

Part 6

Education and Training

Introduction

The Education and Training portfolio delivers and regulates education for Western Australian students. This includes the early childhood education and care sector, primary and secondary schools in the government and non-government school sectors, and the TAFE sector. The portfolio ensures that all students across Western Australia have access to a quality education for a bright future, developing a skilled workforce that meets the State's economic and community needs.

The portfolio is contributing to the achievement of the following Our Priorities and associated targets:

- A Strong Economy
 - creating jobs;
- A Bright Future
 - increasing student reading and numeracy;
 - increasing participation in STEM;
- Aboriginal Wellbeing
 - reducing the over-representation of Aboriginal people in custody; and
- Regional prosperity
 - delivering strong regional economies.

Summary of Recurrent and Asset Investment Expenditure

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Education		
– Total Cost of Services	5,138,537	5,241,086
– Asset Investment Program	482,967	452,810
Training and Workforce Development		
– Total Cost of Services	554,672	577,616
– Asset Investment Program	19,344	21,300
TAFE Colleges		
– Asset Investment Program	14,026	8,664

Ministerial Responsibilities

Minister	Agency	Services
Minister for Education and Training	Education	<ol style="list-style-type: none"> 1. Public Primary Education 2. Public Secondary Education 3. Regulation and Non-Government Sector Assistance 4. Support to the School Curriculum and Standards Authority
	Training and Workforce Development	<ol style="list-style-type: none"> 1. Workforce Planning and Development 2. Development of Vocational Education and Training Policy and Programs 3. Jobs and Skills Centre Services 4. Skilled Migration, Including Overseas Qualification Assessment 5. Apprenticeship and Traineeship Administration and Regulation 6. Procurement of Training 7. Recruitment and Management of International Students 8. Infrastructure Management for TAFE Colleges 9. Support Services to TAFE Colleges 10. Regulatory Services to Registered Training Organisations
	TAFE Colleges	n/a

Division 23 Education

Part 6 Education and Training

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 56 Net amount appropriated to deliver services.....	4,051,999	4,041,976	4,063,017	4,066,704	4,157,678	4,287,810	4,493,942
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,675	1,538	1,443	1,443	1,443	1,454	1,460
Total appropriations provided to deliver services	4,053,674	4,043,514	4,064,460	4,068,147	4,159,121	4,289,264	4,495,402
ADMINISTERED TRANSACTIONS							
Item 57 Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....	449,980	451,223	454,256	451,873	447,023	445,721	437,879
CAPITAL							
Item 127 Capital Appropriation	262,626	251,781	248,980	343,494	173,217	130,397	119,583
TOTAL APPROPRIATIONS	4,766,280	4,746,518	4,767,696	4,863,514	4,779,361	4,865,382	5,052,864
EXPENSES							
Total Cost of Services	5,351,934	5,090,961	5,138,537	5,241,086	5,383,509	5,588,844	5,888,557
Net Cost of Services (a).....	4,330,851	4,045,542	4,064,266	4,083,009	4,146,778	4,285,101	4,492,047
CASH ASSETS (b).....	649,221	558,482	575,799	559,481	591,719	611,520	624,704

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
National School Reform Agreement - State Contribution to Government Schools.....	-	-	-	30,807	99,963
Response to the Methamphetamine Action Plan Taskforce Report - School Drug Education Program	-	254	260	267	272
Science, Technology, Engineering and Mathematics Enterprise Schools Project	475	925	462	100	-
Ongoing Initiatives					
Adjustment to Commonwealth Grants					
National School Chaplaincy Program	7,729	7,729	7,729	7,729	-
Universal Access to Early Childhood Education	18,050	44,754	25,296	-	-
Other Commonwealth Grants	(171)	166	(80)	98	306
Adjustment to State Government Grants.....	184	(83)	(285)	(476)	(476)
Growth Funding - Revisions to Student Enrolment and Cost Growth Forecast.....	21,889	40,491	62,931	78,831	(8,903)
Revision to Royalties for Regions Program	5,050	447	756	462	17
Road Safety and Drug Education	614	1,434	1,400	1,506	1,506

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
2019-20 Tariffs, Fees and Charges	-	1,152	1,029	1,370	1,751
Capping of Leave Liabilities	(11,587)	-	-	-	-
Government Office Accommodation Reform Program	(94)	(83)	(70)	(56)	(56)
Government Regional Officer Housing	(1,895)	(5,816)	(7,352)	(9,457)	(7,623)
Moora Residential College Operating Costs	189	378	378	378	378
National Assessment Program - Literacy and Numeracy (NAPLAN) Online ...	671	1,435	-	-	-
Non-Government Human Services Sector Indexation Adjustment	(104)	(107)	(109)	(112)	659
Revision to Depreciation and Amortisation	(1,604)	(6,829)	(886)	1,122	4,374
Revision to Low Interest Loans Scheme	(296)	234	(3)	(129)	1,216
Revision to Own-Source Revenue	407	406	1,183	1,183	1,183
Salaries and Allowances Tribunal Determination	(95)	(95)	(95)	(84)	-
Settlement of Residential Colleges Loan	(692)	(692)	(692)	(692)	(692)
Transfer of Oracle Licences from the Department of Planning, Lands and Heritage	97	99	101	103	105
Transfer of Scholarships to the Department of Jobs, Tourism, Science and Innovation	(37)	(39)	(39)	(39)	(39)
Transfer of the Training Accreditation Council Secretariat to the Department of Training and Workforce Development	(1,620)	(2,711)	(2,724)	(2,737)	(2,750)
Upgrade and Maintenance Costs to Tuart College for Western Australian Football Commission Accommodation	106	215	220	225	230
Voluntary Targeted Severance Scheme	3,990	-	-	(9,007)	-

Significant Issues Impacting the Agency

1. Given the high expectations of success for every student, the Department's priorities include:
 - 1.1. having senior secondary students on learning pathways that explicitly connect to further training or higher education;
 - 1.2. building student interest, aspiration, participation and capability in science, technology, engineering and mathematics (STEM);
 - 1.3. improving student writing, reading and numeracy;
 - 1.4. focus on growth in student achievement as well as standards; and
 - 1.5. providing deliberate opportunities for students to develop critical thinking, creativity and entrepreneurship.
2. Best possible teaching practices remain a key focus, including supporting teachers to cater for the needs of academically able primary students, and the development of the Centre for Excellence in the Explicit Teaching of Literacy.
3. 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.
4. The increased complexity of the role and the issues of community that so often impact students and staff has impacted the health and wellbeing of school leaders, as the recent Principal Health and Wellbeing report indicated. The Department's focus includes continuing the corporate health program, offering confidential wellness assessments and health and wellbeing workshops. At the same time, the Department's Leadership Strategy includes initiatives to strengthen the skills, capacity and wellbeing of our school leaders.
5. 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.
6. 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.

7. The number of teachers with expertise in teaching STEM remains a challenge. Strategies 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. An additional investment from the State Government to implement the STEM Enterprise Schools Program will also assist in addressing the challenge.
8. 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 alternate learning settings for the most violent students.
9. 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 requiring support through the disability allocation, funding distributed to schools each year is increasing.
10. 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.
11. 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.
12. Of the 409 recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse, many are directly or indirectly relevant to, or impact on, the operations of schools and the Department.
13. An investment of \$452.8 million will be spent in 2019-20 to deliver new schools and expand existing ones to meet student enrolment growth across the State. This investment will also provide upgrades to existing schools to address an ageing asset portfolio and strengthen the delivery of education services. This significant capital investment supports local jobs to strengthen the State's economy.
14. 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.
15. 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.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

Outcomes, Services and Key Performance Information

The Department has revised its Outcome Based Management (OBM) structure to reflect its current operations. The Services and Key Performance Information for the 2017-18 Actual and 2018-19 Budget have been restated where possible for comparability purposes and are unaudited.

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcome, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goal	Desired Outcome	Services
Strong Communities: Safe communities and supported families.	School students across Western Australia have access to high quality education.	1. Public Primary Education 2. Public Secondary Education 3. Regulation and Non-Government Sector Assistance 4. Support to the School Curriculum and Standards Authority

Service Summary ^(a)

Expense	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Public Primary Education.....	3,132,637	2,940,323	2,963,926	3,002,863	3,090,131	3,212,071	3,398,970
2. Public Secondary Education.....	2,102,971	2,033,295	2,045,574	2,114,067	2,177,540	2,268,903	2,383,600
3. Regulation and Non-Government Sector Assistance	83,165	84,148	94,810	90,718	83,102	75,001	72,966
4. Support to the School Curriculum and Standards Authority	33,161	33,195	34,227	33,438	32,736	32,869	33,021
Total Cost of Services.....	5,351,934	5,090,961	5,138,537	5,241,086	5,383,509	5,588,844	5,888,557

(a) The decrease in expense growth for the 2018-19 Budget is due to the 2017-18 Actual reflecting the non-cash adjustment relating to a decrement in the value of the buildings.

Outcomes and Key Effectiveness Indicators (a)(b)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target (c)	Note
Outcome: School students across Western Australia have access to high quality education:					
Rate of participation in education (proportion of persons aged 15 to 17 years in some form of education).....	96.2%	97%	96.2%	97%	1
Retention in public schooling (proportion of Year 8 public school cohort studying in Year 12).....	80.1%	81%	81.4%	82%	
Western Australian Certificate of Education (WACE) achievement rate by Year 12 public school students (d).....	79.5%	80%	80.5%	81%	2
Year 3 public school students achieving proficiency (d) in:					
Reading	67.3%	68%	70%	71%	3
Numeracy	67.6%	68%	69.2%	70%	3
Year 5 public school students achieving proficiency (d) in:					
Reading	65%	66%	68.4%	69%	3
Numeracy	64.5%	65%	66.3%	67%	3
Year 7 public school students achieving proficiency (d) in:					
Reading	62.6%	63%	64.3%	65%	3
Numeracy	61.1%	62%	62.1%	63%	3
Year 9 public school students achieving proficiency (d) in:					
Reading	64.3%	66%	71.1%	72%	3
Numeracy	65.3%	66%	70.5%	71%	3

(a) Further information about the key effectiveness indicators is available from the Department's website.

(b) The Department has revised its OBM structure to reflect its current operations. Performance against the superseded indicators and targets from the 2018-19 Budget will be reported in the Department's 2018-19 Annual Report.

(c) The 2019-20 Budget Target is based on the higher of the 2017-18 Actual and the 2018-19 Estimated Actual, rounded up to the next integer.

(d) This is a new key effectiveness indicator. The 2017-18 Actual and 2018-19 Budget have been recast for comparability purposes based on the Department's revised OBM reporting structure and are unaudited.

Explanation of Significant Movements

(Notes)

1. The participation rate for 2017-18 Actual reported here is different from that reported in the Department's 2017-18 Annual Report because it incorporates university data that had not yet been released for the Annual Report. The final revised rate for 2017-18 will be reported in the Department's 2018-19 Annual Report.
2. The WACE achievement rate has replaced the secondary graduation rate as a key effectiveness indicator. The WACE achievement rate is calculated by longitudinally tracking the number of individual Year 12 public school students who achieve the WACE. By contrast, the secondary graduation rate was an apparent rate that did not longitudinally track the WACE outcome of each individual student.
3. To achieve proficiency, students must meet much higher standards of reading and numeracy than the national minimum standards previously reported as key effectiveness indicators. The proficiency standards were developed by the Australian Curriculum, Assessment and Reporting Authority in consultation with State and territory education jurisdictions to indicate the proportion of students who demonstrate the literacy or numeracy skills that most students should have acquired by that year of schooling. As such, proficiency standards represent far better indicators of the quality of students' learning than national minimum standards.

Services and Key Efficiency Indicators

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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 3,132,637	\$'000 2,940,323	\$'000 2,963,926	\$'000 3,002,863	1
Less Income	574,678	594,599	610,439	662,031	2
Net Cost of Service	2,557,959	2,345,724	2,353,487	2,340,832	
Employees (Full-Time Equivalents)	23,683	24,066	23,737	23,924	
Efficiency Indicators					
Cost per student full-time equivalents (primary) ^(a)	\$15,341	\$15,384	\$15,523	\$15,582	

(a) This is an existing efficiency indicator; however, the 2017-18 Actual and 2018-19 Budget figures vary from previously published figures due to a change in the calculation methodology as a result of the Department's revised OBM reporting structure.

Explanation of Significant Movements

(Notes)

1. The decrease in expenditure for the 2018-19 Budget is due to the 2017-18 Actual reflecting the non-cash adjustment relating to a decrement in the value of the buildings.
2. The increase in income from the 2018-19 Estimated Actual to the 2019-20 Budget Target is primarily due to Western Australia signing the National School Reform Agreement, resulting in additional Commonwealth funding.

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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 2,102,971	\$'000 2,033,295	\$'000 2,045,574	\$'000 2,114,067	1
Less Income	399,879	407,448	412,976	446,708	2
Net Cost of Service	1,703,092	1,625,847	1,632,598	1,667,359	
Employees (Full-Time Equivalents)	14,809	15,141	15,063	15,319	
Efficiency Indicators					
Cost per student full-time equivalents (secondary) ^(a)	\$18,724	\$18,870	\$19,003	\$19,018	

(a) This is an existing efficiency indicator; however, the 2017-18 Actual and 2018-19 Budget figures vary from previously published figures due to a change in the calculation methodology as a result of the Department's revised OBM reporting structure.

Explanation of Significant Movements

(Notes)

1. The decrease in expenditure for the 2018-19 Budget is due to the 2017-18 Actual reflecting the non-cash adjustment relating to a decrement in the value of the buildings.
2. The increase in income from the 2018-19 Estimated Actual to the 2019-20 Budget Target is primarily due to Western Australia signing the National School Reform Agreement, resulting in additional Commonwealth funding.

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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 83,165	\$'000 84,148	\$'000 94,810	\$'000 90,718	
Less Income	43,555	40,790	47,867	46,347	1
Net Cost of Service	39,610	43,358	46,943	44,371	
Employees (Full-Time Equivalents)	217	214	207	205	2
Efficiency Indicators					
Cost of non-government school regulatory services per non-government school	\$8,169	\$7,824	\$7,757	\$7,841	
Cost of teacher regulatory services per teacher ^(a)	\$96	\$107	\$107	\$109	

(a) This is an existing efficiency indicator; however, the 2017-18 Actual and 2018-19 Budget figures vary from previously published figures due to a change in the calculation methodology as a result of the Department's revised OBM reporting structure.

Explanation of Significant Movements

(Notes)

- The increase in income from the 2018-19 Budget to the 2018-19 Estimated Actual is primarily due to the extension of Commonwealth funding provided under the National Partnership Agreement for Universal Access to Early Childhood Education. The increase is also attributable to ongoing Commonwealth Government funding under the National Partnership for the National School Chaplaincy Program.
- The reduction from the 2018-19 Budget to 2019-20 Budget Target is primarily due to the section 25 transfer of 12 FTEs from the Training Accreditation Council Secretariat to the Department of Training and Workforce Development.

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*.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 33,161	\$'000 33,195	\$'000 34,227	\$'000 33,438	
Less Income	2,971	2,582	2,989	2,991	
Net Cost of Service	30,190	30,613	31,238	30,447	
Employees (Full-Time Equivalents)	127	127	143	143	1
Efficiency Indicators					
Cost per student of support to the School Curriculum and Standards Authority ^(a)	\$76	\$75	\$77	\$75	

(a) This is a new efficiency indicator. The 2017-18 Actual and 2018-19 Budget figures have been recast as a result of the Department's revised OBM reporting structure.

Explanation of Significant Movements

(Notes)

- The increase in FTEs is mainly due to the realignment of existing funding from goods and services to salaries to support the continued delivery of services to the School Curriculum and Standards Authority.

Asset Investment Program

1. The Government of Western Australia is committed to providing a bright future for all young people by improving the health, wellbeing and education of our children in the early years, improving student reading and numeracy, and increasing participation in STEM. Through the State Government's investment in infrastructure, the Department is delivering facilities to assist in meeting these goals.
2. The Department's planned Asset Investment Program in 2019-20 totals \$452.8 million and primarily relates to providing education facilities to meet enrolment growth and enhance opportunities for all children. This significant capital investment will shape our State, providing local jobs and regional prosperity to strengthen the State's economy.

Election Commitments - Investing in School Infrastructure

Secondary Schools

3. Construction will continue on the new Inner City College (planning name) at Kitchener Park in Subiaco. The school will open for the start of the 2020 school year as a local intake secondary school (\$70.6 million).

Redevelopment and Upgrades of Secondary Schools

4. A redevelopment of Balcatta Senior High School to substantially expand and upgrade facilities and increase accommodation will continue (\$50 million).
5. Construction will commence at Darling Range Sports College, providing upgrades to the school's design and technology, visual arts, canteen, music, general classrooms and toilets (\$10 million).
6. Planning will commence for a major upgrade at John Forrest Secondary College to replace outdated specialist facilities (\$50 million).
7. Kinross College will benefit from works commencing to refurbish facilities (\$2.5 million).
8. Works continue at Morley Senior High School, constructing a new multi-purpose space (\$1.5 million).
9. Planning will commence to provide new classrooms to cater for increased enrolments and to upgrade various specialist facilities at Mount Lawley Senior High School (\$4 million).
10. Works continue on an \$8.4 million redevelopment at Southern River College including a new sports hall, dance and drama studio, and the refurbishment of science and design and technology rooms.
11. Construction will commence at Wanneroo Secondary College for a new sports hall and hardcourts (\$5 million).

Performing Arts Centres

12. Construction is well advanced on the performing arts centre at Melville Senior High School (\$4.5 million).
13. Construction of performing arts centres at Ballajura Community College (\$5 million) and Ocean Reef Senior High School (\$5 million) will commence during 2019.
14. Planning will commence for performing arts centres at Belmont City College (\$5 million) and Belridge Secondary College (\$5 million).

Primary Schools

15. Construction will continue on the permanent facilities for four new primary schools to open in 2020 at Baldvis North, Banksia Grove (Grandis Primary School), Byford South and Caversham South. The estimated total cost for these schools, including an early childhood facility that opened in 2019 at Banksia Grove, is \$74.5 million.
16. Construction will commence in 2019-20 to meet the Government's commitment for new primary schools at Brabham and Southern River (Stage 1). These schools will open in 2021 at a cost of \$25.6 million.
17. A \$15 million project to rebuild the Yanchep Lagoon Primary School will also commence.
18. The \$12 million Investing in Science program continues, allowing 200 primary schools to convert existing classrooms to science laboratories.

Early Learning Centres

19. Construction continues for a new early learning centre at Ballajura Primary School (\$3.2 million).
20. Planning will commence for an early learning centre at Kinross Primary School (\$1.6 million).

Parent and Child Centre

21. The election commitment to construct a \$1.8 million parent and child centre in Ellenbrook is being delivered with the commencement of planning for a centre at Arbor Grove Primary School.

Upgrades of Regional Schools

22. Construction will commence for new specialist facilities and increased student accommodation at Broome Senior High School (\$19.3 million).
23. Planning has commenced for a new cafeteria and a flexible learning space at Bunbury Senior High School (\$5 million).
24. Construction has commenced at Collie Senior High School for a building with additional classrooms and specialist facilities (\$7.5 million) to open during Term 4, 2019.
25. Construction will commence for new science facilities to replace transportable classrooms at Eaton Community College (\$5 million).
26. At Eaton Primary School, construction has commenced on new classrooms with specialist early childhood facilities to replace transportable classrooms (\$3 million) for the opening of the 2020 school year.
27. Construction will commence for new early learning facilities at Flinders Park Primary School (\$2.5 million).
28. Planning will commence for refurbished and upgraded facilities at Mount Lockyer Primary School, providing a modern learning environment for students (\$3 million).
29. Construction on upgraded facilities will commence at South Bunbury Primary School (\$3 million). In addition, a \$2.5 million upgrade to early childhood facilities has commenced.
30. Aligned to the Government's goal of increased participation in STEM, construction will commence at Newton Moore Senior High School to provide a new STEM centre (\$3 million).
31. Construction continues for the final stage of the amalgamation of Carnarvon Community College (\$26.6 million).

Other Asset Investment Projects*Primary Schools*

32. Planning has commenced for three new primary schools to open in 2021 at Baldivis South (Parkland Heights), Harrisdale North and Sunningdale (Yanchep) (\$52.6 million).
33. A further \$154.9 million has been allocated over the period 2019-20 to 2022-23 to construct new primary schools. This includes funding for a new primary school to open in Burns Beach in 2022.
34. Planning will commence for a permanent two-storey building at Victoria Park Primary School (\$7.1 million) to provide the school with increased accommodation capacity to meet enrolment growth.

Secondary Schools

35. Construction continues on the Butler North Senior High School (\$48.4 million), which is scheduled to open in 2020.
36. Construction will commence for the second stage of Yanchep Secondary College, which is estimated to cost \$13.7 million.
37. Construction continues for the Stage 2 build at Cape Naturaliste College (\$30.1 million), due to open for the start of the 2020 school year.
38. Construction will continue for additional and updated facilities at Margaret River Senior High School, due to open in 2020 (\$30 million).
39. Construction continues for additional facilities at Carine Senior High School (\$18.8 million).

Residential Colleges

40. The Commonwealth Government has provided funding under the Community Development Grants Program for the redevelopment of Moora Residential College (\$8.7 million).

Land Acquisition Costs

41. \$21 million in funding has been provisioned for the acquisition of land for primary schools and to contribute to site infrastructure costs.
42. Up to \$20 million in funding has been provided to purchase land for a new high school.

Other School Facilities

43. Provision of \$9.5 million has been made in 2019-20 for administration upgrades, library resource centres, toilet upgrades/replacements and covered assembly areas.
44. Funding of \$1 million has been allocated to continue the playground equipment and shade structure program for a further year.

Transportable Classrooms

45. Additional funding has been allocated for the construction of transportable classrooms to assist in meeting normal temporary short to medium-term fluctuations in enrolments (\$6.1 million).

Capital Improvements

46. Additional funding has been made available for programs for capital improvements for plaster glass ceilings (\$5.7 million), roof replacements (\$5 million) and school alarm upgrades (\$2.5 million).

Information and Communications Technology

47. Over the next two years, the Department will continue the development of a fully web-based, enterprise Student Information System (WebSIS) for schools.
48. The Department will complete the development of a Kindergarten to Year 12 Student Records Management System in 2020.
49. The Department will complete the development of the Online Curriculum Programming Tool in 2019.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Additional Stages at Secondary Schools							
Cape Naturaliste College (Stage 2)	30,100	22,000	17,579	8,100	-	-	-
Shenton College (Stage 2)	46,100	44,300	22,681	1,800	-	-	-
Yanchep Secondary College (Stage 2).....	13,700	600	600	9,000	4,100	-	-
Additions and Improvements to Residential Colleges -							
Minor Works Program	2,678	702	702	494	494	494	494
Additions and Improvements to Secondary Schools							
Albany Secondary Education Support Centre	9,825	400	400	4,500	3,925	1,000	-
Carine Senior High School	18,770	15,470	13,969	3,300	-	-	-
Carnarvon Community College - Completion of							
Amalgamation	26,550	21,050	15,897	3,500	2,000	-	-
Harrisdale Senior High School.....	4,000	3,000	3,000	1,000	-	-	-
Margaret River Senior High School	30,000	21,500	19,673	6,000	2,500	-	-
Election Commitments							
Additions and Improvements to Primary Schools							
Ballajura Primary School.....	3,200	2,000	1,784	800	400	-	-
Eaton Primary School	3,000	1,000	1,000	2,000	-	-	-
Flinders Park Primary School - Early Childhood	2,500	500	500	2,000	-	-	-
Investing in Science	12,000	6,000	5,113	3,000	3,000	-	-
Mount Hawthorn Primary School	4,500	4,000	2,523	500	-	-	-
South Bunbury Primary School - Upgrades	3,000	1,000	1,000	2,000	-	-	-
Additions and Improvements to Secondary Schools							
Balcatta Senior High School - Redevelopment	50,000	3,000	2,503	28,500	14,000	4,500	-
Ballajura Community College - Performing Arts Centre....	5,000	1,000	1,000	3,000	1,000	-	-
Broome Senior High School - New Facilities.....	19,325	1,000	1,000	6,000	9,325	3,000	-
Bunbury Senior High School - Upgrades	5,000	3,000	2,857	2,000	-	-	-
Collie Senior High School - New Facilities	7,500	6,000	5,571	1,500	-	-	-

	Estimated Total Cost	Estimated Expenditure to 30-6-19	2018-19 Estimated Expenditure	2019-20 Budget Estimate	2020-21 Forward Estimate	2021-22 Forward Estimate	2022-23 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Darling Range Sports College - New and Upgraded							
Facilities	10,000	500	500	6,000	3,500	-	-
Eaton Community College - New Facilities	5,000	500	500	4,000	500	-	-
Melville Senior High School - Performing Arts Centre....	4,500	3,500	3,226	500	500	-	-
Morley Senior High School - Upgrades	1,500	1,000	1,000	500	-	-	-
Newton Moore Senior High School - STEM Centre	3,000	500	500	2,000	500	-	-
Ocean Reef Senior High School - Performing Arts Centre	5,000	2,000	2,000	3,000	-	-	-
Southern River College - New and Upgraded Facilities....	8,400	3,744	3,500	4,156	500	-	-
Wanneroo Secondary College - Upgrades.....	5,000	250	250	1,750	3,000	-	-
New Primary Schools							
Aspiri Primary School.....	18,700	17,700	7,327	1,000	-	-	-
Baldivis North Primary School.....	16,300	6,240	6,000	8,850	1,210	-	-
Brabham Primary School.....	18,490	1,860	1,860	8,880	7,750	-	-
Byford (Lawrence Way) Primary School	18,900	8,246	7,900	9,100	1,554	-	-
Caversham South Primary School	17,300	7,881	7,500	8,600	819	-	-
Grandis Primary School	18,800	8,985	8,800	8,600	1,215	-	-
Southern Grove Primary School	22,100	20,100	11,721	2,000	-	-	-
Yanchep Lagoon Primary School - Rebuild	15,000	500	500	6,500	6,000	2,000	-
New Secondary Schools - Inner City College	70,564	40,352	36,000	27,448	2,764	-	-
Furniture and Fittings Program.....	25	5	5	5	5	5	5
Information and Communications Technology (ICT)							
K-12 Student Records Management System.....	2,847	2,447	1,926	400	-	-	-
Student Information System	18,785	12,577	6,913	5,420	788	-	-
Teacher Registration Board of Western Australia							
Capital Expenditure.....	352	192	40	40	40	40	40
Upgrade and Replacement Program	150	30	30	30	30	30	30
Land Acquisition							
Land Acquisition General.....	47,239	26,239	26,239	21,000	-	-	-
Land for Primary Schools	65,477	37,477	7,000	7,000	7,000	7,000	7,000
Miscellaneous							
Air Conditioning Replacement Program.....	20,000	6,000	3,000	5,000	3,000	3,000	3,000
Ember Screens	3,400	2,000	2,000	1,400	-	-	-
Ember Screens - Regional.....	3,350	1,900	1,900	1,450	-	-	-
Fire Services Upgrade	1,800	1,200	995	600	-	-	-
Gas Heater Replacement Program.....	5,250	2,250	782	750	750	750	750
Infrastructure Power Upgrades	24,815	6,315	3,284	9,500	3,000	3,000	3,000
Perimeter Security Fencing Program.....	3,600	2,000	171	1,600	-	-	-
Plaster Glass Ceilings.....	7,700	2,000	2,000	5,700	-	-	-
Playground Equipment and Shade Structures.....	5,800	4,800	1,000	1,000	-	-	-
Power Supply Upgrade.....	3,082	1,330	544	813	313	313	313
Roof Replacement Program	12,971	7,971	633	5,000	-	-	-
Sewer Connections.....	5,174	2,774	600	600	600	600	600
Small Asset Capital Purchases.....	361,266	178,856	45,602	45,602	45,602	45,603	45,603
Transportable Classrooms.....	26,056	7,604	4,613	4,613	4,613	4,613	4,613
Universal Access Program to Early Childhood							
Education	46,416	42,216	6,108	3,000	1,200	-	-
New Primary Schools							
Aveley North Primary School and Education Support							
Centre	24,145	21,145	11,721	3,000	-	-	-
Baldivis (Parkland Heights) Primary School	17,045	1,860	1,860	8,170	7,015	-	-
Harrisdale North Early Childhood Facility (2020).....	2,200	1,200	1,200	1,000	-	-	-
Harrisdale North Primary School	18,310	2,860	2,860	8,880	6,570	-	-
Oakwood Primary School	19,700	18,700	9,632	1,000	-	-	-
Sunningdale (Yanchep) Primary School	17,265	1,860	1,860	8,170	7,235	-	-
New Secondary Schools							
Butler North Senior High School.....	48,400	27,016	23,900	13,000	6,884	1,500	-
South Baldivis Senior High School	47,980	39,180	11,807	8,800	-	-	-
Other School Facilities							
Administration Upgrade	10,062	1,962	384	2,025	2,025	2,025	2,025
Canteens	1,020	-	-	405	205	205	205
Covered Assembly Areas	11,315	3,063	2,063	2,063	2,063	2,063	2,063
Early Childhood Program.....	7,755	3,855	3,178	-	900	1,500	1,500
Ground Developments.....	1,891	659	336	308	308	308	308
Hyogo Prefecture Cultural Centre.....	2,700	2,300	2,300	400	-	-	-
Interim Schools	1,875	615	415	315	315	315	315
International School of Western Australia.....	21,600	11,260	9,379	10,340	-	-	-
Library Resource Centres	10,825	2,565	2,065	2,065	2,065	2,065	2,065
Remote Community Schools	5,343	1,643	1,446	925	925	925	925
Student Services Improvements	8,406	2,274	1,400	3,033	1,033	1,033	1,033
Toilet Replacement Program	10,835	3,475	1,340	3,340	1,340	1,340	1,340
Western Australian Schools Public Private Partnership							
Retained Costs	33,214	25,486	6,998	3,965	1,668	1,318	752

	Estimated Total Cost	Estimated Expenditure to 30-6-19	2018-19 Estimated Expenditure	2019-20 Budget Estimate	2020-21 Forward Estimate	2021-22 Forward Estimate	2022-23 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COMPLETED WORKS							
Additional Stages at Secondary Schools							
Byford Secondary College (Stage 3)	15,900	15,900	2,227	-	-	-	-
Joseph Banks Secondary College (Stage 2)	21,075	21,075	3,683	-	-	-	-
Additions and Improvements to Primary Schools							
Carnarvon Community College.....	17,406	17,406	1,738	-	-	-	-
Highgate Primary School.....	5,455	5,455	288	-	-	-	-
Inglewood Primary School.....	3,500	3,500	758	-	-	-	-
Wembley Primary School	3,500	3,500	599	-	-	-	-
West Leederville Primary School.....	3,500	3,500	485	-	-	-	-
Additions and Improvements to Residential Colleges							
Broome Residential College Stage 2.....	11,700	11,700	200	-	-	-	-
City Beach Residential College	6,440	6,440	4,868	-	-	-	-
Additions and Improvements to Secondary Schools							
Armadale Senior High School.....	4,000	4,000	102	-	-	-	-
Cecil Andrews Senior High School	4,500	4,500	275	-	-	-	-
Churchlands Senior High School - Additional Facilities	34,564	34,564	1,574	-	-	-	-
Fremantle College	30,000	30,000	1,078	-	-	-	-
Kalgoorlie-Boulder Community High School - Redevelopment - Stage 1							
	40,566	40,566	152	-	-	-	-
Revitalising Public Secondary Education in the Geraldton Area							
Champion Bay Senior High School.....	20,000	20,000	6,578	-	-	-	-
Geraldton Senior High School.....	5,000	5,000	958	-	-	-	-
West Coast Secondary Education Support Centre	4,280	4,280	44	-	-	-	-
Election Commitments							
Additions and Improvements to Primary Schools							
Beaumaris Primary School - Perimeter Fence	200	200	200	-	-	-	-
Camboon Primary School - Minor Upgrades.....	250	250	250	-	-	-	-
Caversham Primary School - Undercover Area	1,000	1,000	703	-	-	-	-
Currabine Primary School - Perimeter Fence	200	200	200	-	-	-	-
Glen Huon Primary School.....	1,500	1,500	1,439	-	-	-	-
North Morley Primary School - Library	1,500	1,500	1,160	-	-	-	-
South Ballajura Primary School - Staff Toilet Upgrade	200	200	107	-	-	-	-
Tapping Primary School - Minor Upgrades	400	400	101	-	-	-	-
Weld Square Primary School - Administration	1,500	1,500	1,500	-	-	-	-
Yokine Primary School - Administration Upgrades	350	350	350	-	-	-	-
Additions and Improvements to Secondary Schools -							
Canning Vale College - Upgrades.....	2,000	2,000	1,896	-	-	-	-
New Primary Schools							
Grandis Primary School - Early Childhood Annex.....	3,200	3,200	3,200	-	-	-	-
ICT Upgrade and Replacement - Online Curriculum							
Programming Tool	740	740	236	-	-	-	-
Miscellaneous							
Bore Replacement.....	1,500	1,500	74	-	-	-	-
Plasterglass Ceilings - Regional Program	1,500	1,500	1,500	-	-	-	-
Transportable Classrooms Additional Program 2019	2,100	2,100	2,100	-	-	-	-
New Primary Schools							
Alkimos Primary School.....	13,999	13,999	240	-	-	-	-
Doubleview Primary School - Rebuild.....	15,400	15,400	2,888	-	-	-	-
Honeywood Primary School	15,300	15,300	1,286	-	-	-	-
Rapids Landing Primary School	17,100	17,100	13	-	-	-	-
Wellard Primary School	15,300	15,300	2,373	-	-	-	-
New Secondary Schools							
Harrisdale Senior High School.....	51,211	51,211	2,200	-	-	-	-
Willetton Senior High School - Replacement (Stage 1)	37,604	37,604	30	-	-	-	-
Yanchep Secondary College	42,908	42,908	2,077	-	-	-	-
Other School Facilities - Japanese Language School	4,350	4,350	1,272	-	-	-	-
NEW WORKS							
Additions and Improvements to Primary Schools -							
Victoria Park Primary School.....	7,130	-	-	3,490	3,210	430	-
Additions and Improvements to Residential Colleges -							
Moora Residential College.....	8,700	-	-	4,350	4,350	-	-
Election Commitments							
Additions and Improvements to Primary Schools							
Arbor Grove Primary School - Parent and Child Centre ...	1,750	-	-	750	1,000	-	-
Kinross Primary School - Early Childhood	1,600	-	-	1,000	600	-	-
Mount Lockyer Primary School - Upgrades.....	3,000	-	-	3,000	-	-	-
Additions and Improvements to Secondary Schools							
Belmont City College - Performing Arts Centre.....	5,000	-	-	2,000	3,000	-	-
Belridge Secondary College - Performing Arts Centre.....	5,000	-	-	2,000	3,000	-	-
John Forrest Secondary College - Redevelopment	50,000	-	-	1,500	10,000	8,800	29,700
Kinross College - Upgrades	2,500	-	-	2,500	-	-	-
Mount Lawley Senior High School - Specialist Facilities.....	4,000	-	-	4,000	-	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Primary Schools							
Burns Beach Primary School	15,600	-	-	-	7,000	8,600	-
Southern River Precinct 3 Primary School	7,150	-	-	3,000	4,150	-	-
Southern River Precinct 3 Primary School - Stage 2	12,765	-	-	-	1,270	6,135	5,360
Land Acquisition - Secondary School Site	20,000	-	-	20,000	-	-	-
Miscellaneous							
School Alarm System Upgrades	2,500	-	-	2,500	-	-	-
Transportable Classrooms - Additional Program 2020	6,100	-	-	6,100	-	-	-
New Primary Schools Opening 2022-2025 (Locations to be Determined)	219,321	-	-	2,400	19,186	48,800	56,135
Other School Facilities - Central Reserve Schools	615	-	-	615	-	-	-
Total Cost of Asset Investment Program	2,378,172	1,265,239	482,967	452,810	234,814	163,310	169,174
FUNDED BY							
Capital Appropriation			246,929	293,114	123,223	80,033	68,045
Commonwealth Grants			5,500	4,350	4,350		
Drawdowns from the Holding Account			18,529	18,529	18,529	17,834	17,834
Funding Included in Department of Treasury Administered Item			26,900	22,000	10,000	8,800	29,700
Internal Funds and Balances			55,020	22,165	14,360	7,040	7,992
Other			45,602	45,602	45,602	45,603	45,603
Drawdowns from Royalties for Regions Fund			84,487	47,050	18,750	4,000	-
Total Funding			482,967	452,810	234,814	163,310	169,174

Financial Statements

- The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

- The Total Cost of Services is estimated to increase by \$102.5 million (2%) in the 2019-20 Budget compared to the 2018-19 Estimated Actual. This is mainly due to the impact of AASB 16 changes, in addition to forecast student enrolment growth and cost growth in 2019-20.

Income

- The total income is forecast to increase by \$83.8 million (7.8%) in the 2019-20 Budget compared to 2018-19 Estimated Actual, reflecting the Commonwealth Quality Schools funding published in the Commonwealth 2019-20 Budget.

Statement of Financial Position

- Total equity is expected to increase by \$0.5 billion (3.3%) between the 2018-19 Estimated Actual and the 2019-20 Budget, primarily due to the adoption of AASB 16 from 1 July 2019. This reflects a projected increase in total assets of \$1.4 billion (8.8%), which is partially offset by an increase in total liabilities of \$0.9 billion (59.6%).

Statement of Cashflows

- The 2019-20 Budget closing cash assets balance of \$559.5 million represents a decrease of \$16.3 million (2.8%) in comparison to the 2018-19 Estimated Actual of \$575.8 million. This is predominately attributed to a recashflow of capital projects.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	3,834,417	3,872,227	3,904,944	3,899,926	3,983,418	4,167,814	4,429,459
Supplies and services	865,246	944,629	962,741	957,671	1,014,943	1,041,468	1,079,150
Grants and subsidies ^(c)	42,030	32,483	31,822	28,875	21,854	15,985	13,516
Depreciation and amortisation	188,154	203,620	202,016	271,798	276,416	276,620	278,866
Finance and interest costs	25,293	33,990	33,002	78,804	82,698	82,697	83,306
Other expenses	396,794	4,012	4,012	4,012	4,180	4,260	4,260
TOTAL COST OF SERVICES	5,351,934	5,090,961	5,138,537	5,241,086	5,383,509	5,588,844	5,888,557
Income							
User contributions, charges and fees	148,953	148,559	147,069	148,457	155,679	160,999	161,380
Grants and contributions	76,154	55,372	76,764	77,818	59,064	26,207	18,686
Quality Schools Funding	660,130	737,400	739,700	826,200	918,100	1,014,300	1,113,700
Other revenue	113,404	81,849	86,348	83,141	81,128	79,847	79,847
Interest	22,442	22,239	24,390	22,461	22,760	22,390	22,897
Total Income	1,021,083	1,045,419	1,074,271	1,158,077	1,236,731	1,303,743	1,396,510
NET COST OF SERVICES	4,330,851	4,045,542	4,064,266	4,083,009	4,146,778	4,285,101	4,492,047
INCOME FROM STATE GOVERNMENT							
Service appropriations	4,053,674	4,043,514	4,064,460	4,068,147	4,159,121	4,289,264	4,495,402
Grants from State Government agencies	11,635	5,692	4,796	6,246	5,575	5,029	4,934
Resources received free of charge	14,958	14,517	14,517	15,020	15,597	15,597	15,597
Royalties for Regions Fund:							
Regional Community Services Fund	13,481	20,841	19,755	24,215	24,144	24,162	24,162
Regional Reform Funds	1,196	9,543	14,214	4,443	3,740	-	-
TOTAL INCOME FROM STATE GOVERNMENT	4,094,944	4,094,107	4,117,742	4,118,071	4,208,177	4,334,052	4,540,095
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(235,907)	48,565	53,476	35,062	61,399	48,951	48,048

(a) Full audited financial statements are published in the agency's Annual Report.

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 38,836, 39,150 and 39,591 respectively.

(c) Refer to the Details of Controlled Grants and Subsidies table below for further information.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Children and Young People with Disability -							
Non-Government Sector Support	1,447	1,660	1,660	1,660	1,660	1,660	1,660
Indian Ocean Territories	2,453	1,300	1,300	1,325	1,352	1,352	1,352
National School Chaplaincy Program ^(a)	2,570	-	2,469	2,469	2,469	2,469	-
Other	15,277	15,981	8,323	5,407	3,953	3,611	3,511
Scholarships/Sponsorships	876	907	907	907	907	907	907
Student Allowances	7,237	6,281	6,281	6,107	6,013	5,986	6,086
Universal Access to Early Childhood Education - Non-Government Sector	12,170	6,354	10,882	11,000	5,500	-	-
TOTAL	42,030	32,483	31,822	28,875	21,854	15,985	13,516

(a) Commonwealth funding under the National Partnership on the National School Chaplaincy Program will continue to 2022; however, the State allocation for 2022-23 has not yet been determined by the Commonwealth.

STATEMENT OF FINANCIAL POSITION (a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	593,436	505,746	517,565	491,807	502,264	505,308	503,259
Restricted cash.....	28,825	13,657	18,271	14,076	21,755	21,630	21,630
Holding account receivables.....	19,673	19,673	19,673	19,673	18,978	18,978	18,857
Receivables.....	52,555	43,610	52,654	64,726	52,852	52,931	53,010
Loans to schools.....	31,329	32,685	30,257	32,520	35,197	38,237	41,413
Other.....	16,055	16,153	16,055	16,055	16,055	16,055	16,055
Assets held for sale.....	4,219	769	4,219	4,219	4,219	4,219	4,219
Total current assets.....	746,092	632,293	658,694	643,076	651,320	657,358	658,443
NON-CURRENT ASSETS							
Holding account receivables.....	2,701,398	2,924,565	2,921,922	3,173,969	3,431,329	3,688,971	3,948,980
Property, plant and equipment.....	11,266,693	11,955,474	11,613,383	12,709,202	12,690,327	12,599,782	12,523,661
Intangibles.....	11,532	26,023	20,219	20,075	19,306	18,345	17,383
Restricted cash.....	26,960	39,079	39,963	53,598	67,700	84,582	99,815
Loans to schools.....	268,145	290,992	294,240	311,800	326,176	337,231	345,145
Other.....	-	1,108	-	-	-	-	-
Total non-current assets.....	14,274,728	15,237,241	14,889,727	16,268,644	16,534,838	16,728,911	16,934,984
TOTAL ASSETS.....	15,020,820	15,869,534	15,548,421	16,911,720	17,186,158	17,386,269	17,593,427
CURRENT LIABILITIES							
Employee provisions.....	588,515	586,671	609,359	609,359	609,359	609,359	609,359
Payables.....	103,415	116,883	103,733	128,843	146,096	161,096	171,456
Borrowings and leases.....	47,316	44,375	46,244	98,023	100,213	103,301	110,671
Other.....	11,492	12,747	11,492	14,135	11,492	11,492	11,492
Total current liabilities.....	750,738	760,676	770,828	850,360	867,160	885,248	902,978
NON-CURRENT LIABILITIES							
Employee provisions.....	185,849	212,916	191,846	191,846	191,846	191,846	191,846
Borrowings and leases.....	465,864	552,540	553,814	1,378,557	1,372,829	1,362,704	1,354,801
Other.....	242	48	242	242	242	242	242
Total non-current liabilities.....	651,955	765,504	745,902	1,570,645	1,564,917	1,554,792	1,546,889
TOTAL LIABILITIES.....	1,402,693	1,526,180	1,516,730	2,421,005	2,432,077	2,440,040	2,449,867
EQUITY							
Contributed equity.....	13,855,492	6,625,285	14,215,580	14,628,124	14,830,091	14,973,288	15,122,571
Accumulated surplus/(deficit).....	(237,365)	94,112	(183,889)	(137,409)	(76,010)	(27,059)	20,989
Reserves.....	-	7,623,957	-	-	-	-	-
Total equity.....	13,618,127	14,343,354	14,031,691	14,490,715	14,754,081	14,946,229	15,143,560
TOTAL LIABILITIES AND EQUITY.....	15,020,820	15,869,534	15,548,421	16,911,720	17,186,158	17,386,269	17,593,427

(a) Full audited financial statements are published in the agency's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	3,838,110	3,801,270	3,824,094	3,796,427	3,882,783	4,012,644	4,216,536
Capital appropriation	262,626	251,781	248,980	343,494	173,217	130,397	119,583
Administered equity contribution	-	40,400	26,900	22,000	10,000	8,800	29,700
Holding account drawdowns	34,606	19,673	19,842	19,673	19,673	18,978	18,978
State Government grants	8,602	5,692	4,796	6,246	5,575	5,029	4,934
Royalties for Regions Fund:							
Regional Community Services Fund	13,481	20,841	19,755	24,215	24,144	24,162	24,162
Regional Infrastructure and Headworks Fund	46,660	96,987	84,487	47,050	18,750	4,000	-
Regional Reform Fund	1,196	9,543	14,214	4,443	3,740	-	-
Net cash provided by State Government	4,205,281	4,246,187	4,243,068	4,263,548	4,137,882	4,204,010	4,413,893
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(3,809,429)	(3,833,209)	(3,877,787)	(3,874,826)	(3,966,141)	(4,152,814)	(4,419,099)
Supplies and services	(845,911)	(930,040)	(948,152)	(942,571)	(999,284)	(1,025,870)	(1,063,552)
Grants and subsidies	(51,093)	(32,483)	(31,822)	(28,875)	(21,854)	(15,985)	(13,516)
GST payments	(122,181)	(108,241)	(108,241)	(108,241)	(108,241)	(108,241)	(108,241)
Finance and interest costs	(17,650)	(26,412)	(25,403)	(70,636)	(74,546)	(74,595)	(75,204)
Other payments	(137)	-	-	-	-	-	-
Receipts ^(b)							
User contributions, charges and fees	136,914	148,519	147,029	148,417	155,640	160,999	161,380
Grants and contributions	76,154	55,372	76,764	79,906	68,991	26,207	18,686
Quality Schools Funding	660,130	737,400	739,700	826,200	918,100	1,014,300	1,113,700
GST receipts	123,100	108,142	108,142	108,142	108,142	108,142	108,142
Other receipts	82,505	81,749	81,749	83,041	80,431	79,847	79,847
Interest receipts	14,738	17,349	17,081	17,519	17,926	17,475	17,860
Net cash from operating activities	(3,752,860)	(3,781,854)	(3,820,940)	(3,761,924)	(3,820,836)	(3,970,535)	(4,179,997)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(378,163)	(468,700)	(482,967)	(452,810)	(234,814)	(163,310)	(169,174)
Proceeds from sale of non-current assets	453	-	4,499	-	-	-	-
Net cash from investing activities	(377,710)	(468,700)	(478,468)	(452,810)	(234,814)	(163,310)	(169,174)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(64,505)	(50,589)	(85,977)	(134,315)	(119,187)	(119,567)	(120,752)
Loans advanced to non-government schools	(52,698)	(57,100)	(57,100)	(57,100)	(57,100)	(57,100)	(57,100)
Proceeds from borrowings	52,557	57,100	94,436	92,182	89,515	86,485	83,370
Repayments of loans by non-government schools	32,910	32,685	31,838	34,101	36,778	39,818	42,944
Net cash from financing activities	(31,736)	(17,904)	(16,803)	(65,132)	(49,994)	(50,364)	(51,538)
NET INCREASE/(DECREASE) IN CASH HELD							
Cash assets at the beginning of the reporting period	-	580,753	649,221	575,799	559,481	591,719	611,520
Net cash transferred to/from other agencies	606,246	-	(279)	-	-	-	-
Cash assets at the end of the reporting period	649,221	558,482	575,799	559,481	591,719	611,520	624,704

(a) Full audited financial statements are published in the agency's Annual Report.

(b) A determination by the Treasurer, pursuant to section 23 of the *Financial Management Act 2006*, provides for the retention of some cash receipts by the Department. Refer to the Net Appropriation Determination table below for further information. Other receipts are retained under the authority of other relevant Acts of Parliament.

NET APPROPRIATION DETERMINATION ^(a)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Contributions							
Quality Schools Funding.....	660,130	737,400	739,700	826,200	918,100	1,014,300	1,113,700
Universal Access to Early Childhood							
Education (including Capital)	46,987	32,200	46,300	46,900	32,600	-	-
Chaplaincy Program ^(b)	7,607	-	7,729	7,729	7,729	7,729	-
Indian Ocean Territories	14,261	14,615	14,863	15,156	15,300	15,478	15,686
Capital Grant - Moora Residential College	-	-	-	4,350	4,350	-	-
Other Commonwealth Grants	7,260	8,557	7,833	5,732	8,973	2,961	2,961
User Contributions, Charges and Fees							
Schools Charges and Fees	96,460	109,988	109,646	112,608	116,003	119,061	119,062
Physical Education Camp School Receipts ...	2,270	1,201	1,201	340	348	355	363
Regulatory Fees - Training Accreditation.....	1,172	1,376	688	-	-	-	-
Teacher Registration Board Fees	5,983	5,988	5,988	5,845	6,109	6,099	5,951
Fees							
Agricultural Colleges	3,092	4,241	4,241	4,532	4,639	4,755	4,874
Canning College	6,366	5,966	5,966	6,992	7,588	7,933	8,294
Other	1,110	2,391	2,391	2,260	4,096	5,224	5,506
Residential Colleges	11,364	9,564	9,564	7,587	7,767	8,442	8,160
Swimming Classes.....	674	648	648	1,445	1,327	1,367	1,407
TAFE International	7,179	6,300	5,433	5,545	6,500	6,500	6,500
GST Receipts							
GST Input Credits.....	119,650	100,792	100,627	101,016	101,016	101,016	101,016
GST Receipts on Sales	3,246	6,990	6,822	6,805	6,805	6,805	6,805
Other Receipts							
Other Receipts.....	31,346	30,858	29,511	29,511	25,775	25,875	25,875
Developers Contribution	4,753	7,000	7,000	7,000	7,000	7,000	7,000
Interest Received.....	14,738	17,349	17,081	17,519	17,926	17,475	17,860
Schools							
Donations.....	17,702	18,370	18,370	18,847	19,318	19,801	19,801
Other Receipts	27,148	23,878	25,210	26,025	26,680	25,513	25,513
TOTAL	1,090,498	1,145,672	1,166,812	1,259,944	1,345,949	1,403,689	1,496,334

(a) The moneys received and retained are to be applied to the Department's services as specified in the Budget Statements.

(b) Commonwealth funding under the National Partnership on the National School Chaplaincy Program will continue to 2022; however, the State allocation for 2022-23 has not yet been determined by the Commonwealth.

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Other							
Service Appropriation.....	449,980	451,223	454,256	451,873	447,023	445,721	437,879
TOTAL ADMINISTERED INCOME	449,980	451,223	454,256	451,873	447,023	445,721	437,879
EXPENSES							
Grants to Charitable and Other Public Bodies							
Per Capita Grants to Non-Government							
Schools	402,573	405,197	410,356	408,134	403,698	402,689	394,940
Supplementation Grants to Special							
Education Schools.....	27,435	31,447	29,391	29,229	28,814	28,520	28,426
Funding for Schools of Special Needs -							
Medical and Mental Health and Sensory....	6,662	4,862	4,862	4,862	4,862	4,862	4,862
Psychology Services Grant.....	4,605	4,605	4,605	4,605	4,605	4,605	4,605
Capital Grant to Catholic Education							
Western Australia	3,000	-	-	-	-	-	-
Students at Risk.....	1,289	1,273	1,273	1,273	1,273	1,273	1,273
Australian Music Examinations Board.....	181	181	181	181	181	181	181
All Other Grants	128	158	88	89	90	91	92
Other							
Return of Prior Year Cash Surplus.....	15,000	-	-	-	-	-	-
Superannuation - Higher Education							
Institutions	3,445	3,500	3,500	3,500	3,500	3,500	3,500
TOTAL ADMINISTERED EXPENSES	464,318	451,223	454,256	451,873	447,023	445,721	437,879

Division 24 Training and Workforce Development

Part 6 Education and Training

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 58 Net amount appropriated to deliver services.....	351,736	354,238	355,024	335,419	353,967	367,064	370,447
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,815	1,815	1,815	1,815	1,815	1,825	1,835
Total appropriations provided to deliver services	353,551	356,053	356,839	337,234	355,782	368,889	372,282
CAPITAL							
Item 128 Capital Appropriation	237	-	-	3,060	3,248	2,567	2,165
TOTAL APPROPRIATIONS	353,788	356,053	356,839	340,294	359,030	371,456	374,447
EXPENSES							
Total Cost of Services	560,338	561,439	554,672	577,616	599,650	619,274	625,518
Net Cost of Services ^(a)	365,145	358,343	331,714	350,961	366,022	384,604	418,025
CASH ASSETS ^(b)	85,882	82,314	95,074	113,241	135,395	151,888	138,353

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiative					
Employer Incentive Scheme and Additional Apprenticeship and Traineeship Training Places	4,658	24,165	44,586	53,406	55,554
Ongoing Initiative					
Adjustments to Commonwealth Grants	(1,299)	(1,107)	(1,066)	(1,339)	1,111
Other					
Government Office Accommodation Reform Program	(95)	(106)	(104)	(103)	(103)
Indexation for Non-Salary Expenses	-	-	-	-	1,456
Non-Government Human Services Sector Indexation Adjustment	(45)	(45)	(46)	(48)	177
Regional Workers Incentives Allowance Payments.....	121	121	121	121	121
Repositioning of Expenses for Training Delivery	(4,000)	4,000	-	-	-
Review of Departmental Functions.....	-	(3,798)	(3,838)	(3,877)	(3,917)
Revision to International Student Training Activity Estimates.....	(7,819)	(9,179)	(10,760)	(12,212)	(11,504)
Revisions to Own-Source Revenue and Commercial Activity Expense Estimates	92	92	92	91	476
Streamlined Budget Process Incentive Funding.....	-	3,145	-	-	-
Transfer of the Training Accreditation Council Secretariat from the Department of Education	1,620	2,711	2,724	2,737	2,750

Significant Issues Impacting the Agency

1. Subject to the passage of legislation, an Employer Incentive Scheme will be introduced on 1 July 2019 to grow apprenticeships and traineeships and make it more affordable for employers to take on apprentices and trainees. The scheme will be funded by changes to payroll tax legislation and will extend incentive payments to small businesses who were ineligible for payroll tax exemptions, increasing the number of employers that will receive support to create jobs for apprenticeships and traineeships.
2. A funding boost of up to \$110 million over four years is available to create jobs for apprenticeships and traineeships after signing up to the National Partnership on the Skilling Australians Fund. This is expected to increase the number of apprenticeship and traineeship commencements by around 20,000 over four years above the agreed activity baseline.
3. A new approach to catering for the specific training needs of enterprises will be piloted in the allied health and social assistance sectors to support the large forecast employment growth in this sector over the next five years. The Enterprise Training program will assist enterprises to partner with registered training organisations (RTOs) to develop customised programs for existing workers and will prioritise regional delivery.
4. To boost international education and support the State International Education Strategy, a new graduate migration stream has been added to the State Nominated Migration program to assist in attracting international students to Western Australia.
5. Whole-of-government strategies to support jobs growth and the diversification of Western Australia's economy will be supported through setting priorities for publicly funded training and workforce planning. Examples of whole-of-government initiatives include Our Priorities, the STEM Skills Strategy, METRONET, the Western Australian Defence and Defence Industries Strategic Plan, and the Future Battery Industry Strategy.
6. To support regional jobs growth, regional labour market reviews are being undertaken to assist regional TAFE Colleges to align their training programs with current and future skill needs and future jobs growth in the regions.
7. A State-wide network of Jobs and Skills Centres has been established to provide a one-stop shop service for jobseekers, potential students and employers to access career, training and employment assistance. Where appropriate, Jobs and Skills Centres have partnered with local service providers to deliver career and job services to local and remote communities. Jobs and Skills Centres are complemented by a comprehensive website resource that includes a jobs notice board, qualification lists and a course search feature.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

Outcomes, Services and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcomes, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goal	Desired Outcomes	Services
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	A skilled workforce that meets the State's economic and community needs.	1. Workforce Planning and Development 2. Development of Vocational Education and Training Policy and Programs 3. Jobs and Skills Centre Services 4. Skilled Migration, Including Overseas Qualification Assessment
	A flexible, responsive, innovative and quality training system.	5. Apprenticeship and Traineeship Administration and Regulation 6. Procurement of Training 7. Recruitment and Management of International Students 8. Infrastructure Management for TAFE Colleges 9. Support Services to TAFE Colleges 10. Regulatory Services to RTOs

Service Summary

Expense	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Workforce Planning and Development	9,409	10,413	10,344	10,036	10,067	10,098	10,129
2. Development of Vocational Education and Training Policy and Programs.....	7,225	8,131	6,829	7,096	7,133	7,170	7,208
3. Jobs and Skills Centre Services	12,230	13,008	13,792	12,996	13,003	13,010	13,018
4. Skilled Migration, Including Overseas Qualification Assessment	1,123	1,712	1,263	1,304	1,312	1,321	1,330
5. Apprenticeship and Traineeship Administration and Regulation.....	9,401	9,604	8,400	7,693	7,741	7,789	7,838
6. Procurement of Training	443,972	441,786	443,780	464,715	483,972	500,277	502,955
7. Recruitment and Management of International Students.....	34,638	36,011	28,876	30,302	32,747	35,734	38,963
8. Infrastructure Management for TAFE Colleges.....	7,181	2,942	4,211	3,997	4,009	4,020	4,032
9. Support Services to TAFE Colleges	35,159	37,832	34,747	35,507	35,681	35,854	36,028
10. Regulatory Services to RTOs ^(a)	-	-	2,430	3,970	3,985	4,001	4,017
Total Cost of Services.....	560,338	561,439	554,672	577,616	599,650	619,274	625,518

(a) The Training Accreditation Council Secretariat was transferred from the Department of Education on 1 January 2019. The 2018-19 Estimated Actual reflects six month estimates to 30 June 2019.

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: A skilled workforce that meets the State's economic and community needs:					
Extent to which Jobs and Skills Centre services provided to individuals and businesses result in career, employment or training outcomes	63.1%	62%	62.4%	62%	
Proportion of State-nominated skilled migrants employed in priority occupations after arrival.....	52.1%	70%	70%	70%	1
Outcome: A flexible, responsive, innovative and quality training system:					
Proportion of delivery in training aligned with State priority occupations	63%	65%	62%	65%	
Proportion of graduates satisfied with the overall quality of training	88.7%	89%	87.8%	90%	
Percentage of RTOs compliant with the Standards for RTOs 2015	n/a	n/a	99%	100%	2

(a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.

Explanation of Significant Movements

(Notes)

1. The proportion of State-nominated skilled migrants employed in priority occupations after arrival increases between the 2017-18 Actual and the 2018-19 Estimated Actual largely due to volatility in the survey population, delays in the timing between skilled migrants registering for the survey and changes to the priority occupations list.
2. The indicator has been introduced to reflect the transfer of the Training Accreditation Council Secretariat from the Department of Education on 1 January 2019.

Services and Key Efficiency Indicators**1. Workforce Planning and Development**

The Department works closely with industry, the community and across Government in gathering and analysing workforce data and intelligence to identify the State's workforce development and training priorities.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 9,409	\$'000 10,413	\$'000 10,344	\$'000 10,036	
Less Income ^(a)	51	90	37	15	
Net Cost of Service	9,358	10,323	10,307	10,021	
Employees (Full-Time Equivalents) ^(b)	32	34	33	31	
Efficiency Indicators					
Average cost per industry and stakeholder contact.....	\$2,115	\$2,332	\$2,152	\$2,090	

(a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.

(b) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

2. Development of Vocational Education and Training Policy and Programs

The Department develops policies and programs that promote the effective and efficient operation of the State's vocational education and training system. Policy and program development is aligned to the Department's strategic direction for workforce development and training including higher education and the school sector.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 7,225	\$'000 8,131	\$'000 6,829	\$'000 7,096	1
Less Income ^(a)	311	114	40	18	
Net Cost of Service	6,914	8,017	6,789	7,078	
Employees (Full-Time Equivalents) ^(b)	38	43	35	37	2
Efficiency Indicators					
Average cost of meeting major policy milestones.....	\$25,087	\$29,040	\$29,309	\$28,382	

(a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.

(b) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service decreases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to changes in the organisational structure and associated overhead cost allocation.
2. Employees (FTEs) decrease between the 2018-19 Budget and the 2018-19 Estimated Actual due to the review of departmental functions and vacant positions.

3. Jobs and Skills Centre Services

Jobs and Skills Centre Services provide education and training information, career guidance to the Western Australian community, as well as employment, training and mentoring services to Aboriginal people and communities. Under the Government's election commitment, these services have largely been transitioned to 'Jobs and Skills Centres' located at the TAFE Colleges.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 12,230	\$'000 13,008	\$'000 13,792	\$'000 12,996	1
Less Income ^(a)	33	35	5	1	
Net Cost of Service	12,197	12,973	13,787	12,995	
Employees (Full-Time Equivalents) ^(b)	20	13	10	7	2
Efficiency Indicators					
Average cost per jobs and skills centre individual and business client contact.....	\$354	\$359	\$445	\$419	3

(a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.

(b) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service increases between the 2018-19 Budget and the 2018-19 Estimated Actual and decreases between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to the transition to the Jobs and Skills Centres function.
2. Employees (FTEs) decrease between the 2018-19 Estimated Actual and the 2019-20 Budget Target due to the review of departmental functions and a restructure of operations resulting from the transition to Jobs and Skills Centres.
3. The average cost per Jobs and Skills Centre individual and business client contact increases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to an increase in the Total Cost of Service and a change in client contacts resulting from the transition to the Jobs and Skills Centre function.

4. Skilled Migration, Including Overseas Qualification Assessment

Skilled Migration, Including Overseas Qualification Assessment assesses applications from intending skilled migrants to Western Australia, and assesses post-secondary qualifications gained overseas for Western Australian residents. The service aims to facilitate skilled migration to Western Australia to supplement the local workforce and enable overseas trained residents to access education, training and employment through recognition of overseas qualifications.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 1,123	\$'000 1,712	\$'000 1,263	\$'000 1,304	1
Less Income ^(a)	188	155	146	137	
Net Cost of Service	935	1,557	1,117	1,167	
Employees (Full-Time Equivalents) ^(b)	8	10	8	9	
Efficiency Indicators					
Average cost to administer migration applications and overseas qualification assessments	\$427	\$685	\$518	\$450	2

- (a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.
- (b) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and increases between the 2018-19 Estimated Actual and the 2019-20 Budget primarily due to changes in the organisational structure and associated overhead cost allocation.
2. The average cost to administer migration applications and overseas qualifications assessments decreases between the 2018-19 Budget and 2018-19 Estimated Actual largely due to the decrease in the Total Cost of Service. The average cost to administer migration applications and overseas qualifications assessments decreases between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to an expected increase in migration applications in the first full year of the State Nominated Migration program.

5. Apprenticeship and Traineeship Administration and Regulation

Apprenticeship and Traineeship Administration and Regulation includes registration of training contracts and administration of contract variations, educating participants on training contract and legislation requirements, dispute resolution and monitoring of legislative compliance.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 9,401	\$'000 9,604	\$'000 8,400	\$'000 7,693	1
Less Income ^(a)	102	156	61	24	
Net Cost of Service	9,299	9,448	8,339	7,669	
Employees (Full-Time Equivalents) ^(b)	60	59	54	48	2
Efficiency Indicators					
Average cost per active training contract.....	\$285	\$290	\$279	\$244	3

(a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.

(b) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

- The Total Cost of Service decreases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to efficiencies from a new information and communications technology (ICT) system and changes in the organisational structure and associated overhead cost allocation.
- Employees (FTEs) decrease between the 2018-19 Budget and the 2019-20 Budget Target primarily due to the review of departmental functions and staffing and ICT system efficiencies.
- The average cost per active training contract decreases between the 2018-19 Estimated Actual and the 2019-20 Budget Target mainly due to staffing and ICT system efficiencies and an expected increase in the number of training contracts associated with the introduction of the Employer Incentive Scheme and programs being established to meet the National Partnership on the Skilling Australians Fund milestones.

6. Procurement of Training

Procurement of Training comprises the purchasing of training delivery services from the TAFE Colleges and private training providers in accordance with the State's priorities and the State Training Plan. The service is differentiated according to the major Jobs and Skills WA funding categories and now includes the cost of grants and administration associated with the Employer Incentive Scheme.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 443,972	\$'000 441,786	\$'000 443,780	\$'000 464,715	1
Less Income ^(a)	155,025	159,843	187,210	189,245	2
Net Cost of Service	288,947	281,943	256,570	275,470	
Employees (Full-Time Equivalents)	55	57	59	69	3
Efficiency Indicators					
Cost per student curriculum hour: ^(b)					4
Diploma and above.....	\$9.75	\$9.67	\$11.80	\$12.11	
Apprenticeships and traineeships (Certificate IV and below).....	\$14.53	\$14.50	\$16.09	\$17.26	
Priority industry training (Certificate I to Certificate IV)	\$12.92	\$12.82	\$12.60	\$12.95	
General industry training (Certificate I to Certificate IV).....	\$15.84	\$15.82	\$16.03	\$16.39	
Foundation skills courses	\$17.77	\$17.62	\$17.86	\$18.36	

(a) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

(b) The cost per student curriculum hour is derived using calendar year training delivery data.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service increases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target primarily due to the introduction of the Employer Incentive Scheme and the delivery of additional apprenticeships and traineeships training places.
2. Income increases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to revenue from the new National Partnership on the Skilling Australians Fund.
3. Employees (FTEs) increase between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to the operational requirements of the Employer Incentive Scheme.
4. The cost per student curriculum hour increases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to a change in the student mix. The increase between 2018-19 Estimated Actual and the 2019-20 Budget Target is primarily due to the introduction of the Employer Incentive Scheme.

7. Recruitment and Management of International Students

Recruitment and Management of International Students involves the marketing of Western Australian TAFE Colleges and public schools offshore and onshore, and managing admissions, compliance and the welfare of international students according to relevant legislation.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	34,638	36,011	28,876	30,302	1
Less Income ^(a)	33,830	35,926	28,421	29,515	2
Net Cost of Service	808	85	455	787	
Employees (Full-Time Equivalents)	38	41	36	42	3
Efficiency Indicators					
Average cost of recruitment and management per FTE international student	\$1,567	\$1,546	\$1,400	\$1,471	

(a) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service decreases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to lower than anticipated levels of international student training activity.
2. Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to lower than anticipated levels of international student training activity.
3. Employees (FTEs) increase between the 2018-19 Estimated Actual and the 2019-20 Budget Target primarily due to the filling of vacant positions.

8. Infrastructure Management for TAFE Colleges

Infrastructure Management for TAFE Colleges includes the maintenance, administration and strategic development of land and buildings used to deliver publicly funded training in campuses across the State.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 7,181	\$'000 2,942	\$'000 4,211	\$'000 3,997	1
Less Income ^(a)	20	34	14	6	
Net Cost of Service	7,161	2,908	4,197	3,991	
Employees (Full-Time Equivalents) ^(b)	13	13	12	11	
Efficiency Indicators					
Average cost to administer training infrastructure per TAFE College	\$548,016	\$487,656	\$723,360	\$698,646	2

(a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.

(b) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service increases between the 2018-19 Budget and the 2018-19 Estimated Actual and then decreases between the 2018-19 Estimated Actual and 2019-20 Budget Target mainly due to the reallocation of expenditure relating to centrally coordinated maintenance in 2018-19.
2. The average cost to administer training infrastructure per TAFE College increases between the 2018-19 Budget and the 2018-19 Estimated Actual mainly due to the reallocation of expenditure relating to centrally coordinated maintenance in 2018-19.

9. Support Services to TAFE Colleges

Support Services to TAFE Colleges include the supply, management and maintenance of ICT, finance and human resource services.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 35,159	\$'000 37,832	\$'000 34,747	\$'000 35,507	
Less Income ^(a)	5,633	6,743	6,320	6,277	
Net Cost of Service	29,526	31,089	28,427	29,230	
Employees (Full-Time Equivalents) ^(b)	176	192	169	174	1
Efficiency Indicators					
Average cost to administer support services per TAFE College	\$7,031,814	\$7,566,326	\$6,949,315	\$7,101,431	

(a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.

(b) The 2017-18 Actual and the 2018-19 Estimated Actual reflects paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

1. Employees (FTEs) decrease between the 2018-19 Budget and the 2018-19 Estimated Actual due to the review of departmental functions and vacant positions. Employees (FTEs) increase between the 2018-19 Estimated Actual and 2019-20 Budget Target primarily due to the filling of vacant positions.

10. Regulatory Services to Registered Training Organisations (RTOs) ^(a)

The Training Accreditation Council (the Council) has the statutory responsibility for providing regulatory services to RTOs operating solely in Western Australia. The Council is established under the *Vocational Education and Training Act 1996* and is supported by the Department through the services of the Council Secretariat. Regulatory Services to RTOs include quality assurance and recognition of vocational education and training services.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	-	-	2,430	3,970	1
Less Income	-	-	704	1,417	1
Net Cost of Service	-	-	1,726	2,553	
Employees (Full-Time Equivalents)	-	-	14	16	
Efficiency Indicators					
Cost of regulatory services per RTO	n/a	n/a	\$11,855	\$19,364	2

(a) The Council Secretariat was transferred from the Department of Education on 1 January 2019.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service and income increase between the 2018-19 Estimated Actual and the 2019-20 Budget Target as the 2018-19 Estimated Actual reflects six month estimates to 30 June 2019 while the 2019-20 Budget Target is for the full year.
2. The increase in the cost of regulatory services per RTO between the 2018-19 Estimated Actual and the 2019 Budget Target is because whilst the number of RTOs has remained unchanged between the 2018-19 Estimated Actual and 2019-20 Budget Target, the cost of regulatory services for the 2018-19 Estimated Actual is for six months compared to the 2019-20 Budget Target, which is for the full year. The indicator is not directly comparable to the previous indicator reported by the Department of Education for the 2018-19 Budget.

Asset Investment Program

1. The Department's planned Asset Investment Program supports local jobs and regional prosperity to strengthen the State's economy.
2. Works that are expected to be completed in 2018-19 include the following projects:
 - 2.1. \$13 million ICT Student Management System for the training sector;
 - 2.2. \$12.4 million South Metropolitan TAFE - Engineering Training Centre at Munster;
 - 2.3. \$0.2 million election commitment for project planning and preparation of the business case for the Plan for Collie-Preston: Collie TAFE major upgrade;
 - 2.4. \$1.1 million Muresk Agricultural Skills Development Pathway program; and
 - 2.5. \$6.3 million Training Record System and Quality Business System.
3. Works with estimated expenditure continuing in 2019-20 include the following projects:
 - 3.1. \$67.7 million Remedial Works program (over 2018-19 to 2022-23), which will be used for a range of essential projects to upgrade ageing infrastructure and better equip TAFE Colleges so that students and industry have access to contemporary and industry relevant training infrastructure; and
 - 3.2. \$17.9 million Esperance New Replacement Campus to provide industry relevant training facilities to support the training and workforce development needs of the Esperance region.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Remedial Works Program ^(a)	101,379	47,429	13,737	14,200	10,900	13,550	15,300
South Regional TAFE Esperance New Replacement Campus	17,850	600	600	7,100	8,400	1,750	-
COMPLETED WORKS							
ICT Student Management System for the Training Sector	12,999	12,999	4,095	-	-	-	-
New Buildings and Additions at TAFE Colleges							
Election Commitment - Plan for Collie-Preston: Collie TAFE Major Upgrade	200	200	200	-	-	-	-
South Metropolitan TAFE - Engineering Training Centre (Munster)	12,416	12,416	215	-	-	-	-
Regional Capital Works Initiative - Muresk Agricultural Skills Development	1,095	1,095	225	-	-	-	-
Training Record System and Quality Business System	6,300	6,300	272	-	-	-	-
Total Cost of Asset Investment Program	152,239	81,039	19,344	21,300	19,300	15,300	15,300
FUNDED BY							
Internal Funds and Balances			3,619	-	-	-	-
Drawdowns from Royalties for Regions Fund			425	6,000	4,000	-	-
Commonwealth Recurrent Funding for Capital Purposes			15,300	15,300	15,300	15,300	15,300
Total Funding			19,344	21,300	19,300	15,300	15,300

(a) A net transfer of \$0.5 million from the Department's Remedial Works Program is reflected in the TAFE Colleges' Asset Investment Programs where purchases are required at a local level to meet specific training requirements.

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The \$64.6 million, or 11.6%, increase in the Total Cost of Services between the 2018-19 Estimated Actual and the 2021-22 Forward Estimate is primarily due to additional training places for apprenticeships and traineeships and the Employer Incentive Scheme.

Income

3. The \$19.9 million, or 9.8%, increase in total income between the 2018-19 Budget and the 2018-19 Estimated Actual is primarily due to revenue under the National Partnership on the Skilling Australians Fund.

Statement of Financial Position

4. The \$69.6 million, or 84.6%, overall increase in total cash assets between the 2018-19 Budget and the 2021-22 Forward Estimate primarily reflects the timing of revenue under the National Partnership on the Skilling Australians Fund.
5. The \$34.3 million, or 21.4%, increase in total equity between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is primarily due to the operating surpluses generated by the timing of the National Partnership on the Skilling Australians Fund cashflows.

Statement of Cashflows

6. Movements in cash in the Statement of Cashflows reflect changes as noted above for the Statement of Financial Position.

**INCOME STATEMENT ^(a)
(Controlled)**

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	56,151	53,268	52,530	49,555	50,093	50,506	50,985
Grants and subsidies ^(c)	431,403	435,483	436,794	458,677	483,136	500,869	503,857
Supplies and services	24,122	26,768	26,143	28,140	24,663	25,278	26,489
Accommodation	6,226	8,010	6,820	2,307	2,571	3,516	3,979
Depreciation and amortisation	2,455	3,164	3,164	6,867	6,833	5,577	5,084
Finance costs	-	-	-	1,386	1,264	1,142	1,045
Service Delivery Agreement - International Student Fees	24,839	25,069	20,464	21,283	22,347	23,687	25,107
Other expenses	15,142	9,677	8,757	9,401	8,743	8,699	8,972
TOTAL COST OF SERVICES	560,338	561,439	554,672	577,616	599,650	619,274	625,518
Income							
Sale of goods and services	762	834	745	745	745	745	745
Regulatory fees and fines	-	-	688	1,409	1,132	1,171	1,171
Grants and subsidies	152,491	158,500	185,401	187,293	193,134	192,361	163,411
International Student Course Fees	32,427	34,924	27,105	28,189	29,598	31,374	33,147
Other revenue	9,513	8,838	9,019	9,019	9,019	9,019	9,019
Total Income	195,193	203,096	222,958	226,655	233,628	234,670	207,493
NET COST OF SERVICES	365,145	358,343	331,714	350,961	366,022	384,604	418,025
INCOME FROM STATE GOVERNMENT							
Service appropriations	353,551	356,053	356,839	337,234	355,782	368,889	372,282
Resources received free of charge	495	294	294	294	294	294	294
Royalties for Regions Fund: Regional Community Services Fund	3,621	3,328	3,696	46,722	47,222	47,036	47,036
Regional Infrastructure and Headworks Fund	446	800	548	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	358,113	360,475	361,377	384,250	403,298	416,219	419,612
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(7,032)	2,132	29,663	33,289	37,276	31,615	1,587

(a) Full audited financial statements are published in the agency's Annual Report.

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 440, 430 and 444 respectively.

(c) Refer to the Details of Controlled Grants and Subsidies table below for further information.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Contracts and Agreements for the Delivery of Training and Employment Services by TAFE Colleges, Private Training Providers and the Western Australian Academy of Performing Arts at Edith Cowan University	408,498	420,824	417,503	426,907	434,848	448,132	451,684
Other Grants and Subsidies	22,905	14,659	19,291	31,770	48,288	52,737	52,173
TOTAL	431,403	435,483	436,794	458,677	483,136	500,869	503,857

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	53,813	39,722	61,550	73,542	89,817	106,132	92,419
Restricted cash.....	31,669	42,392	33,124	39,299	45,178	45,356	45,534
Receivables.....	5,995	9,465	5,995	5,995	5,995	5,995	6,116
Other.....	2,924	2,815	2,924	2,924	2,924	2,924	2,924
Total current assets.....	94,401	94,394	103,593	121,760	143,914	160,407	146,993
NON-CURRENT ASSETS							
Holding account receivables.....	41,363	45,027	45,301	52,668	60,001	66,078	71,662
Property, plant and equipment.....	30,868	34,903	29,888	70,068	66,706	62,493	58,732
Intangibles.....	15,547	18,531	18,614	17,314	16,014	14,714	13,414
Restricted cash.....	400	200	400	400	400	400	400
Other.....	325	678	325	325	325	325	325
Total non-current assets.....	88,503	99,339	94,528	140,775	143,446	144,010	144,533
TOTAL ASSETS.....	182,904	193,733	198,121	262,535	287,360	304,417	291,526
CURRENT LIABILITIES							
Employee provisions.....	10,588	11,251	11,382	12,060	12,738	13,416	14,215
Payables.....	520	1,890	520	520	520	520	520
Other.....	22,976	28,937	22,976	52,371	49,294	46,791	44,649
Total current liabilities.....	34,084	42,078	34,878	64,951	62,552	60,727	59,384
NON-CURRENT LIABILITIES							
Employee provisions.....	2,594	2,910	2,747	2,747	2,747	2,747	2,747
Other.....	10	13	10	10	10	10	10
Total non-current liabilities.....	2,604	2,923	2,757	2,757	2,757	2,757	2,757
TOTAL LIABILITIES.....	36,688	45,001	37,635	67,708	65,309	63,484	62,141
EQUITY							
Contributed equity.....	-	(53,364)	(15,393)	(14,633)	(24,685)	(37,418)	(50,553)
Accumulated surplus/(deficit).....	146,216	197,223	175,879	209,460	246,736	278,351	279,938
Reserves.....	-	4,873	-	-	-	-	-
Total equity.....	146,216	148,732	160,486	194,827	222,051	240,933	229,385
TOTAL LIABILITIES AND EQUITY.....	182,904	193,733	198,121	262,535	287,360	304,417	291,526

(a) Full audited financial statements are published in the agency's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	351,062	352,389	352,901	329,867	348,449	362,812	366,698
Capital appropriation	237	-	-	3,060	3,248	2,567	2,165
Royalties for Regions Fund:							
Regional Community Services Fund	4,043	3,553	3,921	46,722	47,222	47,036	47,036
Regional Infrastructure and Headworks Fund	846	1,000	748	6,000	4,000	-	-
Receipts paid into Consolidated Account	(33,126)	-	-	-	-	-	-
Net cash provided by State Government	323,062	356,942	357,570	385,649	402,919	412,415	415,899
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(56,405)	(52,595)	(51,698)	(48,992)	(49,530)	(49,943)	(50,422)
Grants and subsidies	(429,440)	(435,483)	(436,794)	(458,677)	(483,136)	(500,869)	(503,857)
Supplies and services	(25,343)	(26,013)	(25,947)	(28,128)	(24,651)	(25,266)	(26,437)
Accommodation	(6,260)	(8,285)	(7,095)	(2,582)	(2,846)	(3,791)	(4,254)
GST payments	(15,565)	(20,821)	(20,821)	(20,821)	(20,821)	(20,821)	(20,821)
Finance costs	-	-	-	(1,386)	(1,264)	(1,142)	(1,045)
Service Delivery Agreement - International Student Fees	(24,601)	(25,069)	(20,464)	(21,283)	(22,347)	(23,687)	(25,107)
Other payments	(10,989)	(11,070)	(9,476)	(8,729)	(8,071)	(8,027)	(8,340)
Receipts ^(b)							
Regulatory fees and fines	-	-	688	1,409	1,132	1,171	1,171
Grants and subsidies	152,191	158,500	185,401	187,293	193,134	192,361	163,411
Sale of goods and services	660	834	745	745	745	745	745
GST receipts	15,351	20,821	20,821	20,821	20,821	20,821	20,821
Other receipts	35,123	43,762	36,124	37,208	38,617	40,393	42,166
Net cash from operating activities	(365,278)	(355,419)	(328,516)	(343,122)	(358,217)	(378,055)	(411,969)
CASHFLOWS FROM INVESTING ACTIVITIES							
Payments							
Purchase of non-current assets	(35,351)	(17,783)	(19,344)	(21,300)	(19,300)	(15,300)	(15,300)
Receipts							
Proceeds from sale of non-current assets	66	-	-	-	-	-	-
Net cash from investing activities	(35,285)	(17,783)	(19,344)	(21,300)	(19,300)	(15,300)	(15,300)
CASHFLOWS FROM FINANCING ACTIVITIES							
Payments							
Other payments	-	-	-	(3,060)	(3,248)	(2,567)	(2,165)
Net cash from financing activities	-	-	-	(3,060)	(3,248)	(2,567)	(2,165)
NET INCREASE/(DECREASE) IN CASH HELD	(77,501)	(16,260)	9,710	18,167	22,154	16,493	(13,535)
Cash assets at the beginning of the reporting period	161,883	98,574	85,882	95,074	113,241	135,395	151,888
Net cash transferred to/from other agencies	1,500	-	(518)	-	-	-	-
Cash assets at the end of the reporting period	85,882	82,314	95,074	113,241	135,395	151,888	138,353

(a) Full audited financial statements are published in the agency's Annual Report.

(b) A determination by the Treasurer, pursuant to section 23 of the *Financial Management Act 2006*, provides for the retention of some cash receipts by the Department. Refer to the Net Appropriation Determination table below for further information. Other receipts are retained under the authority of other relevant Acts of Parliament.

NET APPROPRIATION DETERMINATION ^(a)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Regulatory Fees and Fines							
Regulatory Fees	-	-	688	1,409	1,132	1,171	1,171
Grants and Subsidies							
Commonwealth Capital.....	15,300	15,300	15,300	15,300	15,300	15,300	15,300
Commonwealth Recurrent	136,891	143,200	170,101	171,993	177,834	177,061	148,111
Sale of Goods and Services							
Sale of Goods and Services	660	834	745	745	745	745	745
GST Receipts							
GST Receipts	15,351	20,821	20,821	20,821	20,821	20,821	20,821
Other Receipts							
International Student Delivery.....	26,994	34,924	27,105	28,189	29,598	31,374	33,147
Interest Receipts.....	1,063	1,266	905	905	905	905	905
Other Receipts.....	7,066	7,572	8,114	8,114	8,114	8,114	8,114
TOTAL	203,325	223,917	243,779	247,476	254,449	255,491	228,314

(a) The moneys received and retained are to be applied to the Department's services as specified in the Budget Statements.

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Other							
Temporary Worker (Skilled) Visa Holder (Subclass 457) and Temporary Skill Shortage Visa Holder (Subclass 482) Child School Fees	4,014	5,360	4,346	4,346	4,346	4,346	3,028
TOTAL ADMINISTERED INCOME	4,014	5,360	4,346	4,346	4,346	4,346	3,028
EXPENSES							
Other							
Payments to the Consolidated Account	4,014	5,360	4,346	4,346	4,346	4,346	3,028
TOTAL ADMINISTERED EXPENSES	4,014	5,360	4,346	4,346	4,346	4,346	3,028

TAFE Colleges

Part 6 Education and Training

Asset Investment Program

1. The five TAFE Colleges are undertaking Asset Investment Programs in 2019-20 comprising various refurbishments and improvements to accommodation and infrastructure, as well as the replacement of equipment for training and minor works. This program supports local jobs across the State.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CENTRAL REGIONAL TAFE							
WORKS IN PROGRESS							
Asset Replacement Program ^(a)	8,261	2,461	1,540	1,450	1,450	1,450	1,450
Total Cost of Asset Investment Program	8,261	2,461	1,540	1,450	1,450	1,450	1,450
NORTH METROPOLITAN TAFE							
WORKS IN PROGRESS							
Asset Replacement Program ^(a)	12,177	6,777	4,266	1,350	1,350	1,350	1,350
Critical Remedial Works and Refurbishment Aberdeen Street and Leederville Campuses	1,450	950	950	500	-	-	-
Accommodation and Infrastructure - Building Renewal and Improvements	5,500	1,100	1,100	1,100	1,100	1,100	1,100
COMPLETED WORKS							
McLarty Campus Remedial Works	1,462	1,462	587	-	-	-	-
Total Cost of Asset Investment Program	20,589	10,289	6,903	2,950	2,450	2,450	2,450
NORTH REGIONAL TAFE							
WORKS IN PROGRESS							
Asset Replacement Program	5,475	2,875	970	650	650	650	650
Total Cost of Asset Investment Program	5,475	2,875	970	650	650	650	650
SOUTH METROPOLITAN TAFE							
WORKS IN PROGRESS							
Asset Replacement Program ^(a)	18,052	7,532	3,401	2,630	2,630	2,630	2,630
Total Cost of Asset Investment Program	18,052	7,532	3,401	2,630	2,630	2,630	2,630
SOUTH REGIONAL TAFE							
WORKS IN PROGRESS							
Asset Replacement Program	5,402	1,535	1,212	984	961	961	961
Total Cost of Asset Investment Program	5,402	1,535	1,212	984	961	961	961
Total Cost of TAFE Colleges Asset Investment Program	57,779	24,692	14,026	8,664	8,141	8,141	8,141
FUNDED BY							
Internal Funds and Balances			14,026	8,664	8,141	8,141	8,141
Total Funding			14,026	8,664	8,141	8,141	8,141

- (a) A net transfer of \$0.5 million from the Department of Training and Workforce Development's Remedial Works Program is reflected in the TAFE Colleges' Asset Replacement Programs where purchases are required at a local level to meet specific training requirements.