

Disclosures and legal compliance



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF EDUCATION

Report on the Financial Statements

I have audited the accounts and financial statements of the Department of Education.

The financial statements comprise the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Director General's Responsibility for the Financial Statements

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

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Director General, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Department of Education at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Department of Education

Report on Controls

I have audited the controls exercised by the Department of Education. The Director General is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Director General based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

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

Report on the Key Performance Indicators

I have audited the key performance indicators of the Department of Education. The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the key performance indicators of the Department of Education are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2011.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and the Australian Auditing Standards, and other relevant ethical requirements.



COLIN MURPHY
AUDITOR GENERAL
20 September 2011

Financial statements

Certification of Financial Statements For the year ended 30 June 2011

The accompanying financial statements of the Department of Education have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2011 and the financial position as at 30 June 2011.

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



SHARYN O'NEILL
DIRECTOR GENERAL
(ACCOUNTABLE AUTHORITY)

20 SEPTEMBER 2011



JOHN LEAF
DEPUTY DIRECTOR GENERAL
FINANCE AND ADMINISTRATION
(CHIEF FINANCE OFFICER)

15 SEPTEMBER 2011

Statement of Comprehensive Income For the year ended 30 June 2011

	Note	2010–11 (\$'000)	2009–10 (\$'000)
COST OF SERVICES			
Expenses			
Employee benefits expense	7	2 739 392	2 587 619
Supplies and services	8	242 455	239 225
Depreciation and amortisation expense	9	191 726	201 140
Grants and subsidies	10	26 945	257 482
School supplies and services	11	408 257	485 729
Finance costs	12	1 606	1 769
Other expenses	13	55 386	34 277
Loss on disposal of non-current assets	14	6 318	11 738
Total cost of services		3 672 085	3 818 979
Income			
Revenue			
User contributions, charges and fees	15	90 605	118 320
Schools other revenue	16	41 547	33 296
Other revenue	17	82 518	65 156
Commonwealth grants and contributions	18	511 501	554 353
Interest revenue		10 491	7 211
Total revenue		736 662	778 336
Total income other than income from State Government		736 662	778 336
NET COST OF SERVICES		2 935 423	3 040 643
INCOME FROM STATE GOVERNMENT		19	
Service appropriation		3 103 118	3 143 843
Resources received free of charge		27 236	3 947
Royalties for Regions Fund		4 900	1 800
Total income from State Government		3 135 254	3 149 590
SURPLUS FOR THE PERIOD		199 831	108 947
OTHER COMPREHENSIVE INCOME		35	
Changes in asset revaluation surplus		262 570	(735 357)
Transfer from asset revaluation surplus to accumulated surplus		-	82
Total other comprehensive income		262 570	(735 275)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		462 401	(626 328)

See also the 'Schedule of Income and Expenses by Service'

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

Statement of Financial Position As at 30 June 2011

	Note	2010–11 (\$'000)	2009–10 (\$'000)
ASSETS			
Current assets			
Cash and cash equivalents	20	291 998	204 197
Restricted cash and cash equivalents	21	111 235	130 038
Amounts receivable for services	22	19 144	19 144
Receivables	23	42 621	243 057
Inventories	24	4 392	3 891
Non-current assets classified as held for sale	25	998	999
Total current assets		470 388	601 326
Non-current assets			
Restricted cash and cash equivalents	21	56 666	44 793
Amounts receivable for services	22	1 280 933	1 096 081
Property, plant and equipment	26	10 913 363	9 993 859
Leased plant and equipment	27	25 039	26 967
Intangible assets	29	9 545	9 231
Total non-current assets		12 285 546	11 170 931
TOTAL ASSETS		12 755 934	11 772 257
LIABILITIES			
Current liabilities			
Provisions	31	541 125	543 128
Payables	33	95 791	71 989
Borrowings	32	12 368	12 692
Other current liabilities	34	7 273	8 002
Total current liabilities		656 557	635 811
Non-current liabilities			
Provisions	31	144 798	96 962
Borrowings	32	15 897	17 523
Total non-current liabilities		160 695	114 485
TOTAL LIABILITIES		817 252	750 296
NET ASSETS		11 938 682	11 021 961
EQUITY			
	35		
Contributed equity		2 205 141	1 750 821
Reserves		8 723 011	8 460 441
Accumulated surplus		1 010 530	810 699
TOTAL EQUITY		11 938 682	11 021 961

See also the 'Schedule of Assets and Liabilities by Service'.

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity For the year ended 30 June 2011

	Note	Contributed equity (\$'000)	Reserves (\$'000)	Accumulated surplus/ (deficit) (\$'000)	Total equity (\$'000)
Balance at 1 July 2009	35	1 092 777	9 195 798	694 545	10 983 120
Correction of prior period errors (see note 5)		-	-	7 125	7 125
Restated balance at 1 July 2009		1 092 777	9 195 798	701 670	10 990 245
Total comprehensive income for the year:					
Surplus for the period		-	-	108 947	108 947
Asset revaluation surplus		-	(735 357)	-	(735 357)
Transfer from asset revaluation surplus to accumulated surplus		-	-	82	82
		-	(735 357)	109 029	(626 328)
Transactions with owners in their capacity as owners:					
Capital contribution		845 647	-	-	845 647
Other distribution by owners		-	-	-	-
Distributions to owners		(187 603)	-	-	(187 603)
		658 044	-	-	658 044
Total		658 044	(735 357)	109 029	31 716
Balance at 30 June 2010		1 750 821	8 460 441	810 699	11 021 961
Balance at 1 July 2010	35	1 750 821	8 460 441	810 699	11 021 961
Correction of prior period errors (see note 5)		-	-	-	-
Restated balance at 1 July 2010		1 750 821	8 460 441	810 699	11 021 961
Total comprehensive income for the year:					
Surplus for the period		-	-	199 831	199 831
Asset revaluation surplus		-	262 570	-	262 570
Transfer from asset revaluation surplus to accumulated surplus		-	-	-	-
		-	262 570	199 831	462 401
Transactions with owners in their capacity as owners:					
Capital contribution		462 065	-	-	462 065
Other distribution by owners		5 000	-	-	5 000
Distributions to owners		(12 745)	-	-	(12 745)
		454 320	-	-	454 320
Total		454 320	262 570	199 831	916 721
Balance at 30 June 2011		2 205 141	8 723 011	1 010 530	11 938 682

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

Statement of Cash Flows

For the year ended 30 June 2011

	Note	2010–11	2009–10
		(\$'000)	(\$'000)
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		2 899 122	2 917 827
Capital contributions		462 065	845 647
Holding account draw downs		19 144	19 144
Royalties for Regions Fund			
Regional Infrastructure and Head Work Fund		5 000	-
Regional Community Services Fund		4 900	1 800
Cash transfer to Department of Training and Workforce Development		-	(82 863)
Net cash provided by State Government		3 390 231	3 701 555
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments to suppliers and employees		(3 370 565)	(3 345 918)
Grants and subsidies		(24 832)	(191 559)
Finance cost		(1 606)	(1 769)
GST payments on purchases		(101 669)	(145 503)
Receipts			
Commonwealth grants		511 249	549 107
User charges and fees and other revenue		212 423	212 116
Interest received		9 680	7 371
GST receipts on revenue		6 499	8 956
GST receipts from taxation authority		102 826	129 543
Net cash provided by / (used in) operating activities	36	(2 655 995)	(2 777 656)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(640 110)	(924 928)
Proceeds from sale of non-current physical assets		344	399
Net cash provided by / (used in) investing activities		(639 766)	(924 529)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of finance lease liabilities		(13 599)	(13 309)
Net cash provided by / (used in) financing activities		(13 599)	(13 309)
Net increase / (decrease) in cash and cash equivalents		80 871	(13 939)
Cash and cash equivalents at the beginning of the period		379 028	392 967
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		459 899	379 028

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

Schedule of Income and Expenses by Service For the year ended 30 June 2011

	Primary Education		Secondary Education		Vocational Education and Training Services		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
COST OF SERVICES								
Expenses								
Employee benefits expense	1 751 199	1 608 730	988 193	959 733	-	19 156	2 739 392	2 587 619
Supplies and services	157 497	149 013	84 958	73 841	-	16 371	242 455	239 225
Depreciation and amortisation expense	106 891	110 647	84 835	90 389	-	104	191 726	201 140
Grants and subsidies	16 799	43 852	10 146	22 071	-	191 559	26 945	257 482
School supplies and services	211 390	276 715	196 867	209 014	-	-	408 257	485 729
Finance costs	1 209	1 336	397	433	-	-	1 606	1 769
Other expenses	35 831	21 376	19 555	12 146	-	755	55 386	34 277
Loss on disposal of non-current assets	4 726	9 990	1 592	1 748	-	-	6 318	11 738
Total cost of services	2 285 542	2 221 659	1 386 543	1 369 375	-	227 945	3 672 085	3 818 979
Income								
User contributions, charges and fees	27 991	30 165	62 614	60 269	-	27 886	90 605	118 320
Schools other revenue	20 176	17 415	21 371	15 881	-	-	41 547	33 296
Other revenue	57 593	44 550	24 925	19 425	-	1 181	82 518	65 156
Commonwealth grants and contributions	288 171	256 664	223 330	220 169	-	77 520	511 501	554 353
Interest revenue	4 443	3 136	6 048	3 798	-	277	10 491	7 211
Total income other than income from State Government	398 374	351 930	338 288	319 542	-	106 864	736 662	778 336
Net Cost of Services	1 887 168	1 869 729	1 048 255	1 049 833	-	121 081	2 935 423	3 040 643
Income from State Government								
Service appropriations	1 994 978	1 922 532	1 108 140	1 076 758	-	144 553	3 103 118	3 143 843
Resources received free of charge	18 945	2 746	8 291	1 201	-	-	27 236	3 947
Royalties for Regions	-	-	4 900	1 800	-	-	4 900	1 800
Total income from State Government	2 013 923	1 925 278	1 121 331	1 079 759	-	144 553	3 135 254	3 149 590
Surplus for the period	126 755	55 549	73 076	29 926	-	23 472	199 831	108 947

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

Vocational Education and Training (VET) Services were provided from 1 July 2009 up to and including 29 October 2009. On 30 October 2009 the separation of the then Department of Education and Training (DET) resulted in the designation of the DET as the Department of Education (DoE) and the establishment of the Department of Training and Workforce Development (DTWD) which assumed responsibility for VET Services from that date.

Schedule of Assets and Liabilities by Service as at 30 June 2011

	Primary Education		Secondary Education		Total	
	2010–11 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)	2009–10 (\$'000)
ASSETS						
Current Assets	258 534	370 097	211 854	231 229	470 388	601 326
Non-Current Assets	7 696 992	6 796 138	4 588 554	4 374 793	12 285 546	11 170 931
Total Assets	7 955 526	7 166 235	4 800 408	4 606 022	12 755 934	11 772 257
LIABILITIES						
Current Liabilities	453 824	438 231	202 733	197 580	656 557	635 811
Non-Current Liabilities	110 987	78 839	49 708	35 646	160 695	114 485
Total Liabilities	564 811	517 070	252 441	233 226	817 252	750 296
NET ASSETS	7 390 715	6 649 165	4 547 967	4 372 796	11 938 682	11 021 961

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

VET Services were provided from 1 July 2009 up to and including 29 October 2009. After the separation of the then DET into two departments on 30 October 2009, the DTWD assumed responsibility for VET Services.

VET assets and liabilities balances for 2009–10 were nil. Consequently, VET has been removed from this statement.

Summary of Consolidated Account Appropriation and Income Estimates for the year ended 30 June 2011

	2010–11 Estimate (\$'000)	2010–11 Actual (\$'000)	Variance (\$'000)	2010–11 Actual (\$'000)	2009–10 Actual (\$'000)	Variance (\$'000)
DELIVERY OF SERVICES						
Item 57 Net amount appropriated to deliver services	3 019 075	3 103 118	84 043	3 103 118	3 388 410	285 292
Section 25 transfer of service appropriation:						
From DoE to DTWD from 30 October 2009	-	-	-	-	(254 448)	(254 448)
Voluntary Severance Funding from Department of Treasury and Finance	-	-	-	-	9 070	9 070
From DoE to Department of Local Government	-	-	-	-	(240)	(240)
Amount authorised by other statutes						
<i>Salaries and Allowances Act 1975</i>	1 092	-	(1 092)	-	1 051	1 051
Section 25 transfer of Salaries and Allowances Act 1995 appropriation:						
From DoE to DTWD from 30 October 2009	-	-	-	-	-	-
Total appropriations provided to deliver services	3 020 167	3 103 118	82 951	3 103 118	3 143 843	40 725
CAPITAL						
Item 136 Capital Contribution	889 949	462 065	(427 884)	462 065	880 473	418 408
Section 25 transfer of capital appropriation:						
From DoE to DTWD from 30 October 2009	-	-	-	-	(34 826)	(34 826)
	889 949	462 065	(427 884)	462 065	845 647	383 582
TOTAL APPROPRIATIONS	3 910 116	3 565 183	(344 933)	3 565 183	3 989 490	424 307
Details of expenses by service						
Primary education	2 289 463	2 285 542	(3 921)	2 285 542	2 221 659	(63 883)
Secondary education	1 324 457	1 386 543	62 086	1 386 543	1 369 375	(17 168)
Vocational education and training services			-	-	227 945	227 945
Total cost of services	3 613 920	3 672 085	58 165	3 672 085	3 818 979	146 894
Less total income	638 818	736 662	97 844	736 662	778 336	41 674
Net cost of services	2 975 102	2 935 423	(39 679)	2 935 423	3 040 643	105 220
Adjustments for movement in cash balances and other accrual items (i)	45 065	167 695	122 630	167 695	103 200	(64 495)
Adjustments for transfers of appropriation from/to other agencies (i)	-	-	-	-	-	-
Total appropriations provided to deliver services	3 020 167	3 103 118	82 951	3 103 118	3 143 843	40 725
Capital expenditure						
Purchase of non-current physical assets	1 024 551	864 924	(159 627)	864 924	924 928	60 004
Repayment of borrowings	19 405	13 599	(5 806)	13 599	13 309	(290)
Adjustments for movement in cash balances and other funding sources (j)	(154 007)	(416 458)	(262 451)	(416 458)	(92 590)	323 868
Capital contribution (appropriation)	889 949	462 065	(427 884)	462 065	845 647	383 582
Details of Income estimates						
Income disclosed as Administered Income	-	-	-	-	-	-

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

Note 48 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2010–11 and between the actual results for 2009–10 and 2010–11.

Notes to the Financial Statements For the year ended 30 June 2011

1. AUSTRALIAN ACCOUNTING STANDARDS

General

The Department's financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction (TI) 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the Department for the annual reporting period ended 30 June 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

(b) Basis of preparation

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

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

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

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

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

Notes to the Financial Statements For the year ended 30 June 2011

(c) Reporting entity

The reporting entity comprises the Department of Education including central and regional offices, the Education and Training Shared Services Centre and public schools.

Mission

The Department of Education's purpose is to ensure that all public school students leave school well prepared for their future; and have opportunities to develop the skills, knowledge and confidence they need to achieve their individual potential and play an active part in civic and economic life.

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

Financial support provided by parents has always played a significant role in enabling the provision of resources that extend each school's capacity to maximise its students' learning experiences. In education to Year 10, this support takes the form of voluntary contributions to fund, for example, textbook purchases, compulsory charges for additional cost options such as excursions, and additional requests of parents for whole school projects such as air-conditioning. In Years 11 and 12, all subject costs are compulsory charges. Contributions and charges are individually set by each school and approved by the school council.

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

Services

The Department provides the following services:

Service 1: Primary Education

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

Service 2: Secondary Education

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

For the period 1 July 2009 to 29 October 2009, prior to the redesignation of the Department and the creation of the Department of Training and Workforce Development, the Department also provided Vocational Education and Training services.

The Department administers income and expenses on behalf of Government which are not controlled by, nor integral to the function of the Department. These administered balances and transactions are not recognised in the principal financial statements of the Department but schedules are prepared using the same basis as the financial statements and are presented at *note 49 'Administered Income and Expenses'*.

(d) Contributed equity

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

Notes to the Financial Statements

For the year ended 30 June 2011

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal (see note 35 'Equity').

(e) Income

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods

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

Provision of services

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

Interest

Revenue is recognised as the interest accrues.

Student fees and charges

Revenue is recognised when fees and charges are due.

Service appropriations

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

Service Appropriations are recognised as revenues at fair value in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury (see note 19 'Income from State Government' for further detail).

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2010–11 Budget Statements, the Department retained \$675.2 million in 2010–11 (\$785.7 million in 2009–10) from the following:

- User contributions, charges and fees (excluding user contributions, and fees and charges in respect of schools);
- Commonwealth specific purpose grants and contributions; and
- Other departmental revenue.

Grants, donations, gifts and other non-reciprocal contributions

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

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

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Department obtains control over the funds. The Department obtains control of the funds at the time the funds are deposited into the Department's bank account.

Notes to the Financial Statements For the year ended 30 June 2011

Gains

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

(f) Property, plant and equipment

Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total). An example of group assets is Library Collections where individual items are below the capitalisation threshold, but the collection has a long useful life and a material value.

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

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

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land and buildings and historical cost for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation (buildings only) and accumulated impairment loss. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

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

In the absence of market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately.

Land is independently valued annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

The valuations of the Department's buildings, provided annually by a private valuer and endorsed by the Western Australian Land Information Authority (Valuation Services), are recognised in the financial statements. They are reviewed annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

See also *notes 26, 28 and 35* for further information on revaluations.

Notes to the Financial Statements For the year ended 30 June 2011

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in *note 26 'Property, Plant and Equipment'*.

Depreciation

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

Depreciation is calculated using the straight-line method, using rates which are reviewed annually. Estimated useful lives of each class of depreciable asset are:

<i>Buildings</i>	<i>40 Years</i>
<i>Communication equipment</i>	<i>5 Years</i>
<i>Computer equipment</i>	<i>4 Years</i>
<i>Furniture and fittings</i>	<i>10 Years</i>
<i>Motor vehicles</i>	<i>5 Years</i>
<i>Buses</i>	<i>10 Years</i>
<i>Musical instruments</i>	<i>12 Years</i>
<i>Office equipment</i>	<i>8 Years</i>
<i>Plant and equipment</i>	<i>8 Years</i>
<i>Transportables</i>	<i>16 Years</i>
<i>Software</i>	<i>4 Years</i>
<i>Library collections</i>	<i>Four to five years with 100% depreciation in the fifth and sixth year respectively.</i>

Works of art controlled by the Department are classified as property, plant and equipment. These are anticipated to have indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and consequently no depreciation has been recognised.

Land is not depreciated.

(g) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5000 or more and internally generated intangible assets costing \$50 000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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

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

The carrying value of intangible assets is reviewed for impairment annually, when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight-line basis. All intangible assets controlled by the Department have a useful life of four years and zero residual value.

Notes to the Financial Statements For the year ended 30 June 2011

Development costs

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

Computer software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5000 is expensed in the year of acquisition.

Website costs

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

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

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

Non-current assets held for sale comprise surplus Crown and Freehold land and buildings to be disposed of by the Department as a distribution to owner.

All Crown land holdings are vested in the Department by the Government. The Department of Regional Development and Lands (DRDL) is the only agency with the power to sell Crown land. The Department transfers the Crown land and any attached buildings to DRDL when the land becomes available for sale.

The Department has the power to sell Freehold land, however cannot retain revenues derived from sale unless specifically approved for retention by the Treasurer.

(i) Resources received free of charge or for nominal value

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the Department would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(j) Impairment of assets

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

Notes to the Financial Statements

For the year ended 30 June 2011

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling, or where there is significant change in useful life. Each relevant class of asset within central and regional offices is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs. Schools are reviewed each year.

The Department's central office and regional offices test intangible assets with an indefinite useful life and intangible assets not yet available for use for impairment at the end of each reporting period, irrespective of whether there is any indication of impairment. Schools test intangible assets each year for indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period (see note 30 'Impairment of Assets').

(k) Provisions

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

(i) Provisions – employee benefits

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

Annual leave

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

Annual leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Long service leave

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

Long service leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Notes to the Financial Statements

For the year ended 30 June 2011

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Conditional long service leave provisions are classified as non-current liabilities because the Department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Deferred leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional twelve months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a non-current provision until the fifth year.

Remote Teaching Service leave

The provision for Remote Teaching Service leave relates to teaching staff who are working in remote and isolated communities within Western Australia. Employees that stay in the same remote location continuously for three years are entitled to an additional 10 weeks paid leave and those who remain in the same remote location continuously for four years are entitled to an additional 22 weeks paid leave. The provision recognises the value of salary set aside for employees and is measured at the normal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

Superannuation

The Government Employees Superannuation Board (GESB) administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements.

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

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Department to GESB extinguishes the agency's obligations to the related superannuation liability.

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

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

Notes to the Financial Statements

For the year ended 30 June 2011

The GESB makes all benefit payments in respect of the Pension and GSS, and is recouped by the Treasurer for the employer's share (see also note 2(l) 'Superannuation Expense').

(ii) Provisions – other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised as liabilities and expenses when the employment to which they relate has occurred.

Employment on-costs are included as part of 'Other expenses' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision' (see notes 13 'Other Expenses' and note 31 'Provisions').

(l) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, and the GESBS. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(m) Leases

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Department is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

The Department has entered into a number of operating lease arrangements for the rent of buildings and other assets where the lessor effectively retains all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

(n) Amounts receivable for services (holding account)

The Department receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement (see note 19 'Income from State Government' and note 22 'Amounts receivable for services').

(o) Cash and cash equivalents

For the purpose of the Statement of Cashflows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash, and which are subject to insignificant risk of changes in value.

Notes to the Financial Statements For the year ended 30 June 2011

(p) Receivables

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

(q) Payables

Payables are recognised at the amounts payable when the Department becomes obliged to make future payments as a result of a purchase of assets or services at fair value, as they are generally settled within 30 days (see note 2(r) 'Financial Instruments' and note 33 'Payables').

(r) Financial instruments

In addition to cash and bank overdraft, the Department has two categories of financial instruments:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

Financial Assets

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

Financial Liabilities

- Payables
- Employee provisions
- Finance lease liabilities
- Other liabilities

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

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

(s) Accrued salaries

Accrued salaries (see note 33 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its net fair value.

The accrued salaries suspense account (see note 21 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

Notes to the Financial Statements For the year ended 30 June 2011

(t) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. (see note 24 'Inventories')

Inventories not held for resale are valued at cost unless they are not required, in which case they are valued at net realisable value.

(u) Amalgamation of accounts

Financial information from 827 educational sites including 771 schools has been amalgamated into the financial statements. The information provided by schools is generally drawn from accounts prepared on a cash basis with appropriate accrual information provided for the financial statements. All intra-entity transactions and balances have been eliminated.

(v) Comparative figures

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

3. JUDGEMENTS MADE BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES

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

Operating lease commitments

The Department has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Impairment of intangible assets with indefinite useful lives

Central Office, regional offices and schools assess impairment of intangible assets at the end of each reporting period. The impact of impairment of intangible assets in schools is minimal. Where there is an indication of impairment (such as falling replacement costs), the recoverable amount (depreciated replacement cost) of the intangible asset is estimated. Calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Provisions

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

Notes to the Financial Statements For the year ended 30 June 2011

5. CORRECTION OF PRIOR PERIOD ERROR

There were no corrections of prior period errors during the financial year (2009–10: \$7.125 million)

6. DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

Initial application of an Australian Accounting Standard

The Department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2010 that impacted on the Department.

2009–5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]*

Under amendments to AASB 117, the classification of land elements of all existing leases has been reassessed to determine whether they are in the nature of operating or finance leases. As leases of land and buildings recognised in the financial statements have not been found to significantly expose the Department to the risks/rewards attributable to control of land, no changes to accounting estimates have been included in the Financial Statements and Notes to the Financial Statements.

Under amendments to AASB 107, only expenditures that result in a recognised asset are eligible for classification as investing activities in the Statement of Cash Flows. All investing cashflows reported in the Department's Statement of Cash Flows relate to increases in recognised assets.

Future impact of Australian Accounting Standards not yet operative

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

	Operative for reporting periods beginning on/after
AASB 2009–11 <i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]</i>	1 Jan 2013
<p>The amendment to AASB 7 requires modification to the disclosure of categories of financial assets. The Department does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.</p>	

Notes to the Financial Statements

For the year ended 30 June 2011

AASB 2009–12 *Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]* 1 Jan 2011

The Standard introduces a number of terminology changes. There is no financial impact resulting from the application of this revised Standard.

AASB 1053 *Application of Tiers of Australian Accounting Standards* 1 Jul 2013

The Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.

The Standard does not have any financial impact on the Department. However, it may affect disclosures in the financial statements of the Department if the reduced disclosure requirements apply. The Department of Treasury has not yet determined the application or the potential impact of the new Standard for agencies.

AASB 2010–2 *Amendments to the Australian Accounting Standards arising from Reduced Disclosure Requirements* 1 Jul 2013

This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.

The Standard is not expected to have any financial impact on the Department. However, this Standard may reduce some note disclosures in financial statements of the Department. The Department of Treasury has not yet determined the application or the potential impact of the amendments to these Standards for agencies.

AASB 2011–2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements [AASB 101 and AASB 1054]* 1 Jul 2013

This Amending Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. The Department of Treasury has not yet determined the application or the potential impact of the amendments to these Standards for agencies.

AASB 2010–5 *Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 and 1038 and Interpretations 112, 115, 127, 132 and 1042] (October 2010)* 1 Jan 2011

The Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Statements. There is no financial impact resulting from the

Notes to the Financial Statements

For the year ended 30 June 2011

application of this revised Standard.

<i>AASB 2010–6</i>	<i>Amendments to the Australian Accounting Standards - Disclosure on Transfers of Financial Assets [AASB 1 and AASB 7]</i>	1 Jul 2011
	<p>This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.</p> <p>The Standard is not expected to have any financial impact on the Department. The Department of Treasury has not yet determined the application or the potential impact of the amendments to these Standards for agencies.</p>	
<i>AASB 9</i>	<i>Financial Instruments</i>	1 Jan 2013
	<p>This Standard supersedes <i>AASB 139 Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued on 6 Dec 2010 and the Department is currently determining the impact of the Standard. The Department of Treasury has not yet determined the application or the potential impact of the new Standard for agencies.</p>	
<i>AASB 2010–7</i>	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Interpretations 2, 5, 10, 12, 19 and 127]</i>	1 Jan 2013
	<p>This Amending Standard makes consequential adjustments to other Standards as a result of issuing AASB 9 Financial Instruments in December 2010. The Department of Treasury has not yet determined the application or the potential impact of the Standard for agencies.</p>	
<i>AASB 1054</i>	<i>Australian Additional Disclosures</i>	1 Jul 2011
	<p>This Standard, in conjunction with <i>AASB 2011–1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i>, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.</p>	
<i>AASB 2011–1</i>	<i>Amendments to Australian Accounting Standards arising from the Trans Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 and 134 and Interpretations 2, 112 and 113]</i>	1 Jul 2011
	<p>This Amending Standard, in conjunction with <i>AASB 1054 Australian Additional Disclosures</i>, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.</p>	

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
7. EMPLOYEE BENEFITS EXPENSES		
Wages and salaries	2 399 554	2 265 543
Superannuation - defined contribution plans (i)	232 769	213 281
Long service leave expense (ii)	47 211	30 114
Annual leave expense (ii)	(2 884)	24 741
Non-monetary benefits (iii)	62 742	53 940
	2 739 392	2 587 619

(i) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

(ii) Includes a superannuation contribution component.

(iii) These employee expenses include staff accommodation, Fringe Benefits Tax and other subsidies.

Employment on-costs such as workers' compensation insurance are included at *note 13 'Other Expenses'*. The employment on-costs liability is included at *note 31 'Provisions'*.

8. SUPPLIES AND SERVICES

Communication expenses	29 109	30 533
Computer software and system support	17 904	16 652
Contract staff and consulting	51 473	52 888
Electricity and water expenses	1 174	1 065
Insurance	1 654	846
Minor equipment purchases	5 969	3 962
Operating leases	17 715	19 396
Other staffing costs	11 132	11 256
Printing and publishing	4 726	6 198
Repairs, maintenance and minor works	38 597	39 384
Scholarships and allowances	6 323	8 543
Security	4 753	4 386
Travel	10 882	9 247
Other	41 044	34 869
	242 455	239 225

9. DEPRECIATION AND AMORTISATION EXPENSE**Depreciation**

Buildings	162 910	174 265
Plant and equipment	5 086	4 400
Motor vehicles	661	666
Buses	1 888	1 702
Computers	2 411	1 723
Communication equipment	693	495
Office equipment	3 446	3 379
Miscellaneous	529	591
Leased office equipment	13 526	13 276
Leased plant and equipment	27	24
Leased motor vehicles	5	28
Total depreciation	191 182	200 549

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
Amortisation		
Intangible assets	544	591
Total amortisation	544	591
Total depreciation and amortisation	191 726	201 140
10. GRANTS AND SUBSIDIES		
Education related grants and subsidies		
This expenditure item reflects grants and subsidies to other educational institutions and non-government organisations (see also note 43 and Appendix 1), and other grants.		
<u>Recurrent</u>		
Other educational institutions and non-governmental organisations	23 037	35 405
Other	3 908	30 518
	26 945	65 923
Training related grants and subsidies		
This expenditure item reflects grants, subsidies and contract service payments for the delivery of training and employment initiatives by the Department to private training providers and the autonomous public sector providers for the period July to October 2009 only. This was assumed by the Department of Training and Workforce Development from 30 October 2009.		
Contracts and Agreements for the Delivery of Training and Employment Services by:		
<u>Recurrent</u>		
TAFE colleges; Kalgoorlie VTEC (Curtin University); and Western Australian Academy of Performing Arts	-	155 125
Other	-	34 884
<u>Grants capital (i)</u>		
TAFE colleges; Kalgoorlie VTEC (Curtin University); and Western Australian Academy of Performing Arts	-	670
Other	-	880
	-	191 559
Total Grants and subsidies	26 945	257 482
(i) Capital grants are moneys granted to public sector and private providers and capital works expenditure incurred by the Department on behalf of the autonomous public sector providers.		
11. SCHOOL SUPPLIES AND SERVICES		
These expenses are paid by the central office on behalf of schools.		
Insurance	21 358	19 708
Maintenance, facilities and minor upgrades	70 685	160 805
Lease payments	3 127	2 216
Contract cleaning and gardening	9 860	8 565
Other schools supplies and services	15 842	16 986
	120 872	208 280

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
These expenses are paid by schools.		
Administration	62 147	63 876
Maintenance and repairs	27 594	26 773
Electricity and water expenses	46 710	43 881
Teaching and learning expenses	150 934	142 919
	287 385	277 449
Total schools supplies and services	408 257	485 729
12. FINANCE COSTS		
Finance lease - finance charges	1 606	1 769
Finance costs expended	1 606	1 769
13. OTHER EXPENSES		
Workers' compensation	54 651	32 345
Workers' compensation on-costs (i)	735	1 928
Impairment expense - Land	-	4
Impairment expense - Buildings (see also note 30)	-	-
	55 386	34 277
(i) The on-costs liability associated with the recognition of annual and long service leave liability is included at note 31 'Provisions'. Superannuation contributions accrued as part of the provisions for leave are employee benefits and are not included in employment on-costs.		
14. LOSS ON DISPOSAL OF NON-CURRENT ASSETS		
Costs of Disposal of Non-Current Assets		
Buildings	3 868	9 428
Plant and equipment	981	617
Motor vehicles	115	307
Buses	691	921
Computers	138	266
Communication equipment	215	51
Office equipment	407	386
Intangible assets	-	5
Library collections	197	45
Miscellaneous assets	50	111
	6 662	12 137
Proceeds from Disposal of Non-Current Assets		
Buildings	-	-
Plant and equipment	21	54
Motor vehicles	29	40
Buses	116	279
Computers	-	-
Communication equipment	-	-
Office equipment	22	26
Intangible assets	-	-
Library collections	156	-
Miscellaneous assets	-	-
	344	399
Net loss	6 318	11 738

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
15. USER CONTRIBUTIONS, CHARGES AND FEES		
Schools		
Contributions, charges and fees	81 002	78 976
	81 002	78 976
Central Office		
Overseas student course fees	2 641	32 382
Agricultural schools fees	3 303	3 774
Other charges and fees	3 659	3 188
	9 603	39 344
Total user contributions, charges and fees	90 605	118 320
16. SCHOOLS OTHER REVENUE		
Bookshops and canteens	5 075	4 625
Direct grants from other state agencies	2 459	2 265
Donations to schools	15 022	13 861
Hire of facilities	3 082	2 171
Other revenue	15 909	10 374
	41 547	33 296
17. OTHER REVENUE		
Capital grants and contributions		
Development grant	6 513	1 695
Developer contributions - land	18 460	11 473
Other	906	2 950
	25 879	16 118
Other		
Recoveries and refunds	22 396	25 304
Sale of goods and services	30 663	17 154
Other miscellaneous revenue	3 580	6 580
	56 639	49 038
Total other revenue	82 518	65 156
18. COMMONWEALTH GRANTS AND CONTRIBUTIONS		
Central Office		
Commonwealth grants - recurrent	430 250	482 428
Commonwealth grants - capital	75 913	67 804
	506 163	550 232

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
Schools		
Commonwealth grants - recurrent	5 338	4 121
Commonwealth grants - capital	-	-
	<u>5 338</u>	<u>4 121</u>
Total Commonwealth grants and contributions	<u>511 501</u>	<u>554 353</u>
Undischarged Grants		
The Department of Education receives Commonwealth grants on the condition that the moneys shall be expended in a particular manner. Grants which are yet to be fully spent as at the end of the reporting period do not constitute a liability but do require disclosure. Commonwealth grants yet to be fully spent at 30 June 2011 total \$88.281 million comprising the following:		
- COAG National Partnership Program	37 975	28 960
- Trade Training Centres in Schools (Capital)	11 060	26 876
- Indigenous Early Childhood Development (Capital)	2 966	3 131
- Local Schools Working Together & Early Learning and Care Centre (Capital)	2 217	4 651
- DSD - East Kimberly Development Project (Capital)	26 503	26 511
- Better Regions - Basketball Stadium (Capital)	-	101
- Special Project Grants	6 030	8 328
- Indian Ocean Territories	1 530	1 708
	<u>88 281</u>	<u>100 266</u>
19. INCOME FROM STATE GOVERNMENT		
Appropriation revenue received during the year:		
Service appropriation (i)	3 103 118	3 143 843
	<u>3 103 118</u>	<u>3 143 843</u>
Resources received free of charge (ii)		
Determined on the basis of the following estimates provided by agencies:		
Department of Finance	2 214	2 024
Landgate	249	131
Department of Training and Workforce Development	197	168
Department of Sport and Recreation	-	2
Department of Finance - Building Management and Works	23 817	769
State Solicitor's Office	485	834
Department of Culture and the Arts	18	19
Department of Health	256	-
	<u>27 236</u>	<u>3 947</u>
Royalties for Regions Fund: (iii)		
Regional Community Services Account	4 900	1 800
	<u>3 135 254</u>	<u>3 149 590</u>

(i) Service appropriations fund the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year (see note 2(e) 'Income' and note 22 'Amounts Receivable for Services (Holding Account)').

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)

(ii) Assets or services received free of charge or for nominal consideration are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been received if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity. Services received free of charge comprised \$16.007 million supplies and services and \$11.229 million capital.

(iii) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas.

20. CASH AND CASH EQUIVALENTS**Schools**

Bank accounts	227 717	199 333
Cash on hand	231	244
	227 948	199 577

Central office

Operating bank account	63 480	3 751
Cash held in regional offices bank accounts	495	767
Cash on hand and advances	75	102
	64 050	4 620

Total cash and cash equivalents

291 998	204 197
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21. RESTRICTED CASH AND CASH EQUIVALENTS**Current**

Grants trust accounts (see notes 2(e) and 18) (i)	111 235	130 038
	111 235	130 038

Non-Current

Accrued Salaries suspense account (27th pay) (ii)	56 666	44 793
	56 666	44 793

Total Restricted Cash and Cash Equivalents

167 901	174 831
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(i) Unspent cash balances relating to Commonwealth and Building the Education Revolution grants, state and other capital funding, which can only be used for the purposes stipulated by the grant or funding agreements.

(ii) Funds held in the suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years (see also note 2(s) 'Accrued Salaries').

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)

22. AMOUNTS RECEIVABLE FOR SERVICES (HOLDING ACCOUNT)

Current	19 144	19 144
Non-current	1 280 933	1 096 081
	1 300 077	1 115 225

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

See also note 2(n) 'Amounts receivable for services (Holding Account)'.

23. RECEIVABLES**Current**

Prepayments	9 259	207 774
GST receivable	10 963	15 984
Receivables	28 239	19 971
Allowance for impairment of receivables	(6651)	(672)
Accrued income	811	-
	42 621	243 057

Reconciliation of changes in the allowances for impairment of receivables:

Balance at start of year	672	628
Doubtful debts expense recognised in the statement of comprehensive income	6 431	379
Amounts written off during the year	(452)	(335)
Amounts recovered during the year	-	-
Balance at end of the year	6 651	672

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

See also note 2(p) 'Receivables' and note 45 'Financial Instruments'

24. INVENTORIES**Current****Inventories held for resale:**

School canteens, publications and bookshops stocks (at cost)	2 131	1 630
Livestock and farm produce (at cost)	2 261	2 261
	4 392	3 891

See also note 2(t) 'Inventories'

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
25. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		
<u>Opening balance</u>		
Land and buildings	1 000	1 000
Less write-down from cost to fair value less selling costs	(1)	(1)
	<u>999</u>	<u>999</u>
<u>Assets reclassified as held for sale</u>		
Land and buildings	-	3 190
Less write-down from cost to fair value less selling costs (a)	-	(4)
	<u>-</u>	<u>3 186</u>
<u>Total assets classified as held for sale</u>		
Land and buildings	1 000	4 190
Less write-down from cost to fair value less selling costs	(1)	(5)
	<u>999</u>	<u>4 185</u>
<u>Less assets sold (b)</u>		
Land and buildings	-	3 190
Less write-down from cost to fair value less selling costs	-	(4)
	<u>-</u>	<u>3 186</u>
<u>Closing Balance</u>		
Land and buildings (i)	1 000	1 000
Less write-down from cost to fair value less selling costs	(1)	(1)
	<u>999</u>	<u>999</u>

(a) Disclosed as Other Expenses. See note 13 'Other Expense - Impairment Expense - Land'

(b) See note 35 'Equity - Distribution to Owners'

See also note 2(h) 'Non-current asset classified as held for sale' and note 14 'Net gain/(loss) on disposal of non-current assets'

(i) The Department intends to dispose of Edgewater Primary School subject to a rezoning proposal. The sale is expected to proceed during the 2011–12 financial year.

26. PROPERTY, PLANT AND EQUIPMENT**Land (i)**

At fair value	3 414 952	3 319 586
	<u>3 414 952</u>	<u>3 319 586</u>

Buildings (i)

At fair value	7 011 125	5 965 838
Accumulated depreciation	(935)	(1 260)
	<u>7 010 190</u>	<u>5 964 578</u>

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
Plant and equipment		
At cost - central office	240	220
At cost - schools	53 605	47 436
Accumulated depreciation	(28 225)	(24 281)
	25 620	23 375
Motor vehicles		
At cost - central office	-	-
At cost - schools	4 283	4 340
Accumulated depreciation	(2 858)	(2 811)
	1 425	1 529
Buses		
At cost - central office	-	-
At cost - schools	17 981	17 520
Accumulated depreciation	(5 131)	(3 947)
	12 850	13 573
Computers		
At cost - central office	7 290	6 975
At cost - schools	12 369	9 562
Accumulated depreciation	(12 699)	(11 610)
	6 960	4 927
Communication equipment		
At cost - central office	1 795	1 805
At cost - schools	5 548	4 695
Accumulated depreciation	(4 833)	(4 534)
	2 510	1 966
Office equipment		
At cost - central office	1 798	1 738
At cost - schools	24 082	22 751
Accumulated depreciation	(14 834)	(14 524)
	11 046	9 965
Library collection		
At cost - central office	156	133
At cost - schools	37 671	28 083
Accumulated depreciation	-	-
	37 827	28 216

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
Miscellaneous assets		
At cost - central office	481	407
At cost - schools	6 138	4 942
Accumulated depreciation	(2 883)	(2 604)
	3 736	2 745
Asset to be Transferred to TAFE colleges		
At fair value	-	-
Accumulated depreciation	-	-
	-	-
Miscellaneous assets include musical instruments, works of art and furniture and fittings. Although Works of Art are included under Miscellaneous assets, no accumulated depreciation is recorded in relation to them as they are anticipated to have long and indeterminable useful lives.		
Capital works in progress (at cost)		
New primary schools	64 511	59 813
New secondary schools	162 265	59 627
Building the Education Revolution	124 843	493 171
Additions and improvements to schools and TAFE colleges	34 628	10 788
	386 247	623 399
	10 913 363	9 993 859
Total property, plant and equipment (see also note 28 'Reconciliation of Property, Plant and Equipment')		

(i) Land and buildings were revalued as at 1 July 2010 and reflected at fair value as at 30 June 2011. Land valuations were performed by the Western Australian Land Information Authority (Valuation Services) and building valuations were performed by an independent Quantity Surveyor and endorsed by Valuation Services. In undertaking these valuations, fair value was determined by reference to current use land values for land and depreciated replacement cost for buildings. Land comprises Crown and Freehold Land.

Valuation Services and the Department of Finance assessed the valuations globally to ensure that the valuations provided as at 1 July 2010 were compliant with fair value at 30 June 2011.

The Department, as lessor, derives operating lease income from the following leased assets included in the above:

Land

At fair value	46 626	42 568
	46 626	42 568

Buildings

At fair value	24 806	24 954
Accumulated depreciation	-	-
	24 806	24 954

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
27. LEASED PLANT AND EQUIPMENT		
Leased plant and equipment		
At capitalised cost	107	107
Accumulated depreciation	(45)	(18)
	62	89
Leased office equipment		
At cost	52 760	51 958
Accumulated depreciation	(27 783)	(25 086)
	24 977	26 872
Leased motor vehicles		
At cost	199	199
Accumulated depreciation	(199)	(193)
	-	6
Total leased plant and equipment	25 039	26 967
<i>(see also note 28 'Reconciliation of Property, Plant and Equipment')</i>		
Total of all property, plant and equipment	10 938 402	10 020 826

Notes to the Financial Statements

28. RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

Reconciliations of the carrying amounts of total property, plant, equipment, vehicles and other leased plant and equipment at the beginning and end of the current financial year are set out below.

	Land	Buildings	Plant & equipment	Leased plant & equipment	Motor vehicles	Leased motor vehicles	Buses	Computers	Communications	Office equipment	Leased office equipment	Library Collection	Misc. assets	Works in progress Capital Works	Assets Transferred to TAFE colleges	Totals
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
2010-11																
Carrying amount at start of year	3 319 586	5 964 578	23 375	89	1 529	6	13 573	4 927	1 966	9 965	26 872	28 216	2 745	623 399	-	10 020 826
Additions	34 036	-	8 307	-	556	-	1 879	4 517	1 434	4 945	11 627	9 519	1 381	786 723	-	864 924
Disposals	-	(3 868)	(980)	-	(116)	-	(691)	(138)	(215)	(407)	-	(197)	(50)	-	-	(6 662)
Transferred to non-current assets for sale (i)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to/from Works in Progress	-	1 023 875	-	-	-	-	-	-	-	-	-	-	-	(1 023 875)	-	-
Revaluation	74 042	188 528	-	-	-	-	-	-	-	-	-	-	-	-	-	262 570
Impairment losses (ii)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	(162 910)	(5 086)	(27)	(661)	(5)	(1 888)	(2 411)	(693)	(3 446)	(13 526)	-	(529)	-	-	(191 182)
Transfers / Adjustments	(12 712)	(13)	4	-	117	(1)	(23)	65	18	(11)	4	289	189	-	-	(12 074)
Carrying amount	3 414 952	7 010 190	25 620	62	1 425	-	12 850	6 960	2 510	11 046	24 977	37 827	3 736	386 247	-	10 938 402

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

(i) The Department of Regional Development and Land (DRDL) is the only agency with the power to sell Crown land. Such land is transferred to the Department for sale and the Department accounts for the transfer as a distribution to owner.

(ii) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written to recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. Where an asset measured at fair value is written-down to recoverable amount, the loss is accounted for as a revaluation decrement in the Statement of Changes in Equity.

Notes to the Financial Statements

28. RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

Reconciliations of the carrying amounts of total property, plant, equipment, vehicles and other leased plant and equipment at the beginning and end of the current financial year are set out below.

	Land	Buildings	Plant & equipment	Leased plant & equipment	Motor vehicles	Leased motor vehicles	Buses	Computers	Communications	Office equipment	Leased office equipment	Library Collection	Misc. assets	Works in progress Capital Works	Assets Transferred to TAFE colleges	Totals
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
2009–10																
Carrying amount at start of year	3 502 515	6 555 779	22 565	18	1 910	33	9 993	3 889	1 155	10 073	29 397	18 703	2 697	157 604	-	10 316 331
Additions	30 317	3 405	6 178	94	843	-	5 831	3 211	1 394	4 143	10 769	9 525	786	661 437	-	737 933
Disposals	-	(9 428)	(616)	-	(307)	-	(921)	(265)	(51)	(386)	-	(45)	(116)	-	-	(12 135)
Transferred to non-current assets for sale (i)	(3 046)	(140)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3 186)
Transfers to/from Works in Progress	-	153 303	-	-	-	-	-	-	-	-	-	-	-	(153 836)	533	-
Revaluation	(180 758)	(554 600)	-	-	-	-	-	-	-	-	-	-	-	-	82	(735 276)
Impairment losses (ii)	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4)
Depreciation	-	(174 264)	(4 400)	(23)	(666)	(27)	(1 703)	(1 723)	(494)	(3 380)	(13 276)	-	(593)	-	-	(200 549)
Transfers / Adjustments	(29 438)	(9 477)	(352)	-	(251)	-	373	(185)	(38)	(485)	(18)	33	(29)	(41 806)	(615)	(82 288)
Carrying amount	3 319 586	5 964 578	23 375	89	1 529	6	13 573	4 927	1 966	9 965	26 872	28 216	2 745	623 399	-	10 020 826

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

(i) The Department of Regional Development and Land (DRDL) is the only agency with the power to sell Crown land. Such land is transferred to the Department for sale and the Department accounts for the transfer as a distribution to owner.

(ii) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written to recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. Where an asset measured at fair value is written-down to recoverable amount, the loss is accounted for as a revaluation decrement in the Statement of Changes in Equity.

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
29. INTANGIBLE ASSETS		
Computer software		
At cost - central office	3 325	2 686
At cost - schools	40	40
Accumulated amortisation	(2 153)	(1 610)
Work in progress intangibles internally generated	8 333	8 115
	9 545	9 231
Reconciliation:		
Carrying amount at start of year	1 116	960
Additions	640	748
Disposals	-	(6)
Adjustment / transfer	-	5
Amortisation	(544)	(591)
	1 212	1 116
add Work in progress intangibles internally generated	8 333	8 115
	9 545	9 231

Computer software for the Department includes purchased and internally generated software systems that are not considered integral to hardware.

30. IMPAIRMENT OF ASSETS

All surplus assets at 30 June 2011 have either been classified as assets held for sale or written off. No impairment loss has been recognised in the Statement of Comprehensive Income for 2010–11.

Except for land and transportables, there were no indications of impairment of property, plant and equipment and intangible assets as at 30 June 2011.

31. PROVISIONS

The Department considers the carrying amount of employee benefits to approximate the net fair value.

Current

Employee Benefits Provision

Annual leave (i)	173 724	176 922
Long service leave (ii)	350 635	347 891
Deferred Salary Scheme (iii)	1 319	3 026
Remote Teaching Service (iv)	6 829	6 641
	532 507	534 480
<i>Other Provision</i>		
Workers' Compensation on-costs (v)	8 618	8 648
	8 618	8 648
	541 125	543 128

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)

Non-current*Employee Benefits Provision*

Long service leave (ii)	129 893	85 186
Deferred salary scheme (iii)	11 776	9 525
Remote Teaching Service (iv)	814	701
	142 483	95 412

Other Provision

Workers' Compensation on-costs (v)	2 315	1 550
	2 315	1 550
	144 798	96 962

(i) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of end of the reporting period	163 554	167 732
More than 12 months after the reporting period	10 170	9 190
	173 724	176 922

(ii) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of end of the reporting period	72 877	191 535
More than 12 months after the reporting period	407 650	241 542
	480 527	433 077

(iii) Deferred Salary Scheme leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of end of the reporting period	1 319	3 026
More than 12 months after the reporting period	11 776	9 525
	13 095	12 551

(iv) Remote Teaching Service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of end of the reporting period	3 065	3 544
More than 12 months after the reporting period	4 577	3 798
	7 642	7 342

(v) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 7 as 'Other related expenses'.

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)

Employee benefit liabilities

The aggregate employee benefit liability recognised and included in the Financial Statements is as follows:

Provision for employee benefits:

Current	532 507	534 480
Non-current	142 483	95 412
Total employee benefit liabilities	674 990	629 892

Movements in other provisions

Movements in each class of provisions during the financial year, other than employee benefits are set out below:

Workers' Compensation On-Costs

Carrying amount at start of year	10 198	8 460
Additional provisions recognised	530	1 530
Unwinding of the discount	205	208
Carrying amount at end of year	10 933	10 198

32. BORROWINGS**Current**

Finance lease liabilities (secured) (i)	12 368	12 692
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Non-Current

Finance lease liabilities (secured) (i)	15 897	17 523
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Total borrowings

28 265	30 215
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(i) Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

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

Finance leases		
Leased plant & equipment	62	89
Leased office equipment	24 977	26 872
Leased motor vehicles	-	6
	25 039	26 967

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
33. PAYABLES		
Current		
Central office - trade and other	5 452	2 637
Schools - trade and other	2 959	2 797
Accrued expenses	37 682	24 384
Accrued salaries	49 698	42 171
	95 791	71 989
<i>See also note 2(q) 'Payables' and note 45 'Financial Instruments'</i>		
34. OTHER LIABILITIES		
Current		
Income received in advance	-	15
Amounts held in schools trust and suspense accounts	6 018	6 471
Other	1 255	1 516
Total Current	7 273	8 002
35. EQUITY		
The Government holds the equity interest in the Department of Education on behalf of the community. Equity represents the residual interest in the net assets of the Department. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non current assets.		
Contributed Equity		
Balance at the start of the year	1 750 821	1 092 777
Contributions By Owner		
Capital appropriation	462 065	845 647
Other Contributions By Owner		
Royalties for Region Fund - Regional Infrastructure and Headworks Account	5 000	-
Transfer of net assets from other agencies		
Net Assets from other agencies	-	-
Total Contribution By Owner	2 217 886	1 938 424
Distribution to Owner		
Transfer of net assets to other agencies		
Land and Building for sale transferred to the Department of Regional Development and Lands	(12 712)	(3 186)
Land transferred to the Public Education Endowment Trust	-	(38)
Land and Buildings transferred to TAFE colleges	(15)	(615)
Transfer of Net Assets to Department of Training and Workforce Development (i)	(18)	(183 764)
Total Distribution to Owner	(12 745)	(187 603)
Balance at the end of the year	2 205 141	1 750 821

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
(i) Assets and Liabilities Transferred out to Department of Training and Workforce Development		
Cash and restricted cash	-	82 863
Property plant and equipment	18	81 082
Other assets	-	31 350
Total Assets	<u>18</u>	<u>195 295</u>
Employee benefits provisions	-	11 231
Other liabilities	-	300
Total Liabilities	<u>-</u>	<u>11 531</u>
Net Assets	<u><u>18</u></u>	<u><u>183 764</u></u>

Reserves**Asset revaluation reserve**

The Asset Revaluation Reserve is used to record increments and decrements in the revaluation of non-current assets, as described in *accounting policy note 2(f) 'Property, Plant and Equipment'*.

Balance at the start of the year	8 460 441	9 195 798
Net revaluation increments/(decrements):		
Land	74 042	(180 758)
Buildings	188 528	(554 599)
TAFE completed works	-	82
Total net revaluation increments/(decrements)	<u>262 570</u>	<u>(735 275)</u>
Transfer to Accumulated Surplus	-	(82)
Balance at the end of the year	<u><u>8 723 011</u></u>	<u><u>8 460 441</u></u>
Accumulated surplus/(deficit)		
Balance at the start of the year	810 699	694 545
Correction of prior period error (see <i>note 5</i>)	-	7 125
Adjusted Opening Balance	<u>810 699</u>	<u>701 670</u>
Result for period	199 831	108 947
Derecognise TAFE assets	-	82
	<u>199 831</u>	<u>109 029</u>
Balance at the end of the year	<u><u>1 010 530</u></u>	<u><u>810 699</u></u>

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)

36. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	291 998	234 955
Restricted cash and cash equivalents (see note 21 - Restricted Cash)	167 901	144 073
Total	459 899	379 028

(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Net cost of services	(2 935 423)	(3 040 643)
Non-cash items:		
Depreciation and amortisation expense (note 9)	191 726	201 140
Resources received free of charge (note 19 (ii))	16 007	3 947
Other revenue (note 17)	-	(6 293)
Net (gain)/loss on sale of property, plant and equipment (note 14)	6 318	11 738
Impairment expense (note 30)	-	4
Doubtful debts expense (note 23)	6 431	379
(Increase)/decrease in assets:		
Current receivables (i)	(14 482)	4 572
Current Inventories	(501)	(646)
Increase/(decrease) in liabilities:		
Provisions	45 833	54 172
Current payables and other liabilities (i)	23 075	3 864
Net GST receipts/(payments) (ii)	7 656	(7 004)
Change in GST in receivables and payables (iii)	(2635)	(2886)
Net cash provided by/(used in) operating activities	(2 655 995)	(2 777 656)

(c) Non-cash investing and financing activities

Acquisition of plant and equipment by means of finance leases	11 627	10 863
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(i) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items and do not form part of the reconciling items.

(ii) This is the net GST paid/received, ie cash transactions.

(iii) This reverses out the GST in receivables and payables.

37. INDIAN OCEAN TERRITORIES

Reconciliation of Commonwealth funds received and expended for the Indian Ocean Territories

Opening balance	1 708	834
Receipts	12 109	12 394
Payments	(12 286)	(11 520)
Closing balance	1 530	1 708

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)

38. COMMITMENTS

The commitments below are inclusive of GST where relevant.

(a) Capital expenditure commitments

Capital expenditure commitments, being contracted capital expenditure additional to amounts reported in the financial statements, are payable as follows:

Within one year	791 623	975 027
Later than one year and not later than five years	259 399	406 216
Later than five years	-	-
	1 051 022	1 381 243

The capital commitments include amounts for the following:

New high schools	193 344	184 250
Additional stages to high schools	50 573	88 662
Additions and improvements to high schools	135 552	174 272
Additions and improvements to district high schools	88 144	98 168
Additions and improvements to agricultural colleges	28 702	40 723
New primary schools	148 680	140 570
Additions and improvements to primary schools	17 088	36 016
Trade training centres in schools	53 762	74 091
Building the Education Revolution program	167 506	424 920
Miscellaneous projects	135 091	61 722
Other school facilities	18 817	57 849
Royalties for Regions	13 763	-
	1 051 022	1 381 243

(b) Lease commitments**Operating leases**

Commitments in relation to non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities in the financial statements are payable as follows:

Within one year	9 791	7 873
Later than one year and not later than five years	20 334	23 026
Later than five years	10 406	13 437
	40 531	44 336

Future minimum rentals receivables for operating leases at reporting date but not recognised as assets:

Within one year	688	614
Later than one year and not later than five years	2 798	2 632
Later than five years	675	1 379
	4 161	4 625

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
Finance leases		
Minimum lease payments in relation to finance leases are payable as follows:		
Within one year	13 635	14 118
Later than one year and not later than five years	16 921	18 695
Minimum finance lease payments	<u>30 556</u>	<u>32 813</u>
Less future finance charges	(2 291)	(2 598)
Present value of finance lease liabilities	<u>28 265</u>	<u>30 215</u>
The present value of finance leases payable is as follows:		
Within one year	12 368	12 692
Later than one year and not later than five years	15 897	17 523
	<u>28 265</u>	<u>30 215</u>
Included in the financial statements as:		
Current (see note 32 'Borrowings')	12 368	12 692
Non-current (see note 32 'Borrowings')	15 897	17 523
	<u>28 265</u>	<u>30 215</u>

The Department has the option to purchase leased assets at their agreed fair value on expiry of the lease. These leasing arrangements do not have escalation clauses, other than in the event of payment default. There are no restrictions imposed by these leasing arrangements on other financing transactions (see also note 32 'Borrowings').

39. RESOURCES PROVIDED FREE OF CHARGE

During the year the following resources were provided to other agencies free of charge for functions outside the normal operations of the Department:

- Marketing and publications
- Delivery support systems – wide area network
- College management information systems support
- Accounting services
- Asset and building management services
- Industrial relations support
- Secondments
- Lease costs
- Outgoings
- School census information
- Administration support

Country High School Hostels Authority	136	97
Health Department of Western Australia	1 584	1 542
Department of Education Services	44	24
Department of the Premier and Cabinet	272	319
Curriculum Council	97	76
Department of Child Protection	12	1
Country Health Services	8	-
Main Roads	1	-
Pilbara Development Commission	4	-
Department of Transport	1	-
Public Education Endowment Trust	7	-
Department of Training & Workforce Development	226	-
	<u>2 392</u>	<u>2 059</u>

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
The estimated value of these services provided to the following TAFE colleges is:		
Central Institute of Technology	187	836
Durack Institute of Technology	171	378
Challenger Institute of Technology	317	734
C. Y. O'Connor Institute	188	342
Great Southern Institute of Technology	143	384
Kalgoorlie VTEC (Curtin University)	81	236
Kimberley TAFE	256	464
Pilbara TAFE	220	458
South West Regional College of TAFE	174	454
Polytechnic West	402	872
WA Academy of Performing Arts (Edith Cowan University)	-	15
West Coast Institute of Technology	101	425
	<u>2 240</u>	<u>5 598</u>
	<u>4 632</u>	<u>7 657</u>

40. REMUNERATION OF SENIOR OFFICERS

The number of senior officers, whose total of fees, salaries, non-monetary benefits, superannuation and other benefits for the financial year, fall within the following bands are:

Salary ranges

\$50 001 - \$60 000	1 *	1 *
\$60 001 - \$70 000	-	2 *
\$70 001 - \$80 000	2 *	-
\$80 001 - \$90 000	5 *	1 *
\$90 001 - \$100 000	2 *	-
\$120 001 - \$130 000	1 *	-
\$130 001 - \$140 000	1 *	1 *
\$150 001 - \$160 000	1 *	1 *
\$160 001 - \$170 000	-	2
\$170 001 - \$180 000	3 *	4
\$180 001 - \$190 000	3	2
\$240 001 - \$250 000	2	-
\$250 001 - \$260 000	-	1
\$280 001 - \$290 000	-	1
\$300 001 - \$310 000	1	-
\$370 001 - \$380 000	-	1 *
\$420 001 - \$430 000	-	1
\$430 001 - \$440 000	1	-
	<u>23</u>	<u>18</u>

*Includes senior officers where period of service is less than 12 months.

	(\$'000)	(\$'000)
Total remuneration of senior officers	<u>3 540</u>	<u>3 271</u>

The total remuneration includes the superannuation expense incurred by the Department in respect of senior officers.

No senior officers are members of the Pension Scheme.

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)
41. REMUNERATION OF AUDITOR		
Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:		
Auditing the accounts, financial statements and performance indicators	445	480
These amounts are due and payable in the next financial year.		
<i>The expense for the 2009–10 audit of the financial statements is included in note 8 'Supplies and Services - Other' for 2010-11.</i>		
42. SUPPLEMENTARY FINANCIAL INFORMATION		
Write-offs		
<u>Accounts Receivables</u>		
During the financial year, \$1 876 000 (2009–10: \$1 034 000) of Accounts Receivables was written off under the		
Accountable Authority	1 876	1 034
The Minister	-	-
Executive Council	-	-
	<u>1 876</u>	<u>1 034</u>
<u>Asset Register</u>		
During the financial year, \$86 000 (2009–10: \$47 000) was written off the Department's asset register under the authority of:		
Accountable Authority	86	30
The Minister	-	17
Executive Council	-	-
	<u>86</u>	<u>47</u>
Losses through theft, defaults and other causes		
Losses of public moneys through theft and default	-	-
Amounts recovered	-	-
	<u>-</u>	<u>-</u>
Gifts of public property		
Gifts of public property provided by the Department	-	-
	<u>-</u>	<u>-</u>
43. FUNDING TO NON-GOVERNMENT BODIES		
Other educational institutions and non-government organisations	23 037	35 405
	<u>23 037</u>	<u>35 405</u>

Notes to the Financial Statements

	2010–11	2009–10
	(\$'000)	(\$'000)

44. AFFILIATED BODIES

The following table below are government affiliated bodies that received grants from the Department. These Training Councils are not subject to operational control by the Department.

Food, Fibre and Timber Industries Training Council (WA) Inc	-	245
FutureNow - Creative and Leisure Industries Training Council Inc	-	270
Construction Training Council	-	163
Community Services, Health and Education Training Council	-	220
Financial, Administrative and Professional Services Training Council	-	270
Engineering and Automotive Training Council	-	245
Electrical, Utilities and Public Administration Training Council	-	183
Retail and Personal Service Training Council	-	183
Logistics Training Council	-	163
	-	1 942

The responsibility for funding the above Training Councils was transferred to the Department of Training and Workforce Development, following the de-merger with the Department in 2009–10. Consequently, the Department did not make any training related payments in 2010–11.

45. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Department are cash and cash equivalents, restricted cash and cash equivalents, finance leases, Treasurer's advances, receivables, and payables. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is a possibility of the Department's receivables defaulting on their contractual obligations resulting in a financial loss to the Department.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairments, as shown in the table at note 45(c) 'Financial Instruments Disclosures' and note 23 'Receivables.'

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department is exposed to liquidity risk through its trading in the normal course of business.

The Department has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Notes to the Financial Statements

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. The Department does not trade in foreign currency and is not materially exposed to other price risks.

Other than as detailed in the Interest rate sensitivity analysis table at *note 45(c) 'Financial Instrument Disclosure'*, the Department is not exposed to interest rate risk because apart from minor amounts of restricted cash, all other cash and cash equivalents and restricted cash are non-interest bearing, and has no borrowings other than the Treasurer's advance (non-interest bearing) and finance leases (fixed interest rate).

(b) Categories of Financial Instruments

In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2010–11	2009–10
	(\$'000)	(\$'000)
Financial Assets		
Cash and cash equivalents	291 998	204 197
Restricted cash and cash equivalents	167 901	174 831
Loans and receivables ^(a)	1 321 665	1 134 524
Financial Liabilities		
Financial liabilities measured at amortised cost	131 329	110 206

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable) and prepayments.

Notes to the Financial Statements

(c) Financial Instruments Disclosures

Credit Risk and Interest Rate Risk Exposure

The following table discloses the Department's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Department's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Department.

The Department does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Department does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being paid past due or impaired.

Interest rate exposure and ageing analysis of financial assets (a)

	Weighted Average Effective Interest Rate %	Carrying Amount (\$'000)	Interest rate exposure			Past due but not Impaired					Impaired financial assets (\$'000)
			Fixed interest rate (\$'000)	Variable interest rate (\$'000)	Non- interest bearing (\$'000)	Up to 3 months (\$'000)	3 - 12 months (\$'000)	1 - 2 years (\$'000)	2 - 5 years (\$'000)	More than 5 years (\$'000)	
Financial Assets											
2010-11											
School cash balances	3.42	126 264	-	126 033	231	-	-	-	-	-	-
Central and regional offices cash balances	-	64 050	-	-	64 050	-	-	-	-	-	-
Restricted cash assets	-	167 901	-	-	167 901	-	-	-	-	-	-
Receivables (a)	-	21 588	-	-	21 588	-	2 292	233	375	322	141
Term deposits	5.08	101 684	101 684	-	-	-	-	-	-	-	-
Amounts receivable for services	-	1 300 077	-	-	1 300 077	-	-	-	-	-	-
		1 781 564	101 684	126 033	1 553 847	-	2 292	233	375	322	141

(a) The amount of receivables excludes the GST recoverable from the ATO and prepayments.

Notes to the Financial Statements

(c) Financial Instruments Disclosures

Credit Risk and Interest Rate Risk Exposure

Interest rate exposure and ageing analysis of financial assets (a)

	Weighted Average Effective Interest Rate %	Carrying Amount (\$'000)	Interest rate exposure			Past due but not impaired					Impaired financial assets (\$'000)
			Fixed interest rate (\$'000)	Variable interest rate (\$'000)	Non- interest bearing (\$'000)	Up to 3 months (\$'000)	3 - 12 months (\$'000)	1 - 2 years (\$'000)	2 - 5 years (\$'000)	More than 5 years (\$'000)	
Financial Assets											
2009-10											
School cash balances	3.11	120 312	-	120 068	244	-	-	-	-	-	-
Central and regional offices cash balances	-	4 620	-	-	4 620	-	-	-	-	-	-
Restricted cash assets	-	174 831	-	-	174 831	-	-	-	-	-	-
Receivables (a)	-	19 299	-	-	19 299	133	2 243	812	1 050	62	446
Term deposits	5.06	79 265	79 265	-	-	-	-	-	-	-	-
Amounts receivable for services	-	1 115 225	-	-	1 115 225	-	-	-	-	-	-
		1 513 552	79 265	120 068	1 314 219	133	2 243	812	1 050	62	446

(a) The amount of receivables excludes the GST recoverable from the ATO and prepayments.

Notes to the Financial Statements

Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the end of the reporting period. The table includes both interest and principal cash flow. An adjustment has been made where material.

Interest rate exposure and maturity analysis of financial liabilities (a)

	Weighted Average Effective Interest Rate %	Carrying Amount (\$'000)	Interest rate exposure					Maturity dates				
			Fixed interest rate (\$'000)	Variable interest rate (\$'000)	Non- interest bearing (\$'000)	Adjustment for discounting (\$'000)	Total Nominal Amount (\$'000)	Up To 3 months (\$'000)	3 - 12 months (\$'000)	1 - 2 years (\$'000)	2 - 5 years (\$'000)	More than 5 years (\$'000)
Financial Liabilities												
2010–11												
Payables	-	95 791	-	-	95 791	-	-	-	-	-	-	-
Finance lease liabilities	4.48	28 265	-	-	-	(2 291)	30 556	3 857	9 778	9 435	7 486	-
Other liabilities	-	7 273	-	-	7 273	-	-	-	-	-	-	-
		131 329	-	-	103 064	(2 291)	30 556	3 857	9 778	9 435	7 486	-
2009–10												
Payables	-	71 989	-	-	71 989	-	-	-	-	-	-	-
Finance lease liabilities	4.49	30 215	-	-	-	(2 628)	32 843	3 860	10 258	10 230	8 495	-
Other liabilities	-	8 002	-	-	8 002	-	-	-	-	-	-	-
		110 206	-	-	79 991	(2 628)	32 843	3 860	10 258	10 230	8 495	-

(a) The amounts disclosed are the calculated undiscounted cash flow of each class of financial liabilities.

Notes to the Financial Statements

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Department's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying Amount	-1% change		+1% change	
		Surplus (\$'000)	Equity (\$'000)	Surplus (\$'000)	Equity (\$'000)
2010-11					
Financial assets					
School cash balances	126 264	(1 263)	(1 263)	1 263	1 263
Central and regional offices cash balances	-	-	-	-	-
Totals	126 264	(1 263)	(1 263)	1 263	1 263
2009-10					
Financial assets					
School cash balances	120 312	(1 203)	(1 203)	1 203	1 203
Central and regional offices cash balances	-	-	-	-	-
Totals	120 312	(1 203)	(1 203)	1 203	1 203

Fair Value

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

46. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The following contingent liabilities are additional to the liabilities included in the financial statements:

Litigation in progress

The Department is involved in a number of legal proceedings. The potential cost to the Department of the various matters cannot be reliably predicted at this time but is unlikely to have a material effect on these financial statements.

Contaminated sites

The Department of Education continues to identify site contamination in the form of Dieldrin (and occasionally Aldrin) in soil through formal soil sampling and analysis prior to and post demolition of school buildings. Sites are appropriately remediated with contamination being removed and soil validated as such. This is to be expected due to common and lawful usage during the 1960's and 70's and the cost of such sites is factored into the overall site redevelopment costs. During 2010-11, only two sites required reporting to the Department of Environment and Conservation as possibly contaminated: Karratha Primary School and Deanmore Primary School. Both schools were undergoing redevelopment when Asbestos Containing Material (ACM) was found on site. Karratha was subsequently given an all clear; however, Deanmore had to undergo extensive remediation due to ACM fragments being found where buildings once stood. Whilst the remediation cost is unknown at this stage, Building Management and Works estimate it could be in the vicinity of \$500 000.

Other - GST overclaim

The Department has a contingent liability in regards to overclaimed GST to the amount of \$1.834 million.

The Department does not have any contingent assets.

47. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There are no events after the end of the reporting period having a material effect on these financial statements.

Notes to the Financial Statements

48. EXPLANATORY STATEMENT

The Summary of Consolidated Fund Appropriations and Income Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditures made and revenue estimates and payments into the Consolidated Fund.

The following explanations are provided in accordance with Treasurer's Instruction 945. Significant variations are considered to be those greater than 10%.

Significant variation between estimate and actual

Total Revenue from ordinary activities **\$97.8m**

The increase is mainly due to increases in Commonwealth grants and contributions (primarily National Partnership Programs and other special projects), Education and Training Shared Service Centre revenue and developers' land contributions.

2010–11 Budget Estimate (\$'000)	2010–11 Actual (\$'000)	Variance (\$'000)
638 818	736 662	97 844

Purchase of Non-current physical assets **(\$159.6m)**

The decrease is mainly due to delays in the commencement and completion of capital works subsequently carried over into 2011-12.

2010–11 Budget Estimate (\$'000)	2010–11 Actual (\$'000)	Variance (\$'000)
1 024 551	864 924	(159 627)

Capital Contribution **(\$427.9m)**

The decrease reflects decisions made in managing the capital works program, in particular the deferral of works and carryovers of the Commonwealth's Building the Education Revolution program.

2010–11 Budget Estimate (\$'000)	2010–11 Actual (\$'000)	Variance (\$'000)
889 949	462 065	(427 884)

Significant variations between actuals and prior year actuals

Capital Contribution **(\$383.6m)**

The decrease reflects decisions made in managing the capital works program, in particular the deferral and expensing of works and carryovers of the Commonwealth's Building the Education Revolution program.

2010–11 Actual (\$'000)	2009–10 Actual (\$'000)	Variance (\$'000)
462 065	845 647	(383 582)

Notes to the Financial Statements

49. ADMINISTERED INCOME AND EXPENSES BY SERVICE

	Primary Education		Secondary Education		Vocational Education and Training Services		Total	
	2010-11 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2009-10 (\$'000)

Income

For transfer:

Other Revenue (i) - - - - -

Total administered income - - - - -

(i) See note 35 'Equity - Distribution to Owners'

50. SPECIAL PURPOSE ACCOUNTS

The Department of Education manages the following special purpose accounts in a trustee capacity. The funds are restricted in that they can only be used in accordance with the conditions of the accounts. These are not included in the 'Financial Statements.

Special Purpose Account	2010-11				2009-10			
	Opening Balance (\$)	Receipts (\$)	Payments (\$)	Closing Balance (\$)	Opening Balance (\$)	Receipts (\$)	Payments (\$)	Closing Balance (\$)
1. Olive A.Lewis Scholarship	4 736	10 000	10 000	4 736	4 736	-	-	4 736
2. Scholarship – Council of War Service Land Settlers Association	794	40	-	834	765	29	-	794
3. R.S. Sampson Scholarships	1	-	-	1	1	-	-	1
4. John Henry Kendall	990	51	113	928	1 044	41	95	990
5. Margueretta Wilson Scholarships	3 068	154	100	3 122	3 152	116	200	3 068
6. Perth Girls' Memorial Scholarships	91 456	4 617	1 000	95 073	88 110	3 346	-	91 456
7. Sir Thomas Coombe Scholarships	95 644	4 842	-	100 486	92 145	3 499	-	95 644
8. Margery Bennett Prize	1 063	54	-	1 117	1 024	39	-	1 063
9. W.J. Reid Memorial Prize	6 482	328	-	6 810	6 638	244	400	6 482
10. James and Rose Coombe Scholarships	-	38 755	38 755	-	-	-	-	-
11. Perth Boys' Memorial Scholarships	21 239	1 075	-	22 314	20 462	777	-	21 239
12. Roy Grace English Scholarships	-	6 700	6 700	-	2 000	0	2 000	-
13. James A. Heron Memorial Prize	12 335	624	-	12 959	11 884	451	-	12 335
14. Ernest Smith Memorial Prize for English	2 126	107	-	2 233	2 048	77	-	2 125
15. Bentley Senior High School	21 489	1 087	-	22 576	20 702	787	-	21 489
16. Elaine Nora Walker Scholarships	92 938	4 678	2 000	95 616	90 511	3 427	1 000	92 938
17. William Samuel Bequest	2 480	123	200	2 403	2 586	94	200	2 480
18. Howard Porter Memorial Prize for Good Citizenship	3 023	151	200	2 974	3 109	114	200	3 023
19. Ian Bremner Memorial Scholarships	50 864	2 549	2 000	51 413	50 970	1 894	2 000	50 864
20. Catherine and Ernest Bennett Memorial Scholarship	28 874	1 449	1 000	29 323	28 791	1 083	1 000	28 874
Totals	439 602	77 384	62 068	454 918	430 678	16 019	7 095	439 602

Notes to the Financial Statements

PURPOSE OF SPECIAL PURPOSE ACCOUNTS

1. Olive A. Lewis Scholarship Trust Account

To hold funds received from the Trustees of the Olive A. Lewis Scholarship Trust pending payment of scholarships to students of ability whose further education might otherwise be restricted by virtue of financial need.

2. Scholarship - Council of War Service Land Settlers Association Trust Account

To hold funds for the purpose of providing an annual prize and runner-up award for the students of residential agricultural schools.

3. R.S. Sampson Scholarships Trust Account

To receive money from the Trustees of the R.S. Sampson Scholarship Trust for the purpose of paying cash prizes to students who have at least three years secondary schooling in public schools in the Swan Electorate.

4. John Henry Kendall Trust Account

To hold and invest moneys bequeathed for the purpose of providing funds for the purchase and supply of books to the North Merredin Primary School library.

5. Margueretta Wilson Scholarship Trust Account

To hold the foundation money for the purpose of making available an annual scholarship to a Year 9 student at the Collie Senior High School.

6. Perth Girls' Memorial Scholarship Trust Account

To hold moneys for the purpose of awarding scholarships to a girl or girls attending a public secondary school in the metropolitan area.

7. Sir Thomas Coombe Scholarship Trust Account

To hold the money bequeathed for the purpose of awarding scholarships to male students of ability who for financial reasons would otherwise be unable to carry on to the West Australian Certificate of Secondary Education.

8. Margery Bennett Prize Trust Account

To hold moneys for the purpose of awarding a cash prize on a biennial rotation basis to an Aboriginal tertiary student in a teacher education program or an Aboriginal Education Worker in Western Australia.

9. W. J. Reid Memorial Prize Trust Account

To hold and invest moneys donated for the purpose of awarding an annual prize to a student from Carine Senior High School who displays social maturity, confidence, poise, involvement in student and/or community affairs, and above average scholastic development.

10. James and Rose Coombe Scholarship Trust Account

To hold and invest money bequeathed for the purpose of awarding cash prizes for public country school students who are in need of financial assistance to complete a high school education.

Notes to the Financial Statements

PURPOSE OF SPECIAL PURPOSE ACCOUNTS

11. Perth Boys' Memorial Scholarship Trust Account

To hold moneys for the purpose of awarding scholarships to a boy or boys attending a public secondary school in the metropolitan area.

12. Roy Grace English Scholarship Trust Account

To hold the foundation money for the purpose of making an annual cash award available to a student at the end of both Years 10 and 11 who is attending a public secondary school and who demonstrates exceptional ability in the area of English.

13. James A. Heron Memorial Prize Trust Account

To hold the foundation money for the purpose of awarding a cash prize to a student residing in the Fremantle district who is proceeding to take a West Australian Certificate of Secondary Education course at any recognised high school.

14. Ernest Smith Memorial Prize for English Trust Account

To hold and invest moneys donated for the purpose of awarding an annual prize to the best student in English at the North Perth Primary School.

15. Bentley Senior High School Trust Account

To hold and invest moneys provided by the Bentley Senior High School and Parents and Citizens' Association for the purpose of awarding two annual scholarships based on academic merit to students of Kent Street Senior High School or Como Secondary College.

16. Elaine Nora Walker Scholarship Trust Fund

To hold and invest moneys bequeathed for the purpose of providing annual scholarships to assist one male and one female student to continue their education in an institution governed by the Department of Education.

17. William Samuel Bequest Trust Account

To hold and invest the bequest money for the purpose of awarding a boy from the White Gum Valley Primary School a cash prize based on all-round efficiency in sport and school work.

18. Howard Porter Memorial Prize for Good Citizenship Trust Account

To hold the bequest money for the purpose of awarding an annual prize for "good citizenship" to a female student at the White Gum Valley Primary School.

19. Ian Bremner Memorial Scholarship Trust Account

To hold moneys for the purpose of providing an annual scholarship to the most successful student at the Cowaramup Primary School.

20. Ernest and Catherine Bennett Memorial Scholarship Trust Account

To hold moneys for the purpose of providing an annual scholarship to the successful Year 10 student who is continuing on with Year 11 studies at Lake Grace District High School.

Ministerial directives

Treasurer's Instruction 903 (12) requires the Department to disclose details of any Ministerial directives relevant to the setting of desired outcomes or operational objectives, the achievement of desired outcomes or operational objectives, investment activities and financing activities.

No such directives were issued by the Minister for Education during 2010–11.

Other financial disclosures

Pricing policies of services provided

Charges and contributions

The provision of public education is often regarded as a partnership between the Government and the community. Whilst the Government accepts its responsibility to provide access to quality education anywhere in Western Australia, the community accepts that parents and carers should, if they are able, make a contribution to enhance the educational program.

Sections 97–108 of the *School Education Act 1999* and the accompanying *School Education Act Regulations 2000* 58–66 and 102 govern this process.

Under the Act, no student of compulsory school age can be denied access to the standard curriculum because of an unwillingness or inability to pay charges or contributions. Some adult and overseas students, however, are required to pay to access the standard curriculum in public schools.

All charges and contributions and requests for items of personal use (e.g. booklists) must be approved by the School Council and communicated to parents at least two months before the school year begins.

During the years of primary schooling, contributions requested from parents are voluntary. The maximum that can be requested is \$60 for the provision of an educational program that satisfies the requirements of the Curriculum Framework. If students elect to participate in extra-cost optional components of the learning program, such as camps, compulsory charges apply.

Prior to 2002, all course charges in Years 8–10 were compulsory, to a maximum of \$225. Currently, public schools may request voluntary contributions of up to \$235 for standard courses that satisfy the requirements of the Curriculum Framework. For extra-cost optional components, compulsory charges apply. These include, but are not limited to, outdoor education programs, specialised design and technology courses, excursions, camps, visiting performances, graduation dinners and balls.

Course charges in Years 11 and 12 are compulsory. However, the Education Program Allowance through the Secondary Assistance Scheme provides \$235 towards these costs.

Overseas full fee-paying students enrolled in public schools were required to pay the following annual tuition fees:

- Primary school students — \$8000 for the first child (\$7500 for siblings)
- Lower secondary school students — \$9500 for the first child (\$9000 for siblings)
- Senior secondary school students — \$10 500 for the first child (\$10 000 for siblings).

Capital works

Asset investment program expenditure on public schools for 2010–11 is an estimated \$601 million. This includes \$297 million in the Primary Schools for the 21st Century and the Science and Language Centres for 21st Century Secondary Schools elements of the Commonwealth Government's Building the Education Revolution Program.

The Primary Schools for the 21st Century element comprises 1008 projects in 673 schools in Western Australia.

The budget included funding for the new Aubin Grove, Makybe Rise and Spring Hill primary schools which were opened for the beginning of the 2011 school year. The replacement schools for Deanmore, Karratha, Wattle Grove and Wilson Park primary schools were completed and opened in 2011. The replacement school for the Meekatharra School of the Air was also completed and opened for the beginning of 2011.

Additional stages of Comet Bay College and Ellenbrook Secondary College were completed for the beginning of the 2011 school year.

Upgrades and redevelopment of facilities are under construction at Applecross, Churchlands and Rossmoyne senior high schools.

The final stages of construction continued at Aveley, Meadow Springs, Malvern Springs and Piara Waters primary schools. Construction also continued on the replacement of Yakamia Primary School and Lake Gwelup Primary School, to open in 2012.

Construction continued on Stage Two of Ashdale College and Atwell College, to open in 2012, and construction began on Stage Two of Karratha Senior High School, to open in 2013.

Construction on new secondary schools in Baldivis and Butler commenced. Construction also began on the redevelopment of Governor Stirling Senior High School on its existing site with the project expected to be completed in 2013.

Funding has been allocated for four new primary schools due to open in 2013: Baynton West (Karratha), East Dalyellup, Pearsall and West Byford.

Construction has commenced on the establishment of transportable Kindergarten/Pre-primary facilities in the Canning Vale and Secret Harbour areas.

Construction commenced on the redevelopment of Dongara District High School, Bullsbrook District High School and Exmouth District High School as part of the Investing in Schools election commitment.

Construction continued on the Commonwealth-funded East Kimberley Development Package which includes a redevelopment of Kununurra District High School and remote community schools.

Construction of Trade Training Centres, from a first round of projects approved by the Commonwealth Government, was completed at 16 secondary schools in 2011 and continued at two others. Also, construction commenced on a second round of 10 approved projects.

Funding has been provided for administration upgrades, covered assembly areas, library resource centres and toilet upgrades/replacements at various schools. In addition, funding has been provided for upgrades of Science and Design and Technology facilities at various district high schools and senior high schools across the State.

Table 43: Completed major capital works^(a), 2010–11

Project	Year of completion	Estimated Total Cost			Estimated cost to complete as at 1 July 2011 (\$'000)	Variation %	Reason for variation over 5% ^(b)
		Original Budget (\$'000)	Revised Budget (\$'000)	Variation (\$'000)			
New primary schools							
Madeley PS	2011	10 500	10 031	469		(4.5)	
Sub-totals:		10 500	10 031	469			
Additions and improvements to primary schools							
Chidlow PS *	2011	2 000	2 100	(100)		5.0	
Marri Grove PS	2011	2 500	1 573	927		(37.1)	Lower tender result
Sub-totals:		4 500	3 673	827			
Trade training centres in schools (Commonwealth)							
Armadale SHS	2011	2 000	2 011	(11)		0.6	
Broome SHS	2011	1 500	1 560	(60)		4.0	
John Forrest Secondary College	2011	2 550	2 601	(51)		2.0	
Merredin SHS	2011	4 100	4 223	(123)		3.0	
Mount Barker Community College	2011	1 500	1 579	(79)		5.3	Higher costs due to building escalation
Sub-totals:		11 650	11 974	(324)			
Miscellaneous programs							
Land Acquisition	2011	26 790	19 878	6 912		(25.8)	Lower due to delays in infrastructure
Sub-totals:		26 790	19 878	6 912			
Total completed works 2010–11:		53 440	45 556	7 884			

* Liberal/National Party election commitment

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

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

Table 44: Major capital works in progress ^(a), 2010–11

Project	Year of completion	Estimated Total Cost			Estimated cost to complete as at 1 July 2011 (\$'000)	Variation %	Reason for variation over 5% ^(b)
		Original Budget (\$'000)	Revised Budget (\$'000)	Variation (\$'000)			
New secondary schools							
Baldivis Secondary School (2013)	2013	44 000	44 000	0	36 391	0.0	
Butler HS (2013)	2013	53 000	53 000	0	49 745	0.0	
Dongara DHS – Replacement (2012) *	2012	30 000	30 000	0	24 672	0.0	
Governor Stirling SHS (2013)	2013	63 000	63 000	0	52 596	0.0	
Byford Secondary School (2014) *	2014	30 000	30 000	0	29 940	0.0	
Sub-totals:		220 000	220 000	0	193 344		
Additional stages to secondary schools							
Ashdale Secondary College (Stage 2)	2012	33 000	33 000	0	23 832	0.0	
Atwell College (Stage 2)	2012	31 000	31 000	0	20 929	0.0	
Comet Bay College (Stage 2)	2011	25 000	22 292	2 708	2 371	(10.8)	Lower tender result
Ellenbrook SC (Stage 2)	2011	25 000	25 100	(100)	1 972	0.4	
Karratha SHS – Redevelopment	2011	27 000	31 500	(4 500)	1 469	16.7	Higher costs due to building escalation
Sub-totals:		141 000	142 892	(1 892)	50 573		
Additions and improvements to secondary schools							
Albany SHS *	2011	2 000	2 000	0	215	0.0	
Applecross SHS – upgrade	2014	56 000	56 000	0	54 111	0.0	
Bunbury SHS *	2011	2 000	2 000	0	0	0.0	
Busselton SHS – upgrade	2011	3 000	3 000	0	997	0.0	
Canning Vale College	2011	570	1 397	(827)	0	145.1	Higher costs due to building escalation
Churchlands SHS – music auditorium expansion	2012	10 000	10 000	0	8 360	0.0	
Darling Range (Forrestfield) Sports College *	2011	4 000	4 000	0	50	0.0	
Eastern Hills SHS *	2011	2 000	2 000	0	197	0.0	
Geraldton Senior College *	2011	5 000	5 502	(502)	136	10.0	Higher costs due to building escalation
Kalamunda SHS *	2012	5 000	5 000	0	1 023	0.0	
Karratha SHS (Stage 2) (2013)	2013	46 000	45 207	793	40 481	(1.7)	
Meekatharra School of the Air	2011	3 700	3 700	0	1 080	0.0	
Merredin SHS – Local Schools Working Together	2011	2 506	2 506	0	202	0.0	
Newton Moore SHS	2011	9 500	13 191	(3 691)	0	38.9	Higher costs due to variation in scope
North Albany SHS – Local Schools Working Together	2011	2 380	2 380	0	1 027	0.0	
Perth Modern School	2011	24 900	33 064	(8 164)	0	32.8	Higher costs due to variation in scope
Rossmoyne SHS – upgrade	2012	14 000	14 000	0	8 894	0.0	
Secondary Science upgrades	2012	18 000	18 000	0	11 110	0.0	
Senior high school – Design and Technology upgrades	2012	10 000	10 000	0	7 284	0.0	

* Liberal/National Party election commitment

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

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

Project	Year of completion	Estimated Total Cost			Estimated cost to complete as at 1 July 2011 (\$'000)	Variation %	Reason for variation over 5% ^(b)
		Original Budget (\$'000)	Revised Budget (\$'000)	Variation (\$'000)			
Additions and improvements to secondary schools (continued)							
Wanneroo SHS	2011	6 000	6 000	0	120	0.0	
Woodvale Secondary College – basketball stadium	2011	2 000	2 000	0	72	0.0	
Woodvale Secondary College *	2011	3 250	3 250	0	109	0.0	
Sub-totals:		231 806	244 197	(12 391)	135 467		
Additional stages to district high schools							
Bullsbrook DHS (2013) *	2013	30 000	20 000	10 000	18 593	(33.3)	Program scope reduced
District high schools – Design and Technology upgrades	2012	10 000	10 000	0	9 651	0.0	
Donnybrook DHS *	2011	5 000	5 000	0	1 456	0.0	
Exmouth DHS *	2012	14 250	15 000	(750)	11 811	5.3	Higher costs due to building escalation
Roleystone DHS	2012	3 500	3 500	0	3 365	0.0	
Kununurra DHS – East Kimberley Development Package	2012	53 400	49 115	4 285	39 988	(8.0)	Program budget expanded to other projects within the program
Wyndham DHS – East Kimberley Development Package	2012	0	1 600	(1 600)	800		
Kalumburu RCS – East Kimberley Development Package	2012	0	577	(577)	523		
Oombulgurri RCS – East Kimberley Development Package	2012	0	577	(577)	529		
Jungdranung RCS – East Kimberley Development Package	2012	0	960	(960)	908		
Dawul RCS – East Kimberley Development Package	2012	0	577	(577)	521		
Sub-totals:		116 150	106 906	9 244	88 144		
Additions and improvements to agricultural colleges							
Harvey – redevelopment *	2012	25 000	25 000	0	22 779	0.0	
Narrogin – student and staff accommodation upgrades	2012	18 000	18 000	0	5 922	0.0	
Sub-totals:		43 000	43 000	0	28 702		
New primary schools							
Aubin Grove (Atwell) PS (2011) *	2011	14 250	14 000	250	1 182	(1.8)	
Aveley (Ellenbrook) PS (2012) *	2012	14 250	14 000	250	11 220	(1.8)	
Bannister Creek (Lynwood/Ferndale/Kinlock) PS – replacement	2011	13 000	12 500	500	437	(3.8)	
Baynton West PS (2013)	2013	23 000	23 000	0	22 705	0.0	
Campbell PS – Pre-primary/kindergarten transportables	2012	1 500	1 500	0	1 315	0.0	
Comet Bay PS – Pre-primary/kindergarten transportables	2012	1 500	1 500	0	1 350	0.0	
Craigie Heights (Camberwarra/Craigie) PS – replacement	2011	13 000	12 939	61	0	(0.5)	
Deanmore PS (2010)	2011	14 250	14 250	0	1 348	0.0	
East Dalyellup PS (2013)	2013	14 700	14 700	0	14 532	0.0	
Greenwood (Allenswood) PS – replacement	2011	13 000	12 000	1 000	377	(7.7)	Lower tender result
Interim schools	2011	627	627	0	627	0.0	
Karratha PS – replacement (2011)	2011	26 000	20 500	5 500	1 337	(21.2)	Lower tender result
Lake Gwelup PS (2012)	2012	13 000	13 000	0	9 884	0.0	

* Liberal/National Party election commitment

Project	Year of completion	Estimated Total Cost			Estimated cost to complete as at 1 July 2011 (\$'000)	Variation %	Reason for variation over 5% ^(b)
		Original Budget (\$'000)	Revised Budget (\$'000)	Variation (\$'000)			
New primary schools (continued)							
Lockridge PS – replacement	2011	13 000	13 000	0	1 935	0.0	
Malvern Springs PS (2012)	2012	16 000	14 000	2 000	12 445	(12.5)	Lower tender result
Makybe Rise PS (K–2)	2011	3 500	6 090	(2 590)	0	74.0	Higher costs due to variation in scope
Meadow Springs (2012)	2012	16 000	14 000	2 000	7 479	(12.5)	Lower tender result
Mount Barker Stage 2 – replacement	2011	12 000	11 446	554	318	(4.6)	
Pearsall PS (2013)	2013	14 000	14 000	0	13 937	0.0	
Piara Waters PS (Forrestdale) (2012)	2012	16 000	14 000	2 000	10 365	(12.5)	Lower tender result
Remote community schools	2012	3 257	2 607	650	2 595	(20.0)	Program scope reduced
Roseworth (Montrose/Hainsworth) PS – replacement	2011	13 000	11 071	1 929	0	(14.8)	Lower tender result
Safety Bay PS – replacement	2011	14 000	12 200	1 800	778	(12.9)	Lower tender result
Springhill PS (K–2) (2011)	2011	10 000	12 793	(2 793)	2 140	27.9	Higher costs due to variation in scope
Wattle Grove PS (2011) *	2011	14 250	10 874	3 376	839	(23.7)	Lower tender result
West Byford PS (2013) *	2013	17 000	17 000	0	16 954	0.0	
Yakamia PS (2012) *	2012	14 000	16 000	(2 000)	12 583	14.3	Higher costs due to building escalation
Sub-totals:		338 084	323 597	14 487	148 680		
Additions and improvements to primary schools							
Ashdale PS – Early learning and care centre	2011	1 800	1 800	0	1 599	0.0	
Baldivis PS	2011	3 500	3 500	0	1 475	0.0	
Bunbury PS *	2011	2 000	4 000	(2 000)	856	100.0	Higher costs due to unavoidable commitments
Coolbinia PS *	2011	3 000	3 000	0	381	0.0	
Hudson Park PS	2011	2 000	5 022	(3 022)	110	151.1	Higher costs due to unavoidable commitments
Maidens Park PS *	2011	1 600	1 919	(319)	468	19.9	Higher costs due to variation in scope
Mount Lawley PS *	2011	2 000	2 000	0	538	0.0	
Neerabup PS (2011)	2011	5 000	3 674	1 326	1 014	(26.5)	Lower tender result
Pinjarra ECE (2011)	2011	2 500	2 500	0	2 500	0.0	
South Bunbury PS *	2011	1 000	1 000	0	8	0.0	
Sutherland Dianella PS *	2012	5 000	5 000	0	2 588	0.0	
Tambrey PS	2011	5 700	5 700	0	413	0.0	
Warriapendi PS – Early learning and care centre	2011	1 800	1 800	0	1 664	0.0	
Westminster PS – yet to be announced	2012	3 000	3 000	0	3 000	0.0	
Sub-totals:		39 900	43 915	(4 015)	16 613		

* Liberal/National Party election commitment

Project	Year of completion	Estimated Total Cost			Estimated cost to complete as at 1 July 2011 (\$'000)	Variation %	Reason for variation over 5% ^(b)
		Original Budget (\$'000)	Revised Budget (\$'000)	Variation (\$'000)			
Trade training centres in schools (Commonwealth)							
Ballajura Community College	2011	1 500	1 500	0	110	0.0	
Belmont City College	2012	3 000	3 000	0	2 398	0.0	
Busselton SHS	2012	7 000	7 000	0	5 622	0.0	
Carnarvon SHS	2012	3 800	3 800	0	3 506	0.0	
Central Midlands SHS	2012	3 500	3 500	0	2 468	0.0	
Christmas Island DHS	2012	1 500	1 500	0	944	0.0	
Collie SHS	2011	720	720	0	33	0.0	
Esperance SHS	2012	4 700	4 700	0	747	0.0	
Geraldton Senior College	2012	8 000	8 000	0	7 403	0.0	
Girrawheen SHS	2012	2 980	3 030	(50)	1	1.7	
Hedland SHS	2012	4 500	4 500	0	4 431	0.0	
Kent Street SHS	2012	3 000	3 000	0	1 227	0.0	
Leeming SHS	2012	5 000	5 000	0	2 572	0.0	
Manjimup SHS	2012	5 500	5 500	0	619	0.0	
Mirrabooka SHS	2012	3 500	3 500	0	252	0.0	
Morley SHS	2012	3 000	3 000	0	163	0.0	
Newman SHS	2012	1 500	1 500	0	1 433	0.0	
North Albany SHS	2012	3 500	3 500	0	3 400	0.0	
Northam SHS	2012	3 200	3 200	0	770	0.0	
Pinjarra SHS	2012	2 000	2 000	0	1 442	0.0	
Sevenoaks Senior College	2012	4 488	4 488	0	152	0.0	
South Fremantle SHS	2012	4 500	4 500	0	3 173	0.0	
Tom Price SHS	2011	1 500	1 500	0	640	0.0	
WA College of Agriculture (Denmark)	2012	3 000	3 000	0	2 392	0.0	
WA College of Agriculture (Harvey)	2012	3 000	3 000	0	470	0.0	
WA College of Agriculture (Narrogin)	2012	9 200	9 200	0	7 273	0.0	
Woodvale Secondary College	2012	2 380	2 380	0	122	0.0	
Sub-totals:		99 468	99 518	(50)	53 762		
Building the Education Revolution							
Primary Schools in the 21 st Century	2012	992 698	1 126 586	(133 888)	159 541	13.5	Program scope increased
Science and Language Centres for 21 st Century Secondary Schools	2011	100 000	34 060	65 940	7 965	(65.9)	Program scope reduced
Sub-totals:		1 092 698	1 160 646	(67 948)	167 506		

Project	Year of completion	Estimated Total Cost			Estimated cost to complete as at 1 July 2011 (\$'000)	Variation %	Reason for variation over 5% ^(b)
		Original Budget	Revised Budget	Variation			
		(\$'000)	(\$'000)	(\$'000)			
Miscellaneous programs							
Concrete cancer remediation	2011	8 000	8 000	0	6 836	0.0	
Indigenous family and child health centres	2014	18 845	27 500	(9 015)	23 009	48.8	Program scope increased to include 2011–12, 2012–13 and 2013–14 programs
Infrastructure power upgrade	2013	10 000	30 000	(20 000)	27 984	200.0	
Roof replacement	2013	20 000	40 000	(20 000)	32 970	100.0	Program scope increased to include 2011–12 and 2012–13 programs
Seatbelts in school buses	2012	20 853	21 103	(250)	250	1.2	Higher costs due to unavoidable commitments
Sewer connections	2011	850	1 200	(350)	580	41.2	
Sewer connections	2015	86 813	86 813	0	48 990	0.0	
Transportable classrooms	2011	4 500	4 500	0	4 006	0.0	
Sub-totals:		169 501	219 116	(49 615)	144 625		
Royalties for Regions							
Hedland SHS	2013	8 000	8 000	0	6 977	0.0	
Regional Schools Plan	2013	12 000	12 000	0	6 786	0.0	
Sub-totals:		20 000	20 000	0	13 763		
Other schools facilities							
Administration upgrade	2012	6 109	8 892	(2 783)	3 032	45.6	Program scope increased to include 2011–12 programs
Central reserve schools	2011	1 607	1 607	0	1 472	0.0	
Covered assembly areas	2012	5 500	5 500	0	4 089	0.0	
Early childhood program	2011	1 500	4 573	(3 073)	0	204.9	Program scope increased
Library resource centres	2012	5 564	5 564	0	4 930	0.0	
Rural integration program	2012	1 600	3 200	(1 600)	3 200	100.0	Program scope increased to include 2011–12 programs
Student services – improvements	2012	2 772	2 772	0	1 622	0.0	
Toilet replacement	2011	2 233	3 608	(1 375)	0	61.6	Program scope increased
Sub-totals:		26 885	35 716	(8 831)	18 345		
Total works in progress 2010–11:		2 538 492	2 659 503	(121 011)	1 059 523		
Total completed works and works in progress 2010–11:		2 591 932	2 705 059	(113 127)	1 059 523		

Employment and industrial relations

Workforce profile

With some 41 000 teachers, administrators, public servants and other support staff, the Department is the largest public sector employer in Western Australia.

During 2010–11, an average of 33 061 full-time equivalent staff were employed. Of these, 60.2% were teachers, 27.0% were support staff, 6.8% were cleaners and gardeners, and 5.9% were administrative and clerical staff.

Table 45: Department of Education employees^(a), by category, 2006–07 to 2010–11

Category	2006–07	2007–08	2008–09	2009–10 ^(b)	2010–11
Administrative and clerical ^(c)	2 406	2 451	2 442	2 481	1 966
Teaching ^(d)	19 039	19 419	19 773	19 639	19 909
Support ^(e)	7 109	7 584	8 118	8 585	8 939
Cleaning and gardening	1 872	2 067	2 166	2 210	2 247
Totals	30 426	31 522	32 499	32 916	33 061

(a) Average paid full-time equivalent staffing levels.

(b) Training separated from the former Department of Education and Training from 30 October 2009, with some staff transferred to the newly established Department of Training and Workforce Development.

(c) Comprises Public Sector Management Act positions and teaching staff in administrative roles.

(d) Includes principals and deputies.

(e) Includes school clerical staff and education assistants (teacher aides).

Source: *Financial Management and Resourcing*

Table 46: Department of Education employees^(a), by operational area and category, 2010–11

Operational area	Administrative and clerical ^(b)	Teaching ^(c)	Support ^(d)	Cleaning and gardening	Totals
Education & Training Shared Services Centre	287	–	–	–	287
Central strategic and corporate services	896	–	–	–	896
Regional education offices ^{(e) (f)}	265	248	5	8	526
Schools ^(g)	518	19 661	8 934	2 239	31 352
Totals	1 966	19 909	8 939	2 247	33 061

(a) Average paid full-time equivalent staffing levels.

(b) Comprises Public Sector Management Act positions and teaching staff in administrative roles.

(c) Includes principals and deputies.

(d) Includes school clerical staff and education assistants (teacher aides).

(e) Regional education offices commenced operation in January 2011. Staff previously in district education offices until this time are included here.

(f) The 'Teaching' category in regional education offices includes school psychologists and school development officers.

(g) See next table.

Source: *Financial Management and Resourcing*

Table 47: Department of Education school-related employees ^(a), by type of school and category, 2010–11

Type of school	Administrative and clerical ^(b)	Teaching ^(c)	Support ^(d)	Cleaning and gardening	Totals
Community kindergarten	–	38	35	–	73
Pre-compulsory/primary	10	10 580	5 182	1 190	16 962
District high	7	1 274	584	173	2 038
Secondary	290	6 209	1 673	807	8 979
Education support	57	845	1 285	31	2 218
Other schools ^(e)	154	715	175	38	1 082
Totals	518	19 661	8 934	2 239	31 352

- (a) Average paid full-time equivalent staffing levels.
 (b) Comprises Public Sector Management Act positions and teaching staff in administrative roles.
 (c) Includes principals and deputies.
 (d) Includes school clerical staff and education assistants (teacher aides).
 (e) Includes camp schools, Canning and Tuart senior colleges, School of Isolated and Distance Education, campuses of WACoA, behaviour management centres, the WA Institute for Deaf Education, swimming teachers and teachers of instrumental music.

Source: Financial Management and Resourcing

Table 48: Student-teacher ratios ^(a), public schools, 2006–2010 ^(b)

Level of Schooling	2006	2007	2008	2009	2010
Primary (including pre-primary FTE ^(c))	16.7	15.8	15.8	15.7	15.8
Secondary	12.8	12.1	12.1	12.3	11.8
Education support schools and centres	5.5	5.5	5.3	5.5	5.5

- (a) The calculation uses active in-school teachers, including principals and deputy principals, expressed as full-time equivalents. Excludes SIDE and Tuart and Canning senior colleges.
 (b) Second semester census.
 (c) Pre-primary FTE are based on the number of sessions attended by individual students.

Source: Evaluation and Accountability

Table 49: School-based teaching staff ^(a) ^(b) ^(c) ^(d) at public schools, by category and level of schooling, 2010 ^(e)

Category	K	P	Primary	Secondary	Education support	All
Principal	0	0	537	164	67	768
Deputy principal	0	0	784	295	32	1 111
Head of department/program coordinator	0	0	2	778	0	780
Teacher	311	1 230	7 606	4 986	0	14 133
Education support teacher	46	95	31	73	479	724
Guidance/counselling	0	0	3	5	1	9
Totals	357	1 325	8 963	6 301	579	17 525

- (a) Full-time equivalents rounded to the nearest whole number.
 (b) Includes teachers (but not teacher aides) at community kindergartens.
 (c) Teaching staff figures are based on the counting method used for the National Schools Statistics Collection and do not include staff on extended leave.
 (d) In reporting of K and P school-based teaching staff, staff have been apportioned to K and P on the basis of individual student numbers.
 (e) Second semester census.

Source: Evaluation and Accountability

Table 50: School-based teaching staff ^{(a) (b)} at public schools, by level of schooling and gender, 2010 ^(c)

Level of Schooling	Female N	Female %	Male N	Male %	Total N
Pre-compulsory ^(d)	1 646	97.9	36	2.1	1 682
Primary	6 990	78.0	1 972	22.0	8 962
Secondary	3 513	55.7	2 789	44.3	6 302
Education support	490	84.6	89	15.4	579
Totals	12 639		4 886		17 525

- (a) Full-time equivalents rounded to the nearest whole number.
 (b) Teaching staff figures are based on the counting method used for the National Schools Statistics Collection and do not include staff on extended leave.
 (c) Second semester census.
 (d) Includes Department teaching staff at community kindergartens.

Source: Evaluation and Accountability

Teacher recruitment and supply

The modelling of the Western Australian teaching workforce, including public and private schools, continues to be updated and enhanced to provide information on future labour requirements. Also, non-teaching workforce projections have been developed for the Department. This group of employees continues to grow, and planning is vital to ensure that schools are able to provide the services required, particularly in the context of the Independent Public School initiative.

In 2010–11, enabling Independent Public Schools to undertake their own workforce planning as part of their overall school planning has been a focus for the Department. Individual support was provided to Independent Public Schools in addition to professional development and online material.

From 2011, all schools have more flexibility in teacher staffing. Principals are now able to approve all long service leave for their staff, all salary conversions to their school staffing pool and all mobility transfers for their staff. Principals will also be able to fill all permanent and fixed-term teaching vacancies as they arise during Term 2 and Term 3, through a selection process at the school level.

Workforce profiles, analysis and demographic trends are analysed to support strategic decision making.

Table 51: Teacher retirements and resignations, public schools, 2006–2010 ^{(a) (b)}

Category	2006	2007	2008	2009	2010
Retirements	371	422	358	266	326
Resignations	892	1 134	1 054	744	643

- (a) Calendar year.
 (b) The numbers reported here for teacher retirements and resignations for 2006–2007 are different from those reported in previous annual reports. A new method for counting retirements and resignations was introduced in 2007 and this was further amended in 2008.

Source: Workforce Policy and Coordination

Table 52: Graduates appointed to public schools, 2006–07 to 2010–11

Category	2006–07	2007–08	2008–09	2009–10	2010–11
Early childhood	107	126	130	110	115
Primary	607	602	543	540	602
Secondary	349	314	291	238	268
Education support	2	2	0	1	4
Psychology/guidance	3	1	1	1	0
Totals	1 068	1 045	965	890	989

Source: Workforce Policy and Coordination

Workforce attraction and retention

There continues to be difficulty in placing teachers in some specialist areas. The Department has implemented the following State Government-funded strategies to assist with this issue and to attract aspiring teachers to work in public schools:

- In 2010, under the Teacher Advocate Program, 10 teacher advocates specifically targeted university students not already enrolled in an education degree and encouraged them to consider teacher entry via a one year Diploma of Education. Teacher advocates are qualified teachers who promote teaching as a career to secondary school and university students.
- The Rural Teaching Program offered funding to support pre-service teachers and school psychologists to undertake teaching practicums of up to 10 weeks in rural or remote public schools. The program aims to increase awareness of teaching opportunities outside Perth to encourage graduates to apply for rural positions. Of the 138 participants in 2010, 43% gained employment at a public school in 2011 with 75% of these in rural or remote locations.
- The Final Year Teaching Scholarship Program offered scholarships to final year teaching students studying in subject or phase of schooling areas of need. All scholarship recipients agreed to statewide availability and were contractually bound to accept any teaching placement offered. Most placements were in the Kimberley, Pilbara, Goldfields, Midwest and Wheatbelt regions. Scholarships were valued at \$15 000 for each year of service commitment (one or two years). Sixty-one scholarships were awarded for the 2011 study year.
- A collaborative agreement with the University of Tasmania focuses on recruitment initiatives aimed at securing graduates in their final year of teaching. Initiatives include WA regional teaching practicums for potential graduates, recruitment opportunities through university events and provision of educational resources.
- The Entry and Orientation Program supported teachers returning to teaching who had not taught in an Australian school in the last 10 years. In 2010–11, 180 teachers attended the program in Perth or completed a country package if they were in rural schools.
- The Kingston Internship Training Program at Kingston Primary School in Bunbury, which commenced in 2009, produced nine graduate teachers in 2010 and 10 new students were enrolled as interns in 2011. Scholarships of \$30 000 each were offered to final year teachers participating in the program. All Kingston graduates are required to teach in rural schools for at least two years after graduating.
- In partnership with the Government Employees Superannuation Board, the Department continued the 'Into Your Comfort Zone' Program for teachers in the age group 53+. This retention initiative for older teachers addressed transition to retirement options and provided a basic understanding of superannuation. In 2010, there were 370 participants, 62% of whom indicated they would very likely change their retirement plans.
- In 2010–11, the confidential and externally administered online exit survey, which encourages exiting staff to communicate their reasons for leaving, was completed by 266 staff.
- The Department's list of employee benefits was documented, updated and placed on the Intranet to enable teachers to obtain easy access to this information.

National Partnership Agreement on Improving Teacher Quality

The National Partnership Agreement on Improving Teacher Quality aims to deliver system-wide reforms targeting critical points in the teacher 'lifecycle' to attract, train, place, develop and retain quality teachers and leaders in our schools and classrooms. The Department's implementation of the agreement included the following:

- The Department's Training Schools Residency Program was developed with Edith Cowan University, based on the successful internship program operating at Kingston Primary School. Final year student teachers complete two days per week within a school environment with supervision, mentoring and support. This is in addition to at least nine weeks of traditional teaching practicum time. Forty-six residency interns placed in 13 public schools completed their Diploma of Education in 2010, qualifying them to teach from 2011. In 2011, there are 47 residency interns training in 16 public schools. Fifteen residency scholarships were awarded in February 2010 and 11 in February 2011.
- An Up-skilling Program has been developed for school support staff to enhance their skills and competencies. A pilot of 47 school support staff commenced their Diploma of Education Support in March 2011. The diploma incorporates core literacy and numeracy skills, learning theory and behaviour management skills. Participants will also receive coaching and support from their classroom teachers and school administrators.
- During 2010–11, the Department contributed to the development and progress of national workforce reform under the agreement, including drafting of new National Professional Standards for Teachers and facilitation of consultation forums concerning the new standards, and the drafting and trialling of the new National Professional Standards for Principals.
- The Department established a rural and remote support team to promote opportunities for pre-service teachers to undertake a practicum placement in a remote school as a part of the Remote Teaching Service.

Employee housing

The provision of suitable housing at an acceptable cost to both the Department and its employees is essential to attract and retain staff in regional and remote areas.

The Department subsidises approximately 81% of the rent of the 2265 properties occupied by its staff and owned or leased by the Government Regional Officers' Housing (GROH).

In 2010–11, the total rent the Department paid to GROH was \$70.31 million. Employee rentals collected totalled \$12.92 million, resulting in rent subsidies totalling \$57.39 million.

Table 53: GROH properties ^(a) used by the Department, by education region, 2009–10 and 2010–11

Region	2009–10	2010–11
Pilbara	528	538
Goldfields	434	418
Wheatbelt	397	386
Kimberley	380	392
Midwest	331	335
Southwest	181	175
North Metropolitan	17	14
South Metropolitan	6	7
Totals	2 274	2 265

(a) A new regional structure was implemented by the Department in 2011, replacing education districts with education regions. The distribution of GROH properties is displayed for these regions to allow for comparison between 2009–10 and 2010–11.

Source: Government Regional Officers' Housing invoices for months of June 2010 and June 2011

During 2010–11, the Department was allocated 283 properties through leasing arrangements, new construction, refurbishments and reallocations from government agencies.

Workforce management support to schools

Human resource (HR) consultants provide advice and support to central and regional offices and all schools. Specific HR support was provided to Independent Public Schools, particularly on processes for re-profiling and classification determination. As a result, several Independent Public Schools reconfigured their non-teaching staffing profiles to better respond to their specific operational needs. Additionally, the Department assisted with job design and the creation of a range of new positions which Independent Public Schools have sought to better meet their local school community requirements.

The Department continued to provide HR advice and consultancy to principals, registrars and business managers to build HR capability in all schools and to ensure consistent, compliant and equitable application of all HR standards, policies and procedures.

Work commenced on the development of a comprehensive online HR reference tool to provide real time assistance to schools and facilitate the ongoing devolution of accountability to schools through the Independent Public Schools initiative. A number of HR training modules were delivered to school support staff in both metropolitan and regional schools.

Administrative support was provided to 42 rural and remote schools to implement the National Partnership Program on Indigenous Economic Participation. The program aims to identify and recruit Aboriginal people for suitable ongoing positions as part of the Job Creation for Community Development Employment Projects.

Workforce policy development and review

The Department supports the development and delivery of HR policies, programs and services, including professional competencies and standards, career structures and equity and diversity. The following activities were undertaken in 2010–11:

- Development and implementation of the *Equity and Diversity Management Plan 2011–2014*, and the related Aboriginal and Torres Strait Islander Employment Strategy 2011–2014 and Women in Leadership Strategy 2011–2014. Initiatives included:
 - implementation of regionally-based Aboriginal cultural awareness programs for Department staff;
 - implementation of a specialist coaching and mentoring program for Aboriginal graduate teachers;
 - implementation of a professional learning program for Aboriginal and Islander Education Officers to gain a Certificate III and/or Certificate IV qualification;
 - implementation of a professional learning program for Aboriginal and Torres Strait Islander school administrators;
 - training for regional, central office and school-based Equal Opportunity Contact Officers to support employees in addressing equal opportunity issues in the workplace; and
 - implementation of leadership development programs for executive women, aspirant women in public sector positions and aspirant senior school administrators.
- Following a comprehensive review of the Department's performance management policy and procedures, the *Employee Performance* policy was endorsed in 2010. The policy integrates mechanisms for managing performance management and substandard performance.
- In February 2011, the Public Sector Commissioner issued a new set of instructions which superseded the previous Public Sector Standards in Human Resource Management. The Department consulted with Public Sector Officers to obtain advice on the new instructions and to update relevant policies.
- A number of policies were updated in 2010, including *Housing for Country Employees*, *Managing Breach of Public Sector Standard Claim*, *Workplace Bullying*, and *Anti-Racism*.
- The Competency Framework for School Psychologists was implemented.
- The Level 3 Classroom Teacher Program recognised 148 exemplary classroom practitioners. The program provides an optional career pathway, through a merit select process, that offers opportunities for teachers to fulfil leadership roles whilst continuing their effective classroom practices.

Labour relations

The Department continued to work closely with key stakeholders to resolve industrial issues that may arise from the implementation of the Independent Public Schools initiative. A joint reference group, comprising senior representatives of the Department and State School Teachers' Union of Western Australia (Inc), meet to resolve any issues arising from the program. In 2010–11, there were no industrial matters affecting the operation of Independent Public Schools that required referral to the Western Australian Industrial Relations Commission.

Discussions have been held with the Civil Service Association/Community Public Sector Union in relation to the implementation of the new regional structure and possible implications for staff.

Negotiations with the Civil Service Association/Community Public Sector Union for a replacement Ministerial Officers General Agreement were successfully completed in April 2011. The new agreement, which covers administrative and technical staff employed in schools, is awaiting registration by the Western Australian Industrial Relations Commission. It resulted in salary increases consistent with those applicable to public servants and government officers employed in other agencies. Increases took effect from the first pay period on or after 15 April 2011.

In February 2011, the Department commenced negotiations with the State School Teachers' Union of Western Australia (Inc) for a replacement General Agreement. The current *School Education Act Employees (Teachers and Administrators) General Agreement 2008* expires on 7 July 2011. As at 30 June, no agreement has been reached.

Schools and other line managers are supported in the management of sub-standard employees. The Department has an ongoing responsibility for coordinating cases that are progressing under Part V of the *Public Sector Management Act 1994*.

Professional learning

The Department's Institute for Professional Learning provides a coordinated approach to developing, delivering or brokering, and evaluating professional development for all Department staff. It offers programs and provides mentoring, coaching and networking opportunities.

For all categories of staff across the Department, continua are being developed to align with career pathways. These inform the structure of the Institute's professional learning program, which covers the main groups of teaching and learning, leadership, and other roles that support the work of schools.

Teacher development is mapped against the National Professional Standards for Teachers, which were released in February 2011. In 2010–11, teacher development was provided through the following programs:

- The Literacy and Numeracy Program provides support to primary and secondary teachers. There were 387 participants in the literacy and 226 participants in the numeracy components of the program.
- The Primary Connections Project, which enhances the delivery of Science in primary schools, had 40 enrolments.
- The Cooperative Learning Program, which focuses on how the key elements of cooperative learning contribute to an effective classroom, had 15 enrolments.
- The Graduate Teacher Program provides practical support to new teachers in their first two years in a public school. The program is structured around four modules: 735 teachers participated in Module 1, 638 in Module 2, 562 in Module 3 and 591 in Module 4.
- The Senior Teacher Program is a four-module program that supports teachers to prepare for the significant role played by senior teachers in providing quality teaching and leadership. There were 289 enrolments in Module 1 and 330 in the final stage of the program.

The leadership continuum has been mapped against a draft of the National Professional Standards for Principals. In 2010–11, the following programs in leadership were provided by the Department:

- The Aspirant Leaders Program and the Aspirant Leaders Program for Aboriginal and Torres Strait Islanders introduce the skills and abilities required in school leadership positions. There were 72 enrolments in the general program and 11 in the program for Aboriginal and Torres Strait Islanders.
- The Coaching Program, which supports leaders in communicating effectively, had 69 enrolments.
- The Licence to Lead Program uses a problem solving approach to leadership development and had 36 participants in the first intake.
- The Leading Learning Communities, which had 25 enrolments, uses a problem solving approach with leaders to support them in embedding professional learning in the school community.
- The School Leaders Induction Program, which provides newly appointed school leaders with an introduction to the issues facing school leaders, had 70 enrolments.

Professional learning continua are being developed for all positions that support the work of schools. In 2010, the Accredited Training Program was trialled and targeted mainly schools officers, registrars and business managers. In 2011, the Accredited Training Program is offered to all Department staff.

The program delivers nationally-recognised qualifications through an auspicing agreement with a registered training organisation. In 2010–11, there were 63 people enrolled in the Diploma of Management, 135 in the Certificate IV in Training and Assessment, 131 in the Certificate IV in Business (2011) and eight in the Certificate IV in Frontline Management (2010).

Recognition of staff

The 2010 WA Education Awards recognised and rewarded excellence programs and outstanding contributions of staff in schools across Western Australia. Changes were made for the 2011 awards to provide a national pathway through to new Australian Awards for Outstanding Teaching and School Leadership. Winners and finalists of the 2009 and 2010 WA Education Awards were nominated by the Department to represent Western Australian public education at the national awards to be presented next financial year.

Governance disclosures

During the year ending 30 June 2011, no officer at level 9 or above declared an interest in a contract, existing or proposed to exist, between the Department of Education and a company in which they have an interest.

Other legal requirements

Advertising

Section 175ZE of the *Electoral Act 1907* requires government agencies to report expenditure with advertising agencies and market research, polling, direct mail and media advertising organisations. Only total expenditures per category of more than \$2100 are reported.

Table 54: Department expenditure on media advertising organisations and advertising agencies, 2010–11 ^(a)

Category	Provider	2010–11 (\$)
Media advertising organisations	AdCorp Media Decisions OMD Mitchell Partners Australia	
Sub-total		590 238
Advertising agencies ^(b)	Vinten Browning	
Sub-total		615 805
Total		1 206 043

(a) There was no expenditure by the Department in relation to polling, market research or direct mail organisations in 2010–11.

(b) Advertising agencies provide a full range of creative services not limited to advertising, including graphic design, printing, video production and related services.

Source: *Corporate Communications and Marketing, Education and Training Shared Services Centre*

Disability Access and Inclusion Plan outcomes

In accordance with the *Disability Services Act 1993*, s29 and Schedule 3 of the *Disability Services Regulations 2004*, the Department is required to report on the implementation of its Disability Access and Inclusion Plan.

The [Disability Access and Inclusion Plan 2007–2011](#), developed by the then Department of Education and Training, remains current for the Department of Education. The Department has begun a process to update the plan.

For 2010–11, key activities to address desired outcomes in the plan are reported here:

Outcome 1

People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the Department.

- The range of services and programs for students with disabilities continues to support inclusive practices.
- The Department's commitment to equity and diversity is also outlined in the *Equity and Diversity Management Plan 2011–2014*. The plan contains initiatives to further develop inclusive working environments where people from diverse backgrounds are supported and retained, through the principles of equity and care, in an environment which is free from unlawful discrimination, harassment and vilification as determined by legislation.

Outcome 2

People with disabilities have the same opportunities as other people to access the buildings and facilities of the Department.

- The capital works program continues to design and provide accessible buildings and facilities that meet Australian design standards.
- The minor works program modifies existing premises on a needs basis.

Outcome 3

People with disabilities receive information from the Department in a format that will enable them to access the information as readily as other people are able to access it.

- Access to information including websites and written documentation is improved. New Web publications are compliant with the Guidelines for State Government Websites.
- Audio-visual material is captioned on request.
- Brailled and enlarged text is provided on request.

Outcome 4

People with disabilities receive the same level and quality of service from the staff of the Department as other people.

- Accessibility to websites via screen reading programs is provided.
- Auslan sign language interpreters are provided on request.
- Assistive technology is provided on request.
- The Department continues to implement the 'agents and contractors' requirements consistent with its Disability Access and Inclusion Plan.
- The Department's Statewide Specialist Services provided advice to students, teachers and school communities to ensure students with disability, learning difficulty or health-related needs are able to access the curriculum and are supported to reach their potential.

Outcome 5

People with disabilities have the same opportunities as other people to make complaints to the Department.

- A framework of policies on complaints management supports a comprehensive complaints management system for the recording, management and monitoring of complaints and investigations. The framework strengthens compliance with the Australian Standard 4269 for the handling of complaints. Information on the complaints management mechanism is available to all at the [Policies](#) website.

Outcome 6

People with disabilities have the same opportunities as other people to participate in any public consultation by the Department.

- Staff understanding of equal employment opportunity and diversity principles has been raised through professional learning, including the importance of embracing and working towards the key outcomes of the *Equity and Diversity Management Plan 2011–2014*.
- Opportunities are provided for people with disabilities to contribute to planning and decision making, as parents/carers with disabilities may participate as members of local School Councils or Parents and Citizens' Associations.

Compliance with public sector standards and ethical codes

The Department is committed to ensuring that the expected standards of professional conduct, ethical behaviour and integrity are exhibited by all of its employees, and it has policies and procedures to ensure compliance with the public sector standards, the Western Australian Code of Ethics and the Department's Code of Conduct.

Public sector standards

The Department ensures compliance with Public Sector Standards by:

- including information about the standards in relevant human resource management policies and resources;
- providing an advisory and consultancy service to staff on standards-related matters;
- raising awareness of the standards in induction programs, selection panel training and a range of professional development programs;
- notifying all job applicants of their rights and obligations prescribed in the Grievance Resolution Standard and the Recruitment, Selection and Appointment Standard;
- monitoring compliance through the Department's breach of standards process;
- reporting allegations of breaches of the standards; and
- reporting to the Public Sector Commissioner on compliance with the standards through the Annual Agency Survey and the Employee Perceptions Survey.

The Department manages Breach of Standard claims as required by the *Public Sector Management (Breaches of Public Sector Standards) Regulations 2005*. The following table identifies the number and types of claims made by employees under the Public Sector Standards.

Table 55: Public Sector Standards claims, Department of Education, by status of claim, 2010–11

Standard	Recruitment, Selection and Appointment	Grievance Resolution	Temporary Deployment	Redeployment	Totals
Resolved internally, relief provided	–	–	–	–	–
Claim withdrawn, no relief provided	8	–	–	–	8
Breach of Standard finding	–	–	–	–	–
Dismissed following formal review	1	2	–	–	3
Ineligible breach claim	9	1	–	1	11
Claim lapsed by the Public Sector Commissioner	–	–	–	–	–
Under investigation	1	2	–	–	3
Totals	19	5	–	1	25

Source: Labour Relations

Of the 25 claims received in 2010–11, there were no adverse findings made against the Department in relation to any of the Standards.

Professional and ethical conduct

The Department has a strong commitment to ensuring that all staff meet the required professional and ethical standards. The Department has in place accountable and transparent management processes for dealing with disciplinary and misconduct matters. The Standards and Integrity Directorate is responsible for conducting investigations into allegations of misconduct and also delivers misconduct prevention and education programs.

In 2010–11, the following activities and processes enabled the Department to monitor and promote professional standards and conduct in its workforce:

- An online version of the Accountable and Ethical Decision Making professional learning modules is available to all employees. This is in addition to face-to-face presentations already available across the State. In 2010–11, 881 employees completed the online version.
- Targeted professional development and training activities dealing with complaints management and the standards of behaviour expected of Department employees was delivered. In 2010–11, more than 3397 employees and final year student teachers have received training.
- Staff visited the Warakurna Community Training Centre to deliver training in Accountable and Ethical Decision Making and Complaints Management for the Associate Principals from the Ngaanyatjarra Lands School. The purpose of the visit was to build working relationships with staff in its campuses and to achieve a greater understanding of the difficulties experienced by schools in remote locations.
- The Department has 18 Public Interest Disclosure officers available to receive disclosures made under the provisions of the *Public Interest Disclosure Act 2003*. Induction programs and ongoing prevention and education training include information about the legislation.
- The Department has revised its procedures in light of amendments to the disciplinary provisions of the *Public Sector Management Act 1994*. The new disciplinary arrangements allow for a single process, rather than a two stage process, and also provides for alternatives to disciplinary action in the form of improvement actions, such as counselling, training and development.
- The Department's Screening Unit, an accredited agency for the National Police Checking Service conducted through the national CrimTrac agency, screened 13 372 applicants in the education and training sector. Checks conducted include employees, potential employees, university students undertaking a teaching practicum, contractors undertaking building and maintenance in schools and volunteers. Those found to have criminal convictions breaching the Department's Suitability Criteria have been refused employment or placement in education sector positions.
The Screening Unit has recently undertaken significant upgrades to their Screening Database, thus allowing for faster responses to most applications for the National Criminal History Record Check.
- The Department's compliance with the requirements of the *Working with Children (Criminal Record Checking) Act 2004* was monitored, and ongoing advice and support in relation to the legislation was provided. The legislation makes it compulsory for people in child-related work to apply for a Working with Children check. Further enhancements of the Department's Working With Children recording system are being undertaken to provide increased reporting functionality and automated alert functions.

The Department issued \$495 330 by way of reimbursement to Department employees and volunteers required to obtain the Working with Children check.

The Department, through the Standards and Integrity Directorate, is responsible for the receipt, recording, assessment, coordination and allocation of complaints involving staff misconduct. It manages matters of serious misconduct involving Department employees, including those matters related to child protection.

There has been a small decrease in the number of matters reported in 2010–11; however, overall the number remains high compared with the reports received in 2008–09. This level of reporting reflects the emphasis placed on increasing awareness throughout the Department of the need to report and record misconduct.

Table 56 shows the number of matters managed centrally (those matters assessed as warranting formal disciplinary action) and the number referred for local management action. There has been an increase in the number of matters referred for local management action (those matters assessed as less serious in nature and suitable for local management rather than formal disciplinary action). The Standards and Integrity Directorate monitors how these matters are dealt with and provides support and advice to Principals and others responsible for the local management process. The overall number of matters resolved has increased again this year.

Table 56: Management of misconduct matters ^(a), 2008–09 to 2010–11

Category	Received			Resolved		
	2008–09	2009–10	2010–11	2008–09	2009–10	2010–11
Misconduct matters ^(b)	305	501	475	281	412	435
Central management	157	262	193	203	219	176
Local management with central oversight ^(c)	148	239	282	78	193	259
Other ^(d)	70	59	61	90	46	64
Totals	375	560	536	371	458	499

- (a) The number of matters received in one year may not be the same as the number resolved that same year, as resolution may occur in subsequent years.
- (b) Misconduct matters relating to the discipline provisions of the *Public Sector Management Act 1994* or the principles of Common Law are managed by the Standards and Integrity Directorate on behalf of the Director General.
- (c) Matters referred for local management with central oversight have been assessed as relatively minor in nature and, as such, are suitable for local resolution and/or performance management rather than formal disciplinary action. Such matters continue to be referred to the Corruption and Crime Commission (CCC) for external oversight.
- (d) The 'Other' category includes matters involving the Parent Advocacy and Liaison Officer.

Source: Standards and Integrity

Tables 57 and 58 show the types and most common categories of allegations contained in the misconduct matters received in 2009–10 and 2010–11.

Table 57: Misconduct allegations ^{(a) (b)}, 2009–10 and 2010–11

Category	Received		Resolved	
	2009–10	2010–11	2009–10	2010–11
Central management	317	233	294	259
Child protection	189	141	182	169
Non-child protection	128	92	112	90
Local management with central oversight ^(c)	258	295	206	273
Child protection	208	239	157	211
Non-child protection	50	56	49	62
Totals	575	528	500	532

- (a) The number of allegations received is greater than the number of matters received in any year because there can be more than one allegation per matter received.
- (b) The number of allegations received in one year may not be the same as the number resolved that same year, as resolution may occur in subsequent years.
- (c) Allegations referred for local management with central oversight have been assessed as relatively minor in nature and, as such, are suitable for local resolution and/or performance management rather than formal disciplinary action. Such allegations continue to be referred to the CCC for external oversight.

Source: Standards and Integrity

Table 58: Misconduct allegations received, by most common category, 2009–10 and 2010–11

Category	Received	
	2009–10	2010–11
Central management	317	233
Physical assault ^(a)	87	50
Inappropriate behaviour ^(b)	81	79
Fraud/theft	32	29
Other categories	117	75
Local management with central oversight ^(c)	258	295
Physical assault	140	144
Inappropriate behaviour	70	98
Verbal abuse	11	9
Other	37	44
Totals	575	528

- (a) The 'Physical assault' category is a broad category used to cover a range of misconduct allegations involving physical contact. These can range from unlawful and/or excessive physical contact through to minor level touch that involves minimal contact.
- (b) The 'Inappropriate behaviour' category covers a range of misconduct including allegations of inappropriate contact via social network sites through to allegations of sexualised contact with students.
- (c) Allegations referred for local management with central oversight have been assessed as relatively minor in nature and, as such, are suitable for local resolution and/or performance management rather than formal disciplinary action. Such allegations continue to be referred to the CCC for external oversight.

Under the provisions of Section 240 of the *School Education Act 1999*, the Department may direct an employee away from school premises where it is suspected that their continued presence constitutes a risk to the safety or welfare of students.

Under the provisions of Section 82 of the *Public Sector Management Act 1994*, where an employee is suspected of misconduct and disciplinary proceedings have been initiated, the Department may suspend the employee without pay.

The number of suspensions and redirection orders issued against employees is reported below.

Table 59: Suspension or redirection orders issued against employees, 2008–09 to 2010–11

	Redirected			Suspended without pay		
	2008–09	2009–10	2010–11	2008–09	2009–10	2010–11
Teaching staff	8	13	10	2	3	0
Non-teaching staff	1	1	5	0	1	1
Totals	9	14	15	2	4	1

Source: Standards and Integrity

Recordkeeping plans

Compliance with the *State Records Act 2000*

The proper management of records in government agencies is an auditable legal requirement which is enunciated in the *State Records Act 2000*.

Sections 19 and 61 of the Act require each government agency to have a recordkeeping plan (RKP), approved by the State Records Commission, that describes how records are created, maintained, managed and disposed of in accordance with the Commission's Standards and Principles.

The Department's recordkeeping plan includes the recordkeeping requirements of the other education sector agencies (the Curriculum Council, the Department of Education Services, the Country High School Hostels Authority and the Public Education Endowment Trust). The RKP applies to all staff at all worksites.

Details of the Department's compliance with State Records Commission requirements are given in the table below.

Table 60: Compliance with State Records Commission Standard 2 Recordkeeping Plan (Principle 6 – Compliance), 2010–11

State Records Commission requirement	Department compliance
<p>The efficiency and effectiveness of the organisation's recordkeeping systems are evaluated not less than once every five years.</p>	<p>The latest version of the Department's Recordkeeping Plan was approved in June 2010 in accordance with section 28 (2) of the <i>State Records Act 2000</i>.</p> <p>Staff in Corporate Information Services have responsibility for best practice in information management training, advice and monitoring RKP compliance across all Department of Education worksites.</p> <p>The Department's approved recordkeeping system has been implemented in central office and all regional education offices.</p> <p>Recordkeeping responsibilities have been devolved to central office and regional education office business units. Staff in these worksites are required to record all their significant communication, actions and decisions into TRIM, the Department's approved recordkeeping system.</p> <p>Recordkeeping Consultants are available to assist and advise all worksites including schools.</p> <p>Recordkeeping queries are centralised through the Records Management Help Desk as first contact point for Department business units and schools seeking advice about recordkeeping.</p> <p>Corporate Information Services is responsible for the disposition of all central office and regional education office records.</p> <p>There were 21 571 inactive files transferred to commercial storage and 16 391 files destroyed in accordance with the Department's approved retention schedule.</p> <p>A School Archive Collection Program has been implemented to manage school archival records centrally by Corporate Information Services.</p>

State Records Commission requirement	Department compliance
<p>The organisation conducts a recordkeeping training program.</p>	<p>Recordkeeping Awareness Training</p> <p>The Department's online training course is designed to increase staff awareness of their obligations, rights and responsibilities under the <i>State Records Act 2000</i>. This course is accessed through the Department's Intranet Portal.</p> <p>As of 30 June 2011, 1374 staff have completed the Online Recordkeeping Awareness Training Program.</p> <p>TRIM Training</p> <p>TRIM training continues to be offered to central office and regional education office staff and its offsite locations. To date, 1566 staff have been trained in TRIM Context, 73% of current total central and regional education office staff.</p> <p>Advanced TRIM training is available to staff who have completed basic training and require more functionality from the system.</p> <p>Department's Induction Program</p> <p>Corporate Information Services presents recordkeeping information at the Department's Induction Program.</p> <p>Records Management Training for Schools</p> <p>The Records Management presentation to school registrars has been completed for all regional education offices.</p>
<p>The efficiency and effectiveness of the recordkeeping training program are reviewed from time to time.</p>	<p>TRIM online training is available via the Department's iLearning facility.</p> <p>TRIM Context training materials are routinely reviewed and updated and are available to all staff.</p>
<p>The organisation's induction program addresses employees' roles and responsibilities with regard to their compliance with the organisation's recordkeeping plan.</p>	<p>The online recordkeeping awareness program is in place and includes a section on employees' recordkeeping roles and responsibilities. The program has monitoring facilities to measure progress of RKP compliance.</p> <p>Recordkeeping information is available on the Corporate Information Services website for use by school principals when inducting new staff.</p> <p>Recordkeeping information on the Corporate Information Services website is maintained and updated regularly.</p> <p>Corporate Information Services provides information on staff responsibilities for recordkeeping and briefly outlines the <i>State Records Act 2000</i> and TRIM at the Department's induction program for central office and its offsite locations.</p> <p>The Department also has an online Induction, Training and Development website that address staff recordkeeping responsibilities.</p>

Government policy requirements

Substantive equality

The State Government's *Substantive Equality* policy, launched in 2005, seeks agency commitment and action to attain equitable outcomes for different client groups; in particular, Aboriginal and Torres Strait Islanders, and clients from diverse cultural and linguistic backgrounds. The Department has a plan in place for all policies, practices and procedures to be regularly assessed to ensure a positive impact on Aboriginal and ethnic groups.

In 2010, the Department explored systemic racial discrimination with respect to the exclusion of students from public schools following a serious incident, or as a result of a persistent pattern of behaviour that resists intervention. This work will inform how the Department may provide further support to students and their families during the exclusion process.

Occupational safety, health and injury management

Occupational safety and health

The Department is committed to providing and promoting a workplace that is safe and healthy and in which the risk of injury and harm is minimised and controlled. The Department reviewed and updated its [Occupational Safety and Health](#) policy, developed in accordance with the requirements of the *Occupational Safety and Health Act 1984*, which outlines the roles and responsibilities of line managers, including the requirement to identify and manage hazards and risks in the workplace.

The Department is committed to ensuring school administrators are aware of their responsibilities for managing occupational safety and health (OSH). In 2010–11, 124 school administrators attended a one-day mandatory training course for all principals in metropolitan and regional areas.

The Department consults with a wide range of key stakeholders in the development of policies and guidelines related to occupational safety and health, workers' compensation and injury management. To ensure that there is a formal method of consultation on occupational safety and health issues between management and staff in the workplace, the Department encourages and supports worksites to establish safety and health committees and have trained safety and health representatives. The Employee Support Bureau provided regular presentations at introductory training courses for new safety and health representatives, and the Department and the State School Teachers' Union of Western Australia met regularly to discuss workplace safety and related matters.

Compared with other settings, the risk to staff of sustaining manual handling injuries is higher in education support schools. A contract was awarded to provide manual handling training to staff working in these schools to improve safety and reduce the risk of injury occurring.

The Employee Assistance Program, the contracted provider of counselling services, provided 4521 counselling sessions to employees and their immediate families.

A new contract for the provision of occupational physician services for non-compensable cases was let, which included referral to a designated psychiatrist to conduct employee fitness to work determinations.

A review of the Department's occupational safety and health management systems was completed by an externally-accredited WorkSafe plan assessor. Key findings and recommendations from the report included the following:

- All new school principals to attend the OSH training course for school administrators. (This training was implemented during the year.)

- Schools to implement and maintain material safety data sheets for chemicals. (Training of staff in the Science, Design and Technology, and Arts subject areas was conducted by the Regional Science Technician Group.)
- Schools to have a suitable notice board displaying relevant material regarding occupational safety and health issues. (Communication was forwarded to all schools promoting staff awareness regarding OSH matters and encouraging staff to consider opportunities of becoming a workplace safety and health representative.)
- Schools to formally record all accidents and incidents, investigate issues, and apply corrective and preventative actions. (A new accident incident and investigation report form was developed, with a key focus on risk assessment and implementation of risk controls to reduce the risk of reoccurrence of injuries in Department workplaces.)

Occupational safety and health training

During the year 150 newly elected safety and health representatives undertook the five-day WorkSafe accredited training. A further 18 safety and health representatives, who had been representatives for at least two years, attended a two-day refresher training course.

During 2010–11, mediation training was provided to 183 line managers to assist them in dealing with conflict in the workplace. This training was supported by mentoring services provided by the contracted training provider.

One hundred and thirty-five employees who are required to drive vehicles in remote locations were provided with training in defensive four wheel driving and recovery. The two-day course focused on defensive driving techniques that emphasise low risk and hazard management strategies as they apply to everyday driving, off-road driving and 4WD recovery techniques.

Regional Science Technicians visited 34 district high schools to provide assistance and guidance on safety issues in Science, Design and Technology and Art areas. Advice was provided to schools on safe working practices, and the safe handling, storage and disposal of hazardous substances. Training in the management of hazardous substances was provided to 220 staff.

Workers' compensation and injury management

The Department is committed to providing assistance to injured or ill employees as soon as practicable, to facilitate their return to work. The Department has in place an [Injury Management and Workers' Compensation](#) policy that documents injury management processes based on the WorkCover WA injury management model.

The Employee Support Bureau workers' compensation officers and injury management consultants held regular claims review meetings with RiskCover to ensure the implementation of best practice strategies in the management of workers' compensation claims. During 2010–11, 30 formal case review meetings were conducted with RiskCover.

In 2010–11, the number of workers' compensation claims was 1591 compared to 1576 in 2009–10.

In 2010–11, there were 136 claims for mental stress (126 in 2009–10), 452 claims for body stressing injuries (447 in 2009–10) and 408 claims for falls, slips and trips (409 in 2009–10).

In addition to management of workers' compensation claims, the Department provided assistance to more than 300 employees who experienced difficulties in remaining at work or returning to work due to a non-compensable injury, illness or disease.

Table 61: Occupational safety and health performance indicators, 2009–10 and 2010–11

Indicator	2009–10 ^(a)	2010–11	Target	2010–11
Number of fatalities	0	0	0	Achieved
Lost time injury/disease (LTI/D) incident rate ^(b)	2.6	2.8	10% reduction	Not achieved
Lost time injury severity rate ^(c)	23.8	24.8	10% reduction	Not achieved
Percentage of injured workers returned to work within 28 weeks	(d)	86%		
Percentage of managers trained in occupational safety, health and injury management responsibilities ^(e)	90%	90%	Greater than or equal to 50%	Achieved

(a) May include some data in relation to staff who are now with the Department of Training and Workforce Development.

(b) The lost time injury/disease incidence rate is the number of lost time injury/disease claims, where one day/shift or more was lost in the financial year, per 100 FTE employees, i.e. the number of incidents resulting in lost time per 100 FTE employees.

(c) The severity rate is the number of severe injuries (actual or estimated 60 days/shifts or more lost from work) divided by the number of lost time injuries multiplied by 100, i.e. the percentage of incidents resulting in lost time that were classified as severe.

(d) It is not straightforward to determine with precision when workers have returned to work with full hours and full duties. Many workers have a gradual 'return to work' experience, some smoother than others and some may have an interrupted return to work. The systems that existed in 2009–10 did not provide the appropriate data to determine comparable measures of 'return to work' rates. The Department's current system is now able to report comparable 'return to work' rates.

(e) Percentage of current managers who have received training in OSH and injury management in the past three years.

Source: RiskCover