     | <b>48 130</b>     |
| <b>Total other revenue</b>                  | <b>86 929</b>     | <b>97 373</b>     |





## Notes to the Financial Statements

For the year ended 30 June 2016

### 15. AUSTRALIAN GOVERNMENT GRANTS AND CONTRIBUTIONS

|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| <u>Central Office</u>                                       |                   |                   |
| Australian Government grants - recurrent                    | 631 473           | 537 630           |
| Australian Government grants - capital                      | 12 598            | 46 523            |
|   | <b>644 071</b>    | <b>584 153</b>    |
| <u>Schools</u>  |                   |                   |
| Australian Government grants - recurrent                    | 2 507             | 2 980             |
|   | <b>2 507</b>      | <b>2 980</b>      |
| <b>Total Australian Government grants and contributions</b> | <b>646 578</b>    | <b>587 133</b>    |

#### 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 2016 total \$27.08 million (\$20.24 million at 30 June 2015) comprising the following:

#### Recurrent

|                                     |               |              |
|-------------------------------------|---------------|--------------|
| - COAG National Partnership Program | 9 106         | 3 829        |
| - Indigenous Advance Strategy       | 457           | 636          |
| - Special Project Grants            | 1 064         | 1 731        |
| - Indian Ocean Territories          | 645           | 1 185        |
|                                     | <b>11 272</b> | <b>7 381</b> |

#### Capital

|  |               |               |
|--|---------------|---------------|
| - Trade Training Centres in Schools                                | 4 014         | 9 197         |
| - Local Schools Working Together & Early Learning and Care Centres | -             | (42)          |
| - Universal Access   | 11 790        | 3 706         |
|  | <b>15 804</b> | <b>12 861</b> |
| <b>Total undischarged grants</b>                                   | <b>27 076</b> | <b>20 242</b> |



## Notes to the Financial Statements

For the year ended 30 June 2016

## 16. INCOME FROM STATE GOVERNMENT

|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| <u>Appropriation received during the period:</u>  |                   |                   |
| Service appropriation <sup>(a)</sup>  | 3 861 288         | 3 664 887         |
|   | <b>3 861 288</b>  | <b>3 664 887</b>  |
| <u>Grants and subsidies received during the period:<sup>(b)</sup></u>                           |                   |                   |
| State grants - recurrent  | 6 921             | 4 905             |
|   | <b>6 921</b>      | <b>4 905</b>      |
| <u>Services received free of charge from other State government agencies during the period:</u> |                   |                   |
| Department of Finance   | 576               | 1 142             |
| Landgate  | 216               | 295               |
| Department of Local of Government and Communities   | 57                | -                 |
| Department of Finance – Building Management and Works   | 18 465            | 18 561            |
| Department of the Attorney General - State Solicitor's Office                                   | 401               | 405               |
| Department of Culture and the Arts  | 2                 | 1                 |
| Department of Health  | 10 711            | -                 |
|   | <b>30 428</b>     | <b>20 404</b>     |
| <u>Royalties for Regions Fund:</u>  |                   |                   |
| Regional infrastructure and headworks account <sup>(c)</sup>                                    | 9 265             | 6 616             |
|   | <b>9 265</b>      | <b>6 616</b>      |
|   | <b>3 907 902</b>  | <b>3 696 812</b>  |

- (a) Service appropriations fund the net costs of services delivered. Appropriations revenue comprise a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (b) 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) 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.



### Notes to the Financial Statements

For the year ended 30 June 2016

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
|--|-------------------|-------------------|

#### Undischarged Royalties for Regions funds

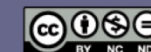
The Department of Education receives Royalties for Regions funds on the condition that the money shall be expended in a particular manner. Funds which are yet to be fully spent as at the end of the reporting period do not constitute a liability. Royalties for Regions funds yet to be fully spent at 30 June 2016 total \$12.266 million (-\$5.796 million at 30 June 2015) comprise the following:

##### Recurrent

|                         |            |            |
|-------------------------|------------|------------|
| Clontarf Colleges       | -          | (14)       |
| Boarding Away From Home | 272        | 14         |
| Pilbara Cities          | 383        | 820        |
|                         | <b>655</b> | <b>820</b> |

##### Capital

|  |               |                |
|--|---------------|----------------|
| Kalgoorlie-Boulder Community High School - Redevelopment | 7 464         | (4 635)        |
| Cunderin Agriculture College                             | -             | 1 700          |
| Regional Schools Plans                                   | 4 147         | (3 681)        |
|  | <b>11 611</b> | <b>(6 616)</b> |
|  | <b>12 266</b> | <b>(5 796)</b> |





## Notes to the Financial Statements

For the year ended 30 June 2016

### 17. CASH AND CASH EQUIVALENTS

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <u>Schools</u>                             |                   |                   |
| Bank accounts                              | 399 568           | 377 845           |
| Cash on hand                               | 227               | 233               |
|  | <b>399 795</b>    | <b>378 078</b>    |
| <u>Central Office</u>                      |                   |                   |
| Operating bank account                     | 220 219           | 263 439           |
| Cash held in regional office bank accounts | 19                | 23                |
| Cash on hand and advances                  | 166               | 181               |
|  | <b>220 404</b>    | <b>263 643</b>    |
| <b>Total cash and cash equivalents</b>     | <b>620 199</b>    | <b>641 721</b>    |

### 18. RESTRICTED CASH AND CASH EQUIVALENTS

|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| <u>Current</u>  |                   |                   |
| Accrued salaries suspense account (27th pay) <sup>(a)</sup> | -                 | 120 189           |
| Grants accounts <sup>(b)</sup>                              | 70 450            | 72 859            |
| Paid Parental leave <sup>(c)</sup>                          | -                 | 282               |
| Royalties for Regions Fund                                  | 12 266            | (5 796)           |
| <b>Total Restricted Cash and Cash Equivalents</b>           | <b>82 716</b>     | <b>187 534</b>    |

(a) Funds held in the suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years. The next 27th pay period is in 2026-27.

(b) Unspent cash balances relating to Australian Government grants, state and other capital funding, which can only be used for the purpose stipulated by the grant or funding arrangement.

(c) Unspent cash balances relating to Australian Government Paid Parental Leave Scheme, which can only be used for the purpose stipulated by the grant or funding arrangement.



## Notes to the Financial Statements

For the year ended 30 June 2016

### 19. AMOUNTS RECEIVABLE FOR SERVICES (HOLDING ACCOUNT)

|             | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|-------------|-------------------|-------------------|
| Current     | 45 285            | 21 736            |
| Non-current | 2 321 230         | 2 126 241         |
|             | <b>2 366 515</b>  | <b>2 147 977</b>  |

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.

### 20. INVENTORIES

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <u>Current</u>   |                   |                   |
| Inventories held for resale:                                 |                   |                   |
| School canteens, publications and bookshops stocks (at cost) | 2 508             | 2 484             |
| Livestock and farm produce (at cost)                         | 3 630             | 3 241             |
|  | <b>6 138</b>      | <b>5 725</b>      |





## Notes to the Financial Statements

For the year ended 30 June 2016

### 21. RECEIVABLES

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <u>Current</u>   |                   |                   |
| Receivables  | 25 722            | 24 622            |
| Allowance for impairment of receivables  | (937)             | (2 286)           |
| GST receivable   | 18 208            | 15 354            |
|  | <b>42 993</b>     | <b>37 690</b>     |
| <br>   |                   |                   |
| <u>Reconciliation of changes in the allowance for impairment of receivables:</u> |                   |                   |
| Balance at start of period   | 2 286             | 2 362             |
| Doubtful debts expense written off during the period                             | 1 702             | 1 707             |
| Receivables written off during the period as uncollectable                       | (3 051)           | (1 783)           |
| Balance at end of period   | <b>937</b>        | <b>2 286</b>      |

The Department does not hold any collateral or other credit enhancements as security for receivables.

### 22. OTHER CURRENT ASSETS

|                | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|----------------|-------------------|-------------------|
| <u>Current</u> |                   |                   |
| Prepayments    | 8 265             | 17 215            |
|                | <b>8 265</b>      | <b>17 215</b>     |



## Notes to the Financial Statements

For the year ended 30 June 2016

## 23. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR DISTRIBUTION TO OWNER

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <u>Opening balance</u>                                     |                   |                   |
| Land and buildings   | 769               | 769               |
| Less write-down from cost to fair value less selling costs | -                 | -                 |
|  | <b>769</b>        | <b>769</b>        |
| <u>Add: Assets reclassified as held for distribution</u>   |                   |                   |
| Land and buildings <sup>(a)</sup>                          | 522               | 31 676            |
| Less write-down from cost to fair value less selling costs | -                 | -                 |
|  | <b>522</b>        | <b>31 676</b>     |
| <u>Total assets classified as held for distribution</u>    |                   |                   |
| Land and buildings   | 1 291             | 32 445            |
| Less write-down from cost to fair value less selling costs | -                 | -                 |
|  | <b>1 291</b>      | <b>32 445</b>     |
| <u>Less: Assets distributed to owner</u>                   |                   |                   |
| Land and buildings <sup>(b)</sup>                          | 522               | (17 783)          |
| Less write-down from cost to fair value less selling costs | -                 | -                 |
|  | <b>522</b>        | <b>(17 783)</b>   |
| <u>Less: Assets reclassified as non-current assets</u>     |                   |                   |
| Land and buildings   | -                 | (13 893)          |
| Less write-down from cost to fair value less selling costs | -                 | -                 |
|  | -                 | <b>(13 893)</b>   |
| <u>Closing balance</u>                                     |                   |                   |
| Land and buildings   | 769               | 769               |
| Less write-down from cost to fair value less selling costs | -                 | -                 |
|  | <b>769</b>        | <b>769</b>        |

- (a) In 2015-16 the following listed land and buildings, surplus to the Department's requirements, and with a fair value of \$0.52 million was transferred to land and buildings held for distribution to owner:  
Ballajura Community College \$0.52 million.
- (b) In 2015-16 the following listed land and buildings, surplus to the Department's requirements, and with a fair value of \$0.52 million were distributed to owner:  
Ballajura Community College \$0.52 million.



## Notes to the Financial Statements

For the year ended 30 June 2016

### 24. PROPERTY, PLANT AND EQUIPMENT

|                                   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|-----------------------------------|-------------------|-------------------|
| <u>Land</u>                       |                   |                   |
| At fair value <sup>(a)</sup>      | 4 201 495         | 3 999 036         |
|                                   | <b>4 201 495</b>  | <b>3 999 036</b>  |
| <u>Buildings</u>                  |                   |                   |
| At fair value <sup>(a)(b)</sup>   | 7 159 869         | 9 757 642         |
| Accumulated depreciation          | (169 902)         | (229 687)         |
|                                   | <b>6 989 967</b>  | <b>9 527 955</b>  |
| <u>Plant and equipment</u>        |                   |                   |
| At cost - Central office          | 156               | 137               |
| At cost - schools                 | 72 049            | 73 134            |
| Accumulated depreciation          | (53 577)          | (49 266)          |
|                                   | <b>18 628</b>     | <b>24 005</b>     |
| <u>Leased plant and equipment</u> |                   |                   |
| At capitalised cost               | 69                | 70                |
| Accumulated depreciation          | (55)              | (42)              |
|                                   | <b>14</b>         | <b>28</b>         |
| <u>Motor vehicles</u>             |                   |                   |
| At cost - schools                 | 5 319             | 5 672             |
| Accumulated depreciation          | (4 178)           | (3 918)           |
|                                   | <b>1 141</b>      | <b>1 754</b>      |
| <u>Leased motor vehicles</u>      |                   |                   |
| At capitalised cost               | 604               | 734               |
| Accumulated depreciation          | (320)             | (252)             |
|                                   | <b>284</b>        | <b>482</b>        |

(a) Land and buildings were revalued as at 1 July 2015. Information on fair value measurements is provided in Note 2 'Summary of significant accounting policies' and Note 26 'Fair value measurement'. For 2014-15 costs relating to contingencies, headworks, demolitions costs, professional and project fees were included in the building and building sub-class to determine fair value. However, these have been excluded from 2015-16, as they are inherent in the Valuation Services building valuations.

(b) As reported in Note 4, buildings include \$1.55 billion of school Infrastructure.



## Notes to the Financial Statements

For the year ended 30 June 2016

|                                | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--------------------------------|-------------------|-------------------|
| <u>Buses</u>                   |                   |                   |
| At cost - schools              | 19 664            | 17 749            |
| Accumulated depreciation       | (12 516)          | (10 942)          |
|                                | <b>7 148</b>      | <b>6 807</b>      |
| <u>Leased Buses</u>            |                   |                   |
| At capitalised cost            | 584               | 584               |
| Accumulated depreciation       | (396)             | (397)             |
|                                | <b>188</b>        | <b>187</b>        |
| <u>Computers</u>               |                   |                   |
| At cost - Central office       | 4 693             | 3 883             |
| At cost - schools              | 17 688            | 17 695            |
| Accumulated depreciation       | (17 282)          | (16 446)          |
|                                | <b>5 099</b>      | <b>5 132</b>      |
| <u>Communication equipment</u> |                   |                   |
| At cost - Central office       | 439               | 610               |
| At cost - schools              | 6 250             | 6 722             |
| Accumulated depreciation       | (5 733)           | (5 789)           |
|                                | <b>956</b>        | <b>1 543</b>      |
| <u>Office equipment</u>        |                   |                   |
| At cost - Central office       | 979               | 1 015             |
| At cost - schools              | 21 708            | 22 296            |
| Accumulated depreciation       | (14 206)          | (14 344)          |
|                                | <b>8 481</b>      | <b>8 967</b>      |
| <u>Leased office equipment</u> |                   |                   |
| At capitalised cost            | 53 556            | 53 691            |
| Accumulated depreciation       | (28 476)          | (26 503)          |
|                                | <b>25 080</b>     | <b>27 188</b>     |

**Notes to the Financial Statements**

For the year ended 30 June 2016

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <u>Library collections</u>                                   |                   |                   |
| At cost - Central office                                     | 71                | 61                |
| At cost - schools  | 81 291            | 72 691            |
| Accumulated depreciation                                     | (44 815)          | (36 182)          |
|  | <b>36 547</b>     | <b>36 570</b>     |
| <br><u>Miscellaneous assets</u>                              |                   |                   |
| At cost - Central office                                     | 759               | 701               |
| At cost - schools  | 8 362             | 8 243             |
| Accumulated depreciation                                     | (4 915)           | (4 378)           |
|  | <b>4 206</b>      | <b>4 566</b>      |
| <br><u>Capital works in progress (at cost)</u>               |                   |                   |
| New Primary Schools  | 1 463             | 27 414            |
| New Secondary Schools  | 57 170            | 37 681            |
| Building the Education Revolution                            | 2 257             | 3 520             |
| Additions and Improvements to High Schools                   | 98 812            | 131 774           |
| Additions and Improvements to District High Schools          | 1 580             | 8 615             |
| Additions and Improvements to Primary Schools                | 26 016            | 19 095            |
| Additions and Improvements to Ed Support Centres             | 1 032             | 2 168             |
| Indigenous Child and Family Centres/Child and Parent Centres | 26                | 6 775             |
|  | <b>188 356</b>    | <b>237 042</b>    |
| <b>Total property, plant and equipment</b>                   | <b>11 487 590</b> | <b>13 881 262</b> |



### Notes to the Financial Statements

For the year ended 30 June 2016

The Department, as lessor, derives operating lease income from the following assets:

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <u>Land</u>                                |                   |                   |
| At fair value                              | 32 797            | 34 985            |
|  | <b>32 797</b>     | <b>34 985</b>     |
| <u>Buildings</u>                           |                   |                   |
| At fair value                              | 27 699            | 27 424            |
|  | <b>27 699</b>     | <b>27 424</b>     |
| <b>Total property, plant and equipment</b> | <b>60 496</b>     | <b>62 409</b>     |





## Notes to the Financial Statements

For the year ended 30 June 2016

## 25. RECONCILIATION OF PROPERTY PLANT AND EQUIPMENT

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

|                            | Carrying amount at start of the period | Additions      | Disposals      | Transferred to land & buildings held for distribution to owner <sup>(a)</sup> | Transferred from land & buildings held for distribution to owner | Transferred to/from works in progress | Revaluation        | Impairment losses <sup>(b)</sup> | Depreciation     | Transfers/ Adjustments/ Write-offs | Carrying amount at the end of the period |
|----------------------------|--|----------------|----------------|---|--|---------------------------------------|--------------------|----------------------------------|------------------|------------------------------------|--|
|                            | \$'000                                 | \$'000         | \$'000         | \$'000  | \$'000   | \$'000                                | \$'000             | \$'000                           | \$'000           | \$'000                             | \$'000                                   |
| <b>2015-16</b>             |  |                |                |   |  |                                       |                    |                                  |                  |                                    |  |
| Land                       | 3 999 036                              | -              | -              | (522)   | -  | 17 755                                | 185 226            | -                                | -                | -                                  | 4 201 495                                |
| Buildings                  | 9 527 955                              | 41 774         | (1 162)        | -   | -  | 271 069                               | (2 699 934)        | -                                | (149 414)        | (321)                              | 6 989 967                                |
| Plant and equipment        | 24 005                                 | 3 357          | (2 689)        | -   | -  | -                                     | -                  | -                                | (6 171)          | 126                                | 18 628                                   |
| Leased plant and equipment | 28                                     | -              | -              | -   | -  | -                                     | -                  | -                                | (14)             | -                                  | 14                                       |
| Motor vehicles             | 1 754                                  | 112            | (146)          | -   | -  | -                                     | -                  | -                                | (584)            | 5                                  | 1 141                                    |
| Leased motor vehicles      | 482                                    | 43             | -              | -   | -  | -                                     | -                  | -                                | (241)            | -                                  | 284                                      |
| Buses                      | 6 807                                  | 2 308          | (138)          | -   | -  | -                                     | -                  | -                                | (1 901)          | 72                                 | 7 148                                    |
| Leased buses               | 187                                    | -              | -              | -   | -  | -                                     | -                  | -                                | -                | 1                                  | 188                                      |
| Computers                  | 5 132                                  | 4 123          | (805)          | -   | -  | -                                     | -                  | -                                | (2 615)          | (736)                              | 5 099                                    |
| Communication equipment    | 1 543                                  | 334            | (777)          | -   | -  | -                                     | -                  | -                                | (699)            | 555                                | 956                                      |
| Office equipment           | 8 967                                  | 3 669          | (737)          | -   | -  | -                                     | -                  | -                                | (3 454)          | 36                                 | 8 481                                    |
| Leased office equipment    | 27 188                                 | 12 122         | -              | -   | -  | -                                     | -                  | -                                | (14 232)         | 2                                  | 25 080                                   |
| Library collections        | 36 570                                 | 8 918          | (176)          | -   | -  | -                                     | -                  | -                                | (8 775)          | 10                                 | 36 547                                   |
| Miscellaneous assets       | 4 566                                  | 554            | (298)          | -   | -  | -                                     | -                  | -                                | (614)            | (2)                                | 4 206                                    |
| Capital works in progress  | 237 042                                | 240 106        | -              | -   | -  | (288 824)                             | -                  | -                                | -                | 32                                 | 188 356                                  |
| <b>Total</b>               | <b>13 881 262</b>                      | <b>317 420</b> | <b>(6 928)</b> | <b>(522)</b>  | <b>-</b>   | <b>-</b>                              | <b>(2 514 708)</b> | <b>-</b>                         | <b>(188 714)</b> | <b>(220)</b>                       | <b>11 487 590</b>                        |

The carrying amount of land at the end of year in this note is after land classified as non-current assets held for sale and related impairment losses have been transferred out.

(a) The Department of Land (DoL) is the only agency with the power to sell Crown Land. The land is transferred to DoL 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 26 'Fair value measurement'.



## Notes to the Financial Statements

For the year ended 30 June 2016

|                            | Carrying amount at start of the period | Additions      | Disposals       | Transferred to land & buildings held for distribution to owner <sup>(a)</sup> | Transferred from land & buildings held for distribution to owner | Transferred to/from works in progress | Revaluation    | Impairment losses <sup>(b)</sup> | Depreciation     | Transfers/ Adjustments/ Write-offs | Carrying amount at the end of the period |
|----------------------------|--|----------------|-----------------|---|--|---------------------------------------|----------------|----------------------------------|------------------|------------------------------------|--|
|                            | \$'000                                 | \$'000         | \$'000          | \$'000  | \$'000   | \$'000                                | \$'000         | \$'000                           | \$'000           | \$'000                             | \$'000                                   |
| <b>2014-15</b>             |  |                |                 |   |  |                                       |                |                                  |                  |                                    |  |
| Land                       | 3 427 478                              | -              | -               | (13 117)  | -  | 30 449                                | 554 225        | -                                | -                | 1                                  | 3 999 036                                |
| Buildings                  | 9 036 615                              | 22 329         | (18 604)        | (18 559)  | 13 893   | 506 218                               | 210 997        | -                                | (222 032)        | (2 902)                            | 9 527 955                                |
| Plant and equipment        | 28 153                                 | 4 546          | (1 934)         | -   | -  | -                                     | -              | -                                | (7 021)          | 261                                | 24 005                                   |
| Leased plant and equipment | 37                                     | 12             | -               | -   | -  | -                                     | -              | -                                | (21)             | -                                  | 28                                       |
| Motor vehicles             | 1 833                                  | 609            | (114)           | -   | -  | -                                     | -              | -                                | (599)            | 25                                 | 1 754                                    |
| Leased motor vehicles      | 380                                    | 235            | -               | -   | -  | -                                     | -              | -                                | (173)            | 40                                 | 482                                      |
| Buses                      | 8 135                                  | 511            | (171)           | -   | -  | -                                     | -              | -                                | (1 736)          | 68                                 | 6 807                                    |
| Leased buses               | 307                                    | -              | -               | -   | -  | -                                     | -              | -                                | (80)             | (40)                               | 187                                      |
| Computers                  | 5 106                                  | 3 161          | (445)           | -   | -  | -                                     | -              | -                                | (2 784)          | 94                                 | 5 132                                    |
| Communication equipment    | 2 168                                  | 525            | (283)           | -   | -  | -                                     | -              | -                                | (898)            | 31                                 | 1 543                                    |
| Office equipment           | 9 598                                  | 3 486          | (783)           | -   | -  | -                                     | -              | -                                | (3 439)          | 105                                | 8 967                                    |
| Leased office equipment    | 27 472                                 | 14 190         | -               | -   | -  | -                                     | -              | -                                | (14 474)         | -                                  | 27 188                                   |
| Library collections        | 36 772                                 | 9 147          | (164)           | -   | -  | -                                     | -              | -                                | (9 184)          | (1)                                | 36 570                                   |
| Miscellaneous assets       | 4 258                                  | 1 079          | (568)           | -   | -  | -                                     | -              | -                                | (601)            | 398                                | 4 566                                    |
| Capital works in progress  | 385 898                                | 387 811        | -               | -   | -  | (536 667)                             | -              | -                                | -                | -                                  | 237 042                                  |
| <b>Total</b>               | <b>12 974 210</b>                      | <b>447 641</b> | <b>(23 066)</b> | <b>(31 676)</b>   | <b>13 893</b>  | <b>-</b>                              | <b>765 222</b> | <b>-</b>                         | <b>(263 042)</b> | <b>(1 920)</b>                     | <b>13 881 262</b>                        |

The carrying amount of land at the end of year in this note is after land classified as non-current assets held for sale and related impairment losses have been transferred out.

(a) The Department of Land (DoL) is the only agency with the power to sell Crown Land. The land is transferred to DoL 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 26 'Fair value measurement'.



**Notes to the Financial Statements**

For the year ended 30 June 2016

**26. FAIR VALUE MEASUREMENTS****Assets measured at fair value****2015-16**

Non-current assets classified as held for distribution to owner (Note 23)

Land (Note 24)

Buildings (Note 24)\*

|  | Level 1 | Level 2 | Level 3           | Fair value at end of period |
|--|---------|---------|-------------------|-----------------------------|
|  | \$'000  | \$'000  | \$'000            | \$'000                      |
|  | -       | -       | 769               | 769                         |
|  | -       | -       | 4 201 495         | 4 201 495                   |
|  | -       | -       | 6 989 967         | 6 989 967                   |
|  | -       | -       | <b>11 192 231</b> | <b>11 192 231</b>           |

**Assets measured at fair value****2014-15**

Non-current assets classified as held for distribution to owner (Note 23)

Land (Note 24)

Buildings (Note 24)

|  | Level 1 | Level 2 | Level 3           | Fair value at end of period |
|--|---------|---------|-------------------|-----------------------------|
|  | \$'000  | \$'000  | \$'000            | \$'000                      |
|  | -       | -       | 769               | 769                         |
|  | -       | -       | 3 999 036         | 3 999 036                   |
|  | -       | -       | 9 527 955         | 9 527 955                   |
|  | -       | -       | <b>13 527 760</b> | <b>13 527 760</b>           |

\* Included within buildings is school infrastructure totalling \$1.55 billion. There were no transfers between Levels 1, 2 or 3 during the period.

**Fair value measurements using significant unobservable inputs (Level 3)****2015-16**

Fair Value at start of period

Additions

Transfer from Work in Progress

Revaluation increments recognised in Profit and Loss

Revaluation increments recognised in Other Comprehensive Income

Transfers to/from held for distribution (within level 3)

Disposals

Depreciation expense

Adjustments

Fair Value at end of period

Net loss on disposal of non-current assets under "costs of disposal of non-current assets" in Note 12

|  | Land<br>\$'000   | Buildings<br>\$'000 |
|--|------------------|---------------------|
|  | 3 999 036        | 9 527 955           |
|  | -                | 41 774              |
|  | 17 755           | 271 069             |
|  | -                | -                   |
|  | 185 226          | (2 699 934)         |
|  | (522)            | -                   |
|  | -                | (1 162)             |
|  | -                | (149 414)           |
|  | -                | (321)               |
|  | <b>4 201 495</b> | <b>6 989 967</b>    |
|  | -                | 1 162               |



## Notes to the Financial Statements

For the year ended 30 June 2016

### 2014–15

Fair Value at start of period

Additions

Transfer from Work in Progress

Revaluation increments recognised in Other Comprehensive Income

Transfers to/from held for distribution (within level 3)

Disposals

Depreciation expense

Fair Value at end of period

Net loss on disposal of non-current assets under "costs of disposal of non-current assets" in Note 12

|   | Land<br>\$'000   | Buildings<br>\$'000 |
|---|------------------|---------------------|
| Fair Value at start of period   | 3 427 478        | 9 036 615           |
| Additions   | -                | 22 329              |
| Transfer from Work in Progress  | 30 449           | 506 218             |
| Revaluation increments recognised in Other Comprehensive Income                                       | 554 225          | 210 997             |
| Transfers to/from held for distribution (within level 3)  | (13 116)         | (4 666)             |
| Disposals   | -                | (21 506)            |
| Depreciation expense  | -                | (222 032)           |
| Fair Value at end of period   | <b>3 999 036</b> | <b>9 527 955</b>    |
| Net loss on disposal of non-current assets under "costs of disposal of non-current assets" in Note 12 | -                | (18 604)            |

### Valuation processes

Commencing from 2015–16, the Department has adopted the school building valuations from Western Australian Land information Authority (Valuation Services). This is described in Note 2 'Summary of significant accounting policies'. In addition, commencing 2015–16, the Department has reassessed the useful life of school buildings from 50 to 80 years.

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 market value, by either using market evidence of sales of comparable land that is unrestricted, less restoration costs to return the site to a vacant and marketable condition (low restricted use land), or , comparison with market evidence for land with low level utility (high restricted land use).

### 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.



## Notes to the Financial Statements

For the year ended 30 June 2016

### Percentage rate of add-on cost - buildings and building sub-classes

For 2015-16 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.

For 2014-15 these costs – contingencies, headworks, demolitions costs, professional and project fees – were included to the building and building sub-class valuations to determine fair value.

### Average installation costs - transportables

The cost of transportation and connection of services determined by the Quantity Surveyor.

## 27. INTANGIBLE ASSETS

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <u>Computer Software</u>                           |                   |                   |
| At cost - Central office                           | 8 030             | 7 798             |
| At cost - schools                                  | 23                | 22                |
| Accumulated amortisation                           | (7 565)           | (7 015)           |
| Work in progress - Intangible internally generated | 1 629             | 699               |
|  | <b>2 117</b>      | <b>1 504</b>      |
| <u>Reconciliations:</u>                            |                   |                   |
| Carrying amount at start of period                 | 1 504             | 4 323             |
| Additions  | 617               | 55                |
| Amortisation expense                               | (935)             | (3 573)           |
|  | <b>1 186</b>      | <b>805</b>        |
| Work in progress - Intangible internally generated | 932               | 699               |
| Carrying amount at end of period                   | <b>2 118</b>      | <b>1 504</b>      |

## 28. IMPAIRMENT OF ASSETS

There were no indicators of impairment to property, plant and equipment or intangible assets at 30 June 2016.

**Notes to the Financial Statements**

For the year ended 30 June 2016

**29. PAYABLES**

|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| <u>Current</u>                            |                   |                   |
| Trade and other payables - Central office | 66 783            | 32 037            |
| Trade and other payables - schools        | 13 521            | 9 292             |
| Accrued expenses                          | 48 022            | 41 612            |
| Accrued salaries                          | 1 705             | 102 889           |
|   | <b>130 031</b>    | <b>185 830</b>    |

**30. BORROWINGS**

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <u>Current</u>                                     |                   |                   |
| Finance lease liabilities (secured) <sup>(a)</sup> | 14 586            | 14 139            |
| <b>Total current</b>                               | <b>14 586</b>     | <b>14 139</b>     |
| <u>Non-current</u>                                 |                   |                   |
| Finance lease liabilities (secured) <sup>(a)</sup> | 15 058            | 17 521            |
| <b>Total non-current</b>                           | <b>15 058</b>     | <b>17 521</b>     |
| <b>Total borrowings</b>                            | <b>29 644</b>     | <b>31 660</b>     |

(a) Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default

Assets pledged as security

The carrying amounts of non-current assets pledged as security are:

|                            |               |               |
|----------------------------|---------------|---------------|
| Leased plant and equipment | 14            | 28            |
| Leased office equipment    | 25 080        | 27 188        |
| Leased motor vehicles      | 284           | 482           |
| Leased buses               | 188           | 187           |
|                            | <b>25 566</b> | <b>27 885</b> |



## Notes to the Financial Statements

For the year ended 30 June 2016

### 31. PROVISIONS

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <u>Current</u>   |                   |                   |
| <i>Employee benefits provision</i>   |                   |                   |
| Annual leave <sup>(a)</sup>  | 26 941            | 30 058            |
| Entitlement to payment during student vacation <sup>(b)</sup>  | 218 169           | 194 213           |
| Long service leave <sup>(c)</sup>  | 343 153           | 383 778           |
| Deferred salary scheme <sup>(d)</sup>  | 23 527            | 22 860            |
| Remote teaching service <sup>(e)</sup>   | 6 916             | 6 909             |
|  | <b>618 706</b>    | <b>637 818</b>    |
| <u>Non-current</u>   |                   |                   |
| <i>Employee benefits provision</i>   |                   |                   |
| Long service leave <sup>(c)</sup>  | 171 024           | 169 150           |
| Remote teaching service <sup>(e)</sup>   | 1 069             | 1 713             |
|  | <b>172 093</b>    | <b>170 863</b>    |
| <b>Total employee benefits provisions</b>  | <b>790 799</b>    | <b>808 681</b>    |
| (a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows: |                   |                   |
| Within 12 months of the end of the reporting period  | 18 162            | 21 376            |
| More than 12 months after the end of the reporting period  | 8 779             | 8 682             |
|  | <b>26 941</b>     | <b>30 058</b>     |

**Notes to the Financial Statements**

For the year ended 30 June 2016

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| (b) Entitlement to payment during student vacation liabilities have been classified as current as there is a zero balance at the end of the summer holidays.   |                   |                   |
| Within 12 months of the end of the reporting period  | 218 169           | 194 213           |
|  | <b>218 169</b>    | <b>194 213</b>    |
| (c) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:                                  |                   |                   |
| Within 12 months of the end of the reporting period  | 85 788            | 92 107            |
| More than 12 months after the end of the reporting period  | 428 389           | 460 821           |
|  | <b>514 177</b>    | <b>552 928</b>    |
| (d) Deferred salary scheme leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:   |                   |                   |
| Within 12 months of the end of the reporting period  | 5 411             | 3 886             |
| More than 12 months after the end of the reporting period  | 18 116            | 18 974            |
|  | <b>23 527</b>     | <b>22 860</b>     |
| (e) Remote Teaching Services leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows: |                   |                   |
| Within 12 months of the end of the reporting period  | 2 974             | 3 247             |
| More than 12 months after the end of the reporting period  | 5 011             | 5 375             |
|  | <b>7 985</b>      | <b>8 622</b>      |

(f) From 1 July 2014 the Department ceased accruing employment on-costs, including workers' compensation insurance. There is no present obligation to pay these costs on annual leave or long service leave.

**Movements in other provisions**

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

Employment on-cost provision

|   |          |          |
|---|----------|----------|
| Carrying amount at start of period              | -        | 12 277   |
| Additional/(reversals of) provisions recognised | -        | (12 277) |
| <b>Carrying amount at end of year</b>           | <b>-</b> | <b>-</b> |



## Notes to the Financial Statements

For the year ended 30 June 2016

### 32. OTHER LIABILITIES

|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| <u>Current</u>                            |                   |                   |
| Income received in advance                | 330               | -                 |
| Amounts held in schools suspense accounts | 21 018            | 20 761            |
| Other                                     | 444               | 570               |
|   | <b>21 792</b>     | <b>21 331</b>     |

### 33. EQUITY

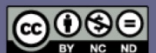
|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| <b>Contributed equity</b>   |                   |                   |
| Balance at start of period  | 3 708 266         | 3 394 220         |
| <u>Contributions by owners</u>  |                   |                   |
| Capital appropriation   | 166 217           | 306 376           |
| <u>Other contributions by owners</u>                                      |                   |                   |
| Royalties for Regions Fund - Regional Infrastructure and Headwork Account | 28 935            | 25 453            |
| <b>Total contributions by owners</b>                                      | <b>3 903 418</b>  | <b>3 726 049</b>  |
| <u>Distributions to owners</u>  |                   |                   |
| Transfer of net assets to Government:                                     |                   |                   |
| Crown / Freehold land transferred to Government                           | (522)             | (12 970)          |
| Buildings on Crown land transferred to Government                         | -                 | (4 813)           |
| <b>Total distributions to owner</b>                                       | <b>(522)</b>      | <b>(17 783)</b>   |
| <b>Balance at end of period</b>   | <b>3 902 896</b>  | <b>3 708 266</b>  |



Notes to the Financial Statements

For the year ended 30 June 2016

|  | 2015-16<br>\$'000  | 2014-15<br>\$'000 |
|--|--------------------|-------------------|
| <b>Reserves</b>                                    |                    |                   |
| <u>Asset revaluation surplus/(deficit)</u>         |                    |                   |
| Balance at start of period                         | 10 578 456         | 9 813 234         |
| Net revaluation increment/(decrement)              |                    |                   |
| Land   | 185 226            | 554 225           |
| Buildings  | (2 699 934)        | 210 997           |
| <b>Total net revaluation increment/(decrement)</b> | <b>(2 514 708)</b> | <b>765 222</b>    |
| <b>Balance at end of period</b>                    | <b>8 063 748</b>   | <b>10 578 456</b> |
| <b>Accumulated surplus</b>                         |                    |                   |
| Balance at start of the year                       | 1 587 173          | 1 531 723         |
| Result for the period                              | 91 219             | 55 450            |
| <b>Balance at the end of the year</b>              | <b>1 678 392</b>   | <b>1 587 173</b>  |
| <b>Total equity at end of the period</b>           | <b>13 645 036</b>  | <b>15 873 895</b> |







## Notes to the Financial Statements

For the year ended 30 June 2016

### 34. NOTES TO THE STATEMENT OF CASH FLOWS

#### Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flow is reconciled to the related items in the Statement of Financial Position as follows:

|  | 2015-16<br>\$'000  | 2014-15<br>\$'000  |
|--|--------------------|--------------------|
| Cash and cash equivalents (note 17)  | 620 199            | 641 721            |
| Restricted cash and cash equivalents (note 18)   | 82 716             | 187 534            |
|  | <b>702 915</b>     | <b>829 255</b>     |
| <b>Reconciliation of net cost of services of net cash flows used in operating activities</b> |                    |                    |
| Net cost of services   | (3 816 683)        | (3 641 362)        |
| <u>Non-cash Items</u>  |                    |                    |
| Depreciation expense (note 8)  | 188 714            | 263 042            |
| Amortisation expense (note 8)  | 935                | 3 573              |
| Resources received free of charge (note 16)  | 30 429             | 20 404             |
| Doubtful debts expense (note 21)   | 1 702              | 1 707              |
| Loss on disposal of non-current assets (note 12)   | 6 703              | 22 747             |
| Loss from fires (note 11)  | 290                | 2 902              |
| Adjustment for other non-cash items  | (4 009)            | (6 117)            |
| <u>(Increase)/decrease in assets</u>   |                    |                    |
| Current receivables <sup>(a)</sup>   | (5 304)            | 806                |
| Current inventories  | (414)              | (931)              |
| Other current assets   | 8 949              | (3 370)            |
| <u>Increase/(decrease) in liabilities</u>  |                    |                    |
| Provisions   | (17 884)           | (49 685)           |
| Current payables and other liabilities <sup>(a)</sup>  | (55 338)           | 61 864             |
| Net GST receipts/(payments) <sup>(b)</sup>   | (2 461)            | (1 476)            |
| Change in GST in receivables and payables <sup>(c)</sup>                                     | 1 360              | (2 385)            |
| <b>Net cash used in operating activities</b>   | <b>(3 663 011)</b> | <b>(3 328 281)</b> |
| <u>Non-cash investing and financing activities</u>   |                    |                    |
| Acquisition of property, plant and equipment by means of finance leases                      | 12 165             | 14 437             |

(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 2016

### 35. INDIAN OCEAN TERRITORIES

|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| <u>Reconciliation of Australian Government funds received and expended for the Indian Ocean Territories</u> |                   |                   |
| <b>Balance at start of period</b>   | 1 184             | 984               |
| Receipts  | 14 992            | 14 048            |
| Payments  | (15 532)          | (13 848)          |
| <b>Balance at end of period</b>   | <b>644</b>        | <b>1 184</b>      |

### 36. COMMITMENTS

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <b>Finance lease commitments</b>   |                   |                   |
| <u>Minimum lease payment commitments in relation to finance leases are payable as follows:</u> |                   |                   |
| Within 1 year  | 15 237            | 14 947            |
| Later than 1 year and not later than 5 years   | 15 508            | 18 163            |
| <b>Minimum finance payments</b>  | <b>30 745</b>     | <b>33 110</b>     |
| Less future finance charges  | (1 081)           | (1 450)           |
| <b>Present value of finance lease liabilities</b>  | <b>29 664</b>     | <b>31 660</b>     |
| <br><u>The present value of finance leases payable is as follows:</u>                          |                   |                   |
| Within 1 year  | 14 586            | 14 139            |
| Later than 1 year and not later than 5 years   | 15 058            | 17 521            |
| <b>Present value of finance lease liabilities</b>  | <b>29 644</b>     | <b>31 660</b>     |
| <br><u>Included in the financial statements as:</u>  |                   |                   |
| Current liabilities (see note 30 'Borrowings')   | 14 586            | 14 139            |
| Non-current liabilities (see note 30 'Borrowings')   | 15 058            | 17 521            |
|  | <b>29 644</b>     | <b>31 660</b>     |

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 (see also Note 30 'Borrowings'). The commitments below are inclusive of GST where relevant.



### Notes to the Financial Statements

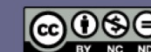
For the year ended 30 June 2016

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <b>Non-cancellable operating lease commitments</b>   |                   |                   |
| <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  | 8 027             | 9 750             |
| Later than 1 year and not later than 5 years   | 13 813            | 16 630            |
| Later than 5 years   | 539               | 3 475             |
|  | <b>22 379</b>     | <b>29 855</b>     |

The Department has entered into a property lease which is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 4% per annum. An option exists to renew the lease at the end of the five-year term for an additional term of five years.

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:

|  |              |              |
|--|--------------|--------------|
| Within 1 year                                | 724          | 697          |
| Later than 1 year and not later than 5 years | 187          | 729          |
| Later than 5 years                           | 143          | 110          |
|  | <b>1 054</b> | <b>1 536</b> |





## Notes to the Financial Statements

For the year ended 30 June 2016

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <b>Capital expenditure commitments</b>   |                   |                   |
| <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  | 222 577           | 188 459           |
| Later than 1 year and not later than 5 years   | 302 358           | 166 393           |
| Later than 5 years   | -                 | -                 |
|  | <b>524 935</b>    | <b>354 852</b>    |
| <u>The capital commitments include amounts for:</u>  |                   |                   |
| Additional Stages to High School   | 93 160            | 107 110           |
| Additions and Improvements to Agricultural Colleges  | -                 | 760               |
| Additions and improvements to District High Schools  | 24 655            | 3 636             |
| Additions and Improvements to High Schools   | 72 752            | 80 298            |
| Additions and Improvements to Primary Schools  | 26 547            | 8 639             |
| Miscellaneous Projects   | 19 527            | 4 598             |
| Miscellaneous Maintenance Program  | 211               | -                 |
| New High Schools   | 157 121           | 49 470            |
| New Primary Schools  | 52 144            | 38 097            |
| Other School Facilities  | 5 512             | 9 001             |
| Royalties for Regions  | 57 930            | 41 360            |
| Trade Training Centres in Schools  | 2 174             | 11 837            |
| Independent Funding  | 594               | -                 |
| Universal Access and Early Learning  | 12 608            | 46                |
|  | <b>524 935</b>    | <b>354 852</b>    |
| <b>Other expenditure commitments</b>   |                   |                   |
| <u>Other expenditure commitments, being insurance renewal and open purchase orders, in addition to amounts reported in the financial statements, are payable as follows:</u> |                   |                   |
| Payable within 1 year  | 65 069            | 84 299            |
| Later than 1 year and not later than 5 years   | 1 557             | -                 |
| Later than 5 years   | 28                | -                 |
|  | <b>66 654</b>     | <b>84 299</b>     |



### Notes to the Financial Statements

For the year ended 30 June 2016

#### 37. RESOURCES 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

Country High School Hostels Authority  
 Health Department of Western Australia  
 Department of Education Services  
 School Curriculum and Standards Authority  
 Department of Finance  
 Department for Child Protection  
 Department of Corrective Services  
 Western Australia Police  
 Department of Training and Workforce Development

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
|  | 135               | 146               |
|  | 898               | 887               |
|  | 145               | 192               |
|  | 152               | 124               |
|  | 23                | 25                |
|  | 20                | -                 |
|  | 11                | -                 |
|  | 5                 | -                 |
|  | 83                | 365               |
|  | <b>1 472</b>      | <b>1 739</b>      |





Notes to the Financial Statements

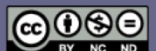
For the year ended 30 June 2016

38. REMUNERATION OF SENIOR OFFICERS

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

| Salary ranges         | 2015-16   | 2014-15   |
|-----------------------|-----------|-----------|
| \$70 001 - \$80 000   | 1 *       | -         |
| \$80 001 - \$90 000   | 1 *       | -         |
| \$90 001 - \$100 000  | 1 *       | -         |
| \$100 001 - \$110 000 | 1 *       | -         |
| \$120 001 - \$130 000 | 1 *       | -         |
| \$130 001 - \$140 000 | 1 *       | -         |
| \$140 001 - \$150 000 | 2 *       | 1 *       |
| \$160 001 - \$170 000 | -         | 1 *       |
| \$170 001 - \$180 000 | -         | 1         |
| \$180 001 - \$190 000 | 1         | -         |
| \$190 001 - \$200 000 | -         | 3         |
| \$200 001 - \$210 000 | 1         | 1         |
| \$210 001 - \$220 000 | 3 *       | 4         |
| \$220 001 - \$230 000 | 2         | 2         |
| \$230 001 - \$240 000 | 2         | 3         |
| \$240 001 - \$250 000 | 3         | -         |
| \$250 001 - \$260 000 | 2         | 3         |
| \$260 001 - \$270 000 | 1         | 1         |
| \$270 001 - \$280 000 | -         | 1         |
| \$280 001 - \$290 000 | 1 *       | -         |
| \$330 001 - \$340 000 | 1         | -         |
| \$360 001 - \$370 000 | -         | 1         |
| \$550 001 - \$560 000 | 1         | 1         |
|                       | <b>26</b> | <b>23</b> |

\*Includes senior officers where period of service is less than 12 months.





### Notes to the Financial Statements

For the year ended 30 June 2016

| Salary ranges   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| Senior officer base remuneration and superannuation was as follows: |                   |                   |
| Base remuneration and superannuation                                | 5 147             | 5 035             |
| Annual leave and long service leave accruals                        | (130)             | (6)               |
| Other benefits  | 502               | 487               |
| <b>Total remuneration of senior officers</b>                        | <b>5 519</b>      | <b>5 516</b>      |

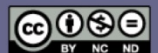
The total remuneration includes the superannuation expense incurred by the Department in respect of senior officers.

### 39. REMUNERATION OF AUDITOR

|   | 2015-16<br>\$'000 | 2014-15<br>\$'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  | 480               | 472               |
|   | <b>480</b>        | <b>472</b>        |

These amounts are due and payable in the next financial year.

The expenses for the 2014-15 audit of the financial statements is included in Note 7 'Supplies and Services' for 2015-16.





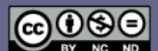
### Notes to the Financial Statements

For the year ended 30 June 2016

#### 40. SUPPLEMENTARY FINANCIAL INFORMATION

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <b>Write-offs</b>  |                   |                   |
| <u>Accounts Receivable</u>   |                   |                   |
| During the financial year, \$2 638 635 (2014-2015: \$2 504 497) of Accounts Receivable was written off under the authority of:   |                   |                   |
| Accountable Authority  | 2 639             | 2 504             |
| The Minister   | -                 | -                 |
| Executive Council  | -                 | -                 |
|  | <b>2 639</b>      | <b>2 504</b>      |
| <u>Asset Register</u>  |                   |                   |
| During the financial year public and other property written off the Department's asset register amounted to \$103 000. This included \$103 000 (2014-2015: \$1 044 000) written off in accordance with section 48 of the Financial management Act 2006 under the authority of: |                   |                   |
| The Accountable Authority  | 103               | 486               |
| The Minister   | -                 | -                 |
| Executive Council *  | -                 | 558               |
|  | <b>103</b>        | <b>1 044</b>      |
| * 2014-2015 asset write off of \$558 356 comprised of: Cannington Community College destroyed by fire.   |                   |                   |
| <b>Losses through theft, defaults and other causes</b>   |                   |                   |
| Losses of public money and other property through theft or default   | 1                 | 15                |
| Amounts recovered  | -                 | -                 |
|  | <b>1</b>          | <b>15</b>         |
| 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.  |                   |                   |
| <b>Gifts of public property</b>  |                   |                   |
| Gifts of public property provided by the Department  | -                 | -                 |
|  | -                 | -                 |

During the year no gifts of public property were made (2014-15: 2).







## Notes to the Financial Statements

For the year ended 30 June 2016

|   | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|---|-------------------|-------------------|
| <b>Act of Grace Payments</b>                        |                   |                   |
| During the year, one Act of Grace payment was made. |                   |                   |
| Payments relating to missing wages                  | -                 | -                 |
| Payment made on compassionate grounds               | 10                | -                 |
|   | <b>10</b>         | -                 |

### 41. AFFILIATED BODIES

Community Kindergarten's are non-government affiliated bodies that received operational support of \$3.5 million (2014-15 \$3.6 million) from the Department. Community Kindergarten's are not subject to operational control by the Department.

### 42. FINANCIAL INSTRUMENTS

#### Financial risk management objectives and policies

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.

#### 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 42(c) 'Financial Instruments Disclosures' and Note 21 '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.





## Notes to the Financial Statements

For the year ended 30 June 2016

### 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 42(c), 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).

### Categories of financial instruments

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

|  | 2015-16<br>\$'000 | 2014-15<br>\$'000 |
|--|-------------------|-------------------|
| <u>Financial Assets</u>                          |                   |                   |
| Cash and cash equivalents                        | 620 199           | 641 721           |
| Restricted cash and cash equivalents             | 82 716            | 187 534           |
| Loans and receivables <sup>(a)</sup>             | 2 391 300         | 2 170 313         |
| <u>Financial Liabilities</u>                     |                   |                   |
| Financial liabilities measured at amortised cost | 181 467           | 238 821           |

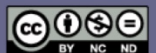
(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

### Financial instruments disclosures

#### Credit risk

The following table details the Department's maximum exposure to credit risk and the ageing analysis of financial assets. The Department's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Department.

The Department does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.





## Notes to the Financial Statements

For the year ended 30 June 2016

## Aged analysis of financial assets

|  | Carrying Amount<br>\$000 | Not past due<br>and not<br>impaired<br>\$000 | Past due but not impaired |                       |                                |                      |                               | Impaired<br>financial<br>assets<br>\$000 |
|--|--------------------------|--|---------------------------|-----------------------|--------------------------------|----------------------|-------------------------------|--|
|  |                          |  | Up to 1<br>month<br>\$000 | 1 - 3 months<br>\$000 | 3 months to 1<br>year<br>\$000 | 1 - 5 years<br>\$000 | More than 5<br>years<br>\$000 |  |
| <b>2015-16</b>                             |                          |  |                           |                       |                                |                      |                               |  |
| School cash balances                       | 247 409                  | 247 409                                      | -                         | -                     | -                              | -                    | -                             | -  |
| Central and regional offices cash balances | 220 238                  | 220 238                                      | -                         | -                     | -                              | -                    | -                             | -  |
| Restricted cash assets                     | 82 716                   | 82 716                                       | -                         | -                     | -                              | -                    | -                             | -  |
| Receivables <sup>(a)</sup>                 | 24 785                   | 23 324                                       | -                         | 108                   | 365                            | 638                  | 156                           | 194                                      |
| Term deposits                              | 152 386                  | 152 386                                      | -                         | -                     | -                              | -                    | -                             | -  |
| Amounts receivable for services            | 2 366 515                | 2 366 515                                    | -                         | -                     | -                              | -                    | -                             | -  |
|  | <b>3 094 049</b>         | <b>3 092 588</b>                             | -                         | <b>108</b>            | <b>365</b>                     | <b>638</b>           | <b>156</b>                    | <b>194</b>                               |
| <b>2014-15</b>                             |                          |  |                           |                       |                                |                      |                               |  |
| School cash balances                       | 225 066                  | 225 066                                      | -                         | -                     | -                              | -                    | -                             | -  |
| Central and regional offices cash balances | 263 643                  | 263 643                                      | -                         | -                     | -                              | -                    | -                             | -  |
| Restricted cash assets                     | 187 534                  | 187 534                                      | -                         | -                     | -                              | -                    | -                             | -  |
| Receivables <sup>(a)</sup>                 | 22 336                   | 20 070                                       | -                         | 106                   | 524                            | 1 346                | 253                           | 37                                       |
| Term deposits                              | 153 012                  | 153 012                                      | -                         | -                     | -                              | -                    | -                             | -  |
| Amounts receivable for services            | 2 147 977                | 2 147 977                                    | -                         | -                     | -                              | -                    | -                             | -  |
|  | <b>2 999 568</b>         | <b>2 997 302</b>                             | -                         | <b>106</b>            | <b>524</b>                     | <b>1 346</b>         | <b>253</b>                    | <b>37</b>                                |

(a) The amount of receivables excludes GST recoverable from the ATO and prepayments.



## Notes to the Financial Statements

For the year ended 30 June 2016

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<br>Average<br>Effective<br>Interest<br>Rate<br><br>% | Interest rate exposure |                           |                              |                         | Nominal<br>Amount<br><br>\$000 | Maturity dates   |                 |                       |                |                      |
|---|---|------------------------|---------------------------|------------------------------|-------------------------|--------------------------------|------------------|-----------------|-----------------------|----------------|----------------------|
|   |   | Carrying<br>Amount     | Fixed<br>Interest<br>rate | Variable<br>Interest<br>rate | Non-Interest<br>bearing |                                | Up to<br>1 month | 1 - 3<br>months | 3 months<br>to 1 year | 1 - 5 years    | More than<br>5 years |
|   |   | \$000                  | \$000                     | \$000                        | \$000                   |                                | \$000            | \$000           | \$000                 | \$000          | \$000                |
| <b>2015-16</b>                                |   |                        |                           |                              |                         |                                |                  |                 |                       |                |                      |
| <u>Financial Assets</u>                       |   |                        |                           |                              |                         |                                |                  |                 |                       |                |                      |
| School cash balances                          | 1.18  | 247 409                | -                         | 247 182                      | 227                     | 247 409                        | 247 409          | -               | -                     | -              | -                    |
| Central and regional offices cash<br>balances |   | 220 238                | -                         | -                            | 220 238                 | 220 238                        | 220 238          | -               | -                     | -              | -                    |
| Restricted cash and cash<br>equivalents       |   | 82 716                 | -                         | -                            | 82 716                  | 82 716                         | 82 716           | -               | -                     | -              | -                    |
| Receivables <sup>(b)</sup>                    |   | 24 785                 | -                         | -                            | 24 785                  | 24 785                         | 24 785           | -               | -                     | -              | -                    |
| Term deposits                                 | 2.11  | 152 386                | 152 386                   | -                            | -                       | 152 386                        | 112 987          | -               | 8 020                 | 31 379         | -                    |
| Amounts receivable for services               |   | 2 366 515              | -                         | -                            | 2 366 515               | 2 366 515                      | 3 488            | 6 976           | 34 821                | 181 140        | 2 140 090            |
|   |   | <b>3 094 049</b>       | <b>152 386</b>            | <b>247 182</b>               | <b>2 694 481</b>        | <b>3 094 049</b>               | <b>691 623</b>   | <b>6 976</b>    | <b>42 841</b>         | <b>212 519</b> | <b>2 140 090</b>     |
| <u>Financial Liabilities <sup>(a)</sup></u>   |   |                        |                           |                              |                         |                                |                  |                 |                       |                |                      |
| Payables <sup>(b)</sup>                       |   | 130 031                | -                         | -                            | 130 031                 | 130 031                        | 130 031          | -               | -                     | -              | -                    |
| Finance lease liabilities                     | 2.24  | 29 644                 | 29 644                    | -                            | -                       | 30 745                         | 1 090            | 2 807           | 11 340                | 15 508         | -                    |
| Other liabilities                             |   | 21 792                 | -                         | -                            | 21 792                  | 21 792                         | 21 792           | -               | -                     | -              | -                    |
|   |   | <b>181 467</b>         | <b>29 644</b>             | -                            | <b>151 823</b>          | <b>182 568</b>                 | <b>152 913</b>   | <b>2 807</b>    | <b>11 340</b>         | <b>15 508</b>  | -                    |

(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 2016

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

|   | Weighted<br>Average<br>Effective<br>Interest<br>Rate<br><br>% | Interest rate exposure          |  |   |                                      | Nominal<br>Amount<br><br>\$000 | Maturity dates                |                              |                                    |                          |                                   |
|---|---|---------------------------------|--|---|--------------------------------------|--------------------------------|-------------------------------|------------------------------|------------------------------------|--------------------------|-----------------------------------|
|   |   | Carrying<br>Amount<br><br>\$000 | Fixed<br>Interest<br>rate<br><br>\$000 | Variable<br>Interest<br>rate<br><br>\$000 | Non-Interest<br>bearing<br><br>\$000 |                                | Up to 1<br>month<br><br>\$000 | 1 - 3<br>months<br><br>\$000 | 3 months<br>to 1 year<br><br>\$000 | 1 - 5 years<br><br>\$000 | More than<br>5 years<br><br>\$000 |
| <b>2014-15</b>                                |   |                                 |  |   |                                      |                                |                               |                              |                                    |                          |                                   |
| <u>Financial Assets</u>                       |   |                                 |  |   |                                      |                                |                               |                              |                                    |                          |                                   |
| School cash balances                          | 1.39  | 225 066                         | -                                      | 224 833                                   | 233                                  | 225 066                        | 225 066                       | -                            | -                                  | -                        | -                                 |
| Central and regional offices cash<br>balances | -   | 263 643                         | -                                      | -   | 263 643                              | 263 643                        | 263 643                       | -                            | -                                  | -                        | -                                 |
| Restricted cash and cash<br>equivalents       | -   | 187 534                         | -                                      | -   | 187 534                              | 187 534                        | 187 534                       | -                            | -                                  | -                        | -                                 |
| Receivables <sup>(b)</sup>                    | -   | 22 336                          | -                                      | -   | 22 336                               | 22 336                         | 22 336                        | -                            | -                                  | -                        | -                                 |
| Term deposits                                 | 2.42  | 153 012                         | 153 012                                | -   | -                                    | 153 012                        | 111 196                       | -                            | 14 301                             | 27 440                   | 75                                |
| Amounts receivable for services               | -   | 2 147 977                       | -                                      | -   | 2 147 977                            | 2 147 977                      | 2 132                         | 3 176                        | 16 428                             | 86 944                   | 2 039 297                         |
|   |   | <b>2 999 568</b>                | <b>153 012</b>                         | <b>224 833</b>                            | <b>2 621 723</b>                     | <b>2 999 568</b>               | <b>811 907</b>                | <b>3 176</b>                 | <b>30 729</b>                      | <b>114 384</b>           | <b>2 039 372</b>                  |
| <u>Financial Liabilities <sup>(a)</sup></u>   |   |                                 |  |   |                                      |                                |                               |                              |                                    |                          |                                   |
| Payables <sup>(b)</sup>                       |   | 185 830                         | -                                      | -   | 185 830                              | 185 830                        | 185 830                       | -                            | -                                  | -                        | -                                 |
| Finance lease liabilities                     | 2.55  | 31 660                          | 31 660                                 | -   | -                                    | 33 110                         | 1 195                         | 2 921                        | 10 831                             | 18 163                   | -                                 |
| Other liabilities                             |   | 21 331                          | -                                      | -   | 21 331                               | 21 331                         | 21 331                        | -                            | -                                  | -                        | -                                 |
|   |   | <b>238 821</b>                  | <b>31 660</b>                          | <b>-</b>                                  | <b>207 161</b>                       | <b>240 271</b>                 | <b>208 356</b>                | <b>2 921</b>                 | <b>10 831</b>                      | <b>18 163</b>            | <b>-</b>                          |

(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 2016

### 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<br>\$'000 | -100 basis points |                  | +100 basis points |                  |
|--|---------------------------|-------------------|------------------|-------------------|------------------|
|  |                           | Surplus<br>\$'000 | Equity<br>\$'000 | Surplus<br>\$'000 | Equity<br>\$'000 |
| <b>2015-16</b>                             |                           |                   |                  |                   |                  |
| <u>Financial assets</u>                    |                           |                   |                  |                   |                  |
| School cash balances                       | 247 409                   | (2 474)           | (2 474)          | 2 474             | 2 474            |
| Central and regional offices cash balances | -                         | -                 | -                | -                 | -                |
| <b>Total increase/(decrease)</b>           | <b>247 409</b>            | <b>(2 474)</b>    | <b>(2 474)</b>   | <b>2 474</b>      | <b>2 474</b>     |
| <b>2014-15</b>                             |                           |                   |                  |                   |                  |
| <u>Financial assets</u>                    |                           |                   |                  |                   |                  |
| School cash balances                       | 224 833                   | (2 248)           | (2 248)          | 2 248             | 2 248            |
| Central and regional offices cash balances | -                         | -                 | -                | -                 | -                |
| <b>Total increase/(decrease)</b>           | <b>224 833</b>            | <b>(2 248)</b>    | <b>(2 248)</b>   | <b>2 248</b>      | <b>2 248</b>     |

### Fair values

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



## Notes to the Financial Statements

For the year ended 30 June 2016

### 43. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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.

#### Contaminated sites

The Department of Education is committed to providing a safe school environment. In addition to visual inspection techniques such as material and soil sampling are used to identify contaminated sites. These are then reported to the Department of Environment Regulation (DER) for classification according to the Contaminated Sites Act.

During 2012–13 the unauthorised dumping of building materials and other waste was reported at West Northam Primary School. Remediation work was completed in January 2016. The appointment of an environmental consultant to confirm the remediation meets Public Health guidelines is pending.

During oval remediation works in 2007 a small amount of asbestos panel was found on edge of the oval at Wembley Downs Primary School. The DER has been informed and the site classified as “possibly contaminated”. Further investigation in April 2015 indicated that the information initially used to determine the classification was incorrect, and prior to the school being built the site had not been used as a waste disposal site. DER were informed, however DER advised that further information was required before the classification can be changed. This investigation is almost complete and it is anticipated that this site will be classified as not contaminated.

In May 2014 community concerns about soil contamination at Fremantle Primary School led to the site being investigated. Soil testing revealed elevated lead levels at a small number of locations and significant amounts of glass but no asbestos containing material (ACM). Remediation to remove glass has cost \$25 000. An environmental consultant has also been engaged to develop a subsurface soil management plan and a human health risk assessment; both of which have been provided to DER. Remediation of the oval area is planned for the October 2016 vacation period.

In May 2015 the Department was alerted to significant excavated material and builders’ waste that had been dumped in three locations at Swan View Senior High School. An environmental consultant reported that there was low level ACM contamination in one area. The Department consulted DER and Public Health to obtain a Class 2 classification of this waste. Removal of the contaminated waste was complete in May 2016.

The Department was notified of ACM at Gooseberry Hill and Kalamunda Primary Schools May 2016. The contaminated area at Kalamunda PS has been remediated. Remediation at Gooseberry Hill PS has also been completed but the site is still subject to an independent environmental audit and a human health risk assessment due to the presence of asbestos at the school and in the adjacent reserve. The Department is liaising with DER, the Department of Health and the Shire of Kalamunda in regards to ongoing community concern.

An environmental consultant has been appointed to investigate sites listed by DER as possibly contaminated - further investigation required. These include Wembley Downs Primary School, Mount Magnet District High School, Amaroo Primary School, Bramfield Park Primary School, Nulsen Primary School, Pemberton Camp School, and Darlington Primary School. Preliminary site investigations indicate further investigation is required for Nulsen Primary School, Mount Magnet District High School and Bramfield Park Primary School.

There are another seven sites listed by DER as ‘possibly contaminated - further investigation required, including John Curtin College of the Arts. It is anticipated that preliminary site investigations for these sites will be complete by the end of 2016.

### 44. EVENTS OCCURING AFTER THE END OF THE REPORTING PERIOD

There were no events after the end of the reporting period having a material effect on these financial statements.



## Notes to the Financial Statements

For the year ended 30 June 2016

## 45. EXPLANATORY STATEMENT

All variances between estimates (original budget) and actual results for 2016, and between the actual results for 2016 and 2015 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.

## Statement of Comprehensive Income

|  | Estimate<br>2015-16<br>\$'000 | Actual<br>2015-16<br>\$'000 | Actual<br>2014-15<br>\$'000 | Variance                             |              |      |                                    |               |      |
|--|-------------------------------|-----------------------------|-----------------------------|--------------------------------------|--------------|------|------------------------------------|---------------|------|
|  |                               |                             |                             | Variance between estimate and actual |              |      | Variance between actual and actual |               |      |
|  | \$'000                        | \$'000                      | \$'000                      | \$'000                               | %            | Note | \$'000                             | %             | Note |
| <b>COST OF SERVICES</b>                                      |                               |                             |                             |                                      |              |      |                                    |               |      |
| <b>Expenses</b>  |                               |                             |                             |                                      |              |      |                                    |               |      |
| Employee benefits expense                                    | 3 616 811                     | 3 469 864                   | 3 282 955                   | (146 947)                            | (4%)         | 1    | 186 909                            | 6%            | A    |
| Supplies and services  | 891 331                       | 960 821                     | 803 322                     | 69 490                               | 8%           | 2    | 157 499                            | 20%           | B    |
| Depreciation and amortisation expense                        | 240 589                       | 189 649                     | 266 615                     | (50 940)                             | (21%)        | 3    | (76 966)                           | (29%)         | C    |
| Grants and subsidies   | 44 759                        | 38 757                      | 58 480                      | (6 002)                              | (13%)        |      | (19 723)                           | (34%)         |      |
| Finance costs  | 1 561                         | 887                         | 1 048                       | (674)                                | (43%)        |      | (161)                              | (15%)         |      |
| Other expenses   | 2 877                         | 8 822                       | 31 820                      | 5 945                                | 207%         |      | (22 998)                           | (72%)         |      |
| <b>Total cost of services</b>                                | <b>4 797 928</b>              | <b>4 668 800</b>            | <b>4 444 240</b>            | <b>(129 128)</b>                     | <b>(3%)</b>  |      | <b>224 560</b>                     | <b>5%</b>     |      |
| <b>Income</b>  |                               |                             |                             |                                      |              |      |                                    |               |      |
| <b>Revenue</b>   |                               |                             |                             |                                      |              |      |                                    |               |      |
| User contributions, charges and fees                         | 116 252                       | 110 921                     | 110 163                     | (5 331)                              | (5%)         |      | 758                                | 1%            |      |
| Other revenue  | 74 795                        | 86 929                      | 97 373                      | 12 134                               | 16%          |      | (10 444)                           | (11%)         |      |
| Australian Government grants and contributions               | 636 060                       | 646 578                     | 587 133                     | 10 518                               | 2%           |      | 59 445                             | 10%           | D    |
| Interest revenue   | 9 140                         | 7 689                       | 8 209                       | (1 451)                              | (16%)        |      | (520)                              | (6%)          |      |
| <b>Total Revenue</b>   | <b>836 247</b>                | <b>852 117</b>              | <b>802 878</b>              | <b>15 870</b>                        | <b>2%</b>    |      | <b>49 239</b>                      | <b>6%</b>     |      |
| <b>Total income other than income from State Government</b>  | <b>836 247</b>                | <b>852 117</b>              | <b>802 878</b>              | <b>15 870</b>                        | <b>2%</b>    |      | <b>49 239</b>                      | <b>6%</b>     |      |
| <b>NET COST OF SERVICES</b>                                  | <b>3 961 681</b>              | <b>3 816 683</b>            | <b>3 641 362</b>            | <b>(144 998)</b>                     | <b>(4%)</b>  |      | <b>175 321</b>                     | <b>5%</b>     |      |
| <b>Income from State Government</b>                          |                               |                             |                             |                                      |              |      |                                    |               |      |
| Service appropriation  | 3 936 809                     | 3 861 288                   | 3 664 887                   | (75 521)                             | (2%)         | 4    | 196 401                            | 5%            | E    |
| Grants from State Government Agencies                        | 4 454                         | 6 921                       | 4 905                       | 2 467                                | 55%          |      | 2 016                              | 41%           |      |
| Services received free of charge                             | 14 581                        | 30 428                      | 20 404                      | 15 847                               | 109%         | 5    | 10 024                             | 49%           |      |
| Royalties for Regions Fund                                   | 10 052                        | 9 265                       | 6 616                       | (787)                                | (8%)         |      | 2 649                              | 40%           |      |
| <b>Total income from State Government</b>                    | <b>3 965 896</b>              | <b>3 907 902</b>            | <b>3 696 812</b>            | <b>(57 994)</b>                      | <b>(1%)</b>  |      | <b>211 090</b>                     | <b>136%</b>   |      |
| <b>SURPLUS FOR THE PERIOD</b>                                | <b>4 215</b>                  | <b>91 219</b>               | <b>55 450</b>               | <b>87 004</b>                        | <b>2064%</b> |      | <b>35 769</b>                      | <b>131%</b>   |      |
| <b>OTHER COMPREHENSIVE INCOME</b>                            |                               |                             |                             |                                      |              |      |                                    |               |      |
| <b>Items not reclassified subsequently to profit or loss</b> |                               |                             |                             |                                      |              |      |                                    |               |      |
| Changes in asset revaluation surplus                         | -                             | (2 514 708)                 | 765 222                     | -                                    | n/a          |      | (3 279 930)                        | (429%)        | F    |
| <b>Total other comprehensive income</b>                      | <b>-</b>                      | <b>(2 514 708)</b>          | <b>765 222</b>              | <b>-</b>                             | <b>-</b>     |      | <b>(3 279 930)</b>                 | <b>(429%)</b> |      |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>             | <b>4 215</b>                  | <b>(2 423 489)</b>          | <b>820 672</b>              | <b>-</b>                             | <b>0%</b>    |      | <b>(3 244 161)</b>                 | <b>(298%)</b> |      |





## Notes to the Financial Statements

For the year ended 30 June 2016

## Statement of Financial Position

|   | Estimate<br>2015-16<br>\$'000 | Actual<br>2015-16<br>\$'000 | Actual<br>2014-15<br>\$'000 | Variance                                    |              |      |                                    |              |      |
|---|-------------------------------|-----------------------------|-----------------------------|---|--------------|------|------------------------------------|--------------|------|
|   |                               |                             |                             | Variance between original budget and actual |              |      | Variance between actual and actual |              |      |
|   |                               |                             |                             | \$'000                                      | %            | Note | \$'000                             | %            | Note |
| <b>ASSETS</b>                                     |                               |                             |                             |   |              |      |                                    |              |      |
| <b>Current Assets</b>                             |                               |                             |                             |   |              |      |                                    |              |      |
| Cash and cash equivalents                         | 448 141                       | 620 199                     | 641 721                     | 172 058                                     | 38%          | 6    | (21 522)                           | (3%)         |      |
| Restricted cash and cash equivalents              | 25 423                        | 82 716                      | 187 534                     | 57 293                                      | 225%         | 7    | (104 818)                          | (56%)        | G    |
| Amounts receivable for services                   | 45 285                        | 45 285                      | 21 736                      | -   | 0%           |      | 23 549                             | 108%         |      |
| Inventories                                       | 4 794                         | 6 138                       | 5 725                       | 1 344                                       | 28%          |      | 413                                | 7%           |      |
| Receivables                                       | 34 755                        | 42 993                      | 37 690                      | 8 238                                       | 24%          |      | 5 303                              | 14%          |      |
| Other current assets                              | 13 843                        | 8 265                       | 17 215                      | (5 578)                                     | (40%)        |      | (8 950)                            | (52%)        |      |
| Land and Buildings held for distribution to owner | 769                           | 769                         | 769                         | -   | 0%           |      | -                                  |              |      |
| <b>Total Current Assets</b>                       | <b>573 010</b>                | <b>806 365</b>              | <b>912 390</b>              | <b>233 355</b>                              | <b>41%</b>   |      | <b>(106 025)</b>                   | <b>(12%)</b> |      |
| <b>Non-Current Assets</b>                         |                               |                             |                             |   |              |      |                                    |              |      |
| Amounts receivable for services                   | 2 321 230                     | 2 321 230                   | 2 126 241                   | -   | 0%           |      | 194 989                            | 9%           | H    |
| Property, plant and equipment                     | 13 275 244                    | 11 487 590                  | 13 881 262                  | (1 787 654)                                 | (13%)        | 8    | (2 393 672)                        | (17%)        | I    |
| Intangible assets                                 | 8 484                         | 2 117                       | 1 504                       | (6 367)                                     | (75%)        |      | 613                                | 41%          |      |
| <b>Total Non-Current Assets</b>                   | <b>15 604 958</b>             | <b>13 810 937</b>           | <b>16 009 007</b>           | <b>(1 794 021)</b>                          | <b>(11%)</b> |      | <b>(2 198 070)</b>                 | <b>(14%)</b> |      |
| <b>TOTAL ASSETS</b>                               | <b>16 177 968</b>             | <b>14 617 302</b>           | <b>16 921 397</b>           | <b>(1 560 666)</b>                          | <b>(10%)</b> |      | <b>(2 304 095)</b>                 | <b>(14%)</b> |      |
| <b>LIABILITIES</b>                                |                               |                             |                             |   |              |      |                                    |              |      |
| <b>Current Liabilities</b>                        |                               |                             |                             |   |              |      |                                    |              |      |
| Payables  | 55 871                        | 130 031                     | 185 830                     | 74 160                                      | 133%         | 9    | (55 799)                           | (30%)        | J    |
| Borrowings  | 17 240                        | 14 586                      | 14 139                      | (2 654)                                     | (15%)        |      | 447                                | 3%           |      |
| Provisions  | 583 757                       | 618 706                     | 637 818                     | 34 949                                      | 6%           | 10   | (19 112)                           | (3%)         |      |
| Other current liabilities                         | 14 228                        | 21 792                      | 21 331                      | 7 564                                       | 53%          |      | 461                                | 2%           |      |
| <b>Total Current Liabilities</b>                  | <b>671 096</b>                | <b>785 115</b>              | <b>859 118</b>              | <b>114 019</b>                              | <b>17%</b>   |      | <b>(74 003)</b>                    | <b>(9%)</b>  |      |
| <b>Non-Current Liabilities</b>                    |                               |                             |                             |   |              |      |                                    |              |      |
| Borrowings  | 11 039                        | 15 058                      | 17 521                      | 4 019                                       | 36%          |      | (2 463)                            | (14%)        |      |
| Provisions  | 187 586                       | 172 093                     | 170 863                     | (15 493)                                    | (8%)         | 10   | 1 230                              | 1%           |      |
| <b>Total Non-Current Liabilities</b>              | <b>198 625</b>                | <b>187 151</b>              | <b>188 384</b>              | <b>(11 474)</b>                             | <b>(6%)</b>  |      | <b>(1 233)</b>                     | <b>(1%)</b>  |      |
| <b>TOTAL LIABILITIES</b>                          | <b>869 721</b>                | <b>972 266</b>              | <b>1 047 502</b>            | <b>102 545</b>                              | <b>12%</b>   |      | <b>(75 236)</b>                    | <b>(7%)</b>  |      |
| <b>NET ASSETS</b>                                 | <b>15 308 247</b>             | <b>13 645 036</b>           | <b>15 873 895</b>           | <b>(1 663 211)</b>                          | <b>(11%)</b> |      | <b>(2 228 859)</b>                 | <b>(14%)</b> |      |
| <b>EQUITY</b>                                     |                               |                             |                             |   |              |      |                                    |              |      |
| Contributed equity                                | 3 950 657                     | 3 902 896                   | 3 708 266                   | (47 761)                                    | (1%)         |      | 194 630                            | 5%           | K    |
| Reserves  | 9 813 233                     | 8 063 748                   | 10 578 456                  | (1 749 485)                                 | (18%)        |      | (2 514 708)                        | (24%)        | L    |
| Accumulated surplus                               | 1 544 357                     | 1 678 392                   | 1 587 173                   | 134 035                                     | 9%           | 11   | 91 219                             | 6%           | M    |
| <b>TOTAL EQUITY</b>                               | <b>15 308 247</b>             | <b>13 645 036</b>           | <b>15 873 895</b>           | <b>(1 663 211)</b>                          | <b>(11%)</b> |      | <b>(2 228 859)</b>                 | <b>(14%)</b> |      |



## Notes to the Financial Statements

For the year ended 30 June 2016

## Statement of Cash Flows

|   | Estimate<br>2015-16<br>\$'000 | Actual<br>2015-16<br>\$'000 | Actual<br>2014-15<br>\$'000 | Variance                                    |             |      |                                    |              |      |   |
|---|-------------------------------|-----------------------------|-----------------------------|---|-------------|------|------------------------------------|--------------|------|---|
|   |                               |                             |                             | Variance between original budget and actual |             |      | Variance between actual and actual |              |      |   |
|   |                               |                             |                             | \$'000                                      | %           | Note | \$'000                             | %            | Note |   |
| <b>CASH FLOWS FROM STATE GOVERNMENT</b>                   |                               |                             |                             |   |             |      |                                    |              |      |   |
| Service appropriation                                     | 3 696 535                     | 3 621 014                   | 3 475 349                   | (75 521)                                    | (2%)        | 12   | 145 665                            | 4%           |      |   |
| Capital contributions                                     | 200 572                       | 166 217                     | 306 376                     | (34 355)                                    | (17%)       | 13   | (140 159)                          | (46%)        |      | N |
| Holding account drawdown                                  | 21 736                        | 21 736                      | 19 414                      | -   | 0%          |      | 2 322                              | 12%          |      |   |
| Grants and subsidies                                      | 4 454                         | 7 317                       | 5 991                       | 2 863                                       | 64%         |      | 1 326                              | 22%          |      |   |
| Royalties for Regions Fund                                | 32 052                        | 37 506                      | 32 068                      | 5 454                                       | 17%         |      | 5 438                              | 17%          |      |   |
| <b>Net cash provided by State Government</b>              | <b>3 955 349</b>              | <b>3 853 790</b>            | <b>3 839 198</b>            | <b>(101 559)</b>                            | <b>(3%)</b> |      | <b>14 592</b>                      | <b>0%</b>    |      |   |
| Utilised as follows:                                      |                               |                             |                             |   |             |      |                                    |              |      |   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |                               |                             |                             |   |             |      |                                    |              |      |   |
| <b>Payments</b>   |                               |                             |                             |   |             |      |                                    |              |      |   |
| Employees benefits  | (3 726 615)                   | (3 596 186)                 | (3 292 624)                 | 130 429                                     | (3%)        | 14   | (303 562)                          | 9%           |      | O |
| Supplies and services                                     | (876 689)                     | (901 547)                   | (771 316)                   | (24 858)                                    | 3%          | 15   | (130 231)                          | 17%          |      | P |
| Grants and subsidies                                      | (44 759)                      | (38 245)                    | (58 168)                    | 6 514                                       | (15%)       |      | 19 923                             | (34%)        |      |   |
| Finance costs   | (1 561)                       | (886)                       | (1 113)                     | 675   | (43%)       |      | 227                                | (20%)        |      |   |
| GST payments on purchases                                 | (106 856)                     | (80 446)                    | (88 682)                    | 26 410                                      | (25%)       | 16   | 8 236                              | (9%)         |      |   |
| Other payments  | -                             | (127)                       | (3 762)                     | (127)                                       | 0%          |      | 3 635                              | (97%)        |      |   |
| <b>Receipts</b>   |                               |                             |                             |   |             |      |                                    |              |      |   |
| User contributions, charges and fees                      | 116 252                       | 107 749                     | 105 081                     | (8 503)                                     | (7%)        |      | 2 668                              | 3%           |      |   |
| Australian Governments grants and contributions           | 636 060                       | 646 730                     | 581 356                     | 10 670                                      | 2%          |      | 65 374                             | 11%          |      | Q |
| Interest received   | 9 140                         | 7 689                       | 8 209                       | (1 451)                                     | (16%)       |      | (520)                              | (6%)         |      |   |
| GST receipts on revenue                                   | -                             | 2 707                       | 2 744                       | 2 707                                       | 0%          |      | (37)                               | (1%)         |      |   |
| GST receipts from taxation authority                      | 106 757                       | 75 278                      | 84 461                      | (31 479)                                    | (29%)       | 17   | (9 183)                            | (11%)        |      |   |
| Other receipts  | 74 795                        | 114 273                     | 105 533                     | 39 478                                      | 53%         | 18   | 8 740                              | 8%           |      |   |
| <b>Net cash used in operating activities</b>              | <b>(3 813 476)</b>            | <b>(3 663 011)</b>          | <b>(3 328 281)</b>          | <b>150 465</b>                              | <b>(4%)</b> |      | <b>(334 730)</b>                   | <b>10%</b>   |      |   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                |                               |                             |                             |   |             |      |                                    |              |      |   |
| <b>Payments</b>   |                               |                             |                             |   |             |      |                                    |              |      |   |
| Purchase of non-current physical assets                   | (295 260)                     | (303 144)                   | (431 773)                   | (7 884)                                     | 3%          |      | 128 629                            | (30%)        |      | R |
| <b>Receipts</b>   |                               |                             |                             |   |             |      |                                    |              |      |   |
| Proceeds from sale of non-current physical assets         | -                             | 208                         | 330                         | 208   | 0%          |      | (122)                              | (37%)        |      |   |
| <b>Net cash used in investing activities</b>              | <b>(295 260)</b>              | <b>(302 936)</b>            | <b>(431 443)</b>            | <b>(7 676)</b>                              | <b>3%</b>   |      | <b>128 507</b>                     | <b>(30%)</b> |      |   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                |                               |                             |                             |   |             |      |                                    |              |      |   |
| <b>Payments</b>   |                               |                             |                             |   |             |      |                                    |              |      |   |
| Payments of finance lease liabilities                     | (14 752)                      | (14 183)                    | (14 505)                    | 569   | (4%)        |      | 322                                | (2%)         |      |   |
| <b>Net cash used in financing activities</b>              | <b>(14 752)</b>               | <b>(14 183)</b>             | <b>(14 505)</b>             | <b>569</b>                                  | <b>(4%)</b> |      | <b>322</b>                         | <b>(2%)</b>  |      |   |
| Net increase/(decrease) in cash and cash equivalents      | (168 139)                     | (126 340)                   | 64 969                      | 41 799                                      | (25%)       |      | (191 309)                          | (294%)       |      |   |
| Cash and cash equivalents at the beginning of the period  | 641 703                       | 829 255                     | 764 286                     | 187 552                                     | 29%         |      | 64 969                             | 9%           |      |   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b> | <b>473 564</b>                | <b>702 915</b>              | <b>829 255</b>              | <b>229 351</b>                              | <b>48%</b>  |      | <b>(126 340)</b>                   | <b>(15%)</b> |      |   |



## Notes to the Financial Statements

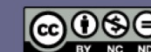
For the year ended 30 June 2016

### Major Variance Narratives

#### Variations between original budget and actual

##### Statement of Comprehensive Income

- 1 Employee benefits expenses underspent by \$147 million (4%) due to:
  - fewer student enrolments than originally forecast. School budgets are influenced by enrolment levels and therefore a reduction in enrolment growth will result in reduced budgets and employment expenditure;
  - the Government Regional Officers Housing (GROH) actual costs for teachers' accommodation in regional areas was lower than projected due to lower rental rates in many regional locations;
  - savings associated with the Targeted Voluntary Separation Scheme introduced in 2014–15; and
  - higher level of expenditures on Supplies and Services with a corresponding decrease to employee benefits as schools now have the discretion to spend their "one-line-budget" allocation, introduced in 2015, according to the local service delivery needs.
- 2 Supplies and services increased by \$69.5 million (8%) due to additional spending on school maintenance and information technology upgrades.
- 3 Depreciation and amortisation expense is lower than budget by \$50.9 million (21%) due to lower depreciation for buildings caused by changing valuers and valuation methodology, refer to the Note 5(c) 'Changes in accounting estimate'.
- 4 Service appropriations are lower than the budget by \$75.5 million or 2%. The movement is predominantly the result of fewer student enrolments than originally forecast, a transfer of appropriations from 2015–16 to 2016–17 and 2017–18, and Targeted Separation Scheme Savings.
- 5 Services received free of charge exceeded the estimate by \$15.9 million (109%) due to additional services from the Department of Finance - Building Management and Works in line with increased maintenance and minor works. Also, the Department of Health provided additional service to children in WA schools through the Child and Adolescent Community Health Service.





## Notes to the Financial Statements

For the year ended 30 June 2016

### Major Variance Narratives

#### Statement of Financial Position

- 6 Cash and cash equivalents exceeded estimates by \$172.1 million (38%) as a result of increased payables, and schools bank balance due to schools operating on a calendar year.
- 7 Restricted cash and cash equivalents exceeded the estimates by \$57.3 million (225%) due to the increased restricted cash associated with capital funding.
- 8 Property, plant and equipment (Non-current) decreased by \$1787.7 million (13%) is attributable to a decrement to school building values resulting from a change to the Department's building valuation methodology and the appointment of new Valuers.
- 9 Payables increased by \$74.2 million (133%) mainly due to increased accrued expenses.
- 10 The increase from the budget for total leave liabilities (current and non-current) is mainly due to a reduction in the bond rate used for the calculations. Actual total leave liabilities have decreased from the 2014-15 actual by \$17.9 million, 2.2%, as a result of the Department's successful leave management strategies.
- 11 Accumulated surplus/(deficit) exceeded the estimates by \$134.0 million (9%) due to lower than projected expenditure and higher revenue.

#### Statement of Cash Flows

- 12 Service appropriations are lower than the budget by \$75.5 million or 2%. The movement is predominantly the result of fewer student enrolments than originally forecast, a transfer of appropriations from 2015-16 to 2016-17 and 2017-18, and Targeted Separation Scheme Savings.
- 13 Capital contributions actuals is lower than budget by \$34.4 million (17%) due to changes in the Asset Investment Plan and the return of Capital Contributions associated with schools that will be delivered through Public Private Partnership arrangement.
- 14 Employee benefits expense underspent by \$130.4 million (3%) due to:
  - fewer student enrolments than originally forecast. School budgets are influenced by enrolment levels and therefore a reduction in enrolment growth will result in reduced budgets and employment expenditure;
  - the Government Regional Officers Housing (GROH) actual costs for teachers' accommodation in regional areas was lower than projected due to lower rental rates in many regional locations;
  - savings associated with the Targeted Voluntary Separation Scheme introduced in 2014-15; and
  - higher level of expenditures on Supplies and Services with a corresponding decrease to employee benefits as schools now have the discretion to spend their "one-line-budget" allocation, introduced in 2015, according to the local service delivery needs.

For further details please refer to 2016-17 Budget Paper "Major Spending Changes" page 261.





## Notes to the Financial Statements

For the year ended 30 June 2016

### Major Variance Narratives

- 15 Supplies and services increased by \$24.9 million (3%) more than budget due to additional spending on school maintenance and information technology upgrades.
- 16 GST payments are \$26.4 million (25%) lower due to higher accounts payable to be settled in 2016–17.
- 17 GST receipts from taxation authority are \$31.5 million (29%) lower due to lower expenditure.
- 18 Other receipts are \$39.5 million (53%) higher due to Developers Contributions and International Student Fees (Service Delivery Agreement).

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### Variations between actual results for 2015–16 and 2014–15

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#### Statement of Comprehensive Income

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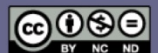
- A Employee benefits increased by \$186.9 million (6%) due to the net impact of salary rate increases, and increased school staffing levels associated with increased student enrolments, partially offset by lower Government Regional Officers Housing costs, decreased leave liabilities and Targeted Separation Scheme savings.
- B Supplies and services increased by \$157.5 million (20%) due to additional spending on school maintenance and information technology upgrades, increased schools spending associated with student enrolment growth and general cost increases.
- C Depreciation expense decreased by \$77.0 million (29%). The Department has changed its valuation methodology and Valuers for school buildings, resulting in lower building depreciation. Refer to the Note 5(c) *‘Changes in accounting estimate’*.
- D The variance of \$59.4 million (10%) is mainly attributable to a Student First Funding increase in 2015–16.
- E Service appropriations increased by \$196.4 million (5%) in line with salary rate increases, student enrolment growth and general cost increases.
- F The decrease of \$3279.9 million is the result of a decrease to 2015–16 Asset Revaluation Reserve which is mainly due to a school building valuation decrement.

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#### Statement of Financial Position

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- G Restricted cash and cash equivalents (current) decreased by \$104.8 million (56%) due to payment of 27th Pay offset by increases to other restricted cash including capital funding.
- H Amounts receivable for services (non-current) increase by \$195.0 million (9%) which is the net impact of increased Service appropriation associated with the service delivery requirement, impacted in part by the decrease to leave provisions due to the Department successful leave management strategies.
- I Property, plant and equipment the decreased by \$2393.7 million (17%) the decrease is attributable to a decrement to school building values resulting from a change to the Department's building valuation methodology and the appointment of new Valuers. For further details please refer to the Note 5(c) changes in accounting estimate.





## Notes to the Financial Statements

For the year ended 30 June 2016

### Major Variance Narratives

- J** Payables decreased by \$55.8 million (30%) due to a decrease in accrued salaries (\$101.2 million) partially offset by an increase in trade, other payables and accrued expenses (\$44.2 million).
- K** Contributed equity increased by \$194.6 million (5%) in line with increased Asset Investment Program funding.
- L** Reserves - the decrease of \$2514.7 million (24%) is attributable to a school building valuation decrement.
- M** Accumulated surplus/(deficit) increased by \$91.2 million (6%) which is the operating result for the period.

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### Statement of Cash Flows

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- N** Capital contributions are \$140.2 million lower (46%) due to changes in the Asset Investment Plan. 2014-15 Capital Contributions were higher due to the building works associated with the relocation of Year 7 students to Secondary schools.
- O** Employee benefits increased by \$303.6 million (9%) due to salary rate increases, increases in school staff numbers associated with student enrolment growth, and the payments of 27th Pay that occurs every 10 years. This was partially offset with the decrease in Government Regional Officers Housing costs due to the decrease in rental cost for certain regional towns.
- P** Supplies and services increased by \$130.2 million (17%) due to increased maintenance in schools and minor works, and increased schools expenses in line with student growth and cost increases.
- Q** Australian Government Grants and Contributions are \$65.4 million (11%) higher due to increased Students First Commonwealth Grants.
- R** Purchase of non-current assets has decreased by \$128.6 million (30%) due to changes to the Asset Investment Program. 2014-15 Capital Contributions were higher due to the building works associated with the relocation of Year 7 students to Secondary schools.

### Administered Income

No administered income for this period.



## Notes to the Financial Statements

For the year ended 30 June 2016

## 46. SPECIAL PURPOSE 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.

| Special Purpose Account  | 2015-16                    |                |               |                          | 2014-15                    |               |               |                          |
|--|----------------------------|----------------|---------------|--------------------------|----------------------------|---------------|---------------|--------------------------|
|  | Balance at start of period | Receipts       | Payments      | Balance at end of period | 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                    | 4 736                      | 28 000        | 28 000        | 4 736                    |
| 2 Scholarship - Council of War Service Land Settlers Association | 966                        | 22             | -             | 988                      | 938                        | 28            | -             | 966                      |
| 3 R.S. Sampson   | 1                          | -              | -             | 1                        | 1                          | -             | -             | 1                        |
| 4 John Henry Kendall   | 1 075                      | 24             | -             | 1 099                    | 1 044                      | 31            | -             | 1 075                    |
| 5 Margueretta Wilson Scholarship                                 | 3 204                      | 74             | 200           | 3 078                    | 3 211                      | 93            | 100           | 3 204                    |
| 6 Perth Girls' Memorial Scholarship                              | 106 897                    | 3 519          | 5 000         | 105 416                  | 104 822                    | 3 075         | 1 000         | 106 897                  |
| 7 Sir Thomas Coombe Scholarship                                  | 116 314                    | 2 754          | -             | 119 068                  | 112 992                    | 3 322         | -             | 116 314                  |
| 8 Margery Bennett Prize  | 1 292                      | 31             | -             | 1 323                    | 1 255                      | 37            | -             | 1 292                    |
| 9 W.J. Reid Memorial Prize                                       | 7 883                      | 186            | -             | 8 069                    | 7 658                      | 225           | -             | 7 883                    |
| 10 James and Rose Coombe Scholarships                            | -                          | 17 500         | 17 500        | -                        | -                          | 37 980        | 37 980        | -                        |
| 11 Perth Boys' Memorial Scholarship                              | 23 791                     | 565            | -             | 24 356                   | 24 090                     | 701           | 1 000         | 23 791                   |
| 12 Roy Grace English Scholarship                                 | -                          | 3 000          | 3 000         | -                        | -                          | 4 000         | 4 000         | -                        |
| 13 James A. Heron Memorial Prize                                 | 13 971                     | 331            | -             | 14 302                   | 13 572                     | 399           | -             | 13 971                   |
| 14 Ernest Smith Memorial Prize for English                       | 2 585                      | 61             | -             | 2 646                    | 2 511                      | 74            | -             | 2 585                    |
| 15 Bentley Senior High School                                    | 25 114                     | 583            | 2 000         | 23 697                   | 24 886                     | 728           | 500           | 25 114                   |
| 16 Elaine Nora Walker Scholarships                               | 103 409                    | 2 437          | 2 000         | 103 846                  | 102 412                    | 2 997         | 2 000         | 103 409                  |
| 17 William Samuel Bequest  | 2 033                      | 47             | 100           | 1 980                    | 2 172                      | 61            | 200           | 2 033                    |
| 18 Howard Porter Memorial Prize for Good Citizenship             | 2 694                      | 62             | 100           | 2 656                    | 2 814                      | 80            | 200           | 2 694                    |
| 19 Ian Bremner Memorial Scholarship                              | 50 171                     | 1 158          | 2 600         | 48 729                   | 51 497                     | 1 474         | 2 800         | 50 171                   |
| 20 Catherine and Ernest Bennett Memorial Scholarship             | 30 259                     | 718            | 1 000         | 29 977                   | 30 366                     | 893           | 1 000         | 30 259                   |
| 21 Laurence Armstrong Scholarship                                | -                          | 274 213        | -             | 274 213                  | -                          | -             | -             | -                        |
| <b>Totals</b>  | <b>496 395</b>             | <b>327 285</b> | <b>53 500</b> | <b>770 180</b>           | <b>490 977</b>             | <b>84 198</b> | <b>78 780</b> | <b>496 395</b>           |



## Notes to the Financial Statements

For the year ended 30 June 2016

### 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.





## Notes to the Financial Statements

For the year ended 30 June 2016

### PURPOSE OF SPECIAL PURPOSE ACCOUNTS

#### 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.

#### 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.



## Notes to the Financial Statements

For the year ended 30 June 2016

### 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 2015–16 and share portfolio component to be transferred to the Department during 2016–17. The value of the share portfolio as at 30 June 2016 is approximately \$420 960.



# INDEPENDENT AUDITOR'S REPORT



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### DEPARTMENT OF EDUCATION

#### Report on the Financial Statements

I have audited the accounts and financial statements of the Department of Education.

The financial statements comprise the Statement of Financial Position as at 30 June 2016, 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.

#### Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Department of Education at 30 June 2016 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

#### Director General's Responsibility 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 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.

#### 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 based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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





**Report on Controls**

I have audited the controls exercised by the Department of Education during the year ended 30 June 2016.

Controls exercised by the Department of Education 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.

**Opinion**

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 2016.

*Director General’s Responsibility for Controls*

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

*Auditor’s Responsibility for the Audit of Controls*

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

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

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

**Report on the Key Performance Indicators**

I have audited the key performance indicators of the Department of Education for the year ended 30 June 2016.

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

**Opinion**

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 2016.

*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 controls as the Director General determines necessary to ensure that the key performance indicators fairly represent indicated performance.

*Auditor’s Responsibility for the Audit of Key Performance Indicators*

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

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





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

**Independence**

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

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

This auditor’s report relates to the financial statements and key performance indicators of the Department of Education for the year ended 30 June 2016 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.

COLIN MURPHY  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia

19 September 2016





SECTION 7:

# APPENDICES

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## STUDENT DESIGNED ROBOT GOES INTERNATIONAL

**A robot designed, built and programmed by Perth students that won a national robotics competition went on to be judged internationally in the United States.**

Daisy Trang, Harry Booker and Kate Loveday from Applecross Senior High School were part of a team of students who put together the 54 kilogram robot that completed various tasks.



The robot was built from a standard set of parts as well as some additional off-the-shelf and custom parts.

FIRST® Robotics Competition is an internationally acclaimed program that inspires a passion for science, technology, engineering and maths in secondary school students. Worldwide there are more than 30 000 teams involving 350 000 students from 80 countries.

The students' journey from Perth to St Louis in Missouri was supported by professional engineers and engineering students from Curtin University who volunteered their time and expertise to mentor and guide the school students.

The team's amazing pneumatic wheels and custom drive base won the Australian competition in Sydney in March and then went on to compete in the United States in April.

The students learned valuable technical science and engineering skills as well as important lifeskills of teamwork, collaboration and public speaking.





## 1. Student enrolment tables and charts

Table A1: Enrolments at schools 2002 to 2016 <sup>(a) (b)</sup>

| Year | Public schools <sup>(c)</sup> | Private schools <sup>(d)</sup> | Total   |
|------|-------------------------------|--------------------------------|---------|
| 2002 | 256 947                       | 108 624                        | 365 571 |
| 2003 | 253 199                       | 111 180                        | 364 379 |
| 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 |

Source: *Evaluation and Accountability*

(a) Semester 1 student census.

(b) From 2002 to 2014 includes the half cohort.

(c) Includes students in community kindergartens.

(d) Includes students in independent pre-schools.

Table A2: Number of schools and enrolments by gender and Aboriginal status 2016 <sup>(a)</sup>

| Sector        | Schools      | All students   | Female         | Male           | Aboriginal    |
|---------------|--------------|----------------|----------------|----------------|---------------|
| Public        | 798          | 296 377        | 142 961        | 153 416        | 23 893        |
| Private       | 311          | 148 545        | 74 431         | 74 114         | 4 564         |
| <b>Totals</b> | <b>1 109</b> | <b>444 922</b> | <b>217 392</b> | <b>227 530</b> | <b>28 457</b> |

Source: *Evaluation and Accountability*

(a) Semester 1 student census. Public sector includes community kindergartens and private sector includes independent pre-schools.

Table A3: Public school enrolments by service, gender and Aboriginal status 2016 <sup>(a)</sup>

| Service  | All            | Female         | Male           | Aboriginal    |
|--|----------------|----------------|----------------|---------------|
| Primary education (Kindergarten–Year 6) <sup>(b)</sup> | 193 422        | 93 262         | 100 160        | 15 857        |
| Secondary education (Years 7–12)                       | 102 955        | 49 699         | 53 256         | 8 036         |
| <b>Totals</b>  | <b>296 377</b> | <b>142 961</b> | <b>153 416</b> | <b>23 893</b> |

Source: Evaluation and Accountability

(a) Semester 1 student census.

(b) Includes community kindergartens.

Table A4: Public schools and students by school type and level of education 2016 <sup>(a)</sup>

| School type  | Schools    | Students              |               |                |                |                |
|--|------------|-----------------------|---------------|----------------|----------------|----------------|
|  |            | Kindergarten          | Pre-primary   | Years 1–6      | Years 7–12     | Total          |
| Community kindergarten                                   | 18         | 490                   | 0             | 0              | 0              | 490            |
| Primary  | 521        | 21 580 <sup>(b)</sup> | 23 127        | 133 415        | 236            | 178 358        |
| Remote community   | 22         | 109                   | 105           | 724            | 340            | 1 278          |
| District high  | 63         | 1 232 <sup>(c)</sup>  | 1 346         | 8 169          | 10 143         | 20 890         |
| High and senior high                                     | 89         | 0                     | 0             | 0              | 85 988         | 85 988         |
| Senior college/campus                                    | 8          | 0                     | 0             | 0              | 3 847          | 3 847          |
| Education support and language development school/centre | 66         | 436                   | 557           | 1 813          | 1 539          | 4 345          |
| WA College of Agriculture                                | 5          | 0                     | 0             | 0              | 587            | 587            |
| School of Isolated and Distance Education                | 1          | 10                    | 19            | 123            | 260            | 412            |
| School of the Air  | 5          | 20                    | 17            | 130            | 15             | 182            |
| <b>Totals</b>  | <b>798</b> | <b>23 877</b>         | <b>25 171</b> | <b>144 374</b> | <b>102 955</b> | <b>296 377</b> |

Source: Evaluation and Accountability

(a) Semester 1 student census. Kindergarten figures represent a 'head count' of all students.

(b) Kindergarten students attend 514 primary schools.

(c) Kindergarten students attend 59 district high schools.



Table A5: Full-time enrolments at public schools by year level 2012 to 2016 <sup>(a)</sup>

| Year level                             | 2012                  | 2013                  | 2014                 | 2015           | 2016           |
|--|-----------------------|-----------------------|----------------------|----------------|----------------|
| Kindergarten                           | 23 095                | 23 338                | 23 928               | 23 894         | 23 877         |
| Pre-primary                            | 23 802                | 24 992                | 24 730               | 25 139         | 25 171         |
| Year 1                                 | 22 561                | 24 427                | 25 370               | 24 918         | 25 171         |
| Year 2                                 | 21 589                | 23 086                | 24 785               | 25 349         | 24 859         |
| Year 3                                 | 20 969                | 22 037                | 23 298               | 24 816         | 25 261         |
| Year 4                                 | 20 458                | 21 253                | 22 109               | 23 145         | 24 647         |
| Year 5                                 | 20 250                | 20 479                | 21 083               | 21 784         | 22 797         |
| Year 6                                 | 20 197                | 20 455                | 20 556               | 20 996         | 21 639         |
| Year 7                                 | 17 893                | 17 644                | 17 672               | 17 394         | 17 783         |
| Year 8                                 | 17 116                | 17 067                | 16 993               | 17 185         | 17 469         |
| Year 9                                 | 16 710                | 17 643                | 17 569               | 17 460         | 17 326         |
| Year 10                                | 10 160 <sup>(b)</sup> | 17 212                | 17 880               | 17 811         | 17 451         |
| Year 11                                | 18 538                | 11 979 <sup>(b)</sup> | 18 115               | 18 419         | 18 187         |
| Year 12                                | 14 304                | 14 625                | 9 547 <sup>(b)</sup> | 14 566         | 14 660         |
| <b>Primary totals <sup>(c)</sup></b>   | <b>190 814</b>        | <b>197 711</b>        | <b>203 531</b>       | <b>190 041</b> | <b>193 422</b> |
| <b>Secondary totals <sup>(d)</sup></b> | <b>77 315</b>         | <b>78 564</b>         | <b>80 208</b>        | <b>102 911</b> | <b>102 955</b> |
| <b>Grand totals</b>                    | <b>268 129</b>        | <b>276 275</b>        | <b>283 739</b>       | <b>292 952</b> | <b>296 377</b> |

Source: Evaluation and Accountability

(a) Semester 1 student census. Kindergarten figures represent a head count of Kindergarten students including community kindergarten students. Totals include ungraded students.

(b) Half cohort.

(c) Prior to 2015 includes Kindergarten to Year 7 and from 2015 includes Kindergarten to Year 6.

(d) Prior to 2015 includes Years 8 to 12 and from 2015 includes Years 7 to 12.

Table A6: Distribution of students by public schools' geolocation by level of education 2016 <sup>(a) (b)</sup>

| Geolocation  | 2016    |           |
|--------------|---------|-----------|
|              | Primary | Secondary |
| Metropolitan | 71.8    | 70.7      |
| Provincial   | 20.0    | 22.3      |
| Remote       | 5.4     | 4.6       |
| Very remote  | 2.9     | 2.4       |

Source: Evaluation and Accountability

(a) Semester 1 student census. Primary includes Kindergarten (including community kindergartens), Pre-primary and Years 1 to 6. Secondary includes Years 7 to 12.

(b) Geolocation is based on locality of individual schools and assigned according to the Standing Council on School Education and Early Childhood's Schools Geographic Location Classification System.

Table A7: Public schools and students by education region and level of education 2016 <sup>(a)</sup>

| Education region              | Schools    | Students      |               |                |                |                |
|-------------------------------|------------|---------------|---------------|----------------|----------------|----------------|
|                               |            | Kindergarten  | Pre-primary   | Years 1–6      | Years 7–12     | Total          |
| <b>Metropolitan</b>           |            |               |               |                |                |                |
| North Metropolitan            | 240        | 8 848         | 9 204         | 51 957         | 35 984         | 105 993        |
| South Metropolitan            | 252        | 9 531         | 10 119        | 57 487         | 40 983         | 118 120        |
| <b>Totals</b>                 | <b>492</b> | <b>18 379</b> | <b>19 323</b> | <b>109 444</b> | <b>76 967</b>  | <b>224 113</b> |
| <b>Country <sup>(b)</sup></b> |            |               |               |                |                |                |
| Goldfields                    | 38         | 695           | 725           | 4 421          | 2 946          | 8 787          |
| Kimberley                     | 23         | 422           | 472           | 2 755          | 1 917          | 5 566          |
| Midwest                       | 47         | 646           | 727           | 4 209          | 2 846          | 8 428          |
| Pilbara                       | 29         | 777           | 843           | 4 387          | 2 545          | 8 552          |
| Southwest                     | 99         | 2 195         | 2 279         | 14 382         | 12 296         | 31 152         |
| Wheatbelt                     | 70         | 763           | 802           | 4 776          | 3 438          | 9 779          |
| <b>Totals</b>                 | <b>306</b> | <b>5 498</b>  | <b>5 848</b>  | <b>34 930</b>  | <b>25 988</b>  | <b>72 264</b>  |
| <b>Grand totals</b>           | <b>798</b> | <b>23 877</b> | <b>25 171</b> | <b>144 374</b> | <b>102 955</b> | <b>296 377</b> |

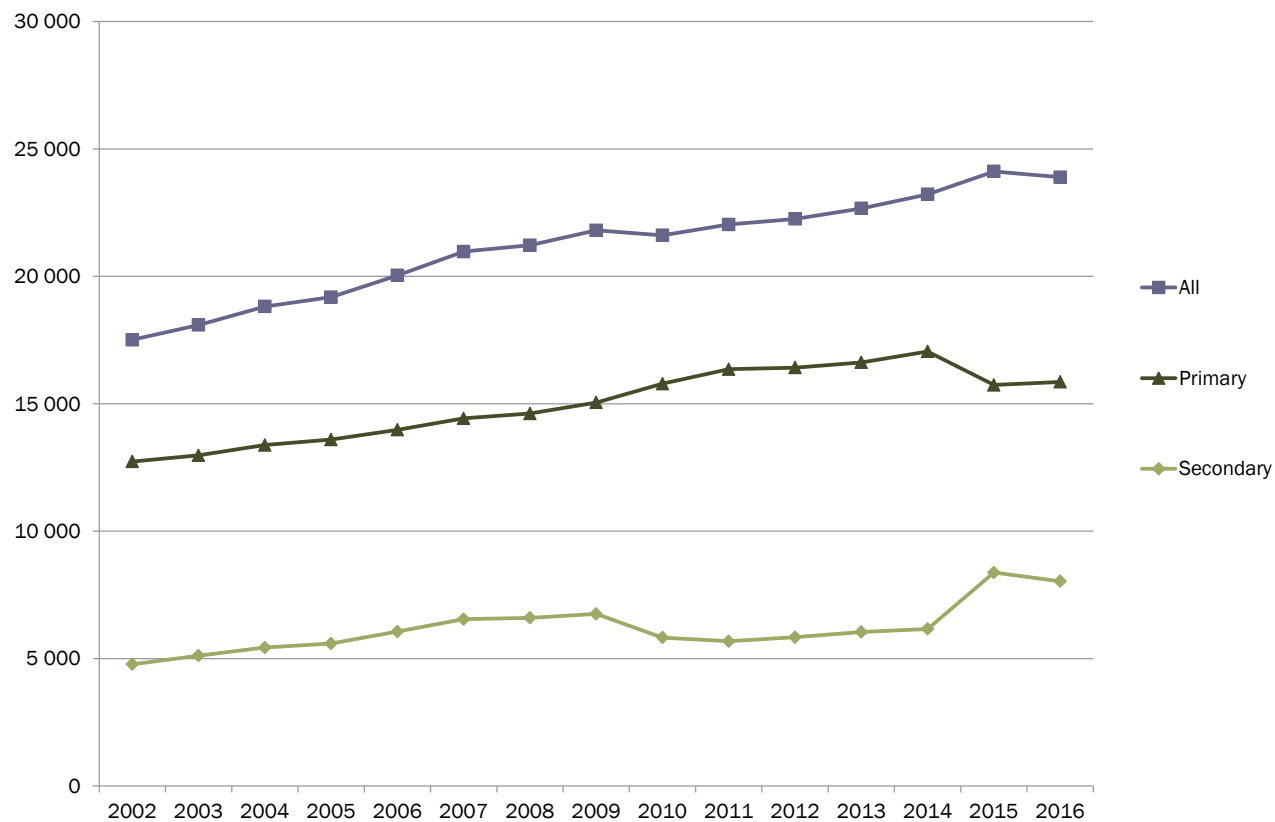
Source: Evaluation and Accountability

(a) Semester 1 student census. Includes community kindergartens.

(b) Defined as all non-metropolitan education regions.



Figure A1: Aboriginal enrolments at public schools by level of education 2002 to 2016 (a) (b) (c)



Source: Evaluation and Accountability

(a) Semester 1 student census. Includes community kindergartens.

(b) Year 7 is included in secondary from 2015. Prior to this Year 7 was included in primary.

(c) Half cohort entered secondary education in 2010.



Table A8: Aboriginal enrolments at public schools by year level <sup>(a)</sup> 2012 to 2016

| Year level                             | 2012               |                     | 2013               |                     | 2014               |                     | 2015          |                     | 2016          |                     |
|--|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|---------------|---------------------|---------------|---------------------|
|  | N                  | % of all enrolments | N                  | % of all enrolments | N                  | % of all enrolments | N             | % of all enrolments | N             | % of all enrolments |
| Kindergarten                           | 1 804              | 7.8                 | 1 819              | 7.8                 | 1 773              | 7.4                 | 1 812         | 7.6                 | 1 714         | 7.2                 |
| Pre-primary                            | 2 032              | 8.5                 | 1 982              | 7.9                 | 1 992              | 8.1                 | 1 997         | 7.9                 | 2 027         | 8.1                 |
| Year 1                                 | 1 973              | 8.7                 | 2 055              | 8.4                 | 2 071              | 8.2                 | 2 085         | 8.4                 | 2 025         | 8.0                 |
| Year 2                                 | 1 885              | 8.7                 | 1 983              | 8.6                 | 2 083              | 8.4                 | 2 060         | 8.1                 | 2 076         | 8.4                 |
| Year 3                                 | 1 707              | 8.1                 | 1 857              | 8.4                 | 1 978              | 8.5                 | 2 120         | 8.5                 | 2 065         | 8.2                 |
| Year 4                                 | 1 781              | 8.7                 | 1 709              | 8.0                 | 1 882              | 8.5                 | 1 999         | 8.6                 | 2 089         | 8.5                 |
| Year 5                                 | 1 817              | 9.0                 | 1 781              | 8.7                 | 1 728              | 8.2                 | 1 912         | 8.8                 | 1 989         | 8.7                 |
| Year 6                                 | 1 696              | 8.4                 | 1 800              | 8.8                 | 1 782              | 8.7                 | 1 754         | 8.4                 | 1 872         | 8.7                 |
| Year 7                                 | 1 723              | 9.6                 | 1 640              | 9.3                 | 1 767              | 10.0                | 1 632         | 9.4                 | 1 534         | 8.6                 |
| Year 8                                 | 1 608              | 9.4                 | 1 538              | 9.0                 | 1 507              | 8.9                 | 1 633         | 9.5                 | 1 619         | 9.3                 |
| Year 9                                 | 1 434              | 8.6                 | 1 581              | 9.0                 | 1 499              | 8.5                 | 1 546         | 8.9                 | 1 544         | 8.9                 |
| Year 10                                | 773 <sup>(b)</sup> | 7.6                 | 1 333              | 7.7                 | 1 466              | 8.2                 | 1 474         | 8.3                 | 1 375         | 7.9                 |
| Year 11                                | 1 317              | 7.1                 | 807 <sup>(b)</sup> | 6.7                 | 1 206              | 6.7                 | 1 311         | 7.1                 | 1 228         | 6.8                 |
| Year 12                                | 707                | 4.9                 | 784                | 5.4                 | 485 <sup>(b)</sup> | 5.1                 | 783           | 5.4                 | 736           | 5.0                 |
| <b>Primary totals <sup>(c)</sup></b>   | <b>16 418</b>      | <b>8.6</b>          | <b>16 626</b>      | <b>8.4</b>          | <b>17 056</b>      | <b>8.4</b>          | <b>15 739</b> | <b>8.3</b>          | <b>15 857</b> | <b>8.2</b>          |
| <b>Secondary totals <sup>(d)</sup></b> | <b>5 839</b>       | <b>7.6</b>          | <b>6 043</b>       | <b>7.7</b>          | <b>6 163</b>       | <b>7.7</b>          | <b>8 379</b>  | <b>8.1</b>          | <b>8 036</b>  | <b>7.8</b>          |
| <b>Grand totals</b>                    | <b>22 257</b>      | <b>8.3</b>          | <b>22 669</b>      | <b>8.2</b>          | <b>23 219</b>      | <b>8.2</b>          | <b>24 118</b> | <b>8.2</b>          | <b>23 893</b> | <b>8.1</b>          |

Source: Evaluation and Accountability

(a) Semester 1 student census. Kindergarten figures represent a head count of Kindergarten students including community kindergarten students. Totals include ungraded students.

(b) Half cohort.

(c) Prior to 2015 includes Kindergarten to Year 7 and from 2015 includes Kindergarten to Year 6.

(d) Prior to 2015 includes Years 8 to 12 and from 2015 includes Years 7 to 12.

Table A9: Aboriginal enrolments at public schools by education region 2016 <sup>(a)</sup>

| Education region    | Aboriginal students | Total students | Aboriginal students as % of all school students |
|---------------------|---------------------|----------------|---|
| <b>Metropolitan</b> |                     |                |   |
| North Metropolitan  | 4 005               | 105 993        | 3.8   |
| South Metropolitan  | 5 961               | 118 120        | 5.0   |
| <b>Totals</b>       | <b>9 966</b>        | <b>224 113</b> | <b>4.4</b>                                      |
| <b>Country</b>      |                     |                |   |
| Goldfields          | 1 886               | 8 787          | 21.5  |
| Kimberley           | 3 393               | 5 566          | 61.0  |
| Midwest             | 2 462               | 8 428          | 29.2  |
| Pilbara             | 2 478               | 8 552          | 29.0  |
| Southwest           | 2 173               | 31 152         | 7.0   |
| Wheatbelt           | 1 535               | 9 779          | 15.7  |
| <b>Totals</b>       | <b>13 927</b>       | <b>72 264</b>  | <b>19.3</b>                                     |
| <b>Grand totals</b> | <b>23 893</b>       | <b>296 377</b> | <b>8.1</b>                                      |

Source: Evaluation and Accountability

(a) Semester 1 student census. Includes community kindergartens.



## 2. NAPLAN results tables and charts

Table A10: Percentage of public school Year 3 students at or above the national minimum standards in NAPLAN by subgroup 2015

| Assessment area         | Female | Male | Language background other than English | Aboriginal | All  |
|-------------------------|--------|------|--|------------|------|
| Reading                 | 94.1   | 89.6 | 90.5                                   | 66.7       | 91.7 |
| Writing                 | 95.8   | 91.5 | 92.8                                   | 72.5       | 93.6 |
| Spelling                | 92.6   | 88.4 | 91.0                                   | 63.6       | 90.4 |
| Grammar and Punctuation | 94.2   | 89.6 | 90.6                                   | 66.6       | 91.8 |
| Numeracy                | 92.8   | 92.4 | 91.2                                   | 69.9       | 92.6 |

Source: Evaluation and Accountability

Table A11: Percentage of public school Year 5 students at or above the national minimum standards in NAPLAN by subgroup 2015

| Assessment area         | Female | Male | Language background other than English | Aboriginal | All  |
|-------------------------|--------|------|--|------------|------|
| Reading                 | 92.3   | 88.0 | 88.7                                   | 63.9       | 90.1 |
| Writing                 | 93.0   | 85.5 | 88.5                                   | 58.1       | 89.1 |
| Spelling                | 93.7   | 88.9 | 91.6                                   | 68.6       | 91.2 |
| Grammar and Punctuation | 92.5   | 86.4 | 88.9                                   | 58.3       | 89.3 |
| Numeracy                | 93.6   | 92.4 | 92.0                                   | 71.6       | 93.0 |

Source: Evaluation and Accountability

**Table A12: Percentage of public school Year 7 students at or above the national minimum standards in NAPLAN by subgroup 2015 <sup>(a)</sup>**

| Assessment area         | Female | Male | Language background other than English | Aboriginal | All  |
|-------------------------|--------|------|--|------------|------|
| Reading                 | 94.2   | 90.4 | 91.0                                   | 72.9       | 92.2 |
| Writing                 | 87.3   | 74.2 | 81.7                                   | 42.2       | 80.5 |
| Spelling                | 92.4   | 86.5 | 90.4                                   | 66.7       | 89.3 |
| Grammar and Punctuation | 90.9   | 83.2 | 87.1                                   | 53.5       | 86.9 |
| Numeracy                | 94.3   | 92.9 | 93.1                                   | 78.1       | 93.6 |

Source: *Evaluation and Accountability*

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

**Table A13: Percentage of public school Year 9 students at or above the national minimum standards in NAPLAN by subgroup 2015**

| Assessment area         | Female | Male | Language background other than English | Aboriginal | All  |
|-------------------------|--------|------|--|------------|------|
| Reading                 | 92.8   | 87.6 | 87.2                                   | 65.1       | 90.1 |
| Writing                 | 85.0   | 69.2 | 77.6                                   | 37.8       | 76.7 |
| Spelling                | 90.6   | 83.8 | 87.8                                   | 62.2       | 87.1 |
| Grammar and Punctuation | 89.9   | 81.2 | 83.9                                   | 50.2       | 85.4 |
| Numeracy                | 94.7   | 94.6 | 93.5                                   | 80.0       | 94.7 |

Source: *Evaluation and Accountability*

Table A14: Mean NAPLAN reading scores of public school students by year level 2008 to 2015 <sup>(a)</sup>

| 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    |

Source: *Evaluation and Accountability*

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

Table A15: Mean NAPLAN numeracy scores of public school students by year level 2008 to 2015 <sup>(a)</sup>

| 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    |

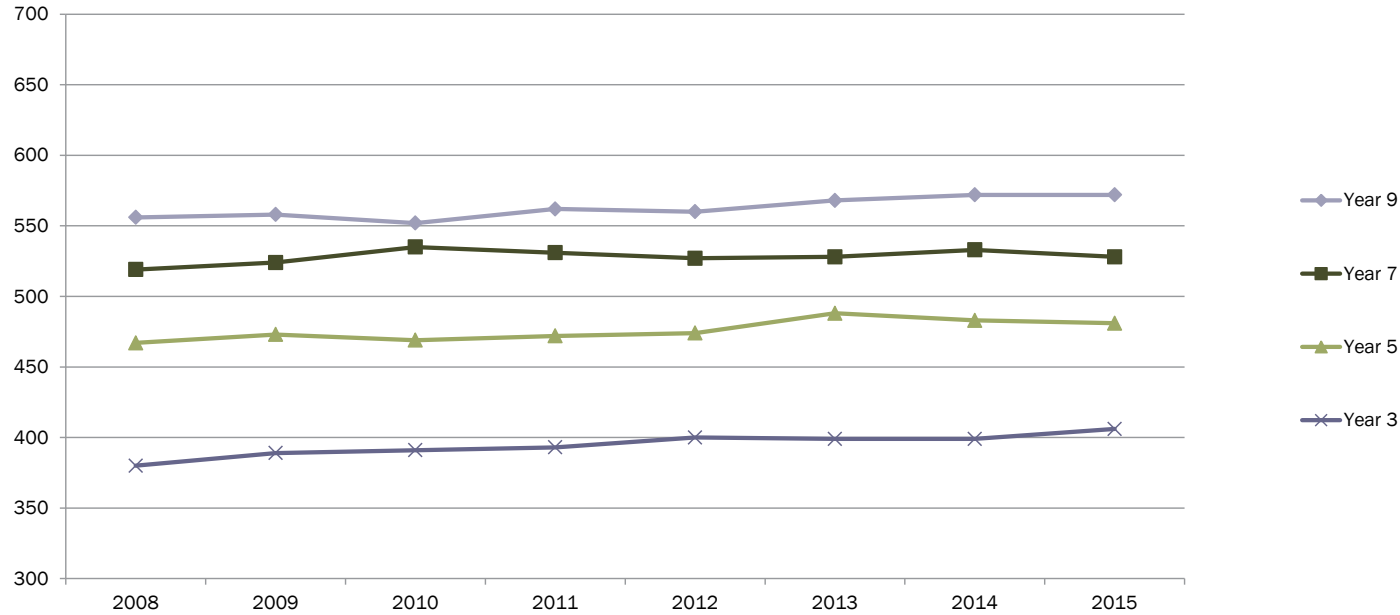
Source: *Evaluation and Accountability*

(a) Year 7 become 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 public school students by year level 2008 to 2015 (a)



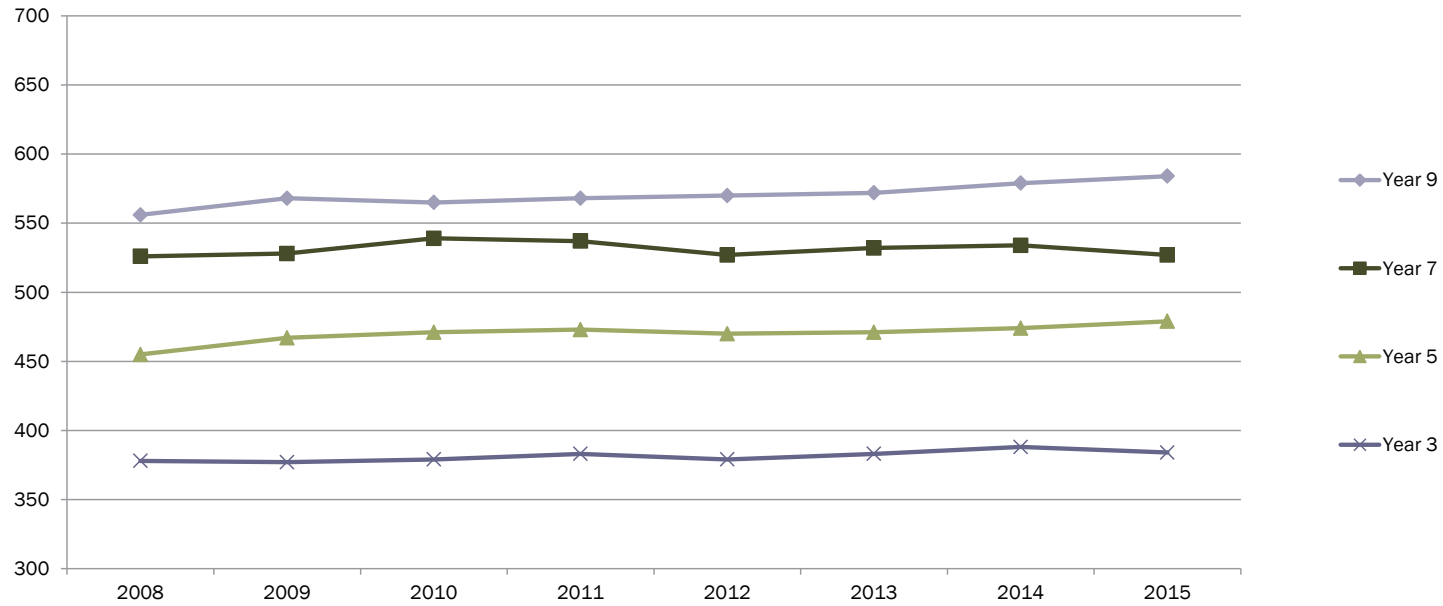
Source: Evaluation and Accountability

(a) Year 7 become 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 public school students by year level 2008 to 2015 <sup>(a)</sup>



Source: Evaluation and Accountability

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





### 3. Student attendance, retention, graduation and satisfaction tables and charts

**Table A16: Student attendance rate (%) of public school students by subgroup 2015** <sup>(a) (b)</sup>

| Subgroup                     | Aboriginal | Non-Aboriginal | All  |
|------------------------------|------------|----------------|------|
| All (Pre-primary–Year 12)    | 76.3       | 92.2           | 90.9 |
| Primary (Pre-primary–Year 6) | 81.2       | 93.8           | 92.7 |
| Secondary (Years 7–12)       | 68.0       | 89.7           | 87.9 |

Source: *Evaluation and Accountability*

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

(b) 2015 data should not be directly compared to 2012 and earlier student attendance data as the system for reporting attendance changed in 2013.

**Table A17: Percentage of public school students by attendance category 2015** <sup>(a) (b)</sup>

| Subgroup                            | Aboriginal | Non-Aboriginal | All  |
|-------------------------------------|------------|----------------|------|
| Regular attendance (90–100%)        | 36.1       | 75.3           | 71.9 |
| Indicated attendance risk (80–<90%) | 21.9       | 16.8           | 17.2 |
| Moderate attendance risk (60–<80%)  | 21.0       | 5.9            | 7.2  |
| Severe attendance risk (<60%)       | 21.1       | 2.0            | 3.7  |

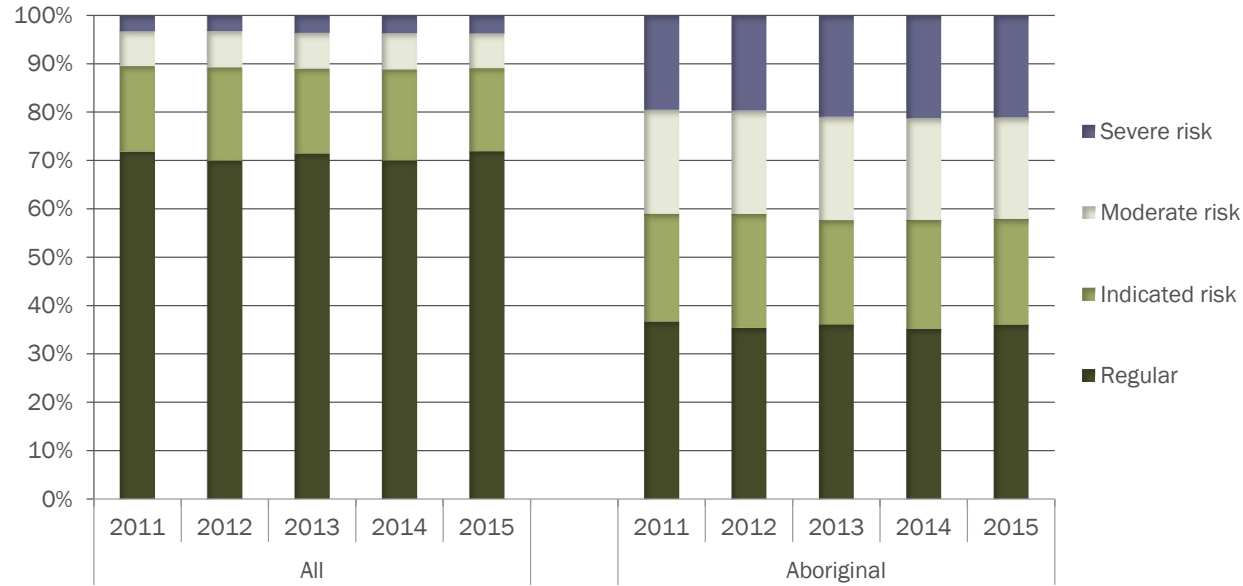
Source: *Evaluation and Accountability*

(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.



Figure A4: Percentage of public school students by subgroup by attendance category 2011 to 2015 (a)



Source: Evaluation and Accountability

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





Table A18: Apparent retention rate of public school students Years 8 to 12 by subgroup 2011 to 2015 (a) (b)

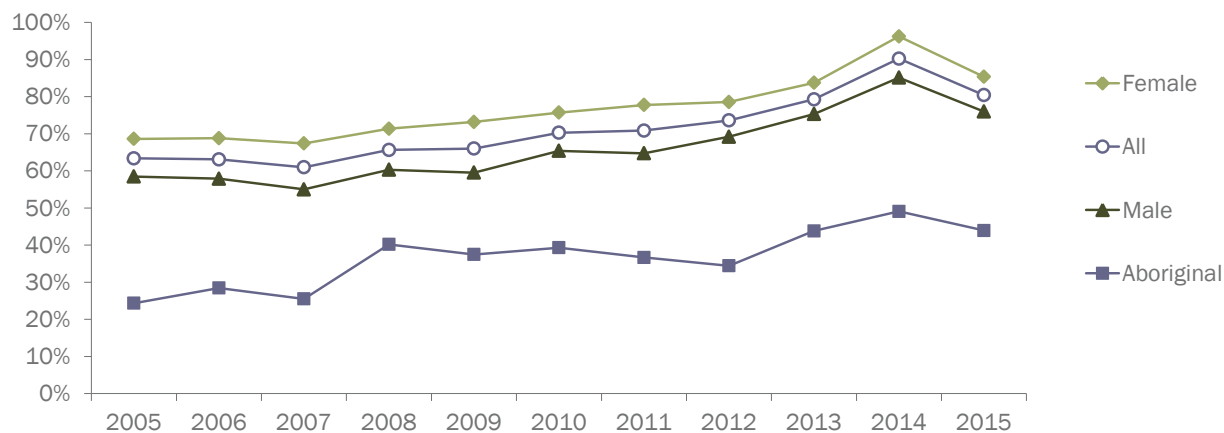
| Subgroup          | 2011          |             | 2012          |             | 2013          |             | 2014         |             | 2015          |             |
|-------------------|---------------|-------------|---------------|-------------|---------------|-------------|--------------|-------------|---------------|-------------|
|                   | N             | %           | N             | %           | N             | %           | N            | %           | N             | %           |
| <b>All</b>        | <b>11 956</b> | <b>70.9</b> | <b>12 354</b> | <b>73.6</b> | <b>13 161</b> | <b>79.3</b> | <b>8 364</b> | <b>90.3</b> | <b>13 005</b> | <b>80.4</b> |
| Male              | 5 780         | 64.7        | 6 154         | 69.2        | 6 617         | 75.3        | 4 239        | 85.1        | 6 474         | 76.0        |
| Female            | 6 176         | 77.8        | 6 200         | 78.5        | 6 544         | 83.7        | 4 125        | 96.2        | 6 531         | 85.3        |
| <b>Aboriginal</b> | <b>564</b>    | <b>36.7</b> | <b>520</b>    | <b>34.4</b> | <b>650</b>    | <b>43.8</b> | <b>405</b>   | <b>49.1</b> | <b>645</b>    | <b>43.9</b> |
| Male              | 290           | 34.9        | 265           | 33.6        | 332           | 43.2        | 219          | 48.9        | 339           | 42.1        |
| Female            | 274           | 38.8        | 255           | 35.3        | 318           | 44.4        | 186          | 49.3        | 306           | 46.2        |

Source: Evaluation and Accountability

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

(b) Semester 2 student census.

Figure A5: Apparent retention rate (%) of public school students Years 8 to 12 by subgroup 2005 to 2015 (a) (b)



Source: Evaluation and Accountability

(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 A19: Apparent secondary graduation rate (%) of public school Year 12 students by subgroup 2011 to 2015 <sup>(a) (b)</sup>

| Subgroup   | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------|------|------|------|------|------|
| All        | 62.4 | 65.0 | 70.5 | 80.5 | 72.7 |
| Male       | 55.8 | 59.7 | 65.2 | 73.6 | 67.0 |
| Female     | 69.9 | 70.9 | 76.5 | 88.5 | 78.9 |
| Aboriginal | 20.3 | 19.3 | 27.2 | 29.8 | 26.2 |

Source: Evaluation and Accountability from School Curriculum and Standards Authority data

(a) Excludes Canning College and Tuart College students, international and private students. Repeating students are included but only new instances of students meeting requirements for secondary graduation are counted.

(b) See the secondary graduation rates in the [key performance indicators](#).

Table A20: Student satisfaction of Year 12 public school students by subgroup 2011 to 2015 <sup>(a)</sup>

| Subgroup   | 2011 | 2012 | 2013 | 2014 <sup>(b)</sup> | 2015 |
|--|------|------|------|---------------------|------|
| <b>Satisfaction with quality of teaching</b>             |      |      |      |                     |      |
| All  | 90.7 | 90.4 | 89.8 | 89.6                | 88.4 |
| Male   | 88.8 | 89.4 | 89.0 | 88.7                | 87.8 |
| Female   | 92.3 | 91.4 | 90.6 | 90.4                | 88.9 |
| Aboriginal   | 93.5 | 89.4 | 94.2 | 94.4                | 92.3 |
| <b>Satisfaction with quality of education facilities</b> |      |      |      |                     |      |
| All  | 83.7 | 85.5 | 85.4 | 85.7                | 84.8 |
| Male   | 80.5 | 83.5 | 84.5 | 85.4                | 84.2 |
| Female   | 86.2 | 87.3 | 86.1 | 85.8                | 85.4 |
| Aboriginal   | 90.4 | 89.4 | 89.8 | 87.3                | 88.1 |

Source: Evaluation and Accountability

(a) Conducted in Semester 2.

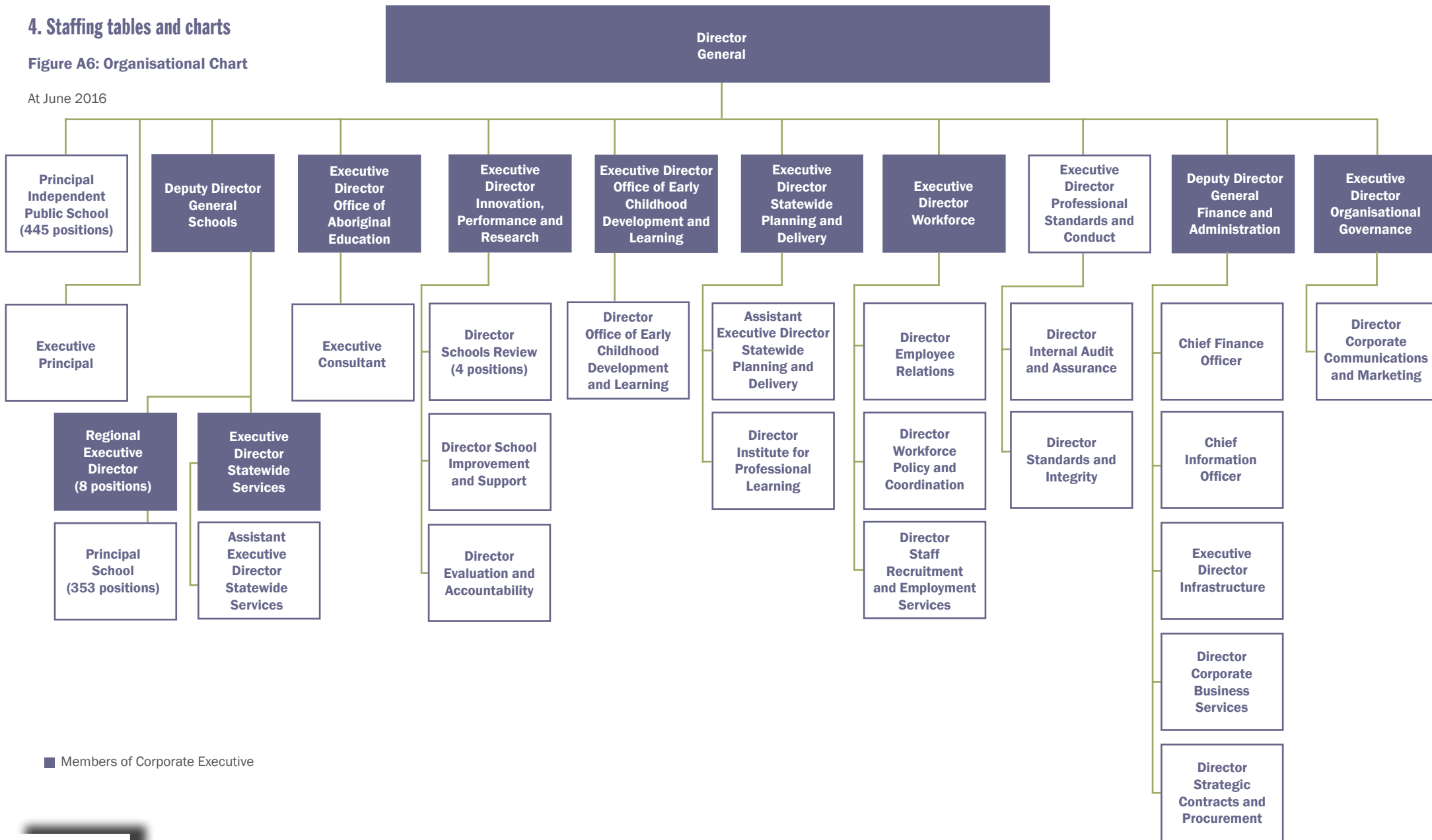
(b) Half cohort in Year 12.



4. Staffing tables and charts

Figure A6: Organisational Chart

At June 2016



■ Members of Corporate Executive



**Table A21: School-based teaching staff <sup>(a)(b)</sup> by level of schooling and gender 2016**

| Level of schooling | Female numbers | Female %    | Male numbers | Male %      | Total numbers |
|--------------------|----------------|-------------|--------------|-------------|---------------|
| Kindergarten       | 567            | 97.9        | 12           | 2.1         | 579           |
| Primary            | 8 959          | 83.5        | 1 764        | 16.5        | 10 723        |
| Secondary          | 4 695          | 62.1        | 2 861        | 37.9        | 7 556         |
| Education support  | 613            | 85.7        | 102          | 14.3        | 715           |
| <b>Totals</b>      | <b>14 834</b>  | <b>75.8</b> | <b>4 739</b> | <b>24.2</b> | <b>19 573</b> |

Source: *Evaluation and Accountability*

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

(b) Staff apportioned to Kindergarten on the basis of student numbers and classes.

**Table A22: Teacher retirements and resignations 2011 to 2015**

| Category    | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------|------|------|------|------|------|
| Retirement  | 404  | 343  | 425  | 549  | 539  |
| Resignation | 632  | 558  | 534  | 577  | 582  |

Source: *Workforce Policy and Coordination*





5. Winners of the WA Education Awards 2015

To find out more about the winners and finalists go to the [WA Education Awards 2015](#) publication.

Watch our video on the [WA Education Awards 2015](#).



**WA Primary School Leader of the Year:**

Nicole Hanna, Principal, East Kalgoorlie Primary School



**WA Aboriginal and Islander Education Officer of the Year:**

Len Yarran, Balga Senior High School



**WA Premier's Excellence in Aboriginal Education Award:**

Looma Remote Community School



**WA Secondary School Leader of the Year:**

Darrel Le Mercier, Principal, Belmont City College



**WA School Services Staff Member of the Year:**

Maureen Bailey, Australind Senior High School



**WA Premier's Primary Teacher of the Year:**

Adeline Monaghan, South Hedland Primary School



**WA Beginning Teacher of the Year:**

Kirsty Campbell, Wattle Grove Primary School



**WA Primary School of the Year:**

Ranford Primary School



**WA Premier's Secondary Teacher of the Year:**

Guy Stapleton, Melville Senior High School



**WA Education Assistant of the Year:**

Lynda Bailey, Wanneroo Primary School



**WA Secondary School of the Year:**

Manjimup Senior High School





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