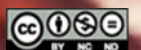




Department of
Education

Department of Education Annual Report 2018–19



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Department of Education Annual Report 2018–19

ISSN: 1449–0315 (Print)

ISSN: 1843–2396 (Web)

SCIS No: 1155879

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OVERVIEW	4
Statement of compliance	4
Director General’s foreword	5
About us.....	6
Executive summary.....	9
Our structure and senior staff.....	13
Governance framework.....	20
Significant issues for the next financial year	23
OUR PERFORMANCE	25
Providing public education	25
Contemporary curriculum and assessment	25
High quality teaching	35
Effective leadership	37
Good governance	40
Safe, healthy and resilient learners.....	48
Strong partnerships and collaboration	52
As a regulator and funder	54
Contemporary curriculum and assessment	54
High quality teaching, effective leadership and good governance	54
Safe, healthy and resilient learners.....	57
Strong partnerships and collaboration	58
DISCLOSURES AND LEGAL COMPLIANCE	59
General disclosures	59
Compliance with public sector standards and ethical codes	66
Occupational safety, health and injury management	70
Staff	73
Major capital works	78
TEACHER REGISTRATION BOARD OF WESTERN AUSTRALIA	
ANNUAL REPORT 2018–19	81
KEY PERFORMANCE INDICATORS AND FINANCIAL STATEMENTS	99
Key performance indicators	104
Financial statements	112
APPENDICES	184
1. Student enrolment.....	184
2. NAPLAN results.....	191
3. Student participation, achievement and satisfaction	195
4. Staffing.....	200
5. Changes to our Outcomes Based Management reporting structure	202
6. Annual estimates for 2019–20	205

OVERVIEW

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

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

Activities and performance for the 2018–19 financial year are in the context of our [strategic outline](#), [strategic plan for public schools](#), State Government budget papers and other strategy documents.

This report includes the [annual report](#) of the Teacher Registration Board of Western Australia. Public school annual reports by calendar year are published on [Schools Online](#).

This report uses the term 'Aboriginal' to respectfully and inclusively refer to Aboriginal and Torres Strait Islander people.

Reference to parents is inclusive of caregivers, families and extended families with responsibility for the care of their children.

Statement of compliance

Hon Sue Ellery MLC
Minister for Education and Training

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament the annual report of the Department of Education for the financial year ended 30 June 2019.

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

In accordance with section 114 of the *Teacher Registration Act 2012*, the annual report of the Teacher Registration Board of Western Australia for the financial year ended 30 June 2019 is included in this report.



Lisa Rodgers
Director General
(Accountable Authority)

20 September 2019

Director General's foreword

Following my appointment as Director General in January 2019, I am pleased to present my first annual report.

I would like to take this opportunity to acknowledge Ms Jennifer McGrath for her valuable contribution and stewardship as Acting Director General until 28 January 2019, following the departure of Ms Sharyn O'Neill in July 2018.



During the year we continued to implement a number of the State Government's election commitments in relation to public schools, including more teachers and education assistants in classrooms.

We also began developing a plan, in collaboration with other agencies, to meet the State Government's Our Priorities targets. Under the banner of A Bright Future, we are leading the shared effort to achieve specific targets to improve the health and wellbeing of children in the early years, increase students' knowledge and skills in reading and numeracy, and increase participation in science, technology, engineering and mathematics (STEM).

We continued to work closely with the School Curriculum and Standards Authority, Teacher Registration Board of Western Australia, and the Training Accreditation Council (until 31 December 2018) to ensure they were provided with secretariat services.

With an ever-growing infrastructure portfolio requiring ongoing maintenance and minor works, we continued an extensive capital works program to ensure the best learning environments and experiences for students, staff and school communities, including specialist facilities for students with special education needs.

Ensuring the safety and wellbeing of our principals, staff and students remained a priority as we rolled out a range of strategies, including resources for principals and school communities in addressing challenging behaviours of some students.

We also launched our comprehensive Leadership Strategy and system of public school reviews focused on building the capacity of our school leaders.

In presenting this report, I want to acknowledge and thank our staff for their commitment to our strategic directions and in delivering high quality education and care to students across the State. I also acknowledge and thank all the partners who contributed to our work this year.

A handwritten signature in black ink that reads "Lisa Rodgers". The signature is fluid and cursive.

Lisa Rodgers
Director General

About us

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

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

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

Our vision

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

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

Our objectives

Contemporary curriculum and assessment

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

High quality teaching

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

Effective leadership

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

Good governance

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

Safe, healthy and resilient learners

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

Strong partnerships and collaboration

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

Our values

Learning

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

Equity

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

Integrity

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

Excellence

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

Care

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

Respect

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

Operational structure

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

Our accountable authority in 2018–19 was Ms Sharyn O'Neill, from 1 July to 29 July 2018; Ms Jennifer McGrath (Acting) from 30 July 2018 to 27 January 2019; and Ms Lisa Rodgers, from 28 January to 30 June 2019.

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

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

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

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

- Non-Government Schools Planning Advisory Panel
- Non-Government Schools Registration Advisory Panel
- Rural and Remote Education Advisory Council
- School Curriculum and Standards Authority
- Training Accreditation Council (from 1 July to 31 December 2018)
- Teacher Registration Board of Western Australia
- Western Australian Higher Education Council.

The Training Accreditation Council secretariat function was transferred to the Department of Training and Workforce Development from 1 January 2019.

Performance management framework

Government Goal

Strong Communities: Safe communities and supported families

Desired Outcome

School students across Western Australia have access to high quality education

Services

1. Public Primary Education
2. Public Secondary Education
3. Regulation and Non-Government Sector Assistance
4. Support to the School Curriculum and Standards Authority

These services are as per our new Outcomes-Based Management (OBM) reporting structure, which was approved in 2018–19 to better reflect our current operations. Further information on the changes to our OBM reporting structure is in [Appendix 5](#).

Our strategic directions

Our [strategic outline](#) reflects the role of the Department in influencing the education of all students in Western Australia and how this is enacted in line with relevant legislation.

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

To provide specific directions for public education each school year, we published [Focus 2018](#) and [Focus 2019](#). Aligned to our strategic plan, these documents provided direction for public schools and the Department.

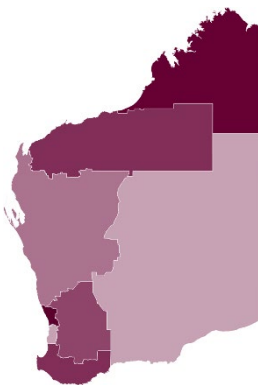
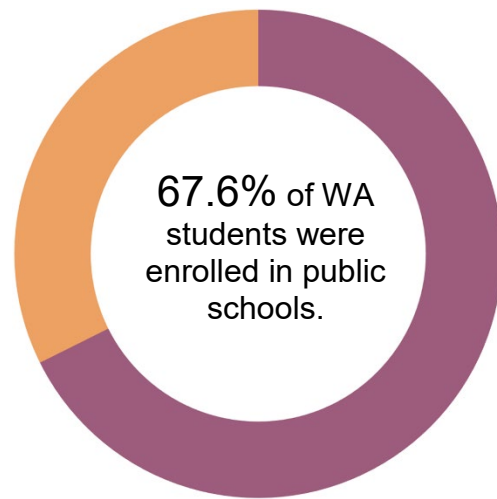
Executive summary

Our students and schools in 2019

460,035 students were enrolled in Western Australian (WA) schools.

This included

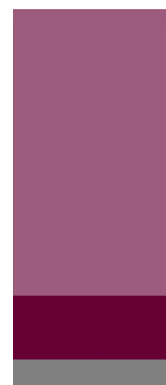
- 311,199 students in public schools
- 148,836 students in non-government schools.



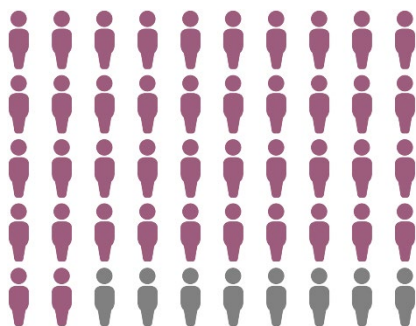
1,121 schools across eight education regions.

We were responsible for 812 public schools, including opening three new schools.

There were 309 non-government schools.



- 75.8% of public school students were in metropolitan schools
- 16.9% were in regional schools
- 7.4% were in remote or very remote schools.



26,002 (83.9%) of WA's 31,007 Aboriginal students were enrolled in public schools.



37,926 full-time equivalent staff were employed in public schools; nearly 97% of all our staff.

See [Appendix 1](#) for further enrolment data.

Year scorecard

We supported our Government Goal – Strong Communities: Safe communities and supported families – through our desired outcome ‘School students across Western Australia have access to high quality education’.

Key performance indicators helped us assess and monitor the extent to which we achieved this outcome and enhanced our ability to account to the community for our performance.

Effectiveness indicators ^(a)	Target ^(b)	Result
Rate of participation in education (proportion of persons aged 15 to 17 years in some form of education)	97%	98.0%
Retention in public schooling (proportion of Year 8 public school cohort studying in Year 12)	81%	81.4%
Western Australian Certificate of Education (WACE) achievement rate by Year 12 public school students	80%	80.5%
Year 3 public school students achieving proficiency in:		
– Reading	68%	70.0%
– Numeracy	68%	69.2%
Year 5 public school students achieving proficiency in:		
– Reading	66%	68.4%
– Numeracy	65%	66.3%
Year 7 public school students achieving proficiency in:		
– Reading	63%	64.3%
– Numeracy	62%	62.1%
Year 9 public school students achieving proficiency in:		
– Reading	66%	71.1%
– Numeracy	66%	70.5%
Efficiency indicators	Target ^(b)	Result
Service 1: Public Primary Education		
– Cost per student full-time equivalents	\$15,384	\$15,242
Service 2: Public Secondary Education		
– Cost per student full-time equivalents	\$18,870	\$18,488
Service 3: Regulation and Non-Government Sector Assistance		
– Cost of non-government school regulatory services per non-government school	\$7,824	\$6,747
– Cost of teacher regulatory services per teacher	\$107	\$110
Service 4: Support to the School Curriculum and Standards Authority		
– Cost per student of support to the School Curriculum and Standards Authority	\$75	\$77

(a) To achieve proficiency, students must meet much higher standards of reading and numeracy than the national minimum standards reported under our old Outcomes Based Management (OBM) reporting structure. See [Appendix 2](#) for our 2018 results against national minimum standards.

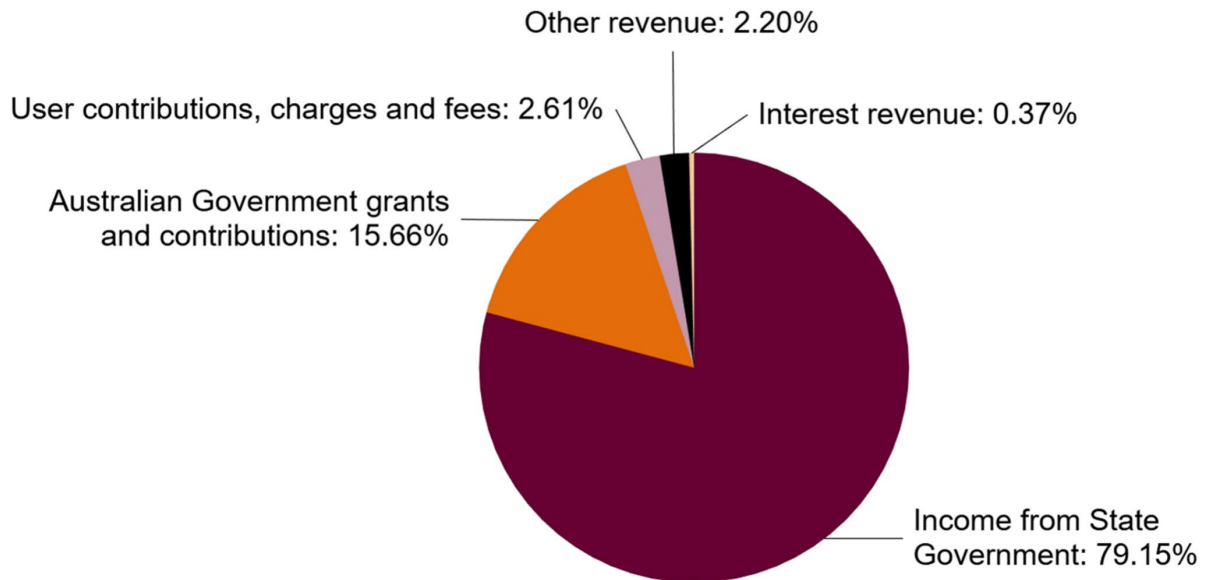
(b) Targets for 2018–19 for our new OBM reporting structure are as reported in the 2019–20 State Budget.

Further information is in [Key performance indicators](#).

Year in dollars

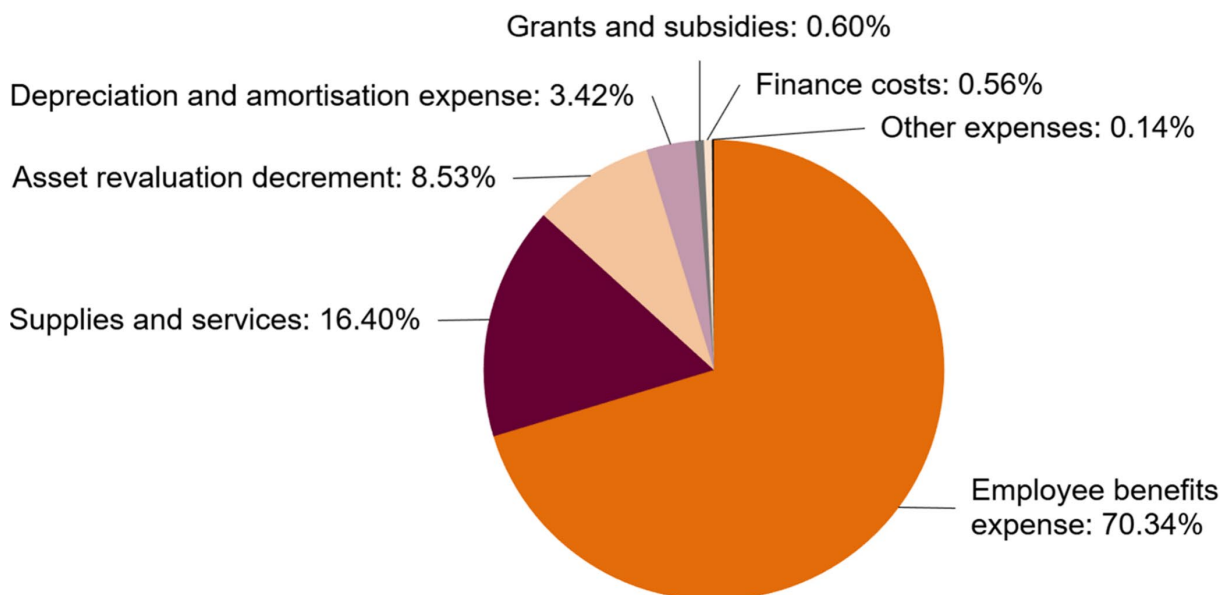
The total cost of providing our services in 2018–19 was \$5.5 billion. [Figures 1 and 2](#) summarise sources of revenue and cost of services. Full details of financial performance during 2018–19 are in the [Financial statements](#).

Figure 1: Revenue sources 2018–19



Source: Education Business Services

Figure 2: Costs 2018–19



Source: Education Business Services

Our results in 2018–19 against agreed financial targets (based on Budget Statements and the Resource Agreement) are in [Table 1](#).

Table 1: Budget targets compared to actual results 2018–19^(a)

	2018–19 budget (\$'000)	2018–19 actual (\$'000)	Actual vs budget (\$'000)
Total cost of services	5,090,961	5,494,485	403,524
Net cost of services	4,045,542	4,411,809	366,267
Total equity	14,343,354	13,648,178	(695,176)
Net increase/(decrease) in cash held	(22,271)	40,930	63,201
	2018–19 budget (FTE) ^(b)	2018–19 actual (FTE)	Actual vs budget (FTE)
Staff	39,548	39,205	(343)

Source: *Education Business Services*

(a) Results in brackets indicate a negative value.

(b) Full-time equivalent.

The overspend of \$403.5 million (7.9%) in actual total cost of services to budget estimate total cost of services was due solely to a non-cash decrease in the value of land and buildings (\$468.4 million). Without the decrease in the value of land and buildings, the Department underspent its budget by \$64.9 million (1.3%). Partly offsetting the impact of the decrease in the value of land and buildings were the following:

- Lower supplies and services expenditure including lower direct school expenses, which was partly due to schools making more capital purchases for assets above \$5,000 than projected.
- The Royalties for Regions funded Kimberley Schools Project expenditure was \$6.8 million lower than the 2018–19 estimate due to the re-profiling of the project's service delivery during the year.
- Depreciation was lower than the estimated actual due to changes in school building values.

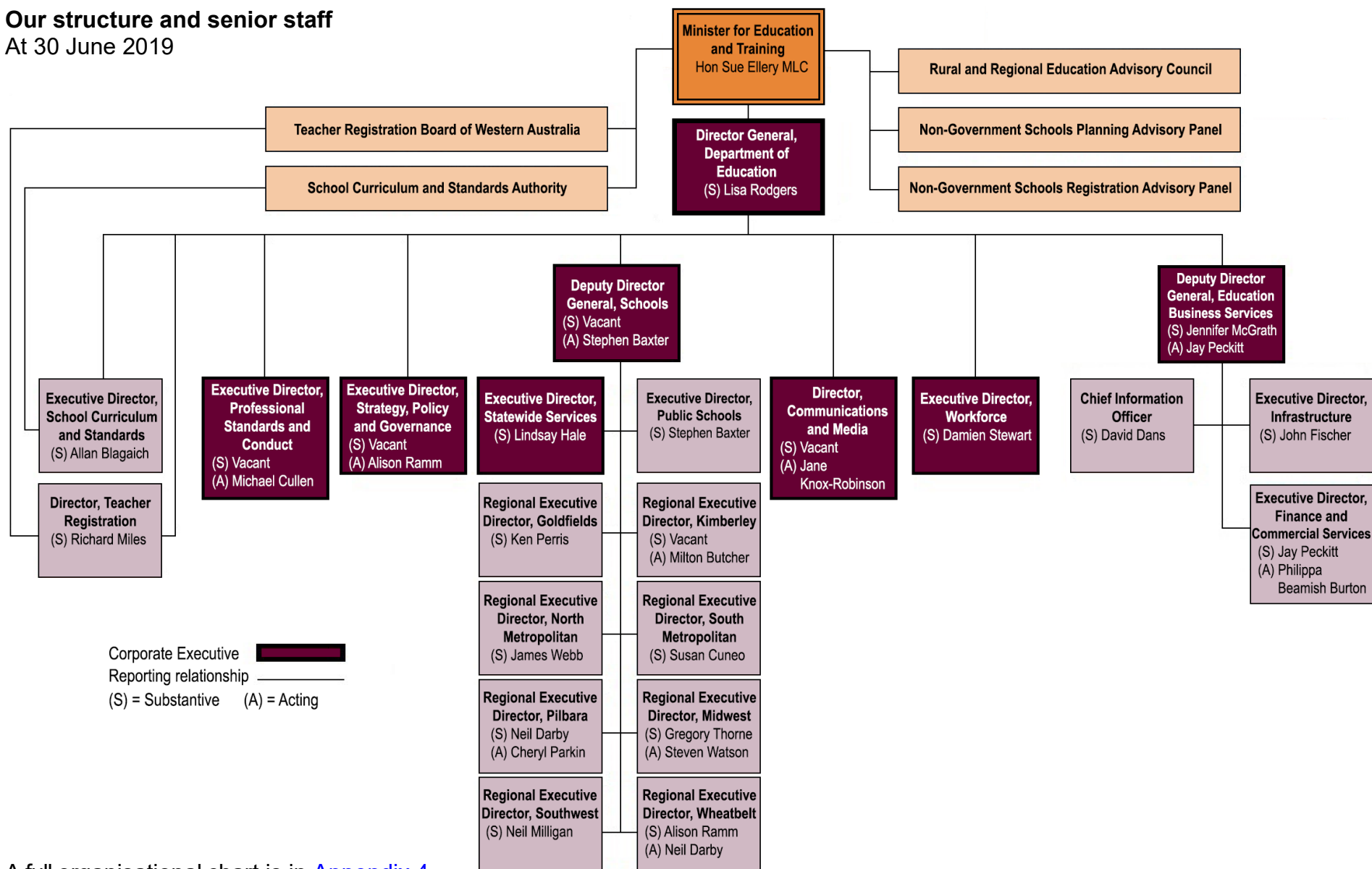
The net cost of services of \$4.4 billion was higher than the budget estimate by \$366.3 million (9.0%) primarily due to the overspend of \$403.5 million and revenue being \$37.3 million (3.6%) higher than expected. The latter was mainly due to a higher than anticipated RiskCover Workers' Compensation performance adjustment for 2015–16 and additional revenue generated by schools.

The decrease of \$695.2 million in total equity compared with the budget estimate was mainly due to the \$468.4 million decrement to land and buildings in 2018–19.

The 2018–19 average FTE of 39,205 was 343 FTE (0.9%) lower than the 2018–19 budget estimate due to slightly lower than expected student growth and the extension of the Voluntary Targeted Separation Scheme. Since 2015, funding for schools has been delivered through a one-line budget. This provides flexibility to determine how budgets are used to deliver the education programs and support their students, including staffing decisions which are made at the local school level.

Our structure and senior staff

At 30 June 2019



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



Our responsibilities at 30 June 2019

We realigned our structure during the year to better reflect our current operations, purpose and the intent of the Machinery of Government and other changes since 1 July 2017.

School Curriculum and Standards	Schools
<ul style="list-style-type: none"> • Secretariat services and support to the School Curriculum and Standards Authority 	<ul style="list-style-type: none"> • Non-government school registration and regulation • School performance and effectiveness reviews • Leadership in regions • Residential colleges
<p style="text-align: center;">Teacher Registration</p> <ul style="list-style-type: none"> • Secretariat services and support to the Teacher Registration Board of Western Australia 	<p><i>Statewide Services</i></p>
<p style="text-align: center;">Communications and Media</p> <ul style="list-style-type: none"> • Media and crisis communications • Public relations and marketing • Internal communications management 	<ul style="list-style-type: none"> • Support and services for students and schools in curriculum, student behaviour and wellbeing, inclusive education, literacy and numeracy, and pathways
<p style="text-align: center;">Professional Standards and Conduct</p> <ul style="list-style-type: none"> • Standards of staff professional conduct and integrity • Internal audit and risk management • Screening of criminal history records for staff • Monitoring compliance with Working with Children legislation • Management of allegations of staff misconduct • Legal advice 	<ul style="list-style-type: none"> • Online learning including contemporary teaching and learning technologies and systems • Support for schools to meet the needs of Aboriginal students • Policy and strategic planning in early childhood education • Professional learning for staff
<p style="text-align: center;">Strategy, Policy and Governance</p> <ul style="list-style-type: none"> • Ministerial services and support • Policy and governance framework • System reform initiatives to support increased school autonomy, including leadership strategy • Intergovernmental relations • Coordination of the move to National Assessment Program – Literacy and Numeracy (NAPLAN) online • School and system performance, evaluation, and accountability including student assessment and reporting • Higher education • International education • Public school planning 	<p style="text-align: center;">Workforce</p> <ul style="list-style-type: none"> • Human resource and recruitment consultancy services • Workforce strategic policy • Industrial relations matters • Employee support services • Compliance with public sector legislation related to employment
	<p style="text-align: center;">Education Business Services</p> <ul style="list-style-type: none"> • Strategic and operational financial management • Public and non-government school funding • Payroll and information management • Contracting and procurement processes • Capital works, maintenance programs and property services • Asset planning • Information and communication technologies services

Our senior staff at 30 June 2019

Corporate Executive



Lisa Rodgers – Director General

Lisa was appointed for the start of 2019.

Prior to joining the Department of

Education, she was Chief Executive Officer of the Australian Institute of Teaching and School Leadership (AITSL). She has also held the positions of Deputy Secretary, Early Learning and Student Achievement and Deputy Secretary, Evidence, Data and Knowledge in the Ministry of Education in New Zealand.

With over 16 years' experience in Education, Lisa has led significant reforms in assessment innovation, curriculum and the use of evidence for impact at the classroom and national level.

She has an Honours Degree in Psychology and has held several other substantial posts in Justice, Health and Defence.



Stephen Baxter – Acting Deputy Director General, Schools

Stephen took up this acting position in March 2018.

He is a qualified teacher and has more than 40 years' experience in public education. Stephen has held a number of senior executive positions, including in regional Western Australia.



Jay Peckitt – Acting Deputy Director General, Education Business Services

Jay joined the Department in 2016 and has been in the

Western Australian public sector for 16 years. He has held senior positions at the Department for Child Protection and Family Support and the Department of Finance.

He has a Bachelor of Business, is a Certified Practising Accountant, and in 2018 was named as the Public Sector Commission Young Leader of the Year and the Chief Financial Officer of the Year by the Institute of Public Administration Australia.



Mike Cullen – Acting Executive Director, Professional Standards and Conduct

Mike took up this acting position in 2018.

He joined the Department in 2012 with 21 years' experience in public sector positions overseas and in Western Australia. Mike has held senior executive positions in a number of State Government agencies, including the Department of Justice and the Department of Corrective Services. He has a Bachelor of Arts (Hons) in Community Justice.



Lindsay Hale – Executive Director, Statewide Services

Lindsay was appointed to this position in 2014.

He joined the

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



Jane Knox-Robinson – Acting Director, Communications and Media

Jane took up this acting position in October 2018.

She joined the Department in 2010 with over 20 years' experience in communications and marketing in both the public and private sectors. Her professional experience includes education, vocational education and training, and community services.



Alison Ramm – Acting Executive Director, Strategy, Policy and Governance

Alison took up this acting position in 2019.

She comes from her role as Regional Executive Director, Wheatbelt and other leadership positions that helped shape and implement significant reforms in school staffing, funding, resourcing, and autonomy. She also has teaching and leadership experience in schools across the State.



Kevin O'Keefe – Principal Advisor, Aboriginal Education Teaching and Learning

Kevin was co-opted as a member of Corporate Executive in May 2019

to provide advice and guidance drawn from his extensive experience in Aboriginal education in school and system contexts.

He has held a number of teaching and senior leadership positions in a range of schools, including leading a multi-campus remote community school in the Western Desert as Executive Principal of the Ngaanyatjarra Lands School. He was also an executive director in the former Department of Education and Training with oversight for Aboriginal education and training, and worked as a senior research officer at Edith Cowan University leading a national research project into Indigenous education.

Kevin is a Noongar person with roots in Yued country.



Damien Stewart – Executive Director, Workforce

Damien was appointed to this position in 2017.

He has more than

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

Other senior officers or division heads



Allan Blagaich – Executive Director, School Curriculum and Standards

Allan took up this position in 2017. Before this, he was Chief

Executive Officer of the School Curriculum and Standards Authority, appointed in 2011.

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



Philippa Beamish Burton – Acting Executive Director, Finance and Commercial Services

Philippa joined the Department in late

2017 as the Director, Financial Planning and Resourcing. With over 15 years' experience in the Western Australian public sector she has held senior positions at the Department for Child Protection and Family Support and the Department of Communities.

She has a Bachelor of Business, is a Certified Practising Accountant, and in 2017 was named as the Finance Practitioner of the Year by the Institute of Public Administration Australia.



David Dans – Chief Information Officer

David was appointed to this position in 2017.

He has over 30 years' experience working in the technology and commercial arena for public and private sectors in Australia and overseas. Before joining the Department, he was Chief Digital Officer at Landgate.



John Fischer – Executive Director, Infrastructure

John was appointed to this position in 2011.

He previously worked for the Department of Transport for five years and Main Roads Western Australia for 32 years.



Richard Miles – Director, Teacher Registration

Richard was appointed to this position in 2013.

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

Regional Executive Directors, Public Schools



***Milton Butcher –
Regional Executive
Director, Kimberley***

Milton has more than 30 years' experience with the Department in teaching and leadership positions in regional and metropolitan secondary schools.

He has also held positions in curriculum reform and the Year 7 to secondary initiative.



***Susan Cuneo –
Regional Executive
Director, South
Metropolitan***

Sue 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 of schools position.



***Neil Darby – Acting
Regional Executive
Director, Wheatbelt***

Neil took up this position in 2019 coming from his role as Regional Executive Director, Pilbara. He was previously a director of 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, and consultant positions in science and Aboriginal education.



***Neil Milligan – Regional
Executive Director,
Southwest***

Neil 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.



***Cheryl Parkin – Acting
Regional Executive
Director, Pilbara***

Cheryl took up this position in 2019 coming from her role as Principal of Piara Waters Primary School.

She has contributed to system-wide initiatives and reforms and brings to the role extensive experience as principal of primary schools in Piara Waters, Embleton, Boulder and Kalgoorlie. She has also been a project manager for a behaviour centre.



***Ken Perris – Regional
Executive Director,
Goldfields***

Ken was appointed to this position in 2013. Prior to this he was a director with the Expert Review Group.

He has more than 30 years' experience with the Department, having had roles in teaching and leadership in rural, remote and metropolitan schools, as well as leadership development and other directorial roles.



*Steven Watson –
Acting Regional
Executive Director,
Midwest*

Steve took up this position in 2019 while Gregory Thorne was on leave.

Steve brings extensive experience to the role from both a school and system level as Principal of the School of Special Educational Needs: Behaviour and Engagement. He was part of the 2018–19 Principals’ Fellowship Program.



*James Webb –
Regional Executive
Director, North
Metropolitan*

Jim was appointed to this position in 2011.

His experiences in the Department span more than 40 years as a teacher and principal in country and metropolitan schools, as well as in leadership roles in regional offices.

Senior officers who left the Department during 2018–19

- Sharyn O’Neill left the Department in July 2018 after 12 years as Director General. She was appointed Public Sector Commissioner.
- Jane Machin-Everill, Director, Executive and Communications Services (under the Department’s previous structure) left the Department in February 2019.
- Jennifer McGrath, Acting Director General and Deputy Director General, Education Business Services took up the opportunity to act as Western Australia’s Mental Health Commissioner in June 2019.
- Greg Robson, Regional Executive Director, Kimberley left the Department in December 2018.
- Eamon Ryan, Executive Director, Professional Standards and Conduct left the Department in November 2018.
- Peter Titmanis, Executive Director, Strategic Initiatives and Performance (under the Department’s previous structure) left the Department in January 2019.

Governance framework

Corporate Executive

Corporate Executive, chaired by the Director General, met 20 times during the year.

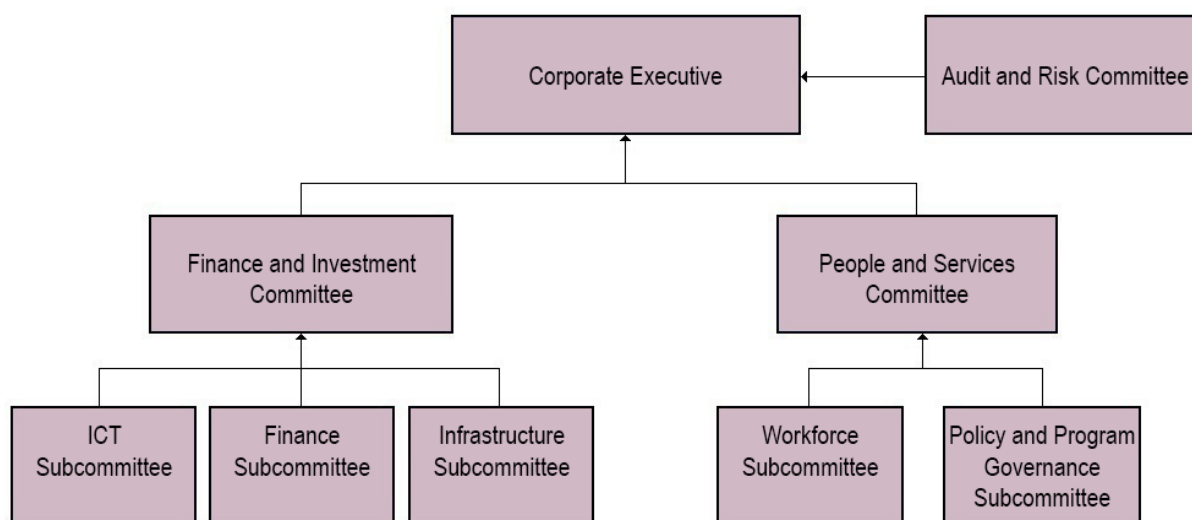
The Director General had a performance agreement with the Minister for Education and Training. All other Corporate Executive members had performance agreements with the Director General, except the Executive Director, Statewide Services, who had a performance agreement with the Deputy Director General, Schools and the Principal Advisor, Aboriginal Education Teaching and Learning, who had a performance agreement with the Assistant Executive Director, Early Childhood and Aboriginal Education.

See [Our structure and senior staff](#) for information about members and their responsibilities.

Updated governance framework

Corporate Executive oversaw the review of our governance structures to align better with our functions and responsibilities.

The restructure was implemented from 1 April 2019.



The Audit and Risk Committee supports the Director General and Corporate Executive in fulfilling their governance and oversight responsibilities and obligations under the *Financial Management Act 2006* and related Treasurer's Instructions.

The committee is responsible for providing independent assurance and advice on the Department's system of internal control, risk oversight, assurance and governance. A representative from the Office of the Auditor General is an observer on the Audit and Risk Committee.

Three scheduled committee meetings were held during 2018–19.

The Finance and Investment Committee assists Corporate Executive to fulfil its fiduciary and corporate governance responsibilities in relation to our obligations as a public sector agency, financial reporting, financial management, major investments including infrastructure and information and communication technology (ICT), and internal control, risk management and compliance systems.

It is supported by:

- the Finance Subcommittee which ensures our finances are managed efficiently and effectively and in accordance with our obligations
- the ICT Subcommittee which supports effective and efficient management of ICT program and project governance and other information management matters
- the Infrastructure Subcommittee which provides strategic oversight and guidance on infrastructure matters and transparency of infrastructure recommendations.

The People and Services Committee assists Corporate Executive to fulfil its responsibilities in relation to policy and program governance, human resource management and state-wide service delivery.

It is supported by:

- the Policy and Program Governance Subcommittee which provides effective and efficient management of policy strategies and practices, delegations, and program and project governance
- the Workforce Subcommittee which provides effective and efficient management of human resource policies, strategies, practices, and project governance.

Corporate Executive committees: Summary of 2018–19

During the year, and across both governance frameworks, 13 work proposals (14 in 2017–18) for new ICT projects were approved and 18 ICT projects (20 in 2017–18) were closed on time and within budget. At 30 June 2019, 32 ICT projects (16 at 30 June 2018) were being monitored.

This year, the Policy Subcommittee and the People and Services Committee in the new framework examined, proposed and revised policies, and provided recommendations to Corporate Executive for approval. Sixteen policies underwent major assessments (five in 2017–18), 46 policies had minor amendments (19 in 2017–18) and four policies were removed (four in 2017–18).

There was a significant increase in minor amendments to policies to include systemic changes due to the Machinery of Government changes.

Our [Policies website](#) continued as the definitive repository for all policies.

We continue to provide oversight through our governance committees for projects, programs, operations, grants, services, funding agreements, evaluations, reviews, pilots and trials to ensure these align strategically with our priorities.

Through the Program Governance Group in the previous structure, and the Finance and Investment Committee and People and Services Committee in the new structure, at 30 June 2019, 90 projects (67 in 2017–18), 63 programs (66 in 2017–18) and 176 operations (202 in 2017–18) were documented.

During the year, 48 new projects (27 in 2017–18) were recommended to Corporate Executive and approved by the Director General, and all projects due to close either closed on time (22 projects in 2018–19, 42 in 2017–18) or obtained the appropriate variations as necessary.

Significant issues for the next financial year

Given the high expectations of success for every student, the Department's priorities include:

- having senior secondary students on learning pathways that explicitly connect to further training or higher education
- building student interest, aspiration, participation and capability in science, technology, engineering and mathematics (STEM)
- improving student writing, reading and numeracy
- focus on growth in student achievement as well as standards
- providing deliberate opportunities for students to develop critical thinking, creativity and entrepreneurship.

Best possible teaching practices remain a key focus, including supporting teachers through professional learning and action research supported by expert practitioners to cater for the needs of academically able primary students, and the development of the Centre for Excellence in the Explicit Teaching of Literacy.

The next enterprise bargaining agreements for the Public Service and Government Officers General Agreement 2019 are underway. Separate logs of claims are expected from the Civil Service Association. Bargaining parameters are being developed based on the Public Sector Wages Policy and Statement 2017.

Increasing complexity and challenge in the broader community often impacts our students and schools. School leaders deal with this challenge together with their teams and with support from the Department. We continue to improve our efforts to maintain the health and wellbeing of all our employees.

Improved engagement and educational outcomes for Aboriginal students remain disproportionately low in comparison with non-Aboriginal students. Priorities for public schools include using the Aboriginal Cultural Standards Framework to improve outcomes for Aboriginal students, develop research partnerships, continue KindiLink for a further three years and progressively implement KindiLink across all schools involved in the Kimberley Schools Project. Embedding Aboriginal histories, cultures and languages in classroom practice is also a priority.

An ongoing focus in the early years on improving health and wellbeing of children is required to ensure all Western Australian children have a solid foundation for education. Identifying target groups of students where connected intervention across multiple agencies will generate positive outcomes will be a key focus in meeting the targets of Our Priorities.

The number of teachers with expertise in teaching STEM remains a challenge. Strategies to address this include professional learning for teachers in secondary subject areas, for example the Leap Program, attraction of teachers through initiatives such as Teach for Australia and working closely with universities to advocate for secondary teaching. The State Government's investment of \$1,962,000 to deliver the STEM Enterprise Schools program will also assist in addressing the challenge.

The wellbeing, resilience, emotional regulation and behaviour of children and young people continue to be challenging community issues that have an impact on the safety of students and staff in schools. Priorities include the 10 point action plan on addressing violence, better alignment and integration of services for at-risk students and a pilot of alternative learning settings for the most violent students.

To meet the increased need to support students with autism, additional specialist programs are being set up in public schools to provide a seamless education across Kindergarten to Year 12. With the increase in the number of students identified as requiring support, the disability allocation funding distributed to schools each year is increasing.

Of the 409 recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse, many are directly or indirectly relevant to, or have an impact on, the operations of schools and the Department.

With continuing high demand for vocational education and training in schools, a plan is being implemented to improve quality of training in schools and strengthen the focus on supporting future job prospects for students.

Following the tabling of the report 'Setting the Stage for Improvement: Department of Education's Management of Student Attendance', further work has commenced to improve student attendance, with a focus on partnerships with stakeholders from across Government and the broader community.

In response to student enrolment growth across the State, and challenges of an ageing asset portfolio, an investment of \$452.8 million will be made in 2019–20. This will deliver new schools and expand and upgrade existing ones to strengthen the delivery of education services. This significant capital investment also supports local jobs to strengthen the State's economy.

The State Government signed the National School Reform Agreement in December 2018, ensuring Western Australia receives a fairer share of Commonwealth education funding. As part of the National School Reform Agreement, the Department has committed to delivering a number of education reforms, including enhanced measures to individually assess student progress, implementation of a leadership strategy and new public school review process, and the provision of resources to increase the capacity of teachers to embed the Aboriginal Cultural Standards Framework in classrooms.

Following release of the Government's whole-of-government vision of Sharing Prosperity, work is already underway in developing a plan, in collaboration with other agencies, to meet the Our Priorities targets. Specifically, the focus is on a new way of working across the public sector to improve the outcomes for all young people in Western Australia as defined by the targets of A Bright Future, Aboriginal Wellbeing and A Safer Community.

OUR PERFORMANCE

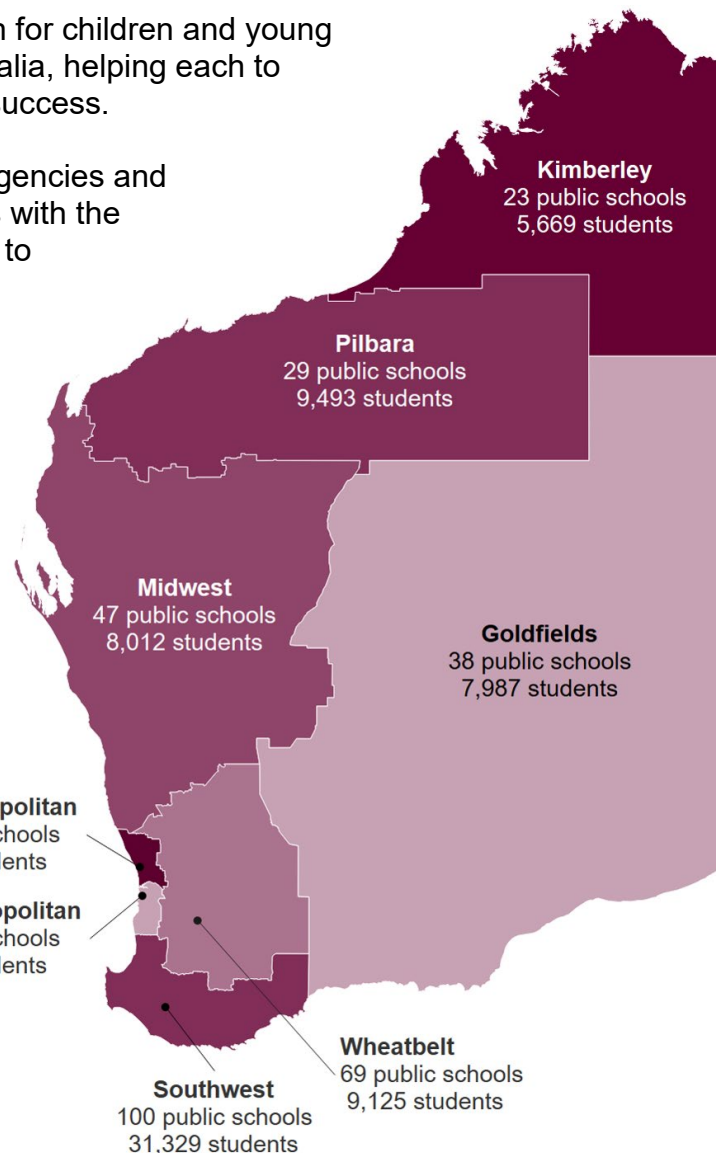
Providing public education

We provide high quality education for children and young people throughout Western Australia, helping each to achieve academic and personal success.

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

In 2019, we enrolled 311,199 students from Kindergarten to Year 12 in 812 public schools across the State. Public schools increased market share for the eighth consecutive year, up from 67.5% in 2018 to 67.6%. Enrolment and school information is in [Appendix 1](#).

We were the largest public sector employer in the State, with 39,205 full-time equivalent staff. Nearly 97% of all our staff were employed in public schools.



Watch our video, Welcome to Public Education in Western Australia, to find out more about our schools, our students and our people.

Contemporary curriculum and assessment

We supported schools to achieve positive learning outcomes for their students. We set high expectations of success for every student in every public school to best prepare them for life.

Public school Year 12 student performance and achievement

The student attainment rate remained high, though it declined slightly from 96.2% in 2017 to 95.6% in 2018. The attainment rate for Aboriginal students improved slightly from 89.4% in 2017 to 89.9% in 2018.

The Year 12 Western Australian Certificate of Education (WACE) achievement rate (as per our [key performance indicators](#)) increased slightly in 2018 to 80.5%, from 79.5% in 2017. The WACE achievement rate of Aboriginal students also increased to 47.7% in 2018, from 44.8% in 2017.

In order to achieve a WACE, students must demonstrate a minimum standard of literacy (reading and writing) and numeracy. These standards were achieved by 92.1% of Year 12 students who met enrolment requirements to achieve the WACE (90.8% in 2017). For Year 12 Aboriginal students who met the enrolment requirements to achieve the WACE, 75.5% demonstrated the literacy and numeracy standard (72.7% in 2017).

Details of Year 12 student achievement are in [Appendix 3](#).

In 2018, public school students received 1,815 School Curriculum and Standards Authority awards (1,858 in 2017). Pooja Ramesh from Perth Modern School won the Beazley Medal: WACE after recording the highest examination marks across five Australian Tertiary Admission Rank (ATAR) courses in Year 12.

The 2018 Rob Riley Memorial Prizes for the top Year 12 Aboriginal students from public schools were won by Claudia Walton-McDermott from Perth Modern School (ATAR) and Chloe Barber from Manea Senior College (vocational education and training, VET).

New WACE requirements for Year 12 students from 2021, announced on 2 May 2019, will add a third study pathway through which students can achieve a WACE by completing five General Courses. Currently, to achieve the WACE, students must complete a minimum of five courses in Year 12 (with a minimum of four ATAR courses), or complete four General Courses with a certificate II or higher VET qualification.

The Western Australian Government's [Our Priorities: Sharing Prosperity](#) 2024 target under A Bright Future is to have 85% of Year 12 students completing two or more science, technology, engineering and mathematics (STEM) courses and/or STEM related VET qualifications. In 2018, 74% of Western Australia's Year 12 public and non-government school students completed two or more STEM subjects.

Public school student NAPLAN performance

In May 2018, 88,058 Western Australian public school students in Years 3, 5, 7 and 9 were assessed in aspects of literacy and numeracy as part of the National Assessment Program – Literacy and Numeracy (NAPLAN).

With the exception of Year 3 Writing, NAPLAN is currently transitioning from pen and paper to online assessments. In 2018, 31,105 students in 229 public schools completed the assessments online.

For the first time, the Department's NAPLAN key effectiveness indicators relate to the percentage of students achieving proficiency in Reading and Numeracy. Proficiency indicates students are on track to meet the curriculum expectations for the year level and assessment area.

We exceeded all eight key performance indicator targets in 2018 relating to students achieving the proficiency standards in Reading and Numeracy. With the exception of Year 7 Reading, the percentage of students achieving proficiency were the highest ever. See our [Key performance indicators](#) section for more information.

Since the baseline year of 2008, all of the Western Australian public schools' mean scores for Reading, Spelling, Grammar and Punctuation, and Numeracy have increased substantially.

For Writing, since the baseline year of 2011, the mean scores have fallen, although only marginally for Years 3 and 9. The decline in Writing results is evident nationally.

Between 2017 and 2018, there were improvements in the means and the national minimum standards for Grammar and Punctuation in Years 5, 7 and 9. The mean for Year 9 Spelling also increased.

Females continued to substantially outperform males in all areas of literacy across all year levels.

By contrast, male students had marginally higher means and percentages achieving proficiency in Numeracy in all year levels. However, slightly higher percentages of females were at or above the national minimum standards in Numeracy than males in all year levels.

While there have been several notable gains for Aboriginal students, their performance remains well below that of non-Aboriginal students.

NAPLAN results tend to be lower as geographical remoteness increases, which is a contributing factor in the lower results for Aboriginal students compared to non-Aboriginal students.

Further NAPLAN results are in [Key performance indicators](#) and [Appendix 2](#). Results from 2019 NAPLAN will be reported in next year's annual report.

For the 2019 NAPLAN, 88,852 students in 724 public schools were registered to complete NAPLAN online. A national connectivity issue affected many students on the first day of testing. As a result, in Western Australian public schools, 5.5% (18,394) of all online assessments were reverted to paper, the majority in Writing.

The Western Australian Government's [Our Priorities: Sharing Prosperity](#) 2024 target under A Bright Future is to have Western Australia's Year 5 and 9 NAPLAN Reading and Numeracy mean scores improve by more than 10 scale points from 2017 performance.

The mean scores in 2018:

- for Year 5 were 502.6 for Reading and 490.0 for Numeracy (2024 targets are 509.0 and 498.7 respectively)
- for Year 9 were 589.4 for Reading and 602.0 for Numeracy (2024 targets are 592.6 and 605.4 respectively).

Best start to learning for young children

The Australian Early Development Census (AEDC) is collected every three years and measures the development of children in Australia in their first year of full-time school. It measures their development on five domains: physical health and wellbeing, social competence, emotional maturity, language and cognitive skills (school-based), and communication skills and general knowledge.

The Western Australian Government's [Our Priorities: Sharing Prosperity](#) 2027 target is to improve the proportion of children developmentally on track on all five domains by 10% from Western Australia's 2015 results of 55.2%. The 2018 results, released in early 2019, indicate Western Australia is making good progress towards this with 57.9% of children on track on all five domains.

This improvement is on the back of strong investment in the early years since 2009 through a range of Australian, State, and Local Government and community initiatives. These initiatives include: making Pre-primary compulsory, increased hours of Kindergarten, introducing the National Quality Standard, establishing Child and Parent Centres and KindiLink, stronger links between schools and community-based playgroups and Better Beginnings in public libraries.



Click here to learn how AEDC data is supporting Western Australian schools and early learning centres to enhance community partnerships.

Student attendance

Attendance at public schools has remained stable since 2013 at close to 91%. The attendance rate in 2018 was 90.7% (90.9% in 2017). In 2018, the rate was 75.3% for Aboriginal students, down from 75.8% in 2017. Details of attendance rates are in [Appendix 3](#).

During 2018, persistent failure to attend school resulted in 94 attendance advisory panels being convened (57 in 2017 and 83 in 2016) and 156 responsible parenting agreements being initiated (149 in 2017 and 105 in 2016).

No parents have been prosecuted for their children's non-attendance since 2014.

A Public Accounts Committee review of our approach to student attendance found that although we have improved our guidance to schools, further work is needed to address the Auditor General’s recommendations from the 2015 audit report, *Follow-On: Managing Student Attendance in Western Australian Public Schools*.

In March 2019, the Minister for Education and Training initiated a full review of our approach to attendance and we are implementing a plan of action which includes:

- a cross-agency approach to address the complex matter of low student attendance in remote and very disadvantaged communities
- developing operational approaches to provide stronger and more targeted support for schools
- updating our policy, procedures and guidance to improve schools’ local decision making to meet their legislated obligations.

We continued to work with other agencies and organisations to locate students whose whereabouts were unknown and reduce the number not participating in education or approved options. At June 2019, the whereabouts of 1,087 students of compulsory school age were unknown (1,286 in June 2018).

Targeted support for Aboriginal students

Based on positive evaluation findings, KindiLink (which was piloted between 2016 and 2018) was extended for a further three years, until the end of 2021. In 2019, the program operated in 43 schools. The play and learn sessions aimed at Aboriginal children, also available to non-Aboriginal children, supported children’s learning before starting school, forged positive home-school partnerships, and built the confidence and capability of families.

The [independent evaluation](#) of the KindiLink pilot was released in 2018, with the following key findings:

- upon entry to Kindergarten, Aboriginal children who attended KindiLink had better social, emotional, language and cognitive capabilities
- participating parents expressed increased confidence and capacity as their child’s first teachers
- there was a positive impact on relationships between family, school and community.

In 2018–19, initiatives funded under the Australian Government’s Indigenous Advancement Strategy continued to strengthen Aboriginal student outcomes, including the Aboriginal Youth Ranger Program, Remote School Attendance Strategy, and the Aboriginal Early Childhood Language Support Program for which funding ceased in December 2018.

In 2018, *Follow the Dream: Partnerships for Success* supported 1,204 Aboriginal secondary students (1,056 in 2017) across 25 host schools and a further 56 schools through outreach services. Participants accounted for 62% (65% in 2017) of Aboriginal students who achieved an ATAR at and above 55, 43% (42% in 2017) of Aboriginal students who achieved a WACE and 29% (34% in 2017) of Aboriginal students who received certificate II or higher VET qualifications.

The Clontarf Foundation Academies continued in 25 schools, and a new academy started to operate at Hedland Senior High School in 2019. The academies supported male Aboriginal secondary students through school and into post-school destinations.

In 2018, the Department provided seed funding to Glass Jar Australia, SHINE Inspire Achieve Belong, and Role Models and Leaders Australia to deliver programs to support Aboriginal girls' engagement in education, and their transitions through school and into further study and work.

Student access to high quality learning environments

In 2019, 1,755 students (1,765 in 2018) in Years 5 and 6 were eligible to participate in courses through the [Primary Extension and Challenge](#) (PEAC) program.

In 2019, selective [Gifted and Talented programs](#) were delivered by 18 secondary schools. We offered 1,157 Year 7 places (1,054 in 2018) in selective academic, languages and arts programs. The academic program was also available online for selected students in Western Australia's rural and remote regions.

In 2019, we received 4,537 applications for Year 7 secondary places commencing in 2020, an increase of 9.2% from 2018. We also received a further 1,563 applications from students applying for entry to Years 9, 10 and 11 in 2020.

We continued to fund the Purposeful Academic Classes for Excelling Students (PACES) program. The program invites identified high-performing senior secondary students to participate in specially designed tutorial sessions that aim to maximise their academic achievement.

We celebrated 100 years of distance education in 2018. Beginning as the WA Correspondence School, the School of Isolated and Distance Education (SIDE) was established in September 1918 with 55 students and one teacher. The main purpose was to provide education to isolated and 'outback' students at primary level. Since then the school has moved to an eLearning model of educational provision.

In 2018, SIDE provided education to more than 2,000 Kindergarten to Year 12 students across Western Australia unable to access regular schools or specific subjects. It delivered more than 4,000 virtual lessons each month and provided nearly 550 web-based courses.

We fully implemented the State Government election commitment to appoint an independent learning coordinator in 10 regional schools to help students undertaking courses through SIDE. These coordinators are supported by a regional learning specialist team comprised of eight specialist teachers in the curriculum areas of English, humanities and social sciences, mathematics and science. These teachers provide ongoing support to students and teachers in regional and rural schools. Since they commenced in January 2019, the team has visited 31 schools, provided face-to-face tuition to students in 26 ATAR courses and developed online revision resources in 26 ATAR courses.

We provided boarding facilities to 513 students in Semester 1, 2019 through eight country-based residential colleges and one metropolitan-based residential college. Seventy-three of these students were attending non-government schools.

Through the Boarding Away from Home Allowance for Isolated Children, we supported 1,357 public and non-government school students in 2018 (1,442 students in 2017) at a total cost of just over \$2.6 million (just under \$3.0 million in 2017). We also supported 294 public and non-government school students (263 in 2017) boarding at Western Australian Colleges of Agriculture and Edmund Rice College through the Agriculture Colleges Special Subsidy Boarding Away from Home Allowance, amounting to \$543,979 (\$537,828 in 2017).

Through the Secondary Assistance Scheme, in 2018 we supported 29,500 public and non-government school students in Years 7 to 12 from low income families to pay contributions and charges, and purchase school uniforms (28,380 in 2017). Payments of more than \$6.8 million (more than \$6.5 million in 2017) were made under the Education Program Allowance and just over \$3.3 million (just over \$3.2 million in 2017) under the Clothing Allowance.

A further nine schools (eight public and one non-government) joined the Kimberley Schools Project, which started in 2018 with 10 schools. These 19 schools were supported to intensify and accelerate children's literacy learning through targeted teaching practices in Kindergarten to Year 2. Planning is underway to extend explicit literacy strategies beyond Year 2, and introduce targeted teaching numeracy strategies. Schools can also participate in the project's leadership model and implement the [KindiLink](#) program, and moves to focus on a co-design community engagement linked to attendance are being piloted in several schools.

We continued to partner with BHP to improve education opportunities and outcomes for students in the Pilbara. Through targeted programs, the BHP Pilbara Education Partnership focused on increasing the range of school based traineeships and ATAR courses available to students, preparing pre-school children and their parents for school through a playgroup, and delivering academic enrichment programs for students in Years 4 to 6. Schools were also eligible for funding to trial projects and implement programs relevant to their local context.

Support for students with specific educational needs

In 2019, Intensive English Centres at 14 metropolitan public schools provided targeted programs to 958 primary and secondary students for whom English is an additional language. Funding is provided for students to attend a centre for 12 months, with an additional year of funding available for humanitarian entrant students with a limited schooling background. Mainstream schools were provided with additional funding and resources to support more than 10,000 English as an Additional Language or Dialect students in acquiring Standard Australian English.

In 2019, our five metropolitan language development centres provided intensive language intervention programs for approximately 1,350 students in the early years of schooling with a diagnosed language disorder. The centres also delivered support to teachers of young students across the State who have speech and language difficulties and do not attend a centre. This outreach service was supplemented in 2017 and 2018 with funding provided through the Australian Government's Indigenous Advancement Strategy.

We provided support for students with Autism Spectrum Disorder (ASD) through:

- Specialised Learning Programs (SLP) for students with ASD, operating in 13 schools, with seven schools new to the program in 2019. Schools that previously ran the Secondary Autism Extension Program had all transitioned by 2019 to the SLP.
- the Early Intensive Intervention Program at education support centres, for students with ASD in Kindergarten and Pre-primary to equip them to transition to Year 1 at their local school. The program was delivered in nine education support centres in 2018 and eight at the start of 2019. The program is being phased out in centres with close proximity to schools running SLPs.

Our consulting teachers with specialist skills in supporting students with ASD assisted 323 students in 128 schools in 2018. Professional learning was also provided to 3,663 school staff in 2018 to develop the capacity of schools to support students with ASD. This included support to four regional schools through the Regional Autism Collaborative Model.



[Click here to meet Alex, and learn how thoughtful, targeted adjustments can lead to positive outcomes for students with Autism Spectrum Disorder.](#)

At the end of 2018, we were supporting 11,237 students through the student-centred funding model individual disability allocation to schools, up from 10,491 students at the same point the previous year. The increase is largely due to the number of allocations to schools for students with ASD.

In 2018, we provided teaching and learning adjustments to 20.8% of public school Pre-primary to Year 12 students with disability to enable them to participate in education on the same basis as their peers. Through workshops, seminars and online information we continued to support school staff to make informed judgements about which students met the broad definition of disability under the *Disability Discrimination Act 1992* and the teaching and learning adjustments required by students.

Implementing the Western Australian Curriculum

In 2018, 44 Teacher Development Schools assisted with implementing the Western Australian Curriculum through 384 professional learning events with 5,185 attendances. They also provided tailored professional learning, with 3,757 attendances in response to 393 requests for support.

In 2019, 35 Teacher Development Schools and eight Primary Language Support Schools (previously operating as Teacher Development Schools) continued to provide curriculum implementation support.

As the Languages curriculum becomes mandatory for successive year groups (compulsory for students in Years 3 and 4 in 2019), we continue to provide additional supports including professional learning, mentoring and teaching resources.

Digital resources aligned to the Languages curriculum continued to be developed and made available in Connect, our integrated online learning environment. A short course, Leap Primary Languages, was available for teachers wishing to expand their skills and qualifications to teach a language program in a primary school. In 2018–19, 31 teachers across six languages completed the course.

New resources aligned to the Digital Technologies curriculum were made available to all teachers through Connect.

In 2018, we helped facilitate HASS week, a week-long series of events to celebrate humanities and social sciences. The new cross-sectoral initiative is in partnership with the University of Western Australia and supported by the State Library of Western Australia and Seven West Media. HASS week provided conferences, lectures, student presentations and teacher-networking opportunities and will be an annual event.

Science, technology, engineering and mathematics (STEM)

We continued to develop resources and provide professional learning to encourage greater interest and competence in [STEM](#).

We are on track to meet the State Government’s election commitment to convert existing classrooms in 200 schools with primary enrolments to science laboratories by the end of 2020–21. Ninety-nine classroom conversions have been completed and are in use. The schools also each receive resource grants of \$25,000 to purchase science resources.

In addition, small primary schools and education support centres not eligible for the science laboratories program were invited to apply for science resource grants. Thirty-six schools with an enrolment of up to 50 students received grants of \$5,000. An additional 25 schools with enrolments of between 51 and 100 students received grants of \$10,000.

Scitech facilitated eight Open Lab professional learning workshops where teachers running existing laboratories shared experiences and ideas with other teachers.

The Innovation Partnership Schools program continued with the aim to improve secondary engagement and retention of students; strengthen outcomes for Aboriginal students; and develop innovative practices in both digital technologies and STEM. In 2018, 27 schools completed workshops to design innovative teaching and learning practices. In 2019, the schools worked together to refine these practices, with a total of 68 schools involved in testing and final refinement.

Sixty STEM Enterprise Schools were selected and workshops began to develop whole-school approaches to building students' STEM capability with a focus on building enterprise skills and developing future-focused career pathways. Twenty STEM Mentor Schools, schools with a strong STEM culture, were selected to each support a number of Enterprise Schools.

In 2018 and 2019, 26 of our Teacher Development Schools provided STEM related professional learning events and support.

In 2018–19, through professional learning we trained and supported 10 teacher trainers to deliver an inquiry-based STEM program called Little Scientists. These teachers went on to train 293 participants statewide.

The STEM Learning Project delivered 15 curriculum resource modules. In 2018–19, 52 workshops, with 1,612 participants, supported teachers and school leaders to implement the integrated STEM teaching and learning modules.

In response to the State Government election commitment to deliver professional learning to support the integration of coding in the curriculum, the Department contracted the University of Sydney to design, develop and deliver 16 Teachers Can Code professional learning modules to 110 lead teachers. In 2018, these lead teachers provided 230 professional learning opportunities, attended by over 2,000 teachers. Schools could also contact lead teachers directly to request support with implementing digital technologies education. During 2019, lead teachers are continuing to deliver Teachers Can Code modules in schools and networks across the State.

An additional State Government election commitment was to engage with the Australian Government to enhance the teaching and learning of coding. In 2018–19, we distributed a total of \$439,584 from the Australian Government to schools for:

- Sponsorship Grants – to sponsor students to participate in conferences, competitions and other STEM-related events
- Maker Projects grants – to set up dedicated maker spaces that offer students hands-on STEM experiences in design, technology, innovation and entrepreneurship.



Watch our video to find out why STEM skills matter.

High quality teaching

We prioritised high quality teaching across public schools. We articulated high expectations and standards of teacher performance and assisted teachers to attain these through professional learning and support. We supported the physical, mental and social welfare of our staff.

Supporting pre-service and new teachers

Through our internship project, 24 high performing pre-service teachers were selected to undertake an extended practicum across 15 schools in 2019. Ten of these commenced in Semester 1. Participants were completing qualifications in subject areas of need and/or undertaking practicums at hard to staff schools. The project aims to increase capacity and work readiness by delivering more practical learning that integrates theory into classroom practice.

To build the supply of high quality staff applying for positions in our schools, we continued to promote careers in rural, regional and remote public education. In 2018, 82 student teachers and school psychologists were approved to receive financial support under our Country Practicum Program to undertake their final practicums in schools in the Goldfields, Midwest, Kimberley, Pilbara and Wheatbelt. We also mentored, coached and supported 113 high achieving third and fourth/final year students through the Rural and Remote Training Schools project.

Forty-eight Teach For Australia associates commenced teaching in eight country and 16 metropolitan secondary schools in 2019, complementing the 40 associates in 23 schools in their second year of teaching. Associates are high calibre graduates willing to work in relatively disadvantaged schools for two years while also completing a Master of Teaching.

In 2018–19, 3,587 teachers completed components of the Graduate Teacher Professional Learning Program and 601 accessed individual support through the In-Class Coaching component. All support is aligned to the Australian Professional Standards for Teachers.

Supporting teachers to attain high standards of performance

In 2018–19, Curtin University won the competitive tender process to partner with the Department and five public schools to establish the Western Australian Centre for Excellence in the Explicit Teaching of Literacy. This election commitment aims to strengthen explicit literacy practices in our public schools through an internship program for 60 teachers over three years. The five exemplary public schools are working with Curtin University to develop the internship program and supporting resources. Through expressions of interest 20 schools were invited to start round one of the internship program in Term 3, 2019.

Level 3 Classroom Teachers are exemplary teachers recognised for their exceptional teaching practices who provide and support high quality teaching in schools. In 2018–19, 101 teachers became Level 3 Classroom Teachers by successfully completing the application process. One hundred and eighty-four teachers completed the (now online) information session about becoming a Level 3 Classroom Teacher, 246 attended professional learning on developing their portfolios, and 93 attended professional learning about the reflective practice component.

In the same year, 550 teachers became Senior Teachers – experienced teachers committed to high quality teaching and ongoing professional learning – and 374 teachers interested in becoming Senior Teachers completed the online information session.

The Leap program continued to provide training in identified areas of need with a focus on secondary STEM and primary languages. Since the program commenced as Switch in 2013, 1,246 teachers have undertaken training, including 899 in STEM.

Through the annual [WA Education Awards](#), we acknowledge our public school teachers, leaders and support staff for their role in making a difference in the lives of students in Western Australia.



Watch our video, *We love passionate educators*, featuring past WA Education Awards winners.

Data and online tools to inform practice

Access to high quality online data services, including the Student Achievement Information System and Online Student Information, assisted teachers to develop analytical and evaluative practices. In 2018–19, 10,509 active Connect Communities provided forums for principals and teachers to share practices, ideas and resources.

We assessed more than 25,400 Pre-primary students in the on-entry assessment program, giving teachers high quality diagnostic information about literacy and numeracy skills and understandings of students at the start of compulsory schooling.

Effective leadership

We understand the importance of strong, empowering leadership in public schools. We identified and selected talented school leaders to develop and put in place support and accountability mechanisms to drive school improvement.

A new leadership strategy

We released the [Western Australian Public School Leadership Strategy 2018–2021](#) and introduced programs and processes to support its implementation. The strategy enhances some programs and processes already in place, and will progressively introduce a number of new initiatives.

The strategy focuses on early talent identification and selection; leadership development and support; performance improvement, management and feedback; and system leadership.

We introduced the Principal Performance Improvement Tool, which supports school leaders to self-assess their performance against six professional practices. The tool is informed by international research into the kinds of leadership that result in improved teaching and learning, and identifies better and worse leadership practices.

In 2018–19, we supported leadership teams in 50 schools to identify and develop future leaders in their schools in the first of three Western Australian Future Leaders Framework trials. Teachers identified as potential leaders will be supported to pursue their aspirations through personalised development programs, the support of a mentor and practical leadership experiences in schools.

Launch: Newly Appointed Principal Program, which commenced in 2019 with 49 participants, is designed to fast-track the learning curve for leaders in their first three years of principalship.

We began developing the Aspirant Aboriginal Leaders Program with advice from Aboriginal leaders including Professor Colleen Hayward AM, one of our Elders in Residence, and support from Department executives. We commissioned a report to inform the design of the program which reinforced the importance of a co-development approach involving aspirant and established Aboriginal leaders. Expressions of interest have been sought from our Aboriginal staff to assist in the design process.

The program will include mentoring and coaching programs and a suite of development opportunities specifically targeted to the needs of aspirant Aboriginal leaders.

Professional development for school leaders

We continued to offer [professional learning](#) for new, accomplished and expert principals, as well as for middle (teacher leaders and heads of learning areas) and emerging leaders. This included introducing new professional learning under the [leadership strategy](#).

Along with a number of professional learning programs specifically for school leaders or school leadership teams, in 2018–19, we offered a suite of Leading School Improvement programs that were attended by 489 school leaders. The core program focused on primary, secondary, small school or special education need contexts. These were complemented by a further three programs (with 256 attendances) for improving whole school self-assessment, classroom observation and feedback, and a masterclass for those who had completed one of the core programs.

A fourth group of 20 principals was selected for the Principals' Fellowship Program in April 2019. The first two groups of principals have completed the fellowship and form a pool of experienced leaders to support their colleagues and lead system change initiatives. The third group of principals are due to complete the fellowship in the second half of 2019.

Middle Leaders: Leading from Within is designed to help middle and emerging leaders understand their role to support those managing them and those they manage. In 2018–19, 74 participants attended the program.

Eighty-three teachers and classroom leaders aspiring to the role of principal completed Explore: A Career in School Leadership. During the online course, participants were supported to reflect on their current professional needs and understand the importance of the school leader's role in developing a school culture that is focused on continuous improvement and learning.

We provided several coaching programs for a range of target audiences. Introduction to Leadership Coaching courses (for school leaders and Managers Corporate Services) were attended by 129 staff who learned how to manage colleagues through a coaching approach. Twenty-five staff participated in Instructional Coaching: Leading the Impact Cycle, a new program in 2019 that aims to support educators in establishing coaching cycles that are targeted and aligned to identified pedagogical practices in schools.

The 40 managers corporate services and school leaders we funded in 2017–18 to complete a Graduate Certificate of Education Business Leadership from Deakin University are due to complete the program in November 2019. In 2019, we funded another 32 managers corporate services and school leaders to complete the qualification in October 2020.

In 2018–19, 112 managers corporate services attended our Managing the Performance of School Support Staff workshop.

Recognising the importance of supporting employee mental health and wellbeing, in 2019 we began offering Mental Health for School and System Leaders. This one-day program informed leaders about common mental health issues prevalent in the workplace and provided tools to support their own mental health and that of colleagues. The program was attended by 184 participants.

The Verbal Judo program was attended by 244 staff who learned skills to influence and motivate people, and resolve conflict.

Support and accountability mechanisms for school leaders

Through the School Workforce Profile Report, school leaders can access detailed information about their school workforce, including comparative data for like schools, to support workforce planning and monitoring.

We implemented our new public school review process which acknowledges the achievements of schools and provides feedback to support principals and staff with their improvement planning. See [Good governance](#) for more information on our new public school reviews.

Leading improvements in Aboriginal education

In 2018–19, we delivered face-to-face, online and tailored workshops to over 3,000 principals and teachers to support schools to implement the [Aboriginal Cultural Standards Framework](#). The framework assists staff to embed Aboriginal histories, cultures and languages across their schools. It aims to strengthen the participation, engagement and achievement of Aboriginal students by providing safe, stimulating and culturally responsive learning environments for them and their families.

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

In May 2019, Kevin O’Keefe (Principal Advisor, Aboriginal Education Teaching and Learning) was co-opted as a member of Corporate Executive, to provide advice and guidance drawn from his extensive experience. See [Our structure and senior staff](#) for more information.

Good governance

At the system level, we supported public school leaders and staff while maintaining transparent accountability, governance and funding frameworks. At the school level, we supported governance mechanisms that ensured public schools were responsive to the needs of their communities and students.

Transparent accountability of schools

In 2018, we implemented a three-year review cycle for all Western Australian public schools, replacing the reviews undertaken by the Expert Review Group, and Independent Public School reviews previously conducted by the former Department of Education Services.

The new review process requires schools to submit evidence of their school performance self-assessment through the Electronic School Assessment Tool which is externally validated by a director and a principal peer reviewer. Schools are provided with a report that includes a performance rating of 'Effective' or 'Needs Improvement', and feedback to support improvement planning. Principals are expected to share the report with their school community and publish it on their website or on [Schools Online](#).

By the end of Semester 1, 2019, a total of 186 schools had been reviewed since the introduction of the new review process in September 2018. This included 140 primary schools, 13 education support schools and centres, 18 district high schools and 15 secondary schools.

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

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

Each year, all schools with students from Kindergarten to Year 2 must complete an internal audit against the National Quality Standard (NQS). We provided 32 professional learning events in 2018 on the revised NQS Guide that was released in January 2018. To support consistent interpretation of the Standard, schools may seek verification of their school's internal audit. In 2018, we verified the audits of 42 public schools.

We continued to support school council and board members to undertake their functions in school governance through 56 training workshops attended by 1,129 council and board members, and providing support materials.

In consultation with the Western Australian Council of State School Organisations, we developed a new resource to support principals to effectively engage with their school community and a support package for community members taking part in principal selection processes.

In 2019, more than two thirds (575) of our schools were operating as Independent Public Schools. This included 42 schools that in 2018 successfully completed the development and selection process to become an Independent Public School.

Information and communication technologies (ICT) to support public schools

Schools now have the ability to determine how many wireless access points they need and can add additional points as required. The current ratio remains at 17 students per wireless access point.

Throughout 2018–19 we worked to provide regional schools with metropolitan equivalent broadband services. The 23 remote schools that did not have access to fibre optic broadband services were provided with additional broadband services via alternate means (such as satellite and 4G) with ongoing plans to continually explore and add additional services where possible and available.

In 2018–19, the Department provided 1,725 new notebook computers to teachers through the Notebooks for Teachers program. We continued to provide technical support services, insurance and warranty cover to 8,100 teachers using a notebook provided by the program.

In 2018–19, more than 140,000 requests for ICT technical support, advice and consultancy were made by staff. More than 67% were resolved at first contact with more than 84% of staff reporting a positive service experience.

In 2018–19, more than 154,600 teachers, students and parents used our integrated online environment, Connect. More than 37,000 online classrooms provided students with learning opportunities and 163 schools provided parents with access to electronic versions of their children's school reports through Connect at the end of Semester 1, 2019.

Developing and improving public school infrastructure

Expenditure in our asset investment program for 2018–19 was \$416.9 million compared with \$377.1 million last year.

This included completing construction of stage one of Ridge View Secondary College (planning name: South Baldivis Secondary School), and permanent facilities for students in Kindergarten to Year 6 at Aspiri, Aveley North, Oakwood and Southern Grove primary schools for the start of the 2019 school year. Grandis Primary School (planning name: Banksia Grove East Primary School) opened with Kindergarten and Pre-primary students and construction started on new permanent Kindergarten to Year 6 facilities at the school.

Stage one of Coastal Lakes College (planning name: Lakelands (Mandurah) Secondary School) procured through the WA Schools Public Private Partnership opened for the 2019 school year. Construction commenced on a new secondary school in Hammond Park (to open in 2020) and the second stage of Harrisdale Senior High School, both being delivered through the WA Schools Public Private Partnership.

Construction continued on Bob Hawke College in Subiaco (planning name: Inner City College), and Alkimos College (planning name: Butler North Secondary School), with both scheduled to open for 2020.



Take a virtual tour of Bob Hawke College, the new secondary college being built in Subiaco, opening in 2020.

Construction commenced for new primary schools in Baldivis North, Byford South East and Caversham South, all to open for 2020.

Planning commenced for new primary schools in Baldivis South, Brabham, Harrisdale North, Sunningdale and stage one of Southern River Precinct Three Primary School, all to open for the start of the 2021 school year. Planning also commenced for replacement Yanchep Lagoon Primary School to be completed for 2021. An annex for Harrisdale Primary School will open for Kindergarten and Pre-primary students for the start of the 2020 school year.

Planning commenced for stage two at Yanchep Secondary College, additions and refurbishments at Darling Range Sports College, upgrades at Wanneroo Secondary College, and new performing arts centres at Ocean Reef Senior High School, Belmont City College and Belridge Secondary College.

Construction started on the redevelopment of Balcatta Senior High School, a new performing arts centre at Ballajura Community College, and upgrades at Morley Senior High School and Southern River College. Construction continued for refurbishments and additions at Carine Senior High School and a new performing arts centre at Melville Senior High School.

Construction was completed on an additional stage at Shenton College and additions to Canning Vale College and City Beach Residential College.

Construction commenced for a new early childhood building at Attadale Primary School and Ballajura Primary School. Refurbishments were completed at Westfield Park Primary School to accommodate the relocation of the Child and Parent Centre from Challis Community Primary School.

Construction commenced at the old Doubleview Primary School to accommodate the relocation of the International School of Western Australia.

Construction was completed on a new two-storey classroom block at Mount Hawthorn Primary School to cater for local growth in enrolments.

Construction was completed for a new covered assembly area at Caversham Primary School, a new library at North Morley Primary School and an administration upgrade at Yokine Primary School.

Construction commenced on a new administration building at Weld Square Primary School.

Funding was provided for administration upgrades at five primary schools and toilet upgrades at 12 primary and district high schools, as well as at Broome Camp School.

In 2018–19, 49 schools received funding from the \$1 million allocation for new playgrounds and shade structures as part of a program that began in 2011–12.

Work to provide science laboratories at the 99 primary schools in stage one of the Investing in Science program was completed. Planning commenced to provide science laboratories at the remaining 101 schools.

Under Royalties for Regions:

- planning commenced for additions at Broome Senior High School, a new science block at Eaton Community College, a STEM centre at Newton Moore Senior High School and additions and refurbishments at North Albany Senior High School and Albany Secondary Education Support Centre
- planning continued for additions at Bunbury Senior High School
- construction commenced for additions at Collie Senior High School
- construction commenced for early childhood teaching classrooms at both Eaton Primary School and Flinders Park Primary School, an early intervention centre at Glen Huon Primary School, and early learning and general teaching classrooms at South Bunbury Primary School
- construction continued for stage two at Cape Naturaliste College and Margaret River Senior High School and stage three at Carnarvon Community College
- additions at Champion Bay Senior High School (formerly John Willcock College) were completed.

Planning commenced for additions and alterations at Moora Residential College, following announcement of funding by the Australian Government's Community Development Grants Programme.

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

At June 2019, 679 sites were protected by electronic security systems. The number of incidents reported is detailed in [Table 2](#).

Table 2: Security incidents reported 2017–18 and 2018–19

	2017–18		2018–19
	At 3 July 2018	Revised 1 July 2019 ^(a)	At 1 July 2019 ^(a)
Break-ins	1,211	1,422	1,164
Wilful damage	4,138	4,638	4,448
Arson	2	2	4
Other ^(b)	80	76 ^(c)	88
Total	5,431	6,138	5,704

Source: RiskCover and Department of Education's Infrastructure

(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.

(c) Reduction from what was reported at 3 July 2018 due to four incidents being reported twice.

Finance and support

Since going live in May 2018, new services have been made available through our customer-focused intranet called Ikon (Information and knowledge online). Ikon supports the needs of schools by providing a single point of entry for staff to find information and services they need to do their jobs.

At the end of 2018, as part of State Government budget repair measures, the Department ceased to operate Landsdale Farm School, and camp schools at Bridgetown, Dampier, Geraldton, Kalgoorlie, Pemberton and Point Peron. Following a process to find alternative providers undertaken in 2018, the camps now operate under lease to Fairbridge Western Australia and Landsdale Farm operates under lease to Family Support WA. We continue to operate Broome Camp School.

An independent [evaluation](#) of our student-centred funding model (SCFM) undertaken in 2018 confirmed the model is a contemporary needs based funding model consistent with international and national good practice.

The evaluation outlined 17 recommendations for refining the existing SCFM methodology. Two recommendations, both relating to the Locality allocation and English as an Additional Language or Dialect allocation, will be implemented in 2020. We are committed to the continual improvement of the SCFM and will continue to consider the remaining recommendations, and further refinements based on stakeholder feedback and current best practice.

Our School Budget Review Committee provides a mechanism for public schools to seek additional funding during the school year. In 2018–19, 25 requests for additional funding from schools were approved with \$2.16 million in additional funding allocated.

We provided 83 workshop and training sessions to 981 staff as part of a comprehensive professional learning program on leading, managing and monitoring school budgets. We also provided individual support for schools through online and in-school sessions.

We continued to arrange and subsidise housing to attract and retain staff in our rural, regional and remote public schools. In 2018–19, \$60 million was paid in rent for 2,042 properties occupied by our staff and owned or leased by Government Regional Officers' Housing (more than \$61 million for 2,154 properties in 2017–18). Of this, we subsidised 71% (70% in 2017–18).

National and State commitments

The Royal Commission into Institutional Responses to Child Sexual Abuse made recommendations that are directly or indirectly relevant to, or impact on, the operations of schools and the Department.

The Department is contributing to a whole of State Government implementation framework for the recommendations of the Royal Commission. Consultation and development activities to integrate the National Principles for Child Safe Organisations in schools are being progressed.

Civil childhood sexual abuse claims for damages resulting from historical incidents commenced in Western Australia on 1 July 2018. Department staff have trained in trauma informed practice and vicarious trauma. The Department responds to civil claims on advice from the State Solicitor's Office and is working with RiskCover to implement the State Government Whole of Government Guiding Principles for Responding to Civil Litigation involving Child Sexual Abuse.

The National Redress Scheme commenced in Western Australia on 1 January 2019. This scheme provides support to people who experienced institutional child sexual abuse. The Department is a participating institution and complies with the Scheme's requirements.

In December 2018, the Western Australian Government signed the National School Reform Agreement, a new joint school funding agreement between the Australian Government, states and territories, which will operate from 2019 to 2023. The agreement sets out reforms in areas where collaborative national effort will have the greatest impact on lifting student outcomes across Australian schools. The Western Australian Government also signed a bilateral agreement with the Australian Government which outlines local initiatives to support improving student outcomes.

In 2018–19, we contributed to national policy developments and provided strategic advice in key national decision making forums, including the Council of Australian Governments (COAG) Education Council and the Australian Education Senior Officials Committee (AESOC). Agreements were negotiated with the Australian Government for five national programs or initiatives, including extensions to the National Partnership on Universal Access to Early Childhood Education and the School Chaplaincy Program. We also achieved the relevant milestones and associated payments for all Australian Government agreements.

We worked collaboratively with the National Disability Insurance Agency to support the implementation of the National Disability Insurance Scheme, a national scheme focusing on individualised funding support for people with disability. From 1 July 2018, the Agency assumed responsibility for the delivery of the scheme in Western Australia, which will be fully rolled out across the State by 2020.

In February 2019, the Premier announced [Our Priorities: Sharing Prosperity](#) to help Government deliver outcomes for the community across six priority areas. Under the banner of A Bright Future, the Department is working collaboratively in a shared effort to achieve specific targets to improve the health and wellbeing of children in the early years, increase students' knowledge and skills in reading and numeracy, and increase participation in science, technology, engineering and mathematics (STEM).

In November 2018, the Department developed its International Education Action Plan 2018-2025 to support the State Government's International Education Strategy 2018-2025. The action plan aims to increase the number of international fee-paying students attending Western Australian public schools. International students contribute to the Western Australian economy and enrich the educational, cultural and social context of their schools.

We continued to address the recommendations from the 2017 Education and Health Standing Committee's Inquiry into vocational education and training (VET) in Western Australian schools. We worked with the Department of Finance to establish a panel of registered training organisations from which schools can select to deliver VET through an auspicing arrangement at the school. The panel will be available for use from Term 3, 2019. Professional learning for school staff covering use of the panel, contracts and contract management processes began in June 2019.

We also worked with the Department of Training and Workforce Development and TAFE colleges to progress developing a model for more targeted, efficient and equitable use of the existing funding and resources that provide public school students with VET programs.

Our Direct to Market program – introduced in 2017–18 and a State Government election commitment – allows schools to directly source contractors for maintenance and minor capital works, providing increased flexibility and the ability to use local contractors. During 2018–19, almost \$0.5 million worth of projects were successfully delivered. Schools were supported through targeted training and an online hub.

We maintained transparent accountability by ensuring responses to Ministerial correspondence, briefing requests, Parliamentary questions and Cabinet requests were accurate and provided in a timely manner (see [Table 3](#)). We identified issues and trends from correspondence, and regularly updated contentious issues.

Table 3: Ministerial requests processed 2016–17 to 2018–19

Type	2016–17 ^(a)	2017–18	2018–19
Letters	1,094	1,701	1,595
Briefing notes/advice	1,220 ^(b)	1,476 ^(c)	1,561
Answers to Parliamentary questions	186	262	208
Cabinet comments	23	29	20
Contentious issues reports (average number of briefings per report)	12 (30)	11 (33)	10 (47)
Total	2,535	3,479	3,394
Percentages processed on time	95	93	94

Source: *Strategy, Policy and Governance*

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

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

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

Safe, healthy and resilient learners

We were committed to ensuring students in public schools feel safe, connected and able to contribute to their communities. We encouraged public schools to provide student wellbeing and support services to deliver mental health, pastoral care and psychological support. We expected our school leaders to develop a safe and friendly school culture for all.

Addressing concerning student behaviour

On 2 December 2018, the Minister for Education and Training launched [Let's take a stand together](#), the State Government's plan which identifies 10 actions to address violence in schools.

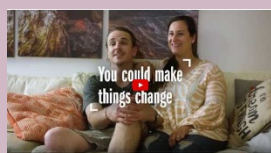
As a result, we are providing better support for our school staff – including clear advice on preventing, managing and responding to aggression and violence. We have high expectations for student behaviour in schools which means under the plan students will be suspended for attacking other students, instigating a fight, or filming a fight between students.

In 2018, 14,243 students (4.5% of total enrolments throughout the year) were suspended compared to 14,075 in 2017 (also 4.5% of total enrolments throughout the year, previously reported as percentage of enrolments as at Semester 2 student census). The majority of public school students (95.5%) received no suspensions.

The plan includes an instruction to principals to automatically move to exclude any student who physically attacks school staff. There were 24 students excluded in 2018 compared to eight in each of 2017 and 2016.

Schools continue to rely on parents, caregivers and others in the community to model and reinforce positive behaviour. The plan includes the Positive Parenting Program ([Triple P](#)), a free parenting program for parents of young children.

In 2018, 4,947 (4,234 in 2017) parents attended Triple P, with 583 (446 in 2017) sessions offered through schools and Child and Parent Centres. The program provides general parenting strategies as well as tailored support for targeted groups such as parents of children with disability. It prioritised parents of children in the early years of schooling and transitioning to secondary schooling. Forty-three Department staff, predominantly school psychologists, were trained to deliver Triple P programs.



Watch our video, Kids don't come with an instruction manual, describing the benefits of the Triple P – Positive Parenting Program.

In response to the action in the plan to provide training and support for school staff, Keeping Our Workplace Safe material is now part of the mandatory professional learning for new principals.

In 2018–19, more than 2,600 school staff completed training in violence de-escalation and restraint. This included 374 graduates who received training on how to de-escalate and manage aggressive behaviour as part of their induction program.

In 2018, 5,616 staff (6,391 in 2017) participated in Classroom Management Strategies and Positive Behaviour Support programs.

During 2018, 140 staff in senior leadership positions completed Building Resilience and Preventing Radicalisation to Violent Extremism training to address concerns of violent extremism and its effects on young people. This training assists school leaders to understand the concept of radicalisation to violent extremism and to identify potential warning signs of young people who may be at risk.

Supporting student wellbeing

An average 345.4 full-time equivalent (FTE) school psychologists in 2018 (331.2 FTE in 2017) supported school staff with student behaviour, learning and disability, mental health and wellbeing, and emergency and critical incident management. School psychologists provided consultation, assessment, intervention and management of students, with suicide prevention a priority.

In 2018 and 2019, as part of a State Government election commitment, 300 schools were provided with an additional 0.1 FTE Level 3 Classroom Teacher salary to oversee the delivery of mental health programs for students. By the end of 2018–19, 90% of these schools had undertaken Gatekeeper Suicide Prevention and Youth Mental Health First Aid professional learning.

In 2018, Gatekeeper Suicide Prevention training was delivered to 824 school staff (including staff from the schools mentioned above) and the teen Mental Health First Aid program was delivered to approximately 3,600 secondary students. Both programs were available to public and non-government schools. Youth Mental Health First Aid training was provided to more than 890 public school staff and other community members who work with young people.

As part of our pastoral care for students in 2018, 611 schools (637 in 2017) accessed chaplaincy services through in-school chaplaincy programs, school chaplaincy support and pastoral critical incident response services. In 2019, 501 schools were allocated funding for chaplaincy services.

The Department supports whole-school approaches to wellbeing, including a range of evidence-based social and emotional learning programs and resources. In 2018, programs made available to schools included Aussie Optimism, Friendly Schools Plus, and Promoting Alternative Thinking Strategies (PATHS™).

Hon Samantha Rowe MLC, Parliamentary Secretary to the Minister for Education and Training led the Reducing Bullying in Schools project which resulted in a dedicated Connect Community for public school staff and the development of a number of resources published on our website. Resources include information to help schools develop an anti-bullying policy, and advice and strategies for parents if their child is the subject of bullying behaviour at school.

In 2019, we commenced management of the School Drug Education and Road Aware program (previously managed by Catholic Education Western Australia) with funding from the Mental Health Commission, Road Safety Commission and our Department. The program provides resources, professional development and advice to teachers for educating students to make safer choices on the road, and in alcohol and other drug related situations. A particular focus in 2019 has been on providing workshops and online resources for methamphetamine prevention education.

In 2019, 10 schools volunteered to pilot the Western Australian Respectful Relationships Teaching Support Program. The program, a State Government election commitment to address our State's high rates of family and domestic violence, is being coordinated by the Department of Communities and delivered by White Ribbon Australia in partnership with Starick. It provides teachers with evidence-based skills and knowledge to implement a whole-school approach to deliver respectful relationships content.

We collaborated with Legal Aid WA to develop a new cyber safety [guide](#) for parents and students.

For the 2018 school year, 99% of the 790 schools that completed our protective behaviours education survey indicated they were implementing or partially implementing protective behaviours education for students. Schools that indicated no or partial implementation were supported to identify barriers and enact protective behaviours education. All schools were reminded of protective behaviours professional learning provided by the Department.

Support for students with specific educational and engagement needs

Our Schools of Special Educational Needs (Behaviour and Engagement, Disability, Medical and Mental Health, and Sensory) provide a range of services, some of which are available to staff and students at non-government schools. In 2018, the Schools of Special Educational Needs provided intensive support to 13,514 students (12,685 in 2017). The schools also delivered 1,087 professional learning workshops attended by 15,180 participants to strengthen their capacity to support students with a range of complex learning needs.

In 2018, the School of Special Educational Needs: Behaviour and Engagement managed 803 cases of intensive support for students with extreme, complex and challenging behaviours (862 in 2017). This included 27 students enrolled at the Midland Learning Academy which supports severely disengaged students, and students at our 13 engagement centres which provided intensive support to students with extreme, complex and challenging behaviours.

The School of Special Educational Needs: Disability provided support to 4,449 students in 2018. This was provided through a consulting teacher service to schools across four specialist areas: autism, assistive technologies, disabilities and learning difficulties.

Staff from the School of Special Educational Needs: Medical and Mental Health have relocated to the new Perth Children's Hospital. Of the 86 staff the school employs across more than 40 health settings, approximately 50 staff are located at Perth Children's Hospital. Relocation from Princess Margaret Hospital has increased patient bed capacity to 298 (up from 220) and provisioned nine purpose designed school rooms (up from six).

We began supporting a trial, led nationally by the MissingSchool organisation, which uses robot technology to support two students with serious medical conditions who cannot attend school. The robots provide a two-way real time video and audio connection between the absent students and their school. The student (or someone else) can move the robot within and between classrooms and around the school, allowing them to participate in some of their usual school activities and lessons.

The School of Special Educational Needs: Sensory supported national and State initiatives to improve awareness and embed preventative practices for trachoma, and otitis media and the resulting conductive hearing loss in Aboriginal children. The school assessed classroom acoustics at seven campuses of the Ngaanyatjarra Lands School and conducted hearing screenings of 123 students; 82 were found to have a conductive hearing loss. Teachers at these campuses were provided with advice on improving classroom acoustics and using Soundfield systems (which amplify teachers' voices), and resources to embed preventative practices for these ear and eye issues.

At June 2019, 2,853 (93%) of the 3,064 children in the care of the Chief Executive Officer of the Department of Communities and enrolled in our schools had documented plans.

Four hundred and ninety-seven students undertook the NAPLAN reading tests while in care in both 2016 and 2018; and 494 undertook the NAPLAN numeracy tests. Between 2016 and 2018 the percentages of these children who were at or above the national minimum standard improved in numeracy for two of the three cohorts (Year 5 to Year 7 and Year 7 to Year 9) and in reading for one of the three cohorts (Year 5 to Year 7). See [Table A16](#) for further information.

Strong partnerships and collaboration

We expect public school staff to develop positive, respectful relationships with students, parents and each other as part of caring learning environments that support student wellbeing. We worked with families and communities early to give their children the best start to learning. We built partnerships between our schools – and across sectors and systems – and other agencies to improve student outcomes.

Collaboration with other agencies and organisations

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

Services commenced in 2019 at the new Hobbs Drive Youth and Community Services Hub as part of the Full Service Schools three-year pilot at Armadale Senior High School. Government and non-government agencies are now providing a range of youth and family support services to the two initial target groups of young people: pregnant or parenting, and vulnerable to homelessness or family and domestic violence.

To support the provision of education services to children and young people in detention, we provided funding to the Department of Justice equivalent to the salaries and on-costs for three full-time equivalent teachers, who are employed at Banksia Hill Detention Centre. We also provided education staff at the centre with access to online professional learning courses.

Our School of Special Educational Needs: Behaviour and Engagement continued work with the Department of Justice to support students moving between Youth Justice Services and schools. This included sharing information with the schools that students enrolled in to provide continuity for their education and care needs.

Best start to learning for young children

In 2018–19, our 21 Child and Parent Centres provided 675 programs and services with approximately 95,000 child attendances and 93,000 adult attendances. The centres continued to support families and communities to provide young children with the best start to learning.

Work has been completed to relocate the Child and Parent Centre Challis to Westfield Park Primary School, for the start of Term 3, 2019. Planning continued for an additional centre at Arbor Grove Primary School in Ellenbrook, with construction to start in 2019–20.

A partnership between the departments of Education and Communities, Australian Government, Catholic Education Western Australia, Association of Independent Schools of Western Australia, and Playgroup WA supports stronger links between schools and community playgroups. This partnership aims to enhance families' and children's transition to Kindergarten. In 2018–19, the project supported 182 community-led playgroups with links to public schools (135 in 2017–18) and provided opportunities for wrap-around services, community engagement, and optimisation of children's transition to school.

Through the National Partnership on Universal Access to Early Childhood Education, six new Education and Care Networks were established, bringing the total to 14. The networks supported shared professional learning opportunities for early childhood educators in schools and neighbouring long day care centres.

As a regulator and funder

The Department has a role in influencing the education of all students in Western Australia. We enacted this indirectly for non-government school education through regulation and funding of Catholic and Independent schools.

Approximately one-third of Western Australian students (148,836) were enrolled in 309 non-government schools in 2019. See [Appendix 1](#) for further enrolment information.

Many non-government schools had religious affiliations, with more than half being Catholic schools ([Table A13](#)). Approximately one-third of all non-government schools were located in regional Western Australia. There were 18 remote sole provider schools in communities where there were no other education providers.

The non-government school sector also included 13 Curriculum and Re-engagement in Education (CARE) schools for secondary students.

We worked with the School Curriculum and Standards Authority, Training and Accreditation Council (up to the end of 2018) and Teacher Registration Board of Western Australia to ensure they were provided with secretariat services to support their functions.

Contemporary curriculum and assessment

We provided services and support to the School Curriculum and Standards Authority through a service level agreement to ensure it delivered its functions of:

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

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

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

High quality teaching, effective leadership and good governance

We regulated Independent schools, and audited and reviewed the regulation of Catholic schools, against standards set by the Minister for Education and Training and other legislative requirements. We maintained procedural safeguards to ensure our regulatory functions are transparent, and that regulatory and delivery functions are appropriately separated. We provided funding to Catholic and Independent schools based on a formula approved by the Minister.

Non-government school regulation

The *School Education Act 1999*, registration standards determined by the Minister for Education and Training, and policies adopted by the Director General provided the regulatory framework for the quality assurance and registration of non-government schools.

New [registration standards](#) came into effect on 1 July 2018. These emphasised the responsibility of Catholic and Independent schools to provide a satisfactory standard of education which aims to make continuous improvements in student learning outcomes.

The standards and legislative requirements for Independent and Catholic schools also stipulated they have policies to provide for students' education and care, and review them regularly. Independent and Catholic schools are required by legislation to implement good governance and accountability, including that governing body members must be fit and proper persons to operate a school.

The Director General assessed compliance of Independent schools with the registration standards and other requirements. During the year, the Director General approved one new non-government school, 35 registration renewals, seven additional sites/campuses, 16 extensions of year levels for existing schools, and three other registration changes.

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

Non-government school funding

Funding was provided on a per student basis based on a policy commitment over successive governments for students in non-government schools to receive a rate of funding equivalent to, on average, 25% of the costs of educating typical students in public schools. The annual Non-Government Schools Funding Order and Guidelines were issued by the Minister and set out funding amounts, and accountability and eligibility requirements.

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

During the year, we provided more than \$439 million in recurrent financial assistance for 146,796 students in non-government schools (more than \$430 million for 147,813 students in 2017–18), including \$29.7 million (\$29.4 million in 2017–18) to support students with special education needs.

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

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

As part of a 2017 election commitment, \$3 million in grant funding was provided to CEWA for capital works projects at three Catholic primary schools. These projects were successfully completed during 2018–19.

Through the Low Interest Loan Scheme, there were 372 active loans for non-government schools and The University of Notre Dame Australia with an outstanding balance of \$349.2 million ([Table 4](#)). Of the \$46.3 million advanced during the year, \$42.2 million was for new works and \$4.1 million was for works in progress ([Table 5](#)). In 2018–19, we received recurrent appropriation of \$1.3 million (\$1.6 million in 2017–18) to meet the annual costs of the interest subsidy.

Table 4: Low interest loans summary 2016–17 to 2018–19

	2016–17	2017–18	2018–19
Balance outstanding	\$314.1m	\$334.4m	\$349.2m
Number of active low interest loans	429	397	372

Source: Education Business Services

Table 5: Low interest loans nature of works summary 2016–17 to 2018–19

	2016–17	2017–18	2018–19
New works	\$44.5m	\$47.7m	\$42.2m
Works in progress	\$4.6m	\$5.0m	\$4.1m

Source: Education Business Services

Further information about non-government school funding in 2018–19, including financial assistance to individual schools and a list of schools that received loans, is on our [website](#).

Supporting teacher registration, training regulation and home education

We provided services and support to the Teacher Registration Board of Western Australia for it to deliver its functions, including to register teachers and accredit initial teacher education programs. We maintained internal processes and systems that ensured the Board received independent advice and support from our staff; the data it collected and managed were protected; and investigations remained confidential, noting that the best interests of children was the paramount consideration.

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

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

Following the 2018 statutory review of the *Teacher Registration Act 2012*, a strategic implementation group – with relevant representation across education sectors – was established to advise the Minister for Education and Training on implementation of the Review’s recommendations. The group formally advised the Minister in January 2019 that most recommendations were accepted and some recommendations require legal advice. The process for drafting and enacting the amendment Bill has commenced.

We provided the Training Accreditation Council with secretariat services until the end of 2018. Services supported the Council to deliver its functions including registering training providers, approving vocational education and training accredited courses, and investigating complaints against Council registered training providers. From 1 January 2019, secretariat staff previously employed by the Department of Education became staff of the Department of Training and Workforce Development.

We are responsible for registering home educators, and evaluating home education programs and children’s educational progress. In 2018–19, the Department provided \$2.6 million for education regional offices to manage home education programs (largely for employment of home education moderators). See [Table A11](#) for the number of students registered to receive home education.

Safe, healthy and resilient learners

The standards and legislative requirements for Independent and Catholic schools prioritise student safety and the prevention of bullying, harassment and abuse. Requirements include an expectation that Catholic and Independent schools implement a relevant child safe organisation framework.

All non-government school principals are required to notify the Chair of their governing body of critical incidents as defined in the registration Standards. The governing body is required to ensure that the Director General is notified as soon as practicable, and in any event, within 48 hours of the incident.

Information about the critical incident reporting requirement is published in the [Guide to the Registration Standards and Other Requirements for Non-Government Schools](#). It is the responsibility of each school under the registration standards to ensure that incidents are managed in the best interests of children.

We assist all schools to provide a safe environment for children by ensuring that child welfare concerns are referred to relevant authorities and that the Teacher Registration Board of Western Australia is supported to undertake its regulatory functions.

The scheme of teacher registration administered by the Board is designed to ensure that only fit and proper persons are registered as teachers. The *Teacher Registration Act 2012* places a number of obligations on employers and teachers to ensure that the teacher registration scheme operates effectively, with the best interests of children the paramount consideration.

See the Board’s [annual report](#) for further information about its activities in 2018–19.

Strong partnerships and collaboration

We worked with schools to share new ideas, research and best practice. We recognise the benefits that can accrue to all students through collaboration and sharing across schools, sectors and systems.

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

Priority projects included increasing higher education opportunities and encouraging university aspirations in students in regional Western Australia, working across universities in medical education and research, and marketing Perth internationally as an education destination.

We also provided secretariat services to the Rural and Remote Education Advisory Council chaired by Matthew Hughes MLA and including community, consumer, and funding provider group representatives. The Council provided the Minister for Education and Training with strategic advice to improve education outcomes of public and non-government school students in rural and remote schools. It also promoted cooperation between funding providers to enhance education service delivery in rural and remote regions.

DISCLOSURES AND LEGAL COMPLIANCE

General disclosures

Ministerial directives

No directives were issued by the Minister for Education and Training in 2018–19 relevant to the setting of desired outcomes or operational objectives, the achievement of desired outcomes or operational objectives, investment activities and financing activities.

Disability access and inclusion plan outcomes

Our [Disability Access and Inclusion Plan 2018–2023](#), published in June 2018, identifies our strategies to enhance equitable inclusion of people with disability in our schools, services and employment. It covers outcomes required under the *Disability Services Regulations 2004* and an additional outcome related to improving learning outcomes for students with disability.

Targeted professional learning was provided to enhance the capacity of over 9,400 staff to make teaching and learning adjustments, facilitate access to the curriculum and improve learning outcomes for students with disability and diverse learning needs. Our Schools of Special Education Needs provided [support for students with specific educational and engagement needs](#).

To support increased recruitment and employment of persons with disability in our workforce, we:

- provided advice to more than 300 principals and line managers to support staff with injury, disability or medical conditions
- provided equal opportunity information to over 320 staff through equal opportunity contact officer training and recruitment and selection panel training
- held a forum for disability employment service providers focused on equal opportunity measures and reducing barriers to employment
- facilitated workplace assessments and equipment for staff through the Job Access Program and completed infrastructure modifications to accommodate staff with disability
- published our new online resource *Enhancing Workplace Culture* in March 2019, that provides research based information, strategies and ready-to-use activities assisting principals and line managers to facilitate positive and inclusive workplace cultures.
- provided consultancy and resources related to workplace accommodation under the Department's Equal Opportunity, Discrimination and Harassment Policy.

Substantive equality

We continue to apply the [Substantive Equality Guidelines](#) and [Equality and Inclusion Guidelines](#) to consider the diverse needs of staff, students and their families in developing new and revised policies. In 2018–19, this included the major review and revision of our [Bullying in the Workplace Policy](#) and procedures to support staff to prevent and effectively manage bullying behaviour in the workplace.

Our human resource management system was upgraded to provide staff with the option to record their gender as indeterminate/intersex. This was in keeping with our commitment to strengthening inclusive and equitable practices and aligns with the Public Sector Commission's reporting requirements.

To support inclusive learning and work environments that are free of discrimination and harassment, we continued to implement our revised [Equal Opportunity, Discrimination and Harassment Policy](#) (published in May 2018) through:

- incorporating updated equal employment opportunity information in training resources for equal opportunity contact officers and our recruitment and selection panel training
- our new online resource called Enhancing Workplace Culture. See [Disability access and inclusion plan outcomes](#) for further information.

Recordkeeping plans

We continued incorporating the Machinery of Government changes in compliance with the *State Records Act 2000*, including bringing the former Department of Education Services' recordkeeping into the Department. We have commenced planning for the standardisation of the School Curriculum and Standards Authority recordkeeping into the Department's Recordkeeping Plan.

The Royal Commission into Institutional Responses to Child Sexual Abuse identified recordkeeping issues and made recommendations that state, territory and national governments are currently addressing.

Agencies are required to review their Retention and Disposal Schedule every five years with approval by the State Records Commission. Our revised schedule submitted to the State Records Office in line with this requirement will be progressed once the Royal Commission's recommendations have been addressed.

There were 5,508 staff who completed the mandatory online recordkeeping awareness training (including 5,209 school staff), 287 new TRIM users were trained and 83 staff participated in advanced TRIM training.

Corporate Information Services staff were provided with specialised TRIM training, including super-user training, administrator training and system technical training.

We held 41 records management workshops involving 706 school administrators and teachers; and 4,360 requests for assistance were received and resolved. Two hundred and forty-six visits (including follow-up 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.

Since the introduction of the school archives collection program in 2011, 466 schools have been invited to take part, with 427 schools completing the transfer of their archival records to a secure offsite facility for all Department records.

The pilot of the Student File Collection Program was completed in January 2019 and has now been integrated into our service delivery. A total of 68,800 hardcopy inactive student files from all schools have been transferred to relieve storage pressures, reduce the risk of loss or damage to records, and ensure current and inactive student files are more complete and accessible.

A number of business systems we use to manage human resources and procurement were integrated with TRIM. This reduces reliance on non-compliant systems such as shared drives and standardises the capture and management of these types of records across the Department.

An internal audit into recordkeeping for the Department, including central services, regional offices and schools commenced in 2019. The recommendations of this internal audit will inform improvements in the delivery of Corporate Information Services.

Freedom of information

Through the *Freedom of Information Act 1992*, the public has the right to access government information (subject to exemptions), including information held or controlled by the Department.

The Director General has authorised our principals, directors and managers to make decisions about releasing information held by the Department. Our general approach is to make information available to applicants, where possible and appropriate, without requiring a formal Freedom of Information (FOI) application.

Our information statement provides details about how the public can amend their personal information held by the Department, the range of information we hold, and how the information can be accessed.

The Information Statement can be found on our [webpage](#).

Statistics about FOI applications are provided to the Information Commissioner's Office as required by section 111(3)(a) of the *Freedom of Information Act 1992* and published in its annual report, available on the Information Commissioner's [website](#).

Annual estimates

In the 2019–20 Budget Statement, the estimates for the Department of Education and the School Curriculum and Standards Authority are consolidated within a single Division 23 of the Consolidated Account Expenditure Estimates.

The annual estimates representing the budget for the Department of Education excluding the School Curriculum and Standards Authority are in [Appendix 6](#).

Expenditure on advertising and market research

In 2018–19, we incurred expenditure centrally of \$0.95 million (\$0.64 million in 2017–18 and \$0.83 million in 2016–17) with media advertising organisations, advertising agencies and market research organisations (see [Table 6](#)). There was no expenditure with polling and direct mail organisations.

Table 6: Central expenditure on advertising and market research 2018–19

Category and providers	\$
Media advertising organisations	88,667
Adcorp Australia	
Carat Australia Media Initiative Media	
Advertising agencies ^(a)	668,009
Ad Capital	
Rare Creativethinking	
Gatecrasher	
Market research organisations	192,795
Advantage Communications and Marketing	
Kantar TNS	
Perth Market Research	
Research Solutions	

Source: *Communications and Media, and Education Business Services*

(a) Provided full range of creative services.

Unauthorised use of credit cards

During 2018–19, staff reported 461 unauthorised uses of corporate credit cards with no cases referred for investigation. Forty-eight of these were reported by staff in central and regional offices and 413 by staff in schools. Generally, unauthorised transactions were as a result of cards being used in error. If repayment was not received within two working days, strategies were employed to recover the amount owing including reminder notices and cancellation of cards.

The number of instances reported in 2018–19 increased by approximately 16% (64 instances) in comparison to the 2017–18 results (397 instances). Further information is in [Table 7](#).

Table 7: Unauthorised use of credit cards 2018–19

Category	\$
Aggregate amount of personal use expenditure for the reporting period	22,753.42
Aggregate amount of personal use expenditure settled by the due date (within five working days)	17,359.35
Aggregate amount of personal use expenditure settled after the period (after five working days)	5,393.79
Aggregate amount of personal use expenditure outstanding at balance date ^(a)	0.28

Source: *Education Business Service*

(a) Outstanding amount for 2018–19 is due to rounding of \$0.28.

Pricing policies of services provided

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

The *School Education Act 1999* and *School Education Regulations 2000* govern the setting of fees, charges and contributions for students in public schools. The amounts that may be requested of parents were limited to \$60 a year for primary students and \$235 a year for secondary students up to and including Year 10 for non-optional components of education programs. The amount of contributions and charges for each school was determined by the principal, approved by the school council/board and communicated to parents at least two months before the school year began.

The following were compulsory:

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

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

Under the *Vocational Education and Training (General) Regulations 2009*, the Training Accreditation Council (TAC) set fees for registration of training providers and regulation 28 outlined fees for course accreditation. The TAC secretariat function was transferred to the Department of Training and Workforce Development from 1 January 2019. As a result, the TAC fees only related to the Department of Education from 1 July to 31 December 2018.

Fees and charges associated with teacher registration were governed by the *Teacher Registration (General) Regulations 2012* and the *Teacher Registration (Accreditation of Initial Teacher Education Programmes) Regulations 2012*. The Teacher Registration Board of Western Australia Schedule of Fees is available on the Board's [website](#).

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

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

Board and committee remuneration

Members of boards and committees, as defined in Premier's Circular 2017/08 – State Government Boards and Committees, were remunerated as determined by the Minister for Education and Training, on the recommendation of the Public Sector Commissioner. Details of these remunerations are in [tables 8 to 13](#).

Table 8: Training Accreditation Council remuneration 1 July to 31 December 2018 ^(a)

Position	Name	Period of membership	Remuneration	
			Type	Gross/actual ^(b)
Chair	Mr Ian Hill	12 months	Annual	\$23,008
Member	Miss Janelle Dawson	12 months	Annual	\$14,767
Member	Mr Ron Dullard	6 months	Annual	\$14,767
Member	Mr Neil Fernandes	12 months	Annual	\$14,767
Member	Ms Debra Goostrey	12 months	Annual	\$14,767
Member	Ms Louise Hillman	12 months	Annual	\$14,767
Member	Ms Siobhán Mulvey	12 months	–	\$1,846 ^(c)
Total				\$98,689

Source: Department of Training and Workforce Development

(a) The Training Accreditation Council secretariat function was transferred to the Department of Training and Workforce Development from 1 January 2019. Includes final payments in January 2019 to members for December 2018 sitting fees.

(b) Amounts shown are for the period from 1 July to 31 December 2018 and include part of the 2017–18 sitting fees, paid in 2018–19.

(c) Not eligible for sitting fees in 2018–19. Payment relates to annual remuneration for 2017–18 sitting fees.

Table 9: Teacher Registration Board of Western Australia remuneration 2018–19

Position	Name	Period of membership	Remuneration	
			Type	Gross/actual
Chair	Mrs Margaret Collins	12 months	Annual	\$23,433
Deputy Chair	Mr Ron Dullard	12 months	Meeting	\$5,555
Member	Mrs Nicole Brown	4 months	Meeting	\$1,515
Member	Mr Jeremy Bruse	12 months	–	–
Member	Mr Peter Collins	12 months	Meeting	\$5,555
Member	Ms Tracey Gray	6 months	Meeting	\$2,525
Member	Ms Kate Offer	12 months	Meeting	\$5,050
Member	Ms Julie Woodhouse	12 months	–	–
Total				\$43,633

Source: Teacher Registration

Table 10: Non-Government Schools Planning Advisory Panel remuneration 2018–19

Position	Name	Period of membership	Remuneration	
			Type	Gross/actual
Chair	Mrs Audrey Jackson AM	12 months	Half/full day	\$9,392
Member	Mr Gavin Agacy	12 months	–	–
Member	Dr Anne Coffey	9.5 months	–	–
Member	Mrs Natalie Gulberti	9.5 months	–	–
Member	Ms Giselle Lau	9.5 months	–	–
Member	Ms Carmel Quin	9.5 months	–	–
Member	Mr Llewellyn Woodford	12 months	Half/full day	\$2,250
Total				\$11,642

Source: Schools Division

Table 11: School Curriculum and Standards Authority Board remuneration 2018–19

Position	Name	Period of membership	Remuneration	
			Type	Gross/actual
Chair	Emeritus Professor Patrick Garnett	12 months	Annual	\$37,380
Member	Chapple Professor David Andrich	12 months	Annual	\$23,475
Member	Associate Professor Lennie Barblett	12 months	Annual	\$23,475
Member	Ms Pauline Coghlan	11 months	Annual	\$22,482
Member	Mr Neil Fernandes	1 month	Annual	\$1,083
Member	Dr Lynette Henderson-Yates	12 months	Annual	\$23,475
Member	Ms Margaret Herley	12 months	Annual	\$23,475
Member	Dr Bruce Matthews	12 months	Annual	\$23,475
			Total	\$178,320

Source: School Curriculum and Standards

Table 12: School Curriculum and Standards Authority – Curriculum and Assessment Committee remuneration 2018–19

Position	Name	Period of membership	Remuneration	
			Type	Gross/actual
Chair	Ms Margaret Herley	12 months	Per meeting	\$1,100
Member	Associate Professor Caroline Barratt-Pugh	12 months	Per meeting	\$370
Member	Ms Elizabeth Blackwell	12 months	–	–
Member	Ms Amanda Connor	12 months	Per meeting	\$740
Member	Ms Gabrielle Doyle	8 months	–	–
Member	Mr Neil Fernandes	8 months	Per meeting	\$740
Member	Ms Fiona Forbes	12 months	–	–
Member	Mr Armando Giglia	12 months	–	–
Member	Mr Lindsay Hale	12 months	–	–
Member	Mr Tony Misich	12 months	Per meeting	\$1,100
Member	Ms Kristine Stafford	12 months	Per meeting	\$1,100
Member	Ms Katherine Ward	12 months	–	–
Member	Mr Roderick (Rod) Wood	12 months	Per meeting	\$740
			Total	\$5,890

Source: School Curriculum and Standards

Table 13: School Curriculum and Standards Authority – Standards Committee remuneration 2018–19

Position	Name	Period of membership	Remuneration	
			Type	Gross/actual
Chair	Dr Bruce Matthews	12 months	Per meeting	\$2,200
Member	Mr Chris Booth	12 months	–	–
Member	Ms Rosalba Butterworth	7 months	–	–
Member	Ms Anne Ford	10 months	Per meeting	\$740
Member	Associate Professor Stephen Humphry	12 months	Per meeting	\$1,110
Member	Ms Pauline White	12 months	–	–
			Total	\$4,050

Source: School Curriculum and Standards

Compliance with public sector standards and ethical codes

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

We conducted selection panel training to ensure all our recruitment processes and employment decisions were conducted in accordance with the Public Sector Commissioner's Instructions: Employment Standard and Filling a Public Sector Vacancy. In 2018–19, 306 staff members attended panel training.

We managed Breach of Standard claims as required by the *Public Sector Management (Breaches of Public Sector Standards) Regulations 2005* (see [Table 14](#)). In 2018–19, no breaches were found.

We monitored staff records in compliance with the *Working with Children (Criminal Record Checking) Act 2004* and conducted regular compliance reviews of schools and other Department worksites. An audit conducted in March 2019 found a compliance rate of 98.8% across sites.

We focused on improving automated alerts and reporting functions of our Working with Children recording system to aid compliance and continued to provide advice and support in relation to legislation. Collaborating with the Department of Communities' Working with Children Screening Unit, we conducted joint information sessions specifically for education staff.

The Department received notification from the Department of Communities of eight interim negative notices and 10 negative notices issued to current employees. Employees issued with an interim negative notice or negative notice are dismissed for repudiation of their employment contract.

We issued \$1,108,919 in reimbursements (\$1,228,538 the previous year) to staff and volunteers required to renew Working with Children cards as part of their employment.

In 2018–19, our screening unit processed 18,480 criminal history record checks (18,434 in 2017–18) of prospective staff, volunteers, contractors and students undertaking practicums in the education and training sectors. Thirty were refused clearance due to their criminal history being in breach of our Criminal Convictions Suitability Criteria (17 in 2017–18).

All misconduct complaints were managed in accordance with the provisions of the *Public Sector Management Act 1994* and principles of Common Law.

Complaints were either managed (investigated) centrally, or referred for local management with central oversight if assessed as suitable for local resolution and/or performance management (see [Table 15](#)). We referred serious misconduct complaints to the Corruption and Crime Commission; minor misconduct complaints that met certain criteria to the Public Sector Commission; and complaints that involved alleged criminal conduct to the WA Police Force.

Several allegations may arise from one complaint of misconduct. Allegation figures are detailed in [Table 16](#), and [Table 17](#) shows the most common types of allegations received in 2018–19.

In 2018–19, 526 complaints were assessed as not involving misconduct (552 in 2017–18 and 487 in 2016–17). These matters, predominantly administrative in nature or related to issues not meeting the threshold for misconduct, were referred for management by the region or relevant worksite.

Seventeen public interest disclosure officers were available to receive disclosures under the *Public Interest Disclosure Act 2003*. Induction programs, and prevention and education training included information about the legislation. Two disclosures meeting the relevant criteria under the Act were received during the year.

Section 240 of the *School Education Act 1999* provides the Director General with the authority to order removal of an employee from school or residential college premises when it is suspected that their continued presence constitutes a risk to the safety or welfare of students. Orders can only be made where a disciplinary process has commenced. The Director General also has the authority to suspend staff suspected of misconduct and initiate disciplinary proceedings (section 82 of the *Public Sector Management Act 1994*). [Table 18](#) shows the number of direction orders and suspensions issued against staff.

Completion of the online Accountable and Ethical Decision Making is now compulsory for all staff every three years. In 2018–19, 3,074 staff (3,584 in 2017–18) completed the Accountable and Ethical Decision Making professional learning online and 4,333 staff (3,511 in 2017–18) completed it through face-to-face presentations.

In addition, 410 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.

Table 14: Public Sector Standards claims by status of claim 2018–19

Standard	Employment	Grievance resolution	Performance management	Redeployment, termination and discipline	Total
Resolved internally, relief provided	8	0	0	0	8
Claim withdrawn, no relief provided	20	1	0	0	21
Breach of Standard upheld	0	0	0	0	0
Claim received after expiry of prescribed timeframe	2	0	0	0	2
Dismissed following formal review	4	0	0	0	4
Ineligible breach claim	3	4	1	0	8
Claim lapsed by the Public Sector Commissioner	0	0	0	0	0
Under investigation	2	0	0	0	2
Total	39	5	1	0	45

Source: Workforce Policy and Coordination

Table 15: Management of complaints assessed as involving misconduct 2016–17 to 2018–19^(a)

	Complaints received			Complaints resolved		
	2016–17	2017–18	2018–19	2016–17	2017–18	2018–19
Central management	249	258	260	288	318	270
Local management with central oversight	382	362	293	356	357	236
Total	631	620	553	644	675	506

Source: Professional Standards and Conduct

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

Table 16: Misconduct allegations 2016–17 to 2018–19^{(a) (b)}

	Allegations received			Allegations resolved		
	2016–17	2017–18	2018–19	2016–17	2017–18	2018–19
Central management	339	439	396	553	576	448
Child protection	259	216	200	402	358	232
Non-child protection	80	223	196	151	218	216
Local management with central oversight	393	374	321	372	368	268
Child protection	300	184	179	287	201	130
Non-child protection	93	190	142	85	167	138
Total	732	813	717	925	944	716

Source: Professional Standards and Conduct

(a) The number of allegations identified may be greater than the number of complaints received in any year as one complaint may include multiple allegations once assessed.

(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.

Table 17: Misconduct allegations received by most common allegation category for 2018–19

Allegation category	2018–19
Central management	396
Personal behaviour – treatment of others	89
Physical contact – student	75
Personal behaviour – breach of professional boundaries	61
Other categories	171
Local management with central oversight	321
Personal behaviour – treatment of others	85
Physical contact – student	91
Personal behaviour – breach of professional boundaries	27
Other categories	118
Total	717

Source: Professional Standards and Conduct

Table 18: Orders ^(a) and suspensions ^(b) issued against staff 2016–17 to 2018–19 ^(c)

	Orders			Suspensions with pay ^(d)		
	2016–17	2017–18	2018–19	2016–17	2017–18	2018–19
Teaching staff	13	15	14	0	0	2
Non-teaching staff	9	10	4	0	0	0
Total	22	25	18	0	0	2

Source: Professional Standards and Conduct

(a) Issued by the Director General pursuant to section 240 of the *School Education Act 1999*.

(b) Authorised by the Director General pursuant to section 82 of the *Public Sector Management Act 1994*.

(c) There were no suspensions without pay in 2016–17, 2017–18 or 2018–19.

(d) Includes suspended with partial pay.

Occupational safety, health and injury management

In 2018–19, we continued our commitment to provide safe and healthy workplaces for all staff and others involved in the delivery of our services at all our workplaces. We sought to enlist the support and cooperation of all staff to minimise and control hazards as far as practicable.

Our occupational safety and health, and workers' compensation and injury management policies outlined roles and responsibilities of line managers, including the requirement to identify and manage hazards and risks in workplaces.

Occupational safety and health

We continued to adhere to the *Occupational Safety and Health Act 1984* and *Occupational Safety and Health Regulations 1996*. Our Occupational Safety and Health policy and procedures were reviewed and released with changes to further assist our site managers to implement effective occupational safety and health management systems. Our updated Statement of Intent and Commitment to Occupational Safety and Health, ratified by the Director General, was required to be displayed in all our workplaces.

Occupational safety and health training is available online to all managers and principals with ongoing support provided by our occupational safety and health consultants. In 2018–19, 154 principals completed occupational safety and health training, which is mandatory for all newly appointed principals.

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.

During the year, 136 elected safety and health representatives attended introductory training for safety and health representatives and a further 28 safety and health representatives attended refresher training.

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

In September 2018, online psychological investigation and risk assessment training was delivered for the first time, which has since been completed by 679 staff. The training was developed to support principals and managers to investigate psychosocial injuries and mitigate the risk of staff being injured.

Training in four-wheel driving and recovery was provided to 104 staff required to drive these vehicles in regional and remote communities.

An updated version of our hazardous substance management system was implemented in schools. We also provided online training in managing hazardous substances to 972 staff.

Training was provided in asbestos awareness to 650 staff and manual task training to 815 staff.

PeopleSense (by Altius), our employee assistance program provider, offered confidential intervention counselling services to staff and immediate family members for work-related and personal matters that may impact work performance. During 2018–19, 3,229 staff or members of their families accessed support services (2,609 in 2017–18), an increase of 620 people. The program also offered an advisory service for managers dealing with difficult and complex staff matters. In 2018–19, there were 69 contacts to the Manager Assist program (91 in 2017–18).

In 2018–19, 27 schools were provided with mediation facilitation services (53 schools in 2017–18). A total of 67 staff (34 in 2017–18) were trained in the use of mediation strategies.

Workers' compensation and injury management

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

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

Our lost time injury severity rate ([Table 19](#)) decreased by 2.44 points from 29.88 in 2017–18 to 27.44 in 2018–19.

In 2018–19 we assisted 302 staff (302 in 2017–18) who experienced difficulties remaining at work or returning to work due to injury, illness and disease unrelated to work.

Occupational Physicians from Ability OPN worked with our injury management consultants to provide line managers with clarification of medical conditions of referred staff and guidance on managing risks to prevent further exacerbation of their injury or illness. They undertook 599 fitness for work assessments with 299 staff during 2018–19. Fifty-five per cent of the assessments related to staff with mental health concerns.

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.

In 2018–19, there were 1,788 workers' compensation claims lodged (1,812 in 2017–18). There were 584 claims for being hit by a moving object (569 in 2017–18), 468 claims for slips, trips and falls (527 in 2017–18), 426 claims for body stressing injuries (434 in 2017–18) and 120 claims for mental stress (114 in 2017–18).

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

Table 19: Occupational safety and health performance indicators 2016–17 to 2018–19

Indicator	Agencies in 2016–17	2016–17 ^(a)	Department of Education ^(b)			Outcome
			2017–18	2018–19	Target ^(c)	
Number of fatalities	Department of Education	0	0	0	Zero (0)	Target achieved
	Country High School Hostels Authority	0				
	School Curriculum and Standards Authority	0				
	Department of Education Services	0				
Lost time injury/disease incidence rate ^(d)	Department of Education	2.7	2.6	2.7	0 or 10% improvement on 2016–17	Varied results with former agencies
	Country High School Hostels Authority	3.35				
	School Curriculum and Standards Authority	0				
	Department of Education Services	1				
Lost time injury/disease severity rate ^(e)	Department of Education	27.49	29.88	27.44	0 or 10% improvement on 2016–17	Varied results with former agencies
	Country High School Hostels Authority	0				
	School Curriculum and Standards Authority	0				
	Department of Education Services	0				
% of injured workers returned to work within 13 weeks	Department of Education	77%	76%	77%	No target	–
	Country High School Hostels Authority	100%				
	School Curriculum and Standards Authority	–				
	Department of Education Services	100%				
% of injured workers returned to work within 26 weeks	Department of Education	86%	86%	84%	Greater than or equal to 80%	Target achieved
	Country High School Hostels Authority	100%				
	School Curriculum and Standards Authority	–				
	Department of Education Services	100%				
% of managers trained in occupational safety, health and injury management responsibilities, including refresher training within 3 years	Department of Education	90%	90%	46% ^(f)	Greater than or equal to 80%	Target not achieved
	Country High School Hostels Authority	100%				
	School Curriculum and Standards Authority	93%				
	Department of Education Services	81%				

Source: RiskCover and Department of Education

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

(b) From 2017–18, the new Department of Education was formed which included staff from the School Curriculum and Standards Authority and former Department of Education, Department of Education Services, and Country High School Hostels Authority.

(c) As defined by Public Sector Commissioner's Circular 2018-03 Code of Practice: Occupational Safety and Health in the Western Australian public sector.

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

(e) Number of incidents resulting in lost time classified as severe per 100 incidents resulting in lost time.

(f) The figure is based on current principals who have ever completed the training by 30 June 2019 and uses a different methodology from previous years.

Staff

During 2018–19, an average of 39,205 full-time equivalent (FTE) staff were employed. Of these, 58.7% were teachers, 29.8% were support staff, 6.6% were cleaners and gardeners, and 4.9% were administrative and clerical staff. School-based staff represented 96.7% of total FTE.

Click [here](#) for a snapshot of our workforce demographics, and see [tables 20 to 23](#) and [figures 3 and 4](#) for further information about our staff.

Our average FTE is an increase of 369 FTE (0.9%) from 2017–18 FTE levels. While the growth is in line with student increases for 2019, the increase is also due to the continued implementation of election commitments, particularly in relation to additional education assistants and Aboriginal and Islander education officers.

We continued implementing State Government election commitments to fund an additional 120 FTE for Level 3 Classroom Teachers, 300 FTE education assistants and 50 FTE Aboriginal and Islander education officers to directly support students. The Level 3 Classroom Teacher FTE was fully allocated in 2019. At 30 June 2019, we had employed an additional 163.27 FTE education assistants across 117 primary and district high schools with the most socially disadvantaged students. Also, an additional 24.15 FTE Aboriginal and Islander education officers were employed across 50 regional senior high schools, district high schools and remote community schools; with a further 6.0 FTE employed as Aboriginal Boarding Supervisors at three residential colleges. All staff were employed on a permanent basis.

Since the Public Sector Commissioner’s Instruction regarding the conversion and appointment of fixed term contract and casual employees to permanency was released in August 2018, we have reviewed the contractual arrangements for 16,884 staff and made 456 permanent. We continue to undertake reviews of historical employment practices as employees meet the requirement for two years of continuous service. We are committed to permanency being the preferred form of employment.

Both teacher retirements and resignations remained relatively stable in 2018 (see [Appendix 4](#)).

Our [Workforce Subcommittee](#) provided information, assurance and oversight on any significant developments related to staffing policies, recruitment, industrial relations, workers’ compensation, and occupational health and safety programs.

Our workforce demographics in 2019

2.4%

identified as Aboriginal and/or Torres Strait Islander

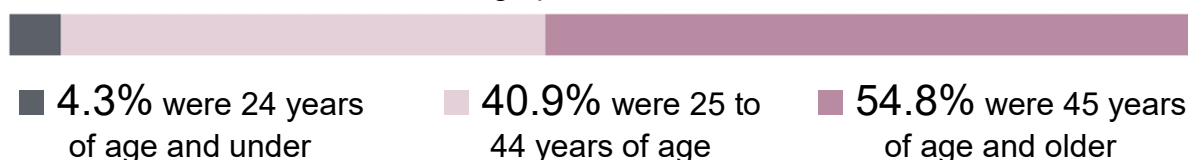
8.8%

identified as being from culturally and linguistically diverse backgrounds

1.3%

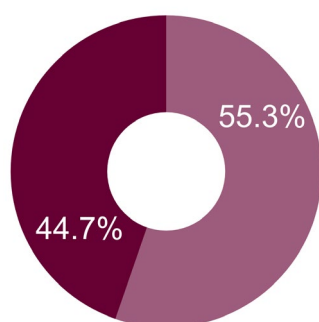
identified as people with disability

The age profile of our staff

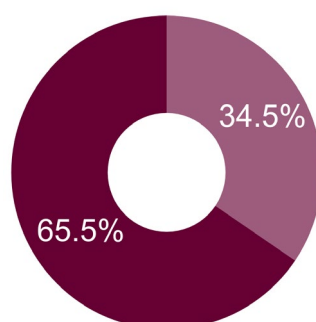


Our leadership by gender – Female Male

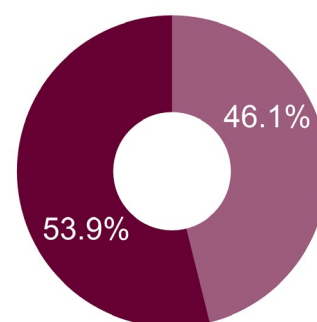
Managers – Tier 2 and Tier 3



Primary school administrators



Secondary school administrators



Demographics ^(a)	2018 (%)	2019 (%)
Aboriginal and/or Torres Strait Islander	2.4	2.4
People from a culturally and linguistically diverse background	8.8	8.8
People with disability	1.3	1.3
Age profile		
People 24 years of age and under (Youth)	4.7	4.3
People 25 to 44 years of age	40.7	40.9
People 45 years of age and over	54.6	54.8
Gender breakdown of Managers – Tier 2 and Tier 3 ^(b)		
Female	40.7	44.7
Male	59.3	55.3
Gender breakdown of school administrators ^(c)		
Primary	Female	64.4
	Male	35.6
Secondary	Female	52.3
	Male	47.7

Source: Workforce and Education Business Services, using Human Resource Minimum Obligatory Information Requirements (HRMOIR) data

(a) Data as at March of each year.

(b) Tiers are based on the Department's reporting structure and decision making responsibility. Tier 2 positions report directly to the Director General and Tier 3 positions report directly to Tier 2 positions.

(c) Defined as Level 3 to 6 under The School Education Act Employees' (Teachers and Administrators) General Agreement 2017.

Table 20: Staff ^(a) by category 2014–15 to 2018–19

Category	2014–15	2015–16	2016–17	2017–18 ^(b)	2018–19
Teaching ^(c)	21,009	21,862	22,889	22,878	23,031
Support ^(d)	10,096	10,390	11,127	11,447	11,674
Cleaning and gardening	2,419	2,479	2,541	2,573	2,593
Administrative and clerical ^(e)	1,647	1,673	1,741	1,938	1,907
Total	35,171	36,404	38,298	38,836	39,205

Source: Education Business Services

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

(b) From 2017–18, the new Department of Education was formed which included staff from School Curriculum and Standards Authority and former Department of Education, Department of Education Services, and Country High School Hostels Authority.

(c) Includes principals and deputy principals.

(d) Includes school clerical staff and education assistants.

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

Table 21: Staff ^(a) by operational area and category 2018–19

Operational area	Teaching ^(b)	Support ^(c)	Cleaning and gardening	Administrative and clerical ^(d)	Total
Schools ^(e)	23,006	11,672	2,589	659	37,926
Central strategic and corporate services	–	–	–	1,159	1,159
Regional offices	25 ^(f)	2	4	89	120
Total	23,031	11,674	2,593	1,907	39,205

Source: Education Business Services

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

(b) Includes principals and deputy principals.

(c) Includes school clerical staff and education assistants.

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

(e) See [Table 22](#).

(f) Includes Primary Extension and Challenge (PEAC) teachers and home education moderators.

Table 22: School-related staff^(a) by type of school and category 2018–19

Type of school	Teaching ^(b)	Support ^(c)	Cleaning and gardening	Administrative and clerical ^(d)	Total
Community kindergarten	18	17	–	–	35
Primary ^(e)	12,152	6,310	1,357	14	19,833
District high	1,032	542	163	6	1,743
Kindergarten–Year 12 ^(f)	412	162	42	36	652
Secondary	7,795	2,577	987	509	11,868
Education support ^(g)	879	1,869	27	45	2,820
Specialist services ^(h)	718	195	13	49	975
Total	23,006	11,672	2,589	659	37,926

Source: *Education Business Services*

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

(b) Includes principals and deputy principals.

(c) Includes school clerical staff and education assistants.

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

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

(f) Includes School of Isolated and Distance Education.

(g) Includes language development school/centres.

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

Table 23: School-based teaching staff^(a) by category and education category^(b) 2019

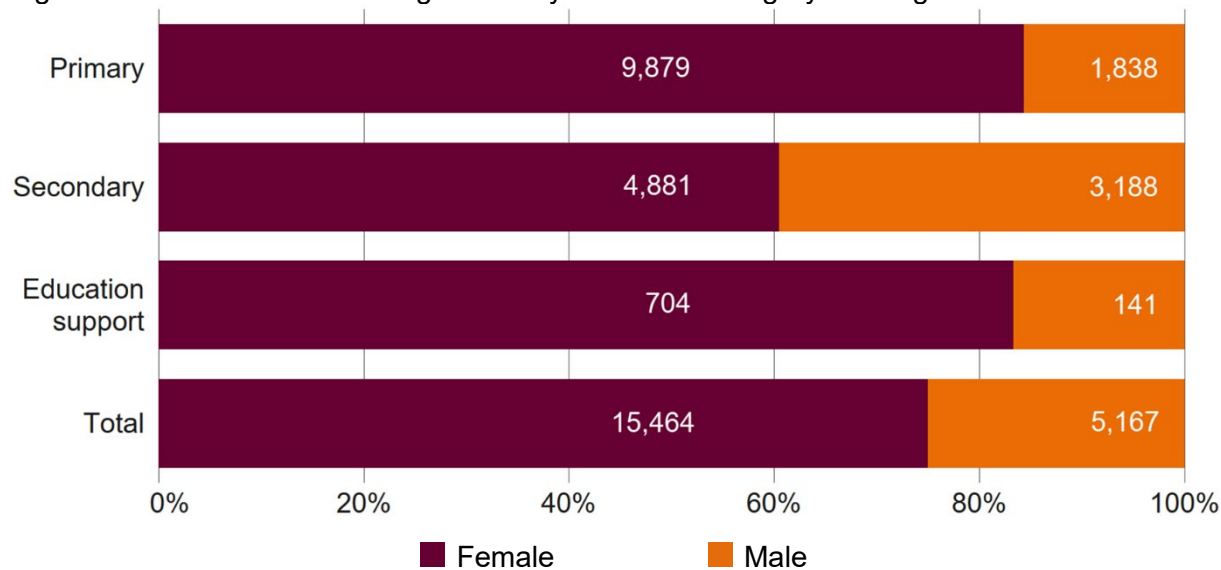
Category	Primary	Secondary	Education support	Total
Principal	560	168	67	795
Deputy principal	802	384	67	1,253
Head of department or program coordinator	11	956	5	972
Teacher	10,176	6,437	663	17,276
Guidance/counselling	168	124	43	335
Total	11,717	8,069	845	20,631

Source: *System and School Performance*

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

(b) Staff apportioned to education category based on proportion of students in each education category.

Figure 3: School-based teaching staff^(a) by education category^(b) and gender 2019^(c)



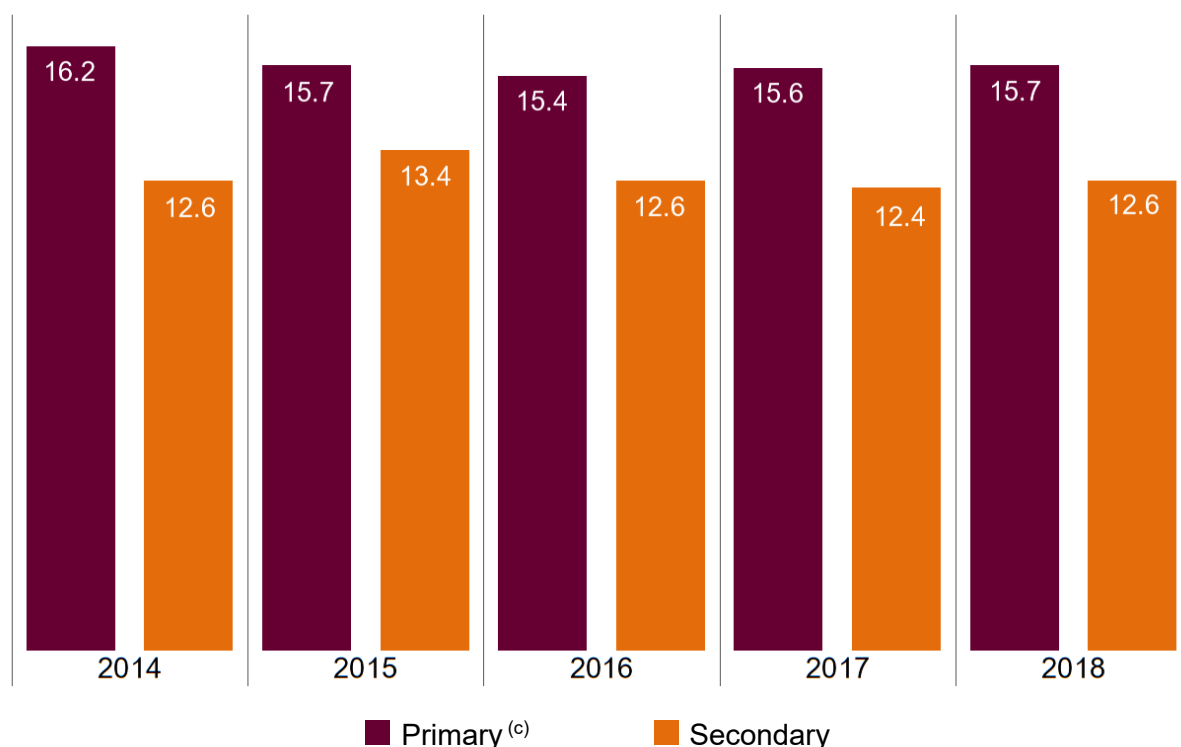
Source: *System and School Performance*

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

(b) Staff apportioned to education category based on proportion of students in each education category.

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

Figure 4: Student-teacher ratios^(a) 2014 to 2018^(b)



Source: *System and School Performance*

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

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

(c) Excludes Kindergarten.

Major capital works

Table 24: Completed major capital works ^(a) 2018–19

Project	Year completed	Original budget \$'000	Revised budget ^(b) \$'000	Variation between original and revised budget		
				\$'000	%	Reason for significant variation ^(c)
New secondary schools						
Ridge View Secondary College (South Baldivis Secondary School)	2019	54,450	47,980	(6,470)	(11.9)	Favourable tender
Additional stages to secondary schools						
Shenton College – Stage 2	2019	49,500	46,100	(3,400)	(6.9)	Budget reduced due to favourable tender
New primary schools						
Aspiri Primary School	2019	15,600	18,700	3,100	19.9	Provision of early childhood annex, earthworks and additional classroom block
Aveley North Primary School	2019	17,800	24,145	6,345	35.6	Provision of early childhood annex, earthworks and education support facilities
Oakwood Primary School	2019	15,600	19,700	4,100	26.3	Provision of early childhood annex and earthworks
Southern Grove Primary School	2019	15,600	22,100	6,500	41.7	Provision of early childhood annex, earthworks and additional classroom block
Western Suburbs Strategy						
City Beach Residential College	2019	6,440	6,440	0	0.0	
Royalties for Regions						
Geraldton Senior High School (formerly Geraldton Senior College)	2018	5,000	5,000	0	0.0	
Champion Bay Senior High School (formerly John Willcock College)	2019	20,000	20,000	0	0.0	
Total completed major capital works 2018–19		199,990	210,165	10,175		

Source: Infrastructure

(a) Major projects defined as those with estimated total cost exceeding \$5 million.

(b) As at the end of the 2018–19 financial year.

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

Table 25: Major capital works in progress ^(a) 2018–19

Project	Expected completion year	Original budget \$'000	Revised budget ^(b) \$'000	Estimated remaining costs ^(b) \$'000	Variation between original and revised budget		
					\$'000	%	Reason for significant variation ^(c)
New secondary schools							
Bob Hawke (Inner City) College	2020	67,800	70,564	30,357	2,764	4.1	
Alkimos College (Butler North Secondary School)	2020	52,400	48,400	22,112	(4,000)	(7.6)	Favourable tender
Additional stages to secondary schools							
Yanchep Secondary College – Stage 2	2021	13,700	13,700	12,991	0	0.0	
Additions and improvements to secondary schools							
Balcatta Senior High School – Redevelopment	2021	50,000	50,000	46,508	0	0.0	
Ballajura Community College – Performing Arts Centre	2020	5,000	5,000	3,796	0	0.0	
Belmont City College – Performing Arts Centre	2020	5,000	5,000	4,976	0	0.0	
Belridge Secondary College – Performing Arts Centre	2020	5,000	5,000	4,975	0	0.0	
Carine Senior High School	2019	18,770	18,770	2,501	0	0.0	
Darling Range Sports College – New and upgraded facilities	2021	10,000	10,000	9,679	0	0.0	
John Forrest Secondary College – Redevelopment	2023	50,000	50,000	49,976	0	0.0	
Kiara College	2021	12,000	12,000	12,000	0	0.0	
Ocean Reef Senior High School – Performing Arts Centre	2020	5,000	5,000	4,728	0	0.0	
Southern River College – New and upgraded facilities	2020	8,400	8,400	4,645	0	0.0	
Wanneroo Secondary College – Upgrades	2020	5,000	5,000	4,796	0	0.0	
New primary schools							
Baldivis North Primary School	2020	15,600	16,300	10,945	700	4.5	
Byford South East Primary School	2020	15,600	18,900	12,720	3,300	21.2	Includes earthworks and additional classroom building
Caversham South Primary School	2020	15,600	17,300	10,668	1,700	10.9	Includes earthworks
Grandis (Banksia Grove East) Primary School (including early childhood annex)	2020	18,800	20,000	14,080	1,200	6.4	Scope changed to include additional classroom block
Baldivis South Primary School	2021	17,045	17,045	16,788	0	0.0	
Brabham Primary School	2021	18,490	18,490	17,926	0	0.0	
Harrisdale North Primary School	2021	18,310	18,310	18,160	0	0.0	
Southern River Precinct 3 Primary School	2021	7,150	7,150	6,979	0	0.0	
Sunningdale (Yanchep) Primary School	2021	17,265	17,265	16,940	0	0.0	
Yanchep Lagoon Primary School – Rebuild	2021	15,000	15,000	13,270	0	0.0	

(Table 25 continued)

Project	Expected completion year	Original budget \$'000	Revised budget ^(b) \$'000	Estimated remaining costs ^(b) \$'000	Variation between original and revised budget		
					\$'000	%	Reason for significant variation ^(c)
Additions and improvements to primary schools							
Investing in Science	2021	12,000	12,000	6,674	0	0.0	
Royalties for Regions							
Bunbury Senior High School – Upgrades	2020	5,000	5,000	4,612	0	0.0	
Cape Naturaliste College – Stage 2	2020	32,100	30,100	7,598	(2,000)	(6.2)	Favourable tender
Carnarvon Community College – Amalgamation	2019	38,550	26,550	6,568	(12,000)	(31.1)	Part of this stage included in stage 2. Very favourable tender.
Collie Senior High School – New facilities	2019	7,500	7,500	3,458	0	0.0	
Eaton Community College – New facilities	2020	5,000	5,000	4,566	0	0.0	
Margaret River Senior High School	2020	30,000	30,000	9,289	0	0.0	
Broome Senior High School – New facilities	2020	20,000	19,325	18,551	(675)	(3.4)	
Albany Secondary Education Support Centre	2021	9,825	9,825	9,302	0	0.0	
Western Suburbs Strategy							
International School of Western Australia	2021	21,600	21,600	12,127	0	0.0	
Miscellaneous programs							
Universal Access to Early Childhood Education Program	2021	40,916	40,916	8,583	0	0.0	
Moora Residential College	2020	8,700	8,700	8,360	0	0.0	
Total major capital works in progress 2018–19		698,121	689,110	452,204	(9,011)		

Source: Infrastructure

(a) Major projects defined as those with estimated total cost exceeding \$5 million.

(b) As at the end of the 2018–19 financial year.

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



TRBWA

Teacher Registration Board
of Western Australia

TEACHER REGISTRATION BOARD OF WESTERN AUSTRALIA ANNUAL REPORT 2018–19

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

Letter of transmittal

Ms Lisa Rodgers
Director General
Department of Education

Dear Ms Rodgers

In accordance with section 114 of the *Teacher Registration Act 2012*, I am pleased to submit the annual report of the Teacher Registration Board of Western Australia for the period 1 July 2018 to 30 June 2019 for inclusion in the annual report of the Department of Education.

Yours sincerely

Margaret Collins
Chairperson
Teacher Registration Board of Western Australia

22 August 2019

CHAIRPERSON'S REPORT

On behalf of the Teacher Registration Board of Western Australia, I am pleased to present the Board's 2018–19 annual report.

Over the last 12 months the Board has continued to focus on the delivery of its regulatory functions. In the administration of an effective and efficient teacher registration scheme and accreditation scheme, the ongoing challenge is to maintain the balance between rigour and proportionality, and at the same time ensure the best interests of children is the paramount consideration.

Following the Machinery of Government changes, the Board is supported in the performance of its functions by the Department of Education. A memorandum of understanding was signed to formalise these arrangements and confirm the independent status of the Board. On behalf of the Board, I would like to congratulate the Director General on her appointment and sincerely thank both her and her staff for their ongoing support.

In this period of transition, it was timely for the Board to review its strategic plan and following a period of stakeholder consultation, a new strategic direction was endorsed. In the current environment of reform, the Board strives to position itself as a quality and contemporary regulator that acts in the public interest.

In working to be a more effective regulator and to better meet the needs of our stakeholders, there have been a number of changes to the client interface through the Board's online services. The result has been improved security, accessibility and functionality for applicants and registered teachers. In particular, for registered teachers, the online services environment provides a facility to view, update and manage most aspects of their teacher registration.

Of significant interest to the Board is the anticipated amendment to the *Teacher Registration Act 2012*, expected in the next reporting period. The Board will focus its work to amend policies and processes, as a result of these amendments, with a mind to continued improvement and efficiency in the delivery of its regulatory services. There will be opportunity to reflect on current practice, identify process improvement and reduce red tape.

The Board continues to contribute to the national reform agenda to work with its regulatory counterparts in each state and territory and the Australian Institute for Teaching and School Leadership on matters of shared concern.

There have been several changes to Board membership. We welcomed Ms Tracey Gray as a Board member in July and sadly farewelled her in December as she relocated to take up a Principal position in New South Wales. Following Ms Gray's resignation, we were fortunate to have Mrs Nicole Brown, Deputy Associate Principal Primary School at Peter Moyes Anglican Community School, appointed in March by the Minister for Education and Training. Also, Mr Peter Collins and Mr Jeremy Bruse were both reappointed to the Board in December.

On behalf of the Board and secretariat, I would like to congratulate each on their appointments and especially thank Ms Gray for her valued contribution to the work of the Board.

Finally, I would like to thank my fellow Board members for their commitment and expertise, especially those members who chair or are members of the committees of the Board. I also thank the Director and staff of the secretariat for their great support and continued professionalism. In producing the Board's new strategic direction, we identified our values as integrity, excellence, service, fairness and respect and I am looking forward to working with our stakeholders to embed these values in the coming years.



Mrs Margaret Collins
Chairperson

ABOUT THE BOARD

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

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

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

The relevant legislation

The Board was established in December 2012 under the *Teacher Registration Act 2012*.

The Board undertakes its duties in accordance with the *Teacher Registration Act 2012* and its subsidiary legislation: the *Teacher Registration (General) Regulations 2012* and the *Teacher Registration (Accreditation of Initial Teacher Education Programmes) Regulations 2012*.

The Board's vision

A quality and contemporary regulator of the Western Australian teaching profession that operates in the best interests of children.

The Board's purpose

Serving the public interest in Western Australia by ensuring that teachers are registered and initial teacher education programs are accredited in accordance with the *Teacher Registration Act 2012*.

The Board's values

Integrity: We act with integrity, responsibility and transparency.

Excellence: We set standards of excellence and strive to achieve them.

Service: We are responsive, efficient and effective.

Fairness and Respect: We treat everyone fairly, with empathy and respect.

The Board's members

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

At 30 June 2019 the Board members were:

- Margaret Collins (Chairperson) – former Regional Executive Director, South Metropolitan Education Region, Department of Education
- Ron Dullard (Deputy Chairperson) – former Director, Catholic Education Western Australia
- Peter Collins – Vice Principal, Holy Cross College, Ellenbrook
- Jeremy Bruse – Associate Principal, School and Community Statewide Services, Alternative Learning Settings
- Julie Woodhouse – Principal, Butler Primary School
- Nicole Brown – Deputy Associate Principal Primary School, Peter Moyes Anglican Community School
- Kate Offer – Assistant Professor, School of Law, The University of Western Australia.

During the reporting period:

- Peter Collins and Jeremy Bruse were reappointed to the Board.
- Tracey Gray was appointed to the Board on 2 July 2018 and resigned on 20 December 2018.
- Subsequently, Nicole Brown was appointed to the Board on 7 March 2019.

In 2018–19, the Board formally met 11 times and considered 13 items out-of-session.



Back row (left to right): Kate Offer, Jeremy Bruse, Peter Collins, and Julie Woodhouse.

Front row (left to right): Ron Dullard, Margaret Collins and Nicole Brown.

Governance framework

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

In 2018–19, the Board was supported by the following committees:

- two disciplinary committees which consider complaints referred by the Board
- an impairment review committee which considers impairment matters referred by the Board
- an interim disciplinary order committee which has the authority to make an interim disciplinary order where
 - there is the risk of imminent injury or harm to the physical or mental health of any person, or
 - a registered teacher has been charged with a sexual offence involving a child.

See [Disciplinary and impairment matters](#) for further information about the activities of these committees in 2018–19.

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

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

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

Financial statements and performance information related to the Teacher Registration Directorate and the Board’s remuneration are provided in the Department’s annual report.

The operations of the Board are funded by fees collected in accordance with the *Teacher Registration Act 2012* and [Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector](#) published by the Department of Treasury. The Board implemented a new [fee schedule](#) from 1 August 2018 to accommodate adjustments in the consumer price index.

Key achievements

Strategic direction

Following consultation with its stakeholders, the Board endorsed a new [strategic direction](#) which articulates its role as a regulatory authority and its strategic objectives and priorities.

The Board strives to be a quality and contemporary regulator of the Western Australian teaching profession that operates in the best interests of children. In undertaking its functions, the Board values integrity, excellence, service, fairness and respect.

Enhanced online services and improved processes

The Board continued to be responsive to the needs of its stakeholders and promote quality improvement and efficiency.

The Board improved online services for registered teachers, applicants and employers of teachers by implementing digital solutions with improved security, functionality and accessibility. This included a single sign-in process through which applicants and registered teachers can self-manage the registration process, streamlining the user experience. See [Engagement with stakeholders](#) for further information.

The Board introduced a digital third party identity verification system to streamline the process for meeting new requirements for national criminal record checks which mandate that the Board verify the identity of an applicant. This limited the increased administrative burden of the new requirement for applicants and the Board.

Revision and updating of Teacher-Student Professional Boundaries – A Resource for WA Teachers

The professional boundaries [resource](#), first published by the Board in January 2017, was revised and updated to ensure its relevance in the current context.

The resource is designed to inform and guide teachers about professional boundaries they should maintain when dealing with students and prompt reflective behaviour.

The resource also provides useful information to employers of registered teachers, parents and the broader community and is intended to contribute to the continuing goal of making all schools in Western Australia as child safe as possible. Informal stakeholder feedback suggests the resource has been extremely useful for teachers in understanding their professional responsibilities.

Significant issues for the next financial year

Review of the *Teacher Registration Act 2012*

The Minister for Education and Training established a Strategic Implementation Group to advise on the recommendations from the review of the *Teacher Registration Act 2012*, which was tabled in Parliament in September 2018. It is anticipated that the review will be the subject of an amendment Bill in 2019–20. The Board will work to amend policies and processes in light of amendments to the Act with a view to improving delivery of its regulatory services.

National Review of Teacher Registration

The [report](#) from the national review of teacher registration led by an expert panel of state and territory representatives was submitted to the Council of Australian Governments (COAG) Education Council in September 2018. The review considered how the current national registration framework is operating across Australia.

Implementation of the review remains a matter of national consideration and the Board will continue to work with relevant authorities and regulatory counterparts to consider the review's outcomes and potential impacts.

Royal Commission into Institutional Responses to Child Sexual Abuse

In December 2017, the Royal Commission presented its final report to the Governor-General, including its recommendations, detailing the culmination of its five-year inquiry into institutional responses to child sexual abuse and related matters. The Board will continue to work with relevant agencies as the Royal Commission's recommendations relevant to the Board's work as a teacher regulatory authority are considered and progressed.

Initial teacher education reform

The Board continues to engage with the Australian Institute for Teaching and School Leadership, state and territory teacher regulatory authorities and other stakeholders about proposed reforms to the initial teacher education accreditation scheme. The Board remains committed to the administration of an effective and efficient accreditation scheme for Western Australia that continues to balance regulatory rigour and reasonableness.

Digital business solutions

The Board has progressed developing and implementing digital solutions to replace legacy systems and to continue to assist applicants and registered teachers with meeting the requirements for gaining and maintaining teacher registration. In undertaking this work, the Board is balancing innovation with a robust risk-based approach to regulation.

The work includes converting analogue systems and information into the digital environment through the Board's website and the Teacher Login portal. Preparations are also underway to replace the existing Customer Relationship Management System that holds approximately 55,000 current teacher registration records.

Planning for the next registration renewal application peak

The registration cycle for the renewal of Full Registration has cyclical peaks that arise approximately every three and a half years for an 18-month period.

The Board is expecting renewal applications to increase significantly from April 2020 and to continue to be relatively high until October 2021. Initial planning for the peak has commenced and the Board will undertake comprehensive preparation over the coming months to ensure effective registration processes and staffing arrangements are in place to manage the expected peak in applications.

ACTIVITIES OF THE BOARD

Regulatory activity

Teacher registration

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

At 30 June 2019, 54,736 teachers were registered with the Board across four registration categories (see [Table 1](#)). To meet [registration requirements](#), applicants must be appropriately qualified, have the necessary English language skills, meet the required Professional Standards for Teachers for the relevant registration category, and be a fit and proper person. To renew registration, the Board must be satisfied that the teacher continues to meet the requirements for their category of registration.

Table 1: Teachers registered at June 30 by category 2015 to 2019

Category	2015	2016	2017	2018	2019
Full Registration	40,455	41,076	41,721	42,994	44,083
Provisional Registration	8,046	5,701	5,710	5,913	5,721
Non-Practising Registration	2,008	3,802	4,649	4,490	4,289
Limited Registration	541	691	684	648	643
Total	51,050	51,270	52,764	54,045	54,736

During 2018–19, the Board received 9,244 teacher registration applications and approved 9,601 applications (see [Table 2](#)). Where applicable, applicants had to provide criminal record checks from countries outside of Australia and 835 of these checks were conducted.

Table 2: Applications received and approved by type 2017–18 and 2018–19 ^(a)

Type of application	2017–18		2018–19	
	Received	Approved	Received	Approved
New registration	3,501	3,500	3,310	3,292
Renewal of registration	2,542	2,240	3,218	3,587
Move registration category	2,773	2,515	2,524	2,533
Extension of non-practising registration	181	184	192	189
Total	8,997	8,439	9,244	9,601

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

In 2018–19, 1,643 applications for Full Registration from holders of Provisional Registration, including early career teachers, were approved. Five hundred and twenty-five holders of Non-Practising Registration successfully applied for Full Registration and 189 applications to extend the period of Non-Practising Registration were approved.

Based on the Mutual Recognition Principle, the Board registered 352 teachers with teacher registration in another Australian state or territory or in New Zealand.

Board determinations

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

During 2018–19, 24 of the 39 applications referred to the Board were refused as they did not meet one or more of the requirements for registration or the renewal of registration (see [Table 3](#)).

Table 3: Applications considered and refused by the Board by registration requirements 2017–18 and 2018–19

	2017–18		2018–19	
	Considered	Refused	Considered	Refused
One requirement considered:				
Qualifications	24	18	22	11
English Language	19	15	12	10
Professional Standards	0	0	1	0
Fit and Proper	8	4	3	2
More than one requirement considered:				
Qualifications and English Language	4	4	1	1
Qualifications and Professional Standards	1	1	0	0
Professional Standards and Professional Engagement	0	0	0	0
Total	56	42	39	24

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

Provision of advice

In 2018–19, the Board determined 95 requests for advice from people considering applying for registration on whether their qualifications would meet the requirements for teacher registration. Of these, the Director, Teacher Registration determined 68 met the qualification requirements. The Director referred 27 to the Board and 22 were determined not to meet qualifications requirements.

The Board received three requests for advice from people considering applying for registration as to whether they would meet the fit and proper person requirements of registration. The Board determined two did not meet the fit and proper requirements.

Annual teacher registration fee

In January 2019, the Board raised 52,752 invoices for the annual fee that registered teachers are required to pay by 31 March each year to maintain their registration.

A late payment processing fee was applied to 2,183 outstanding payments and 1,208 teachers who had not paid by 6 May 2019 had their registrations cancelled. By 30 June 2019, the Board had approved 18 requests for registration reinstatement from teachers whose non-payment was due to extenuating circumstances.

Unregistered teaching

One unregistered teaching matter referred for prosecution in the previous reporting period was concluded in the Magistrate's Court and the individual was fined.

Review by the State Administrative Tribunal

Under section 124 of the *Teacher Registration Act 2012*, a person who is aggrieved by a reviewable decision of the Board may apply to the State Administrative Tribunal (SAT) for a review of that decision. In 2018–19, two matters were the subject of applications for review by the SAT. One matter was subsequently withdrawn by the applicant and one matter was settled by consent.

Disciplinary and impairment matters

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

Notifications required by the *Teacher Registration Act 2012* and complaints about teachers

Notifications are received about registered teachers from employers, teachers, the Commissioner of Police and Director of Public Prosecutions. More than one notification can be received per matter.

Complaints may also be made to the Board about registered teachers or a person who was a registered teacher at the time the alleged conduct occurred. More than one complaint can be received per matter.

In 2018–19, the Board received 48 notifications and nine complaints (see [Table 4](#)) relating to 53 matters.

Table 4: Notifications and complaints received by the Board 2017–18 and 2018–19^(a)

Notifications/complaints	2017–18	2018–19
From Teachers		
Legal actions (section 38)	4	5
Loss of qualifications (section 39)	0	0
Issued Working With Children Negative Notice (section 40)	0	0
From Director of Public Prosecutions or Commissioner of Police (section 41)	4	5
From Employers		
Serious incompetence (section 42)	6	6
Serious misconduct (section 42)	41	32
Complaints from the public/other (section 51)	14	9
Total	69	57

(a) As per the specified section in the *Teacher Registration Act 2012*.

The Board continued to progress matters that were ongoing at the end of the previous reporting period. The status of these ongoing matters and the 53 new matters are reflected in [Table 5](#).

Table 5: Status of matters as at 30 June 2019 ^(a)

Status of matters	30 June 2019
Registration cancelled (section 27(2)(b))	4
Complaint not required (section 45(e))	14
Still to be decided (section 51(3)(a))	4
Investigations continuing (section 53(2))	25
Further action	
Disciplinary Committee (section 53(1)(c))	4
Impairment Committee (section 53(1)(d))	0
State Administrative Tribunal (section 53(1)(e))	6
No further action	
Other authority (section 57(1)(a))	6
Not within power (section 57(1)(b))	19
Without substance (section 57(1)(c))	4
Total	86

(a) As per the specified section in the *Teacher Registration Act 2012*.

Of the four matters referred to a disciplinary committee, one was found to have contravened the *Teacher Registration Act 2012* with the teacher receiving a reprimand and fine, and two matters remain ongoing. The fourth matter was referred back to the Board and subsequently to the State Administrative Tribunal (SAT) after the teacher failed to provide consent for a disciplinary committee to deal with the matter. This matter was ultimately discontinued.

Three ongoing matters from the previous reporting period were also dealt with by a disciplinary committee. One was referred back to the Board for further investigation and the two teachers in the other matters were found to be seriously incompetent. As a result, the disciplinary committee ordered that the full registration of one teacher be cancelled and substituted with provisional registration and that the other teacher be cautioned.

Of the six matters referred to the SAT, one matter was withdrawn, and five matters remain ongoing.

Five ongoing matters from the previous reporting period were also under consideration by the SAT. The Board withdrew one matter, the SAT ordered that one teacher be disqualified from applying for registration for two years and the three other matters remain ongoing.

Interim disciplinary orders

The interim disciplinary order committee has the authority to make interim disciplinary orders. The outcome of matters referred to the interim disciplinary order committee are reflected in [Table 6](#).

Table 6: Matters referred to the interim disciplinary order committee 2018–19^(a)

Interim disciplinary orders	Referred	Made
An activity that involves a risk of imminent injury or harm (section 59)	5	1
Charged with child sexual offence (section 60)	3	3
Total	8	4

(a) As per the specified section in the *Teacher Registration Act 2012*.

The Board must refer all matters for which an interim disciplinary order has been made to the SAT within 14 days unless the order is revoked. Of the four orders made, only one matter was required to be referred to the SAT. The other three were revoked as the teachers concerned were no longer entitled to be registered.

Accreditation of initial teacher education programs

Accrediting initial teacher education (ITE) programs is directly linked to registering teachers. For a person to be eligible for Full, Provisional or Non-Practising Registration under the *Teacher Registration Act 2012*, they must have a teaching qualification from an accredited ITE program or one that the Board recognises as equivalent to such a qualification.

[Applications](#) from ITE providers for program accreditation or re-accreditation are assessed by a panel of education experts appointed by the Board against the Western Australian Standards for the Accreditation of Initial Teacher Education Programs. The standards are based on nationally agreed accreditation standards.

Approved programs are accredited for up to five years and recognised by other Australian state and territory teacher education regulatory bodies.

During 2018–19, the Board approved three ITE programs for initial accreditation and one for re-accreditation. As at 30 June 2019, the assessment of two applications for ITE re-accreditation, received during the reporting period, remain ongoing.

[Table 7](#) shows the total number of accredited ITE programs in WA.

Table 7: WA accredited initial teacher education programs at 30 June, 2017–18 and 2018–19

ITE Programs	Undergraduate		Postgraduate		Total	
	2017–18	2018–19	2017–18	2018–19	2017–18	2018–19
Early Childhood	4	3	1	1	5	4
Early Childhood/Primary	0	1	1	2	1	3
Primary	5	5	2	3	7	8
Primary/Secondary	1	1	0	0	1	1
Secondary	6	6	2	3	8	9
Early Childhood/ Primary/ Secondary	0	0	1	1	1	1
Total	16	16	7	10	23	26

Engagement with stakeholders

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

The Board's [Service Charter](#) continued to provide a framework for customer service delivery standards. The customer service team assisted teachers, applicants and employers with enquiries via telephone, email and in-person. These enquiries predominantly related to applications for registration.

The Board's website was refreshed during the reporting period with improved functionality including being made smartphone friendly with better security. It was the key resource for prospective and registered teachers, employers, universities and the public.

A single sign-in process was introduced to the Teacher Login portal which provided improved functionality and access to online forms and a facility for applicants to upload supporting evidence and registered teachers to view, update and self-manage most aspects of their teacher registration. This has reduced the number of paper applications submitted to the Board and the related administrative burden.

The Teacher Register Information (Professional) or TRIP, an online management tool for employers, was enhanced with a refreshed look, improved functionality and increased features including a single sign-in process. The TRIP continued to provide principals and employers with up-to-date information on the registration status of current and prospective teachers to assist them to meet their obligations under the *Teacher Registration Act 2012*.

The Board delivered presentations and provided professional development workshops about the *Teacher Registration Act 2012*, registration requirements and how teachers can maintain their registration. This included workshops specifically for new, early career and returning teachers and to employers of teachers within schools, and the education and care sectors. The Board also delivered presentations on how to become registered to final year pre-service teachers at each of Western Australia's universities.

The Board continued to be accountable by recording and assessing stakeholder feedback to identify ways to better meet the needs of the community through continuous improvement processes. Complaints and feedback during 2018–19 generally related to the legislative requirements underpinning teacher registration and service provision, including technical issues associated with accessing online forms and online payments during peak periods.

Finally, it is important to acknowledge two groups of key stakeholders with which the Board maintains strong links.

The first is other teacher regulatory authorities both in Australia and New Zealand. The Board continues to work with these other authorities on matters of common strategic interest including reform of processes to accredit initial teacher education programs and consideration of relevant recommendations arising from the recent National Review of Teacher Registration and the Royal Commission into Institutional Responses to Child Sexual Abuse.

The second is State Government departments and other authorities that have a focus on the interests of children. This includes the Department of Communities, Western Australia Police Force, the Commissioner for Children and Young People and of course the Department of Education, Catholic Education Western Australia and the Association of Independent Schools of Western Australia.

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

End of Teacher Registration Board of Western Australia Annual Report 2018–19.

KEY PERFORMANCE INDICATORS AND FINANCIAL STATEMENTS

Certification of key performance indicators

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Department of Education, and fairly represent the performance of the Department for the year ended 30 June 2019.



Lisa Rodgers
Director General
(Accountable authority)

20 September 2019

Certification of financial statements

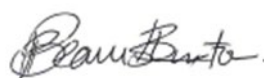
The accompanying financial statements of the Department of Education have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2019 and the financial position as at 30 June 2019.

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



Lisa Rodgers
Director General
(Accountable authority)

20 September 2019



Philippa Beamish Burton
Acting Chief Finance Officer

20 September 2019



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF EDUCATION

Report on the Financial Statements

Opinion

I have audited the financial statements of the Department of Education which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and other explanatory information, including Administered transactions and balances.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of Education for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Responsibility of the Director General for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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

Report on Controls

Opinion

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

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

In my opinion, in all material respects, the controls exercised by the Department of Education are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2019.

The Director General's Responsibilities

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

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

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

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

Limitations of Controls

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

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Education for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of Education are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2019.

The Director General's Responsibility for the Key Performance Indicators

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

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

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Department of Education for the year ended 30 June 2019 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
23 September 2019

Key performance indicators

Key performance indicators enable senior management to assess and monitor the extent to which we achieve our Government desired outcome, and enhance our ability to account to the community for our performance.

Government Goal

Strong Communities: Safe communities and supported families

Desired Outcome

School students across Western Australia have access to high quality education

Services

1. Public Primary Education
2. Public Secondary Education
3. Regulation and Non-Government Sector Assistance
4. Support to the School Curriculum and Standards Authority

This section presents effectiveness indicators that show how well we met our desired outcome and efficiency indicators that show how efficiently we delivered our four services in 2018–19.

The indicators are as per our new Outcomes-Based Management (OBM) reporting structure, which was revised in 2018–19 to better reflect our current operations. Further information on the changes to our OBM reporting structure is in [Appendix 5](#).

Results in 2018–19 for our former indicators are reported in [Appendix 5](#) or in the relevant performance sections of this report.

Results in the appendices are not audited by the Office of the Auditor General.

Effectiveness indicators

Outcome: School students across Western Australia have access to high quality education

We aim to provide everyone aged four to 17 years (at 30 June) in Western Australia with access to education through the public school system, irrespective of their location, circumstances and whether that provision is taken up or not.

Two approaches are used to measure how well we achieve this aim.

The rate of participation in education gives an indication of the extent to which school-aged Western Australian residents are engaged in some form of education during the senior secondary years. The rate includes data spanning the main forms of education including public and non-government schools, vocational education and training, and university.

The apparent retention rate is the second measure of our success in providing access to education through the public system. It provides an indication of the proportion of students in Year 8 that completed Year 12 at public schools four years later.

Our other indicators provide measures of the extent to which students achieve high standards of learning.

The WACE achievement rate shows the percentage of Year 12 public school students who achieved the Western Australian Certificate of Education (WACE) qualification, the criterion for overall success in school in WA.

Student achievement prior to Year 12 is shown using indicators that measure the percentage of public school students in Years 3, 5, 7 and 9 who achieve proficiency standards in national reading and numeracy tests.

Rate of participation in education

This rate shows the proportion of the State's estimated resident population of 15, 16 and 17 year olds who are participating in some form of education.

These ages of interest align to Years 10, 11 and 12. The rate includes young people of these ages who (i) were enrolled in public and non-government schools at the Semester 2 student census; (ii) attended vocational education and training during the year; or (iii) attended university during the year. To ensure students are only counted once, students attending both school and vocational education and training are only counted in the school data.

Participation rates for 2014 to 2018 are in [Table 26](#) with rates by gender in [Appendix 3](#).

The target in the 2018–19 Budget Papers is based on the higher of the preliminary actual for 2016 and the estimated actual for 2017, using the latest available data at the time of the 2018–19 State Budget.

Table 26: Participation rate (%) of persons aged 15 to 17 years engaged in some form of education 2014 to 2018 ^{(a) (b)}

2014	2015	2016	2017 ^(c)	2018	Target for 2018–19 ^(d)
93.9	96.7	96.8	96.2	98.0	97

Source: *System and School Performance*

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

(b) University enrolment data for 2018 is an estimate based on 2017 university enrolment data and an annual compound growth factor calculated from university enrolment data across the previous four years.

(c) Revised rate for 2017 due to updated data for 2017 university student enrolments and estimate of resident population. The 2017 rate published in our 2017–18 annual report was 96.3%.

(d) Target as per 2018–19 State Budget.

Retention in public schooling

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, 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). Retention rates for 2014 to 2018 are in [Table 27](#), with rates by subgroup in [Appendix 3](#).

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

As noted in previous reports, the 2014 rate was inflated by higher net overseas and interstate migration and more students moving to public schools from non-government schools and vocational education and training providers than in previous years.

The target in the 2018–19 Budget Papers was based on the higher of the two most recent years' performance at that time (2016 and 2017).

Table 27: Apparent retention rate (%) of public school students from Year 8 to Year 12, 2014 to 2018 ^{(a) (b)}

2014	2015	2016	2017	2018	Target for 2018–19 ^(c)
90.3	80.4	77.7	80.1	81.4	81

Source: *System and School Performance*

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

(b) Semester 2 student census.

(c) Target as per 2018–19 State Budget.

WACE achievement by Year 12 public school students

To achieve the Western Australian Certificate of Education (WACE) qualification, students must meet criteria established by the School Curriculum and Standards Authority. For 2018, students had to:

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

The WACE achievement rate is a new indicator which shows the percentage of Year 12 students enrolled in a public school in Semester 2 who achieved the WACE qualification that same year. The rates for 2015 to 2018 are in [Table 28](#) with further breakdowns in [Appendix 3](#).

The introduction of higher requirements for WACE achievement affected results for 2016, 2017 and 2018. From 2016, Year 12 students had to meet designated standards in reading, writing and numeracy through either the Year 9 National Assessment Program – Literacy and Numeracy (NAPLAN) or the School Curriculum and Standards Authority’s Online Literacy and Numeracy Assessment (OLNA) to achieve the WACE.

The target for 2018–19 was based on the higher of the two most recent years’ performance at that time (2016 and 2017).

Table 28: WACE achievement rate (%) of Year 12 public school students 2015 to 2018 ^{(a) (b) (c)}

2015	2016	2017	2018 ^(d)	Target for 2018–19 ^(e)
87.7	79.8	79.5	80.5	80

Source: *System and School Performance*

(a) Year 12 full-time students in the Semester 2 student census.

(b) Year 12 WACE achievement data from the School Curriculum and Standards Authority and taken at a point in time. Data may be updated after this time for a variety of reasons such as students successfully appealing their results.

(c) Data limitations do not allow for the calculation of this rate prior to 2015.

(d) A few registered training organisations did not complete VET certification for some public school students in time to be included in the 2018 data. This may have affected the data reported for 2018.

(e) As this is a new indicator, the target for 2018–19 is as reported in the 2019–20 State Budget.

Student proficiency in reading and numeracy

The National Assessment Program – Literacy and Numeracy (NAPLAN) is conducted annually across all states and territories by the Australian Curriculum, Assessment and Reporting Authority.

Full cohorts of Year 3, 5, 7 and 9 students across the country undertake common tests in May.

This program provides valuable information for parents on their children's achievements as well as useful information at school-level and Australia-wide. The national and state/territory results are reported in [2018 NAPLAN national report](#).

The key performance indicators for reading and numeracy are defined as the proportion of public school students in Years 3, 5, 7 and 9 achieving proficiency standards in NAPLAN Reading and Numeracy.

The proficiency standards were set by the Department based on provisional work conducted nationally. They represent challenging but reasonable reading and numeracy achievement expectations for a typical student in Years 3, 5, 7 or 9. Proficiency indicates students are on track to meet the curriculum expectations for the year level and assessment area. Proficiency standards are more challenging to achieve than national minimum standards and we consider them to be better indicators of the quality of students' reading and numeracy skills.

Results for WA public school students are in [Table 29](#), including for 2014 to 2017 which have been recalculated using the proficiency standards.

The targets for 2018–19 were based on the higher of the two most recent years' performance at that time (2016 and 2017).

WA public school students' NAPLAN results are summarised [online](#) and in [Appendix 2](#) of this report.

Table 29: Percentage of Western Australian public school Year 3, 5, 7 and 9 students achieving proficiency standards in NAPLAN Reading and Numeracy, 2014 to 2018 ^(a)

	Assessment area	2014	2015	2016	2017	2018	Target for 2018–19 ^(b)
Year 3	Reading	61.5	63.8	64.6	67.3	70.0	68
	Numeracy	62.7	60.9	63.5	67.6	69.2	68
Year 5	Reading	61.0	58.1	62.8	65.0	68.4	66
	Numeracy	59.3	61.4	62.2	64.5	66.3	65
Year 7 ^(c)	Reading	64.7	62.0	60.6	62.6	64.3	63
	Numeracy	56.4	52.8	58.7	61.1	62.1	62
Year 9	Reading	64.1	63.2	65.1	64.3	71.1	66
	Numeracy	60.4	64.0	63.8	65.3	70.5	66

Source: *System and School Performance*

(a) From 2018 NAPLAN began transitioning from pen and paper to online assessments.

(b) As these are new indicators, the targets for 2018–19 are as reported in the 2019–20 State Budget.

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

Efficiency indicators

Efficiency indicators show how efficiently we delivered our four services in 2018–19. The indicators have been calculated based on costs of services excluding the non-cash revaluation decrement.

The Department revised its Outcomes Based Management (OBM) structure in 2018–19 to reflect its current operations. The 2017–18 actuals have been recast for comparability purposes where the methodology for existing indicators has changed. The 2018–19 targets are as reported in the 2019–20 Budget Papers.

Service 1: Public Primary Education

This service provides access to education in public schools for persons aged generally from four years and six months to 11 years and six months.

Cost per student full-time equivalents of public primary education

This indicator is the total cost of services for primary education in public schools divided by the average full-time equivalent of public school primary students across the two semesters of the financial year.

Table 30: Cost (\$) per full-time equivalent student of public primary education 2017–18 and 2018–19 ^(a) ^(b)

2017–18	2018–19	Target for 2018–19 ^(c)
15,155	15,242	15,384

Source: *Education Business Services*

(a) Figures are not adjusted for inflation.

(b) The 2017–18 actual and 2018–19 target vary from those published in our 2017–18 annual report and the 2018–19 State Budget due to a change in the calculation methodology as a result of the Department's revised OBM reporting structure.

(c) Target for 2018–19 as reported in the 2019–20 State Budget, prepared under the new OBM reporting structure.

Service 2: Public Secondary Education

This service provides access to education in public schools for persons aged generally from 11 years and six months. It includes the provision of accommodation, care and services for students from rural and remote areas who have to board away from home to attend a public school.

Cost per student full-time equivalents of public secondary education

This indicator is the total cost of services for secondary education in public schools divided by the average full-time equivalent of public school secondary students across the two semesters of the financial year.

Table 31: Cost (\$) per full-time equivalent student of public secondary education 2017–18 and 2018–19^{(a) (b)}

2017–18	2018–19	Target for 2018–19 ^(c)
18,383	18,488	18,870

Source: Education Business Services

(a) Figures are not adjusted for inflation.

(b) The 2017–18 actual and 2018–19 target vary from those published in our 2017–18 annual report and the 2018–19 State Budget due to a change in the calculation methodology as a result of the Department's revised OBM reporting structure.

(c) Target for 2018–19 as reported in the 2019–20 State Budget, prepared under the new OBM reporting structure.

Service 3: Regulation and Non-Government Sector Assistance

This service provides regulatory and assistance services, as required by legislation or government policy, to support provision of quality services by non-government schools, universities and teachers across all Western Australian schools. It also includes the provision of accommodation, care and services for students from rural and remote areas who have to board away from home to attend a non-government school.

Cost of non-government school regulatory services per non-government school

This new indicator shows the cost to the Department of regulatory services provided for non-government schools divided by the number of Independent non-government schools.

The lower cost in 2018–19 compared to 2017–18 was primarily due to the transfer of the Training Accreditation Council secretariat function and staff to the Department of Training and Workforce Development. The result for 2018–19 was lower than the 2018–19 budget target due mainly to lower than expected expenditure.

Table 32: Cost (\$) of non-government school regulatory services per non-government school 2017–18 and 2018–19^(a)

2017–18	2018–19	Target for 2018–19 ^(b)
7,407	6,747	7,824

Source: Education Business Services

(a) Figures are not adjusted for inflation.

(b) As this is a new indicator, the target for 2018–19 is as reported in the 2019–20 State Budget.

Cost of teacher regulatory services per teacher

This indicator is the cost to the Department of providing secretariat support to the Teacher Registration Board of Western Australia divided by the number of registered teachers at 30 June.

Table 33: Cost (\$) of teacher regulatory services per teacher 2017–18 and 2018–19^{(a) (b)}

2017–18 ^(c)	2018–19	Target for 2018–19 ^(d)
95	110	107

Source: *Education Business Services*

(a) Figures are not adjusted for inflation.

(b) The 2017–18 actual and 2018–19 target vary from those published in our 2017–18 annual report and the 2018–19 State Budget due to a change in the calculation methodology as a result of the Department's revised OBM reporting structure.

(c) The 2017–18 result was lower due to the allocation of corporate overhead being less than anticipated. The methodology for applying corporate overhead has since been refined.

(d) Target for 2018–19 as reported in the 2019–20 State Budget, prepared under the new OBM reporting structure.

Service 4: Support to the School Curriculum and Standards Authority

This service provides resources to the School Curriculum and Standards Authority to assist it to perform its statutory functions under the *School Curriculum and Standards Authority Act 1997*.

Cost per student of support to the School Curriculum and Standards Authority

This new indicator shows the cost to the Department of providing secretariat services to the Authority divided by the average full-time equivalent of all students across the two semesters of the financial year.

Table 34: Cost (\$) per student of support to the School Curriculum and Standards Authority 2017–18 and 2018–19^(a)

2017–18	2018–19	Target for 2018–19 ^(b)
76	77	75

Source: *Education Business Services*

(a) Figures are not adjusted for inflation.

(b) As this is a new indicator, the target for 2018–19 is as reported in the 2019–20 State Budget.

Financial statements

STATEMENT OF COMPREHENSIVE INCOME For the year ended 30 June 2019

	Notes	2018–19 \$'000	2017–18 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	3.1.1	3,864,805	3,834,394
Supplies and services	3.3	901,290	864,037
Depreciation and amortisation expense	5.1.1, 5.2.1	188,060	187,748
Grants and subsidies	3.2	33,177	42,235
Finance costs	7.4	30,881	25,293
Other expenses	3.3	476,272	397,513
Total cost of services		5,494,485	5,351,220
Income			
Revenue			
User contributions, charges and fees	4.2	135,423	134,547
Interest revenue	4.4	19,291	22,442
Other revenue	4.5	114,467	124,988
Australian Government grants and contributions	4.3	813,495	736,284
Total revenue		1,082,676	1,018,261
Total income other than income from State Government		1,082,676	1,018,261
NET COST OF SERVICES			
Income from State Government	4.1		
Service appropriation		4,064,460	4,053,674
Grants from State Government Agencies		13,020	11,618
Services received free of charge		14,170	14,946
Royalties for Regions Fund		19,070	14,677
Total income from State Government		4,110,720	4,094,915
SURPLUS/(DEFICIT) FOR THE PERIOD		(301,089)	(238,044)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	9.11	-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(301,089)	(238,044)

See also the 'Schedule of Income and Expenses by Service'.
The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	2018-19 \$'000	2017-18 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	7.5.1	599,313	586,873
Restricted cash and cash equivalents	7.5.2	43,037	28,825
Amounts receivable for services	6.2	19,673	19,673
Inventories	6.4	6,936	6,084
Receivables	6.1	73,305	83,846
Other current assets	6.3	19,578	9,584
Non-current assets held for distribution to owner	9.10	3,547	4,219
Total Current Assets		765,389	739,104
Non-Current Assets			
Restricted cash and cash equivalents	7.5.2	41,188	26,910
Receivables	6.1	279,418	268,145
Amounts receivable for services	6.2	2,921,922	2,701,398
Property, plant and equipment	5.1	11,090,687	11,265,106
Intangible assets	5.2	16,366	10,313
Total Non-Current Assets		14,349,581	14,271,872
TOTAL ASSETS		15,114,970	15,010,976
LIABILITIES			
Current Liabilities			
Payables	6.5	88,377	98,728
Borrowings	7.1	50,259	47,316
Provisions	3.1.2	569,568	588,515
Other current liabilities	6.6	12,253	11,442
Total Current Liabilities		720,457	746,001
Non-Current Liabilities			
Payables	6.5	173	242
Borrowings	7.1	540,159	465,864
Provisions	3.1.2	206,003	185,849
Total Non-Current Liabilities		746,335	651,955
TOTAL LIABILITIES		1,466,792	1,397,956
NET ASSETS		13,648,178	13,613,020
EQUITY			
Contributed equity	9.11	14,196,703	13,851,064
Reserves		-	-
Accumulated surplus/(deficit)		(548,525)	(238,044)
TOTAL EQUITY		13,648,178	13,613,020

See also the 'Schedule of Assets and Liabilities by Service'.
The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Notes	Contributed equity \$'000	Accumulated surplus/(deficit) \$'000	Total equity \$'000
Balance at 1 July 2017	9.11	-	-	-
Changes in accounting policy		-	-	-
Restated balance at 1 July 2017		-	-	-
Surplus/(deficit)		-	(238,044)	(238,044)
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	(238,044)	(238,044)
<u>Transactions with owners in their capacity as owners:</u>				
Capital appropriations		262,626	-	262,626
Transfer of net assets from other agencies		13,541,789	-	13,541,789
Other contributions by owners		46,660	-	46,660
Distribution to owners		(11)	-	(11)
Total		13,851,064	-	13,851,064
Balance at 30 June 2018		13,851,064	(238,044)	13,613,020

	Notes	Contributed equity \$'000	Accumulated surplus/(deficit) \$'000	Total equity \$'000
Balance at 1 July 2018	9.11	13,851,064	(238,044)	13,613,020
Changes in accounting policy ^(a)		-	(9,392)	(9,392)
Restated balance at 1 July 2018		13,851,064	(247,436)	13,603,628
Surplus/(deficit)		-	(301,089)	(301,089)
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	(301,089)	(301,089)
<u>Transactions with owners in their capacity as owners:</u>				
Capital appropriations		275,880	-	275,880
Transfer of net assets from other agencies		-	-	-
Other contributions by owners		84,487	-	84,487
Distribution to owners		(14,728)	-	(14,728)
Total		345,639	-	345,639
Balance at 30 June 2019		14,196,703	(548,525)	13,648,178

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

(a) Initial application of AASB 9 *Financial Instruments*.

STATEMENT OF CASH FLOWS
For the year ended 30 June 2019

	Notes	2018-19 \$'000	2017-18 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Service Appropriation		3,824,094	3,838,110
Capital Contribution		275,880	262,626
Holding Account Draw Downs		19,842	34,606
Cash balance transferred in from the old Department of Education		-	585,008
Cash balance transferred in from other agencies - MOG changes		-	17,728
Royalties for Regions		103,557	61,337
Grants and Subsidies Income		12,909	8,585
Net cash provided by State Government		4,236,282	4,808,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits expense		(3,842,592)	(3,809,406)
Supplies and services		(910,629)	(844,882)
Grants and subsidies		(32,276)	(51,298)
Finance costs		(27,484)	(17,650)
GST payments on purchases		(132,130)	(122,365)
Loans advanced to non-government schools		(42,382)	(52,698)
Other payments		(592)	(860)
Receipts			
User contributions, charges and fees		125,249	122,508
Australian Government grants and contributions		813,495	736,284
Interest received		16,452	14,738
GST receipts on revenue		5,790	3,246
GST receipts from taxation authority		122,135	119,650
Repayments of loans by non-government schools		31,324	32,910
Other receipts		98,904	94,089
Net cash used in operating activities	7.5.3	(3,774,736)	(3,775,734)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments			
Purchases of non-current physical assets		(416,991)	(378,163)
Receipts			
Receipts from sale of non-current physical assets		517	453
Net cash provided by/(used in) investing activities		(416,474)	(377,710)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments			
Payment Finance Lease Liabilities		(18,986)	(17,805)
Repayment of borrowings		(31,420)	(46,700)
Receipts			
Proceeds from borrowings		46,264	52,557
Net cash used in financing activities		(4,142)	(11,948)
Net increase/(decrease) in cash and cash equivalents		40,930	642,608
Cash and cash equivalents at the beginning of the period		642,608	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.5.3	683,538	642,608

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

SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES

For the year ended 30 June 2019

	2018-19 Budget Estimate \$'000	2018-19 Actual \$'000	Variance \$'000	2018-19 Actual \$'000	2017-18 Actual * \$'000	Variance \$'000
DELIVERY OF SERVICES						
Item 54 Net amount appropriated to deliver services	4,041,976	4,063,017	21,041	4,063,017	4,051,999	11,018
Amount authorised by other statutes						
<i>Salaries and Allowances Act 1975</i>	1,538	1,443	(95)	1,443	1,675	(232)
Total appropriations provided to deliver services	4,043,514	4,064,460	20,946	4,064,460	4,053,674	10,786
ADMINISTERED TRANSACTIONS						
Item 55 Amount provided for Administered Grants, Subsidies and Other						
Transfer Payments	451,223	454,256	3,033	454,256	449,980	4,276
CAPITAL						
Item 112 Capital Contribution	251,781	275,880	24,099	275,880	262,626	13,254
GRAND TOTAL	4,746,518	4,794,596	48,078	4,794,596	4,766,280	28,316
DETAILS OF EXPENSES BY SERVICES						
Public Primary Education	2,940,323	3,129,339	189,016	3,129,339	3,137,856	(8,517)
Public Secondary Education	2,033,295	2,242,441	209,146	2,242,441	2,095,809	146,632
Regulation and Non-Government Sector Assistance	84,148	88,705	4,557	88,705	84,205	4,500
Support to the School Curriculum and Standards Authority	33,195	34,000	805	34,000	33,350	650
Total cost of services	5,090,961	5,494,485	403,524	5,494,485	5,351,220	143,265
Less total income	1,045,419	1,082,676	37,257	1,082,676	1,018,261	64,415
Net cost of services	4,045,542	4,411,809	366,267	4,411,809	4,332,959	78,850
Adjustments	(2,028)	(347,349)	(345,321)	(347,349)	(279,285)	(68,064)
Total appropriations provided to deliver services	4,043,514	4,064,460	20,946	4,064,460	4,053,674	10,786

SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES (CONTINUED)

For the year ended 30 June 2019

	2018-19	2018-19	Variance	2018-19	2017-18	Variance
	Budget Estimate	Actual		Actual	Actual *	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL EXPENDITURE						
Purchase of non-current assets	468,700	499,448	30,219	499,448	581,382	(81,934)
Repayment of borrowings and leases	33,637	50,406	16,769	50,406	64,505	(14,099)
Adjustments for other funding sources	(250,556)	(273,974)	(23,418)	(273,974)	(383,261)	109,287
Capital appropriations	251,781	275,880	24,099	275,880	262,626	13,254
DETAILS OF INCOME ESTIMATES						
Income disclosed as Administered Income	451,223	454,256	3,033	454,256	449,980	4,276
	451,223	454,256	3,033	454,256	449,980	4,276

* Comparatives have been restated to reflect the decrease in the number of services within the Department's Outcome Based Management (OBM) reporting structure. Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation. Note 9.13 'Explanatory Statement' provides details of any significant variations between estimates and actual results for 2018-19.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

NOTE 1. BASIS OF PREPARATION

The Department is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The entity is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Department on 20 September 2019.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

1. *The Financial Management Act 2006* (FMA)
2. The Treasurer's Instructions (the Instructions or TI)
3. Australian Accounting Standards (AAS) including applicable interpretations
4. Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Reporting entity

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

In 2016–17 the Western Australian Government announced major changes to State Government agencies to increase collaboration across departments, deliver services more efficiently and focus on whole of Government objectives. As a result, a newly formed Department of Education commenced 1 July 2017, with responsibility for government and non-government education services. This brought together the operations of the Department of Education, Department of Education Services and the School Curriculum and Standards Authority.

While the School Curriculum and Standards Authority continues as a statutory authority under the *School Curriculum and Standards Authority Act 1997*, all staff of the three agencies became employees of the Department of Education. The Teacher Registration Board of Western Australia and Training Accreditation Council continued as statutory entities.

Amalgamation of accounts

Financial information from 816 educational sites including 795 schools are amalgamated into the financial statements. The information provided by schools is generally drawn from accounts prepared on a cash basis with appropriate accrual information provided for the financial statements. All intra-entity transactions and balances between the Department and educational sites are eliminated.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

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.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

NOTE 2. DEPARTMENT OUTPUTS

This section includes information regarding the nature of funding the Department receives and how this funding is utilised to achieve the Department's objectives. This note also provides the distinction between controlled funding and administered funding:

	Note
Department objectives	2.1
Schedule of Income and Expenses by Service	2.2
Schedule of Assets and Liabilities by Service	2.3

2.1 Department objectives

Mission

The Department's mission is to ensure school students across Western Australia have access to high quality education.

Services

The Department has revised its Outcome Based Management (OBM) structure to reflect its current operations. The Services for the 2017–18 Actuals have been restated where possible for comparability purposes.

The Department provides the following services:

Service 1: Public Primary Education

This service provides access to education in public schools for persons aged generally from four years and six months to 11 years and six months.

Service 2: Public Secondary Education

This service provides access to education in public schools for persons aged generally from 11 years and six months. It includes the provision of accommodation, care and services for students from rural and remote areas who have to board away from home to attend a public school.

Service 3: Regulation and Non-Government Sector Assistance

This service provides regulatory and assistance services, as required by legislation or government policy, to support provision of quality services by non-government schools, universities and teachers across Western Australia schools. It also includes the provision of accommodation, care and services for students from rural and remote areas who have to board away from home to attend a non-government school.

Service 4: Support to the School Curriculum and Standards Authority

This service provides resources to the School Curriculum and Standards Authority to assist it to perform its statutory functions under the *School Curriculum and Standards Authority Act 1997*.

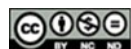
NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

2.2 Schedule of Income and Expenses by Service

	Primary Education		Secondary Education		Regulation and Non-Government Sector Assistance		Support to the School Curriculum and Standards Authority		Total	
	2018-19 \$'000	2017-18 \$'000	2018-19 \$'000	2017-18 \$'000	2018-19 \$'000	2017-18 \$'000	2018-19 \$'000	2017-18 \$'000	2018-19 \$'000	2017-18 \$'000
COST OF SERVICES										
Expenses										
Employee benefits expense	2,310,996	2,294,214	1,513,443	1,497,939	22,722	23,476	17,644	18,765	3,864,805	3,834,394
Supplies and services	478,653	460,065	385,027	375,364	21,573	14,240	16,037	14,368	901,290	864,037
Depreciation and amortisation expense	106,587	109,651	80,625	77,257	848	840	-	-	188,060	187,748
Grants and subsidies	3,799	4,778	5,936	7,850	23,125	29,391	317	216	33,177	42,235
Finance costs	7,875	4,979	5,048	4,339	17,957	15,974	1	1	30,881	25,293
Other expenses	221,429	264,169	252,362	133,060	2,480	284	1	-	476,272	397,513
Total cost of services	3,129,339	3,137,856	2,242,441	2,095,809	88,705	84,205	34,000	33,350	5,494,485	5,351,220
Income										
User contributions, charges and fees	37,682	37,006	89,656	87,943	8,042	9,592	43	6	135,423	134,547
Interest revenue	2,724	2,633	3,338	3,245	13,227	16,563	2	1	19,291	22,442
Other revenue	68,063	74,321	46,046	50,246	227	280	131	141	114,467	124,988
Australian Government grants and contributions	522,347	470,410	277,667	248,919	13,481	16,955	-	-	813,495	736,284
Total income other than income from State Government	630,816	584,370	416,707	390,353	34,977	43,390	176	148	1,082,676	1,018,261
NET COST OF SERVICES	2,498,523	2,553,486	1,825,734	1,705,456	53,728	40,815	33,824	33,202	4,411,809	4,332,959
Income from State Government										
Service appropriation	2,301,768	2,388,827	1,681,958	1,595,234	49,496	38,212	31,238	31,401	4,064,460	4,053,674
Grants from State Government Agencies	6,915	4,587	5,649	6,789	456	242	-	-	13,020	11,618
Services received free of charge	8,665	9,111	5,381	5,698	74	88	50	49	14,170	14,946
Royalties for Regions Fund	10,710	7,760	6,850	4,890	1,510	2,027	-	-	19,070	14,677
Total income from State Government	2,328,058	2,410,285	1,699,838	1,612,611	51,536	40,569	31,288	31,450	4,110,720	4,094,915
SURPLUS/(DEFICIT) FOR THE PERIOD	(170,465)	(143,201)	(125,896)	(92,845)	(2,192)	(246)	(2,536)	(1,752)	(301,089)	(238,044)

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

Comparatives have been restated to reflect the decrease in the number of services within the Department's Outcome Based Management (OBM) reporting structure.



NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

2.3 Schedule of Assets and Liabilities by Service

	Primary Education		Secondary Education		Regulation and Non-Government Sector Assistance		Support to the School Curriculum and Standards Authority		Total	
	2018-19 \$'000	2017-18 \$'000	2018-19 \$'000	2017-18 \$'000	2018-19 \$'000	2017-18 \$'000	2018-19 \$'000	2017-18 \$'000	2018-19 \$'000	2017-18 \$'000
ASSETS										
Current assets	386,176	368,384	333,894	325,688	45,081	44,833	238	199	765,389	739,104
Non-current assets	7,544,717	7,631,044	6,484,710	6,330,905	318,257	309,597	1,897	326	14,349,581	14,271,872
Total assets	7,930,893	7,999,428	6,818,604	6,656,593	363,338	354,430	2,135	525	15,114,970	15,010,976
LIABILITIES										
Current liabilities	413,849	429,060	262,791	273,659	41,719	41,251	2,098	2,031	720,457	746,001
Non-current liabilities	264,988	209,677	161,775	137,028	318,818	304,618	754	632	746,335	651,955
Total liabilities	678,837	638,737	424,566	410,687	360,537	345,869	2,852	2,663	1,466,792	1,397,956
NET ASSETS	7,252,056	7,360,691	6,394,038	6,245,906	2,801	8,561	(717)	(2,138)	13,648,178	13,613,020

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

Comparatives have been restated to reflect the decrease in the number of services within the Department's Outcome Based Management (OBM) reporting structure.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

NOTE 3. USE OF OUR FUNDING

Expenses incurred in the delivery of services

This section provides additional information about how the Department's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Department in achieving its objectives and the relevant notes are:

	Notes	2018-19 \$'000	2017-18 \$'000
Employee benefits expenses	3.1.1	3,864,805	3,834,394
Employee benefits provisions	3.1.2	775,571	774,364
Grants and subsidies	3.2	33,177	42,235
Other expenses	3.3	1,377,562	1,261,550

3.1.1 Employee benefits expense

	2018-19 \$'000	2017-18 \$'000
Salaries and allowances ^(a)	3,460,062	3,412,403
Termination benefits	6,683	28,900
Superannuation ^(b)	344,010	338,710
Other employee-related expense ^(c)	54,050	54,381
Total employee benefits expense	3,864,805	3,834,394

- (a) Includes the value of leave entitlements movement.
 (b) Defined contribution plans include GESB West State \$279.754 million, GESB Gold State \$35.647 million and other superannuation funds (contributions paid) and includes the superannuation contribution component relating to leave movement.
 (c) Includes furniture (staff relocation costs), Department net GROH contributions and fringe benefits tax.

Employment on-costs expenses, such as workers' compensation insurance are included in Note 3.3 'Other Expenses'.

Salaries and allowances

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax and leave entitlements.

Termination benefits

Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Department is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation

The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

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

The Department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Department to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

3.1.2 Employee benefits provisions

	2018-19 \$'000	2017-18 \$'000
Current		
<i>Employee benefits provision</i>		
Annual leave ^(a)	27,297	27,223
Entitlement to payment during student vacation ^(b)	227,786	266,085
Long service leave ^(c)	280,974	263,157
Deferred salary scheme ^(d)	26,107	24,786
Remote teaching service ^(e)	7,404	7,264
	569,568	588,515
Non-current		
<i>Employee benefits provision</i>		
Long service leave ^(c)	205,111	184,956
Remote teaching service ^(e)	892	893
	206,003	185,849
	775,571	774,364

(a) Annual leave liabilities

	2018-19 \$'000	2017-18 \$'000
Within 12 months of the end of the reporting period	20,219	19,641
More than 12 months after the end of the reporting period	7,078	7,582
	27,297	27,223

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.

(b) Entitlement to payment during student vacation

	2018-19 \$'000	2017-18 \$'000
Within 12 months of the end of the reporting period	227,786	266,085
	227,786	266,085

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).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

3.1.2 Employee benefits provisions (continued)

As at financial year end, the Department recognises a liability for the entitlement to payment during student vacation accrued during the current calendar school year (accrued daily) and not yet taken as at 30 June.

(c) Long service liabilities

	2018-19 \$'000	2017-18 \$'000
Within 12 months of the end of the reporting period	102,078	98,585
More than 12 months after the end of the reporting period	384,007	349,528
	486,085	448,113

A liability for long service leave is recognised across all employees using a short-hand approach which allows for the likelihood of payment, salary increases and a discount rate based on remuneration rates and bond yields current as at the end of the reporting period.

The short-hand approach was developed by PricewaterhouseCoopers actuaries on the basis that the liability measured using the short-hand approach was not materially different from the liability determined using the present value of expected future payments. This calculation is consistent with the Department's experience of employee retention and leave utilisation.

All long service leave provisions which are unconditional or expected to become unconditional within 12 months of the reporting date, plus all conditional long service leave provisions which are vested (i.e. the employee has met the age (55) or other criteria which allows early access) or will become vested within 12 months of the reporting date are classified as current liabilities. The remaining long service leave provisions are classified as non-current liabilities because the Department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite criteria (e.g. age or years of service).

(d) Deferred salary scheme liabilities

	2018-19 \$'000	2017-18 \$'000
Within 12 months of the end of the reporting period	7,310	7,188
More than 12 months after the end of the reporting period	18,797	17,598
	26,107	24,786

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional 12 months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.

(e) Remote teaching service

	2018-19 \$'000	2017-18 \$'000
Within 12 months of the end of the reporting period	3,567	3,344
More than 12 months after the end of the reporting period	4,729	4,813
	8,296	8,157

The provision for Remote Teaching Service leave relates to teaching staff who are working in remote and isolated communities within Western Australia. Employees who stay in the same remote location continuously for three years are entitled to an additional 10 weeks paid leave and those who remain in the same remote location continuously for four years are entitled to an additional 22 weeks paid leave. The provision recognises the value of salary set aside for employees. This liability is measured on the same basis as long service leave.

Employment on-costs

The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 3.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Department's 'employee benefits expense'.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

3.1.2 Employee benefits provisions (continued)

Key sources of estimation uncertainty – long service leave

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

Several estimates and assumptions are used in calculating the Department's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

3.2 Grants and subsidies

	2018-19	2017-18
	\$'000	\$'000
<u>Recurrent</u>		
Parents from Government schools	2,426	2,396
Non-government schools and other organisations	30,751	39,839
Total grants and subsidies	33,177	42,235

Transactions in which the Department provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

3.3 Other expenses

	2018-19 \$'000	2017-18 \$'000
Supplies and services		
Communication services	27,776	27,261
Consumables	3,005	3,175
Consumables - utilities	76,425	74,177
Equipment purchases (\$4,999 and below)	5,141	6,121
Insurance	68,835	75,987
Minor works	69,885	45,002
PPP - School maintenance costs	4,315	4,680
Repairs and maintenance	116,068	106,079
Service and contracts	148,022	140,491
Service and contracts - property	34,805	36,928
Staff-related expense	4,052	3,211
Travel	6,504	5,728
Other - schools	331,983	330,806
Other	4,474	4,391
Total supplies and services expenses	901,290	864,037

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Operating lease payments

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. [AASB 117.33]

Repairs and maintenance

Repairs, maintenance and cleaning costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

Employee on-cost

Employee on-cost includes workers' compensation insurance and other employment on-costs. Employee benefit provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Doubtful debts expense/Expected credit losses expense

Doubtful debts expense was recognised as the movement in the allowance for doubtful debts. From 2018-19, expected credit losses expense is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date. The Department has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Refer to note 6.1.1 Movement in the allowance for impairment of receivables.

Other

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

3.3 Other expenses (continued)

	2018-19 \$'000	2017-18 \$'000
Other expenditures		
Loss on disposal of non-current assets ^(a)	3,419	3,461
Refund of prior period revenue	553	677
Asset revaluation decrement	468,447	390,425
Expected credit losses expense ^(b)	3,822	-
Other expenditures ^(c)	31	2,950
Total other expenditures	476,272	397,513
Total other expenses	1,377,562	1,261,550

- (a) Refer to Note 3.4 'Net loss on disposal on non-current assets' for detailed breakdown.
 (b) Expected credit losses expense is a new disclosure requirement for 2018-19 and supersedes the bad and doubtful debts expenditure item.
 (c) Other expenditures included bad and doubtful debts expenditure of \$2.773 million in 2017-18 (Refer to Note 6.1.1).

3.4 Net loss on disposal of non-current assets

	2018-19 \$'000	2017-18 \$'000
<u>Costs of disposal of non-current assets</u>		
Land	220	270
Buildings	1,189	1,443
Plant and equipment	986	760
Motor vehicles	422	42
Buses	105	130
Computers	289	404
Communication equipment	125	85
Office equipment	343	290
Library collections	75	184
Miscellaneous assets	183	307
	3,937	3,915
<u>Proceeds from disposal of non-current assets</u>		
Land	220	265
Plant and equipment	112	48
Motor Vehicles	48	3
Buses	24	27
Computers	33	26
Communication equipment	14	6
Office equipment	35	16
Library collections	9	12
Miscellaneous assets	23	51
	518	454
Net loss	3,419	3,461

Refer to note 3.3 'Other Expenses'

Gains or losses

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

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

NOTE 4. OUR FUNDING SOURCES

How we obtain our funding

This section provides additional information about how the department obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Department and the relevant notes are:

	Notes	2018-19 \$'000	2017-18 \$'000
Income from State Government	4.1	4,110,720	4,094,915
User contributions, charges and fees	4.2	135,423	134,547
Commonwealth grants and contributions	4.3	813,495	736,284
Interest revenue	4.4	19,291	22,442
Other revenue	4.5	114,467	124,988

4.1 Income from State Government

	2018-19 \$'000	2017-18 \$'000
<u>Appropriation received during the period:</u>		
Service appropriation ^(a)	4,064,460	4,053,674
	4,064,460	4,053,674
<u>Grants and subsidies received during the period:^(b)</u>		
State grants - capital	-	3,032
State grants - recurrent	13,020	8,586
	13,020	11,618
<u>Services received free of charge from other State government agencies during the period:</u>		
Department of Communities - Family centre operating costs	15	38
Department of Justice - Legal services	1,100	721
Department of Planning, Lands and Heritage - Data analysis	7	18
Department of Finance - Government accommodation	196	202
Department of Training and Workforce Development	-	13
Department of Health - Policy development and Software license, support and maintenance	159	243
Landgate - Valuation services	183	-
WA Child and Adolescent Health Service - School health services	12,510	13,711
	14,170	14,946
<u>Royalties for Regions Fund:</u>		
Regional infrastructure and headworks account ^(c)	19,070	14,677
	19,070	14,677
	4,110,720	4,094,915

(a) **Service appropriations:** Service appropriations are recognised as revenues at fair value in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Service appropriations fund the net costs of services delivered (as set out in note 2.2). Appropriations revenue comprise a cash component and a receivable (asset). The receivable (holding account - note 6.2) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) **Transfer of assets:** Discretionary transfers of assets (including grants) and liabilities between State Government agencies are reported under Income from State Government. Transfers of assets and liabilities in relation to a restructure of administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004 in respect of net assets transferred. Other non-discretionary non-reciprocal transfers of assets and liabilities designated as contributions by owners under TI 955 are also recognised directly to equity.

(c) **Regional infrastructure and headworks account:** This is a sub-fund within the overarching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as revenue when the Department gains control on receipt of the funds.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

4.1 Income from State Government (continued)

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.

	2018-19	2017-18
	\$'000	\$'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 2019 total \$12.54 million (-\$0.24 million at 30 June 2018) comprise the following:		
<u>Recurrent</u>		
Aboriginal and Islander Education Officers	1,418	454
Boarding Away from Home	-	289
Clontarf	-	691
Independent Learning Coordinators	346	156
Pilbara Partnerships for Student Success	126	20
Regional Learning Specialists	261	635
Pilbara Cities	-	(2)
Science Programs in Selected Primary Schools	(313)	-
Kimberley School Project	(97)	(247)
	1,741	1,996
<u>Capital</u>		
Albany Secondary Education Support Centre	(123)	-
Broome Residential College	115	-
Broome Senior High School New Facilities	226	-
Bunbury Senior High School Upgrades	2,611	47
Cape Naturaliste College	(502)	(2,421)
Carnarvon Community College – Completion of Amalgamation	2,000	(5,153)
Carnarvon Community College – Stage 2	784	2,929
Collie Senior High School New Facilities	1,958	662
Eaton Community College New facilities	66	-
Eaton Primary School	667	-
Flinders Park Primary School Early Childhood	67	-
Geraldton Senior College	-	(111)
Glen Huon Primary School	266	68
John Willcock College	-	(241)
Kalgoorlie-Boulder Community High School Redevelopment Stage 1	-	(2,652)
Margaret River Senior High School	789	4,673
Newton Moore Senior High School STEM Centre	215	-
Regional Ember Screens	1,050	-
South Bunbury Primary School Upgrades	614	(35)
	10,803	(2,234)
	12,544	(238)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

4.2 User contributions, charges and fees

	2018-19 \$'000	2017-18 \$'000
<u>Schools</u>		
Contributions, charges and fees	114,509	108,068
	114,509	108,068
<u>Central Office</u>		
Agricultural schools fees	3,344	3,092
Other charges and fees	17,570	23,387
	20,914	26,479
Total user contributions, charges and fees	135,423	134,547

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.

Student fees and charges

Voluntary contributions are recognised when contributions are received. Fees and charges are also recognised when received, however bi-annually outstanding debts are reported in aggregate.

Interest

Revenue is recognised as the interest accrues.

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2018-19 Budget Statements, the Department retained \$1,213.3 million in 2018-19 (\$1,123.4 million in 2017-18) from the following:

- User contributions, charges and fees (excluding user contributions, and fees and charges in respect of schools);
- Australian government specific purpose grants and contributions; and
- Other departmental revenue.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

4.3 Australian Government grants and contributions

	2018-19 \$'000	2017-18 \$'000
<u>Central office</u>		
Australian Government grants - recurrent	806,460	728,099
Australian Government grants - capital	5,500	7,000
	811,960	735,099
<u>Schools</u>		
Australian Government grants - recurrent	1,535	1,185
Australian Government grants - capital	-	-
	1,535	1,185
Total Australian Government grants and contributions	813,495	736,284

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 2019 total \$14.515 million (\$13.956 million at 30 June 2018) comprising the following:

Recurrent

- COAG National Partnership Program	2,699	4,253
- Indigenous Advance Strategy	-	586
- Special Project Grants	1,542	812
- Indian Ocean Territories	(68)	(553)
	4,173	5,098

Capital

- Trade Training Centres in Schools	-	1,036
- Students with disabilities	-	44
- Universal Access	10,342	7,778
	10,342	8,858

Total undischarged grants

	14,515	13,956
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Grants, donations, gifts and other non-reciprocal contributions

Grant income arises from transactions described as:

- Non-reciprocal (where the Department does not provide approximate equal value in return to a party providing goods or assets (or extinguishes a liability); or
- Reciprocal (where the Department provides equal value to the recipient of the grant provider).

For non-reciprocal grants, the Department recognises revenue when the grant is receivable at its fair value as and when its fair value can be reliably measured. Contributions of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated. For reciprocal grants, the Department recognises income when it has satisfied its performance obligations under the terms of the grant.

Grants can further be split between general purpose grants and specific purpose grants. General purpose grants refers to grants which are not subject to conditions regarding their use. Specific purpose grants are received for a particular purpose and/or have conditions attached regarding their use.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Department obtains control over the funds. The Department obtains control of the funds at the time the funds are deposited into the Department's bank account.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

4.4 Interest revenue

	2018-19 \$'000	2017-18 \$'000
Interest revenue	6,066	5,881
Loan interest revenue	13,225	16,561
	19,291	22,442

Loan interest revenue amount reflects the interest charged and receivable from low interest loans to non-government schools and University of Notre Dame Australia (UNDA). In 2018-19 loans to the value of \$46.264 million were advanced to non-government schools and UNDA. Interest has been calculated using the effective interest rate method in compliance with AASB 9. Participating institutions repay financial costs applicable to their loans, with the balance of the interest rate charged (see Note 7.4 Finance Costs) being met by a government appropriation.

4.5 Other revenue

	2018-19 \$'000	2017-18 \$'000
<u>Schools</u>		
Bookshops and canteens	4,381	4,771
Donations to schools	21,129	21,823
Hire of facilities	9,500	8,855
Other revenue	20,112	21,056
Total other revenue - Schools	55,122	56,505
<u>Central office</u>		
<u>Capital contributions and recoveries</u>		
Developer contributions	7,161	18,369
Other revenue - Insurance recoveries	-	963
	7,161	19,332
<u>Other</u>		
Recoveries and refunds	26,482	23,888
Sale of goods and services	15,427	15,670
Other miscellaneous revenue	10,275	9,593
	52,184	49,151
Total other revenue - Central office	59,345	68,483
	114,467	124,988

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

NOTE 5. KEY ASSETS

Assets the Department utilises for economic benefit or service potential

This section includes information regarding the key assets the Department utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2018-19 \$'000	2017-18 \$'000
Property, plant and equipment	5.1	11,090,687	11,265,106
Intangibles	5.2	16,366	10,313
Total key assets		11,107,053	11,275,419

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

5.1 Property, plant and equipment

	Carrying amount at start of the period	Transferred from the old Department of Education	Additions	Disposals	Transferred to land & buildings held for distribution to owner ^(a)	Transferred from land & buildings held for distribution to owner	Transferred to/from works in progress	Depreciation	Transfers/ Adjustments/ Write-offs/ Revaluation tfr to Income Stat't	Carrying amount at the end of the period
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017-18										
Land	-	3,923,746	20,205	(270)	(3,720)	270	41,948	-	(231,542)	3,750,637
Buildings	-	6,955,725	140,359	(1,443)	-	-	322,525	(146,119)	(129,143)	7,141,904
Leased buildings PPP	-	82,898	65,397	-	-	-	71	(1,574)	(29,740)	117,052
Plant and equipment	-	15,725	3,454	(760)	-	-	-	(5,094)	(4)	13,321
Leased plant and equipment	-	7	95	-	-	-	-	(17)	-	85
Motor vehicles	-	932	1,206	(42)	-	-	-	(866)	-	1,230
Leased motor vehicles	-	213	-	-	-	-	-	(84)	54	183
Buses	-	5,813	662	(130)	-	-	-	(1,707)	-	4,638
Leased buses	-	28	-	-	-	-	-	(129)	160	59
Computers	-	6,023	2,403	(404)	-	-	-	(2,835)	(2)	5,185
Communication equipment	-	580	443	(85)	-	-	-	(506)	3	435
Office equipment	-	7,506	2,996	(290)	-	-	-	(2,997)	2	7,217
Leased office equipment	-	21,101	24,785	-	-	-	-	(15,353)	703	31,236
Library collections	-	36,110	7,868	(184)	-	-	-	(8,639)	-	35,155
Miscellaneous assets	-	3,925	1,102	(307)	-	-	-	(630)	-	4,090
Capital works in progress	-	206,818	310,407	-	-	-	(364,544)	-	(2)	152,679
Total	-	11,267,150	581,382	(3,915)	(3,720)	270	-	(186,550)	(389,511)	11,265,106

(a) The Department of Planning, Lands and Heritage (DPLH) is the only Department with the power to sell Crown land. The land is transferred to DPLH for sale and the Department accounts for the transfer as a distribution to owner.

Information on fair value measurements is provided in Note 8.3

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

5.1 Property, plant and equipment (continued)

	Carrying amount at start of the period	Additions	Disposals	Transferred to land & buildings held for distribution to owner ^(a)	Transferred to/from works in progress	Depreciation	Transfers/ Adjustments/ Write-offs/ Revaluation tfr to Income Stat't	Carrying amount at the end of the period
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018-19								
Land	3,750,637	3,975	(220)	(96)	21,132	-	(101,476)	3,673,952
Buildings	7,141,904	46,814	(1,189)	-	251,009	(145,292)	(362,977)	6,930,269
Leased buildings PPP	117,052	64,039	-	-	365	(1,887)	(17,832)	161,737
Plant and equipment	13,321	3,486	(986)	-	-	(4,922)	1	10,900
Leased plant and equipment	85	-	-	-	-	(21)	-	64
Motor vehicles	1,230	148	(422)	-	-	(728)	(29)	199
Leased motor vehicles	183	227	-	-	-	(161)	61	310
Buses	4,638	1,666	(105)	-	-	(1,463)	-	4,736
Leased buses	59	-	-	-	-	-	(59)	-
Computers	5,185	2,686	(289)	-	-	(3,289)	(170)	4,123
Communication equipment	435	339	(125)	-	-	(571)	-	78
Office equipment	7,217	2,414	(343)	-	-	(2,990)	-	6,298
Leased office equipment	31,236	17,686	-	-	-	(15,578)	(558)	32,786
Library collections	35,155	6,642	(75)	-	-	(9,256)	(7)	32,459
Miscellaneous assets	4,090	476	(183)	-	-	(638)	9	3,754
Capital works in progress	152,679	348,850	-	-	(272,506)	-	(1)	229,022
Total	11,265,106	499,448	(3,937)	(96)	-	(186,796)	(483,038)	11,090,687

(a) The Department of Planning, Lands and Heritage (DPLH) is the only Department with the power to sell Crown land. The land is transferred to DPLH for sale and the Department accounts for the transfer as a distribution to owner.

Information on fair value measurements is provided in Note 8.3

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

5.1 Property, plant and equipment (continued)

Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Assets transferred as part of a machinery of government change are transferred at their fair value.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

The initial cost for a non-financial physical asset under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent measurement

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

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

In the absence of market-based evidence, fair value of land and buildings, including building subclasses (school infrastructure) is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

Land and buildings are independently valued annually by Western Australian Land Information Authority (Valuation Services) to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period. School infrastructure, which consists of; roads, foot paths and paved areas, boundary walls, fences and gates, soft landscaping, and external services is valued annually by the Department's valuer and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period. From the commencement of the 2015–16 financial year, valuations for the Department's buildings (only) have been provided by Valuation Services. These valuations are supplemented by valuations from the Department's valuer for building subclasses (school infrastructure) consisting of analyses of data to determine costs attributed to school infrastructure, which is added to the building valuations to present the fair value of buildings (including school infrastructure). Information from the quantity surveyor engaged by the Department, previous analysis of school infrastructure, and a cross reference to industry cost guide publication is considered to estimate the building replacement cost for school infrastructure.

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

De-recognition

Upon disposal or de-recognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

5.1 Property, plant and equipment (continued)

Key sources of estimation uncertainty – Valuation of building sub-classes

The Department recognises building sub-classes (school infrastructure) comprising roads, footpaths and paved areas; boundary walls, fencing and gates; soft landscaping and external services from an independent quantity surveyor as determined by the Department's valuer. Currently the value for each sub-class is determined by applying the appropriate disclosed rate per square metre to the gross floor area of the individual school. An appropriate unit rate per square metre is determined by the Department's valuer using, but not limited to such information as building periodicals, Departmental data and analysis of tender results from Department of Finance - Building Management and Works. When determining depreciated replacement cost the effective age for the school buildings is currently used. The carrying amounts of the building sub-classes (school infrastructure) included in the 2018-19 financial statements is \$1.551 billion (2017-18: \$1.516 billion). This is within the total buildings of \$6.930 billion (2017-18: \$7.142 billion).

The interest rate used to estimate the value of assets and liabilities under the PPP arrangement is 6.79%.

5.1.1 Depreciation and impairment

	2018-19	2017-18
	\$'000	\$'000
<u>Depreciation</u>		
Buildings	145,292	146,119
Plant and equipment	4,922	5,094
Motor vehicles	728	866
Buses	1,463	1,707
Computers	3,289	2,835
Communication equipment	571	506
Office equipment	2,990	2,997
Library collections	9,256	8,639
Miscellaneous assets	638	630
Leased buildings PPP	1,887	1,574
Leased plant and equipment	21	17
Leased office equipment	15,578	15,353
Leased buses	-	129
Leased motor vehicles	161	84
Total depreciation	186,796	186,550

As at 30 June 2019 there were no indications of impairment to property, plant and equipment or infrastructure.

All surplus assets at 30 June 2019 have either been classified as assets held for sale or have been written-off.

Please refer to note 5.2 for guidance in relation to the impairment assessment that has been performed for intangible assets.

Finite useful lives

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

In calculating depreciation for buildings, (including the infrastructure sub-class), the Department deems the economic life of the asset (as assessed by the valuer) to be the useful life of the asset. The asset is then depreciated on a straight line basis over its economic life.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

5.1.1 Depreciation and impairment (continued)

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable assets are:

Buildings	40 to 80	Years
Communication equipment	5	Years
Computers	4	Years
Furniture and fittings	10	Years
Motor vehicles	5	Years
Buses	10	Years
Musical instruments	8 to 12	Years
Office equipment	5 to 8	Years
Plant and equipment	8	Years
Transportables	16	Years
Software	4	Years
Library collections	Four to five years with 100% depreciation at the end of the fifth year, or in the sixth year respectively after acquisition.	

Works of art controlled by the Department are classified as property, plant and equipment. These are anticipated to have indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and consequently no depreciation has been recognised.

Land is not depreciated.

Transportables are included in buildings in Note 5.1

Furniture and fittings, and musical instruments are included within miscellaneous assets in Note 5.1.

Impairment

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered to be impaired and is written down to the recoverable amount and the impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Department is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

The Department's central office and regional offices test intangible assets with an indefinite useful life and intangible assets not yet available for use for impairment at the end of each reporting period irrespective of whether there is any indication of impairment. Schools test intangible assets each year for indication of impairment.

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

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

5.2 Intangible assets

	2018-19 \$'000	2017-18 \$'000
<u>Computer software</u>		
At cost - central office	10,800	10,627
At cost - schools	173	156
Accumulated amortisation	(8,744)	(7,493)
	2,229	3,290
Work in progress - Intangible internally generated	14,137	7,023
	16,366	10,313
Reconciliations:		
<u>Computer software</u>		
Carrying amount at start of period	3,290	-
Transfer from the old Department of Education	-	712
Additions	203	3,776
Amortisation expense	(1,264)	(1,198)
Carrying amount at end of period	2,229	3,290
Work in progress - Intangible internally generated	14,137	7,023
	16,366	10,313

Initial recognition

Acquisitions of intangible assets costing \$50,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight-line basis. All intangible assets controlled by the Department have a useful life of four years and zero residual value.

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

Subsequent measurement

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

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

5.2.1 Amortisation and impairment

	2018-19 \$'000	2017-18 \$'000
<u>Amortisation</u>		
Intangible assets	1,264	1,198
Total amortisation	1,264	1,198

As at 30 June 2019 there were no indications of impairment to intangible assets.

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Department have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Software	4	Years
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Impairment

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 5.1.1.

Key sources of estimation uncertainty – Impairment of intangible assets

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.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

This section sets out those assets and liabilities that arose from the Department's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

NOTE 6. OTHER ASSETS AND LIABILITIES

	Notes	2018-19 \$'000	2017-18 \$'000
Receivables	6.1	352,723	351,991
Amounts receivable for services	6.2	2,941,595	2,721,071
Other current assets	6.3	19,578	9,584
Inventory	6.4	6,936	6,084
Payables	6.5	88,550	98,970
Other liabilities	6.6	12,253	11,442

6.1 Receivables

	2018-19 \$'000	2017-18 \$'000
<u>Current</u>		
Trade receivables	33,732	38,502
Loans to non-government schools and UNDA ^(a)	31,980	31,329
Allowance for impairment of receivables	(10,362)	(919)
GST receivable	17,955	14,934
	73,305	83,846
<u>Non-current</u>		
Loans to non-government schools and UNDA ^(a)	279,418	268,145
	279,418	268,145

(a) Loans to non-government schools and UNDA

The Department is required to report the value of subsidised loans it provides to non-government schools and the UNDA, in accordance with AASB 9. The loans are measured at amortised cost and have a maturity term not exceeding 15 years, as per the Low Interest Loan Scheme (LILS) guidelines. These loans are not held for trading purposes. See Note 8.1 Financial Instruments.

The loans are at a reduced average interest rate of 2.59% per annum, as the Department meets the subsidised interest (refer Note 4.4, Interest Revenue) on behalf of borrowers through a government appropriation.

Trade receivables are recognised and carried at original invoice amount less any allowance for uncollectible amounts (i.e. impairment). The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

6.1.1 Movement in the allowance for impairment of trade receivables

	2018-19 \$'000	2017-18 \$'000
<u>Reconciliation of changes in the allowance for impairment of trade receivables:</u>		
Balance at start of period	919	-
Remeasurement under AASB 9	9,392	-
Restated balance at start of period	10,311	-
Doubtful debts expense	-	2,773
Expected credit losses expense	3,822	-
Amounts written off during the period	(3,771)	(2,867)
Transfer from the old Department of Education	-	892
Transfer from previous Country High School Hostels Authority	-	120
Balance at end of period	10,362	919

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

6.1.1 Movement in the allowance for impairment of trade receivables (continued)

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Credit risk exposure'.

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

Some of the Low Interest Loan Scheme loans are secured by way of a mortgage over the assets where the Department ranks 1st or 2nd in order of rights.

6.2 Amounts receivable for services (Holding Account)

	2018-19 \$'000	2017-18 \$'000
Current	19,673	19,673
Non-current	2,921,922	2,701,398
	2,941,595	2,721,071

Amounts receivable for services represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Amounts receivable for services are not considered to be impaired (i.e. there is no expected credit loss of the holding accounts).

6.3 Other assets

	2018-19 \$'000	2017-18 \$'000
Current		
Prepayments	19,578	9,584
	19,578	9,584

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

6.4 Inventories

	2018-19 \$'000	2017-18 \$'000
Current		
Inventories held for resale:		
School canteens, publications and bookshops stocks (at cost)	2,650	2,480
Livestock and farm produce (at cost)	4,286	3,604
	6,936	6,084

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.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

6.5 Payables

	2018-19	2017-18
	\$'000	\$'000
Current		
Trade and other payables - central office	23,031	38,886
Trade and other payables - schools	11,861	12,549
Accrued expenses	36,456	33,810
Accrued salaries	17,029	13,483
	88,377	98,728
Non-current		
Trade and other payables - central office	173	242
	173	242

Payables

Payables are recognised at the amounts payable when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

Accrued salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account consists of amounts paid annually, from Departmental appropriations for salaries expense, into a suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

6.6 Other liabilities

	2018-19	2017-18
	\$'000	\$'000
Current		
Income received in advance	3,866	3,740
Amounts held in schools suspense accounts	5,855	5,259
Accrued interest expense	2,370	2,249
Other	162	194
	12,253	11,442

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

NOTE 7. FINANCING

This section sets out the material balances and disclosures associated with the financing and cash flows of the Department.

	Notes
Borrowings	7.1
Finance leases	7.2
Assets pledge as security	7.3
Finance costs	7.4
Cash and cash equivalents	7.5
Reconciliation of cash	7.5.1
Restricted cash and cash equivalents	7.5.2
Reconciliation of operating activities	7.5.3
Commitments	7.6
Non-cancellable operating lease commitments	7.6.1
Capital commitments	7.6.2
Other expenditure commitments	7.6.3

7.1 Borrowings

	2018-19 \$'000	2017-18 \$'000
<u>Current</u>		
WATC loans ^(a)	31,980	31,329
Finance lease liabilities (secured) ^(b)	15,723	14,343
Finance lease liabilities PPP	2,556	1,644
Total current	50,259	47,316
<u>Non-current</u>		
WATC loans ^(a)	317,546	303,259
Other loans	494	-
Finance lease liabilities (secured) ^(b)	18,975	20,164
Finance lease liabilities PPP	203,144	142,441
Total non-current	540,159	465,864
Total borrowings	590,418	513,180

(a) Western Australian Treasury Corporation (WATC) Low Interest Loans

The Department borrows from the WATC to finance loans provided under the LILS (See also Note 6.1 Receivables). Loans are borrowed at an average rate of interest of 3.07% per annum. The carrying amounts are equivalent to their net fair values.

The current WATC Low Interest Loans relates to the portion of the principal repayments payable to WATC within the next 12 months. The amount is derived from estimates provided through the low interest loans system and the repayment schedule provided by WATC.

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

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

7.2 Finance Leases

	2018-19 \$'000	2017-18 \$'000
Finance lease commitments^(a)		
<u>Minimum lease payment commitments in relation to finance leases are payable as follows:</u>		
Within 1 year	32,863	26,439
Later than 1 year and not later than 5 years	85,500	66,471
Later than 5 years	387,852	280,018
Minimum finance lease payments	506,215	372,928
Less future finance charges	(265,817)	(194,336)
Present value of finance lease liabilities	240,398	178,592

The present value of finance leases payable is as follows:

Within 1 year	18,279	15,987
Later than 1 year and not later than 5 years	30,960	27,934
Later than 5 years	191,159	134,671
Present value of finance lease liabilities	240,398	178,592

(a) Includes finance lease commitments for motor vehicles leased from State Fleet, Department of Finance \$0.422 million (2017-18: \$0.264 million).

Included in the financial statements as:

Current liabilities (see note 7.1 'Borrowings')	18,279	15,987
Non-current liabilities (see note 7.1 'Borrowings')	222,119	162,605
	240,398	178,592

The Department has the option to purchase leased assets at their agreed fair value on expiry of the lease. These leasing arrangements do not have escalation clauses, other than in the event of payment default. There are no restrictions imposed by these leasing arrangements on other financing transactions. The commitments above are inclusive of GST where relevant.

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Department is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

Public Private Partnerships

The State Government has partnered with a single Project Company to design, build, finance and maintain four new primary schools and four secondary schools to open progressively from 2017 to 2020, with a subsequent maintenance period ending in December 2047.

Schools are designed, constructed and made available to the Department, upon commercial acceptance (CA). The Project Company is to provide, over the duration of the term, agreed facilities management services, maintenance and refurbishment of the schools. At the end of the term, the Project Company is to hand over the schools to the Department in a well maintained condition, for nil consideration.

These Public Private Partnership (PPP) schools are recognised by the Department as a leased asset with a finance lease liability on achievement of CA of each phase of each school. The Department takes control of the school upon CA and provides school activities, including educational services and administration. The Department makes Quarterly Service Payments (QSP) over the term comprising repayment of design and construction costs and maintenance and service payments. The payment of the QSP will result in a reduction of the finance lease liability over time.

The PPP schools will be depreciated in accordance with the buildings' useful lives and will be subject to annual revaluation consistent with other school buildings.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

7.3 Assets pledged as security

	2018-19 \$'000	2017-18 \$'000
<u>Assets pledged as security</u>		
The carrying amounts of non-current assets pledged as security are:		
Leased buildings PPP	161,737	117,052
Leased plant and equipment	64	85
Leased office equipment	32,786	31,236
Leased motor vehicles	310	183
Leased buses	-	59
	194,897	148,615

The Department has secured the leased assets against the related finance lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

7.4 Finance costs

	2018-19 \$'000	2017-18 \$'000
Finance lease charges	785	698
Finance lease charges PPP	12,129	7,937
Loan fair value expense ^(a)	6,772	6,072
Interest expensed ^(b)	11,195	10,586
Total finance costs expensed	30,881	25,293

'Finance cost' includes the interest component of finance leases repayments.

(a) Represents the write down to fair value of low interest loans provided to non-government schools. The amount of loans provided during 2018-19 was \$46.264 million (2017-18: \$52.699 million).

(b) Represents the amounts charged for loans provided to the Department by the WATC for the operation of the LILS and special loan to the UNDA. Refer Note 4.4 Interest Revenue and Note 6.1 Receivables for further details.

7.5 Cash and cash equivalents

7.5.1 Reconciliation of cash

	2018-19 \$'000	2017-18 \$'000
<u>Schools</u>		
Bank accounts	361,170	368,627
Cash on hand	159	247
	361,329	368,874
<u>Central office</u>		
Operating bank account	237,984	217,999
	237,984	217,999
Total cash and cash equivalents	599,313	586,873

For the purpose of the Statement of Cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash, and which are subject to insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

7.5.2 Restricted cash and cash equivalents

	2018-19 \$'000	2017-18 \$'000
<u>Current</u>		
Grants accounts ^(a)	14,514	13,956
Royalties for Regions Fund	12,546	(419)
Paid Parental Leave	363	280
Accrued salaries suspense account (27th pay)	-	41
Special purpose account - TRBWA ^(b)	10,261	9,137
Special purpose account - Student Residential Colleges Fund	5,353	5,830
	43,037	28,825
<u>Non-current</u>		
Accrued salaries suspense account (27th pay) ^(c)	41,188	26,910
	41,188	26,910
Total restricted cash and cash equivalents	84,225	55,735

- (a) Unspent cash balances relating to Australian Government grants and state funding, which can only be used for the purpose stipulated by the grant or funding arrangement.
- (b) The purpose of this account is to hold funds received under section 115(3) of the *Teacher Registration Act 2012* for the payment of costs and expenses incurred in the performance of the functions of the Teacher Registration Board of Western Australia (TRBWA).
- (c) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

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

	2018-19 \$'000	2017-18 \$'000
Cash and cash equivalents (note 7.5.1)	599,313	586,873
Restricted cash and cash equivalents (note 7.5.2)	84,225	55,735
	683,538	642,608
Reconciliation of net cost of services to net cash flows used in operating activities		
Net cost of services	(4,411,809)	(4,332,959)
<u>Non-cash Items</u>		
Depreciation expense (note 5.1.1)	186,796	186,550
Amortisation expense (note 5.2.1)	1,264	1,198
Resources received free of charge (note 4.1)	14,170	14,946
Doubtful debts expense (note 6.1)	-	2,773
Expected credit losses expense (note 6.1)	3,822	-
Loss on disposal of non-current assets (note 3.3)	3,419	3,461
Asset revaluation decrement (note 3.3)	468,447	390,425
Adjustment for other non-cash items	(6,406)	2,643
<u>(Increase)/decrease in assets</u>		
Current receivables ^(a)	4,119	(43,794)
Current inventories	(852)	563
Other current assets	(9,994)	(777)
Non-current receivables	(11,273)	-
<u>Increase/(decrease) in liabilities</u>		
Provisions	1,207	8,854
Current payables and other liabilities ^(a)	(10,351)	(7,906)
Non-current payables	(69)	-
Net GST receipts/(payments) ^(b)	(4,205)	530
Change in GST in receivables and payables ^(c)	(3,021)	(2,241)
Net cash used in operating activities	(3,774,736)	(3,775,734)
<u>Non-cash investing and financing activities</u>		
Acquisition of property, plant and equipment by means of finance leases	81,952	90,277

(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 2019

7.6 Commitments

7.6.1 Non-cancellable operating lease commitments

	2018-19 \$'000	2017-18 \$'000
Non-cancellable operating lease commitments^{(a)(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	36,493	34,788
Later than 1 year and not later than 5 years	85,368	71,200
Later than 5 years	25,413	16,481
	147,274	122,469

(a) 2017-18 has been restated (previously \$333.918 million) to remove Government Regional Officer Housing periodic leases (\$211.449 million) as these leases are cancellable.

(b) Includes operating leasing commitments to Leasing Services, State Fleet and the Department of Finance.

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	896	705
Later than 1 year and not later than 5 years	1,697	2,117
Later than 5 years	-	-
	2,593	2,822

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

The Department has entered into a number of operating lease arrangements for the rent of buildings and other assets where the lessor effectively retains all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

7.6.2 Capital commitments

	2018-19	2017-18
	\$'000	\$'000
Capital expenditure commitments		
<u>Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:</u>		
Within 1 year	287,018	316,430
Later than 1 year and not later than 5 years	171,258	212,954
Later than 5 years	-	-
	458,276	529,384
<u>The capital commitments include amounts for:</u>		
Additional stages at secondary schools	6,681	21,667
Additions & improvements to secondary schools	207,650	129,375
Additions and improvements at primary schools	36,108	21,318
Additions and Improvements Residential Colleges	8,012	-
Miscellaneous	6,780	84,230
New secondary schools	51,293	133,511
New primary schools	113,337	111,370
Other school facilities	7,412	5,208
Other works	8,690	17,680
Universal Access Program	7,034	2,193
School funded projects	5,279	2,832
	458,276	529,384

7.6.3 Other expenditure commitments

	2018-19	2017-18
	\$'000	\$'000
Other expenditure commitments		
<u>Other expenditure commitments, being insurance renewal, open purchase orders and PPP schools - service payments, in addition to amounts reported in the financial statements, are payable as follows:</u>		
Payable within 1 year	97,113	96,581
Later than 1 year and not later than 5 years	184,703	212,244
Later than 5 years	1,109,677	1,151,681
	1,391,493	1,460,506

Judgements made by management in applying accounting policies - operating lease commitments

The Department has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

NOTE 8. RISKS AND CONTINGENCIES

This section sets out the key risk management policies and measurements techniques of the Department.

	Notes
Financial risk management	8.1
Contingent liabilities	8.2.1
Fair value measurements	8.3

8.1 Financial risk management

Financial instruments held by the Department are cash and cash equivalents, restricted cash and cash equivalents, receivables, payables, Western Australian Treasury Corporation (WATC) borrowings and finance leases. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

(a) Summary of risks and risk management

Credit risk

Credit risk arises when there is a possibility of the Department's receivables defaulting on their contractual obligations resulting in a financial loss to the Department.

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. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department is exposed to liquidity risk through its trading in the normal course of business. The Department has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. The Department does not trade in foreign currency and is not materially exposed to other price risks. The Agency's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations.

All borrowings are due to the WATC and are repayable at fixed rates with varying maturities. Other than as detailed in the interest rate sensitivity analysis table at note 8.1, the Department is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing, and it has no borrowings other than the WATC borrowings and finance leases (fixed interest rate).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

8.1 Financial risk management (continued)

(b) Categories of financial instruments

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

	2018-19 \$'000	2017-18 \$'000
<u>Financial assets</u>		
Cash and cash equivalents	599,313	586,873
Restricted cash and cash equivalents	84,225	55,735
Loans and receivables ^(a)	-	3,058,128
Financial assets at amortised cost ^(a)	3,276,363	-
Total financial assets	3,959,901	3,700,736
<u>Financial liabilities</u>		
Financial liabilities measured at amortised cost	691,221	623,592
Total financial liability	691,221	623,592

(a) The amount of receivables/Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

8.1 Financial risk management (continued)

(c) Credit risk exposure

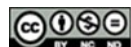
The following table details the credit risk exposure on the Department's trade receivables using a provision matrix.

	Total \$000	Days past due			
		Current \$000	<30 Days \$000	31-60 days \$000	>60 days \$000
30 June 2019					
Central Office					
Expected credit loss rate		1.00%	2.00%	5.00%	20.00%
Estimated total gross carrying amount at default	2,826	1,734	102	54	936
Expected credit losses	(209)	(17)	(2)	(3)	(187)
Loans to non-government schools and University ^(a)					
Expected credit loss rate		0.10%			
Estimated total gross carrying amount at default	311,398	311,398			
Expected credit losses	(311)	(311)			
Schools, Residential Colleges and other debtors ^(a)					
Estimated total gross carrying amount at default	30,906				
Expected credit losses	(9,841)				
Total					
Estimated total gross carrying amount at default ^(b)	345,130				
Expected credit losses	(10,362)				
1 July 2018 (Remeasurement)					
Central Office					
Expected credit loss rate		1.00%	2.00%	5.00%	20.00%
Estimated total gross carrying amount at default	2,375	829	443	27	1,076
Expected credit losses	(234)	(8)	(9)	(1)	(216)
Loans to non-government schools and University ^(a)					
Expected credit loss rate		0.10%			
Estimated total gross carrying amount at default	299,474	299,474			
Expected credit losses	(299)	(299)			
Schools, Residential Colleges and other debtors ^(a)					
Estimated total gross carrying amount at default	36,127				
Expected credit losses	(9,778)				
Total					
Estimated total gross carrying amount at default ^(b)	337,976				
Expected credit losses	(10,311)				

(a) The calculation of past due aged analysis is not available for \$25.3 million of this class of debtor (\$25.2 million 2017-18), the residual \$5.6 million (\$10.9 million 2017-18) comprise state government agency debtors and not considered to be impaired. For schools an average provision rate for estimated credit losses is used based on a five-year rolling average of the December balances over the respective June balances as a proxy of the recoverability of receivables.

(b) The estimated total gross amount and expected credit losses includes all debtors except for the GST recoverable from the ATO (statutory receivable).

(c) The provision is based on average loss based on loan disbursements made to date, adjusted for additional provision for future events.



NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

8.1 Financial risk management (continued)

(d) Liquidity risk and interest rate exposure

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

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

	Weighted Average Effective Interest Rate	Interest rate exposure				Nominal Amount	Maturity dates				
		Carrying Amount	Fixed Interest rate	Variable Interest rate	Non-Interest bearing		Up to 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	More than 5 years
		\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
2017-18											
<u>Financial Assets</u>											
Schools cash balances	1.03	233,785	-	233,538	247	233,785	233,785	-	-	-	-
Central office cash balances		217,999	-	-	217,999	217,999	217,999	-	-	-	-
Restricted cash - TRBWA	1.93	9,137	-	9,137	-	9,137	9,137	-	-	-	-
Restricted cash - Residential Colleges Fund	1.92	5,830	-	2,197	3,633	5,830	4,307	598	925	-	-
Restricted cash balances - other		40,768	-	-	40,768	40,768	40,768	-	-	-	-
Trade receivables ^(b)		37,583	-	-	37,583	37,583	37,583	-	-	-	-
Term deposits	1.74	135,089	135,089	-	-	135,089	93,540	-	4,875	36,674	-
Loans to non-government schools and UNDA	2.62	299,474	299,474	-	-	299,474	-	7,766	23,563	123,665	144,480
Amounts receivable for services		2,721,071	-	-	2,721,071	2,721,071	2,232	2,976	14,465	78,692	2,622,706
		3,700,736	434,563	244,872	3,021,301	3,700,736	639,351	11,340	43,828	239,031	2,767,186
<u>Financial Liabilities ^(a)</u>											
Payables ^(b)		98,970	-	-	98,970	98,970	98,970	-	-	-	-
Finance lease liabilities	2.33	178,592	178,592	-	-	178,592	1,024	3,354	11,609	30,232	132,373
WATC loans	3.05	334,588	334,588	-	-	334,588	-	7,766	23,563	119,933	183,326
Other loans		-	-	-	-	-	-	-	-	-	-
Other liabilities		11,442	-	-	11,442	11,442	11,442	-	-	-	-
		623,592	513,180	-	110,412	623,592	111,436	11,120	35,172	150,165	315,699

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

8.1 Financial risk management (continued)

(d) Liquidity risk and interest rate exposure (continued)

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

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

	Weighted Average Effective Interest Rate	Interest rate exposure				Nominal Amount	Maturity dates				
		Carrying Amount	Fixed Interest rate	Variable Interest rate	Non-Interest bearing		Up to 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	More than 5 years
		\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000	\$000
2018-19											
<u>Financial Assets</u>											
Schools cash balances	0.91	226,070	-	225,911	159	226,070	226,070	-	-	-	-
Central office cash balances		237,984	-	-	237,984	237,984	237,984	-	-	-	-
Restricted cash - TRBWA	1.93	10,261	-	10,261	-	10,261	10,261	-	-	-	-
Restricted cash - Residential Colleges Fund	1.53	5,353	-	2,244	3,194	5,438	5,438	-	-	-	-
Restricted cash balances - other		68,611	-	-	68,611	68,611	68,611	-	-	-	-
Trade receivables ^(b)		23,370	-	-	23,370	23,370	23,370	-	-	-	-
Term deposits	1.67	135,259	135,259	-	-	135,259	91,637	-	19,055	24,567	-
Loans to non-government schools and UNDA	2.59	311,398	311,398	-	-	311,398	-	7,788	24,192	131,122	148,296
Amounts receivable for services		2,941,595	-	-	2,941,595	2,941,595	2,232	2,976	14,465	78,692	2,843,230
		3,959,901	446,657	238,416	3,274,913	3,959,986	665,603	10,764	57,712	234,381	2,991,526
<u>Financial Liabilities</u> ^(a)											
Payables ^(b)		88,550	-	-	88,550	88,550	88,550	-	-	-	-
Finance lease liabilities	1.78	240,398	240,398	-	-	240,398	1,087	3,498	13,694	30,960	191,159
WATC loans	3.07	349,526	349,526	-	-	349,526	-	7,788	24,192	127,134	190,412
Other loans	0.83	494	494	-	-	494	97	97	300	-	-
Other liabilities		12,253	-	-	12,253	12,253	12,253	-	-	-	-
		691,221	590,418	-	100,803	691,221	101,987	11,383	38,186	158,094	381,571



NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

8.1 Financial risk management (continued)

(d) Liquidity risk and interest rate exposure (continued)

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

(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)

(e) Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Department's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$'000	-100 basis points		+100 basis points	
		Surplus	Equity	Surplus	Equity
		\$'000	\$'000	\$'000	\$'000
2017-18					
<u>Financial assets</u>					
Schools cash balances	233,785	(2,338)	(2,338)	2,338	2,338
Special purpose account - TRBWA	9,137	(91)	(91)	91	91
Special purpose account - Residential Colleges Fund	5,830	(58)	(58)	58	58
Total increase/(decrease)		(2,488)	(2,488)	2,488	2,488
2018-19					
<u>Financial assets</u>					
Schools cash balances	226,070	(2,261)	(2,261)	2,261	2,261
Special purpose account - TRBWA	10,261	(103)	(103)	103	103
Special purpose account - Residential Colleges Fund	5,353	(54)	(54)	54	54
Total increase/(decrease)		(2,417)	(2,417)	2,417	2,417

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

The Department had no contingent assets as at 30 June 2019.

8.2.1 Contingent liabilities

The following contingent liabilities are additional to the liabilities included in the financial statements:

Litigation in progress

The Department is involved in a number of litigation proceedings that are either covered by RiskCover or of a nature that will not have a significant impact on the Department's financial position.

Contaminated sites

The Department currently has 56 sites that are registered under the *Contaminated Sites Act 2003*. Of these, 19 do not require further action and 37 are still subject to investigation or require on-going management. Where a school or school site is identified as possibly contaminated, an investigation is carried out by a qualified environmental health consultant. In addition to a visual inspection, analytical techniques, such as material, water and soil testing are used to confirm the nature and extent of the contamination. Upon completion of their investigation, the consultant submits a report to the Department of Education, which is then forwarded to the Department of Water and Environmental Regulation (DWER) for classification according to the Contaminated Sites Act.

DWER has classified two sites as contaminated and require remediation. These sites are Merredin College and Merredin Residential College. The areas of contamination at both sites are being managed in accordance with the Department of Health Guidelines for the Assessment, Remediation and Management of Asbestos-contaminated Soils, and the areas of concern are fenced off and warning signs have been posted.

Following a fire involving aluminium composite panels, the Building Commission requested agencies assess their facilities. The Department is assessing all projects where aluminium composite panels may have been used since 2000. Where projects are identified as having potentially combustible cladding, fire engineering assessments are being undertaken. At the time of reporting, 3 buildings belonging to the Department have been identified in the Department of Mines, Industry Regulation and Safety (DIMRS) report. The Department as yet is unable to determine the liability arising as a result of the review. This work is underway.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

8.3 Fair value measurements

	Level 1	Level 2	Level 3	Fair value at end of period
	\$'000	\$'000	\$'000	\$'000
Assets measured at fair value				
2018–19				
Non-current assets classified as held for distribution to owner (Note 9.10)				
Land (Note 5.1)	-	-	3,547	3,547
Buildings (Note 5.1)*	-	-	7,092,006	7,092,006
	-	-	10,769,505	10,769,505
Assets measured at fair value				
2017–18				
Non-current assets classified as held for distribution to owner (Note 9.10)				
Land (Note 5.1)	-	-	4,219	4,219
Buildings (Note 5.1)	-	-	7,258,956	7,258,956
	-	-	11,013,812	11,013,812

* Included within buildings is school infrastructure totalling \$1.551 billion (2017–18: \$1.516 billion). There were no transfers between Levels 1, 2 or 3 during the period.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

8.3 Fair value measurements (continued)

Fair value measurements using significant unobservable inputs (Level 3)	Land	Buildings
2018-19	\$'000	\$'000
Fair Value at start of period	3,750,637	7,258,956
Contribution to owner	-	-
Additions	3,975	110,853
Transfer from Work in Progress	21,132	251,374
Transfers to/from held for distribution (within level 3)	(96)	-
Disposals	(220)	(1,189)
Depreciation expense	-	(147,179)
Adjustments/Revaluation transferred to Income Statement	(101,476)	(380,809)
Fair Value at end of period	3,673,952	7,092,006
Net loss on disposal of non-current assets under 'Costs of disposal of non-current assets' in Note 3.4	-	1,189

Fair value measurements using significant unobservable inputs (Level 3)	Land	Buildings
2017-18	\$'000	\$'000
Fair Value at start of period	-	-
Contribution to owner	3,923,746	7,038,623
Additions	20,205	205,756
Transfer from Work in Progress	41,948	322,596
Transfers to/from held for distribution (within level 3)	(3,450)	-
Disposals	(270)	(1,443)
Depreciation expense	-	(147,693)
Adjustments/Revaluation transferred to Income Statement	(231,542)	(158,883)
Fair Value at end of period	3,750,637	7,258,956
Net loss on disposal of non-current assets under 'Costs of disposal of non-current assets' in Note 3.4	-	1,443

Valuation processes

Commencing from 2015-16, the Department has adopted the school building valuations from Western Australian Land Information Authority (Valuation Services).

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for distribution as Treasurer's Instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Fair value for existing use specialised buildings including building sub classes

Fair value for existing use specialised buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is generally determined by reference to the market-observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Fair value for restricted use land

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

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

8.3 Fair value measurements (continued)

Significant Level 3 inputs used by the Department are derived and evaluated as follows:

Effective age

The effective age is determined by the Valuation Services for buildings and by the Department's valuer for the building sub classes, after taking into account factors such as planned routine maintenance, building improvements and upgrades.

Selection of land with restricted utility

Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by Valuation Services.

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

Valuation Services has determined that the costs relating to contingencies, headworks, demolitions costs, professional and project fees are inherent in the building valuations and therefore should not be added to its valuations. This also applies to the building sub-classes.

Average installation costs - transportables

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

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

NOTE 9. OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or other pronouncements for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	9.1
Initial application of Australian Accounting Standards	9.2
Future impact of Australian standards issued not yet operative	9.3
Key management personnel	9.4
Related party transactions	9.5
Affiliated and related bodies	9.6
Special purpose accounts	9.7
Remuneration of auditors	9.8
Services provided free of charge	9.9
Non-current assets classified as held for sale	9.10
Equity	9.11
Supplementary financial information	9.12
Explanatory statement	9.13
Indian Ocean Territories	9.14
Disclosure of administered income and expenses	9.15
Explanatory statement for administered items	9.16
Administered assets and liabilities	9.17

9.1 Events occurring after the end of the reporting period

On the 31 August 2019 the Gingin District High School sustained significant damage by fire. The dollar value of the loss is currently being assessed by the Department's insurer.

There have been no other material events occurring after 30 June 2019.

9.2 Initial application of Australian Accounting Standards

AASB 9 Financial instruments

AASB 9 *Financial instruments* replaces AASB 139 *Financial instruments: Recognition and Measurements* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Department applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Department has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in Accumulated surplus/(deficit).

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	2017-18 \$'000
Assets		
Trade receivables	(a),(b)	(9,092)
Loans to non-governmental schools and UNDA	(a),(b)	(300)
Total Assets		(9,392)
Total adjustments on Equity		
Accumulated surplus/(deficit)	(a),(b)	(9,392)
		(9,392)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.2 Initial application of Australian Accounting Standards (continued)

The nature of these adjustments are described below:

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Department's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Department's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances at the time of initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a material impact on the Department. The following are the changes in the classification of the Department's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as financial assets at amortised cost beginning 1 July 2018.
- The Department did not designate any financial assets at fair value through P/L.

In summary, upon the adoption of AASB 9, the Department had the following reclassifications as at 1 July 2018:

	AASB 9 category		
	Amortised cost	Fair value through OCI	Fair value through P/L
	\$'000	\$'000	\$'000
AASB 139 category			
Trade receivables	37,583	28,491	-
Loans to non-governmental schools and UNDA	299,474	299,174	-
	337,057	327,665	-

*The change in carrying amount is a result of additional impairment allowance. See the discussion on impairment below.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Department's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Department to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

Upon adoption of AASB 9, the Department recognised an additional impairment on the Department's Trade receivables of \$9.392 million which resulted in a decrease in Accumulated surplus/(deficit) of \$9.392 million as at 1 July 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9:

	Impairment under AASB 139 as at 30 June 2018	Remeasurement	ECL Under AASB 9 as at 1 July 2018
	\$'000	\$'000	\$'000
Trade receivables under AASB 139 / Financial assets at amortised cost under AASB 9	919	9,092	10,011
Loans under AASB 139 / Financial assets at amortised cost under AASB 9	-	300	300

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.3 Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. Where applicable, the Department plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
<i>AASB 15</i>	<i>Revenue from Contracts with Customers</i>	1 Jan 2019
Nature of Change	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 contracts with customers. The mandatory effective date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.	
Impact	The Department's income is primarily derived from appropriations which will be measured under AASB 1058, and thus will not be materially affected by this change. Although the recognition of 'user charges and fees' and 'sales' revenues will be deferred until the Department has discharged its performance obligations, these revenues are expected to be largely recognised at year-end and no contract liability will exist.	
Transition	The Department will adopt the modified retrospective approach on transition to AASB 15. No comparative information will be restated under this approach, and the Department will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.	

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.3 Future impact of Australian Accounting Standards not yet operative (continued)

		Operative for reporting periods beginning on/after
AASB 16	<i>Leases</i>	1 Jan 2019
Nature of Change	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.	
Impact	<p>The recognition of additional assets and liabilities, mainly from operating leases, will increase the Department's total assets by \$97 million and total liabilities by \$97 million. This will have an equity impact of \$0 on 1 July 2019. In addition, interest and depreciation expenses will increase, offset by a decrease in rental expense for the year ending 30 June 2020 and beyond.</p> <p>The above assessment is based on the following accounting policy positions:</p> <ul style="list-style-type: none"> • Modified retrospective approach on transition; • the 'low value asset' threshold set at AUD \$5,000 (unless Government Regional Office Accommodation (GROH), Government Office Accommodation (GOA) or State Fleet); • For leases classified as 'short term' (12 months or less), these are not recognised under AASB 16 (unless GROH, GOA or State Fleet); • Land, buildings and investment property ROU assets are measured under the fair value model, subsequent to initial recognition; and • Discount rates are sourced from WA Treasury Corporation (WATC). 	
Transition	The Department will adopt the modified retrospective approach on transition to AASB 16. No comparative information will be restated under this approach, and the Department will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.	
AASB 1058	<i>Income of Not-for-Profit Entities</i>	1 Jan 2019
Nature of Change	This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an agency.	
Impact	AASB 1058 will have no impact on appropriations and recurrent grants received by the Department – they will continue to be recognised as income when funds are deposited in the bank account or credited to the holding account. The Department has determined that a portion of revenue from capital grants will be deferred into future reporting periods.	
Transition	The Department will adopt the modified retrospective approach on transition to AASB 1058. No comparative information will be restated under this approach, and the Department will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.	

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.3 Future impact of Australian Accounting Standards not yet operative (continued)

		Operative for reporting periods beginning on/after
AASB 1059	<i>Service Concession Arrangements: Grantors</i>	1 Jan 2020
Nature of Change	<p>This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided.</p> <p>The mandatory effective date of this Standard is currently 1 January 2020 after being amended by AASB 2018-5.</p>	
Impact	The Department is still assessing the potential impact of adopting AASB 1059	
AASB 2016-8	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	1 Jan 2019
Nature of Change	This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.	
AASB 2018-4	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors</i>	1 Jan 2019
Nature of Change	This Standard amends AASB 15 to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors to transactions involving the issue of licences. The Department will adopt the low value threshold exemption to account for annual teacher registration fees on a cash basis currently accounted for on an accrual basis.	
AASB 2018-5	<i>Amendments to Australian Accounting Standards – Deferral of AASB 1059</i>	1 Jan 2019
Nature of Change	This Standard amends the mandatory effective date of AASB 1059 so that AASB 1059 is required to be applied for annual reporting periods beginning on or after 1 January 2020 instead of 1 January 2019. There is no financial impact.	
AASB 2018-7	<i>Amendments to Australian Accounting Standards – Definition of Material</i>	1 Jan 2020
Nature of Change	This Standard clarifies the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. There is no financial impact.	

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.3 Future impact of Australian Accounting Standards not yet operative (continued)

		Operative for reporting periods beginning on/after
AASB 2018-8	<i>Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities</i>	1 Jan 2019
Nature of Change	This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives.	
Impact	The Department will elect to apply the option to measure right-of-use assets under peppercorn leases at cost (which is generally about \$1). As a result, the financial impact of this Standard is not material.	

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.4 Key management personnel

The Department has determined that key management personnel include Ministers and senior officers of the Department. However, the Department is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

Total compensation (total fees, salaries, superannuation, non-monetary and other benefits) for senior officers of the Department for the reporting period are presented within the following bands:

	2018-19	2017-18 ^(c)
Compensation band (\$)		
\$560,001 - \$570,000	-	1 ^(c)
\$360,001 - \$370,000	1 ^(a)	-
\$340,001 - \$350,000	-	1 ^(c)
\$300,001 - \$310,000	-	1 ^(c)
\$290,001 - \$300,000	1	-
\$280,001 - \$290,000	1	1 ^(c)
\$260,001 - \$270,000	-	1 ^(c)
\$250,001 - \$260,000	-	2 ^(c)
\$240,001 - \$250,000	2	2 ^(c)
\$230,001 - \$240,000	2	4 ^{(a)(c)}
\$220,001 - \$230,000	3 ^(a)	3 ^(c)
\$210,001 - \$220,000	2	-
\$200,001 - \$210,000	2	1 ^(c)
\$190,001 - \$200,000	1 ^(a)	1 ^(c)
\$180,001 - \$190,000	-	-
\$170,001 - \$180,000	2 ^(a)	-
\$150,001 - \$160,000	-	1 ^(a)
\$130,001 - \$140,000	-	1 ^(a)
\$120,001 - \$130,000	1 ^(a)	-
\$110,001 - \$120,000	1 ^(a)	-
\$100,001 - \$110,000	2 ^(a)	-
\$90,001 - \$100,000	-	1 ^(a)
\$80,001 - \$90,000	-	1 ^(a)
\$70,001 - \$80,000	2 ^(a)	-
\$60,001 - \$70,000	1 ^(a)	-
\$0 - \$10,000	2 ^{(a)(b)}	-

	2018-19	2017-18
	\$'000	\$'000
Short term employee benefits	4,368	4,917
Post employment benefits	449	491
Other long term benefits	(339)	(161)
Total compensation of senior officers	4,478	5,247

(a) Includes senior officers were period of service is less than 12 months

(b) Two senior officers left the Department early in 2018-19

(c) 2017-18 has been restated due to revised leave balance calculation (3 senior officers) and salary rates change (1 senior officer). The original total of \$5,197,411 was restated to \$5,246,572, an increase of \$49,161

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.5 Related parties

The Department is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Department is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the department include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with government related entities

In conducting its activities, the Department is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- income from State Government (note 4.1);
- income from sale of land from LandCorp (note 4.5);
- equity contributions (note 9.11);
- superannuation payments to GESB (note 3.1.1);
- insurance payments to the Insurance Commission and RiskCover fund (note 3.3);
- GROH payments to the Department of Communities (note 3.1.1);
- commitment for GROH future lease payments to the Department of Communities (note 7.6);
- borrowings and repayments from/to Western Australian Treasury Corporation (WATC) (note 7.1);
- operating lease rentals payments to the Department of Finance (note 3.3);
- commitments for future operating lease payments to the Department of Finance (note 7.6);
- land acquisition payments to the Department of Justice and the Western Australian Planning Commission (note 5.1);
- services provided free of charge to other State government agencies (note 9.9);
- services received free of charge from other State government agencies (note 4.1);
- student health services payments to the Department of Health (note 3.1.1);
- student transportation service payments to the Public Transport Authority (note 3.3);
- remuneration for services provided by the Auditor General (note 9.8); and
- other payments to Department of Primary Industries and Regional Development, Department of Fire and Emergency Services and Department of Water and Environmental Regulation (note 3.3).

Material transactions with related parties

Outside of normal citizen type transactions with the Department, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.6 Affiliated and related bodies

The following are affiliated bodies that received operational support from the Department. They are not subject to operational control by the Department.

	2018-19 \$'000	2017-18 \$'000
Community Kindergartens	3,628	3,799
Non-Government Schools Planning Advisory Panel	198	116
Rural and Regional Education Advisory Council	210	124
School Curriculum and Standards Authority	30,463	31,811
Training Accreditation Council	1,053	2,250
Western Australian Higher Education Council	14	18
Total Affiliated bodies	35,566	38,118

The Department had nil related bodies during the financial year.

9.7 Special purpose accounts

Teacher Registration Board of Western Australia Account

The purpose of this account is to hold funds received under section 115(3) of the *Teacher Registration Act 2012* for the payment of costs and expenses incurred in the performance of the functions of the Teacher Registration Board of Western Australia (TRBWA).

The special purpose account was established pursuant to section 16(1)(b) of the *Financial Management Act 2006*.

	2018-19 \$'000	2017-18 \$'000
Balance at start of period	9,137	-
Receipts*	6,115	13,462
Payments	(4,991)	(4,325)
Balance at end of period	10,261	9,137

* Receipts in 2017-18 include \$7.46 million transferred from the previous Department of Education Services (DES) as part of Machinery of Government changes.

Student Residential Colleges Fund

The Student Residential Colleges Fund is an Department special purpose account under the *Financial Management Act 2006* section 16 (1)(b).

	2018-19 \$'000	2017-18 \$'000
Balance at start of period	5,830	-
Receipts*	17,872	35,869
Payments	(18,349)	(30,039)
Balance at end of period	5,353	5,830

* Receipts in 2017-18 include \$4.40 million transferred from the previous Country High School and Hostels Authority (CHSHA).

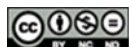
Student scholarship accounts

The Department manages the following special purpose accounts in a trustee capacity. The funds are restricted in that they can only be used in accordance with the conditions of the accounts. These are not included in the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.7 Special purpose accounts (continued)

Special Purpose Account	2018-19				2017-18			
	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	25,000	25,000	4,736	4,736	20,000	20,000	4,736
2 Scholarship - Council of War Service Land Settlers Association	1,028	23	-	1,051	1,008	20	-	1,028
3 John Henry Kendall	1,143	25	-	1,168	1,121	22	-	1,143
4 Margueretta Wilson Scholarship	3,203	69	-	3,272	3,140	63	-	3,203
5 Perth Girls' Memorial Scholarship	99,219	2,441	10,000	91,660	103,777	2,442	7,000	99,219
6 Sir Thomas Coombe Scholarship	123,205	2,408	-	125,613	121,251	1,954	-	123,205
7 Margery Bennett Prize	1,377	30	-	1,407	1,350	27	-	1,377
8 W.J. Reid Memorial Prize	8,394	183	-	8,577	8,232	162	-	8,394
9 James and Rose Coombe Scholarships	500	28,000	27,250	1,250	1,000	20,000	20,500	500
10 Perth Boys' Memorial Scholarship	20,279	443	5,000	15,722	21,849	430	2,000	20,279
11 Roy Grace English Scholarship	-	-	-	-	-	2,000	2,000	-
12 James A. Heron Memorial Prize	13,879	302	-	14,181	14,591	288	1,000	13,879
13 Ernest Smith Memorial Prize for English	2,753	60	-	2,813	2,700	53	-	2,753
14 Bentley Senior High School Memorial Scholarship	22,628	494	3,000	20,122	23,172	456	1,000	22,628
15 Elaine Nora Walker Scholarships	101,994	2,225	3,000	101,219	103,948	2,046	4,000	101,994
16 William Samuel Bequest	1,856	40	100	1,796	1,919	37	100	1,856
17 Howard Porter Memorial Prize for Good Citizenship	2,560	54	100	2,514	2,609	51	100	2,560
18 Ian Bremner Memorial Scholarship	45,997	982	2,000	44,979	47,090	907	2,000	45,997
19 Catherine and Ernest Bennett Memorial Scholarship	29,661	645	500	29,806	29,579	582	500	29,661
20 Laurence Armstrong Scholarship	323,217	28,095	-	351,312	296,820	26,397	-	323,217
21 Rural Boarding Scholarship	-	23,752	-	23,752	-	-	-	-
Totals	807,629	115,271	75,950	846,950	789,892	77,937	60,200	807,629



NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.7 Special purpose accounts (continued)

PURPOSE OF SPECIAL PURPOSE ACCOUNTS

1. Olive A. Lewis Scholarship Trust Account

To hold funds received from the Trustees of the Olive A. Lewis Scholarship Trust pending payment of scholarships to students of ability whose further education might otherwise be restricted by virtue of financial need.

2. Scholarship - Council of War Service Land Settlers Association Trust Account

To hold funds for the purpose of providing an annual prize and runner-up award for the students of residential agricultural schools.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. Ernest Smith Memorial Prize for English Trust Account

To hold and invest moneys donated for the purpose of awarding an annual prize to the best student in English at North Perth Primary School.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.7 Special purpose accounts (continued)

14. Bentley Senior High School Memorial Scholarship

To hold and invest moneys for the purpose of awarding scholarships based on academic merit to students of Kent Street Senior High School, Como Secondary College or Cannington Community College.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. Rural Boarding Scholarship

To hold security monies deposited by scholarship holders. On completion of a teaching qualification, the funds in the trust account will be refunded to the successful scholarship recipient.

9.8 Remuneration of auditors

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

	2018-19	2017-18
	\$'000	\$'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	500	561
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These amounts are due and payable in the next financial year.

The expenses for the 2018-19 audit of the financial statements is included in note 3.3 'Other Expenses'.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.9 Services provided free of charge

During the period the following services were provided to other agencies free of charge for functions outside the normal operations of the Department:

- Marketing and publications
- Delivery support systems - wide area network
- College management information systems support
- Accounting services
- Asset and building management services
- Industrial relations support
- Lease costs
- Outgoings
- School census information
- Administration support

	2018-19	2017-18
	\$'000	\$'000
Department of Finance	-	13
Department of Health	976	953
Department of Communities	2	3
Mental Health Commission	-	1
Department of Justice	2	1
Department of Training & Workforce Development	-	2
Public Sector Commission	1	-
Commissioner for Children & Young People	2	-
Trustees of the Public Education Endowment	15	-
School Curriculum & Standards Authority	30,463	31,811
	31,461	32,784

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.10 Non-current assets classified as held for sale

The following table represents a summary of assets held for sale:

	2018-19 \$'000	2017-18 \$'000
<u>Opening balance</u>		
Land and buildings	4,219	-
Write-down from cost to fair value less selling costs		-
	4,219	
<u>Transfer from the old Department of Education</u>		
Land and buildings	-	769
Write-down from cost to fair value less selling costs	-	-
	-	769
<u>Add: Assets reclassified as held for distribution</u>		
Land and buildings ^(a)	97	3,720
Write-down from cost to fair value less selling costs	-	-
	97	3,720
<u>Total assets classified as held for distribution</u>		
Land and buildings	4,316	4,489
Write-down from cost to fair value less selling costs	-	-
	4,316	4,489
<u>Less: Assets sold or distributed to owner</u>		
Land and buildings	370	270
Write-down from cost to fair value less selling costs	399	-
	769	270
<u>Closing balance</u>		
Land and buildings	3,547	4,219
Write-down from cost to fair value less selling costs		-
	3,547	4,219

- (a) In 2018-19 the following listed land and buildings, surplus to the Department's requirements, and with a fair value of \$0.097 million were transferred to land and buildings held for distribution to owner:
- Mt Barker Pre- Primary School site \$0.042 million
 - Mt Barker Primary School \$0.055 million.

Non-current assets (or disposal groups) held for sale/ distribution to owner are recognised at the lower of carrying amount and fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for distribution are not depreciated or amortised.

Non-current assets held for distribution comprise surplus Crown and freehold land 'held for sale' and buildings to be disposed of by the Department as a distribution to owner. All Crown land holdings are vested in the Department by the Government. The Department of Planning, Lands and Heritage (DPLH) is the only agency with the power to sell Crown land. The Department transfers the Crown land and any attached buildings to DPLH when the land becomes available for sale.

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.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.11 Equity

	2018-19 \$'000	2017-18 \$'000
Contributed equity		
Balance at start of period	13,851,064	-
<u>Contributions by owners</u>		
Capital appropriation	275,880	262,626
Transfer of net assets from other agencies	-	13,541,789
<u>Other contributions by owners</u>		
Royalties for Regions Fund - Regional Infrastructure and Headwork Account	84,487	46,660
Total contributions by owners	14,211,431	13,851,075
<u>Distributions to owners</u>		
Transfer of net assets to Government:		
Crown land transferred to DPLH	(14,608)	-
Office equipment transferred to Public Service Commission	(3)	-
Training Accreditation Council debtors transferred to DTWD	(117)	-
Machinery of Government transfer from SCSA	-	(11)
Total distributions to owner	(14,728)	(11)
Balance at end of period	14,196,703	13,851,064
Accumulated surplus		
Balance at start of the year	(238,044)	-
Change in accounting policy ^(a)	(9,392)	-
Result for the period	(301,089)	(238,044)
Balance at the end of the year	(548,525)	(238,044)
Total equity at end of the period	13,648,178	13,613,020

(a) Initial application of AASB 9 *Financial Instruments*.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.12 Supplementary financial information

	2018-19 \$'000	2017-18 \$'000
Write-offs		
<u>Accounts Receivable</u>		
During the financial year, \$2,971,484 (2017-18: \$3,670,373) of Accounts Receivable was written off under the authority of:		
Accountable Authority	2,971	3,670
The Minister	-	-
Executive Council	-	-
	2,971	3,670
<u>Asset Register</u>		
During the financial year, \$39,688 (2017-18: \$30,915) was written off the Department's asset register under the authority of:		
The Accountable Authority	40	31
The Minister	-	-
Executive Council	-	-
	40	31
Losses through theft, defaults and other causes		
Losses of public money and other property through theft or default	1	16
Amounts recovered	1	4
	2	20
The dollar amount allocated to "Losses of public money and other property through theft or default" is an estimate as some of the cases are still under investigation and/or the actual loss incurred is not able to be quantified.		
Gifts of public property		
Gifts of public property provided by the Department	-	-
	-	-

During the year no gifts of public property were made.

Act of Grace Payments

During the financial year, nil Act of Grace payment was made.

9.13 Explanatory statement

All variances between estimates (original budget) and actual results for 2018-19, and between the actual results for 2018-19 and 2017-18 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- 5% and \$25.0 million for the Statement of Comprehensive income and Cash Flows; and
- 5% and \$25.0 million for Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.13 Explanatory statement (continued)

Statement of Comprehensive Income

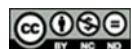
	Estimate 2018-19	Actual 2018-19	Actual 2017-18	Variance						
				Variance between estimate and actual			Variance between actual results for 2019 and 2018			
				\$'000	%	Note	\$'000	%	Note	
COST OF SERVICES										
Expenses										
Employee benefits expense	3,872,227	3,864,805	3,834,394	(7,422)	(0%)		30,411	1%		
Supplies and services	944,629	901,290	864,037	(43,339)	(5%)	1	37,253	4%		
Depreciation and amortisation expense	203,620	188,060	187,748	(15,560)	(8%)		312	0%		
Grants and subsidies	32,483	33,177	42,235	694	2%		(9,058)	(21%)		
Finance costs	33,990	30,881	25,293	(3,109)	(9%)		5,588	22%		
Other expenses	4,012	476,272	397,513	472,260	11771%	2	78,759	20%		A
Total cost of services	5,090,961	5,494,485	5,351,220	403,524	8%		143,265	3%		
Income										
Revenue										
User contributions, charges and fees	142,259	135,423	134,547	(6,836)	(5%)		876	1%		
Other revenue	88,149	114,467	124,988	26,318	30%	3	(10,521)	(8%)		
Australian Government grants and contributions	792,772	813,495	736,284	20,723	3%		77,211	10%		B
Interest revenue	22,239	19,291	22,442	(2,948)	(13%)		(3,151)	(14%)		
Total Revenue	1,045,419	1,082,676	1,018,261	37,257	4%		64,415	6%		
Total income other than income from State Government	1,045,419	1,082,676	1,018,261	37,257	4%		64,415	6%		
NET COST OF SERVICES	4,045,542	4,411,809	4,332,959	366,267	9%		78,850	2%		
Income from State Government										
Service appropriation	4,043,514	4,064,460	4,053,674	20,946	1%		10,786	0%		
Grants from State Government Agencies	5,692	13,020	11,618	7,328	129%		1,402	12%		
Services received free of charge	14,517	14,170	14,946	(347)	(2%)		(776)	(5%)		
Royalties for Regions Fund	30,384	19,070	14,677	(11,314)	(37%)		4,393	30%		
Total income from State Government	4,094,107	4,110,720	4,094,915	16,613	0%		15,805	0%		
SURPLUS/(DEFICIT) FOR THE PERIOD	48,565	(301,089)	(238,044)	(349,654)	(720%)		(63,045)	26%		
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	48,565	(301,089)	(238,044)	(349,654)	(720%)		(63,045)	26%		

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.13 Explanatory statement (continued)

Statement of Financial Position

	Estimate 2018–19	Actual 2018–19	Actual 2017–18	Variance					
				Variance between estimate and actual			Variance between actual results for 2019 and 2018		
	\$'000	\$'000	\$'000	\$'000	%	Note	\$'000	%	Note
ASSETS									
Current Assets									
Cash and cash equivalents	505,746	599,313	586,873	93,567	19%	4	12,440	2%	
Restricted cash and cash equivalents	13,657	43,037	28,825	29,380	215%	5	14,212	49%	
Amounts receivable for services	19,673	19,673	19,673	-	0%		-	0%	
Inventories	-	6,936	6,084	6,936	100%		852	14%	
Receivables	76,295	73,305	83,846	(2,990)	(4%)		(10,541)	(13%)	
Other current assets	16,922	19,578	9,584	2,656	16%		9,994	104%	
Non-current assets held for distribution to owner	-	3,547	4,219	3,547	100%		(672)	(16%)	
Total Current Assets	632,293	765,389	739,104	133,096	21%		26,285	4%	
Non-Current Assets									
Restricted cash and cash equivalents	39,079	41,188	26,910	2,109	5%		14,278	53%	
Receivables	290,992	279,418	268,145	(11,574)	(4%)		11,273	4%	
Amounts receivable for services	2,925,673	2,921,922	2,701,398	(3,751)	(0%)		220,524	8%	
Property, plant and equipment	11,955,474	11,090,687	11,265,106	(864,787)	(7%)	6	(174,419)	(2%)	C
Intangible assets	26,023	16,366	10,313	(9,657)	(37%)		6,053	59%	
Total Non-Current Assets	15,237,241	14,349,581	14,271,872	(887,660)	(6%)		77,709	1%	
TOTAL ASSETS	15,869,534	15 114 970	15,010,976	(754,564)	(5%)		103,994	1%	
LIABILITIES									
Current Liabilities									
Payables	116,883	88,377	98,728	(28,506)	(24%)	7	(10,351)	(10%)	
Borrowings	44,375	50,259	47,316	5,884	13%		2,943	6%	
Provisions	586,671	569,568	588,515	(17,103)	(3%)		(18,947)	(3%)	
Other current liabilities	12,747	12,253	11,442	(494)	(4%)		811	7%	
Total Current Liabilities	760,676	720,457	746,001	(40,219)	(5%)		(25,544)	(3%)	
Non-Current Liabilities									
Payables	98	173	242	75	77%		(69)	(29%)	
Borrowings	552,540	540,159	465,864	(12,381)	(2%)		74,295	16%	
Provisions	212,866	206,003	185,849	(6,863)	(3%)		20,154	11%	
Total Non-Current Liabilities	765,504	746,335	651,955	(19,169)	(3%)		94,380	14%	D
TOTAL LIABILITIES	1,526,180	1 466 792	1,397,956	(59,388)	(4%)		68,836	5%	
NET ASSETS	14,343,354	13 648 178	13,613,020	(695,176)	(5%)		35,158	0%	
EQUITY									
Contributed equity	6,625,285	14,196,703	13,851,064	7,571,418	114%	8	345,639	2%	
Reserves	7,623,957	-	-	(7,623,957)	(100%)	8	-	0%	
Accumulated surplus/(deficit)	94,112	(548,525)	(238,044)	(642,637)	(683%)	8	(310,481)	130%	E
TOTAL EQUITY	14,343,354	13,648,178	13,613,020	(695,176)	(5%)		35,158	0%	

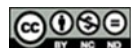


NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.13 Explanatory statement (continued)

Statement of Cash Flows

	Estimate 2018-19 \$'000	Actual 2018-19 \$'000	Actual 2017-18 \$'000	Variance						
				Variance between estimate and actual			Variance between actual results for 2019 and 2018			
				\$'000	%	Note	\$'000	%	Note	
CASH FLOWS FROM STATE GOVERNMENT										
Service appropriation	3,801,270	3,824,094	3,838,110	22,824	1%		(14,016)	(0%)		
Capital contributions	292,181	275,880	262,626	(16,301)	(6%)		13,254	5%		
Holding account drawdown	19,673	19,842	34,606	169	1%		(14,764)	(43%)		
Cash balance transferred in from the old Department of Education	-	-	585,008	-	0%		(585,008)	(100%)		F
Cash balance transferred from other agencies	-	-	17,728	-	0%		(17,728)	(100%)		
Royalties for Regions Fund	127,371	103,557	61,337	(23,814)	(19%)		42,220	69%		G
Grants and subsidies	5,692	12,909	8,585	7,217	127%		4,324	50%		
Net cash provided by State Government	4,246,187	4,236,282	4,808,000	(9,905)	(0%)		(571,718)	(12%)		
Utilised as follows:										
CASH FLOWS FROM OPERATING ACTIVITIES										
Payments										
Employees benefits	(3,833,209)	(3,842,592)	(3,809,406)	(9,383)	0%		(33,186)	1%		
Supplies and services	(930,040)	(910,629)	(844,882)	19,411	(2%)		(65,747)	8%		H
Grants and subsidies	(32,483)	(32,276)	(51,298)	207	(1%)		19,022	(37%)		
Finance costs	(26,412)	(27,484)	(17,650)	(1,072)	4%		(9,834)	56%		
GST payments on purchases	(108,241)	(132,130)	(122,365)	(23,889)	22%		(9,765)	8%		
Loans advanced to non-government schools	(57,100)	(42,382)	(52,698)	14,718	(26%)		10,316	(20%)		
Other payments	-	(592)	(860)	(592)	(100%)		268	(31%)		
Receipts										
User contributions, charges and fees	142,219	125,249	122,508	(16,970)	(12%)		2,741	2%		
Australian Governments grants and contributions	792,772	813,495	736,284	20,723	3%		77,211	10%		I
Interest received	17,349	16,452	14,738	(897)	(5%)		1,714	12%		
GST receipts on revenue	-	5,790	3,246	5,790	100%		2,544	78%		
GST receipts from taxation authority	108,142	122,135	119,650	13,993	13%		2,485	2%		
Repayments of loans by non-government schools	32,685	31,324	32,910	(1,361)	(4%)		(1,586)	(5%)		
Other receipts	88,049	98,904	94,089	10,855	12%		4,815	5%		
Net cash used in operating activities	(3,806,269)	(3,774,736)	(3,775,734)	31,533	(1%)		998	(0%)		
CASH FLOW FROM INVESTING ACTIVITIES										
Payments										
Purchase of non-current assets	(468,700)	(416,991)	(378,163)	51,709	(11%)	9	(38,828)	10%		J
Receipts										
Receipts from sale of non-current physical assets	-	517	453	517	100%		64	14%		
Net cash used in investing activities	(468,700)	(416,474)	(377,710)	52,226	(11%)		(38,764)	10%		
CASH FLOW FROM FINANCING ACTIVITIES										
Payments										
Payment finance lease liabilities	(16,952)	(18,986)	(17,805)	(2,034)	12%		(1,181)	7%		
Repayment of borrowings	(33,637)	(31,420)	(46,700)	2,217	(7%)		15,280	(33%)		
Receipts										
Proceeds from borrowings	57,100	46,264	52,557	(10,836)	(19%)		(6,293)	(12%)		
Net cash used in financing activities	6,511	(4,142)	(11,948)	(10,653)	(164%)		7,806	(65%)		
Net increase/(decrease) in cash and cash equivalents	(22,271)	40,930	642,608	63,201	(284%)	10	(601,678)	(94%)		K
Cash and cash equivalents at the beginning of the period	580,753	642,608	-	61,855	11%	10	642,608	0%		
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	558,482	683,538	642,608	125,056	22%	10	40,930	6%		



NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.13 Explanatory statement (continued)

Major Variance Narratives

Variances between estimate and actual

Statement of Comprehensive Income

- 1 Supplies and services was \$43.3 million (5%) lower than the 2018–19 Estimate due mainly to the lower than expected expenditure in direct schools' expenses (\$33.9 million). This underspend was partly due to schools making more capital purchases for assets above \$5 000 than projected (\$16.6 million). The Royalties for Regions funded Kimberley Schools Project expenditure was also \$6.8 million lower than the 2018–19 Estimate due to the re-profiling of the project's service delivery.
- 2 Other Expenses was higher than the 2018–19 estimate by \$472.3 million due to the \$468.4 million decrement to land and buildings in 2018–19.
- 3 Other revenue was higher than the original budget by \$26.3 million (30%) as a result of a higher than anticipated RiskCover Workers Compensation performance adjustment for 2015–16 (\$17.7 million), additional revenue generated by schools (\$11.5 million) and other miscellaneous revenue.

Statement of Financial Position

- 4 Cash and cash equivalents were \$93.6 million (19%) higher than the 2018–19 Estimate reflecting lower than expected expenditure in supplies and services (\$43.3 million) and additional revenue.
- 5 Restricted cash and cash equivalents (current) were \$29.4 million (215%) higher than the 2018–19 Estimate mainly due to Special Purpose Accounts (\$13.9 million) and Royalties for Regions funds (\$12.5 million).
- 6 Due to the timing of the finalisation of the 2018–19 Estimate, the decreases in the 2017–18 actual results relating to this line item are not reflected in the 2018–19 Estimate. This has resulted in significant decreases in the comparison between the 2018–19 Estimate and the 2018–19 Actual. There was also a revaluation decrement in land and buildings of \$390.4 million in 2017–18 and \$468.4 million in 2018–19.
- 7 Payables were \$28.5 million (24%) lower than the 2018–19 Estimate reflecting a reduction to sundry creditors and trade and other payables.
- 8 The overall variance is mainly due to the \$468.4 million decrement to land and buildings in 2018–19.

Statement of Cash Flows

- 9 Purchases of non-current fixed assets are \$51.7 million (11%) lower than the 2018–19 Estimate due to unavoidable delays in capital projects.
- 10 The increase in cash and cash equivalents at the end of the period reflects lower than expected expenditure on supplies and services and additional revenue.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.13 Explanatory statement (continued)

Major Variance Narratives

Variances between actual results for 2019 and 2018

Statement of Comprehensive Income

- A** The decrease of \$78.8 million (20%) in Other Expenses mainly reflects the decrement to land and buildings in 2017–18 of \$390.4 million and \$468.4 million in 2018–19.
- B** Australian Government grants and contributions were \$77.2 million (10%) higher than the previous year mainly reflecting additional Quality Schools funding (\$79.3 million) under the National School Reform Agreement.

Statement of Financial Position

- C** The amount receivable for services (non-current) increase of \$220.5 million (8%) reflects the provision for asset replacement.
- D** Borrowings were \$74.3 million (16%) higher mainly due to Public Private Partnerships finance lease liabilities (\$60.7 million) and borrowing under the Low Interest Loan Scheme for non-government schools (\$14.2 million).
- E** The movement in accumulated surplus/(deficit) of \$310.5 million (130%) reflects the operating result for the period (\$301.1 million) and the impact of the application of AASB 9 Financial Instruments which required a prior period adjustment of \$9.4 million (see also note 9.2).

Statement of Cash Flows

- F** The \$585 million variance is due to the transfer of the 30 June 2017 cash balance from the old Department to the new Department under Machinery of Government changes.
- G** Royalties for Regions funding was \$42.2 million (69%) higher than the previous year due to additional approved projects.
- H** Payments for supplies and services were \$65.7 million (8%) higher than the previous year mainly due to additional expenditure on repairs, maintenance and minor works (\$39.1 million) and services and contracts (\$20.3 million).
- I** Australian Government grants and contributions were \$77.2 million (10%) higher than the previous year mainly reflecting additional Quality Schools funding under the National School Reform Agreement (\$79.3 million).
- J** Purchases of non-current fixed assets are \$38.8 million (10%) higher than the previous year due to increased schools spending on non-current assets (\$16.6 million) and the Department's capital works program.
- K** The variance is due to the transfer of the 30 June 2017 cash balance from the old Department to the new Department under Machinery of Government changes.

9.14 Indian Ocean Territories

	2018–19 \$'000	2017–18 \$'000
<u>Reconciliation of Australian Government funds received and expended for the Indian Ocean Territories</u>		
Balance at start of period	(553)	971
Receipts	14,974	14,261
Payments	(14,489)	(15,785)
Balance at end of period	(68)	(553)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.15 Disclosure of administered income and expenses

	2018-19 \$'000	2017-18 \$'000
Income		
Transfer revenue	454,256	449,980
Total administered Income	454,256	449,980
Expenses		
Transfer payments	453,943	464,318
Total administered expenses	453,943	464,318

Notes to the schedule of administered items

(i) Transfer revenues

	2018-19 \$'000	2017-18 \$'000
Financial assistance for non-government schools	444,342	438,273
Other grants and subsidies	6,716	8,259
Subsidies for unfunded superannuation liabilities of higher education institutions	3,198	3,448
Total	454,256	449,980

Notes to the schedule of administered items

(ii) Transfer payments

The Department is responsible for transfers of appropriations to eligible beneficiaries consistent with the requirements of the *School Education Act 1999*, the *School Education Regulations 2000* and the applicable Government Gazettes. The Department does not control amounts for transfer but acts only as an agent. Except for the funding received for the unfunded superannuation liabilities of higher education institutions of \$3.20 million, and \$6.72 million for other miscellaneous grants and subsidiaries, the remaining \$444.03 million relates primarily to per capita funding.

The Department of Treasury provides for per capita grants funding based on student growth, the Education Price Index and the movement in the Average Government School Recurrent Cost (AGSRC) index. The government's policy commitment to the non-government education sector, is that average per capita of total expenditure on non-government students, including payment of direct per capita grants to schools, should be 'no less than 25%' of the adjusted AGSRC.

	2018-19 \$'000	2017-18 \$'000
Financial assistance for non-government schools	444,029	437,611
Other grants and subsidies	6,716	8,259
Return of appropriation	-	15,000
Subsidies for unfunded superannuation liabilities of higher education institutions	3,198	3,448
Total	453,943	464,318

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

9.16 Explanatory statement for administered items

All variances between estimates (original budget) and actual results for 2018–19 are shown below. Narratives are provided for key major variances, which are generally greater than 5% and \$9 million.

	Estimate 2018–19 \$'000	Actual 2018–19 \$'000	Actual 2017–18 \$'000	Variance					
				Variance between estimate and actual			Variance between actual results for 2019 and 2018		
				\$'000	%	Note	\$'000	%	Note
Income									
Transfer revenue	451,223	454,256	449,980	3,033	1%		4,276	1%	
Total administered Income	451,223	454,256	449,980	3,033	1%		4,276	1%	
Expenses									
Transfer payments	451,223	453,943	464,318	2,720	1%		(10,375)	(2%)	
Total administered expenses	451,223	453,943	464,318	2,720	1%		(10,375)	(2%)	
Net income from administered items	-	313	(14,338)	313	0%		14,651	(102%)	

9.17 Administered assets and liabilities

	2018–19 \$'000	2017–18 \$'000
Assets		
Cash and restricted cash assets		
Cash and cash equivalents	11,168	10,854
Total administered current assets	11,168	10,854
Net administered assets	11,168	10,854

APPENDICES

'Primary' denotes Kindergarten to Year 6 and 'Secondary' spans Years 7 to 12 unless specified otherwise.

1. Student enrolment

Table A1: Students at Western Australian schools by sector 2005 to 2019 ^(a) ^(b)

Year	Public schools	Non-government schools	Total
2005	252,040	116,968	369,008
2006	252,061	119,896	371,957
2007	253,209	123,216	376,425
2008	253,838	127,248	381,086
2009	258,132	131,240	389,372
2010	258,115	134,335	392,450
2011	261,013	137,372	398,385
2012	268,129	140,006	408,135
2013	276,275	142,883	419,158
2014	283,739	144,877	428,616
2015	292,952	148,980	441,932
2016	296,377	148,545	444,922
2017	302,271	147,471	449,742
2018	307,520	147,813	455,333
2019	311,199	148,836	460,035

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Public schools include community kindergartens and non-government schools include Independent pre-schools.

(b) Half cohort progressed through school from 2001 to 2014 inclusive, entering secondary education in 2010.

Table A2: Schools and students in Western Australia by sector and subgroup 2019 ^(a)

Sector	Schools	Students			
		All	Female	Male	Aboriginal
Public	812	311,199	150,497	160,702	26,002
Non-government	309	148,836	74,311	74,525	5,005
Total	1,121	460,035	224,808	235,227	31,007

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Public schools include community kindergartens and non-government schools include Independent pre-schools.

Table A3: Students at Western Australian schools by year level and sector 2019 ^(a)

Year level	Public schools	Non-government schools	Total
Pre-kindergarten	–	1,689	1,689
Kindergarten	24,397	8,210	32,607
Pre-primary	25,839	8,796	34,635
Year 1	26,075	8,800	34,875
Year 2	25,417	8,981	34,398
Year 3	25,344	9,204	34,548
Year 4	24,985	9,443	34,428
Year 5	24,351	9,734	34,085
Year 6	24,644	10,164	34,808
Year 7	20,824	13,219	34,043
Year 8	19,612	13,132	32,744
Year 9	18,702	12,380	31,082
Year 10	17,923	12,361	30,284
Year 11	17,839	11,817	29,656
Year 12	15,159	10,861	26,020
Primary total	201,052	75,021	276,073
Secondary total	110,147	73,815	183,962
Grand total	311,199	148,836	460,035

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens in public schools and Independent pre-schools in non-government schools. Totals include ungraded students.

Table A4: Students at Western Australian public schools by level of education and subgroup 2019 ^(a)

Level of education	All	Female	Male	Aboriginal
Primary	201,052	97,171	103,881	16,887
Secondary	110,147	53,326	56,821	9,115
Total	311,199	150,497	160,702	26,002

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

Table A5: Western Australian public schools and students by school type and level of education 2019^(a)

School type	Schools	Students		
		Primary	Secondary	Total
Community kindergarten	18	456	0	456
Primary ^(b)	560	187,723	559	188,282
District high	53	7,604	3,774	11,378
Kindergarten–Year 12 ^(c)	6	2,153	2,032	4,185
Secondary	109	0	102,137	102,137
Education support ^(d)	64	3,023	1,622	4,645
Specialist services ^(e)	2	93	23	116
Total	812	201,052	110,147	311,199

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students.

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

(c) Includes School of Isolated and Distance Education.

(d) Includes language development schools/centres.

(e) Comprises School of Special Educational Needs: Behaviour and Engagement and School of Special Educational Needs: Sensory.

Table A6: Students at Western Australian public schools by year level 2015 to 2019^{(a) (b)}

Year level	2015	2016	2017	2018	2019
Kindergarten	23,894	23,877	24,543	24,644	24,397
Pre-primary	25,139	25,171	25,174	25,953	25,839
Year 1	24,918	25,171	25,465	25,444	26,075
Year 2	25,349	24,859	25,102	25,425	25,417
Year 3	24,816	25,261	24,853	25,064	25,344
Year 4	23,145	24,647	25,172	24,708	24,985
Year 5	21,784	22,797	24,301	24,775	24,351
Year 6	20,996	21,639	22,737	24,132	24,644
Year 7	17,394	17,783	18,673	19,679	20,824
Year 8	17,185	17,469	17,970	18,762	19,612
Year 9	17,460	17,326	17,582	18,057	18,702
Year 10	17,811	17,451	17,462	17,576	17,923
Year 11	18,419	18,187	18,088	17,954	17,839
Year 12	14,566	14,660	15,075	15,278	15,159
Primary total	190,041	193,422	197,347	200,145	201,052
Secondary total	102,911	102,955	104,924	107,375	110,147
Grand total	292,952	296,377	302,271	307,520	311,199

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens. Totals include ungraded students.

(b) Year 7 included in secondary from 2015. Prior to this Year 7 included in primary.

Table A7: Proportion (%) of students by public schools' geolocation by level of education 2019 ^{(a) (b)}

Geolocation ^(c)	Primary	Secondary	All
Metropolitan	76.1	75.1	75.8
Inner regional	8.8	9.8	9.2
Outer regional	7.3	8.4	7.7
Remote	4.8	4.2	4.6
Very remote	2.9	2.5	2.8

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

(b) Percentages may not add to 100% due to rounding.

(c) Australian Bureau of Statistics Australian Statistical Geography Standard, based on location of students' schools.

Table A8: Western Australian public schools and students by education region and level of education 2019 ^(a)

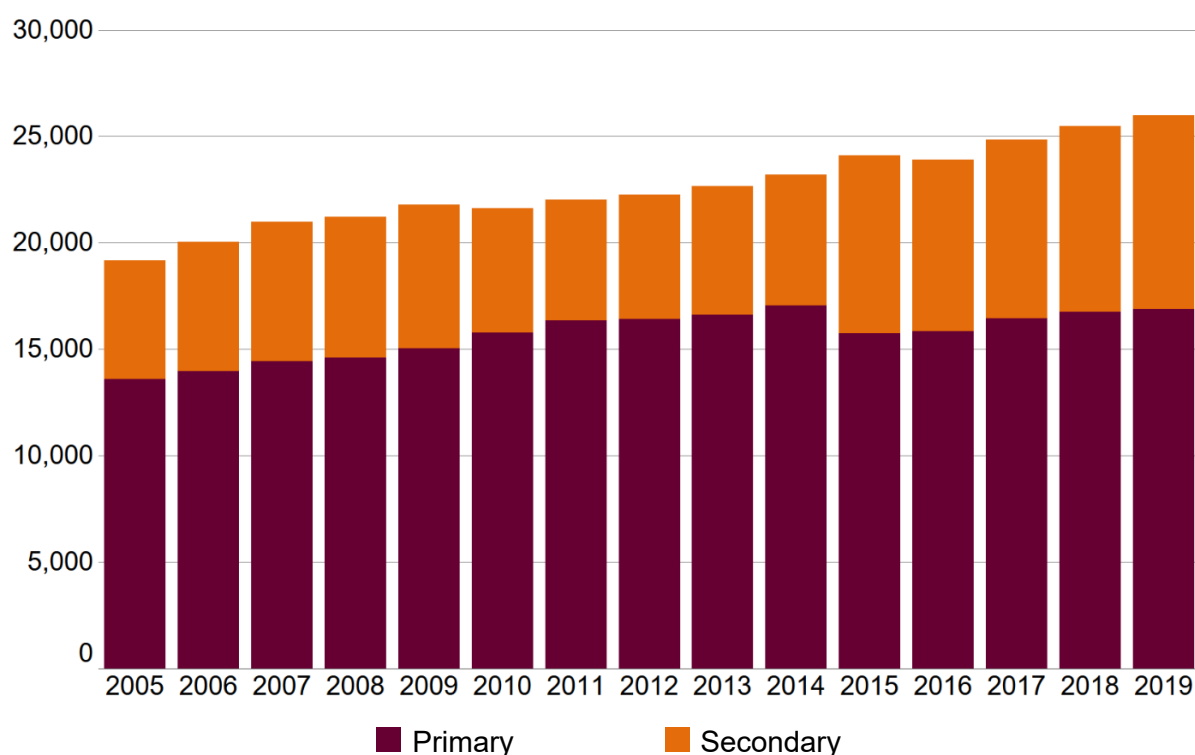
Education region	Schools	Students		
		Primary	Secondary	Total
Metropolitan				
North Metropolitan	245	73,419	39,104	112,523
South Metropolitan	261	82,660	44,401	127,061
Total	506	156,079	83,505	239,584
Country ^(b)				
Goldfields	38	5,327	2,660	7,987
Kimberley	23	3,585	2,084	5,669
Midwest	47	5,278	2,734	8,012
Pilbara	29	6,651	2,842	9,493
Southwest	100	18,387	12,942	31,329
Wheatbelt	69	5,745	3,380	9,125
Total	306	44,973	26,642	71,615
Grand total	812	201,052	110,147	311,199

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

(b) Defined as all non-metropolitan education regions.

Figure A1: Aboriginal students at Western Australian public schools by level of education 2005 to 2019 ^{(a) (b) (c)}



Source: System and School Performance

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

(b) Year 7 included in secondary from 2015. Prior to this Year 7 included in primary.

(c) Half cohort progressed through school from 2001 to 2014 inclusive, entering secondary education in 2010.

Table A9: Aboriginal students at Western Australian public schools by year level 2015 to 2019 ^{(a) (b)}

Year level	2015	2016	2017	2018	2019
Kindergarten	1,812	1,714	1,854	1,860	1,800
Pre-primary	1,997	2,027	2,020	2,115	2,137
Year 1	2,085	2,025	2,123	2,108	2,181
Year 2	2,060	2,076	2,073	2,160	2,139
Year 3	2,120	2,065	2,134	2,074	2,192
Year 4	1,999	2,089	2,095	2,141	2,125
Year 5	1,912	1,989	2,129	2,128	2,169
Year 6	1,754	1,872	2,032	2,156	2,144
Year 7	1,632	1,534	1,714	1,856	1,975
Year 8	1,633	1,619	1,584	1,726	1,858
Year 9	1,546	1,544	1,570	1,530	1,637
Year 10	1,474	1,375	1,457	1,464	1,390
Year 11	1,311	1,228	1,262	1,301	1,362
Year 12	783	736	816	852	893
Primary total	15,739	15,857	16,460	16,742	16,887
Secondary total	8,379	8,036	8,403	8,729	9,115
Grand total	24,118	23,893	24,863	25,471	26,002

Source: System and School Performance

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens. Totals include ungraded students.

(b) Year 7 included in secondary from 2015. Prior to this Year 7 included in primary.

Table A10: Aboriginal students at Western Australian public schools by education region 2019 ^(a)

Education region	Aboriginal	All	Aboriginal students as % of all public school students
Metropolitan			
North Metropolitan	4,793	112,523	4.3
South Metropolitan	7,160	127,061	5.6
Total	11,953	239,584	5.0
Country ^(b)			
Goldfields	1,807	7,987	22.6
Kimberley	3,458	5,669	61.0
Midwest	2,362	8,012	29.5
Pilbara	2,700	9,493	28.4
Southwest	2,259	31,329	7.2
Wheatbelt	1,463	9,125	16.0
Total	14,049	71,615	19.6
Grand total	26,002	311,199	8.4

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

(b) Defined as all non-metropolitan education regions.

Table A11: Students registered to receive home education 2015 to 2019 ^{(a) (b)}

2015	2016	2017	2018	2019
2,826	3,303	3,464	3,563	3,720

Source: *Statewide Services*

(a) Under the *School Education Act 1999*, the Department is responsible for regulation of home education, including evaluation of home education programs and educational progress of students.

(b) As at end of March.

Table A12: Western Australian non-government schools and students by school type and level of education 2019 ^{(a) (b)}

School type	Schools	Students		
		Primary	Secondary	Total
Independent pre-school	1	58	0	58
Primary	145	39,703	0	39,703
Primary–secondary	121	35,260	47,406	82,666
Secondary	42	0	26,409	26,409
Total	309	75,021	73,815	148,836

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students.

(b) Primary includes pre-kindergarten students at non-government schools.

Table A13: Non-government schools and students by religious affiliation of school 2018 and 2019 ^(a)

Religious affiliation	Schools		Students	
	2018	2019	2018	2019
No religious affiliation	52	52	7,161	7,175
Total religious affiliation	255	257	140,652	141,661
Anglican	19	19	22,241	22,104
Baptist	14	15	9,497	10,199
Catholic	164	164	78,432	78,617
Seventh Day Adventist	5	5	665	701
Uniting Church	8	8	9,267	8,826
Various other	45	46	20,550	21,214
Grand total	307	309	147,813	148,836

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students.

Table A14: Students at Western Australian residential colleges 2010 to 2019 ^(a)

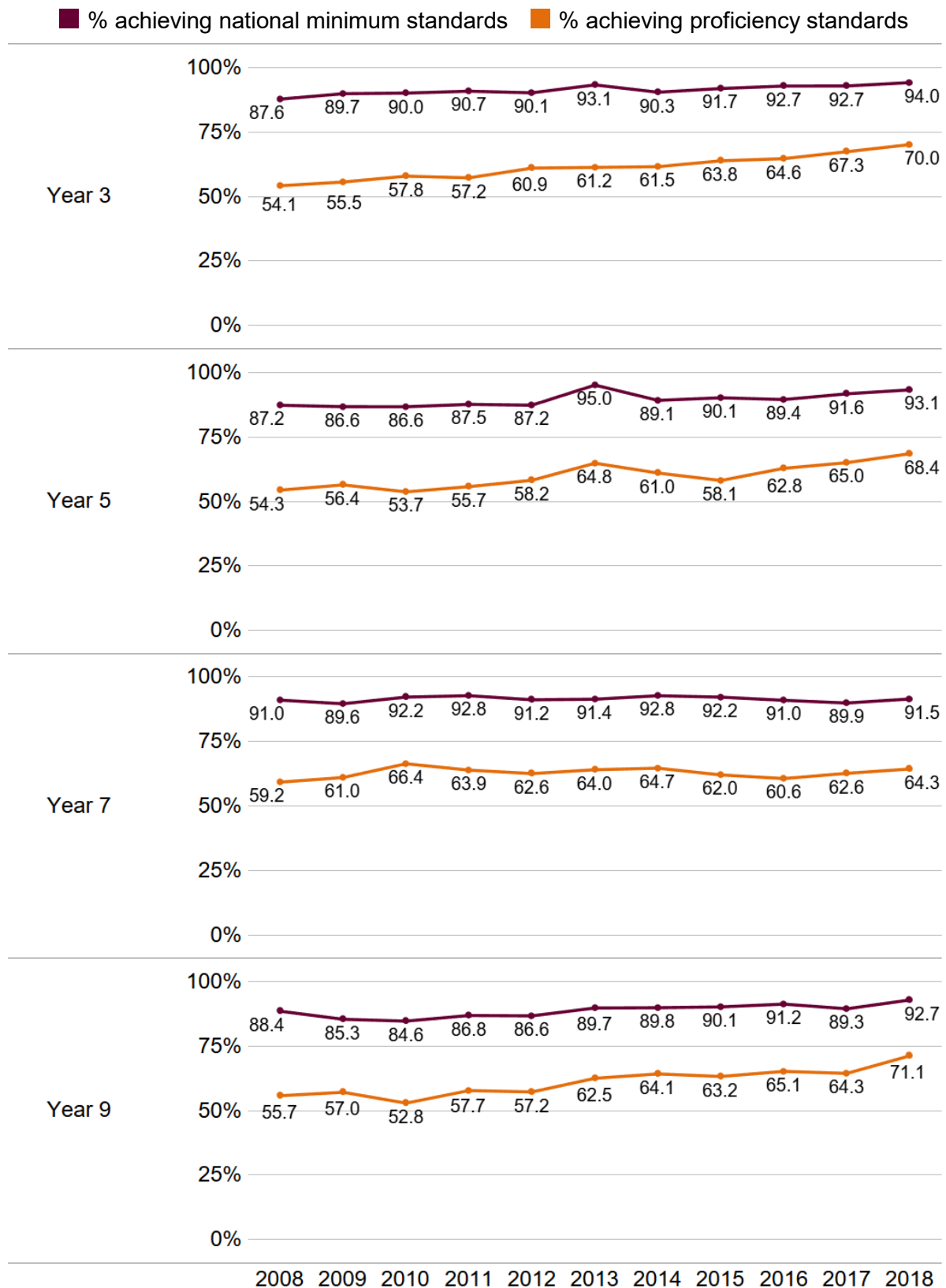
College	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Albany	127	95	97	80	81	86	94	82	69	66
Broome	60	52	77	51	72	73	72	102	99	81
City Beach	63	66	69	60	57	54	56	52	54	56
Esperance	89	78	86	75	73	82	79	95	87	83
Geraldton	109	100	89	89	62	60	80	68	55	62
Merredin	34	24	44	47	48	59	60	41	37	37
Moora	31	29	40	30	28	34	35	32	26	26
Narrogin	163	156	142	133	124	125	113	102	92	93
Northam	39	37	21	19	18	21	24	19	13	9
Total	715	637	665	584	563	594	613	593	532	513

Source: *Schools Division*

(a) Semester 1 student census.

2. NAPLAN results

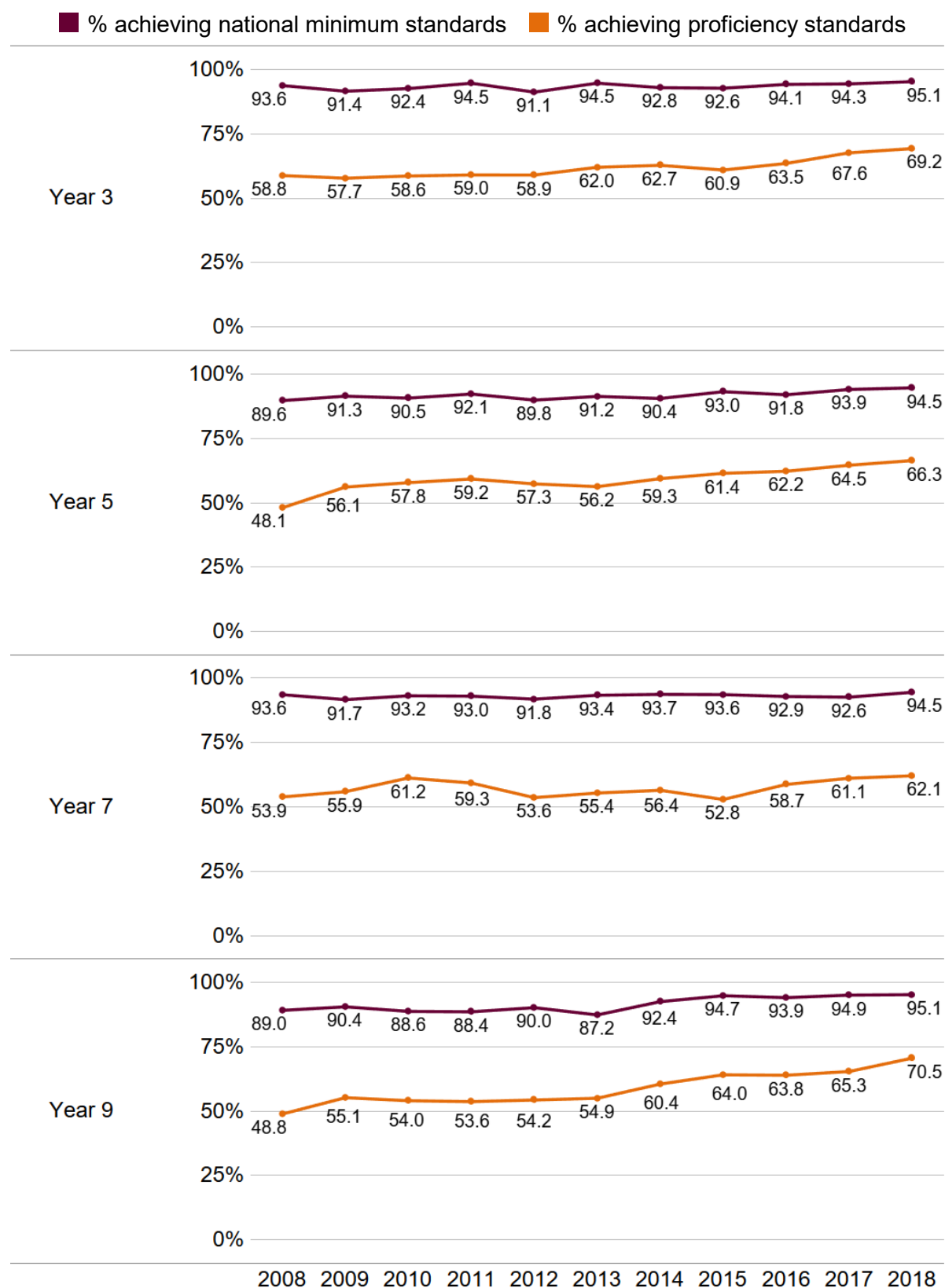
Figure A2: Percentage of Western Australian public school students achieving standards in NAPLAN Reading by year level, 2008 to 2018



Source: System and School Performance

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

Figure A3: Percentage of Western Australian public school students achieving standards in NAPLAN Numeracy by year level, 2008 to 2018



Source: System and School Performance

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

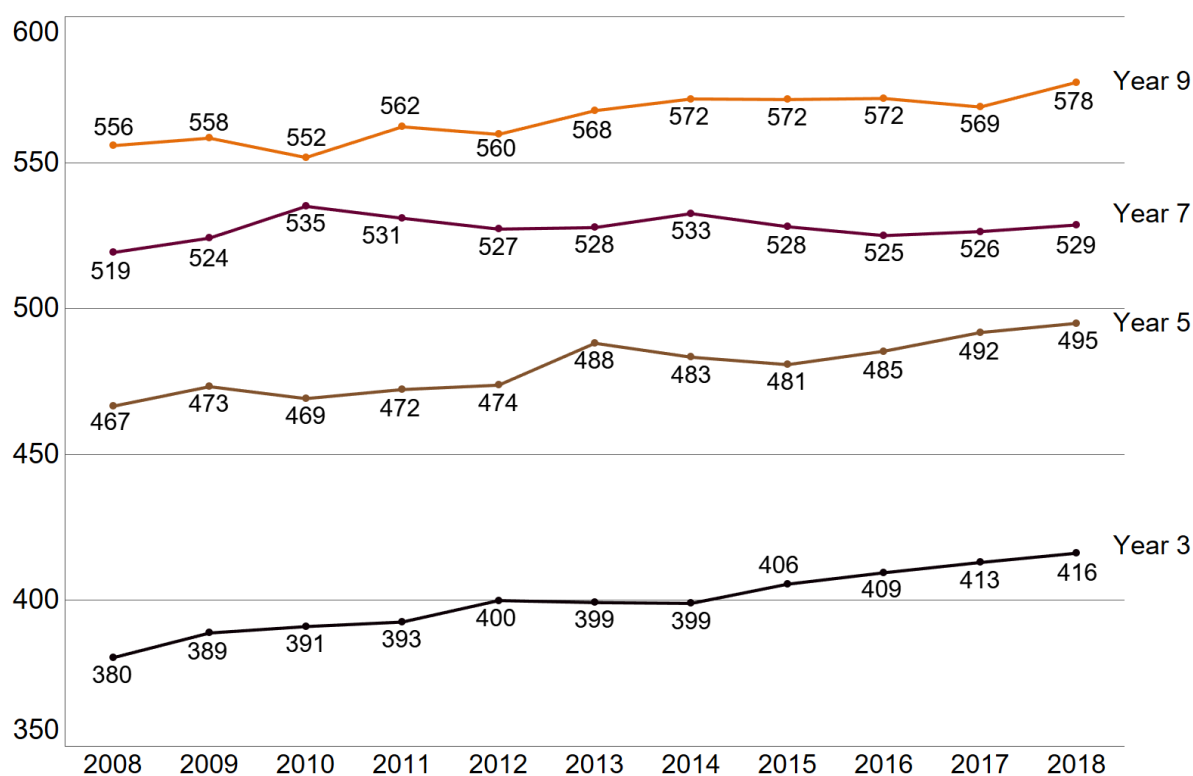
Table A15: Percentage of Western Australian public school students achieving the national minimum standards in NAPLAN by year level 2018^(a)

Assessment area	Year 3		Year 5		Year 7		Year 9	
	Target	Result	Target	Result	Target	Result	Target	Result
Reading	93	94.0	92	93.1	92	91.5	92	92.7
Writing	96	92.0	92	86.5	86	82.4	81	77.2
Numeracy	95	95.1	94	94.5	93	94.5	95	95.1

Source: System and School Performance

(a) The percentages of Western Australian public school students achieving national minimum standards in NAPLAN reading, writing and numeracy assessments were published as key performance indicators in the 2018–19 Budget Papers with targets as shown. The Department's [key performance indicators](#) have since changed.

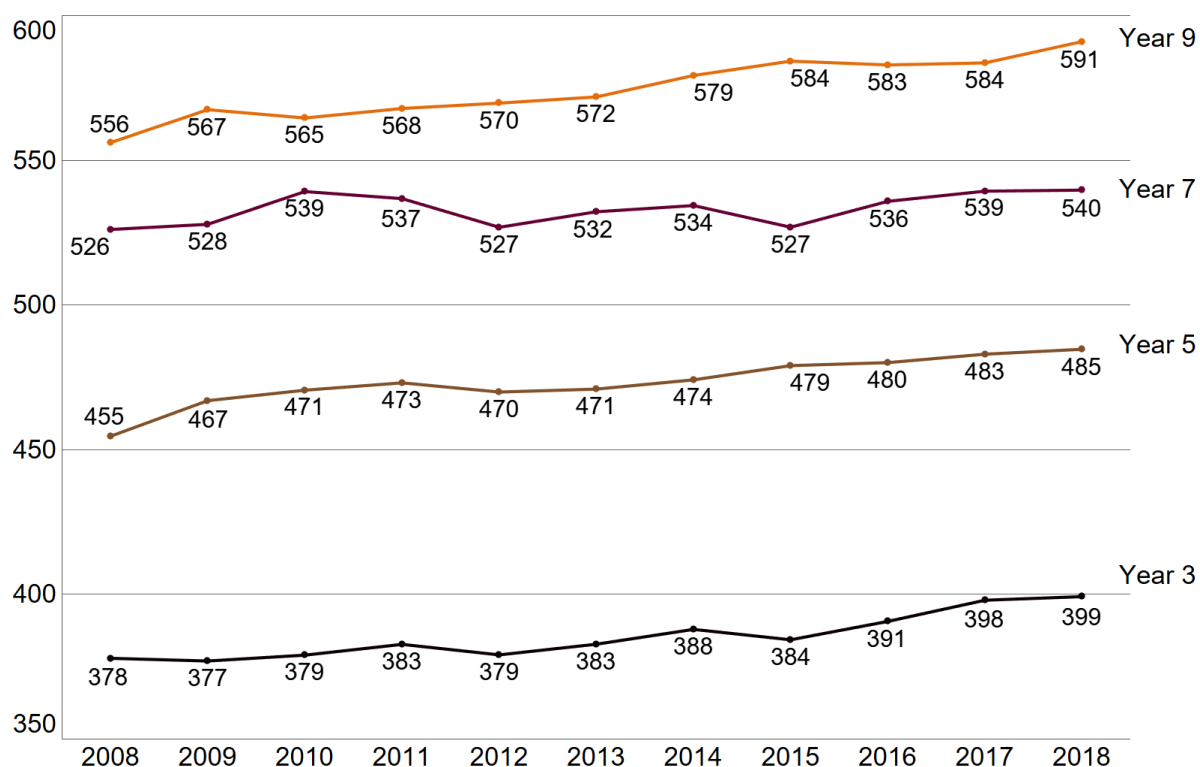
Figure A4: Mean NAPLAN Reading scores of Western Australian public school students by year level 2008 to 2018^(a)



Source: System and School Performance

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

Figure A5: Mean NAPLAN Numeracy scores of Western Australian public school students by year level 2008 to 2018 ^(a)



Source: System and School Performance

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

Table A16: Percentage of children in care achieving the national minimum standards 2016 and 2018 ^(a)

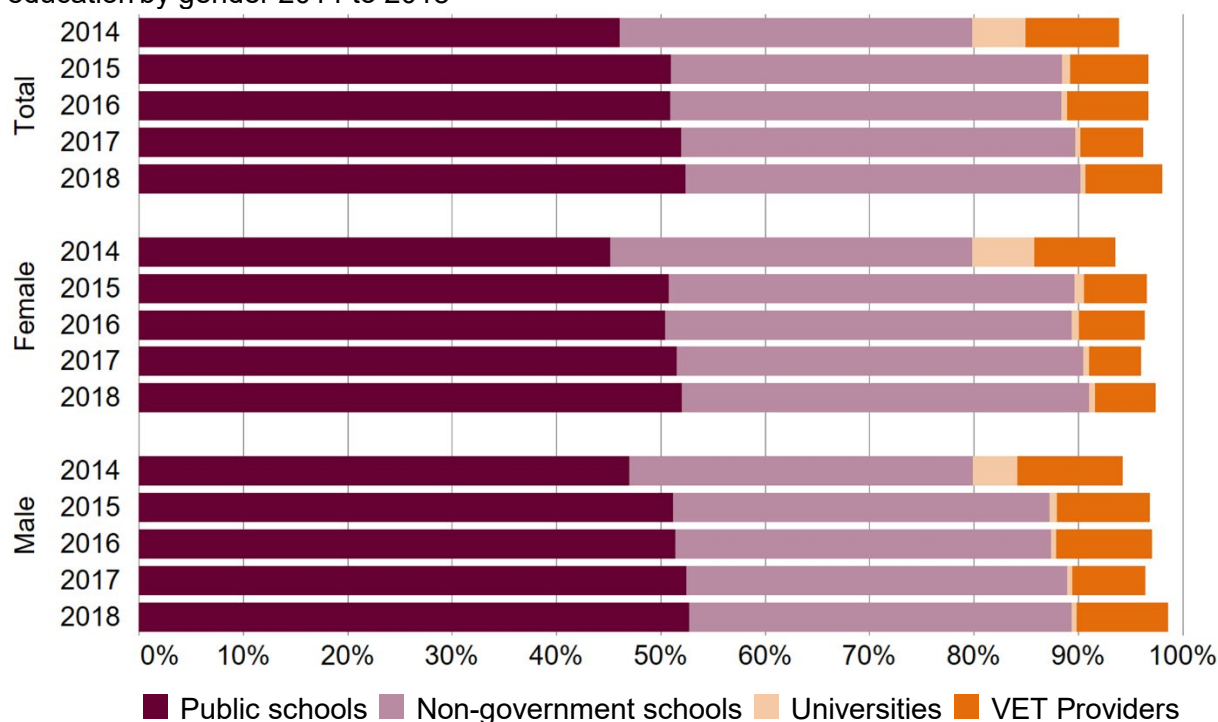
Assessment area	2016		2018	
	Year level	%	Year level	%
Reading	Year 3	84.9	Year 5	73.9
	Year 5	69.9	Year 7	75.7
	Year 7	76.4	Year 9	73.6
Numeracy	Year 3	85.1	Year 5	84.2
	Year 5	76.0	Year 7	86.9
	Year 7	80.8	Year 9	85.6

Source: System and School Performance

(a) Only includes students with results in 2016 and 2018.

3. Student participation, achievement and satisfaction

Figure A6: Participation rate (%) of persons aged 15 to 17 years engaged in some form of education by gender 2014 to 2018 ^{(a) (b) (c)}



Source: *System and School Performance*

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

(b) University enrolment data for 2018 is an estimate based on 2017 university enrolment data and an annual compound growth factor calculated from university enrolment data across the previous four years.

(c) Revised figures for 2017 due to updated data for 2017 university student enrolments and estimate of resident population.

Table A17: Public school student attendance rate (%) by level of education and subgroup 2018 ^{(a) (b)}

Level of education	Aboriginal	Non-Aboriginal	All
All	75.3	92.1	90.7
Primary ^(c)	80.8	93.7	92.6
Secondary	66.0	89.6	87.6

Source: *System and School Performance*

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

(b) As per National Standards for Student Attendance Data Reporting.

(c) Pre-primary to Year 6.

Table A18: Percentage of public school students by attendance category by subgroup 2018 ^{(a) (b) (c)}

Attendance category	Aboriginal	Non-Aboriginal	All
Regular attendance (90–100%)	36.4	75.2	71.8
Indicated attendance risk (80–<90%)	20.4	16.6	17.0
Moderate attendance risk (60–<80%)	20.3	6.1	7.3
Severe attendance risk (<60%)	22.8	2.1	3.9

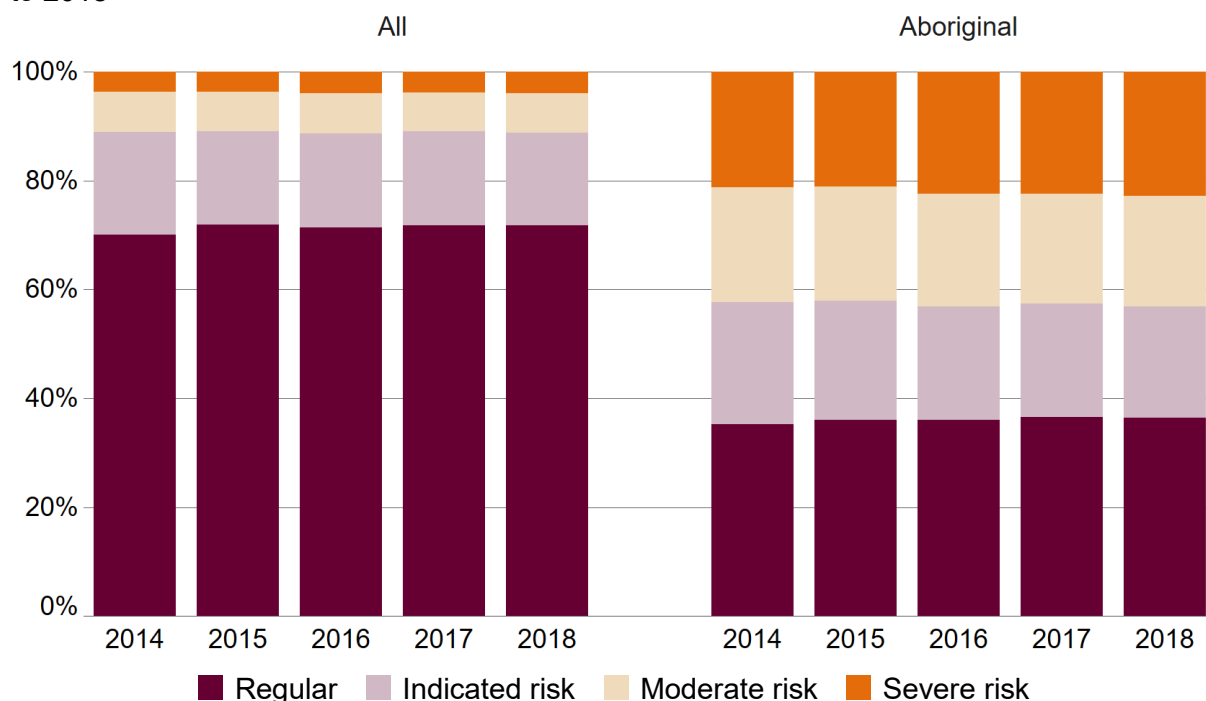
Source: *System and School Performance*

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

(b) Percentages may not add to 100% due to rounding.

(c) As per National Standards for Student Attendance Data Reporting.

Figure A7: Percentage of public school students by subgroup by attendance category 2014 to 2018 ^{(a) (b)}



Source: *System and School Performance*

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

(b) As per National Standards for Student Attendance Data Reporting.

Table A19: Apparent retention rate (%) of public school students Years 8 to 12 by subgroup 2014 to 2018 ^{(a) (b)}

Subgroup	2014 ^(c)		2015		2016		2017		2018	
	%	N	%	N	%	N	%	N	%	N
All	90.3	8,364	80.4	13,005	77.7	13,398	80.1	13,856	81.4	13,925
Female	96.2	4,125	85.3	6,531	80.4	6,612	83.8	6,927	84.3	6,874
Male	85.1	4,239	76.0	6,474	75.1	6,786	76.7	6,929	78.7	7,051
Aboriginal	49.1	405	43.9	645	38.8	627	45.3	717	47.3	718
Female	49.3	186	46.2	306	38.0	285	46.7	356	47.3	355
Male	48.9	219	42.1	339	39.5	342	44.1	361	47.3	363

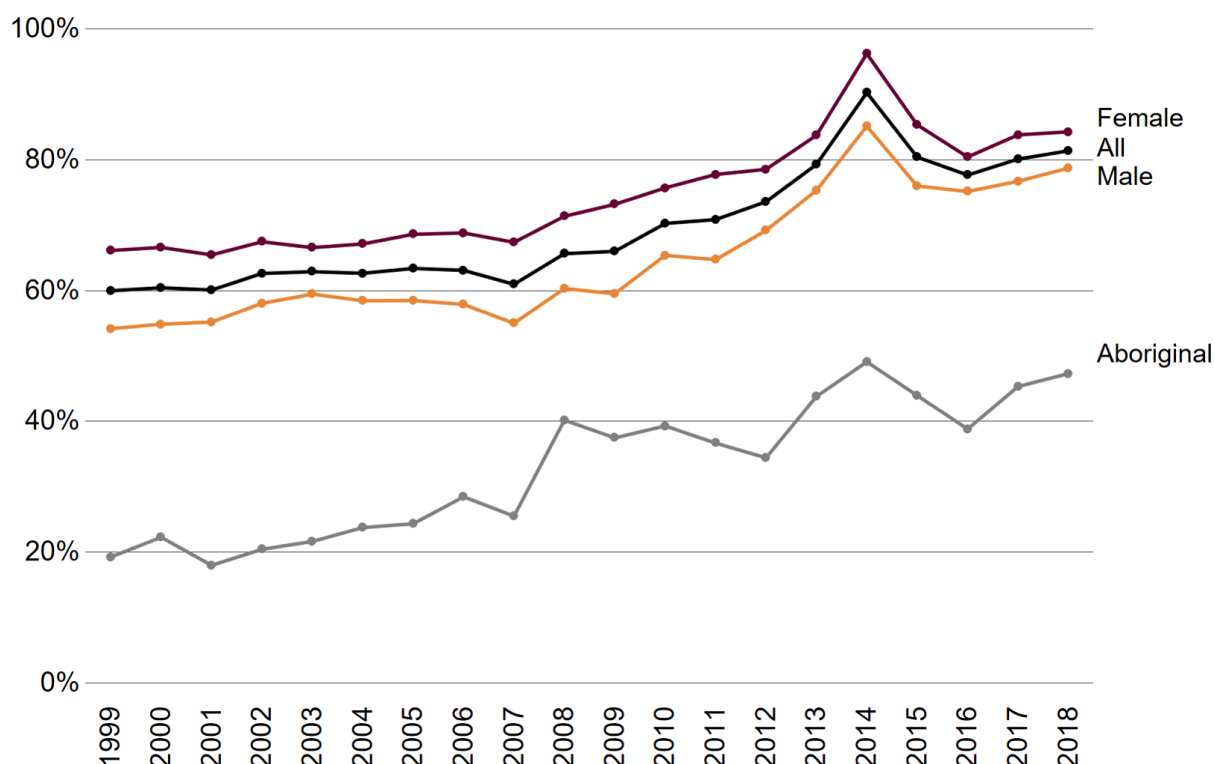
Source: System and School Performance

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

(b) 'N' is the number of Year 12 students. All data as at Semester 2 student census.

(c) Half cohort in Year 12.

Figure A8: Apparent retention rate (%) of public school students Years 8 to 12 by subgroup 1999 to 2018 ^{(a) (b)}



Source: System and School Performance

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

(b) Semester 2 student census.

Table A20: Year 12 public school student WACE achievement rate and attainment rate by subgroup 2017 and 2018 ^(a)

	Subgroup	2017		2018 ^(b)	
		%	N	%	N
WACE achievement rate ^(c)	All	79.5	11,423	80.5	11,589
	Aboriginal	44.8	322	47.7	344
Attainment rate ^(d)	All	96.2	12,510	95.6	12,483
	Aboriginal	89.4	428	89.9	443

Source: System and School Performance

(a) 'N' is the number of students who achieved the outcome.

(b) A few registered training organisations did not complete VET certification for some public school students in time to be included in the 2018 data. This may have affected the data reported for 2018 for WACE achievement, attainment and achievement of VET certificates.

(c) Percentage of Year 12 full-time students in the Semester 2 student census who achieved WACE. See our [WACE achievement key performance indicator](#) for details on criteria required to achieve WACE.

(d) Percentage of WACE eligible Year 12 students who achieved an ATAR of at least 55 and/or a certificate II or higher VET qualification.

Table A21: Year 12 public school student ATAR achievement by subgroup 2017 and 2018 ^(a)

	Subgroup	2017			2018		
		Students		Median ATAR	Students		Median ATAR
		%	N		%	N	
Students who achieved an ATAR ^(b)	All	37.6	5,400	78.55	37.2	5,355	79.5
	Aboriginal	8.9	64	64.525	8.3	60	62.7
ATAR students who achieved at least 55	All	84.8	4,580	–	85.2	4,563	–
	Aboriginal	67.2	43	–	61.7	37	–

Source: System and School Performance

(a) 'N' is the number of students who achieved the outcome.

(b) Percentages use the number of Year 12 students at Semester 2 student census as the denominator.

Table A22: Year 12 public student VET certificate II or higher achievement by subgroup 2017 and 2018 ^(a)

Subgroup	2017			2018 ^(c)		
	Students		Total VET certificates II or higher	Students		Total VET certificates II or higher
	% ^(b)	N		% ^(b)	N	
All	75.8	10,889	16,789	74.5	10,732	16,183
Aboriginal	65.6	471	671	67.8	489	716

Source: System and School Performance

(a) 'N' is the number of students who achieved a VET certificate II and higher.

(b) The number of Year 12 students at Semester 2 student census is the denominator.

(c) A few registered training organisations did not complete VET certification for some public school students in time to be included in the 2018 data. This may have affected the data reported for 2018 for WACE achievement, attainment and achievement of VET certificates.

Table A23: WACE achievement rate (%) of Year 12 public school students by subgroup 2015 to 2018 ^{(a) (b) (c)}

Subgroup	2015	2016	2017	2018 ^(d)
All	87.7	79.8	79.5	80.5
Male	85.2	78.3	77.2	77.9
Female	90.1	81.3	81.9	83.2
Aboriginal	60.5	46.9	44.8	47.7

Source: *System and School Performance*

(a) Year 12 full-time students in the Semester 2 student census.

(b) Year 12 WACE achievement data from the School Curriculum and Standards Authority and taken at a point in time. Data may be updated after this time for a variety of reasons such as students successfully appealing their results.

(c) Data limitations do not allow for the calculation of this rate prior to 2015.

(d) A few registered training organisations did not complete VET certification for some public school students in time to be included in the 2018 data. This may have affected the data reported for 2018.

Table A24: Apparent secondary graduation rate (%) of public school students by subgroup 2014 to 2018 ^{(a) (b) (c)}

Subgroup	2014	2015	2016	2017	2018 ^(d)
All ^(e)	80.5	72.7	63.1	65.5	66.8
Male	73.6	67.0	60.0	60.9	62.7
Female	88.5	78.9	66.6	70.6	71.4
Aboriginal	29.8	26.2	18.1	20.4	22.7

Source: *System and School Performance*

(a) Percentage of Year 8 cohort (which was the start of secondary school at that time) that satisfies the requirements for secondary graduation by Year 12. Year 8 cohort figure from Semester 2 student census four years earlier.

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

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

(d) A few registered training organisations did not complete VET certification for some public school students in time to be included in the 2018 data. This may have affected the data reported for 2018.

(e) This was published as a key performance indicator in the 2018–19 Budget Papers with a target of 66% for 2018. The Department's [key performance indicators](#) have since changed.

Table A25: Satisfaction of Year 12 public school students by subgroup 2014 to 2018 ^(a)

	Subgroup	2014	2015	2016	2017	2018
	All	89.6	88.4	87.3	88.0	87.7
% satisfied with quality of teaching	Male	88.7	87.8	87.0	87.5	87.1
	Female	90.4	88.9	87.6	88.6	88.3
	Aboriginal	94.4	92.3	91.0	88.2	89.9
	All	85.7	84.8	83.3	83.4	84.8
% satisfied with quality of education facilities	Male	85.4	84.2	83.2	83.2	84.7
	Female	85.8	85.4	83.5	83.7	84.9
	Aboriginal	87.3	88.1	84.6	82.6	88.2

Source: *System and School Performance*

(a) Post school intentions and satisfaction survey, conducted in Semester 2.

4. Staffing

Figure A9: Organisational chart at 30 June 2019

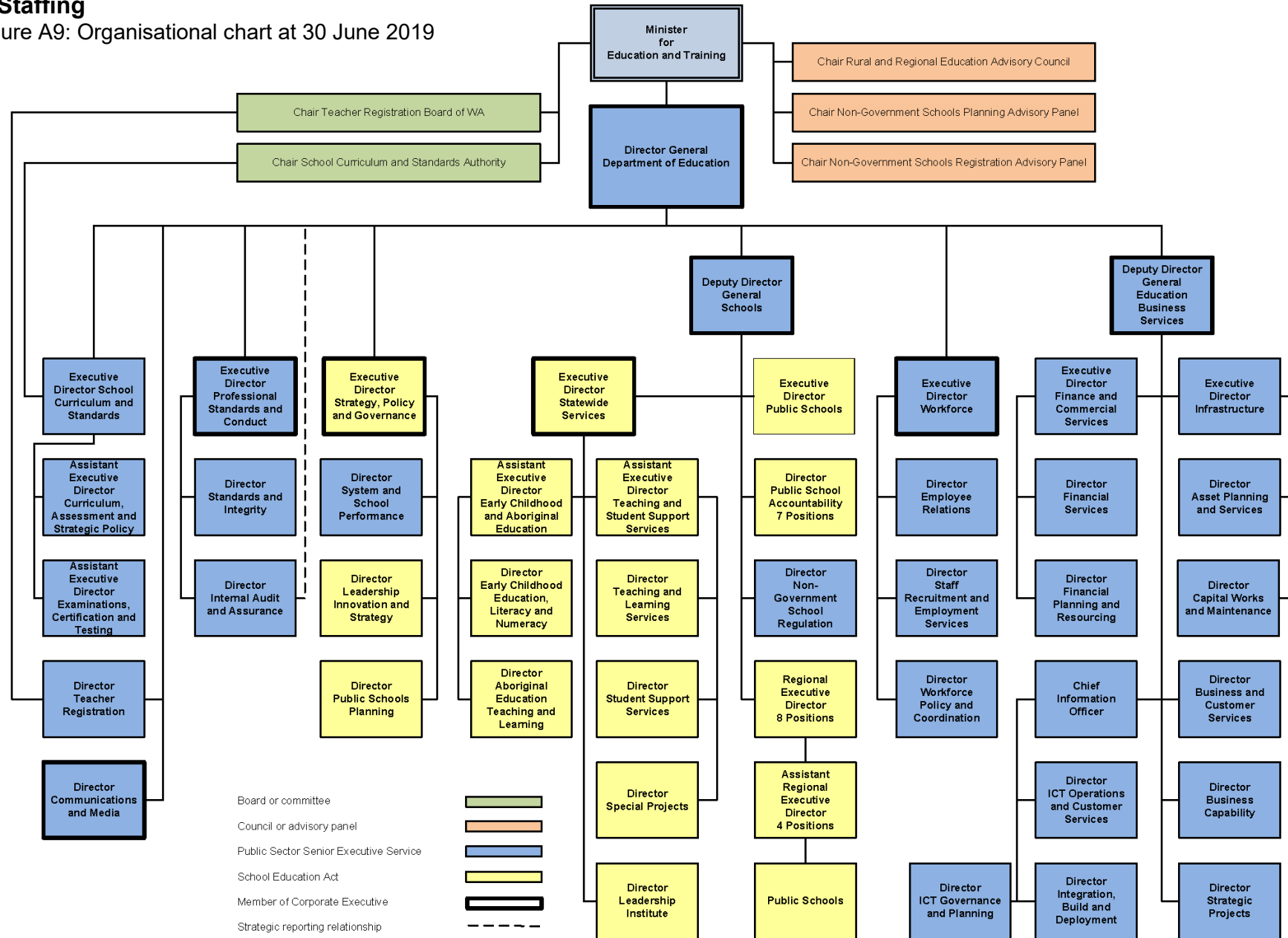


Table A26: School-based teaching staff ^(a) by education category ^(b) and gender 2019

Education category	Female		Male		Total numbers
	N	%	N	%	
Primary	9,879	84.3	1,838	15.7	11,717
Secondary	4,881	60.5	3,188	39.5	8,069
Education support	704	83.3	141	16.7	845
Total	15,464	75.0	5,167	25.0	20,631

Source: *System and School Performance*

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

(b) Staff apportioned to education category based on proportion of students in each education category, and apportioned and rounded to be consistent with figures presented in [Table 23](#).

Table A27: Teacher retirements and resignations 2014 to 2018

	2014	2015	2016	2017	2018
Retirement	549	539	542	566	550
Resignation	577	582	622	597	586

Source: *Workforce Policy and Coordination*

5. Changes to our Outcomes Based Management reporting structure

Our new Outcomes Based Management (OBM) structure consolidates the four Desired Outcomes under our old OBM structure into a single, unified Desired Outcome that better reflects our current operations, purpose and the intent of the Machinery of Government and other changes since 1 July 2017.

The six services of our old OBM structure were consolidated into four services.

- The two services and two key efficiency indicators relating to public school education from our old OBM structure were retained.
- The service related to functions of the former Department of Education Services (DES) was renamed Regulation and Non-Government Sector Assistance to more accurately reflect its functions.
- The two services related to the School Curriculum and Standards Authority were replaced by a single service that better reflects our role in supporting the Authority.
- The service and expenditure for the residential colleges in our old OBM structure was incorporated into the services for Public Secondary Education, and Regulation and Non-Government Sector Assistance to reflect residential colleges' services to secondary public and non-government school students.

Our new OBM structure also:

- addressed an imbalance in our old OBM structure which meant 10 (40%) of our 25 key effectiveness indicators and 12 (86%) of our key efficiency indicators represented less than two per cent of our annual budget and expenditure
- removed the key effectiveness and efficiency indicators that were also reported by the School Curriculum and Standards Authority, enacting a recommendation from the Office of the Auditor General
- uses better key effectiveness indicators for public school student achievement in literacy, numeracy and Year 12 achievement
- consolidated the six efficiency indicators related to the cost of non-government school and teacher regulatory services under our old OBM structure into two significant and meaningful efficiency indicators for these functions
- replaced the two efficiency indicators related to the School Curriculum and Standards Authority with a single efficiency indicator that more accurately reflects our role and costs in supporting the Authority
- reflects the change to our responsibilities arising from the transfer of secretariat support for the Training Accreditation Council to the Department of Training and Workforce Development on 1 January 2019.

Performance on our former Key Effectiveness Indicators

As part of the transition, the following tables show our performance on the Key Effectiveness Indicators that were ceased or replaced under our new OBM reporting structure and are not reported elsewhere in this annual report (see also [Table A15](#) and [Table A24](#)). The results are not audited.

Results for our former Key Effectiveness Indicators that related to the School Curriculum and Standards Authority are not reported below. They are reported in the School Curriculum and Standards Authority's 2018–19 Annual Report.

Further information about our former Key Effectiveness Indicators is available in our 2017–18 annual report.

Table A28: Percentage of Independent non-government schools complying with registration requirements of the *School Education Act 1999*, 2014–15 to 2018–19

2014–15	2015–16	2016–17 ^(a)	2017–18	2018–19 ^(b)
91.0	95.0	88.0	90.3	87.1

Source: Schools Division

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

(b) This was published as a key performance indicator in the 2018–19 Budget Papers with a target of 88%. The Department's [key performance indicators](#) have since changed.

Table A29: Percentage of providers of education services to full fee international students complying with registration requirements of the *Education Service Providers (Full Fee Overseas Students) Registration Act 1991 (WA)* and *Education Services for Overseas Students Act 2000 (Commonwealth)* 2014–15 to 2018–19

2014–15	2015–16	2016–17	2017–18	2018–19 ^(a)
100	100	100	100	100

Source: Schools Division

(a) This was published as a key performance indicator in the 2018–19 Budget Papers with a target of 100%. The Department's [key performance indicators](#) have since changed.

Table A30: Percentage of registered training organisations compliant with standards for registration 2014–15 to 2018–19

2014–15	2015–16	2016–17	2017–18	2018–19 ^(a)
99.7	99.3	100	98.7	99.5 ^(b)

Source: Department of Training and Workforce Development

(a) This was published as a key performance indicator in the 2018–19 Budget Papers with a target of 100%. The Department's [key performance indicators](#) have since changed.

(b) For the period 1 July to 31 December 2018. The Training Accreditation Council secretariat function was transferred to the Department of Training and Workforce Development from 1 January 2019.

Table A31: Percentage of reviewed Independent Public Schools that met service and delivery requirements 2014–15 to 2018–19

2014–15	2015–16	2016–17	2017–18	2018–19 ^(a)
100	100	100	100	–

Source: Schools Division

(a) This was published as a key performance indicator in the 2018–19 Budget Papers with a target of 100%. The Department's [key performance indicators](#) have since changed. The Independent Public School reviews were replaced by a new [review process](#) in 2018 for all Western Australian public schools. These reviews are not comparable.

Table A32: Percentage of teachers compliant with the *Teacher Registration Act 2012*, 2014–15 to 2018–19

2014–15	2015–16	2016–17	2017–18	2018–19 ^(a)
100	100	100	100	100

Source: Teacher Registration

(a) This was published as a key performance indicator in the 2018–19 Budget Papers with a target of 100%. The Department's [key performance indicators](#) have since changed.

Table A33: Number of students residing at residential colleges as a proportion of total student capacity across residential colleges (%) 2015 to 2019 ^{(a) (b)}

2015	2016	2017	2018	2019 ^(c)
68	68	62	56	54

Source: Schools Division

(a) Semester 1 student census.

(b) See [Table A14](#) for WA residential colleges student information.

(c) This was published as a key performance indicator in the 2018–19 Budget Papers with a target of 62%. The Department's [key performance indicators](#) have since changed.

Table A34: Percentage of parent survey respondents who rated residential college care and services as of good, high or very high quality 2010 to 2018 ^(a)

2010	2012	2014	2016	2018 ^(b)
92.1	90.1	92.2	91.9	93.6

Source: Schools Division

(a) The parent satisfaction survey is administered on a biennial basis.

(b) This was published as a key performance indicator in the 2018–19 Budget Papers with a target of 92%. The Department's [key performance indicators](#) have since changed.

6. Annual estimates for 2019–20

In the 2019–20 Budget Statement, the estimates for the Department of Education and the School Curriculum and Standards Authority are consolidated within a single Division 23 of the Consolidated Account Expenditure Estimates.

These annual estimates represent the budget for the Department of Education excluding the School Curriculum and Standards Authority.

Estimate of Statement of Comprehensive Income For the year ended 30 June 2020

	2019–20 Estimate \$'000
COST OF SERVICES	
Expenses	
Employee benefits expense	3,899,926
Supplies and services	954,680
Depreciation and amortisation expense	271,798
Grants and subsidies	28,875
Finance costs	78,804
Other expenses	4,012
Total Cost of Services	5,238,095
Income	
Revenue	
User contributions, charges and fees	147,194
Interest revenue	22,461
Other revenue	81,452
Australian Government grants and contributions	903,979
Total Revenue	1,155,086
Total income other than income from State Government	1,155,086
NET COST OF SERVICES	
Income from State Government	
Service appropriation	4,068,147
Grants from State Government Agencies	6,246
Services received free of charge	15,020
Royalties for Regions Fund	28,658
Total income from State Government	4,118,071
SURPLUS/(DEFICIT) FOR THE PERIOD	35,062
OTHER COMPREHENSIVE INCOME	
Items not reclassified subsequently to profit or loss	
Changes in asset revaluation surplus	–
Total other comprehensive income	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	35,062

Estimate of Statement of Financial Position
For the year ended 30 June 2020

	2019–20 Estimate \$'000
ASSETS	
Current Assets	
Cash and cash equivalents	491,566
Restricted cash and cash equivalents	14,076
Amounts receivable for services	19,673
Inventories	6,084
Receivables	97,228
Other current assets	9,971
Non-current assets held for sale	4,219
Total current assets	642,817
Non-Current Assets	
Restricted cash and cash equivalents	53,598
Receivables	311,800
Amounts receivable for services	3,173,969
Property, plant and equipment	12,708,311
Intangible assets	16,958
Total non-current assets	16,264,636
TOTAL ASSETS	16,907,453
LIABILITIES	
Current Liabilities	
Payables	128,544
Borrowings	98,023
Provisions	609,359
Other current liabilities	14,135
Total current liabilities	850,061
Non-Current Liabilities	
Payables	242
Borrowings and leases	1,378,557
Provisions	191,846
Total non-current liabilities	1,570,645
TOTAL LIABILITIES	2,420,706
NET ASSETS	14,486,747
EQUITY	
Contributed equity	14,624,156
Reserves	–
Accumulated surplus/(deficit)	(137,409)
TOTAL EQUITY	14,486,747

Estimate of Cash Flow Statement
For the year ended 30 June 2020

	2019–20 Estimate \$'000
CASH FLOWS FROM STATE GOVERNMENT	
Service appropriation	3,796,427
Capital contribution	365,494
Holding account draw downs	19,673
Royalties for Regions	75,708
Grants and subsidies income	6,246
Net cash provided by State Government	4,263,548
Utilised as follows:	
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments	
Employee benefits expense	(3,874,826)
Supplies and services	(939,580)
Grants and subsidies	(28,875)
Finance costs	(70,636)
GST payments on purchases	(107,920)
Loans advanced to non-government schools	(57,100)
Other payments	–
Receipts	
User contributions, charges and fees	147,154
Australian Government grants and contributions	906,067
Interest received	17,519
GST receipts on revenue	6,805
GST receipts from taxation authority	101,016
Repayments of loans by non-government schools	34,101
Other receipts	81,352
Net cash used in operating activities	(3,784,923)
CASH FLOW FROM INVESTING ACTIVITIES	
Payments	
Purchases of non-current physical assets	(452,810)
Receipts	
Receipts from sale of non-current physical assets	–
Net cash provided by/(used in) investing activities	(452,810)

Estimate of Cash Flow Statement (continued)

	2019–20 Estimate \$'000
CASH FLOW FROM FINANCING ACTIVITIES	
Payments	
Payment finance lease liabilities	(65,132)
Repayment of borrowings	(69,183)
Receipts	
Proceeds from borrowings	92,182
Net cash used in financing activities	(42,133)
Net increase/(decrease) in cash and cash equivalents	(16,318)
Cash and cash equivalents at the beginning of the period	575,558
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	559,240