TAFE NSW Annual report
2016–17

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NSW GOVERNMENT | TAFE NSW

Notes on the data presented in this report

The annual report uses TAFE NSW corporate data based on the Australian Vocational Education and Training Management Information and Statistical Standard business rules to ensure consistency with both national and New South Wales (NSW) reporting.

VET enrolment data is collected by calendar year. The enrolment, completion and student outcomes data provided in the 2016–17 annual report are for the 2016 calendar year. Enrolments for the 2017 calendar year will not be available until 2018.

The data covers all vocational education and training and higher education courses and qualifications delivered by TAFE NSW. These include courses and qualifications that are government funded, fee-for-service, delivered offshore and delivered on behalf of other Registered Training Organisations.

Some previous annual report data may not be comparable, due to the use of different business rules in prior years. For example, the data presented in the 2015–16 annual report excluded TAFE NSW Higher Education data, whereas in the 2016–17 report, higher education data is included within TAFE NSW corporate data.

Where data is not TAFE NSW corporate data (for example student job or study outcomes), it is identified as 'TAFE NSW local administrative data'.

Note on locations in the annual report

This annual report describes where initiatives are delivered, identifying both the specific location and the relevant NSW Government region. These regions loosely align with boundaries of the previous TAFE NSW institutes.

Access to the annual report

TAFE NSW publishes its annual reports (ISSN 2207–4201) on the website: www.tafensw.edu.au/about-tafensw.

TAFE NSW will endeavour to make the annual report available in other formats on request. If you are unable to access this report electronically, please call 02 9217 4800 for assistance.

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LETTER TO THE MINISTER

The Hon. Adam John Marshall, MP
Assistant Minister for Skills
52 Martin Place
SYDNEY NSW 2000

Dear Minister

On behalf of the Technical and Further Education Commission, I am pleased to submit the TAFE NSW 2016–17 Annual Report to you for presentation to Parliament in your capacity as Assistant Minister for Skills.

The annual report and the accompanying financial statements have been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*.

New South Wales Treasury granted TAFE NSW an extension of time for the submission of the annual report until 19 December 2017, consistent with the revised timeframe for the preparation of the TAFE NSW audited financial statements.

Following its tabling in Parliament, the annual report will be available to the public on the TAFE NSW website at www.tafensw.edu.au/about-tafensw/annual-report.

Yours sincerely

Jon Black
Managing Director
TAFE NSW
16 November 2017

MANAGING DIRECTOR'S MESSAGE

I am pleased to report on the financial and operational performance of TAFE NSW in 2016–17.

As Australia's leading training provider, TAFE NSW has a lot to be proud of, including:

- over half a million enrolments each year
- more than 25,000 employer connections
- over 1,200 courses, from short 'skill sets' to certificates and degrees.

Our people are proud, passionate and committed to achieving real outcomes for students, employers and their local communities.

In 2016–17, we built our organisational capability to meet the changing demands of customers by:

- introducing SkillsPoints to develop high-quality and consistent teaching resources and make them accessible across the TAFE NSW footprint, no matter how or where students learn
- investing in facilities that are adaptable, industry-standard and digitally enabled, starting work on our first four Connected Learning Centres
- consolidating our online delivery platforms to form TAFE Digital
- investing in the right technologies, including a new, more fit-for-purpose student management system
- modernising two enterprise agreements covering most TAFE NSW employees, to introduce more appropriate work classifications and workforce mix
- establishing a more efficient, state-wide corporate office to support our education and training delivery.

On 26 April 2017, the Deputy Premier and Minister for Skills the Honourable (Hon.) John Barilaro MP, and the Assistant Minister for Skills the Hon. Adam Marshall MP announced the locations and industry focus of the nine SkillsPoints headquarters. SkillsPoints will provide employers with a single point of contact and enhance the TAFE NSW student experience through the use of innovative learning products.

I am particularly proud of our Australian-first initiative to integrate seniors' accommodation with TAFE NSW training facilities. We have also made progress towards establishing the first four Connected Learning Centres in Coonabarabran, Glen Innes, Tenterfield and Quirindi, which are due to open before the end of 2017.

In *A Vision for TAFE NSW*, the NSW Government challenged us to reduce our overheads, duplication and internal competition, and focus instead on sharing the best of our resources, assets and knowledge.

We have responded to that challenge by launching an unprecedented wave of reforms to modernise the way we do business, guided by the TAFE NSW Strategic Plan 2016–2022.

On 1 March 2017, our interim ‘One TAFE’ operating model came into effect. Ten autonomous TAFE NSW institutes came together as one commercially focussed organisation, supported by a single, lean corporate office.

TAFE NSW also worked to establish our own corporate systems including finance, information technology and human resources, after separating from the NSW Department of Education. In 2016–17, we selected a preferred vendor for our new student management system, which is expected to be in place in 2018.

Although we have made good progress in building our enrolments and delivering One TAFE reforms this year, we have also faced some significant challenges.

In 2017, the Commonwealth Government introduced a 10-step approval process for VET students to access loans for Diplomas and Advanced Diplomas, and caps on the amount students could borrow per qualification.

These changes, made in response to the widely publicised misuse of the VET Student Loans scheme by a few providers, resulted in students paying more up front to undertake high-level vocational qualifications. These qualifications often lead to key employment outcomes such as certifying as a builder or qualifying to fly commercial aircraft.

Meanwhile, universities are able to offer less restrictive FEE-HELP student loans to fund higher education degrees. We have seen a significant fall in vocational Diploma and Advanced Diploma enrolments funded under VET FEE-HELP and a continued rise in university enrolments.

Nevertheless, TAFE NSW is responding to new opportunities that open up as the training market evolves and matures.

I would like to acknowledge the remarkable organisation-wide effort this year to bring One TAFE to life, to transform our organisation into a contemporary, commercial and sustainable business.

The ambition, resilience and impressive achievements of our students continue to inspire us, especially students who overcome significant obstacles to complete their training and contribute to growing sectors of the NSW economy.

This year’s achievements are a testament to the efforts of the staff and students of TAFE NSW.

Jon Black
Managing Director
TAFE NSW

ABOUT TAFE NSW

OUR LEGISLATION

TAFE NSW is the NSW Government's public provider of vocational education and training (VET).

The New South Wales Technical and Further Education Commission (trading as TAFE NSW), was established as a statutory agency by the *Technical and Further Education Commission Act 1990* (NSW).

Under this legislation, TAFE NSW performs a number of functions, including:

- providing technical and further education services to meet the skill needs of individuals and the workforce, in ways that recognise the changing nature of workplaces and the need for new skills and re-training
- consulting with industry and the community to ensure technical and further education services are relevant to industry, business, students and other groups
- providing educationally or vocationally disadvantaged groups with access to technical and further education and other specialised services
- providing students with the maximum opportunity to progress to further education and training by linking their studies to further TAFE NSW courses or those of other education and training providers.

OUR FOOTPRINT

TAFE NSW delivers high-quality VET and higher education in metropolitan, regional and remote areas of NSW, interstate and overseas, including online by distance education and in the workplace.

In 2016–17, TAFE NSW delivered education and training at the following locations across NSW, excluding the Sydney metropolitan area:

In 2016–17, TAFE NSW delivered education and training at the following locations in the Sydney metropolitan area:

OUR STUDENTS

TAFE NSW is committed to our students and the role we play in changing lives and opening up opportunities through learning.

In 2016, TAFE NSW achieved more than 543,000 enrolments, an increase in enrolments of 26 per cent from 2015.[1]

TAFE NSW caters to diverse types of students from school students starting a VET course while still at school to adults who want to update their skills or change careers.

TAFE NSW also delivers customised training for employers seeking to upskill their workforce at times and places that suit their business needs.

OUR COMMITMENT TO INDUSTRY

TAFE NSW provides quality, job-ready graduates to business and industry throughout NSW, Australia and internationally.

We collaborate with over 25,000 employers to help grow a productive NSW economy and ensure our students get jobs.

TAFE NSW designs courses in consultation with industry to ensure they are current, relevant and respond to emerging trends and technological advancements.

OUR PRODUCTS

TAFE NSW products, services and delivery methods are continually evolving to meet the changing needs of students, industry and the community.

In 2016, TAFE NSW enrolled students in more than 1,200 nationally recognised VET qualifications and customised courses and 14 higher education qualifications.[1]

We offer products ranging from short courses and skill sets through to Australian Qualifications Framework Certificate I to Graduate Diploma level qualifications, including apprenticeships, traineeships and higher education programs.

We offer the best of campus-based delivery as well as flexible, online and work-based learning, increasingly using advanced digital courseware such as virtual reality, animation, simulations and augmented reality. Courses are available full-time or part-time, or students can access flexible learning to progress at their own pace.

[1] TAFE NSW corporate data

This year, TAFE NSW offered qualifications and courses in the following fields of education:

- agriculture, environmental and related studies
- architecture and building
- creative arts
- education
- engineering and related technologies
- food, hospitality and personal services
- health
- information technology
- management and commerce
- natural and physical sciences
- society and culture.[2]

TAFE NSW VET courses are generally but not exclusively based on nationally recognised training packages. Training packages are developed to meet the identified training needs of specific industry sectors.

We support our students through personalised learning solutions, flexible training options, career counselling, and language, literacy and numeracy support to help students engage successfully with education and training and progress to higher-level qualifications and employment.

OUR BUSINESS ENVIRONMENT

A VISION FOR TAFE NSW

On 13 July 2016, the Minister for Skills, the Hon. John Barilaro MP, released *A Vision for TAFE NSW.* It outlined the NSW Government's Vision for TAFE NSW to be "strong, innovative, flexible and responsive to the community and industry as the State's publicly-owned vocational education and training provider."[3]

The Vision confirmed the leading role of TAFE NSW in setting the benchmark for training quality, training the workforce for the jobs of the future and in areas of high demand, and supporting disadvantaged or disengaged groups to take up vocational training.

The Vision also made it clear that TAFE NSW needs to make significant changes to how it operates to remain competitive in a changing environment, and specified key reform directions and accountabilities.

[2] TAFE NSW corporate data
[3] NSW Government, *A Vision for TAFE NSW* (2016)

TAFE NSW STRATEGIC PLAN AND ONE TAFE

On 7 September 2016, TAFE NSW responded to the NSW Government Vision by releasing the TAFE NSW Strategic Plan 2016–2022. The plan focuses on four goals: training job ready workers; being a successful business; strengthening communities; and recognising, rewarding and developing our people.

For the first eight months of 2016–17, TAFE NSW operated as a network of 10 institutes: four in the Sydney metropolitan area and six covering regional areas of NSW.

Early in the financial year, TAFE NSW Managing Director Jon Black announced the intention to replace the 10 TAFE NSW institutes with a single One TAFE operating model in the publication *One TAFE: Learning for jobs and brighter futures*.

One TAFE envisages a new, streamlined and standardised organisational structure, consolidating back-office resources, removing competition between institutes and achieving operational efficiencies, so that TAFE NSW can focus more effectively on our core business of providing accessible education and training in all NSW regions.

On 1 March 2017, the new One TAFE operating model and interim organisational structure came into effect.

One TAFE now operates across the state, encompassing all TAFE NSW delivery. The new structure includes the digital delivery arm TAFE Digital, and a single corporate office.

TAFE NSW retained its 13 separate Registered Training Organisations (RTOs) during 2016–17. The organisation will work to streamline them into a single RTO in the 2018 calendar year.

Further details of TAFE NSW progress in implementing the organisational redesign can be found in the Developing a proud and productive team *section of the performance report.*

SMART AND SKILLED

The NSW Government implemented its reform of the state's VET system, Smart and Skilled, in full from January 2015.

Smart and Skilled was designed to increase choice and make the NSW VET system more responsive to the needs of industry and students. It provides government subsidies for entitlement qualifications up to Certificate III level plus selected higher-level qualifications, to support people to gain the skills they need to get a job, advance their career or continue on to further study.

TAFE NSW competes with private and community training providers for contestable government training funds, delivering qualifications on the NSW Skills List and targeting delivery to meet the needs of students and the priorities of industry and the NSW economy.

The NSW Government pays a fixed price for each qualification on the NSW Skills List and students pay the same fee for government-subsidised training, regardless of whether they study at TAFE NSW or another approved training provider.

BECOMING MORE EFFICIENT AND COMMERCIAL

The NSW Government's Vision challenged TAFE NSW to build greater commercial capability and develop an agile, responsive culture to meet the changing needs of students and a rapidly changing job landscape. This transformation is required to enable TAFE NSW to operate effectively in a contestable VET environment, transitioning to a competitive, financially sustainable government-owned education business.

The TAFE NSW Strategic Plan 2016–2022 includes a target that by 2019, TAFE NSW will be a versatile and standardised publicly-owned commercial business, maximising the advantages of scale, sharing, reach and expertise.

Goal two of the Strategic Plan states that TAFE NSW will establish a new business operating structure supported by increased digital capability, state-of-the-art learning technologies and flexible delivery models. The organisation will compete with other VET providers and grow our business sustainably by being commercially astute.

Further details of how TAFE NSW worked to realise this goal can be found in the Becoming contemporary, commercial and sustainable section of the performance report.

OUR PERFORMANCE

Our Performance reports against key areas of the TAFE NSW Strategic Plan 2016–2022.

TAFE NSW AT A GLANCE IN 2016[4]

543,000+
course enrolments

225,000+
course completions
+67% from 2015

139,000+
online enrolments
26% of total enrolments

96%
of employers satisfied with VET training

87%
of VET graduates satisfied with training

86%
of VET graduates employed or in further study

APPRENTICES

79%
of NSW apprentice commencements

82%
of NSW apprentice completions

HIGHER EDUCATION

1,400+
higher education course enrolments
+20% from 2015

88%
of higher education graduates satisfied

Sources: *TAFE NSW corporate and higher education, Training Services NSW, National Centre for Vocational Education Research data*

[4] The enrolment, completion and student outcomes data provided in the 2016–17 annual report are for the 2016 calendar year.

SKILLING THE WORKFORCE OF THE FUTURE

PLANNING DELIVERY TO MEET SKILL NEEDS

Planning mechanisms in 2016–17

TAFE NSW targets delivery to meet skill needs and emerging skill shortages, to grow the NSW economy and ensure our graduates are job ready. We forecast the future demand for skills, based on industry advice and our analysis of economic, demographic and labour market research and trends. This analysis helps us to plan which courses and qualifications we will deliver, in which locations.

We also consult with community organisations and groups to support disadvantaged students to take up training and move into jobs and higher-level training.

The TAFE NSW Planning and Reporting Framework provides the planning context for the business and shows how the strategic goals of the organisation are aligned to functional units and how different parts of the business come together to achieve goals.

The TAFE NSW Strategic Plan 2016–2022 outlines our goals, priorities and performance expectations over six years.

The TAFE NSW Annual Business Plan sets the key business objectives and budget directions, consistent with our strategic goals and priorities and includes financial forecasts for the next 10 years.

These strategic directions and objectives then flow into the plans of different business functions, which set key operational directions, performance targets and individual performance plans.

TAFE NSW reports against planned objectives to monitor progress and identify if any modifications to strategies are required.

One TAFE Education and Training Strategy

TAFE NSW is developing a new Education and Training Strategy that aligns delivery priorities with the One TAFE operating model. It will span a five-year period and will be reviewed and regularly updated to ensure we continue to meet the skill needs of the economy and the workforce of the future.

The Education and Training Strategy will:

- contribute to all four goals of the Strategic Plan with particular emphasis on goal one, to skill the NSW workforce of the future as the provider of choice
- deliver on our commitment to close skill gaps and produce better outcomes for learners, businesses and communities
- re-affirm our responsibilities as a public provider of accessible and affordable education and training to those who are disadvantaged
- help TAFE NSW to succeed commercially.

Industry Liaison Units

In 2016–17, TAFE NSW Industry Liaison Units engaged with industry and employers regarding training package qualifications and industry training requirements. Specialists from each industry stream were based in different locations across the state, covering the following sectors:

- energy
- manufacturing
- transport and logistics
- community services and health
- service skills
- automotive and forest works
- construction and property services
- media and business skills
- agrifood and resources and infrastructure
- information and communications technology and government skills.

In 2017–18, TAFE NSW will realign the functions of Industry Liaison Units under the new One TAFE operating model.

SkillsPoints – resources and engagement to meet industry needs

SkillsPoints will develop and maintain high-quality courses, learning products and resources that can be accessed across all TAFE NSW delivery locations.

They will ensure consistency and compliance in learning product design, development, assessment and delivery across the TAFE NSW footprint, no matter how or where students learn in the state, including through the TAFE NSW online delivery arm TAFE Digital.

Nationally recognised courses will adhere to national training package specifications to satisfy regulatory and licensing requirements where applicable. SkillsPoints will also develop higher education courses and commercial and non-accredited courses to meet specific customer needs.

SkillsPoints will provide employers with a single point of contact with TAFE NSW. Each SkillsPoint will design and develop learning products for particular industry sectors. Ongoing market analysis and industry consultation will ensure TAFE NSW adapts its education and training offerings to meet new and emerging needs.

On 26 April 2017, the Minister for Skills, the Hon. John Barilaro MP, and the Assistant Minister for Skills, the Hon. Adam Marshall MP, announced the locations and industry focus of the nine SkillsPoints Headquarters (HQs).

SkillsPoints teams will be spread across the state. We will establish six SkillsPoint HQs in regional locations to serve the following industry sectors:

- innovative manufacturing, robotics and science (Hamilton, Hunter)
- agribusiness (Griffith, Riverina-Murray)
- career pathways, Aboriginal languages and employability skills (Tamworth, New England North West)
- health, wellbeing and community services (Queanbeyan, South East and Tablelands)
- supply chain and e-commerce (Dubbo, Central West and Orana)
- tourism and experience services (Coffs Harbour, North Coast).

The remaining three SkillsPoint headquarters will be based in Sydney metropolitan locations to serve the following industry sectors:

- creative and design ideation (Parramatta)
- infrastructure, energy and construction (Mount Druitt)
- technology and business services (Ultimo).

The first SkillsPoint HQ, Innovative Manufacturing, Robotics and Science, opened in Hamilton in the Hunter region in September 2017.

The nine SkillsPoint industry groupings and locations are expected to be operational by the middle of 2018.

TAFE NSW also established its TAFE Digital headquarters in Armidale in the New England North West region in 2016–17. Through TAFE Digital, digital learning materials will be shared across all TAFE NSW training delivery locations, to support face-to-face, blended and fully online learning.

Consistent, high-quality training products across NSW

SkillsPoints and TAFE Digital are working together to develop training products that meet new and emerging skill needs in a more efficient way.

In 2017–18, SkillsPoints will review existing teaching and learning resources across qualifications on the TAFE NSW scope, to create a state-wide product catalogue.

Over time, state-of-the-art digital learning materials will be embedded into SkillsPoint product development and shared across all TAFE NSW training delivery points, including the use of advanced simulation, virtual and augmented reality.

TAFE Digital will ensure that online course content is consistent across all locations, meets industry expectations and requirements and can be delivered across the state.

Further details of TAFE Digital can be found in the Becoming contemporary, commercial and sustainable *section of the performance report.*

TRAINING THAT LEADS TO JOBS

Enrolments

TAFE NSW had 543,309 enrolments in 2016.[5]

Industry priority enrolments

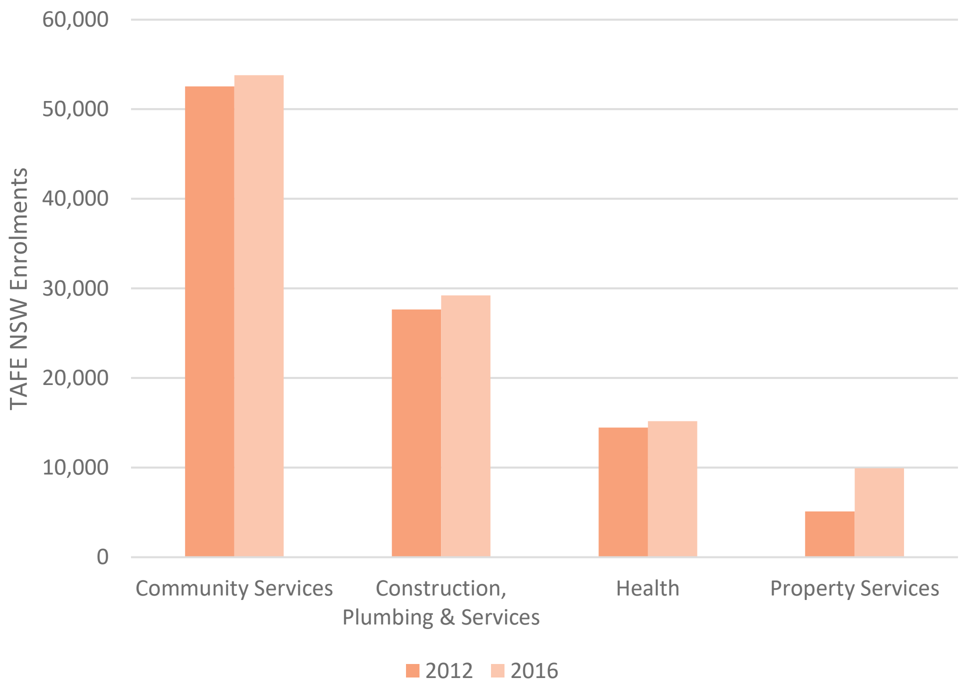
TAFE NSW Australian Qualifications Framework enrolments in industry priority VET qualifications increased by six per cent from around 262,000 in 2015 in 278,000 in 2016.[5]

These enrolments were in the following industry priority skill areas:

- community services and health
- education and training
- construction and property services
- government
- tourism and hospitality
- retail and wholesale
- business services
- financial services
- information and communications technology
- transport and logistics
- automotive
- resources and infrastructure
- agrifoods
- sport, recreation and fitness
- personal services.

[5] TAFE NSW corporate data

Figure 1: *Largest growth in enrolments in industry priority training packages (2012–2016)*



Source: *TAFE NSW corporate data*

Figure 1 shows that between 2012 and 2016, enrolments grew in:

- community services by two per cent
- construction, plumbing and services by six per cent
- health by five per cent
- property services by 95 per cent from a relatively low base.[6]

The National Broadband Network — brought to you by TAFE NSW

TAFE NSW is training and assessing National Broadband Network (NBN) workers across NSW to support the rollout of the NBN with NBN Co. and other partners.

By June 2017, TAFE NSW had delivered 10 training programs and conducted more than 350 field assessments[7] across 13 skill areas in technologies such as copper, fibre and hybrid fibre coaxial.

TAFE NSW conducted field assessments in Sydney, Bathurst (Central West and Orana), Leeton and Wagga Wagga (Riverina-Murray), and Wollongong (Illawarra-Shoalhaven).

TAFE NSW Lidcombe upgraded its training facilities and equipment to deliver NBN-specific hybrid fibre coaxial training.

[6] TAFE NSW corporate data
[7] TAFE NSW local administrative data

Gunnedah Try a Trade Day

Around 100 school students in the New England North West region were able to access hands-on demonstrations at the TAFE NSW Gunnedah 'Try a Trade' Day in April 2017.[8]

During the demonstrations, the young people met business owners to learn about the industry.

The event highlighted careers in construction, health and community services, electrical, hospitality and automotive amongst others, with students learning practical skills across all industry areas, including how to change a car tyre.

Emerging industry needs

The economic landscape is changing rapidly. Technology is having a profound impact on the nature of work and workforce requirements. The economy needs new skills to support the jobs of tomorrow. TAFE NSW is modernising to meet these challenges and prepare the people of NSW for the future.

Sydney School of Entrepreneurship

In the second half of 2017, the Sydney School of Entrepreneurship will start providing up to 1,000 of the brightest students in NSW with applied training, support and mentoring to develop their entrepreneurial skills while they complete their vocational or higher education studies.

The School will create new generations of entrepreneurs by connecting students from diverse disciplines and backgrounds, places and skills. It is an unprecedented new partnership between all 11 NSW universities and TAFE NSW. In June 2016, the NSW Government provided a cornerstone investment to establish the school.

In 2016–17, the School recruited its Chief Executive Officer, appointed its first Board of Directors and established its main facility at TAFE NSW Ultimo in Sydney.

The School also hosted events across rural, regional and metropolitan NSW, including a 'Start-up Inspiration' morning tea in May 2017 in Cooma in the South East and Tablelands region, co-hosted by the Minister for Skills, the Hon. John Barilaro MP.

The Sydney School of Entrepreneurship was launched in August 2017.

[8] TAFE NSW local administrative data

Students take flight

TAFE NSW Wollongbar on the North Coast offers a range of aviation and security courses that ensure graduates are job-ready for work in this rapidly expanding industry.

Students have access to a simulated aircraft cabin, emergency equipment including a life raft and a full-size check-in counter with visual recognition software on campus. Students use the latter to learn how to interpret colour x-rays of luggage when checking for banned items. Many of the teachers currently work in the industry at the local Ballina and Lismore airports. Students are able to access work experience at these airports.

In 2016, 170 students enrolled in Certificate II, III and IV qualifications in Aviation specialising in Flight Operations, Ground Operations and Service and Transport Protection.[9] Graduates can work in diverse roles including aviation screening officers, cabin crew, baggage handlers, customer service officers and cargo service supervisors.

National Disability Insurance Scheme

In 2016, TAFE NSW had 18,351 enrolments in qualifications that contribute to the National Disability Insurance Scheme workforce, including:

- Certificate III in Individual Support
- Certificate III and IV in Allied Health Assistance
- Certificate IV in Disability
- Certificates IV in Mental Health, Mental Health Peer Work
- Certificate IV and Diploma of Leisure and Health
- Diploma of Mental Health
- Diploma of Counselling
- Diploma of Community Services
- Diploma of Disability.[10]

Pre-employment programs

Prevocational and part qualifications

TAFE NSW delivers prevocational and part qualifications to help students develop early foundation and vocational skills, so that they can transition successfully into full qualifications or employment. Students include school leavers, the unemployed and other people facing disadvantage.

Enrolments in part qualifications (Australian Qualifications Framework (AQF) statements of attainment or non-AQF level courses) increased by 89 per cent from 117,690 in 2015 to 221,916 in 2016.[10] The majority of these enrolments were government subsidised. Part qualifications include national training package and Registered Training Organisation skill sets.

TAFE NSW also delivers pre-apprenticeship and pre-employment programs in partnership with government and non-government agencies, including delivery of workplace-based

[9] TAFE NSW local administrative data
[10] TAFE NSW corporate data

training. A large number of these enrolments were in the prevocational areas of hospitality and personal services, as well as entry-level literacy and numeracy, job search and employment skills.

There were also over 26,800 enrolments in AQF foundation skills qualifications in 2016.[11] Foundation skills include learning, reading, writing, numeracy, oral communication, study skills and employability skills such as communication, teamwork and problem solving.

Youth at risk learn construction skills

In May 2016, around 14 young people graduated with a Certificate II qualification in Civil Construction as part of the Work Matters Program at TAFE NSW Trenayr in the North Coast region.[12]

The program aimed to help vulnerable young people develop employability and vocational skills while receiving support and mentoring. The group included seven students from the Acmena Juvenile Justice Centre in South Grafton.

Students learned how to use some of the tools and equipment to work in the construction industry and about workplace health and safety practices.

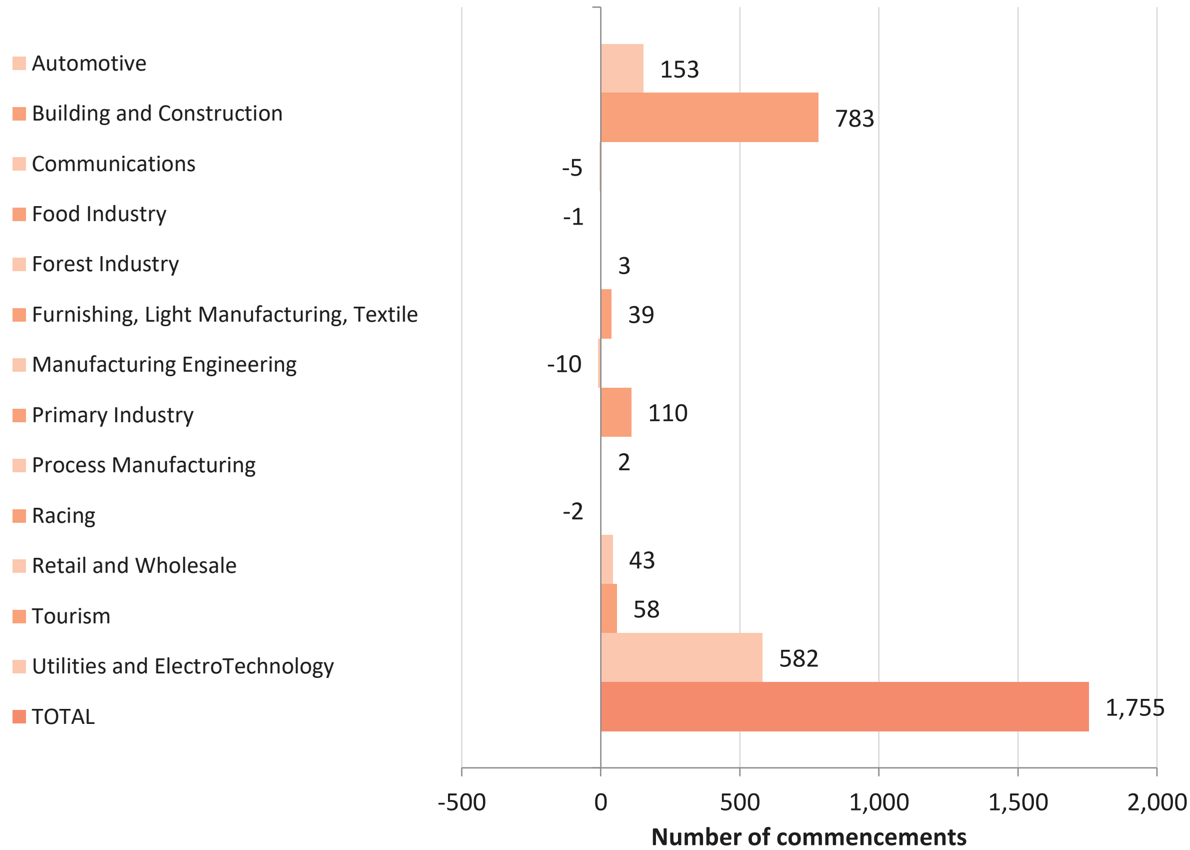
[11] TAFE NSW corporate data
[12] TAFE NSW local administrative data

Apprenticeship commencements

In 2016, TAFE NSW had more than 17,200 apprenticeship commencements, 79 per cent of the total for NSW.[13]

There was large growth in apprenticeship commencements between 2015 and 2016 in the utilities and electrotechnology and building and construction industries.

Figure 2: *TAFE NSW change in the number of apprenticeship commencements by industry 2015 to 2016*



Source: *TAFE NSW, based on Training Services NSW figures (December 2016)*

Mining Skills Program

TAFE NSW Muswellbrook has run a program for 12 years to skill up first-year apprentices and provide the local mining industry with a job-ready workforce.

The Mining Skills Program includes training in basic hand tool skills in trades like electrical, fitting and machining, metal fabrication and welding, and automotive, with a strong emphasis on safety awareness.

[13] Training Services NSW (December 2016)

The program runs for four days per week over 15 weeks from February to May every year. Students undertake a TAFEPLUS Statement in Mining Skills and a Statement of Attainment in Mining Skills. After the program, students are able to continue into an apprenticeship in Electrotechnology Electrician, Mobile Plant Technology or Engineering - Mechanical Trade. Partners include Hitachi Construction Muswellbrook and local government.

In February 2017, 28 potential apprentices started the program, which is an increase of 17 per cent compared to last year's enrolments. Ten of the 28 apprentices in the latest intake were women.[14]

'Toward Zero' apprentice road safety campaign

With some apprentices driving hundreds of kilometres to attend training, the TAFE NSW 'Toward Zero' road safety program aims to help apprentices become safer and more responsible drivers in collaboration with employers and NSW Roads and Maritime Services.

The workshops cover speed and the risks of: driving when tired; animals on rural roads; driver distraction especially mobile phones; and alcohol and drugs.

Since launching in Dubbo in March 2016, 1,070 apprentices in the Far West, Central West and Orana regions have undertaken the TAFE NSW 'Toward Zero' apprentice road safety program.[15] An extra 350 students from Southern and Northern NSW regions also attended the workshop.

In 2017–18, the program will expand across NSW, providing consistent safety messages to more apprentices travelling for training and employment.

Higher-level enrolments

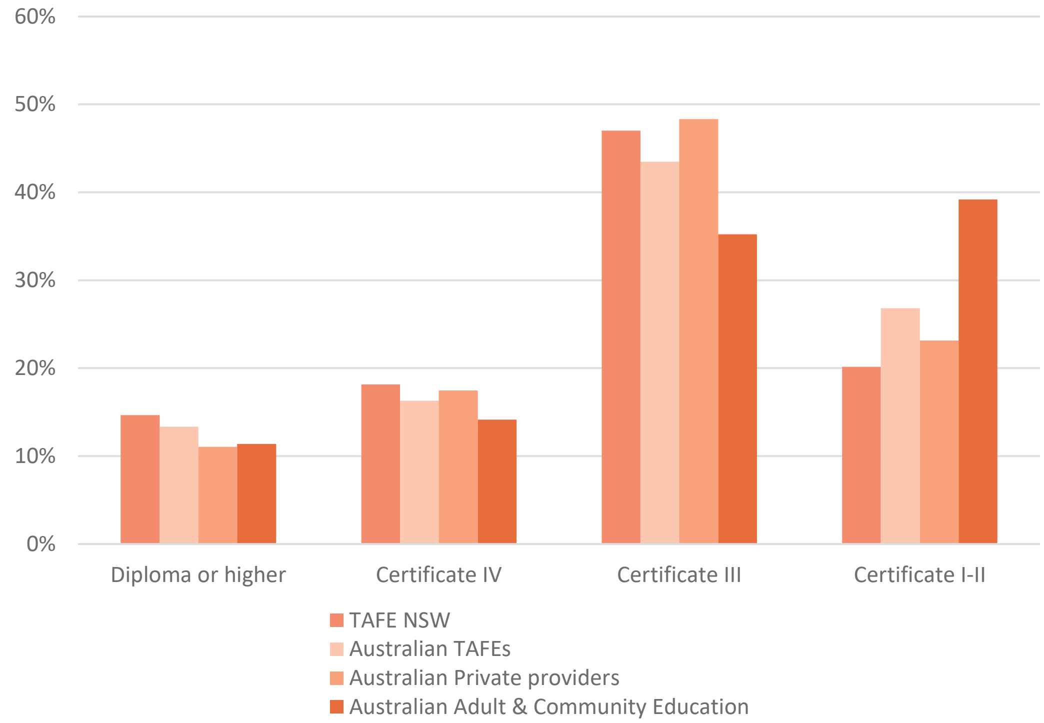
Enrolments in qualifications at Certificate IV level and above increased by one per cent from 157,526 in 2015 to 159,075 in 2016.

These figures includes qualifications that were subsidised under Smart and Skilled, supported by the Commonwealth VET FEE-HELP student loan scheme or delivered as fee-for-service commercial enrolments to domestic and international students.

Enrolments at Diploma level and above constituted 15 per cent of TAFE NSW total enrolments,[14] compared to 13 per cent for the TAFE sector nationally.

[14] TAFE NSW corporate data
[15] TAFE NSW local administrative data

Figure 3: *Percentage of Australian Qualifications Framework government-funded enrolments by award level 2016*



Source: *National Centre for Vocational Education Research (NCVER) VOCSTATS*

TAFE NSW Fashion Design Studio number one in NSW

The TAFE NSW Fashion Studio has gone from strength to strength in 2016–17.

The Global Fashion School Rankings rated the studio as number one in NSW and number two in Australia, based on a survey of more than 10,000 fashion students and alumni worldwide.

Bachelor of Fashion Design graduate Cassandra Hewitt won the Design Institute of Australia's Fashion and Textile Category at their Graduate of the Year Awards. Bachelor of Fashion Design graduates Jessica Van featured at the New York Fashion Week, and Anne Xiao also reached finalist stage in the Dunedin International Emerging Designer Awards.

TAFE NSW Ultimo Fashion Design teacher Kaylene Milner won a 2016 Premier's Teacher Scholarship. She used the scholarship to undertake a study trip to Hong Kong, London, Antwerp, New York, Los Angeles and San Francisco, investigating how fashion design start-ups obtain start-up capital overseas.

This is also the 19th year that the Mercedes-Benz Fashion Week Australia has invited the Fashion Design Studio to present fashion collections at the festival's innovators' program in May 2017. The innovators' program presents provocative, progressive designs to challenge and inspire the fashion industry.

Almost one third of the professional designers featured in the 2017 Fashion Week Australia were alumni of the TAFE NSW Ultimo Fashion Design Studio, including Dion Lee, Christopher Esber, Bianca Spender, and Akira Isogawa.

Telstra Technical Leaders Program

TAFE NSW worked with Australia's largest telecommunication and media company Telstra to provide work-based learning to help staff develop leadership and business acumen skills in a technical context.

TAFE NSW designed the program to support the individuals in their career progression, as well as the growth of Telstra's business nationally and internationally.

By June 2017, 38 workers completed the program and achieved either a Graduate Diploma of Telecommunications Network Engineering or Telecommunications and Strategic Management.[16]

VET FEE-HELP

The VET FEE-HELP student loan scheme, funded by the Commonwealth Government, expanded students' access to higher-level vocational qualifications.

VET FEE-HELP student loans allowed eligible students to defer all or some of their:

- commercial tuition fees for selected Diploma level and Advanced Diploma qualifications
- student fees for NSW Government-subsidised training places in Diploma and Advanced Diploma qualifications.

The number of TAFE NSW students accessing a Commonwealth VET FEE-HELP loan to undertake a commercial fee-for-service qualification decreased by 45 per cent, from 24,069 in 2015 to 13,324 in 2016. The number accessing a VET FEE HELP loan to pay the student fee for a Smart and Skilled qualification in 2016 also decreased by 7.4 per cent compared to 2015.[17]

This decline in student demand resulted from the:

- changes to VET FEE-HELP compliance requirements introduced by the Commonwealth on 1 January 2016 in response to widely-publicised misuse of the VET FEE-HELP scheme by a few providers
- resulting negative impact on customer perceptions of the VET sector
- resulting uncertain market environment for training providers.

VET Student Loans

The Commonwealth introduced the VET Student Loans program from 1 January 2017, replacing the VET FEE-HELP scheme for new students.

The program aims to: strengthen protection for students further; rebuild the reputation of the VET sector; and ensure ongoing financial sustainability of the scheme.

VET Student Loans introduced a number of new restrictions, requirements and processes that affected both training providers and students.

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[16] TAFE NSW local administrative data
[17] TAFE NSW corporate data

Notably, the program reduced the number of courses eligible for an income-contingent loan and placed caps on the loan amounts available to finance courses.

The Commonwealth reported that there were 24,812 VET Student Loan assisted enrolments during the first half of 2017,[18] compared to 218,619 VET FEE-HELP assisted enrolments for the calendar year of 2016.[19]

TAFE NSW also experienced declines in demand for VET Student Loans in 2017. Data that are more complete will be available once the VET Student Loans scheme has been operational for the full calendar year.

Completions

Completions for all TAFE NSW students in Certificate IV and above qualifications decreased by seven per cent, from 31,654 in 2015 to 29,371 in 2016.

These qualification completions included 14,161 at Diploma level and above in 2016.[20]

Completions measure where students have met all the requirements for the completion of the qualification, course or skill set, including on-the-job requirements. Completions for Australian Qualifications Framework qualifications and courses are achieved when the student becomes eligible for the award to be conferred.

Apprenticeship completions

Apprenticeship qualifications, which are mostly at the Certificate III level, are critical in developing the technical base of the economy.

TAFE NSW achieved over 9,300 apprenticeship completions in 2016, or 82 per cent of all apprenticeship completions in NSW.[21]

Barangaroo and Darling Harbour Skills Exchanges

The Barangaroo Skills Exchange is a unique learning hub established in 2013 to coordinate and deliver training during construction of the $6 billion Barangaroo Precinct in the Sydney central business district built by multinational Lendlease. The Skills Exchange provides one-on-one support to workers, access to classes and language and literacy teachers, and industry experience.

Following the success of the Barangaroo Skills Exchange, a second onsite Skills Exchange opened at Darling Harbour in October 2015 to support the redevelopment of the nearby Darling Harbour and Darling Square Precincts. The Skills Exchange model is a responsive and efficient solution for skilling construction workers on site.

[18] Commonwealth Department of Education and Training (2017), VET Student Loans Six Monthly Report – 1 January 2017 – 30 July 2017
[19] Commonwealth Department of Education and Training (2017), 2016 VET FEE-HELP Statistical Report
[20] TAFE NSW corporate data
[21] Training Services NSW (December 2016)

By the end of June 2017, the two Skills Exchanges had delivered:

- more than 22,000 accredited training outcomes including over 4,000 SafeWork NSW licences to operate high risk equipment
- over 23,000 health and safety training outcomes, such as asbestos awareness, drug and alcohol awareness and quit smoking programs
- assessments of the foundation skill levels of over 12,000 workers, with almost half receiving literacy or numeracy support
- more than 1,000 apprentices inducted to work on site, 85 per cent of whom have completed or were active apprentices as at June 2017
- mentoring to 950 apprentices and 250 other workers undertaking trade qualifications.[22]

During 2016, the Barangaroo Skills Exchange won a Property Council of Australia Award for Innovation. TAFE NSW and Lendlease also won the Industry Collaboration Award at the 2016 Australian Training Awards for the two skills exchanges.

Work with Group Training Organisations to increase completions

TAFE NSW works with employers and Group Training Organisations (GTOs) to increase the proportion of students completing apprenticeships and traineeships to meet the overall NSW target of 65 per cent by 2019, in line with the state priority, 'Boosting apprenticeships'.

GTOs employ apprentices and trainees and place them with host employers. GTOs undertake the responsibilities of an employer, including recruitment, payment of wages and benefits, arranging both on and off the job training components and providing pastoral care to ensure students successfully complete their apprenticeship or traineeship.

TAFE NSW works with GTOs to offer prevocational training to give students experience in a specific industry sector, particularly the trades, before they sign up to a full apprenticeship or traineeship. Prevocational training helps students develop the early foundation and vocational skills needed before they enter the workplace.

Skills 4 Trade prevocational program

In the first six months of 2017, 99 students in the Central West and Orana region completed introductory statements of attainment to prepare them for apprenticeships in the construction, automotive servicing, engineering and mining trades.

The Skills 4 Trade program provided students in Bathurst, Dubbo, Parkes, Mudgee and Orange with practical trade skills and knowledge, language, literacy and numeracy skills, links with employers and employment opportunities.

Since graduating, 33 participants have continued into a Certificate II or higher-level qualification and 45 participants are in casual or full-time employment.[22]

The program integrated literacy and numeracy, vocational skills, five days of work placement, coordination, and support provided by GTO Skillset. Skillset recruited participants, followed up if they were absent and helped students develop employment skills. Skillset also identified possible job opportunities, helped with job applications and supported the work placement process.

[22] TAFE NSW local administrative data

In the second half of 2017, TAFE NSW is looking to expand the program into other industry areas such as agriculture and offer the program in more towns in the Central West and Orana region.

emPOWER Aboriginal Pre Apprenticeship Program

While more and more employers in the electrical trades are seeking to employ Aboriginal electricians, they are in short supply. The National Electrical Contractors Association (NECA) plans to employ 150 Aboriginal apprentices by the end of 2018 to address this need. NECA is a peak electrical industry body with 4,000 members including industry, employers and regulators. NECA also operates as a Group Training Organisation.

To support NECA's goal, TAFE NSW offers pre-apprenticeship training targeted at young unemployed Aboriginal people in the metropolitan Sydney and Hunter regions.

Potential students undertake a rigorous selection process to ensure they have the skills and personal qualities needed for a pre-apprenticeship.

In the first half of 2017, the first 17 students graduated with a Certificate II in Skills for Work and Vocational Pathways under this program.[23] Seven of these graduates expect to start apprenticeships in the second half of 2017.

TAFE NSW will offer a further 10 emPOWER programs in the next 18 months in regional and metropolitan centres in the second half of 2017.

Pathways to employment

TAFE NSW works with other education providers, industry and community groups to provide students with relevant work experience in real work environments.

Indigenous Police Recruiting Our Way Delivery — IPROWD

IPROWD helps Aboriginal people gain the qualifications, skills and training they need to enter the NSW Police Force. Students obtain the Certificate III in Vocational and Study Pathways, which gives them a post school qualification and prepares them to apply for entry to the NSW Police Academy.

In 2016–17, 72 students successfully completed the IPROWD program, with an 80 per cent success rate.

The program is contributing to the NSW Police Aboriginal employment target of four per cent.

In 2016–17, 23 graduates of the IPROWD program went on to start the Associate Degree in Policing Practice at the NSW Police Academy, delivered by Charles Sturt University; 47 graduates of IPROWD courses obtained a full-time job; and a further 25 obtained a part-time job. From 2011 to the end of June 2017, almost 100 IPROWD students gained a career with NSW Police.

[23] TAFE NSW corporate data

Forty-eight students also commenced a new flexible delivery IPROWD course, which supports Aboriginal people to complete the Certificate III in Vocational and Study Pathways in their local community via distance education with intensive face-to-face training in blocks. By the end of 2016, 17 students had completed the course.[24]

IPROWD is a partnership between TAFE NSW, the NSW Police Force, Charles Sturt University and the Commonwealth Government. The Commonwealth Government committed nearly $2.5 million in funding to support IPROWD until December 2017.

Vivid Sydney Festival of Light, Music and Ideas

From late May to June 2017, 58 TAFE NSW students transformed the Royal Botanic Gardens in Sydney into an enchanting world using lighting designs projected onto trees, 3D animation and sound as part of the Vivid Sydney 2017 Festival of Light, Music and Ideas.[24]

The Electric Forest featured the work of TAFE NSW students of entertainment design, art and animation, music, event management, photography, specialist makeup, music production, live production and hospitality.

Students at Bradfield Senior College also participated in the Vivid Festival, staging a creative careers event as part of the Ideas stream. The project gave students practical experience in performance; art and design; science, technology, engineering and mathematics; and community projects, under the guidance of industry professionals.

Students provided project progress reports to an audience of 200 industry and community representatives and parents. The project displayed their creativity, innovation, collaborative and technical skills in a high profile workplace environment and will be credited towards their studies.

Higher education

Industry needs

TAFE NSW started delivering higher education programs in 2011. TAFE NSW responds to demand for higher-level skills within the labour market by developing higher education courses that meet industry needs, have a strong vocational emphasis, combine practical and theoretical education and are delivered by industry experts.

TAFE NSW designs its degree programs to align to industry workforce standards and requirements and respond to industry needs and identified gaps in training. This ensures that TAFE NSW Higher Education produces graduates that are competent and industry-ready.

All TAFE NSW Higher Education programs focus on applied teaching and learning and include work integrated learning and blended learning delivery methods.

In 2016, TAFE NSW Higher Education students conducted applied research projects in partnership with industry. These projects are designed to complement formal studies, helping students to develop problem-solving skills by working on practical industry

[24] TAFE NSW local administrative data

problems. The projects help both students and TAFE NSW Higher Education teachers to build their research skills and knowledge of their particular industry.

For example, students enrolled in the Associate Degree of Applied Engineering (Renewable Energy Technologies) conducted a project that significantly reduced the energy costs and carbon footprint of Hunter Water Corporation, a large water and wastewater corporation. The research task was to determine the most suitable sites to install photovoltaic solar energy collection equipment from a list of hundreds of water/wastewater treatment sites.

In another example, Bachelor of Information Technology (Network Security) students worked with a large information security services organisation, Shearwater, to address one of the biggest vulnerabilities of network security systems. Phishing is a fraudulent email request to an individual, which appears to be from a reputable company, which asks for their personal information, such as passwords and credit card numbers. TAFE NSW Higher Education students wrote phishing emails to test the Shearwater's protective systems.

Enrolments

During 2016, TAFE NSW delivered 14 higher education qualifications. TAFE NSW Higher Education combined domestic and international enrolments increased by 20 per cent in 2016, from 1,224 in 2015 to 1,464 in 2016.[25] This continued growth was due in part to additional delivery locations and the significant increase in international students enrolling in the Bachelor of Information Technology (Network Security) and the Bachelor of Early Childhood Education and Care (Birth–5).

Enrolments in higher education qualifications by international students increased from 273 in 2015 to 384 in 2016.[26]

There were more than 700 commencing higher education enrolments in Associate Degree, Bachelor Degree and Graduate Diploma level qualifications in 2016.[25]

Bachelor of Early Childhood Education and Care secures jobs

TAFE NSW developed the Bachelor of Early Childhood Education and Care (Birth–5) in partnership with industry representatives to meet the legislative requirement that all early childhood teachers hold a four-year degree.

Teachers at TAFE NSW Shellharbour regularly collaborate with peers at other TAFE NSW locations to provide a coordinated and consistent approach across the state.

Twelve students successfully completed the degree at TAFE NSW Shellharbour in 2016 and all have secured jobs as qualified early childhood teachers in the industry. Another 47 students were continuing their studies in the Illawarra-Shoalhaven region in the first half of 2017.[27]

[25] TAFE NSW – Commonwealth Higher Education Information Management System. Please note that the higher education data presented in this section is a subset of all TAFE NSW corporate data.
[26] Australian Education International (December 2016)
[27] TAFE NSW corporate data

Completions

The number of TAFE NSW Higher Education completions increased from 203 in 2015 to 239 in 2016.[28]

Bachelor of Property Valuation recognised by industry

TAFE NSW Ultimo has developed a Bachelor of Property Valuation to increase the supply of qualified and registered valuers in NSW.

Graduates of the Bachelor of Property Valuation are able to join the Australian Property Institute and become a registered property valuer.

Students who completed the Advanced Diploma of Property Valuation had the option of completing the degree with only one extra year of study. In 2016, 22 former Advanced Diploma students graduated with the Bachelor of Property Valuation.[29] Eighteen of the 2016 graduates obtained employment as valuers.

In the first half of 2017, 68 new and continuing students were enrolled in the Bachelor of Property Valuation.[30]

Growth

In 2016–17, TAFE NSW Higher Education delivery focused on expanding the reach and relevance of higher education courses to employers.

The Tertiary Education Quality and Standards Agency (TEQSA) accredited eight new TAFE NSW Higher Education programs in late 2016:

- Bachelor of Business
- Associate Degree of Business
- Diploma of Business
- Diploma of 3D Art and Animation
- Diploma of Applied Commerce
- Diploma of Adult Education (fully online)
- Diploma of Sustainable Practice (fully online)
- Diploma of Sustainable Indigenous Communities (fully online).

TEQSA also accredited four new higher education programs in the first half of 2017:

- Bachelor of Applied Commerce
- Bachelor of Community Services
- Bachelor of Information Technology (Data Infrastructure Engineering)
- Diploma of Information Technology.

[28] TAFE NSW — Commonwealth Higher Education Information Management System. Please note that the higher education data presented in this section is a subset of all TAFE NSW corporate data.
[29] TAFE NSW corporate data
[30] TAFE NSW local administrative data

Bachelor of Applied Commerce

In March 2017, TEQSA accredited the TAFE NSW Bachelor of Applied Commerce for seven years. The Bachelor of Applied Commerce allows students to select a financial planning major or an accounting major, or they can complete a double major. Eight TAFE NSW locations in metropolitan and regions will offer this degree in 2018.

TAFE NSW also submitted five additional new higher education programs to TEQSA for accreditation in the first half of 2017. If the new courses are successfully accredited, TAFE NSW will offer higher education at 20 TAFE NSW locations in 2018.

Details of higher education course accreditation and quality assurance mechanisms can be found in the Becoming contemporary, commercial and sustainable *section of the performance report.*

Quality assurance

TAFE NSW Higher Education employed rigorous quality assurance practices and mechanisms to improve the quality, relevance and delivery of TAFE NSW Higher Education courses.

Governance model

The TAFE NSW Higher Education Governing Council and Academic Board ensures TAFE NSW Higher Education fulfils its responsibilities and meets its obligations as a higher education institution.

The Academic Board oversees curriculum development and quality assurance processes to ensure TAFE NSW Higher Education achieves its educational objectives.

The Higher Education Quality Assurance and Standards Committee coordinates risk management and ensures compliance with internal and external requirements.

Reviews and benchmarking

The TAFE NSW Higher Education review and improvement process incorporates course advisory committees, teaching and learning committees and external benchmarking.

TAFE NSW convenes advisory committees for each higher education course on an annual basis. These committees have a majority of external members including employers and review the content, curriculum, learning outcomes and structure of courses.

TAFE NSW convenes teaching and learning committees every six months to monitor and report on the quality of teaching and learning of higher education courses to ensure consistency in delivery and assessment across different classes and campuses.

TAFE NSW also conducted many benchmarking exercises with external academic partners to improve aspects of course delivery such as student support and assessment design.

QUALITY MEASURES

Student transitions to employment or further study

Transitions from vocational training

The NCVER Student Outcomes Survey[31] showed that 71.6 per cent of TAFE NSW and other government provider vocational graduates in NSW were employed after completing training in 2015. The Survey also showed that 38.0 per cent of 2015 TAFE NSW and other government provider vocational graduates were enrolled in further study.

TAFE NSW Higher Education provides a streamlined and supportive pathway for vocational students to continue on to higher education in their chosen field.

Students may enter a TAFE NSW Higher Education degree directly, or they may choose to transition into one from either a vocational or a higher education qualification such as diplomas.

Certificate to Diploma to Bachelor degree in Information Technology

Larger numbers of domestic and international vocational information technology students are choosing to continue into a TAFE NSW degree, thanks to a staged progression offered by TAFE NSW Meadowbank in Sydney.

TAFE NSW employed the same teachers to deliver core subjects in both VET and higher education programs, providing academic support so that students can transition smoothly from Certificate to Diploma to higher education degree levels.

The changes resulted in an increase in student satisfaction levels and retention rates.

In the first half of 2017, 222 students enrolled in the TAFE NSW Bachelor of Information Technology (Network Security) at Meadowbank, an increase of 44 students or 25 per cent compared to the first half of 2016.[32]

Transitions from TAFE NSW Higher Education

The Quality Indicators of Learning and Teaching (QILT) Graduate Destination Survey indicated that TAFE NSW Higher Education students' rate of transition to employment after completing their course increased from 76.6 per cent of 2014 graduates to 78.6 per cent of 2015 graduates.

Of students who graduated in 2015, 70.5 per cent were working full- or part-time by the time they were surveyed in May 2016. Six per cent of TAFE NSW Higher Education graduates also went on to further study.[33]

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[31] Conducted in mid-2016 on 2015 completions.
[32] TAFE NSW corporate data
[33] The QILT Graduate Destination Survey of 2015 graduates was conducted in May 2016 and published in May 2017.

Customer satisfaction

The satisfaction rate of TAFE NSW VET graduates was higher than the averages for NSW and national VET providers.

The NCVER Student Outcomes Survey[34] indicated that 87.4 per cent of 2015 TAFE NSW and other government VET graduates in NSW were satisfied with the overall quality of training. The TAFE NSW and other government graduate satisfaction rate was higher in NSW than the national average for all TAFE NSW institutes in Australia (86.8 per cent) and higher than the rate for government-funded VET providers across Australia (86.1 per cent).

The NCVER survey of employers' use and views of the VET system[35] found that 96.0 per cent of 2015 employers were satisfied with the overall quality of TAFE NSW nationally recognised training. The TAFE NSW employer satisfaction rate was higher than the national average for all TAFE NSW institutes in Australia (93.8 per cent).

The QILT Graduate Destination Survey of 2015 graduates conducted by the Commonwealth Government found that TAFE NSW Higher Education graduate satisfaction was above the national average on all three satisfaction measures:

Figure 4: *2015 TAFE NSW Higher Education graduate satisfaction*

Source: *QILT Graduate Destination Survey of 2015 graduates (May 2017)*

Awards

TAFE NSW graduates are work-ready, receiving recognition on the national and world stage for their skills. TAFE NSW was also recognised as a leading training provider.

From 1 March 2017, TAFE NSW brought together the organisation's 10 TAFE NSW institutes under a single One TAFE operating model. For awards won prior to this date, the name of the relevant institute is specified below.

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[34] Conducted in mid-2016 on 2015 completions.

[35] NCVER, *Employers' use and views of the VET system 2015*. Please note that 2015 is the latest available employer survey result. *Employers' use and views of the VET system 2017* is due for release in October 2017.

NSW Training Awards

The NSW Training Awards are the peak awards for VET, recognising and celebrating achievement, excellence and innovation in the nation's largest training sector. They were held in September 2016.

TAFE NSW students and staff dominated the finalist nominations, appearing in almost every individual and organisational category and winning 10 of the 16 awards on offer. NSW winners went on to compete with winners from all states and territories at the Australian Training Awards.

The TAFE NSW winners of the NSW Training Awards were:

Individual awards

Category	Name	TAFE NSW institute
Apprentice of the Year	Courtney Harrison	New England
Vocational Student of the Year	Francine Ikirezi	South Western Sydney
Aboriginal and Torres Strait Islander Student of the Year	Leteah Mitchell	North Coast
VET Trainer/Teacher of the Year	Donna Colombini	Sydney

Organisation awards

Category	Name	TAFE NSW institute
Industry Collaboration Award	The Skills Exchange — Barangaroo and Darling Harbour	Western Sydney
Large Training Provider of the Year	TAFE NSW — Open Training and Education Network	Open Training and Education Network

Industry excellence awards

Category	Name	TAFE NSW institute
Excellence in Trade Skills	Philip Brown	South Western Sydney
Excellence in Signage	Taryn Kearney	Illawarra
Phil Darby Memorial Award	Lubabalo Macikama	New England
Top Apprentice in Vehicle Trades	Aaron Fogarty	Hunter

Australian Training Awards

Winners from the 2016 NSW Training Awards progressed to the 2016 Australian Training Awards event, held in Darwin in November 2016.

- staff member Donna Colombini from TAFE NSW – Sydney Institute won the national VET Teacher/Trainer of the Year Award
- Western Sydney Institute and industry partner Lendlease won the Industry Collaboration Award for the Barangaroo Skills Exchange and the Darling Harbour Skills Exchange.

WorldSkills Australia

The biennial WorldSkills Competition brings together the top 500 apprentices, trainees and vocational students from around the world to compete in their vocational areas. Competitors have the opportunity to win gold, silver and bronze medals for their countries.

In October 2016, students from across Australia displayed their skills at the 2016 WorldSkills Australia National Competition in Melbourne. Over 135 TAFE NSW students competed in over 50 events as diverse as welding, fashion technology, signage, mechatronics, beauty therapy and more.

Out of the 55 gold medal winners, 20 completed training with TAFE NSW. These students may have the chance to compete as part of the national team, the Skillaroos, in the 2017 International WorldSkills Competition in Abu Dhabi in the United Arab Emirates.

The following TAFE NSW students won gold medals at WorldSkills Australia:

Category	Name	TAFE NSW institute
Auto Electrical	Scott Shearan	Western Sydney
Autobody Repair	Jade McSorley	Western Sydney
Automotive Mechanics	Jake Hiscock	North Coast
Heavy Vehicle Mechanics	Louise Azzopardi	South Western Sydney
Joinery	Joshua Morrissey	South Western Sydney
Plastering	Blake Ayerst	Hunter
Plumbing	Bob Sheridan-Gimmel	Illawarra
Signage	Taryn Kearney	Illawarra
Wall and Floor Tiling	Brayden Gauci	South Western Sydney
Beauty Therapy	Lily Campbell	Riverina
Hairdressing	Gaby Ware	North Coast
Programming	Alexander Brown	Hunter
Web Design and Development	Sam Leatherdale	Western Sydney
Retail Baking – Pastry	Troy Hindmarch	Illawarra
Construction and Steel Work	Brett McPaul	Illawarra
Engineering Team Challenge	Timothy Mitchell	Illawarra
Engineering Team Challenge	William Storm	Illawarra
VET in Schools Electrotechnology	Callum Clayton	Riverina
VET in Schools Information Technology	Claire Rogers	Sydney
VET in Schools Tourism	Holly Barnett	Sydney

Industry awards

TAFE NSW students and staff won more than 60 local, national and international industry awards and scholarships across many industries including manufacturing, fashion, design, horticulture, arts, hospitality, trades, personal services, finance, business and nursing.

This includes seven TAFE NSW students who received the Minister for Tourism's Student Achiever Awards.

TAFE NSW students also excelled on a global stage with Anne Xiao reaching finalist stage in the Dunedin International Emerging Designer Awards and Louise Wadey and Lucy Ferreira winning second place in the Annual Shanghai International Nursing Skills Contest.

Other awards

TAFE NSW students and staff won awards that recognise their contributions to communities in NSW, including:

- Rumbidzaishe Mazhura from Zimbabwe was awarded 2016 International VET Student of the Year Award, after completing a Certificate IV in Community Work while volunteering with World Vision's youth movement VGen; the United Nations; Red Cross; and working in aged care
- the IPROWD Program won an Australian Human Resource Institute Award in the Indigenous employment category
- the TAFE NSW apprentice road safety partnership with NSW Roads and Maritime Services 'Toward Zero' won an Australian Road Safety Encouragement Award.

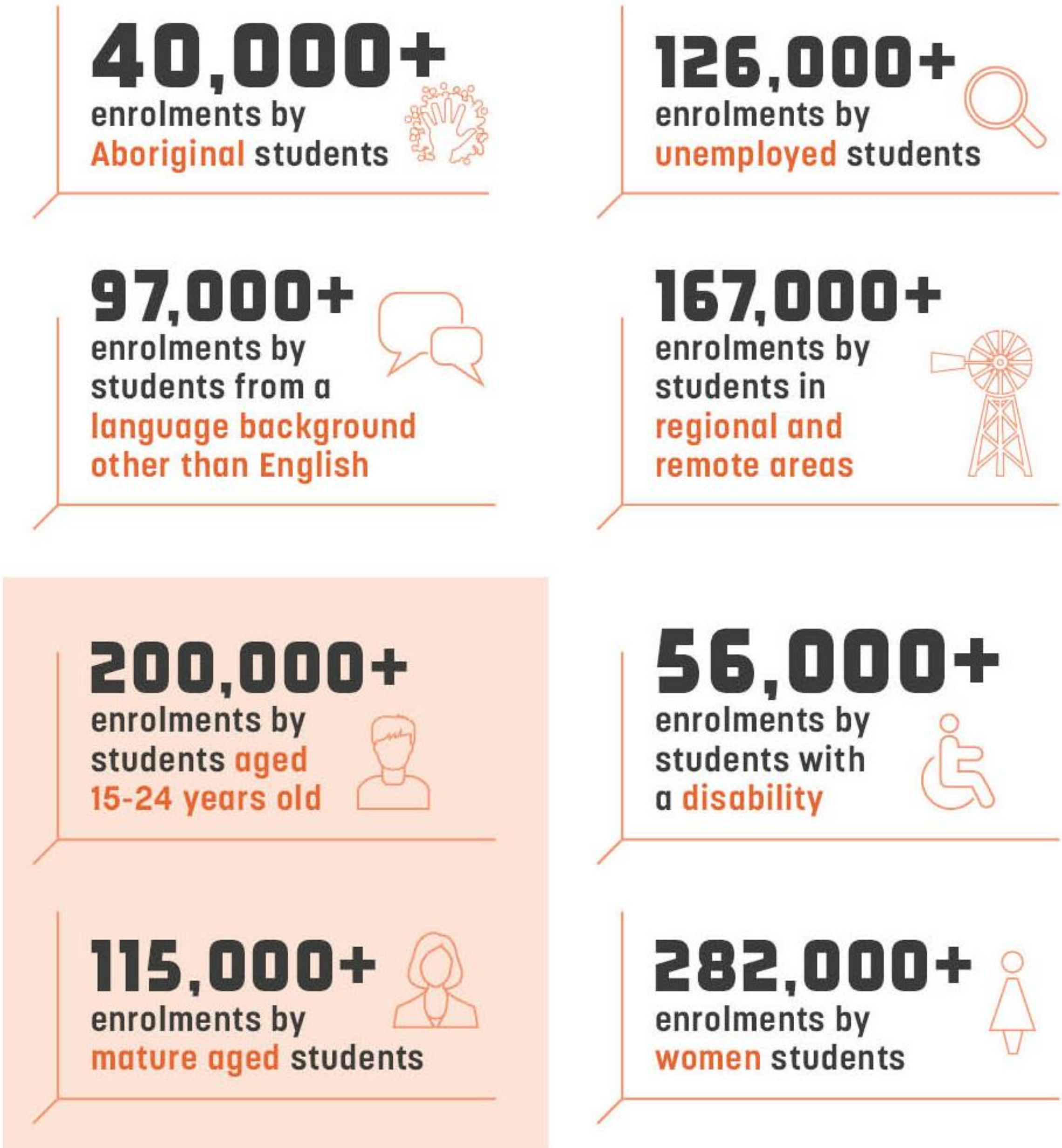
Wireless farm to boost productivity

A wireless farm designed by students from TAFE NSW Wagga Wagga and Charles Sturt University won the Wool Innovation Tech eChallenge in June 2017. The team, based in the Riverina-Murray region, developed a sensor network kit that makes it possible for farmers to monitor sheep and water levels remotely. This technology will automate time-consuming routine operations for Australian woolgrowers, boosting both productivity and profitability. The low-cost kit features solar powered wireless links that transmit data from cameras and other sensors.

On 25 October 2016, TAFE NSW staff member Len Waters won an individual award in the 'Improving Government Services' category at the NSW Premier's Awards for Public Service. The Awards recognise excellence in the delivery of public services.

Throughout his 15-year career with TAFE NSW, Len has advocated for the benefits of education and shown an unwavering commitment to providing opportunities in remote Aboriginal communities in the New England region.

SERVING OUR STUDENTS AND LOCAL COMMUNITIES



Source: *TAFE NSW corporate data (2016)*

Note: 'Mature aged' is defined as being 45 years and older.

REGIONAL AND REMOTE DELIVERY

Enrolments by students living in regional or remote areas increased by 22 per cent, from 137,971 enrolments in 2015 to 167,726 in 2016.[36]

TAFE NSW is also expanding regional and remote access to education and training by establishing Connected Learning Centres across regional NSW. These centres will provide multi-purpose, digitally enabled learning spaces in accessible locations to provide regional areas with skills critical to the NSW economy.

The Centres will work with mobile education units to bring equipment and tools to the students to provide hands-on, practical training. This will help TAFE NSW to expand the range of courses offered in regional areas.

EquiStart program highlights horse breeding industry

In December 2016, TAFE NSW launched a work-ready course in partnership with the Hunter Thoroughbred Breeders Association and horseracing stable Godolphin.

A new four-week Equistart Work Ready course aims to equip young people with foundation skills and expose them to a variety of career pathways into the thoroughbred industry. Twelve students started the Statement of Attainment in Animal Care (Equine Specialisation) course in June 2017.[36] As at the end of July 2017, six of the students had gained employment, four were undertaking work experience and two had enrolled in further animal studies qualifications.[37]

The partnership also produced career information for over 40 occupations linked to the thoroughbred industry, including horse husbandry, agriculture, farming and business administration.

VOCATIONAL ENROLMENTS BY DISADVANTAGED STUDENTS

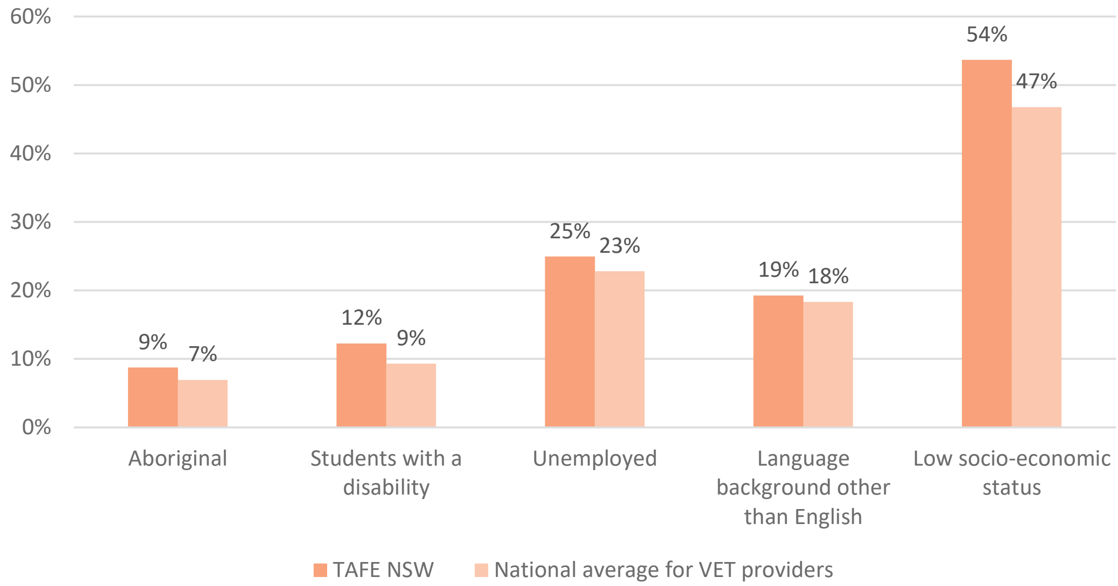
TAFE NSW, as the NSW public VET provider, helps people experiencing disadvantage to access the education and skill development services they need to transition to higher-level qualifications and secure employment outcomes.

TAFE NSW recorded higher proportions of VET enrolments by students from disadvantaged groups in 2015 than the national average for VET providers.

[36] TAFE NSW corporate data

[37] TAFE NSW local administrative data

Figure 5: *Percentage of government-funded enrolments by students from disadvantaged groups in 2016*



Source: *NCVER VOCSTATS*

In 2016–17, TAFE NSW also employed a range of staff that reflects the diversity of NSW communities and the TAFE NSW student population.

Information on the diversity of the TAFE NSW workforce can be found in the Inclusive strategies *section of the appendices.*

Proud day as correctional centre inmates graduate

In February 2017, more than 30 inmates completed vocational qualifications after attending training delivered by TAFE NSW at Junee Correctional Centre in the Murray-Riverina region. Qualifications ranged from Certificate I to III level, in agriculture, horticulture, engineering, automotive, art, design and building and construction.

Inmates gained real world practical skills in vocational training to help them get a job when they are released, making them less likely to reoffend.

Sixty per cent of the Junee Correctional Centre population were enrolled in 33 different vocational qualifications as at February 2017.[38]

[38] TAFE NSW local administrative data

COMMUNITY SERVICE OBLIGATION

Purpose

Community Service Obligation (CSO) funding is provided to TAFE NSW in recognition of the organisation's unique legislated obligations to provide disadvantaged students with access to "technical and further education services, including a range of appropriate specialised services" as outlined in the *Technical and Further Education Commission Act 1990* (NSW).

TAFE NSW, as the state's public VET provider, has an obligation to the NSW Government to serve the people and communities of NSW, including educationally or vocationally disadvantaged groups such as Aboriginal people, people with disability, people in rural areas and people from Language Backgrounds Other Than English. CSO funding allows TAFE NSW to provide these groups with access to basic, pre-vocational and vocational education and training.

TAFE NSW has specific obligations to students with disability under the *Disability Standards for Education* of the *Disability Discrimination Act 1992* (Commonwealth) and the National Disability Insurance Scheme.

TAFE NSW reports to the Department of Industry on the delivery of CSO on a regular basis.

Types of people supported

TAFE NSW uses CSO funding to support individuals facing disadvantage including:

- Aboriginal and Torres Strait Islander people
- people with disability
- people who are unemployed
- people living in a regional or remote area
- people from Language Backgrounds Other Than English
- welfare recipients
- people with lower language, literacy and numeracy ability
- people with a lower socio-economic status
- young people at risk of not making a successful transition to higher-level qualifications or employment
- people who have not completed Year 12 or post-school qualifications
- people facing other barriers to learning.

The table below shows TAFE NSW enrolments in some of the most common categories of disadvantage:

Enrolments by disadvantaged students eligible for CSO support in 2016

Disadvantaged student category	2016 course enrolments
Aboriginal students[39]	40,489
Students with disability[40]	56,653
Unemployed students[41]	126,103
Regional / remote students[42]	167,726
Students from Language Backgrounds Other Than English[43]	97,743

Source: *TAFE NSW corporate data*

Note: *Students may meet the criteria for multiple categories of disadvantage.*

Types of support provided

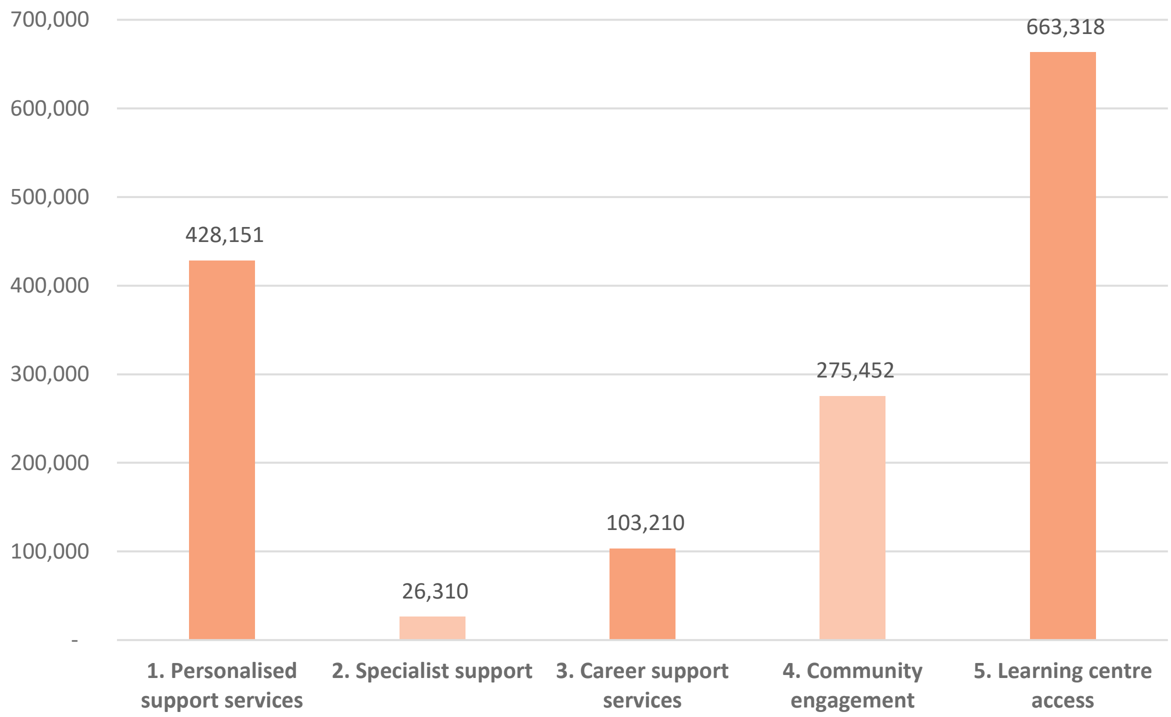
In 2016, TAFE NSW provided essential training and/or support services to disadvantaged students to improve learning engagement and completion through:

- personalised support services, including pre-training support, counselling, mentoring, case management, individualised or group support, specialist support such as one-on-one learner support, and development of tailored learning resources
- specialist support, including support and services for people with disability such as note taking, interpreters and reasonable adjustment of learning and assessment materials
- career support services, to support transitions from school to TAFE NSW, transitions to employment or further education or training (such as liaising with Centrelink, employment brokers or universities), interview preparation and referrals to job service providers, disability employment providers, community support agencies and universities
- community engagement to encourage disadvantaged communities and disengaged youth to participate in education or employment
- access to study facilities and services such as computers with specific software packages at library and learning resource centres
- support for those facing significant barriers to learning, including language, literacy and numeracy support and foundation skills development to help students to proceed to a full qualification.

[39] 'Aboriginal students' are students who self-identified on their enrolment form as Aboriginal, Torres Strait Islander or both.
[40] 'Students with disability are students who asked for help with their disability or who specified a type of disability on their enrolment form.
[41] 'Unemployed students' are students who self-identified on their enrolment form as being unemployed and seeking part-time or full-time work.
[42] Regional / Remote students are based on Accessibility/Remoteness Index of Australia (ARIA), 2011.
[43] 'Language Background Other Than English students' stated on their enrolment form that the main language they speak at home is not English.

In 2016, TAFE NSW delivered more than 1,496,000 instances of CSO funded support.[44] An instance of support is defined as a discrete event where a type of support was provided to an individual. Figure 6 shows the estimated number of instances of support delivered in 2016 by CSO support category. Please note that individuals may access multiple instances of support, or access more than one category of support.

***Figure 6**: Estimated instances of CSO support across TAFE NSW in 2016*



***Source:** TAFE NSW administrative data*

Examples of support provided to students with disadvantage

Community engagement helps young people develop career plans

TAFE NSW worked with a community organisation, Careers Network Incorporated, to provide a four week program of workshops, vocational 'tasters' and individual case management to 42 disengaged young people in the New England North West region.[45]

Careers Network provided individual case management in the first phase of the program.

TAFE NSW conducted literacy and numeracy screening to assess students' capabilities, helped students to explore potential career pathways and to develop individual career plans. Students identified the skills they wanted to build and TAFE NSW provided them with a taste of relevant vocational areas. TAFE NSW also assessed the barriers to training and employment the students faced and developed tailored support and strategies to address them.

[44] TAFE NSW Community Service Obligation survey data (2017)
[45] TAFE NSW local administrative data

During the program, students increased their self-esteem, developed communication and presentation skills, gained a better understanding of career opportunities and developed plans for further training. Twenty-nine students completed the Course in Vocational and Community Engagement.

Support helps student to overcome barriers and win Outstanding Student award

An unemployed Aboriginal student who had not studied since the age of 14 completed a Certificate IV in Community Services and received an Outstanding Student Award after receiving specialist support.

The student completed a Certificate III in Community Services at TAFE NSW Dubbo in 2015, after a work-related injury required him to retrain. He was interested in helping young people but had no qualifications and faced a number of disadvantages, including a significant physical disability, low self-confidence and depression.

In 2016, the student enrolled in a Certificate IV and continued to receive specialist support from his disability teacher consultant and counsellor. This included individual tutorials on course content and study skills assistance. After completing the Certificate IV at the end of 2016, the student enrolled in the Diploma of Community Services in the first half of 2017.

Cambodian migrants reap the benefits of community engagement

TAFE NSW collaborated with the Khmer Community of NSW to deliver part qualifications to 25 women from migrant and refugee backgrounds with low levels of education.[46]

The Khmer Community of NSW is a government-recognised non-profit community organisation, which runs the social enterprise Angkor Flowers in Sydney. A TAFE NSW Community Engagement Coordinator worked with the community to deliver part qualifications in floristry and retail skills to the enterprise's volunteers and employees.

After the success of the initial four classes in 2016, three volunteers at the community organisation enrolled in full qualifications in floristry and a further three classes are scheduled for other students in 2017.

[46] TAFE NSW local administrative data

Learning centre support helps student gain employment

A student with an acquired brain injury has achieved full-time employment as a school Education Support Officer after CSO funded study centre assistance helped him complete a Certificate III in Education Support.

The student was assessed as a Level 2 learner for literacy and numeracy under the Australian Core Skills Framework (ACSF) when he first enrolled in a Certificate III in Skills for Work and Vocational Pathways. With the help of CSO learner support from a disabilities consultant and language, literacy and numeracy support, he completed the course and progressed to ACSF Level 3.

In December 2015, the student enrolled in the Certificate III in Education Support online. He regularly attended the CSO-funded study centre for help with course work, assessment tasks and academic writing, which provided him with the support he needed to successfully complete the course and gain employment.

Humanitarian visa holders build English skills

Ten students in Sydney improved their English and job seeking skills by receiving foundation skills support while completing the TAFE NSW Statement of Attainment in Employment Skills. Several of the students held humanitarian visas, and individual interviews revealed that many lacked confidence in their English skills and had poor job prospects.

The twice-weekly course covered six units in one ten-week term, and staff provided support to build students' skills and confidence in using English. Students participated in experiential learning to develop oral and team building skills, role playing to develop culturally appropriate social skills, and simulated interviews and writing programs to build skills in grammar and sentence structure.

Three students achieved the required Basic Key Skills Builder levels to enrol in Certificate III courses at TAFE NSW in 2017, two students gained employment, and one student developed a website to promote his business.[47]

Student graduates after receiving integrated personalised support

An unemployed mature aged student with medical and mental health diagnoses successfully graduated with a Diploma of Community Services after receiving personalised support from TAFE NSW.

The student enrolled at TAFE NSW looking for a new training and employment pathway. As she had not studied since leaving high school, she required assistance in a number of areas, and was referred to counselling services for study strategies, career guidance and job application assistance. She received intensive support at the beginning of her course, and continued to receive one-on-one learner support throughout her studies.

[47] TAFE NSW local administrative data

The student responded successfully to the support and required less assistance as she progressed through the course, graduating at the end of 2016.

Tailored online support for students with disability

One hundred and fifty-five students with mild intellectual or learning disabilities successfully completed a Certificate III and Diploma of Early Childhood Education and Care online across NSW, thanks to the specialist support TAFE NSW provided.[48]

Disadvantaged students undertaking higher-level online courses in this field often require greater levels of specialist support. Disability consultants supported students at the beginning of their training by providing them with:

- help in obtaining material in alternative formats
- adaptive technology, including text-to-speech and speech recognition software
- advice on how to communicate with teachers and progress through their course
- clarification of assessment requirements and help with study skills.

Students also received support in the job placement phase from early childhood teachers and work placement employers. This included help with locating a work placement, negotiating schedules and communicating with assessors.

Because of this support, most of students who successfully completed these courses were able to continue their studies or secure work in the industry.

English support helps student gain valuable study skills

TAFE NSW provided English and information literacy support at the TAFE NSW Ultimo library to a woman undertaking the Certificate III in Individual Support (Ageing, Home and Community) to retrain. The student was a mature aged migrant who came from a low socio-economic background, and had been unemployed for many years.

The student initially approached the library for help. A librarian introduced her to easy reader material to help improve her English skills, and enrolled her in English reading classes conducted at the library. The student also attended an information literacy workshop conducted by the library for her class to help students to research topics for their assignments.

[48] TAFE NSW local administrative data

ABORIGINAL STUDENTS

Enrolments by Aboriginal students

TAFE NSW is committed to improving the educational and employment outcomes of Aboriginal students.

Enrolments by Aboriginal students increased by 23 per cent from 33,019 in 2015 to 40,489 in 2016.[49]

TAFE NSW develops customised programs for Aboriginal students to support their participation in tertiary education and training and to help them get jobs.

Mutawintji National Park tour guide training

In 2016–17, TAFE NSW provided tourism training to the traditional Aboriginal owners of the Mutawintji area in the Far West region of NSW to give them the skills to share it with others as tour guides. Students enhanced their cultural knowledge and gained practical experience at the Mutawintji National Park while undertaking of the Certificate II in Tourism.

Twelve students completed training in June 2017 and gained employment at Mutawintji National Park or by setting up their own businesses.[50] The program was in collaboration with the Mutawintji Local Aboriginal Land Council.

Indigenous Fire and Rescue Employment Strategy

In 2016–17, TAFE NSW continued its work with Fire and Rescue NSW to increase the number of Aboriginal people employed in full-time firefighting positions.

The six-month course, offered at Macquarie Fields and Campbelltown in Sydney, helps Aboriginal students to develop the skills and confidence including improving their fitness and job application skills to apply for jobs as firefighters.

Students received mentoring from an Aboriginal firefighter and support to apply for positions with Fire and Rescue NSW once they had completed the course.

In 2016, 48 Aboriginal students graduated with a Certificate III or Certificate IV qualification in Fitness, and a further six had completed the course by the end of June 2017.[49]

Of the 54 graduates, 35 successfully gained employment with Fire and Rescue NSW and two more were referred to ACT Fire and Rescue.[50] Completing the course also qualifies graduates to gain employment in the fitness industry.

[49] TAFE NSW corporate data
[50] TAFE NSW local administrative data

Over the past five years, enrolments by Aboriginal students have increased, particularly in higher-level qualifications:

- Certificate IV level and above
    - from 5,442 in 2012 to 9,477 in 2016 (74 per cent)
    - from 15 per cent of Aboriginal student enrolments in 2012 to 23 per cent in 2016
- Diploma level and above
    - from 1,951 in 2012 to 5,139 in 2016 (163 per cent)
    - from five per cent of Aboriginal student enrolments in 2012 to 13 per cent per cent in 2016.

The trend towards enrolling in higher-level qualifications was particularly evident in the 15 to 24-year student age group. Over the five-year period to 2016, TAFE NSW enrolments by Aboriginal students in the 15 to 24 year age group increased in:

- Certificate IV and above from 1,608 in 2012 to 2,965 in 2016 (84 per cent)
- Diploma and above from 487 in 2012 to 1,487 in 2016 (205 per cent).[51]

Foundation skills to transition to employment or further training

Foundation skills include learning, reading, writing, numeracy, oral communication, study skills and employability skills such as communication, teamwork and problem solving.

Enrolments by Aboriginal students in Australian Qualifications Framework (AQF) level foundation skills courses increased by three per cent, from 3,900 enrolments in 2015 to over 4,000 in 2016.

In 2016, there were 13,915 enrolments by Aboriginal students in part qualifications (statements of attainment or non-AQF level courses).

TAFE NSW also delivered over 400 enrolments by Aboriginal students in courses for learner drivers.[51]

Foundation skills to get your driver's licence

Since 2014, TAFE NSW has offered the Course in Foundation Skills for Learner Drivers to Aboriginal people to help them develop the required literacy and numeracy skills to sit the driver knowledge test to get a learner driver’s licence and over time, achieve their full driver’s licence.

Low literacy and numeracy levels can prevent people from getting a driver’s licence and this barrier affects a higher proportion of Aboriginal people than the general Australian population. Lack of access to a driver’s licence can limit access to work, education opportunities and services.

[51] TAFE NSW corporate data

During 2016, more than 160 Aboriginal students completed the program at locations across the state including:

- Casino and Kingscliff (North Coast)
- Taree (Hunter)
- West Wyalong, Albury and Junee (Riverina-Murray)
- Orange (Central West and Orana region).[52]

TAFE NSW also offers a TAFE PLUS Statement in Roads and Maritime Services Safer Drivers Course to improve the safety of young drivers after they have passed the practical test. The course helps drivers to manage their speed, select safe gaps to pull into traffic and other key driving skills and behaviours. During 2016, TAFE NSW recorded 928 enrolments in this course, including 48 by Aboriginal students.[52]

Army Indigenous Recruitment Program

TAFE NSW Wagga Wagga worked with the Australian Army to design and deliver an intensive 13-week foundation skills course for new Aboriginal recruits in the Riverina-Murray region. This partnership aims to boost the confidence and skills of Aboriginal recruits to succeed in a career with the army.

The course developed the students' language, literacy and numeracy skills and incorporated practical sessions, focusing on their fitness, nutrition, study skills and cultural identity.

In the first half of 2017, 63 recruits enrolled in a Certificate II in Further Study Skills at the Kapooka Army Recruit Training Centre.[52]

Completions by Aboriginal students

Course completions by Aboriginal students at TAFE NSW increased by 31 per cent from 2012 to 2016, particularly in higher-level qualifications. Completions in qualifications at Diploma level and above increased from 371 in 2012 to 679 in 2016 (83 per cent).[52]

Completions measure where a student has met all requirements for the completion of the qualification, course or skill set (including on-the-job requirements). Completions for Australian Qualifications Framework qualifications and courses measure the number of clients eligible for the award to be conferred.

[52] TAFE NSW corporate data

Aboriginal languages and studies

TAFE NSW delivers qualifications in Aboriginal languages to support the NSW Government's *Opportunity, Choice, Healing, Responsibility, Empowerment* (OCHRE) plan. Courses are developed and delivered in collaboration with local community groups and Aboriginal language speakers.

In 2016, there were over 500 enrolments in the Certificate I, II and III in Aboriginal Language/s[53] including:

- Certificate I in Dhurga
- Certificate I in Gathang
- Certificates I and III in Dharawal
- Certificates I and II in Gumbaynggirr
- Certificates I and II in Yagirr
- Certificates I, II and III in Bundjalung
- Certificates I, II and III in Gamilaraay
- Certificates I, II and III in Wiradjuri.[54]

TAFE NSW also offered a:

- Statement of Attainment in Yagirr (Yaegl People) Aboriginal Language in Maclean in the North Coast region
- recognition of prior learning program to speakers of the Bundjalung language with the Bundjalung Language and Culture Nest in Lismore on the North Coast.

Aboriginal language and culture nests are local community networks connected by a language. These nests help communities to revitalise, reclaim and maintain their languages in partnership with TAFE NSW, schools, universities and other community language programs. Each language and culture nest also includes a keeping place where language resources and other materials are accessible to the community.

The Yarradamarra Centre at TAFE NSW Dubbo in the Central West and Orana region houses the North West Wiradjuri Aboriginal Language and Culture Nest as a keeping place. Since 2011, Yarradamarra has offered Certificates I, II and Ill in Aboriginal Languages to local Aboriginal people to give them the skills to work as tutors in schools.

TAFE NSW also delivers nationally recognised qualifications in Aboriginal Studies, Aboriginal and Torres Strait Islander Primary Health Care, and Aboriginal or Torres Strait Islander Cultural Arts.

[53] TAFE NSW corporate data
[54] TAFE NSW local administrative data

TAFE NSW delivered Aboriginal language training in the following locations in 2016:

STUDENTS WITH DISABILITY

TAFE NSW is a key provider of educational outcomes and qualifications to help people with disability gain skills and employment.

Enrolments by students with disability increased by 35 per cent from 41,903 in 2015 to 56,653 in 2016.[55]

TAFE NSW provides students with disability with their own individual learning plan, which identifies the support services they can access. Community Service Obligation funding provides access to specialist support services such as a note-taking or interpreting services, personalised support services such as individual learning support, adaptive technologies, revised teaching materials and flexible learning centres.

Cleaning qualifications win contracts for Wangarang Industries

Australian Disability Enterprise Wangarang Industries is able to provide more people with disability with continued employment after staff completed vocational and literacy and numeracy training specific to the commercial cleaning industry.

The enterprise, based in the Central West and Orana region, offered workers training in a Certificate II in Cleaning Operations to improve Wangarang Industries' success rate in winning contracts. TAFE NSW Orange developed specialised resources and assessment methods to support these students and the enterprise provided a learning mentor.

One of the practical outcomes of the training was that students were able to understand cleaning product labels better. After completing the qualification, the workers used fewer chemical products, resulting in a more economical and environmentally friendly service. Eight students with a psychiatric or intellectual disability obtained jobs with Wangarang Industries delivering commercial cleaning contracts.[56]

Auslan interpreter makes all the difference

Seven students with disability completed a Certificate III in Cookery in mainstream classes,[55] thanks to additional in-class support provided by TAFE NSW Campbelltown in Sydney.

Some of the students had multiple disabilities including deafness, post-traumatic stress disorder, dyslexia, an intellectual disability or a learning disability. TAFE NSW used Community Service Obligation funding to provide an Auslan interpreter in class to ensure the four deaf students had access to the same verbal information as their hearing classmates.

Since completing the qualification at the end of June 2017, two students have found work in the field of cookery, two students have enrolled in further study in patisserie, two students found jobs in another service industry, and the one remaining student is seeking work in cookery at a disability service organisation.[56]

[55] TAFE NSW corporate data
[56] TAFE NSW local administrative data

STUDENTS WHO ARE UNEMPLOYED OR FROM A LOW SOCIO-ECONOMIC BACKGROUND

TAFE NSW offers diverse job training pathways for unemployed people and people from a low socio-economic background.

TAFE NSW regularly liaises with external organisations, such as jobactive providers and non-government community organisations, to deliver effective training and services to these students.

Enrolments by unemployed people increased by 28 per cent, from 98,401 enrolments in 2015 to 126,103 in 2016.[57]

Fifty-one per cent of total TAFE NSW enrolments (277,532) were by students from a low socio-economic background in 2016.[58]

Migrants take the first steps to gain employment in aged care

It's hard to know where to start as a new migrant when you need to find a job but don't speak English well.

Many migrant women arrive in Australia with experience in caring for elderly relatives and are interested in working in the aged care industry. However, they have difficulties in demonstrating their skills when seeking employment, as they do not hold a qualification, making them vulnerable to long term unemployment.

The SkillME project by community organisation Metro Assist helps migrants to find suitable employment. TAFE NSW Bankstown worked with SkillME to offer the first few units of a qualification in aged care as a taster in late 2016. After completing the taster, 11 students went on to complete a Certificate III in Individual Support in July 2017. [59]

Aged care provider Multicultural Aged Care asked to interview 10 of the students for the position of bilingual support worker after they completed their training.

[57] TAFE NSW corporate data

[58] TAFE NSW corporate data, based on the Australian Bureau of Statistics' Socio-Economic Indexes for Areas Index of Relative Socio-economic Disadvantage

[59] TAFE NSW local administrative data

Skills in customer contact in demand

TAFE NSW Wollongong is helping young people in the Illawarra-Shoalhaven region develop customer engagement skills that are in demand, in partnership with the peak body for customer contact industry in Australia, the Auscontact Association.

TAFE NSW used government funding to integrate nationally recognised units of competency with valuable work experience. The aim of this program was to help young people aged 18–24 years old develop the required skills, confidence and understanding of the industry to get a job.

Host employers included technology solutions and services company NEC, Skydive the Beach, the University of Wollongong, aged care provider IRT Group and health insurance companies Peoplecare and Australian Health Management.

Twelve of the 13 participants graduated the first half of 2017 with a Statement of Attainment in Customer Engagement.[60] Two students gained full-time employment and another four obtained casual work that may develop into full-time employment in future.[61]

The Australian Taxation Office asked all program participants to forward their resumes for future employment opportunities and more employers have agreed to host workplace visits the next time TAFE NSW runs the course, including State Emergency Services, Australian Taxation Office and Department of Human Services.

STUDENTS WITHOUT YEAR 12 OR EQUIVALENT

Enrolments

Enrolments by students without Year 12 or equivalent (Certificate III) increased by 13 per cent, from 155,143 enrolments in 2015 to 175,765 in 2016.

TAFE NSW delivered both the NSW Higher School Certificate and Certificate IV in Tertiary Preparation with 2,988 enrolments in 2016,[60] providing an alternative pathway for students to obtain an Australian Tertiary Admission Rank in an adult learning environment.

Tertiary Preparation Certificate (TPC) a pathway to medicine

After leaving school at 16 and completing a traineeship, Frederick Webb wanted to complete year 12 but had no desire to return to school for two more years.

He found the adult learning environment offered by the TAFE NSW TPC an ideal solution, making it possible for him to continue to work part-time and complete the qualification in half the time of the Higher School Certificate (HSC).

The Western Sydney student topped the state for performance in the TPC in 2016 with a perfect score of 300. Central Queensland University accepted him to study a Bachelor of Medical Sonography.

[60] TAFE NSW corporate data
[61] TAFE NSW local administrative data

School students are able to undertake nationally recognised skill sets or qualifications as part of their HSC through VET delivered by TAFE NSW. Most gained both Australian Qualifications Framework (AQF) and HSC credentials.

TAFE NSW also delivers training to support school-based apprenticeships and traineeships, which allow students to complete a year of an apprenticeship or traineeship while still at school. In 2016, TAFE NSW trained over 300 school-based apprentices and almost 500 school-based trainees.[62]

Pathway programs for school leavers and youth at risk

In 2016, TAFE NSW had over 18,700 enrolments by students aged 15–19 years old in AQF level foundation skills qualifications and Certificate II level vocational qualifications. There were also over 30,600 enrolments by 15–19 year-olds in part qualifications (statements of attainment) and non-AQF level qualifications.[63]

Disengaged students on the way to a meaningful career

The TAFE NSW Youth Engagement Strategy (YES) pilot engaged 2,380 students in pre-vocational, non-accredited training programs[63] across NSW in the first half of 2017.

The pilot aimed to inspire and re-engage students by providing an opportunity to undertake supported training that lays the foundations for a meaningful career.

The program provided training to 255 schools and six juvenile justice centre education and training units in 77 metropolitan, regional and remote locations.

Students participated in short vocational courses where they developed real skills and expanded their knowledge of specific occupational areas. They also received mentoring support and an individual learning plan to help them reach their education and career goals.

Evidence-based evaluations of each YES Pilot project including student destination surveys will help TAFE NSW and schools to assess the effectiveness of the project in engaging young people before they drop out of school, and improve future pilots. A second YES Pilot will run in the second half of 2017.

STUDENTS FROM LANGUAGE BACKGROUNDS OTHER THAN ENGLISH

TAFE NSW offers people from Language Backgrounds Other Than English (LBOTE) access education and skills development services to help them join the workforce and participate fully in the community and the economy.

Enrolments by LBOTE students increased by 26 per cent, from 77,268 enrolments in 2015 to 97,743 in 2016.[63]

[62] Training Services NSW
[63] TAFE NSW corporate data

TAFE NSW supports LBOTE students by:

- planning, promoting and delivering flexible, high-quality courses that allow students to transition to higher-level qualifications and improve their job outcomes
- providing inclusive and accessible support services that improve students' engagement with their learning and help them to complete their studies
- working closely with communities, businesses and external organisations so that training is integrated, targeted and relevant for students and local industries
- recognising and promoting the value of cultural diversity and social inclusion
- countering racism, intolerance and discrimination
- enhancing staff and leader capacity to meet the needs of LBOTE students.

Further details of how TAFE NSW supports LBOTE students can be found in the Multicultural Policies and Services Program *section of the appendices.*

WOMEN

TAFE NSW supports women returning to the workforce or undertaking training in non-traditional trades through specific programs.

In 2016, TAFE NSW had 282,757 enrolments by women (52 per cent of total enrolments).[64]

Young mum forges a different path to university

Wollongong mother of two, Freya Turnbull Holmes, is on her way to studying a Bachelor of Pre-Medicine, Science and Health after achieving an Australian Tertiary Admission Ranking of 95.[65]

The 20-year-old chose to study the Tertiary Preparation Certificate at TAFE NSW to be able to continue her education while caring for her two young daughters. The qualification provides an alternate pathway for students without Year 12 who want to study at university.

Ms Turnbull Holmes attended face-to-face training but was able to access online learning materials and day care provided by TAFE NSW to help her juggle studying and caring for her family.

NRMA motor mechanics

In March 2017, 15 first-year apprentices started their training at the TAFE NSW Automotive Centre of Excellence and Learning in Ultimo in Sydney as part of the National Roads and Motorist's Association (NRMA)/TAFE NSW Car Services Program partnership. Six of the motor mechanic apprentices are women. The apprentices will complete a Certificate III in Light Vehicle Mechanical Technology.

The number of women undertaking this program has tripled since the first cohort of NRMA apprentices in 2015, which had just two female apprentices out of the 15.[65]

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[64] TAFE NSW corporate data

[65] TAFE NSW local administrative data

BECOMING CONTEMPORARY, COMMERCIAL AND SUSTAINABLE

TAFE NSW is modernising how we do business so we can continue to compete successfully as a government-owned education and training provider that delivers sustainable public value for the people and enterprises of NSW.

TAFE NSW launched a series of modernisation initiatives on 26 October 2016 to transform the organisation into a contemporary and commercial government-owned business:

- delivering quality education and training to students and our industry partners when, where and how they want it
- directing more resources into education and training by using our funding efficiently
- delivering a consistent and superior customer experience with systems, processes and people that adapt and respond to change
- building an agile and commercial workplace culture
- establishing the right organisational structure to meet our needs
- creating an efficient information and communication technology environment through consolidated systems and state-wide standardisation.

Details of the organisation's redesign to become One TAFE can be found in the Developing a proud and productive team *section of the performance report.*

DIGITAL DELIVERY

How people want to learn is changing. TAFE NSW is expanding the organisation's geographical reach using digitally enabled technology, mobile education units, connected learning centres and specialist centres and campuses.

During the reporting period, TAFE NSW offered high-quality online and distance education services and qualifications across Australia and overseas, via a number of online platforms including Open Training and Education Network (OTEN), TAFE NSW Online and TAFE*now*.

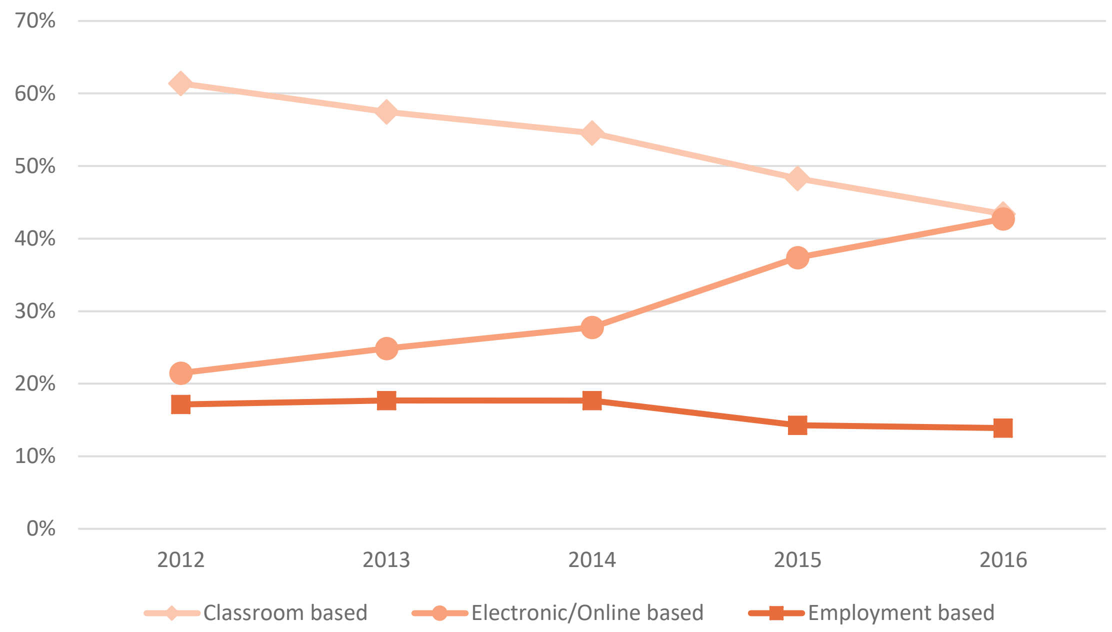
In 2016, TAFE NSW had 139,672 online enrolments, accounting for 26 per cent of our total enrolments[66] in over 400 online courses.

The TAFE NSW delivery profile has continued to shift from traditional classroom delivery to include more flexible and blended learning models, including online courses.

Figure 7 shows that the proportion of classroom delivery decreased from 61 per cent of overall delivery time in 2012 to 43 per cent in 2016 (a drop of 18 percentage points), while electronic/online delivery increased to 43 per cent. This trend is expected to continue as more students and employers take up online study.

[66] TAFE NSW corporate data

Figure 7: *Percentage of Total Delivery Hours (2012–2016)*



Source: TAFE NSW corporate data

This does not mean that all our courses will only be offered online in future. TAFE NSW will continue to deliver education and training using the delivery modes that are most appropriate for the course content and best meet our customers' needs.

Face-to-face delivery will continue to be one of the many ways we can equip students with the skills and knowledge they need to compete successfully, in a rapidly changing and increasingly digital global economy.

TAFE Digital – consolidating online platforms

In 2015–16, TAFE NSW commissioned two pieces of research on digital learning. U1 Group investigated customers' experience of searching for and enrolling in online courses across the different TAFE NSW online platforms. The research found that this complexity discouraged prospective students from enrolling at TAFE NSW. TAFE NSW also commissioned a financial and economic appraisal ratio from Hawkless Consulting to validate options presented in the TAFE NSW Digital Business Case.

In 2016–17, TAFE NSW brought the separate online delivery entities of OTEN, TAFE NSW Online and TAFE*now* together to operate as a single delivery group, TAFE Digital.

In November 2016, the Minister for Skills, the Hon. John Barilaro MP, announced that TAFE Digital headquarters will be based in Armidale in the New England North West region with a team spread across the state. The official opening of the TAFE Digital headquarters in Armidale is planned for early in 2018.

TAFE Digital will eventually become our single digital platform for offering online courses to our students. In the immediate future, TAFE Digital will consolidate the current portfolio of TAFE NSW online learning products, make them consistent, modernise TAFE NSW online content, systems and support services and share them across all of our training delivery locations.

TAFE Digital will develop state-of-the-art digital learning content for the classroom, including virtual and augmented reality, advanced simulations and other content, as well as commissioning external companies to produce high-quality learning products.

TAFE Digital will also develop a customised version of online platform and products to provide corporations and small to medium sized enterprises with online training for employees.

These changes will provide students with access to the best available digital content on a single platform, regardless of whether they choose to learn in a classroom, a simulated workplace, a mobile education unit, a Connected Learning Centre, on-the-job, online or a mix of these delivery modes.

TAFE Digital is committed to the NSW Government's digital standard for customer experience. The standard requires service delivery to be: digital by default; designed around user needs; and integrated, seamless and accessible.

An important part of improving our online learning experience is to continually test and refine the use of new and emerging online technologies. A dedicated Digital Learning Lab and team based in Armidale will support this. The Lab will officially open in December 2017.

COMMERCIAL DELIVERY

TAFE NSW is seeking opportunities to grow commercial revenue, focusing on areas that deliver economic and social value to NSW communities. This includes:

- national and international commercial partnerships, consultancies or licensing arrangements
- growing education export opportunities in Australia and offshore
- increasing the international student market
- expanding higher education opportunities
- increasing fee-for-service offerings to individuals and industries not eligible for government-subsidised training.

Domestic commercial delivery

Overall, domestic commercial enrolments in TAFE NSW qualifications decreased by five per cent, from 172,273 in 2015 to 163,452 in 2016.[67]

TAFE NSW implemented a number of strategies to counter the impact of this decline on domestic commercial revenue. These include the state-wide *Be Ambitious* marketing campaign, clear communication to students, establishing in-house sales capability and setting consistent commercial pricing across the state, which will be rolled out in 2017–18.

TAFE NSW worked with various government, business and community stakeholders to deliver training on a commercial basis.

[67] TAFE NSW corporate data

In the first half of 2017, TAFE NSW secured a six-year contract with the Commonwealth Government to deliver the Adult Migrant English Program (AMEP). TAFE NSW was awarded 11 of the 14 AMEP Commonwealth regions in NSW, including the greater Sydney metropolitan area and the AMEP distance learning program nationally. The contract also includes delivery of the Skills for Education and Employment program in five Commonwealth regions in NSW.

Details of TAFE NSW delivery of higher-level vocational qualifications supported by VET FEE-HELP and VET Student Loans and higher education can be found in the Skilling the workforce of the future *section of the performance report.*

Mechanics trained to inspect light, heavy and gas vehicles

In 2016, TAFE NSW trained around 1,200 mechanics across NSW to become authorised inspectors of registered and unregistered light, heavy and gas vehicles, under the NSW Roads and Maritime Services Authorised Inspection Scheme.[68]

Mechanics must be employed in the automotive sector and obtain a separate authority for each type of vehicle.

TAFE NSW was the only training provider to deliver this commercial training in 2016.

Staff training solutions for Sydney's new International Convention Centre

TAFE NSW provided training to more than 720 staff members of Sydney's new International Convention Centre in the lead-up to the Centre's grand opening in December 2016.[68]

The training was in areas as diverse as first aid, food and beverage, white card induction for the construction sector, and general induction training and cultural awareness.

TAFE NSW staff also mapped the convention centre's previous induction training to national training package units so that staff could gain credit toward a nationally recognised qualification for the training they had already completed.

Migrants and refugees boost English language and vocational skills

In 2016–17, around 80 newly arrived migrants and refugees practised their English, found out about the level of language skills required for the workplace and learned about the different study and career pathways available[69]as part of a 'taster' program funded by Bankstown Intensive English Centre in Sydney.

The Centre is a secondary school that helps migrants and refugees aged between 16 and 26 years old to complete high school and VET. Most students arrive at the centre without having completed Year 12, because of events that occurred in their home country or on their way to Australia.

[68] TAFE NSW local administrative data
[69] TAFE NSW corporate data

Many of the migrants and refugees participating in the taster programs were not eligible for government-subsidised training under Smart and Skilled, due to their visa type.

The taster programs were designed to boost the students' confidence to undertake vocational training or apply for a job in Australia. They were delivered by TAFE NSW Bankstown, Granville and Wetherill Park.

The students participated in hands-on introductions to careers in the hospitality, hair and beauty, and automotive industries, all of which have strong job outcomes. Students also completed nationally recognised training such as first aid, and non-accredited training.

International education

The number of international students enrolled in TAFE NSW:

- higher education qualifications increased by 41 per cent from 273 in 2015 to 384 in 2016[70]
- VET qualifications decreased by 12 per cent, from 3,868 in 2015[71] to 3,390 in 2016[72]
- English Language Intensive Courses for Overseas Students (ELICOS) declined by 12.5 per cent – from 1,250 in 2015 to 1,094 in 2016.[70]

The international education sector is subject to significant external influences, including changes in Commonwealth government policy regarding visas and skilled migration.

Decreases in international enrolments can largely be attributed to changes to the Skills Lists for skilled migration, regulatory change affecting admission requirements and the introduction of the streamlined visa processing policy.

In 2016–17, TAFE NSW promoted its educational offerings to new international students by attending education exhibitions in Sydney, the Philippines, Vietnam, Colombia, Brazil and Indonesia.

TAFE NSW staff also attended regular events to inform migration agents about opportunities for overseas students who are already in Australia studying English to continue their studies in Australia by enrolling in a TAFE NSW Certificate, Diploma or Bachelor degree.

Some of the most popular courses for international students include nursing, information technology, hospitality, children's services, business, accounting and building and construction.

[70] Australian Education International (December 2016)
[71] Last year's annual report incorrectly stated that TAFE NSW had 4,273 enrolments by international students in vocational education and training in 2015. The correct figure for 2015 is provided above.
[72] TAFE NSW corporate data (International)

Offshore education projects

TAFE NSW works with foreign governments, industry or educational partners to deliver programs overseas. Programs include accredited courses and non-accredited programs.

Countries of delivery focus on the Asia-Pacific and the Middle East. TAFE NSW maintained the following partnerships in 2016–17:

Overseas partner organisation	Location
Sawan Al Thaqafi Dental Health Centre	Bahrain
Association of Education & Training Pty Ltd	China
Beijing Business School	China
Beijing College of Politics and Law	China
Chengdu Industrial Vocational Technical College	China
Fengtai Vocational Education Center School	China
Huangzhang Vocational School	China
Hunan University of Humanities, Science and Technology	China
Jiangsu Agri-Animal Husbandry Vocational College	China
Kunming Metallurgy College	China
Ningbo City College	China
Ningbo Foreign Affairs School	China
Shanghai AXGZ Education Training Co. Limited	China
Shanghai Commercial School	China
Shanghai Nanhu Vocational College	China
Shanghai Vocational College of Science & Technology	China
Shenzhen Polytechnic	China
Shunde Polytechnic	China
Wuxi International Childcare Centre	China
Xi’an International University	China
Zhangjiagang Vocational Education Centre	China
Guangdong Industry and Technical College	China
Guangdong Mechanical and Engineering College	China

Overseas partner organisation	Location
Shanghai Business School	China
Fiji National University	Fiji
Hong Kong YMCA College of Continuing Education	Hong Kong
Food Safety and Standards Authority of India	India
McKkr's TAFE Training	India
Indonesia Patisserie School	Indonesia
Korea Polytechnic	Korea
Bumi Tel Pasifik Sdn Bhd	Malaysia
INTI International College Penang	Malaysia
Global Academy of Tourism and Hospitality Education	Nepal
Skillston	Pakistan
AviSkills - Papua New Guinea Defence Force	Papua New Guinea
Five Stars Education	Thailand
KinderWorld/Pegasus	Vietnam
Ministry of National Defence, Vocational College Number 8	Vietnam

Building student and teacher capacity at China's busiest port

Ningbo, on the East Coast of China, has the highest volume of cargo tonnage in the world, and relies heavily on the skills of its workforce to remain competitive.

Since 2011, TAFE NSW has worked with the Ningbo Foreign Affairs School and the Ningbo City College of Vocational Technology to increase the skills and English language proficiency of local Chinese students. Around 1,000 students were enrolled as at the end of June 2017.

The partners have collaborated to develop local teaching staff and improve course and learning resource design and delivery.

The three partners jointly deliver TAFE NSW qualifications in Ningbo, including courses in English language proficiency, accounting, marketing, logistics and information technology.

Students who successfully complete TAFE NSW qualifications can seek employment with international enterprises in China and are eligible to apply for advanced standing at Australian universities.

Over 300 students have graduated from Ningbo partnership programs including two who won gold medals at the 2017 China National Vocational Skills Competition.

TAFE NSW plans to expand the number of industry sectors to include travel, tourism and graphic design in 2017–18.[73]

Building VET leadership in India

In 2015, India announced ambitious targets to train over 400 million people in vocational skills by 2022.

TAFE NSW is helping to build the capacity of India's training system by increasing the skills of leaders of Indian VET colleges.

Between November 2016 and April 2017, 120 VET leaders attended training in New Delhi as part of the Australia India Vocational Education Leadership Training program. Participants learned about:

- VET principles and practice
- approaches to competency based training and assessment
- regulatory frameworks and quality assurance
- digital delivery
- student engagement
- measuring student satisfaction
- best practice in engaging with industry in skills training.

Five participants also received intensive mentoring from TAFE NSW in metropolitan Sydney and the Illawarra-Shoalhaven regions.[73]

TAFE NSW developed an understanding of the Indian skills sector and built closer relationships with Indian colleges and industry representatives.

The Commonwealth Department of Education and Training funded the Australia India Vocational Education Leadership Training program. The program is a partnership between the Australia India Education Council and TAFE Directors Australia.

COORDINATED AND CONSISTENT MARKETING

On 1 March 2017, TAFE NSW launched the new unified brand identity with the rollout of state-wide marketing campaigns, brand assets, corporate collateral and stationery, websites and social media channels.

TAFE NSW is a brand with enormous growth potential with a strong reputation for delivering careers for students, business success for employers and support for the community.

TAFE NSW completed two major multi-media marketing campaigns under the new unified brand *Be Ambitious* in 2016–17, building public awareness and the organisation's competitive position.

[73] TAFE NSW corporate data (International)

TAFE NSW maintains a database of more than one million students who have graduated since 2008. In 2017, 61,588 TAFE NSW graduates returned to study with us.[74]

TAFE NSW also established an alumni program to tap into this goodwill and encourage enrolments in higher-level qualifications by returning graduates.

In April 2017, TAFE NSW launched a student ambassador program. These ambassadors will represent TAFE NSW and work alongside TAFE NSW employees at student recruitment events.

By July 2017, TAFE NSW had trained 30 enthusiastic recent graduates. These ambassadors have attended career expos, demonstrated their skills and delivered presentations to share their experiences with prospective students. TAFE NSW intends to expand the team to 50 ambassadors in 2017–18.

ASSETS

TAFE NSW is transforming the way it delivers training with next generation learning environments that are adaptable, industry-standard and digitally enabled. These facilities will make it possible for students to access training when, where and how it suits them.

Strategic Asset Management Plan

Under the new One TAFE operating model, TAFE NSW is developing a Strategic Asset Management Plan designed to make training more accessible and grow enrolments across NSW.

The Plan will ensure TAFE NSW is best able to utilise all of its assets. This includes recycling or repurposing buildings, facilities or properties which are underutilised or no longer fit-for-purpose, instead reinvesting in new facilities for teaching and learning.

TAFE NSW will ensure these decisions best support the effective and efficient delivery of training to students across NSW.

In 2016–17, TAFE NSW developed its network of facilities across NSW by investing in:

- campus facilities in areas of high demand and in accessible locations
- dedicated specialist training facilities, developed in consultation with industry
- flexible learning centres, which include student centred, digitally enabled Connected Learning Centres
- dedicated, purpose built mobile education units to bring equipment and tools to students to provide hands-on, practical training
- digital and mobile platforms to improve connectivity and accessibility.

In 2017–18, TAFE NSW will continue to expand the types of courses available across regional and rural NSW through digitally enabled facilities including Connected Learning Centres.

[74] TAFE NSW corporate data

Seniors living co-location trial

In November 2016, the NSW Government announced an Australian-first initiative to integrate seniors' accommodation on the same site as training facilities for aged care workers.

The residential aged care and retirement living industry sectors are growing rapidly to meet the needs of an ageing population. The trial project will explore new ways to provide on-the-job training to students, a skilled workforce to operators of aged care facilities, and aged care services to local communities. The diverse TAFE NSW state-wide property portfolio provides unique opportunities to undertake this large-scale project.

In March 2017, TAFE NSW invited approved aged care providers or consortiums to submit expressions of interest to participate in the trial project and nominate sites across NSW.

Wetherill Park Transport Technology Centre

TAFE NSW students in Sydney now have access to the largest automotive training facility in the southern hemisphere. TAFE NSW designed the Wetherill Park Transport and Technology Centre to meet an anticipated increase in demand for courses in light and heavy vehicle manufacturing technology, plant mechanics, automotive electrical technology and engineering technology. With nine laboratories and over 4,000 square metres of workshop space, the facility will help bridge the gap between training and the workplace by engaging students in practical workshop projects. The facility opened in September 2016.

Connected Learning Centres

In July 2016, the Minister for Skills, the Hon. John Barilaro MP announced a commitment to establish Connected Learning Centres (CLCs) across regional NSW.

The centres aim to:

- improve access to a wider range of TAFE NSW courses and services in rural and regional NSW, allowing students to learn in a method and at a pace that suits their needs
- enhance access to teachers both on and off site
- provide multi-purpose, digitally enabled learning spaces in accessible locations, integrated with mobile education units.

In June 2017, the Assistant Minister for Skills, the Hon. Adam Marshall MP announced that construction had started on the first four centres in Coonabarabran, Glen Innes, Quirindi and Tenterfield. More CLCs will follow in Corowa, Deniliquin, Grenfell, Murwillumbah, Scone, Singleton, Narrandera, Yamba, Bega and Bourke.

BUSINESS SYSTEMS

Student and financial data systems

The TAFE NSW 2014–15 financial statements were qualified by the NSW Auditor-General due to weaknesses in the ability of the Student Administration and Learning Management (SALM) system (known as *ebs*) to accurately recognise revenue and accommodate policy and regulatory changes within business processes.

TAFE NSW undertook a number of projects in 2015–16 to evaluate the efficacy of the *ebs* system and improve data quality where possible, including release of upgraded *ebs* versions and manual adjustments. The Audit Office of NSW lifted the qualification from the TAFE NSW financial statements in 2015–16.

On 16 June 2016, the Minister for Skills, the Hon. John Barilaro MP announced that TAFE NSW could commence market testing to find a more fit-for-purpose student management system to improve student services and the transparency and accuracy of business data and financial reporting.

In 2016–17, TAFE NSW selected a preferred vendor for the new student management system to undertake the implementation planning study phase as the final part of the procurement process. Once in place, the new system will help us to improve the quality and consistency of our student and business data and streamline our business planning and internal monitoring systems and processes. It is expected to be in place in 2018.

The Audit Office of NSW noted the considerable cost and complexity in providing sufficient audit evidence and control with our current systems, particularly in relation to our student revenue related balances.

TAFE NSW will continue to work to improve data quality and processes while the *ebs* system is being replaced. In 2017–18, we will introduce new processes and refinements to reduce the cost and time of meeting state and national reporting and accountability requirements.

The Audit Office of NSW also noted that many purchase orders were raised in the central finance system after the invoice date, with implications for our ability to monitor commitments and manage cash flow. In July 2017, TAFE NSW transitioned its shared services support from the Department of Education and to its new provider, GovConnect. A range of process and system reforms are being implemented so that purchase orders are recorded in the central finance system. These reforms will also allow us to manage procurement commitments across TAFE NSW in a more efficient and effective manner.

Information and communications technology systems

In 2015–16, TAFE NSW started preparations to assume responsibility for the organisation's own information technology services as part of the separation from the NSW Department of Education. TAFE NSW commissioned an analysis of market trends by Forrester to help plan the organisation's future-state enterprise architecture and a services procurement model.

In 2016–17, TAFE NSW started developing its own systems and capability to address these needs. In December 2016, the NSW TAFE Commission Board endorsed the TAFE NSW Information and Communication Technology Strategic Business Plan 2016–2020 (the ICT Strategy) to guide TAFE NSW investment in ICT and manage service levels and cost.

The ICT Strategy contains five work streams:

1. Building capability – people, processes and infrastructure
2. Separating from the Department to allow TAFE NSW to manage and support its own corporate systems
3. Delivering the organisation's new Student Management System and consolidation of other corporate systems
4. Consolidating of regional systems to reduce duplication – for example, data centre consolidation
5. Implementing a continuous improvement program.

Together the individual work streams, linked by this overarching ICT strategy, provide a roadmap and guide for the TAFE NSW investment and ongoing management of both service levels and cost.

TAFE NSW set up its own cloud-based information technology systems environment in June 2017. TAFE NSW will complete transfer of its information technology systems from the Department to the TAFE NSW Private Cloud between December 2017 and March 2018.

TAFE NSW also completed a proof-of-concept for a data management platform to support reliable and timely reporting.

COMPLIANCE AND QUALITY AUDITS

Vocational education and training

Registrations

Although TAFE NSW consolidated its 10 TAFE NSW institutes with a single One TAFE operating model in March 2017, we retained our 13 separate Registered Training Organisations (RTOs) during 2016–17.

Registration allows the RTOs to provide VET, pursuant to the *National Vocational and Education and Training Regulator Act 2011* (Commonwealth), regulated by the national VET regulator, the Australian Skills Quality Authority (ASQA).

By the end of June 2017, TAFE NSW held 12 active RTO registrations:

- ten TAFE NSW delivery RTOs (formerly institutes)
- TAFE NSW distance education provider, OTEN
- NSW TAFE Commission.

On 14 June 2017, TAFE NSW allowed the 13th registration for the Adult Migrant English Service (NSW) RTO to expire, as the RTO had not enrolled any students in 2016–17.

During 2016–17, 11 RTOs operated as providers of education and training with enrolled students. There were no students enrolled directly in the NSW TAFE Commission RTO. TAFE NSW established this RTO to provide TAFE NSW students with access to the Commonwealth Government VET FEE-HELP/VET Student Loan schemes, allowing students to defer tuition and fees for qualifications at Diploma or Advanced Diploma level.

In the 2018 calendar year, TAFE NSW will work to streamline the 12 RTOs into a single TAFE NSW RTO to support consistency and compliance across the organisation.

Audits

The national VET regulator, ASQA, undertakes two distinct types of audits: registration audits and compliance audits.

Three TAFE NSW RTOs were due to undertake registration audits in 2016–17. However, ASQA extended the registration of these RTOs until July 2018:

- Open Training and Education Network
- TAFE NSW – Western Sydney Institute
- Adult Migrant English Service (NSW) (since expired).

Of the remaining 10 RTOs currently registered, seven are also due for re-registration in 2018, including the NSW TAFE Commission RTO. The remaining three are due for re-registration in 2019.

ASQA also conducts compliance audits on a proactive basis to assess an RTO's ongoing compliance with the standards required for registration. No audits of this nature occurred in 2016–17.

Delegation to vary scope

Consistent with the TAFE NSW history of compliance, on 1 July 2014 ASQA granted delegation of the regulator's function of variation to scope of registration to all TAFE NSW RTOs until 30 June 2019. The delegation authority permits RTOs to amend their scope of registration without requiring approval from ASQA.

ASQA conducted a delegation audit of Western Institute RTO (90009) from 18–20 April 2017. This was the first delegation audit TAFE NSW had undertaken since delegation was granted. The Western Institute RTO successfully retained its delegation of authority.

Higher education

The NSW TAFE Commission manages its registration with the Tertiary Education Quality and Standards Agency (TEQSA) as a single legal entity trading as TAFE NSW Higher Education.

In July 2015, TAFE NSW Higher Education successfully re-registered as a higher education provider for another seven years without any conditions.

TEQSA accredited eight new TAFE NSW Higher Education programs in late 2016 and four new higher education programs in the first half of 2017, all without any conditions.

TAFE NSW submitted five new higher education course accreditation applications to TEQSA in the first half of 2017.

Delivery to overseas students

TAFE NSW is registered as a Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) provider to deliver education services to students on a student visa in NSW, including English Language Intensive Courses for Overseas Students (ELICOS), VET and higher education programs. TAFE NSW is registered as the Technical and Further Education Commission, trading as TAFE NSW Technical and Further Education Commission and TAFE NSW Higher Education, CRICOS provider code 00591E.

REVIEWS AND IMPROVEMENTS

In 2016–17, TAFE NSW conducted reviews to manage performance, risk and compliance, and provide quality assurance in line with the organisation's commitment to continuous improvement and public accountability.

TAFE NSW conducted reviews across the organisation and at local levels as required.

Details of reviews conducted in 2016–17 can be found in the following sections of the annual report:

- Our Performance
    - Skilling the workforce of the future
        - Planning mechanisms in 2016–17
        - Higher education
        - Quality measures
            - Students transitions to employment or further study
            - Customer satisfaction
    - Becoming contemporary, commercial and sustainable
        - Business systems
        - Compliance and quality audits
    - Developing a proud and productive team
        - Management
        - Human resources
        - Industrial relations – consultation mechanisms
        - Work health and safety
        - Survey of organisational health
- Financial Report – Payment of accounts
- Appendices
    - Inclusive strategies
        - Multicultural Policies and Services Program
        - Workforce diversity
        - NSW Carers (Recognition) Act 2010
    - Other requirements
        - Privacy and Personal Information Protection Act 1998
        - Government Information (Public Access) Act 2009
        - Public Interest Disclosures
        - Risk management, insurance and internal audit
        - Complaints.

RESEARCH AND ENVIRONMENTAL SCANS

TAFE NSW conducted the following research projects to develop new products and/or inform future delivery:

Name of project	Conducted by	Nature and purpose of project	Total cost over life of project ($ excluding GST)	Completion date
Engaging young people in Information and Communications Technology (ICT) training in TAFE NSW	TAFE NSW	The research aimed to address challenges in attracting young people to undertake ICT training. Challenges included gaps in ICT VET career advice, promotional strategies, key partners and opportunities for innovation.	$4,576	2016–17
Youth Skills Barometer 2017	TAFE NSW and Deloitte	This research investigates how young people in Western Sydney plan for the future, including skills they believe they will need in their 'world of work', the major influences and drivers of their career choices and the growth predictions for the region. Deloitte is collecting data through focus groups and stakeholder forums to inform NSW Government regional planning and decision-making.	$154,000	December 2017
Contemporary Student Learning Model	TAFE NSW	The research identified new and emerging teaching and learning strategies through a review of national and international higher education and VET student learning models. Strategies identified included employability, practice oriented learning, learners as co-producers of knowledge, hybrid learning, integrated e-portfolios and capstone experiences.	$75,000	2016–17
Successful Fashion Design Start-Ups	TAFE NSW	Overseas study trip by a fashion design teacher funded under a 2016 Premier's Teacher Scholarship, to learn about strategies to acquire capital for fashion design start-ups, such as crowd funding, innovative ways of selling, integrating new technology and consumer habits into their business model, and identifying niche markets and new opportunities. Cities visited included Hong Kong, London, Antwerp, New York, Los Angeles and San Francisco. Project outputs included case studies and a series of short video interviews with creative industry leaders, designers and fashion entrepreneurs.	$10,000	2016–17

Name of project	Conducted by	Nature and purpose of project	Total cost over life of project ($ excluding GST)	Completion date
Future directions and innovations for vocational education and training in the design industries in Scandinavia	TAFE NSW	Overseas study trip to Denmark, Germany, and the Netherlands funded under a 2016 Premier's Teacher Scholarship. The trip researched future directions, innovations and concepts in the design industries. The Head Teacher of Interior Design attended conferences to identify best practice examples of applied research in VET to improve future training programs.	$10,000	2016–17
Air Conditioning Refrigeration & Building Services (ARBS) Stand Alone Solar Powered Air-Conditioning System	TAFE NSW	A research team at TAFE NSW Ultimo in metropolitan Sydney is conducting an analysis of the feasibility of a prototype standalone solar-powered air conditioning system, funded by an ARBS Education and Research Foundation grant, using equipment donated by industry partners. The research will provide regular reports and final recommendations to ARBS Foundation members regarding load energy storage, usage, monitoring, battery reserve and design needs of the system to ensure maximum use time.	$20,000	1 May 2018
Locations for photovoltaic solar energy collection equipment in the Hunter region	TAFE NSW	Research to determine the most suitable sites to install photovoltaic solar energy collection equipment from a list of hundreds of water/wastewater treatment sites for Hunter Water Corporation. This was an applied research project for higher education students enrolled in the Associate Degree of Applied Engineering (Renewable Energy Technologies).	- (reciprocal project with Hunter Water Corporation)	2016–17

DEVELOPING A PROUD AND PRODUCTIVE TEAM

ORGANISATIONAL REDESIGN

The One TAFE operating model was designed to ensure the organisation could realise its strategic goals and deliver new functional accountabilities.

The model provides a new, streamlined and standardised organisational structure:

- consolidating back-office resources
- removing competition between institutes
- achieving operational efficiencies
- minimising inconsistencies and duplication
- allowing the organisation to focus on our core business, providing accessible training in all NSW regions.

TAFE NSW is undertaking a staged approach to organisational redesign to minimise disruption to customers and impact on staff.

On 1 March 2017, the new One TAFE operating model and interim structure came into effect. From that date, the TAFE NSW internal organisational structure consisted of five delivery regions and TAFE Digital, supported by a decentralised corporate office.

In 2016–17, six corporate functions undertook consultation and commenced staff placement. A further three corporate functions, five delivery regions and TAFE Digital will commence consultation and placement in 2017–18.

Bringing together the people, processes and systems to create one business is a complex task. Phase one of the new corporate structure will be in place by March 2018. After TAFE NSW has implemented the new Student Management System and separated systems from the NSW Department of Education, the organisation will work to finalise the entire corporate structure in late 2019.

TAFE NSW is providing training and support to our workforce during the transition to the new structure.

MANAGEMENT

The TAFE NSW management structure is determined by sections 11–14 of the *Technical and Further Education Commission Act 1990* (NSW) (TAFE Act).

NSW TAFE Commission Board

The functions of the NSW TAFE Commission Board (the TAFE NSW Board) are set out in section 12 of the TAFE Act. The TAFE NSW Board reviews and makes recommendations to the Minister on:

- policies related to the technical and further education services provided by TAFE NSW
- the efficiency and effectiveness of the operation and management of the technical and further education services provided by TAFE NSW
- the corporate plans prepared by TAFE NSW
- the relationship between TAFE NSW and other education sectors, including schools, higher education and adult and community education.

The Minister appoints members of the TAFE NSW Board under section 11 of the TAFE Act. Appointed members hold office for a period (as specified in their respective instrument of appointment) of up to four years and are eligible for re-appointment.

Board member qualifications and terms of appointment

The following people served as TAFE NSW Board members in the period from 1 July 2016 to 30 June 2017. Details of positions held and qualifications are as at 30 June 2017.

Board member	Current term of appointment	Positions held	Qualifications and professional development
Terry Charlton (Chairperson)	5 June 2015 to 31 May 2018	Chair, Greater Sydney Local Land Services Board Member, NSW Local Land Services Board of Chairs Member, Monaro Early Intervention Service Board	Master of Science (Psych.), University of Newcastle Bachelor of Commerce (Economics and Accounting), University of Newcastle
Jon Black	N/a (Mr Black is an ex officio member of the Board, appointed on 7 December 2015)	Managing Director, TAFE NSW Member, TAFE NSW Higher Education Governing Council Member, TAFE NSW Higher Education Academic Board Adjunct Professor, Advanced Water Management Centre, University of Queensland	Masters of Military Studies, Marine Corp University (US) Command and Staff College program, Marine Corps University (US) Bachelor of Arts (Economics/Geo), Royal Military College, Duntroon Adjunct Professor, Advanced Centre for Water Management (Faculty of Engineering) Company Directors Course, Australian Institute of Company Directors
Craig Pudig (Deputy Chairperson)	1 January 2016 to 31 December 2017	Senior Advisory Counsel, Macquarie Group Limited Board member, Australian Centre for International Commercial Arbitration	Bachelor of Laws, University of Sydney
Carolyn Burlew	1 January 2016 to 31 December 2017	Deputy Chair, South Western Sydney Local Health District Board Member, Hunters Hill Ryde Community Services Board Independent Chair, Department of Justice, Audit and Risk Committee Member, Audit and Risk Committee, Transport for NSW Community Member, Pharmacy Council of NSW Vice President, Institute of Public Administration Australia (IPAA)	Master of Public Administration, University of Queensland Bachelor of Arts, University of Queensland Diploma of Applied Science, University of Queensland Company Directors Course, Australian Institute of Company Directors

Board member	Current term of appointment	Positions held	Qualifications and professional development
		Member, IPAA National Council	
Joan Cooper	1 January 2016 to 31 December 2019	Higher Education Consultant Chair, TAFE NSW Higher Education Academic Board Chair, Academic Board of York Institute Chair, Academic Board of ACT Institute of Higher Education Chair, Governing Council of Western Sydney Institute of Management	Doctor of Philosophy (Mathematics), University of Newcastle Bachelor of Mathematics (Honours), University of Newcastle
Ero Coroneos	1 January 2016 to 31 December 2019	Manager, Community and Social Strategy, Lendlease Corporation Convenor, Barangaroo South Community Partnership Chair, Social Sustainability Committee, Property Council of Australia	Master of Arts (Communications and Cultural Studies), University of Western Sydney Bachelor of Laws (Honours), University of Technology Sydney Bachelor of Arts, University of Sydney Bachelor of Commerce (Land Economics), University of Western Sydney Diploma of Applied Corporate Governance, Governance Institute of Australia Company Directors Course, Australian Institute of Company Directors
Annabelle Duncan PSM	1 January 2016 to 28 July 2017 (resigned)	Vice Chancellor and Chief Executive Officer, University of New England (UNE) Member, UNE Council Standing Committee Director, UNE Foundation Ltd Member, Universities Admissions Centre NSW Vice-Chancellors' Committee Member, Regional Australia Institute Board Director, Australia's Academic and Research Network (AARNet)	Doctor of Philosophy, La Trobe University Master of Science, University of Otago (NZ) Bachelor of Science, University of Otago (NZ) Postgraduate Diploma of Science (with credit), University of Otago (NZ) Doctor of Science (Honoris causa), Murdoch University

Board member	Current term of appointment	Positions held	Qualifications and professional development
Greg Fletcher	1 August 2016 to 31 December 2019	Chair, SMEG Australia Pty Ltd Non-executive Director, Yancoal Australia Limited Director, Yancoal SCN Limited Independent Director, Saunders International Limited Member, Audit and Risk Committee, NSW Auditor General's Office Member, Audit and Risk Committee, Sydney Olympic Park Authority Member, Audit and Risk Committee, RailCorp	Bachelor of Commerce, University of New South Wales Chartered Accountant Member, Institute of Chartered Accountants
Morris Iemma	1 January 2016 to 31 December 2019	District Commissioner - South, Greater Sydney Commission Chairperson, NSW Cancer Institute Chairman, Greyhound Racing NSW Chairman, Miracle Babies Foundation Chair, Riverwood Community Centre Vice President, St George Cricket Association President, Kingsgrove Cricket Club Committee member, Campbelltown/Camden Cricket Club Community Manager, Lantern Club, Mingara Leisure Group	Bachelor of Economics, University of Sydney Bachelor of Laws, University of Technology, Sydney
Elizabeth McGregor	1 January 2016 to 31 December 2017	Regional General Manager, TAFE NSW North Region, TAFE NSW Honorary Senior Fellow, LH Martin Institute Director, Coffs Harbour Technology Park	Master of Education (in progress), University of Newcastle Graduate Diploma of Education, University of New South Wales Bachelor of Arts, University of New South Wales Certificate IV in Training and Assessment, TAFE NSW Company Directors Course, Australian Institute of Company Directors

Board member	Current term of appointment	Positions held	Qualifications and professional development
Duncan Taylor	1 January 2016 to 31 December 2019	Chief Executive Officer and Managing Director, Country Universities Centre Chairman, Cooma Universities Centre Shareholder, Growth Farms Australia Group Shareholder, Farm Partnerships Australia Director, Bobingah Pty Ltd Director, Fairross Pty Ltd Committee Member, Monaro Early Intervention Service	Graduate Diploma of Applied Legal Practice Bachelor of Laws (First Class Honours) Bachelor of Economics
Justine Turnbull	1 January 2016 to 31 December 2017	Consultant, Seyfarth Shaw Australia Director, AccessEAP	Bachelor of Laws (Honours), University of Sydney Bachelor of Economics, University of Sydney
Todd Williams	1 January 2016 to 31 December 2019	Director, Howard Partners Director, Newcastle Grammar School Director, NSW Cyber Security Network Director, TW Partners Member, advisory panel for the analysis of efficiency measures for the Murray-Darling Basin Member, Orica Kooragang Island Community Investment Program assessment panel Adjunct Fellow, European Union Centre, RMIT University	Master of Business Administration, University of Newcastle Executive Leadership Program, Harvard Business School Bachelor of Business (Industrial Relations and Human Resources), University of Newcastle Diploma of Project Management (Engineering), Deakin University Blue Ocean Strategy, INSEAD

Former members’ qualifications and terms of appointment

No TAFE NSW Board members retired during the period from 1 July 2016 to 30 June 2017.

Meeting attendance

The TAFE NSW Board convened nine meetings during the period from 1 July 2016 and 30 June 2017. TAFE NSW Board members' attendance for that period is set out in the table below.

Board Member	Eligible to attend	Attended
Terry Charlton (Chairperson)	9	9
Craig Pudig (Deputy Chairperson)	9	6
Jon Black	9	9
Carolyn Burlew	9	7
Joan Cooper	9	8
Ero Coroneos	9	8
Annabelle Duncan	9	6
Greg Fletcher	8	7
Morris Iemma	9	6
Elizabeth McGregor	9	6
Duncan Taylor	9	9
Justine Turnbull	9	8
Todd Williams	9	8

The quorum for a TAFE NSW Board meeting is seven members (clause 11, Schedule 1 of the TAFE Act).

TAFE NSW Commission (Senior Executives) Staff Agency

The TAFE NSW Commission (Senior Executives) Staff Agency (the Staff Agency) is a controlled entity of the NSW Technical and Further Education Commission.

The Staff Agency was established to employ senior executives following the commencement of the *Government Sector Employment Act 2013* (NSW) (GSE Act).

The objectives, activities, operations and performance of the Staff Agency are not distinguishable from those of TAFE NSW as a whole.

Senior executives

TAFE NSW employed the following senior executives in 2015–16 and 2016–17. These figures include the Managing Director, senior executives employed under the Staff Agency and other senior executives reporting directly to the Managing Director.

Number by band (equivalent) and by gender

As at June 2016

Band	Female	Male	Total
Band 4 or equivalent	-	-	**-**
Band 3 or equivalent	-	4	**4**
Band 2 or equivalent	7	4	**11**
Band 1 or equivalent	3	2	**5**
Total	**10**	**10**	**20**

Source: NSW Public Sector Workforce Profile

As at June 2017

Band	Female	Male	Total
Band 4 or equivalent	-	-	-
Band 3 or equivalent	-	3	**3**
Band 2 or equivalent	7	4	**11**
Band 1 or equivalent	-	1	**1**
Total	**7**	**8**	**15**

Source: NSW Public Sector Workforce Profile

Average remuneration by band

2015–16

Band	GSE Act remuneration range ($)[75]	TAFE NSW average remuneration ($)
Band 4 or equivalent	441,201–509,750	-
Band 3 or equivalent	313,051–441,200	382,324
Band 2 or equivalent	248,851–313,050	285,566
Band 1 or equivalent	174,500–248,850	222,032

Source: NSW Public Sector Workforce Profile

2016–17

Band	GSE Act remuneration range ($)[75]	TAFE NSW average remuneration ($)
Band 4 or equivalent	452,251–522,500	-
Band 3 or equivalent	320,901–452,250	399,083
Band 2 or equivalent	255,051–320,900	325,072[76]
Band 1 or equivalent	178,850–255,050	216,146

Source: NSW Public Sector Workforce Profile

In 2016–17, 0.40 per cent of the TAFE NSW employee-related expenditure was related to senior executives, compared to 0.57 per cent in 2015–16.

This percentage includes the Managing Director and employees in substantive, relieving or acting roles who were reporting directly to Managing Director as at 30 June 2017. This treatment is consistent with figures reported in TAFE NSW annual reports in 2014–15 and 2015–16.

[75] Remuneration ranges are set by the NSW Remuneration Tribunal.
[76] The average remuneration for TAFE NSW senior executives may fall outside the remuneration range for the relevant senior executive service band. Apart from the Managing Director who was appointed under the GSE Act, all TAFE NSW senior executives were employed under the *Technical and Further Education Commission Act 1990* (NSW). For the purposes of reporting in the NSW Public Sector Workforce Profile, all TAFE NSW senior executives were attributed to an equivalent GSE Act band, based on an evaluation of work value points. This attribution was undertaken externally.

Senior executive positions and qualifications

TAFE NSW employed the following senior executives in 2016–17, including the Managing Director, senior executives employed under the Staff Agency and other senior executives reporting directly to the Managing Director.

Until 28 February 2017, TAFE NSW employed 10 Institute Directors to lead Registered Training Organisations delivering education and training in 10 separate regions. From 1 March 2017, TAFE NSW instituted a number of organisational changes, including bringing together the 10 institutes as One TAFE. As a result, a number of executives were employed in transitional roles for only part of the year.

Senior executive	Position title	Qualifications and professional development
Jon Black	Managing Director	Masters of Military Studies (US) Command and Staff College program (US) Bachelor of Arts (Economics/Geo) Adjunct Professor, Advanced Centre for Water Management Company Directors Course, Australian Institute of Company Directors
Mark Easson	Chief Financial Officer	Master of Business Administration Bachelor of Commerce Chartered Accountant Member, Australian Institute of Company Directors
Lucy Arundell	Chief Education and Training Officer	Bachelor of Arts Graduate Diploma of Information Management
Megan Aitken	General Manager, TAFE Digital	Bachelor of Business Master of Arts (Communications) Board Member, UNELife, University of New England
Glen Babington	Chief Operating Officer	Master of Business Administration Bachelor of Arts (Honours) Company Directors Course, Australian Institute of Company Directors
David Backley	Chief Information Officer	Master of Professional Practice (Information Technology)
Adam Cox	R/Executive Director, TAFE NSW Transformation R/Director, Office of the Managing Director	Bachelor of Arts (Political Science)

Senior executive	Position title	Qualifications and professional development
Susie George	General Manager, People and Safety	Bachelor of Business (Human Resources) Graduate Certificate of Management
Michael Cullen	Regional General Manager, Western Sydney	Bachelor of Commerce (Economics)
Elizabeth McGregor	Regional General Manager, North Director, North Coast Institute	Master of Education (Leadership) (in progress) Graduate Diploma of Education Bachelor of Arts Certificate IV in Training and Assessment Company Directors Course, Australian Institute of Company Directors
Alison Wood	Regional General Manager, Sydney Director, Northern Sydney Institute Director, Sydney Institute	Master of Education (Leadership) (in progress) Graduate Diploma of Education Bachelor of Arts Certificate IV in Training and Assessment Company Directors Course, Australian Institute of Company Directors
Kerry Penton	Regional General Manager, South Director, Riverina Institute	Graduate Certificate in Educational Leadership Bachelor of Education Diploma of Vocational Education and Training Certificate IV in Workplace Training and Assessment Company Directors Course, Australian Institute of Company Directors

Senior executive	Position title	Qualifications and professional development
Catherine Baxter	Regional General Manager, West Director, Western Institute	Master of Professional Practice (Education) Bachelor of Social Work (Honours) Graduate Diploma of Vocational Education & Training Graduate Diploma Counselling Master of Social Administration Company Directors Course, Australian Institute of Company Directors
Peter Roberts	Director, South Western Sydney Institute	Master of Education (Adult Education) Bachelor of Arts Diploma of Teaching (Technical)
Robin Shreeve	Director, Western Sydney Institute	Master of Arts Bachelor of Arts (Honours) Adjunct Professor of Education at both Western Sydney University and Federation University Honorary Senior Fellow, LH Martin Institute

Functional Responsibilities

Managing Director

It is the statutory responsibility of the Managing Director to manage and control the affairs of TAFE NSW subject to the direction of the Minister responsible for administering the *Technical and Further Education Commission Act 1990* (NSW) (the Minister for Skills).

The Managing Director leads, drives and shapes TAFE NSW strategic direction to ensure the effective delivery of the Government's strategic objectives, including implementation of government policy and strategic agenda on VET in NSW.

The Managing Director leads the TAFE NSW Executive Leadership Team and manages diverse interests and priorities across TAFE NSW and corporate business units. The Managing Director is a member of the TAFE NSW Board and works closely with the Chair of the Board to shape the strategic focus and directions of the Board and its advice to the Minister.

The following senior executive positions reported to the Managing Director for all or part of 2016–17:

Institute Directors

Reported to the Managing Director from 1 July 2016 to 28 February 2017

For the first eight months of 2016–17, TAFE NSW had 10 Institute Directors. Each led a separate Registered Training Organisation delivering government subsidised and commercial training and education in their respective regions. Institute Directors were members of the TAFE NSW Executive Leadership Team.

Regional General Managers

Reporting to the Managing Director from 1 March 2017

From 1 March 2017, TAFE NSW brought together the 10 institutes as One TAFE, operating across five delivery regions (North, South, Sydney, Western Sydney and West) and online as TAFE Digital.

The Regional General Managers and the TAFE Digital General Manager are accountable for training and education delivery in their respective regions and are members of the TAFE NSW Executive Leadership Team.

Chief Operating Officer

The Chief Operating Officer is responsible for enhancing the organisation's performance across key corporate support areas including: modernisation; governance, legal and risk; communications and marketing; property and logistics; business development; and student services. The Chief Operating Officer leads the unit responsible for modernising TAFE NSW to transition to a new, streamlined and standardised organisational structure.

Chief Financial Officer

The Chief Financial Officer is responsible for the provision of specialist financial services and business development advice to support the TAFE NSW Board, Managing Director, and the Executive Leadership Team in meeting the TAFE NSW Strategic Plan 2016–2022. The role is also responsible for Annual Business Plan outcomes and satisfying its legislative, governance and regulatory requirements and procurement services. The role undertakes policy, strategy and procurement services analysis, performance monitoring, and coordination of the financial input for business planning and change initiatives, with a key focus on implementing best practice financial and associated enterprise resource planning systems within TAFE NSW.

Chief Education and Training Officer

The Chief Education and Training Officer role is responsible for providing a systematic and consistent approach to provision of high-quality teaching and learning outcomes across TAFE NSW at all award levels. The role: leads TAFE NSW teaching and learning strategies through SkillsPoints; works with peak industry partners and employers; ensures compliance with training and academic requirements; and advises on customer experience strategy, innovation and future directions for training. The role also advises the TAFE NSW Board and the NSW Government on efficient and effective delivery of training and education and opportunities for TAFE NSW to grow commercial revenues and profitability.

Chief Information Officer

The Chief Information Officer leads the development and implementation of information technology initiatives. The role develops information and communications technology strategies and systems to improve operational effectiveness, service quality and maximise returns from investments. The role is also responsible for the development and deployment of innovative and cost effective TAFE NSW digital learning systems and applications.

General Manager, TAFE Digital

Reporting to the Managing Director from 1 March 2017

The General Manager, TAFE Digital leads the establishment of a market leading profitable eLearning centre within the TAFE NSW business structure. The role is responsible for implementing engaging and supportive technology-based learning environments. The eLearning centre develops strategies to support improved learning and teaching in stand-alone digital delivery, and standardised products for all blended course delivery. In conjunction with the Chief Information Officer, the role supports the development and deployment of TAFE NSW digital learning systems and applications to deliver innovative cost effective education programs.

General Manager, People and Safety

The General Manager People and Safety leads human resources strategies and initiatives to ensure the effective management and development of TAFE NSW staff. This position provides guidance and resources on performance management, procedures, payroll, recruitment, industrial relations and safety matters. The position works to establish and maintain a culture that is focused on: delivery of high standards of customer service; continuous operational efficiency and improvement; and a safe environment based on prevention, holistic health and wellbeing strategies and injury prevention. This role leads occupational health programs and supports line management to maximise employees' potential. The role is responsible for developing a comprehensive industrial relations strategy to ensure TAFE NSW is a competitive quality provider in a contestable market.

Director, Office of the Managing Director

The Director leads executive support services, and supports governance arrangements for executive management and TAFE NSW Board decision making. The role leads secretariat support to high-level committees and working groups to meet monitoring and reporting requirements effectively. The role oversees ministerial liaison in relation to community groups, industry stakeholders and relevant agencies. This role ceased in September 2017.

Chief Audit Executive

Reported to the Managing Director from 1 July 2016 to 1 August 2016

The role leads and directs the audit and risk function to help TAFE NSW accomplish its objectives, by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance processes. The role also provides risk based, objective and reliable assurance and advice.

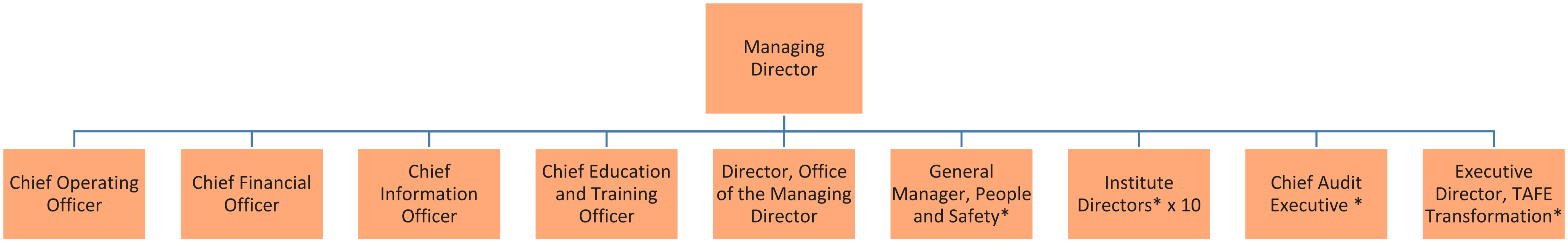
Executive Director, TAFE NSW Transformation

Reported to the Managing Director from 1 July 2016 to 8 July 2016

The role was responsible for leading, driving and shaping TAFE NSW governance, workforce and business reforms to ensure the success of TAFE NSW in a more contestable market under Smart and Skilled reforms, while fulfilling its role as the public VET provider.

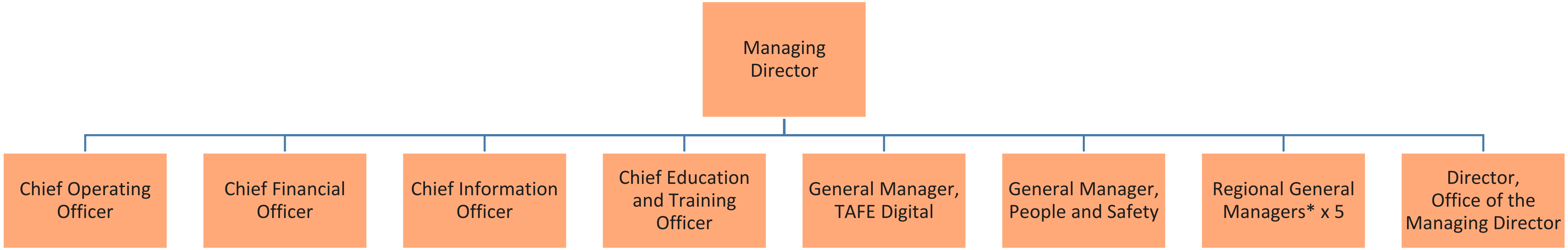
Organisation charts

From 1 July 2016 to 28 February 2017, the following senior executive positions reported to the Managing Director:



* The positions indicated reported to the Managing Director for part but not all of the period indicated.

From 1 March 2017 to 30 June 2017, the following senior executive positions reported to the Managing Director:



* The positions indicated reported to the Managing Director for part but not all of the period indicated.

HUMAN RESOURCES

Number of employees

TAFE NSW employed the following staff (full-time equivalent):

Service group	June 2014	June 2015	June 2016	June 2017
Teachers	8,853	5,876	5,488	5,482
Education Support Staff	3,978	361*	367*	364*
Corporate Services Staff	1,034	3,897*	3,887*	3,830*
Total	**13,865**	**10,134**	**9,742**	**9,676**

Sources:

- *2014: NSW Public Sector Workforce Profile as at June 2014*
- *2015, 2016, 2017: TAFE NSW Payroll report (average for June)*

From June 2015, the service group categories shown included the following:

- Teachers – head teachers, teachers, assessors, education support officers, outreach coordinators, disability consultants
- Education Support Staff – specialised disabilities support, librarians and artist models
- Corporate Services Staff – all corporate and student services staff including General Managers, TAFE workers, educational compliance, security staff etc.

***** Service group definitions changed between 2014 and 2015, moving all frontline and student services staff from the Education Support Staff group to the Corporate Services Staff group, producing a break in series from June 2015 onwards. The implementation of the contemporary classification structure within the new enterprise agreements also changed the way classifications could be categorised, making it more difficult to distinguish between roles.

Full-time equivalent staff numbers in June 2014 were calculated using a different methodology, before TAFE NSW had separated from the NSW Department of Education. As a result, figures from June 2014 are not comparable with later years. It would be a significant project to reconstruct staff records from June 2014 to reflect the current category attribution methodology.

Notes:

- *Full-time equivalent includes all permanent, temporary and casual employees active on census period, which occurs in the last month in the financial year (June month average of hours worked and paid).*
- *Due to rounding, the figures may not add up to the totals shown.*
- *The number of full-time equivalent teachers may fluctuate from one year to the next, as part-time and casual teachers may not have been working during the census period, which is typically impacted by 'non-attendance' weeks.*
- *The total number of employees reported above is different to the NSW Budget papers. The budget figure calculation is based on an average rate of pay, whereas the annual report figure is based on workforce data collected during a particular census period (June month average of hours worked and paid).*

TAFE NSW recognises that our people are at the heart of One TAFE and critical to our continuing success.

The changes in the training market have been profound. Students and employers have greater choice of VET providers. Technologies are changing how and where training is delivered. Smart and Skilled reforms have introduced more competition and the training sector is now global.

In 2016–17, TAFE NSW progressed the development of its own human resources systems and capability after separating from the NSW Department of Education.

One TAFE People and Safety Strategy

The One TAFE People and Safety Strategy 2017–2022 (the People Strategy) plays a key role in achieving the TAFE NSW strategic goals of modernisation, and ensuring a sustainable future in an increasingly competitive environment.

The People Strategy contains five priorities to address the TAFE NSW Strategic Plan 2016–2022 goal to ‘develop a customer driven, proud and productive TAFE NSW team’:

1. Create a One TAFE values-based culture
2. Operate safely
3. Establish a One TAFE team
4. Develop a quality workforce for the future
5. Deliver operational efficiency.

The People Strategy will capitalise on current strengths and modernise our workforce by introducing more appropriate work classifications and workforce mix and a greater focus on performance as a team.

TAFE NSW senior executives approved the People Strategy in June 2017.

Uniform human resources approaches

During 2016–17, TAFE NSW continued revision of its human resource procedures to develop concise documents that align to relevant legislative and industrial frameworks, while providing for flexibility and local accountability.

The new procedures will result in clear, robust and uniform approaches, processes and resources for staff induction, separation, change and dispersed working across the organisation. The procedures will support employees to perform as they move into positions in the new organisational structure, and to understand the organisation and collaborate.

In early June 2017, TAFE NSW launched a new employee learning and development library containing links to helpful resources including videos, tutorials, guides and print materials, as well as a new self-paced and interactive One TAFE induction program available online on desktop, laptop and mobile IT platforms.

Teaching and learning standards

In 2016–17, TAFE NSW developed draft Teaching and Learning Standards to support high-quality education and training delivery. TAFE NSW will consult on the standards in 2017–18.

INDUSTRIAL RELATIONS

TAFE NSW employment practices are in accordance with industrial relations policies and practices required under Commonwealth and NSW legislation, policies and industrial instruments.

Consultation mechanisms

TAFE NSW and union representatives met during 2016–17 to discuss strategic issues affecting TAFE NSW staff as the TAFE NSW Peak Consultative Group. The main function of the Group is to provide high-level advice and stakeholder input on the implementation of workplace reform.

During the first eight months of 2016–17, TAFE NSW institutes continued to meet regularly with relevant unions through their institute consultative committee to deal with matters that arose at a local level.

Enterprise agreements

TAFE NSW had no exceptional movements in wages, salaries or allowances in 2016–17.

TAFE NSW finalised two staff enterprise agreements in 2016–17 covering the wages and conditions of the majority of TAFE NSW employees. Both enterprise agreements introduced classification changes to support the One TAFE organisational structure, and provided staff with an annual wage increase of 2.5 per cent, consistent with the *NSW Public Sector Wages Policy 2011*.

Fair Work Australia approved the *TAFE Commission of NSW Administrative, Support and Related Employees Enterprise Agreement 2016* in August 2016 and the *TAFE Commission of NSW Teachers and Related Employees Enterprise Agreement 2016* in January 2017.

The *TAFE Commission of NSW Teachers and Related Employees Enterprise Agreement 2016* introduced a number of new classifications, which existed on a trial basis under the previous enterprise agreement. The classifications of Head Teacher Band 3, Education Support Officer and Assessor introduced a broader skill mix to the TAFE NSW workforce. The new roles increased TAFE NSW strategic educational leadership and support capacity, enhancing productivity and making it possible for front line teachers to focus on their core task of educational delivery.

TAFE NSW started negotiations in relation to a replacement for the *TAFE Commission of NSW TAFE Managers Enterprise Agreement 2015* in June 2017.

The introduction of these enterprise agreements will allow TAFE NSW to compete more effectively in the VET and higher education markets by offering improved products and support to learners.

More information on TAFE NSW enterprise bargaining is available from:
https://www.tafensw.edu.au/enterprise-bargaining

WORK HEALTH AND SAFETY

The NSW Department of Education's Work Health and Safety Policy continued to apply to TAFE NSW during the reporting year.

Within this framework, TAFE NSW continued to provide proactive and effective health and safety services to all staff, students and visitors across the state.

In 2016–17, TAFE NSW achieved an overall reduction in total number of injuries reported, compared to the previous year.

	2012–13	2013–14	2014–15	2015–16	2016–17
Total Claims	651	515	415	346	251
Total Hours Paid*	98,430	97,209	63,641	55,326	36,840
No. Claims with Lost Time*	258	188	169	140	106
No. Rehabilitation Cases	59	64	93	82	69
Insurer Costs	$236,385	$251,933	$326,486	$337,277	$271,224
Average Cost Per Case	$4,933	$5,643	$5,631	$4,861	$5,569

Source: TMF: Allianz Insurance and iCare monthly data for the 2016–17 financial year.

** Retrospective amendments have been made to the* Total Hours Paid *and* No. Claims with Lost Time *for the years 2012–13 to 2015–16, following the processing of a backlog in wage reimbursements and claim closures in 2017.*

No prosecution action was taken against TAFE NSW under the *Work Health and Safety Act 2011* (NSW) in 2016–17.

ORGANISATIONAL CULTURE

TAFE NSW is committed to improving organisational health through a performance-based and service-orientated culture, including investment in leadership development at all levels.

Survey of organisational health

In March 2016, TAFE NSW conducted an Organisational Health Index survey of its entire workforce.

In May 2017, TAFE NSW conducted a 'pulse' Organisational Health Index survey of 3,000 staff across TAFE NSW to measure improvements to organisational health against the 2016 Organisational Health Index baseline. The survey achieved a 43 per cent response rate.

The pulse survey recorded an increase of seven points in the Organisational Health Index score. The increase was driven by improved results for eight of the nine outcomes. The 'direction' and 'motivation' outcomes recorded the highest increases.

TAFE NSW is using the 2016 and 2017 findings to identify strategies to build organisational health. Since then, we have instigated a program of initiatives to address the five key themes identified in the Organisational Health Index survey by staff and senior executives:

1. A clear direction for TAFE NSW
2. Stronger financial management
3. More challenging and inspiring leaders
4. Rewards and recognition of staff
5. Increases in innovation.

One TAFE staff engagement

TAFE NSW has established a robust internal communications framework to guide our workforce as we transition to the One TAFE operating model.

In 2016–17, TAFE NSW communicated regularly with staff on the strategic direction and current business priorities, activities and achievements, establishing:

- a consolidated staff intranet
- an enterprise social and collaboration platform (Workplace by Facebook)
- a number of staff feedback channels
- regular organisation-wide communications from the Managing Director and the Chief Operating Officer.

These combined efforts contributed to a 20-point increase in the ‘direction’ outcome of the Organisational Health Index survey.

TAFE NSW values workshops

TAFE NSW provides professional development to staff to ensure all levels of the organisation have a thorough understanding of how the new organisational structure aligns to the TAFE NSW vision.

TAFE NSW held transition workshops to promulgate the TAFE NSW values of customer first, excellence, integrity and collaboration, helping staff identify how they can demonstrate these values in their day-to-day work.

In 2016–17, 220 participants including senior executives from 11 campuses attended the first values workshops.[77]

The human resources and marketing functions of TAFE NSW will integrate the values and brand into further staff training in the second half of 2017.

Bangamalanha Conference

In August 2016, TAFE NSW Dubbo hosted the second Bangamalanha Conference on the lands of the Wiradjuri people in the Central West and Orana region.

Bangamalanha is a Wiradjuri word meaning ‘to share with each other’. The conference gave participants the opportunity to share successful programs, approaches and education, training and employment outcomes achieved by Aboriginal people who have left school.

Speakers included representatives from the VET sector, industry, local employers, universities, government and other service providers.

[77] TAFE NSW corporate data

Staff rewards and recognition program

In 2016–17, TAFE NSW developed a recognition program to reward positive behaviours that support our organisational values. Rewarding and recognising positive behaviours will help embed the TAFE NSW values into the organisation's culture.

The program rewards individual staff and teams who 'go the extra mile', using in-house campus services where available. For example, staff may be rewarded with a dinner at a TAFE NSW training restaurant or with flowers from the on-campus florist.

TAFE NSW plans to expand the rewards and recognition program in 2017–18 after the pilot has concluded. Guidelines will be released in the second half of 2017, including a three-tiered approach to rewarding individual and team achievement.

PROFESSIONAL DEVELOPMENT

TAFE NSW Academy

TAFE NSW is working to develop leaders who will thrive in a commercial and contestable environment, leading flexible teams that are responsive to students, industry, employers and the community.

In 2016–17, TAFE NSW started work to create an internal training academy to expand staff skill sets and professional development networks. This included conducting a review of current TAFE NSW strategies, external best practice and a needs assessment.

Customer service and commercial acumen

In 2016–17, TAFE NSW developed an innovative model to improve business outcomes through staff collaboration and knowledge sharing, employee and customer satisfaction and performance in both educational delivery and corporate support functions.

The TAFE NSW human resources function tested this model with a cohort of TAFE NSW staff to gain feedback before rolling the model out across the organisation. Staff were trained in an innovation approach and framework, and applied the knowledge to a project related to student engagement and product innovation.

The model will be rolled out state-wide in future, providing similar opportunities to all TAFE NSW staff.

Staff will be trained in the 70:20:10 principles of coaching and mentoring, to enhance staff capability in customer service and commercial acumen to support innovation.

TAFE NSW also rolled out a number of staff professional development options locally. For example:

Summits focus on the TAFE NSW customer experience

More than 150 TAFE NSW staff attended two customer experience summits in metropolitan Sydney.[78] The aim of the summits was to improve student retention and referral rates by:

- informing staff about the current customer experience
- embedding a customer experience culture and philosophy.

The summits included guest speakers, interactive workshops and presentations from industry leaders and other TAFE NSW staff. Exemplary staff acted as ambassadors and mentored others on how to improve the customer experience.

Converting enquiries to enrolments

In the first half of 2017, 30 staff at campuses in the Murray-Riverina region undertook training in Customer Relationship Management software.[78]

This type of software helps businesses to analyse how they interact with their customers throughout the customer lifecycle, with the aim of improving interactions, retaining customers and growing sales.

Staff champions delivered one-on-one training sessions to help their colleagues become proficient in the program.

The introduction of this software is expected to reduce follow-up times and produce more detailed information about customers, to help convert enquiries into new enrolments.

[78] TAFE NSW local administrative data

FINANCIAL REPORT

STATUTORY REQUIREMENTS

FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

TAFE NSW did not grant any funds to non-government organisations in 2016–17.

CREDIT CARD CERTIFICATION

Corporate Credit Card Certification for the Year ended 30 June 2017

I certify that:

The TAFE credit card policy and guidelines for the issue, management and use of corporate credit cards flow from and are aligned with NSW Government policy as set out in relevant Treasury Circulars and Treasurer's Directions.

It is certified that overall the use of corporate credit cards within TAFE NSW has been in accordance with NSW Government policy. The internal audit of credit card usage provides ongoing opportunities for continuous improvement.

Name	Jon Black
Position	Managing Director TAFE NSW
Signature	
Date	4 Oct 17

EXTERNAL COSTS INCURRED IN PRODUCTION OF THE REPORT

TAFE NSW expended $325 exclusive of GST to produce graphical elements within the annual report.

TIMELY PAYMENT OF ACCOUNTS

By dollar amount (inclusive of GST)

All suppliers

Quarter	Due for payment ($'000)	Paid within the due date ($'000)	Actual % of accounts paid on time (based on $ amount of accounts)	Less than 30 days overdue ($'000)	Between 30 and 60 days overdue ($'000)	Between 61 and 90 days overdue ($'000)	More than 90 days overdue ($'000)	Interest paid on overdue accounts ($'000)
Sept 2016	234,565	157,174	67%	2,852	594	6,119[79]	67,826[79]	0
Dec 2016	121,841	119,328	98%	1,797	384	267	65	0
March 2017	161,865	119,612	74%	40,981[79]	731	323	218	0
June 2017	184,920	177,203	96%	6,419	838	319	141	0

Source: TAFE NSW corporate data

[79] The overdue balances indicated in the September and March quarters relate to amounts owing to the NSW Department of Education for the shared service corporate charge. Overdue payment was caused by delays in raising purchase orders as a result of processes being consolidated

Small business suppliers

Quarter	Due for payment ($'000)	Paid within the due date ($'000)	Actual % of accounts paid on time (based on $ amount of accounts)	Less than 30 days overdue ($'000)	Between 30 and 60 days overdue ($'000)	Between 61 and 90 days overdue ($'000)	More than 90 days overdue ($'000)	Interest paid on overdue accounts ($'000)
Sept 2016	94	84	89%	4	6	-	-	0
Dec 2016	139	139	100%	0	-	-	-	0
March 2017	89	82	92%	-	7	-	-	0
June 2017	188	174	93%	14	0	-	-	0

Source: TAFE NSW corporate data

By number of accounts

All suppliers

Quarter	Due for payment (No. accounts)	Paid within the due date (No. accounts)	Actual % of accounts paid on time (based on no. of accounts)	No. of payments for interest on overdue accounts
Sept 2016	53,261	51,682	97%	0
Dec 2016	49,134	47,582	97%	0
March 2017	41,860	39,629	95%	0
June 2017	62,502	59,725	96%	0

Source: TAFE NSW corporate data

Small business suppliers

Quarter	Due for payment (No. accounts)	Paid within the due date (No. accounts)	Actual % of accounts paid on time (based on no. of accounts)	No. of payments for interest on overdue accounts
Sept 2016	66	64	97%	0
Dec 2016	82	81	99%	0
March 2017	55	54	98%	0
June 2017	134	129	96%	0

Source: TAFE NSW corporate data

Issues affecting prompt processing of payments

All suppliers: The two key reasons preventing on time payment were: invoices that did not reference a valid purchase order number; and delays in the invoice being received by the Department of Education Shared Services, Finance.

Initiatives implemented to improve payment performance

All suppliers: Continued communication to vendors and business units to remind them of the correct payables processes and encourage them to email their invoices directly to Department of Education Shared Services, Finance. New Purchase Order guidelines have been established and communicated to business units through formal training. TAFE NSW has established compliance reporting processes.

AUDITED FINANCIAL STATEMENTS

TECHNICAL AND FURTHER EDUCATION COMMISSION

Independent Auditor's Report

AUDITOR-GENERAL
NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

Technical and Further Education Commission

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Technical and Further Education Commission (the Commission), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, of the Commission and the consolidated entity. The consolidated entity comprises the Commission and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Commission and the consolidated entity as at 30 June 2017, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Commission and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have also fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor–General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Level 15, 1 Margaret Street, Sydney NSW 2000 | GPO Box 12, Sydney NSW 2001 | **t** 02 9275 7101 | **f** 02 9275 7179 | **e** mail@audit.nsw.gov.au | **audit.nsw.gov.au**

Other Information

The Managing Director is responsible for the Other Information, which comprises the information in the annual report for the Commission and the consolidated entity for the year ended 30 June 2017, other than the financial report and my Independent Auditor's Report thereon.

My opinion on the financial report does not cover the Other Information. Accordingly, I do not express any form of assurance conclusion on the Other Information. However, I must read the Other Information and consider whether it is materially inconsistent with the financial report, the knowledge I obtained during the audit, or appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I must report that fact.

I have nothing to report in this regard.

Managing Director's Responsibility for the Financial Statements

The Managing Director is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Managing Director determine is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Managing Director must assess the ability of the Commission and the consolidated entity to continue as a going concern except where operations will be dissolved by an Act of Parliament or otherwise cease. The assessment must, disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf.

The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Commission or the consolidated entity carried out their activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

David Nolan
Director, Financial Audit Services

17 November 2017
SYDNEY

Audited Financial Statements

Start of audited financial statements

Technical and Further Education Commission

Annual Financial Statements

for the year ended 30 June 2017

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Technical and Further Education Commission
Statement by the Managing Director of the Technical and Further Education Commission
for the year ended 30 June 2017

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, I state that:

1. The accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions;

2. The financial statements exhibit a true and fair view of the financial position and financial performance of the Commission;

3. I am not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

John Black

Managing Director

Date: 13 November 2017

Technical and Further Education Commission
Statement of Comprehensive Income
for the year ended 30 June 2017

	Notes	Consolidated Actual 2017 $'000	Consolidated Budget 2017 $'000	Consolidated Actual 2016 $'000	Parent Actual 2017 $'000	Parent Actual 2016 $'000
Expenses excluding losses						
Operating expenses						
Employee related	2(a)	1,107,377	1,138,146	1,110,425	1,103,699	1,105,394
Personnel services	2(b)	1,166	-	1,999	4,591	6,487
Other operating expenses	2(c)	483,494	532,295	441,840	483,494	441,916
Depreciation and amortisation	2(d)	148,964	146,309	141,878	148,964	141,878
Total expenses excluding losses		**1,741,001**	**1,816,750**	**1,696,142**	**1,740,748**	**1,695,675**
Revenue						
Sale of goods and services	3(a)	526,933	477,100	601,364	526,933	601,364
Investment revenue	3(b)	6,201	8,264	9,517	6,201	9,517
Grants and contributions	3(c)	1,136,197	1,184,852	1,130,146	1,136,197	1,130,146
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	47,707	59,087	53,223	47,454	52,756
Other revenue		6,472	74	5,527	6,472	5,527
Total revenue		**1,723,510**	**1,729,377**	**1,799,777**	**1,723,257**	**1,799,310**
Gain / (loss) on disposal	4	1,547	(5,420)	(3,690)	1,547	(3,690)
Other losses	5	(35,321)	(10,700)	(34,964)	(35,321)	(34,964)
Net result	16	**(51,265)**	**(103,493)**	**64,981**	**(51,265)**	**64,981**
Other comprehensive income						
Items that will not be reclassified to net result						
Net increase in property, plant and equipment revaluation surplus	8	-	-	17,834	-	17,834
Total other comprehensive income		-	-	**17,834**	-	**17,834**
TOTAL COMPREHENSIVE (EXPENSE) / INCOME		**(51,265)**	**(103,493)**	**82,815**	**(51,265)**	**82,815**

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Statement of Financial Position
as at 30 June 2017

	Notes	Consolidated Actual 2017 $'000	Consolidated Budget 2017 $'000	Consolidated Actual 2016 $'000	Parent Actual 2017 $'000	Parent Actual 2016 $'000
ASSETS						
Current Assets						
Cash and cash equivalents	6	459,015	529,916	609,429	459,015	609,429
Receivables	7	271,415	80,915	210,408	271,415	210,349
Total Current Assets		**730,430**	**610,831**	**819,837**	**730,430**	**819,778**
Non-Current Assets						
Receivables	7	4,180	4,441	4,311	4,180	4,311
Property, plant and equipment						
Land	8	687,005	707,659	688,347	687,005	688,347
Buildings	8	3,762,899	3,793,403	3,861,860	3,762,899	3,861,860
Plant and equipment	8	26,270	22,357	27,663	26,270	27,663
Total property, plant and equipment		4,476,174	4,523,419	4,577,870	4,476,174	4,577,870
Intangible assets	9	35,189	47,638	42,699	35,189	42,699
Other financial assets		286	335	446	286	446
Total Non-Current Assets		**4,515,829**	**4,575,833**	**4,625,326**	**4,515,829**	**4,625,326**
Total Assets		**5,246,259**	**5,186,664**	**5,445,163**	**5,246,259**	**5,445,104**
LIABILITIES						
Current Liabilities						
Payables	12	284,293	478,629	437,330	284,500	437,773
Provisions	13	86,436	90,057	85,754	86,245	85,258
Total Current Liabilities		**370,729**	**568,686**	**523,084**	**370,745**	**523,031**
Non-Current Liabilities						
Provisions	13	7,516	2,873	2,800	7,500	2,794
Total Non-Current Liabilities		**7,516**	**2,873**	**2,800**	**7,500**	**2,794**
Total Liabilities		**378,245**	**571,559**	**525,884**	**378,245**	**525,825**
Net Assets		**4,868,014**	**4,615,105**	**4,919,279**	**4,868,014**	**4,919,279**
EQUITY						
Reserves		2,992,284	3,101,200	3,002,475	2,992,284	3,002,475
Accumulated funds		1,875,730	1,513,905	1,916,804	1,875,730	1,916,804
Total equity		**4,868,014**	**4,615,105**	**4,919,279**	**4,868,014**	**4,919,279**

The accompanying notes form part of these financial statements

Technical and Further Education Commission
Statement of Changes in Equity
for the year ended 30 June 2017

Consolidated	Notes	Accumulated Funds $'000	Asset Revaluation Surplus $'000	Total $'000
Balance at 1 July 2016		1,916,804	3,002,475	4,919,279
Net result for the year		(51,265)	-	(51,265)
Other comprehensive income				
Net Increase in property, plant and equipment revaluation surplus	8	-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income for the year		**(51,265)**	-	**(51,265)**
Transactions with owners in their capacity as owners				
Decrease in net assets from equity transfers	19	-	-	-
Asset revaluation reserve balance transferred to accumulated funds on disposal of assets		10,191	(10,191)	-
		10,191	**(10,191)**	-
Balance at 30 June 2017		**1,875,730**	**2,992,284**	**4,868,014**
Balance at 1 July 2015		1,993,847	3,067,717	5,061,564
Net result for the year		**64,981**	-	**64,981**
Other comprehensive income				
Net Increase in property, plant and equipment revaluation surplus	8	-	17,834	17,834
Total other comprehensive income		-	**17,834**	**17,834**
Total comprehensive income for the year		**64,981**	**17,834**	**82,815**
Transactions with owners in their capacity as owners				
Decrease in net assets from equity transfers	19	(225,100)	-	(225,100)
Asset revaluation reserve balance transferred to accumulated funds on disposal of assets		83,076	(83,076)	-
		(142,024)	**(83,076)**	**(225,100)**
Balance at 30 June 2016		**1,916,804**	**3,002,475**	**4,919,279**

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Statement of Changes in Equity
for the year ended 30 June 2017

Parent	Notes	Accumulated Funds $'000	Asset Revaluation Surplus $'000	Total $'000
Balance at 1 July 2016		1,916,804	3,002,475	4,919,279
Net result for the year		(51,265)	-	(51,265)
Other comprehensive income				
Net increase in property, plant and equipment revaluation surplus	8	-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income for the year		(51,265)	-	(51,265)
Transactions with owners in their capacity as owners				
Decrease in net assets from equity transfers	19	-	-	-
Asset revaluation reserve balance transferred to accumulated funds on disposal of assets		10,191	(10,191)	-
		10,191	**(10,191)**	**-**
Balance at 30 June 2017		**1,875,730**	**2,992,284**	**4,868,014**
Balance at 1 July 2015		1,993,847	3,067,717	5,061,564
Net result for the year		**64,981**	-	**64,981**
Other comprehensive income				
Net increase in property, plant and equipment revaluation surplus	8	-	17,834	17,834
Total other comprehensive income		-	**17,834**	**17,834**
Total comprehensive income for the year		**64,981**	**17,834**	**82,815**
Transactions with owners in their capacity as owners				
Decrease in net assets from equity transfers	19	(225,100)	-	(225,100)
Asset revaluation reserve balance transferred to accumulated funds on disposal of assets		83,076	(83,076)	-
		(142,024)	**(83,076)**	**(225,100)**
Balance at 30 June 2016		**1,916,804**	**3,002,475**	**4,919,279**

The accompanying notes form part of these financial statements.

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Technical and Further Education Commission
Statement of Cash Flows
for the year ended 30 June 2017

	Notes	Consolidated Actual 2017 $'000	Consolidated Budget 2017 $'000	Consolidated Actual 2016 $'000	Parent Actual 2017 $'000	Parent Actual 2016 $'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(1,053,023)	(1,075,359)	(1,097,194)	(1,052,170)	(1,097,418)
Other operating expenses		(581,748)	(532,295)	(429,971)	(582,289)	(429,806)
Total Payments		**(1,634,771)**	**(1,607,654)**	**(1,527,165)**	**(1,634,459)**	**(1,527,224)**
Receipts						
Sale of goods and services		452,567	477,100	476,820	452,567	476,879
Interest received		7,449	8,264	10,679	7,449	10,679
Grants and contributions		1,028,045	1,184,801	1,130,146	1,028,045	1,130,146
Other operating receipts		50,655	125	34,970	50,343	34,970
Total Receipts		**1,538,716**	**1,670,290**	**1,652,615**	**1,538,404**	**1,652,674**
NET CASH FLOWS FROM OPERATING ACTIVITIES	16	**(96,055)**	**62,636**	**125,450**	**(96,055)**	**125,450**
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of land and buildings, and plant and equipment		12,668	31,170	6,683	12,668	6,683
Purchases of land and buildings, and plant and equipment, and intangible assets		(67,027)	(75,593)	(55,191)	(67,027)	(55,191)
Other purchases of land and buildings, and plant and equipment, and intangible assets		-	(21,535)	-	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(54,359)**	**(65,958)**	**(48,508)**	**(54,359)**	**(48,508)**
NET (DECREASE) / INCREASE IN CASH		**(150,414)**	**(3,322)**	**76,942**	**(150,414)**	**76,942**
Opening cash and cash equivalents		609,429	533,238	742,487	609,429	742,487
Cash reserve transferred to the Crown Entity	19	-	-	(210,000)	-	(210,000)
CLOSING CASH AND CASH EQUIVALENTS	6	**459,015**	**529,916**	**609,429**	**459,015**	**609,429**

The accompanying notes form part of these financial statements.

1. Summary of Significant Accounting Policies

(a) *Reporting entity*

The Technical and Further Education Commission (the "Commission"), is a NSW government entity responsible for the provision of technical and further education within NSW. The Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The Public Finance and Audit Amendment (Technical and Further Education Commission) Proclamation 2014 was proclaimed on 28 May 2014. This proclamation provided for the Commission to be a separate statutory body for the purposes of the *Public Finance and Audit Act 1983*, commencing on 1 July 2014. Consequently, from that date the Commission has operated as a separate legal entity which is consolidated as part of the NSW Total State Sector Accounts.

The Commission as a reporting entity, comprises all the entities under its control, namely the TAFE Commission (Senior Executives) Staff Agency ("the Agency"). The Agency commenced operations on 10 December 2014. In the process of preparing the consolidated financial statements for the Commission, which consist of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated and like transactions and other events are accounted for using uniform accounting policies.

The Commission is comprised of a single service group.

These financial statements for the year ended 30 June 2017 have been authorised for issue by the Managing Director on 13 November 2017. A formal extension was granted by the Treasurer to submit the Financial Statements to the Auditor-General by 30 September 2017.

(b) *Basis of preparation*

The Commission's financial statements are general purpose financial statements, which have been prepared on an accrual basis in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- Financial Reporting Directions mandated by the Treasurer.

Property, plant and equipment, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

The following judgments, key assumptions and estimations have been applied by management in preparing these financial statements:

- Note 3(a) Sale of Goods and Services – Duration of student enrolments for the purpose of revenue recognition.
- Note 7 Current/ Non-Current Assets – Receivables – Management have estimated the allowance for impairment in accordance with the accounting policy in Note 1(h)(x).
- Note 8 Non-Current Assets – Property, Plant and Equipment – An interim revaluation of land and building assets was performed as at 31 March 2017 and was rolled forward to 30 June 2017 (refer Note 1(h)(iii)). No revaluation adjustment has been booked based on management's judgement that the reported 30 June 2017 carrying values are materially representative of fair value.

1. Summary of Significant Accounting Policies (continued)

(b) *Basis of preparation (continued)*

- Note 11 Fair Value Measurement of land and buildings assets have been categorised as a Level 3 fair value based on the inputs and valuation techniques used (refer Note 1(l)).
- Note 13 Current/Non-Current Liabilities – Provisions – Estimation of the settlement of employee benefits and related on-costs has been made in accordance with NSW Treasury Circular 15-09 Accounting for Long Service Leave and Annual Leave.
- Note 15 Contingent Liabilities and Contingent Assets – Management have estimated a contingent liability in relation to potential repayment of VET FEE HELP amounts previously recognised as revenue.
- Note 18 Related Party Disclosures – Management have applied judgement in determining the Commissions' Key Management Personnel.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) *Statement of compliance*

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) *Insurance*

The Commission's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

(e) *Personnel Services Arrangements*

The Commission received personnel services from both:

- TAFE Commission (Senior Executives) Staff Agency (the Agency) from 10 December 2014 to reporting date, and based on these arrangements, liabilities for personnel services at year end are stated as liabilities to the Agency; and
- Department of Education with respect to personnel services provided to the Adult Migrant English School from 1 July 2015. Based on this arrangement, liabilities for personnel services at year end are stated as liabilities to the Department of Education.

(f) *Accounting for the Goods and Services Tax (GST)*

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Commission as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense, and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the Australian Taxation Office are classified as operating cash flows.

1. Summary of Significant Accounting Policies (continued)

(g) *Income recognition*

Income is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for the recognition of income are discussed below.

i. Grants and contributions

Grants and contributions are provided by the NSW Department of Industry, Skills and Regional Development, the Department of Education, the Commonwealth, other government bodies, and third party entities.

Grants and contributions are recognised as revenue when all of the following criteria are met:

- the Commission obtains control of the grant or contribution, or the right to receive the grant or contribution;
- it is probable that the economic benefits comprising the grant or contribution will flow to the Commission; and
- the amount of the grant or contribution can be measured reliably.

ii. Sale of goods

Revenue from the sale of goods is recognised as revenue when the Commission transfers the significant risks and rewards of ownership of the goods and services.

iii. Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion.

iv. Investment revenue

Interest income is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(h) *Assets*

i. Acquisition of property, plant and equipment

Property, plant and equipment acquired are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

1. Summary of Significant Accounting Policies (continued)

(h) Assets (continued)

ii. Capitalisation thresholds

Property, plant and equipment costing $10,000 and above individually (or forming part of a network costing more than $10,000) are capitalised. The threshold for intangibles is $50,000. Capitalisation thresholds remain unchanged from prior year.

iii. Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with NSW Treasury "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and takes into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Refer Note 11 for further information regarding fair value.

Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date. The Commission conducts a comprehensive revaluation at least every three years for its land and buildings (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique, and at least every five years for other classes of property, plant and equipment. The last comprehensive revaluations for land and buildings were completed for the years ended 30 June 2013 (buildings) and 30 June 2015 (land), and were based on independent assessments using external professionally qualified valuers.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. An interim management revaluation was completed as at 31 March 2017, and was rolled forward to 30 June 2017. The Commission used an external professionally qualified valuer to conduct the interim revaluation. A comprehensive valuation will be performed for both land and buildings for the year ending 30 June 2018.

1. Summary of Significant Accounting Policies (continued)

(h) Assets (continued)

iii. Revaluation of property, plant and equipment (continued)

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation for fair value. The Commission has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then adjusted by the revaluation increments or decrements.

Revaluation increments are recognised in the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in asset revaluation surplus in respect of the same non-current class of assets, they are debited directly to the asset revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are only offset within a class of non-current assets.

When revaluating non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation surplus in respect of that asset is transferred to accumulated funds.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

1. Summary of Significant Accounting Policies (continued)

(h) Assets (continued)

iv. Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

The Commission assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Commission estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the asset revaluation surplus for the class of asset.

v. Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life by the Commission.

All material identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset. Certain heritage assets including heritage buildings may not have a limited useful life because appropriate preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

The expected useful life ranges for assets remained unchanged from 2016 and are listed below.

Asset	Useful life range
Buildings	20 to 105 years
Leasehold Improvements	Term of the lease
Heritage Buildings	Indefinite
Plant and Equipment	3 to 43 years

vi. Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

vii. Leased assets

Operating lease payments are recognised as an expense on a straight line basis over the lease term. Lease income from operating leases where the Commission is a lessor is recognised in income on a straight-line basis over the lease term.

1. Summary of Significant Accounting Policies (continued)

(h) Assets (continued)

viii. **Intangible assets**

The Commission recognises intangible assets only if it is probable that future economic benefits will flow to the Commission and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Commission's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The Commission's intangible assets are amortised using the straight-line method over a period of three to fifteen years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

ix. **Loans and receivables (financial assets)**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or though the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of discounting is material.

Derecognition of financial assets

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or if the Commission transfers the financial asset:

- Where substantially all the risks and rewards have been transferred, or
- Where the Commission has not transferred substantially all the risks and rewards, if the Commission has not retained control.

Where the Commission has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Commission's continuing involvement in the asset. In that case, the Commission also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Commission has retained.

1. Summary of Significant Accounting Policies (continued)

(h) Assets (continued)

x. **Impairment of financial assets**

All financial assets, except those at fair value through profit and loss, are subject to an annual review for impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Student receivables outstanding at balance date are assessed for impairment taking into account the age of the amounts and recently observed settlement performance.

Student receivable balances outstanding for more than 12 months are written off against the provision for impairment as collection is considered remote.

xi. **Other assets**

Other assets are recognised on an historic cost basis.

(i) ***Non-current assets held for sale***

The Commission classifies non-current assets as held for sale, where the carrying amounts will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are recognised at the lower of their carrying amount and fair value less costs of disposal. These assets are not depreciated while they are classified as held for sale.

(j) ***Liabilities***

i. **Payables (financial liabilities)**

Financial liabilities are initially measured at fair value, net of transaction costs. The financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Payables represent liabilities for goods and services provided to the entity and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

1. Summary of Significant Accounting Policies (continued)

(j) Liabilities (continued)

i. Employee benefits and other provisions

a. Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits), and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Commission has assessed the actuarial advice based on the Commission's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the Commission does not expect to settle the liability within 12 months as the Commission does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

b. Long service leave and superannuation

The Commission's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Commission accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

c. Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

1. Summary of Significant Accounting Policies (continued)

(j) Liabilities (continued)

ii. Other provisions

Other provisions exist when the Commission has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

a. Employee termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. A provision for termination benefits is recognised at the earlier of when the Commission can no longer withdraw the offer of those benefits and when the Commission recognises costs for a restructuring within the scope of AASB 137 involving the payment of termination benefits. In the case of an early redundancy outside of the placement process, the termination benefits are measured based on the number of people who have accepted an early redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

When some or all of the expenditure required to settle an employee termination provision is expected to be reimbursed by another party, the reimbursement is recognised as a separate asset when, and only when, it is virtually certain that the reimbursement will be received if the Commission settles the obligation.

b. Restructuring provisions

A provision for restructuring is recognised only when the Commission has a detailed formal plan and the Commission has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

(k) Equity and reserves

i. Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Commission's policy on the revaluation of property, plant and equipment as discussed in Note 1(h)(iii).

ii. Accumulated Funds

The category "Accumulated Funds" includes all current and prior period retained funds.

iii. Separate reserve accounts

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards (e.g. asset revaluation surplus).

1. Summary of Significant Accounting Policies (continued)

(k) *Equity and reserves (continued)*

iv. Equity transfers

The transfer of net assets between entities as a result of an administrative restructure, transfer of programs/functions and parts thereof between NSW public sector entities and 'equity appropriations' are designated or required by Australian Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amounts at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the Commission recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the Commission does not recognise that asset.

(l) *Fair value hierarchy*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of the Commission's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Commission categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices in active markets for identical assets/liabilities that the Commission can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Commission recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer Note 11 for further disclosures regarding fair value measurements of non-financial assets.

1. Summary of Significant Accounting Policies (continued)

(m) *Related parties*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Commission.

Compensation is aggregated by the following categories:

- short-term employee benefits;
- post-employment benefits;
- other long-term benefits; and
- termination benefits.

Compensation includes:

- Short-term employee benefits including wages, salaries, social security contributions, paid annual leave and paid sick leave, allowances, profit-sharing or bonuses (if payable within twelve months of the end of the financial year) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services);
- Other long-term employee benefits (benefits other than short-term, termination or post-employment benefits), such as long service leave or sabbatical leave, jubilee or other long service benefits, long-term disability benefits and, if not payable wholly within twelve months of the end of the financial year, profit-sharing, bonuses and deferred compensation; and
- Post-employment benefits such as pensions, other retirement benefits, post-employment life insurance, and post-employment medical care.

(n) *Budgeted amounts*

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained in Note 20.

(o) *Comparative information*

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

Comparative Consolidated and Parent balances in the following note have been reclassified to align with current year classification. This reclassification does not impact the comparative Net Result.

- Note 3 (c) Grants and contributions: Reclassified $6.6m from "Vocational Education and Training Grants" to "Other Public Sector agencies".

Comparative Consolidated and Parent balances in Note 14(b) Operating Lease Commitments (As Lessee) have been updated to enable direct comparison with current year disclosures.

Additional disclosure has been included in the current year financial statements to reflect operating lease rentals receivable as lessor. This disclosure includes Consolidated and Parent comparative information not previously disclosed. This disclosure is included in Note 14(b) Operating Lease Commitments.

1. Summary of Significant Accounting Policies (continued)

(p) *Changes in accounting policy, including new or revised Australian Accounting Standards*

i. Effective for the first time in 2016-17

The accounting policies applied in 2016-2017 are consistent with those of the previous financial year except as a result of the following material new or revised Australian Accounting Standards that have been applied for the first time in 2016-2017. The impact of these standards in the period of initial application includes:

AASB 2015-6 'Amendments to Australian Accounting Standards- Extending Related Party Disclosures to Not-for-Profit Public Sector Entities'

This standard amends AASB 124 'Related Party Disclosures' by extending its scope to include NFP public sector entities. From 1 July 2016, agencies must disclose information about related parties in their financial statements including:

- Key management personnel compensation
- Related party relationships
- Related party transactions and outstanding balances (including commitments)

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities

Provides relief to not-for-profit public sector entities from certain disclosures about the fair value measurement of property, plant and equipment held for their current service potential rather than to generate net cash inflows that is categorised within Level 3 of the fair value hierarchy.

ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The Commission's assessment of the impact of new standards and interpretations which may have a material impact and have not been early adopted is set out below. The main impact of these standards and interpretations will be on presentation and disclosure except for the following:

- *AASB 9 Financial Instruments*

  AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedging accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139. AASB 9 is effective for the Commission for annual reporting periods beginning on or after 1 July 2018. The initial application of AASB 9 is not expected to materially affect the recognition of financial instruments in TAFE NSW consolidated financial statements. The application of the standard is expected to result in changes to the presentation and disclosure of information in the consolidated financial statements.

- *AASB 15, AASB 2014-5, AASB 2015-8, AASB 2016-3,* and AASB 2016-7 *regarding Revenue from Contracts with Customers*

  AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue. AASB 15 is effective for the Commission for annual reporting beginning on or after 1 July 2019. Whilst the Commission is currently carrying out an assessment to determine the impact on the financial statements, the impact from the application of this standard is not currently known nor can be reliably estimated.

1. Summary of Significant Accounting Policies (continued)

(p) *Changes in accounting policy, including new or revised Australian Accounting Standards (continued)*

- *AASB 16 Leases*

  Removes the lease classification test for lessees and requires all leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended and is now the new on/off balance sheet test for lessees. Lessor accounting will remain largely unchanged. AASB 16 is effective for the Commission for annual reporting periods beginning on or after 1 July 2019. Whilst the Commission is currently carrying out an assessment to determine the impact on the financial statements, the impact is not expected to be significant as the Commission does not carry significant operating leases.

- *AASB 1058 Income of Not-for-profit Entities*

  AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. This Standard supersedes or clarifies income recognition requirements relating to public sector NFP entities. AASB 1058 is effective for the Commission for annual reporting periods beginning on or after 1 July 2019. Whilst the Commission is currently carrying out an assessment to determine the impact on the financial statements, the impact from the application of this standard is not currently known nor can be reliably estimated.

2. Expenses Excluding Losses

(a) *Employee related expenses*

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Salaries and wages (including annual leave)[a]	903,365	877,588	900,589	873,759
Superannuation - defined benefit plans	15,066	16,992	14,923	16,949
Superannuation - defined contribution plans	80,522	75,522	80,295	75,132
Long service leave	32,641	36,231	32,531	35,807
Workers' compensation insurance	8,262	10,266	8,234	10,220
Payroll tax and fringe benefit tax	56,173	57,258	56,007	56,959
Other	11,348	36,568	11,120	36,568
Total employee related expenses	**1,107,377**	**1,110,425**	**1,103,699**	**1,105,394**

a. An amount of $1.2m of employee related expenses were capitalised during the year (2016: $0.4m), and therefore excluded from the balances above.

(b) *Personnel services*

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Salaries and wages (including annual leave)	895	1,561	3,671	5,265
Superannuation - defined contribution plans	130	163	357	560
Workers' compensation insurance	5	42	33	95
Payroll tax and fringe benefit tax	56	112	222	446
Other	80	121	308	121
Total personnel services	**1,166**	**1,999**	**4,591**	**6,487**

2. Expenses Excluding Losses (continued)

(c) *Other operating expenses include the following:*

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Auditor's remuneration - audit of the financial statements [a]	565	1,144	565	1,144
Operating lease rental expense - minimum lease payments	3,581	3,218	3,581	3,218
Maintenance [b]	42,152	34,342	42,152	34,342
Insurance	7,034	6,686	7,034	6,686
Consultants	733	1,837	733	1,837
Contractors	87,414	54,412	87,414	54,412
Cleaning	39,531	40,112	39,531	40,112
Agents fees	12,903	37,876	12,903	37,876
Shared Services	62,089	67,729	62,089	67,729
Service expenses	86,093	71,439	86,093	71,439
Minor stores, provisions, plant and computing	49,484	48,205	49,484	48,205
Travel and motor vehicle expenses	15,127	13,018	15,127	13,018
Postage and telephone	7,151	6,423	7,151	6,423
Utilities	19,278	18,879	19,278	18,879
Printing	8,268	7,922	8,268	7,922
Advertising	20,157	6,845	20,157	6,845
Other	21,934	21,753	21,934	21,829
Total other operating expenses	**483,494**	**441,840**	**483,494**	**441,916**

a. Total audit fees for the 2016-2017 year are $850,000 (2015-2016: $893,000) excluding GST.

b. Reconciliation – Total maintenance

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Maintenance expense - contracted labour and other (non-employee related), as above	42,152	34,342	42,152	34,342
Total maintenance expenses included in Note 2(c)	**42,152**	**34,342**	**42,152**	**34,342**

2. Expenses Excluding Losses (continued)

(d) *Depreciation and amortisation expense*

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Depreciation				
Buildings and improvements	125,433	127,774	125,433	127,774
Plant and equipment	7,304	7,817	7,304	7,817
	132,737	**135,591**	**132,737**	**135,591**
Amortisation				
Intangibles	16,227	6,287	16,227	6,287
Total depreciation and amortisation expenses	**148,964**	**141,878**	**148,964**	**141,878**

3. Revenue

(a) *Sale of goods and services*

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Student fees	506,687	579,602	506,687	579,602
Course projects and materials	4,750	5,173	4,750	5,173
Other	15,496	16,589	15,496	16,589
Total sale of goods and services	**526,933**	**601,364**	**526,933**	**601,364**

(b) *Investment revenue*

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Interest revenue from financial assets not at fair value through profit or loss	6,201	9,517	6,201	9,517
Total investment revenue	**6,201**	**9,517**	**6,201**	**9,517**

3. Revenue (continued)

(c) *Grants and contributions*

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Vocational Education and Training Grants [a c]	11,518	9,170	11,518	9,170
Other Public Sector agencies [b c]	1,121,937	1,120,453	1,121,937	1,120,453
Commonwealth Government	2,157	354	2,157	354
Donations and industry contributions	585	169	585	169
Total grants and contributions	**1,136,197**	**1,130,146**	**1,136,197**	**1,130,146**

a. Contributors can place restrictions on the application of funds to assist in ensuring that the intended outcomes of the particular program are met. Examples of such conditions are the requirement to provide annual acquittals of expenditure or to return funds at the end of a specific period. Contributions of $10.8m (2016: $9.2m) with restrictions were received during the year. During the year, the Commission spent $9.2m (2016: $6.3m) on training in line with the conditions placed on these contributions. The Commission will spend a further $19.0m (2016: $17.4m) on such training to meet conditions placed on contributions received in the current and previous years.

b. In 2016-17 and 2015-16, the Commission received a grant from the NSW Department of Industry, Skills and Regional Development.

c. In 2016, reclassified $6.6m from "Vocational Education and Training Grants" to "Other Public Sector agencies".

(d) *Acceptance by the Crown Entity of employee benefits and other liabilities*

The following liabilities and / or expenses have been assumed by the Crown Entity or other government entities:

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Superannuation - defined benefit	12,980	15,337	12,837	15,294
Superannuation on annual leave – defined benefit	1,398	836	1,398	836
Long service leave	32,641	36,231	32,531	35,807
Payroll tax - defined benefit	688	819	688	819
Total acceptance by the Crown Entity of employee benefits and other liabilities	**47,707**	**53,223**	**47,454**	**52,756**

4. Gain/ (loss) on Disposal

	Notes	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Gain / (loss) on disposal of property, plant and equipment					
Proceeds from disposal		12,668	13,183	12,668	13,183
Written down value of assets disposed	8	(11,121)	(15,579)	(11,121)	(15,579)
Net gain / (loss) on disposal of property, plant and equipment		**1,547**	**(2,396)**	**1,547**	**(2,396)**
Loss on disposal of intangible assets					
Written down value of assets disposed	9	-	(1,294)	-	(1,294)
Net loss on disposal of intangible assets		-	**(1,294)**	-	**(1,294)**
Total net gain / (loss) on disposal		**1,547**	**(3,690)**	**1,547**	**(3,690)**

5. Other losses

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Impairment of intangibles	(14,921)	(12,000)	(14,921)	(12,000)
Impairment of receivables	(19,173)	(22,964)	(19,173)	(22,964)
Write-offs of buildings	(726)	-	(726)	-
Write-offs of plant and equipment	(501)	-	(501)	-
Total other losses	**(35,321)**	**(34,964)**	**(35,321)**	**(34,964)**

6. Cash and Cash Equivalents

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Cash at bank and on hand	459,015	609,429	459,015	609,429
Total cash and cash equivalents	**459,015**	**609,429**	**459,015**	**609,429**

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Cash and cash equivalents (per statement of financial position)	459,015	609,429	459,015	609,429
Closing cash and cash equivalents (per statement of cash flows)	**459,015**	**609,429**	**459,015**	**609,429**

Details regarding credit risk, liquidity risk and market risk including financial assets that are either past due or impaired are disclosed in Note 21.

7. Current / Non-Current Assets - Receivables

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Current				
Sale of goods and services	14,143	13,157	14,143	13,157
Student receivables	108,635	107,722	108,635	107,722
Other debtors	29,273	82,962	29,273	82,903
Prepayments	6,703	174	6,703	174
Accrued income	133,796	29,486	133,796	29,486
	292,550	233,501	292,550	233,442
Less: Allowance for impairment	(21,135)	(23,093)	(21,135)	(23,093)
Total current receivables	**271,415**	**210,408**	**271,415**	**210,349**

Movements in the allowance for impairment	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Balance at 1 July	(23,093)	(54,265)	(23,093)	(54,265)
Amounts written off during the year (Note 1(h)(x))	21,131	54,121	21,131	54,121
Amounts recovered during the year	-	15	-	15
(Increase)/decrease in allowance recognised in profit or loss (Note 1(h)(x))	(19,173)	(22,964)	(19,173)	(22,964)
Balance at 30 June	**(21,135)**	**(23,093)**	**(21,135)**	**(23,093)**

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Non-Current				
Prepayments	4,180	4,311	4,180	4,311
Total non-current receivables	**4,180**	**4,311**	**4,180**	**4,311**

Details regarding credit risk, liquidity risk and market risk including financial assets that are either past due or impaired are disclosed in Note 21.

8. Non-Current Assets – Property, Plant and Equipment

Consolidated and Parent	Land	Buildings	Plant and equipment	Total
	$'000	$'000	$'000	$'000
At 1 July 2016 - fair value				
Gross carrying amount	688,347	6,772,836	174,923	7,636,106
Accumulated depreciation and impairment	-	(2,910,976)	(147,260)	(3,058,236)
Net carrying amount	**688,347**	**3,861,860**	**27,663**	**4,577,870**
At 30 June 2017 - fair value				
Gross carrying amount	687,005	6,796,387	171,376	7,654,768
Accumulated depreciation and impairment	-	(3,033,488)	(145,106)	(3,178,594)
Net carrying amount	**687,005**	**3,762,899**	**26,270**	**4,476,174**

Reconciliations

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the prior reporting period is set out below:

Consolidated and Parent Year ended 30 June 2017	Land	Buildings	Plant and equipment	Total
	$'000	$'000	$'000	$'000
Net carrying amount at start of year	688,347	3,861,860	27,663	4,577,870
Additions	-	40,600	2,856	43,456
Disposals	(1,342)	(9,165)	(614)	(11,121)
Transfer between Buildings and Plant and Equipment	-	(4,170)	4,170	-
Transfer between Buildings and Intangibles	-	(67)	-	(67)
Write-offs	-	(726)	(501)	(1,227)
Depreciation expense	-	(125,433)	(7,304)	(132,737)
Net carrying amount at end of year	**687,005**	**3,762,899**	**26,270**	**4,476,174**

An interim revaluation of land and building assets was performed as at 31 March 2017 and was rolled forward to 30 June 2017 (refer Note 1(h)(iii)). No revaluation adjustment has been booked based on management's judgement that the reported 30 June 2017 carrying values are materially representative of fair value.

8. Non-Current Assets – Property, Plant and Equipment (continued)

Consolidated and Parent	Land $'000	Buildings $'000	Plant and equipment $'000	Total $'000
At 1 July 2015 - fair value				
Gross carrying amount	707,659	6,837,083	179,510	7,724,252
Accumulated depreciation and impairment	-	(2,893,944)	(147,425)	(3,041,369)
Net carrying amount	**707,659**	**3,943,139**	**32,085**	**4,682,883**
At 30 June 2016 - fair value				
Gross carrying amount	688,347	6,772,836	174,923	7,636,106
Accumulated depreciation and impairment	-	(2,910,976)	(147,260)	(3,058,236)
Net carrying amount	**688,347**	**3,861,860**	**27,663**	**4,577,870**

Reconciliations

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the prior reporting period is set out below:

Consolidated and Parent Year ended 30 June 2016	Land $'000	Buildings $'000	Plant and equipment $'000	Total $'000
Net carrying amount at start of year	707,659	3,943,139	32,085	4,682,883
Additions	-	39,228	4,195	43,423
Disposals	(4,212)	(11,055)	(312)	(15,579)
Equity transfer of net assets	(9,600)	(5,500)	-	(15,100)
Transfer between Buildings and Plant and Equipment	-	488	(488)	-
Net revaluation increments and decrements	(5,500)	23,334	-	17,834
Depreciation expense	-	(127,774)	(7,817)	(135,591)
Net carrying amount at end of year	**688,347**	**3,861,860**	**27,663**	**4,577,870**

9. Intangible Assets

Consolidated and Parent **Software** **At 1 July 2016**	**$'000**
Cost (gross carrying amount)	118,508
Accumulated amortisation and impairment	(75,809)
Net carrying amount	**42,699**

Consolidated and Parent **Software** **At 30 June 2017**	
Cost (gross carrying amount)	142,067
Accumulated amortisation and impairment	(106,878)
Net Carrying amount	**35,189**

Consolidated and Parent **Software** **At 1 July 2015**	**$'000**
Cost (gross carrying amount)	135,843
Accumulated amortisation and impairment	(85,331)
Net carrying amount	**50,512**

Consolidated and Parent **Software** **At 30 June 2016**	
Cost (gross carrying amount)	118,508
Accumulated amortisation and impairment	(75,809)
Net Carrying amount	**42,699**

	Consolidated and Parent 2017 $'000	**Consolidated and Parent 2016 $'000**
Net carrying amount		
Net carrying amount at start of year	42,699	50,512
Additions (from internal development)	23,571	11,768
Impairment loss	(14,921)	(12,000)
Transfer from Buildings to Intangibles	67	-
Disposals	-	(1,294)
Amortisation (recognised in "depreciation and amortisation")	(16,227)	(6,287)
Net carrying amount at end of year	**35,189**	**42,699**

10. Restricted Assets

Funds totalling $0.1m (2016: $0.1m) held as investments in fixed interest bearing deposits are restricted and are included in "Other financial assets". Most of these funds represent donations held by the Commission for student prize awards with interest earned on the investments used to fund awards.

11. Fair Value Measurement of Non-Financial Assets

The fair value measurement for land of $687.0m (2016: $688.3m) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. Refer to Note 11(c).

The fair value measurement for the Commission's buildings, demountables and specialised properties of $3,762.9m (2016: $3,861.8m) have been categorised as a Level 3 fair value based on the inputs to the valuation technique used. Refer to Note 11(c).

(a) *Fair value hierarchy*[a]

Consolidated and Parent 30 June 2017	**Level 1 Fair Value $'000**	**Level 2 Fair Value $'000**	**Level 3 Fair Value $'000**	**Total Fair Value $'000**
Land and buildings (Note 8)				
Land	-	-	687,005	687,005
Buildings	-	-	3,762,899	3,762,899
Carrying value as at 30 June 2017	-	-	**4,449,904**	**4,449,904**

Consolidated and Parent 30 June 2016	**Level 1 Fair Value $'000**	**Level 2 Fair Value $'000**	**Level 3 Fair Value $'000**	**Total Fair Value $'000**
Land and buildings (Note 8)				
Land	-	-	688,347	688,347
Buildings	-	-	3,861,860	3,861,860
Carrying value as at 30 June 2016	-	-	**4,550,207**	**4,550,207**

a. Refer to Note 1(l) for the Commission's policy for determining when transfers between hierarchy levels are deemed to have occurred.

11. Fair Value Measurement of Non-Financial Assets (continued)

(b) ***Reconciliation of recurring Level 3 fair value measurements***

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Consolidated and Parent	Land $'000	Buildings $'000	Total Recurring Level 3 Fair Value $'000
Fair value as at 1 July 2016	688,347	3,861,860	4,550,207
Additions	-	40,600	40,600
Disposals	(1,342)	(9,165)	(10,507)
Transfer between Buildings and Plant and Equipment		(4,170)	(4,170)
Transfer between Building and Intangibles		(67)	(67)
Write-offs	-	(726)	(726)
Depreciation	-	(125,433)	(125,433)
Fair value as at 30 June 2017	**687,005**	**3,762,899**	**4,449,904**

Consolidated and Parent	Land $'000	Buildings $'000	Total Recurring Level 3 Fair Value $'000
Fair value as at 1 July 2015	707,659	3,943,139	4,650,798
Additions	-	39,228	39,228
Disposals	(4,212)	(11,055)	(15,267)
Equity transfer of net assets	(9,600)	(5,500)	(15,100)
Transfer between Buildings and Property, Plant and Equipment	-	488	488
Net revaluation increment less revaluation decrements	(5,500)	23,334	17,834
Depreciation	-	(127,774)	(127,774)
Fair value as at 30 June 2016	**688,347**	**3,861,860**	**4,550,207**

11. Fair Value Measurement of Non-Financial Assets (continued)

(c) *Valuation techniques, inputs and processes*

Level 3 – TAFE buildings and land

Buildings

i. **Valuation techniques**

Generally, the Commission's buildings are designed for a specific limited purpose. In most cases these buildings and the land on which they sit have no feasible alternative use. Accordingly, the Commission has determined that a cost based approach remains appropriate, in line with previous years. Assets held for sale have been valued at fair value (market value) by external valuers.

To estimate the 30 June 2017 fair value for each building, the depreciated replacement cost approach was adopted which has relied on the following information:

Item	Description
Acquisition Start Value (2013)	The 2013 replacement cost of the asset or for assets built after 2013, the actual cost
Useful Life	The anticipated useful life of the asset
Current Age (2016)	The estimated age of the asset in 2016
Construction Index	An estimate of how construction costs have changed annually since 2013 using the Rawlinsons Construction Handbook 2017

The index has been regionalised (i.e. a different indexation being applied to each location) to take account of localised price change factors.

Land

i. **Valuation techniques**

The Commission engaged Property NSW to provide regionalised land indexation amounts covering NSW from 31 March 2015 to 30 June 2017. The indices are based on market information published by several sources. A summary of the indexes are provided below.

Region	Market Value (31 March 2015 – 30 June 2017) Index
Metro East	1.100 or + 10.0%
Metro West	1.100 or + 10.0%
Newcastle/Wollongong	1.075 or + 7.5%
Coastal Region	1.000 or + 0.0%
Western Region	1.000 or + 0.0%

The indices are based on market information provided by the Australian Bureau of Statistics, Core Logic and the NSW Valuer General and then compared to information provided to other NSW Government Agencies to ensure they appear reasonable.

Previously, when a full revaluation has not been undertaken, the Commission applied a mean blanket index amount to the land portfolio. This year a regionalised index has been applied to the land portfolio that takes into consideration the differences in local property markets and the geographic spread of the land assets.

12. Current Liabilities – Payables

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Accrued salaries, wages and on-costs	8,839	8,222	8,831	7,960
Creditors	92,516	122,927	92,516	122,927
Unearned revenue	162,152	285,609	162,152	285,609
Group, payroll and fringe benefits tax	7,782	6,723	7,765	6,655
Personnel services provider	3	42	235	815
Other	13,001	13,807	13,001	13,807
Total current payables	**284,293**	**437,330**	**284,500**	**437,773**

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 21.

13. Current/Non-Current Liabilities – Provisions

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Employee benefits and related on-costs:				
Annual leave[a]	46,101	40,707	45,955	40,334
On-costs - annual leave	12,477	12,852	12,416	12,802
On-costs - long service leave	35,374	34,995	35,374	34,916
Total provisions	**93,952**	**88,554**	**93,745**	**88,052**

a. It is estimated that the provision for annual leave and on-costs for annual leave and long service leave includes an amount of $86.4m expected to be settled within 12 months (30 June 2016: $85.7m) and an amount of $7.5m is expected to be settled in more than 12 months (30 June 2016: $2.8m).

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Aggregate employee benefits and related on-costs				
Provisions - current	86,436	85,754	86,245	85,258
Provisions - non-current	7,516	2,800	7,500	2,794
Accrued salaries, wages and on-costs (note 12)	8,839	8,222	8,831	7,960
Total aggregate employee benefits and related on-costs	**102,791**	**96,776**	**102,576**	**96,012**

14. Commitments

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
(a) Capital Commitments				
Aggregate capital expenditure contracted for at balance date and not provided for:				
Within one year	10,026	13,118	10,026	13,118
Later than one year and not later than five years	377	7,373	377	7,373
Total capital commitments	**10,403**	**20,491**	**10,403**	**20,491**

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
(b) Operating Lease Commitments				
As Lessee				
Future non-cancellable operating lease rentals not provided for and payable:				
Within one year	2,857	3,061	2,857	3,061
Later than one year and not later than five years	3,224	4,601	3,224	4,601
Later than five years	5,813	6,198	5,813	6,198
Total operating lease commitments	**11,894**	**13,860**	**11,894**	**13,860**
Total commitments (including GST)	**22,297**	**34,351**	**22,297**	**34,351**

The leases mainly relate to leases of motor vehicles, facilities for teaching, and a carpark.

The total of commitments for expenditure include GST of $2.0m (2016: $3.1m) that are expected to be recovered from the Australian Tax Office.

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
As Lessor				
Future minimum rentals receivable under non-cancellable operating lease as at 30 June are as follows:				
Within one year	3,903	2,812	3,903	2,812
Later than one year and not later than five years	5,509	4,719	5,509	4,719
Later than five years	418	315	418	315
Total operating lease rentals receivable (including GST)	**9,830**	**7,846**	**9,830**	**7,846**

The leases mainly relate to rental of facilities.

The total of rental receivables include GST of $0.9m (2016: $0.7m) that are expected to be payable to the Australian Tax Office.

15. Contingent Liabilities and Contingent Assets

(a) ***Contingent liabilities***

i. **Legal matters**

There are no known cases where the Commission could be liable for material compensation payments relating to matters, which are the subject of litigation that are not covered by the NSW Treasury Managed Fund and icare TMF.

ii. **Other**

A contingent liability exists for potential refund of revenue that has previously been recognised and was funded by VET FEE HELP loans. Management have estimated this contingent liability to be a maximum of $7m.

(b) ***Contingent assets***

The Commission is not aware of any contingent assets.

16. Reconciliation of Cash Flows from Operating Activities to Net Result

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Net cash used on operating activities	(96,055)	125,450	(96,055)	125,450
Depreciation and amortisation	(148,964)	(141,878)	(148,964)	(141,878)
Allowance for impairment and write-offs	(35,321)	(34,964)	(35,321)	(34,964)
(Increase)/Decrease in provisions	(5,398)	4,380	(5,693)	4,496
Increase in receivables	80,049	131,971	80,108	131,912
(Decrease) in other financial assets	(160)	-	(160)	-
Decrease / (Increase) in creditors	153,037	(16,288)	153,273	(16,345)
Net gain / (loss) on sale of property, plant and equipment	1,547	(3,690)	1,547	(3,690)
Net result	**(51,265)**	**64,981**	**(51,265)**	**64,981**

17. Non-cash Financing and Investing Activities

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Liabilities and expenses assumed by the Crown Entity	(47,707)	(53,223)	(47,454)	(53,223)
Total non-cash financing and investing activities	**(47,707)**	**(53,223)**	**(47,454)**	**(53,223)**

18. Related Party Disclosures

(a) *Key Management Personnel*

The consolidated entity and parent key management personnel compensation is as follows:

	Consolidated 2017 $'000	Parent 2017 $'000
Short-term employee benefits	1,513	1,463
Post-employment benefits	107	101
Total remuneration	**1,620**	**1,564**

In addition, the parent entity ("the Commission") incurred $0.1m in personnel services expense that was in respect of key management personnel by a separate management entity, the TAFE Commission (Senior Executives) Staff Agency ("the Agency").

The Consolidated entity includes total compensation for key management personnel paid by the Commission and the Agency.

Key management personnel compensation disclosed above excludes the Minister for Skills and the Assistant Minister for Skills. Ministerial compensation is paid by the NSW Legislature, not the NSW TAFE Commission. Key management personnel compensation also excludes long service leave, which is assumed by the Crown.

Other than the key management personnel compensation noted above, there were no material related party transactions with key management personnel.

(b) *Transactions with Government Related Entities during the financial year*

During the year, the Commission entered into the following individually significant arm's-length transactions with other entities that are controlled by the NSW Government:

- Corporate services fees of $62.1m were incurred to the Department of Education in respect of IT services ($60.4m) and Shared Service Centre costs ($1.7m). Of these fees, $30.1m is recognised as accrued expenditure at year end.
- 'TAFE Delivered Vocational Education and Training (TVET)' course fee revenue from the Department of Education, totalling $41.6m, of which, $15.6m is accrued revenue at year end.
- Recurrent grant and entitlement revenue of $1.1bn from the Department of Industry, Skills and Regional Development, of which $108.2m is accrued revenue at year end.

The Commission paid payroll tax to the Office of State Revenue, received personnel services from the Agency, received audit services from the NSW Audit Office, obtained insurance arrangements from NSW Self Insurance Corporation and water from Sydney Water.

The Commission received interest income from, and had long service leave assumed by, the Crown Entity, and received grant income from the Department of Education.

19. Decrease in Net Assets from Equity Transfers

	Consolidated 2017 $'000	Consolidated 2016 $'000	Parent 2017 $'000	Parent 2016 $'000
Cash reserves transferred to Crown entity (a)	-	(210,000)	-	(210,000)
Land and buildings transferred to Government Property NSW (b)	-	(15,100)	-	(15,100)
Total equity transfers	**-**	**(225,100)**	**-**	**(225,100)**

a. $210m cash balance repatriated to Crown Finance Entity (CFE) via an equity transfer as part of the cash management policy reforms undertaken by Treasury.

b. The National Art School land and buildings valued at $15.1m were transferred to Government Property NSW by equity transfer on 24 June 2016.

20. Budget Review

Net result

The Commission's net result of $51m loss was a $52m favourable variation over the budgeted loss of $103m.

The major factors contributing to this variation are outlined below:

Employee related expenses were $31m (or 3%) lower than budget. This was primarily due to:

- Lower than expected full-time equivalent staff;
- Lower employee related on-cost obligations and actuarial adjustments; and
- Lower than expected expenditure on the TAFE modernisation reform program.

Other Operating expenses were $49m (or 10%) under the budget. This was primarily due to:

- Lower than expected expenditure on the TAFE modernisation reform program; and
- Commonwealth reforms of VET Fee Help impacting agent commissions.

Total revenue was $6m less than budget (or 0.3%). This was mainly driven by:

- Sale of goods and services was $50m above budget due to higher than expected Student Fees of $29m, and higher than expected Miscellaneous Fees;
- Grants and Contributions were $49m below budget due to lower than expected Entitlement Revenue of $45m; and
- Crown funded employee benefit liabilities were $11m below budget due to lower than expected FTE's.

Total Other losses were $18m higher than budget (or 110%). This was mainly driven by:

- The partial impairment of the student management software system compared to budget; and
- The impairment of student receivables not originally budgeted for; offset by
- A net gain on properties divested compared to a budgeted loss.

20. Budget Review (Continued)

Balance sheet

The Commission's total net assets are $253m (or 5%) higher than the budget.

The major factors that have contributed to this movement are outlined below:

- Receivables are higher than budget reflecting higher than expected accrued income for Department of Industry Entitlement Revenue of $108m;
- Payables were $194m lower than budget due to lower than expected unearned revenue of $123m reflecting recent VET Student Loan changes.

Cash flow

Net cash flows from operating activities were $159m lower than budget. This was driven by higher than expected payments due to payment of the FY 15/16 Department of Education Corporate Charge, lower receipts of $156m, largely due to delays in receiving Department of Industry funding of $108m.

Net cash outflows from investing activities were $12m lower than expected due to delays in expenditure under the capital program, offset by lower than expected proceeds from sale of property, plant and equipment.

21. Financial Instruments

The Commission's principal financial instruments are outlined below. These financial instruments arise directly from the Commission's operations or are required to finance the Commission's operations. The Commission does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Commission does not use financial derivatives.

The Commission's main risks arising from financial instruments are outlined below, together with the Commission's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Managing Director has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Commission, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee and internal auditors on a regular basis.

21. Financial Instruments (continued)

(a) *Financial instrument categories*

Consolidated			Carrying Amount 2017	Carrying Amount 2016
Financial Assets	**Note**	**Category**	**$'000**	**$'000**
Class:				
Cash and cash equivalents	6	N/A	459,015	609,429
Receivables [a]	7	Loans and receivables (at amortised cost)	253,452	199,304
Other financial assets		Loans and receivables (at amortised cost)	286	286
Financial Liabilities				
Class:				
Payables [b]	12	Financial liabilities measured at amortised cost	104,901	136,498

Parent			Carrying Amount 2017	Carrying Amount 2016
Financial Assets	**Note**	**Category**	**$'000**	**$'000**
Class:				
Cash and cash equivalents	6	N/A	459,015	609,429
Receivables [a]	7	Loans and receivables (at amortised cost)	253,452	199,304
Other financial assets		Loans and receivables (at amortised cost)	286	286
Financial Liabilities				
Class:				
Payables [b]	12	Financial liabilities measured at amortised cost	104,901	136,498

a. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

b. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

21. Financial Instruments (continued)

(b) *Credit risk*

Credit risk arises when there is the possibility of the Commission's debtors defaulting on their contractual obligations, resulting in financial loss to the Commission. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Commission, including cash, receivables and authority deposits. No collateral is held by the Commission. The Commission has not granted any financial guarantees.

Credit risk associated with the Commission's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

i. Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11 am unofficial cash rate, adjusted for a management fee to NSW Treasury.

ii. Receivables – trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Commission will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30-60 day terms.

The Commission is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Receivables that are not past due and less than six months past due of $130.8m (2016: $97.5m) have not been impaired and represent 86% (2016: 81%) of the total receivables. With the exception of the receivables that are impaired per Note 21(b), most of the Commission's receivables have a good credit rating.

21. Financial Instruments (continued)

(b) Credit Risk (continued)

The only financial assets that are past due or impaired are 'sales of goods and services', 'student receivables' and 'other debtors' in the 'receivables' category of the statement of financial position.

Consolidated	Total [a,b] $'000	Past due but not impaired [a,b] $'000	Considered impaired [a,b,c] $'000
2017			
< 3 months overdue	5,888	4,866	1,022
3 months - 6 months overdue	11,370	6,779	4,591
> 6 months overdue	4,199	122	4,077
2016			
< 3 months overdue	30,134	30,133	1
3 months - 6 months overdue	50,176	50,173	3
> 6 months overdue	23,388	299	23,089

Parent	Total [a,b] $'000	Past due but not impaired [a,b] $'000	Considered impaired [a,b] $'000
2017			
< 3 months overdue	5,888	4,866	1,022
3 months - 6 months overdue	11,370	6,779	4,591
> 6 months overdue	4,199	122	4,077
2016			
< 3 months overdue	30,134	30,133	1
3 months - 6 months overdue	50,176	50,173	3
> 6 months overdue	23,388	299	23,089

a. Each column in the table reports "gross receivables".

b. The ageing analysis excludes statutory receivables and prepayments as these are not within scope of AASB 7, and also excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the statement of financial position.

c. In 2017, an impairment allowance of $11.4m was recognised for student receivables not yet due. This impairment allowance relates to student receivables recognised at the commencement of courses, where historical experience suggests that the receivable balance may not be recovered in the future. The impairment allowance of $11.4m and the total 2017 balance for receivables 'considered impaired' of $9.7m amounts to the total $21.1m impairment allowance reflected in Note 7.

(c) *Liquidity risk*

Liquidity risk is the risk that the Commission will be unable to meet its payment obligations when they fall due. The Commission continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

21. Financial Instruments (continued)

(c) Liquidity risk (continued)

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest is paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Managing Director of the Commission (or a person appointed by him) may automatically pay the supplier simple interest. No interest was applied during the year.

The table below summarises the maturity profile of the Commission's financial liabilities, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

Consolidated Interest Rate Exposure	Weighted average effective Int. Rate	Nominal Amount [a] $'000	Fixed Interest Rate $'000	Variable Interest Rate $'000	Non-interest bearing $'000
2017					
Payables:					
Creditors	-	104,901	-	-	104,901
2016					
Payables:					
Creditors	-	136,498	-	-	136,498

Consolidated Maturity dates	< 1 yr $'000	1 -5 yrs $'000	> 5 yrs $'000
2017			
Payables:			
Creditors	104,901	-	-
2016			
Payables:			
Creditors	136,498	-	-

a. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Commission can be required to pay. The table includes both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

21. Financial Instruments (continued)

(c) Liquidity risk (continued)

Parent
Interest Rate Exposure

	Weighted average effective Int. Rate	Nominal Amount [a] $'000	Fixed Interest Rate $'000	Variable Interest Rate $'000	Non-interest bearing $'000
2017					
Payables:					
Creditors	-	104,901	-	-	104,901
2016					
Payables:					
Creditors	-	136,498	-	-	136,498

Parent
Maturity dates

	< 1 yr $'000	1 -5 yrs $'000	> 5 yrs $'000
2017			
Payables:			
Creditors	104,901	-	-
2016			
Payables:			
Creditors	136,498	-	-

a. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Commission can be required to pay. The table includes both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

(d) *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Commission has no exposure to market risk.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Commission operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2016. The analysis assumes that all other variables remain constant.

21. Financial Instruments (continued)

(e) *Interest rate risk*

Generally interest payable to trade creditors is nil or insignificant. The Commission does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore for these financial instruments a change in interest rates would not affect profit or loss or equity.

Exposure to interest rate risk arises primarily through the Commission's cash balance held in the NSW Treasury Banking System. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Commission's exposure to interest rate risk is set out below.

	Carrying Amount 2017	-1% Profit	-1% Equity	+1% Profit	+1% Equity
Financial Assets	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	459,015	(4,590)	(4,590)	4,590	4,590
Receivables[a]	253,452	(2,535)	(2,535)	2,535	2,535
Other financial assets	286	(3)	(3)	3	3
Financial Liabilities					
Payables[b]	104,901	(1,049)	(1,049)	1,049	1,049

	Carrying Amount 2016	-1% Profit	-1% Equity	+1% Profit	+1% Equity
Financial Assets	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	609,429	(6,094)	(6,094)	6,094	6,094
Receivables[a]	199,304	(1,993)	(1,993)	1,993	1,993
Other financial assets	286	(3)	(3)	3	3
Financial Liabilities					
Payables[b]	136,498	(1,365)	(1,365)	1,365	1,365

a. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

b. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

(f) *Fair value compared to carrying amount*

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of many of the financial instruments.

22. Events after the Reporting Period

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Commission, the results of those operations or the state of affairs of the Commission in subsequent financial years.

End of audited financial statements

TAFE COMMISSION (SENIOR EXECUTIVES) STAFF AGENCY

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

the TAFE Commission (Senior Executives) Staff Agency

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the TAFE Commission (Senior Executives) Staff Agency (the Staff Agency), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Staff Agency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Staff Agency in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Information

The Managing Director is responsible for the Other Information, which comprises the information in the annual report for the Technical and Further Education Commission for the year ended 30 June 2017, other than the financial report and my Independent Auditor's Report thereon.

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My opinion on the financial report does not cover the Other Information. Accordingly, I do not express any form of assurance conclusion on the Other Information. However, I must read the Other Information and consider whether it is materially inconsistent with the financial report, the knowledge I obtained during the audit, or appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I must report that fact.

I have nothing to report in this regard.

Managing Director's Responsibility for the Financial Statements

The Managing Director is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Managing Director determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Managing Director must assess the Staff Agency's ability to continue as a going concern except where the Staff Agency will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Staff Agency carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

David Nolan
Director, Financial Audit Services

17 November 2017
SYDNEY

Audited Financial Statements

Start of audited financial statements

TAFE Commission (Senior Executives) Staff Agency

Annual Financial Statements

for the year ended 30 June 2017

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TAFE Commission (Senior Executives) Staff Agency
Statement by the Managing Director
for the year ended 30 June 2017

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, I state that:

- The accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions;
- The financial statements exhibit a true and fair view of the financial position and financial performance of the TAFE Commission (Senior Executives) Staff Agency; and
- I am not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

Jon Black
Managing Director

Date: 13 November 2017

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TAFE Commission (Senior Executives) Staff Agency
Statement of comprehensive income
for the year ended 30 June 2017

	Notes	2017 $'000	2016 $'000
Expenses excluding losses			
Employee related	2	3,678	5,191
Total expenses		**3,678**	**5,191**
Revenue			
Personnel services	3a	3,425	4,488
Acceptance by the Crown Entity of employee benefits and other liabilities	3b	253	703
Total revenue		**3,678**	**5,191**
Net result		-	-
Other comprehensive income		-	-
Total other comprehensive income		-	-
Total comprehensive income		-	-

The notes on pages 7 to 17 form part of these financial statements.

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TAFE Commission (Senior Executives) Staff Agency
Statement of financial position
as at 30 June 2017

	Notes	2017 $'000	2016 $'000
Assets			
Current assets			
Receivables	4	232	714
Total current assets		**232**	**714**
Total assets		**232**	**714**
Liabilities			
Current liabilities			
Payables	5	25	68
Provisions	6	191	628
Total current liabilities		**216**	**696**
Non-current liabilities			
Non-current provisions	6	16	18
Total non-current liabilities		**16**	**18**
Total liabilities		**232**	**714**
Net assets		-	-
Equity			
Accumulated funds		-	-
Total equity		-	-

The notes on pages 7 to 17 form part of these financial statements.

TAFE Commission (Senior Executives) Staff Agency
Statement of changes in equity
for the year ended 30 June 2017

	Accumulated funds $'000	Other reserves $'000	Total equity $'000
Balance at 1 July 2016	-	-	-
Net result for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Transactions with owners in their capacity as owners			
Increase / (decrease) in net assets from equity transfers	-	-	-
Balance at 30 June 2017	-	-	-
Balance at 1 July 2015	-	-	-
Net result for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Transactions with owners in their capacity as owners			
Increase / (decrease) in net assets from equity transfers	-	-	-
Balance at 30 June 2016	-	-	-

The notes on pages 7 to 17 form part of these financial statements.

TAFE Commission (Senior Executives) Staff Agency
Statement of cash flows
for the year ended 30 June 2017

	Notes	2017 $'000	2016 $'000
Cash flows from operating activities		-	-
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net increase / (decrease) in cash		-	-
Opening cash and cash equivalents		-	-
Closing cash and cash equivalents		-	-

There are no cash movements within this entity as cash is funded by the TAFE Commission. Cash receipts and payments are settled via an intercompany journal between the two entities.

The notes on pages 7 to 17 form part of these financial statements.

1. Summary of Significant Accounting Policies

(a) Reporting entity

The TAFE Commission (Senior Executives) Staff Agency ("Staff Agency") is a Public Service Agency, established on 10 December 2014 pursuant to the Administrative Arrangements (Administrative Changes – TAFE Senior Executives and Other Matters) Order 2014.

The Staff Agency is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts. The principal objective of the Staff Agency is to provide personnel services to the NSW TAFE Commission.

These financial statements for the year ended 30 June 2017 have been authorised for issue by the Managing Director on 13 November 2017. A formal extension was granted by the Treasurer to submit the Financial Statements to the Auditor-General by 30 September 2017.

(b) Basis of preparation

The Staff Agency's financial statements are general purpose financial statements, which have been prepared in accordance with:

- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- the Financial Reporting Directions mandated by the Treasurer.

Generally, the historical cost basis of accounting has been adopted and the financial statements do not take into account changing money values or current valuations.

The accrual basis of accounting has been adopted in the preparation of the financial statements. Management's judgments, key assumptions and estimates are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Income Recognition

Income is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

1. Summary of Significant Accounting Policies (cont'd)

(e) Assets

Receivables

The receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The receivables are measured at amortised cost using the effective interest rate method, less any allowance for impairment. A short-term receivable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial. An invoiced receivable is due for settlement within thirty days of invoicing.

(f) Liabilities

Payables

Payables include accrued wages, salaries, and related on-costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement.

Payables are recognised initially at fair value. Subsequent measurement is at amortised cost using the effective interest method. A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted. A short-term payable with no stated interest rate is measured at historical cost if the effect of discounting is immaterial.

(g) Employee benefit provisions

i. Salaries and wages, annual leave and sick leave

Salaries and wages (including non-monetary benefits), and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). All annual leave is classified as a current liability even where the Staff Agency does not expect to settle the liability within 12 months as the Staff Agency does not have an unconditional right to defer settlement.

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Staff Agency has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

1. Summary of Significant Accounting Policies (cont'd)

(g) Employee benefit provisions (cont'd)

ii. Long service leave and superannuation

The Staff Agency's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Staff Agency accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

iii. Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

1. Summary of Significant Accounting Policies (cont'd)

(h) Related parties

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Compensation is aggregated by the following categories:

(a) short-term employee benefits;

(b) post-employment benefits;

(c) other long-term benefits; and

(d) termination benefits.

Compensation includes:

- Short-term employee benefits including wages, salaries, social security contributions, paid annual leave and paid sick leave, allowances, profit-sharing or bonuses (if payable within twelve months of the end of the financial year) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services);
- Other long-term employee benefits (benefits other than short-term, termination or post-employment benefits), such as long service leave or sabbatical leave, jubilee or other long service benefits, long-term disability benefits and, if not payable wholly within twelve months of the end of the financial year, profit-sharing, bonuses and deferred compensation; and
- Post-employment benefits such as pensions, other retirement benefits, post-employment life insurance, and post-employment medical care.

(i) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

1. Summary of significant accounting policies (cont'd)

(j) New and revised Australian Accounting Standards and Interpretations

i. Effective for the first time in 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of the following material new or revised Australian Accounting Standards that have been applied for the first time in 2016-17. The impact of these standards in the period of initial application includes:

AASB 2015-6 'Amendments to Australian Accounting Standards- Extending Related Party Disclosures to Not-for-Profit Public Sector Entities'

This standard amends AASB 124 'Related Party Disclosures' by extending its scope to include NFP public sector entities. From 1 July 2016, agencies must disclose information about related parties in their financial statements including:

- Key management personnel compensation;
- Related party relationships; and
- Related party transactions and outstanding balances (including commitments).

1. Summary of significant accounting policies (cont'd)

(j) New and revised Australian Accounting Standards and Interpretations (cont'd)

ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The Staff Agency's assessment of the impact of new standards and interpretations which may have a material impact and have not been early adopted is set out below. The main impact of these standards and interpretations will be on presentation and disclosure except for the following:

- *AASB 9 Financial Instruments*

  AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedging accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139. AASB 9 is effective for the Staff Agency for annual reporting periods beginning on or after 1 July 2018. The initial application of AASB 9 is not expected to materially affect the recognition of financial instruments in the Staff Agency's financial statements. The application of the standard is expected to result in changes to the presentation and disclosure of information in the financial statements.

- *AASB 15, AASB 2014-5, AASB 2015-8, AASB 2016-3 and AASB 2016-7 regarding Revenue from Contracts with Customers*

  AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue. AASB 15 is effective for the Staff Agency for annual reporting periods beginning on or after 1 July 2019. Whilst the Staff Agency is currently carrying out an assessment to determine the impact on the financial statements, the impact from the application of this standard is not currently known nor can be reliably estimated.

- *AASB 1058 Income of Not-for-profit Entities*

  AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. This Standard supersedes or clarifies income recognition requirements relating to public sector NFP entities. AASB 1058 is effective for the Staff Agency for annual reporting periods beginning on or after 1 July 2019. Whilst the Staff Agency is currently carrying out an assessment to determine the impact on the financial statements, the impact from the application of this standard is not currently known nor can be reliably estimated.

2. Expenses excluding losses

	2017	2016
Employee related expenses	**$'000**	**$'000**
Salaries (including annual leave)	2,776	3,704
Superannuation - defined benefits plan	143	227
Superannuation - defined contribution plan	227	397
Long service leave	110	476
Workers' compensation insurance	28	53
Payroll tax and fringe benefit tax	166	334
Redundancies	228	-
Total	**3,678**	**5,191**

3. Revenue

(a) Personnel services revenue

	2017	2016
	$'000	**$'000**
Fee for personnel services	3,425	4,488
Total	**3,425**	**4,488**

(b) Acceptance by the Crown Entity of employee benefits and other liabilities

The following liabilities and / or expenses have been assumed by the Crown Entity or other government entities:

	2017	2016
	$'000	**$'000**
Superannuation - defined benefit	143	227
Long service leave	110	476
Total	**253**	**703**

4. Receivables

	2017	2016
	$'000	**$'000**
Current receivables		
Debtors	232	714
Total	**232**	**714**

5. Payables

	2017	2016
Current payables	**$'000**	**$'000**
Accruals - salaries, wages and on-costs	8	-
Payroll and fringe benefits tax	17	68
Total	**25**	**68**

6. Current / Non-Current Liabilities - Provisions

	2017	2016
Employee benefits and related on-costs	**$'000**	**$'000**
Annual leave (1)	146	333
On-costs	61	313
Total	**207**	**646**

	2017	2016
Aggregate employee benefits and related on-costs	**$'000**	**$'000**
Provisions - current	191	628
Provisions - non-current	16	18
Accrued salaries, wages and on-costs (Note 5)	8	-
Total	**215**	**646**

(1) It is estimated that the provision for annual leave and on-costs includes $191k expected to be settled in less than 12 months (30 June 2016: $628k) and $16k expected to be settled in greater than 12 months (30 June 2016: $18k).

7. Related Party Disclosures

(a) *Parent*

The TAFE Commission (Senior Executives) Staff Agency is controlled by the NSW TAFE Commission.

(b) *Key Management Personnel*

No key management personnel of the Staff Agency are compensated by the Staff Agency. The Minister for Skills' and the Assistant Minister for Skills' ministerial compensation is paid by the NSW Legislature, not the Staff Agency. The Managing Director of the TAFE Commission is compensated by the TAFE Commission.

(c) *Transactions with Government Related Entities during the financial year*

During the year, the Staff Agency entered into the following individually significant arm's length transactions with other entities that are controlled by the NSW Government, which are a significant portion of the Staff Agency's transactions:

- Personnel services revenue of $3,425,000 from the NSW TAFE Commission.
- Crown Entity's assumption of certain employee benefit liabilities on behalf of TAFE NSW of $253,000.

The Staff Agency's audit fee was paid by the Commission.

8. Financial instruments

The Staff Agency's principal financial instruments are outlined below. These financial instruments arise directly from the Staff Agency's operations or are required to finance the Staff Agency's operations. The Staff Agency does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Staff Agency's main risks arising from financial instruments are outlined below, together with the Staff Agency's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Managing Director of the NSW TAFE Commission has overall responsibility for the establishment and oversight of risk management and review and determines policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Staff Agency, to set limits and to monitor risks. Compliance with these policies is reviewed by the internal auditors on a regular basis.

(a) Financial instrument categories

			2017	2016
Financial Assets	**Note**	**Category**	**$'000**	**$'000**
Class:				
Receivables[1]	4	Loans and receivables (at amortised cost)	232	714

			2017	2016
Financial Liabilities	**Note**	**Category**	**$'000**	**$'000**
Class:				
Payables[2]	5	Financial liabilities (at amortised cost)	8	-

[1] Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

[2] Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

(b) Credit risk

Credit risk arises where a debtor or counterparty does not complete their obligations, resulting in financial loss to the Staff Agency. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk can arise from financial assets of the Staff Agency including outstanding receivables and committed transactions. No collateral is held by the Staff Agency.

Credit risk impacts on the following financial instruments which are discussed below:

Receivables – personnel services debtor

All personnel services debtors are recognised as amounts receivable at balance date. All debtors are with NSW government agencies and no debtor balances are considered impaired as at 30 June 2017.

8. Financial instruments (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Staff Agency will be unable to meet its payment obligations when they fall due. During the current year, there were no defaults of loans payable and no assets have been pledged as collateral.

The tables below summarise the maturity profile of the Staff Agency's financial liabilities, together with the interest rate exposure.

Interest Rate Exposure	Weighted Average Effective Int. Rate	Nominal Amount	Fixed Interest Rate $'000	Variable Interest Rate $'000	Non-interest bearing $'000
2017					
Payables					
Accrued salaries, wages and oncosts	-	8	-	-	8
Total		8	-	-	8
2016					
Payables					
Accrued salaries, wages and oncosts	-	-	-	-	-
Total		-	-	-	-

Maturity dates	< 1 year $'000	1 -5 years $'000	> 5 years $'000
2017			
Payables			
Accrued salaries, wages and oncosts	8	-	-
Total	8	-	-
2016			
Payables			
Accrued salaries, wages and oncosts	-	-	-
Total	-	-	-

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The entity has no exposure to foreign currency risk and does not enter into commodity contracts.

(e) Fair value compared to carrying amount

Financial instruments are recognised at amortised cost. The carrying value of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

9. Events after the reporting period

At the date of signing, there were no events subsequent to the reporting period which would have a material effect on these financial statements.

End of audited financial statements.

TECHNICAL EDUCATION TRUST FUNDS

Independent Auditor's Report

AUDITOR-GENERAL
NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

Technical Education Trust Funds

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Technical Education Trust Funds, which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Technical Education Trust Funds as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

The Statutory Trustee's Responsibility for the Financial Statements

The Statutory Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Statutory Trustee determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Trustee must assess the Technical Education Trust Funds' ability to continue as a going concern unless the Trust Funds will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf.
The description forms part of my auditor's report.

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My opinion does *not* provide assurance:

- that the Technical Education Trust Funds carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

David Nolan
Director, Financial Audit Services

21 April 2017
SYDNEY

Audited Financial Statements

Start of Audited Financial Statements

TECHNICAL EDUCATION TRUST FUNDS

STATEMENT BY THE STATUTORY TRUSTEE

For the year ended 31 December 2016

Pursuant to Section 41C of the *Public Finance and Audit Act 1983* and Section 7 of the *Public Finance and Audit Regulation 2015*, I state that in my opinion:

1. the accompanying financial statements exhibit a true and fair view of the financial position of the Technical Education Trust Funds as at 31 December 2016 and the financial performance for the year then ended.
2. the financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, the Treasurer's Directions and applicable Australian Accounting Standards and Interpretations.

At the date of signing this statement, I am not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.

Jon Black
Statutory Trustee

Date: 19 April 2017

TECHNICAL EDUCATION TRUST FUNDS

Statement of Comprehensive Income for the year ended 31 December 2016

	Notes	2016 $	2015 $
Revenue	2(a)	17,176	20,240
Total revenue		**17,176**	**20,240**
Expenses	2(b)	13,650	15,315
Total expenses		**13,650**	**15,315**
Net result		**3,526**	**4,925**
Other Comprehensive Income		-	-
Total other comprehensive income		-	-
Total Comprehensive Income		**3,526**	**4,925**

The accompanying notes form part of these financial statements.

TECHNICAL EDUCATION TRUST FUNDS

Statement of Financial Position as at 31 December 2016

	Notes	2016 $	2015 $
ASSETS			
Current Assets			
Cash and cash equivalents	3	52,705	47,729
Receivables	4	4,724	6,106
Other financial assets	5	164,574	164,574
Total Current Assets		**222,003**	**218,409**
Non-current Assets			
Other financial assets	5	286,150	286,150
Total Non-current Assets		**286,150**	**286,150**
TOTAL ASSETS		**508,153**	**504,559**
LIABILITIES			
Current Liabilities			
Payables	6	101	33
Total Current Liabilities		**101**	**33**
TOTAL LIABILITIES		**101**	**33**
NET ASSETS		**508,052**	**504,526**
EQUITY			
Accumulated funds	7	508,052	504,526
TOTAL EQUITY		**508,052**	**504,526**

The accompanying notes form part of these financial statements.

TECHNICAL EDUCATION TRUST FUNDS

Statement of Changes in Equity for the year ended 31 December 2016

	Accumulated Funds $	Total $
Balance at 1 January 2016	504,526	504,526
Net result for the year	3,526	3,526
Other comprehensive income	-	-
Total other comprehensive income	-	-
Total comprehensive income for the year	3,526	3,526
Balance at 31 December 2016	508,052	508,052
Balance at 1 January 2015	499,601	499,601
Net result for the year	4,925	4,925
Other comprehensive income	-	-
Total other comprehensive income	-	-
Total comprehensive income for the year	4,925	4,925
Balance at 31 December 2015	504,526	504,526

The accompanying notes form part of these financial statements.

TECHNICAL EDUCATION TRUST FUNDS

Statement of Cash Flows for the year ended 31 December 2016

	Notes	2016 $	2015 $
Cash Flows from Operating Activities			
Payments			
Prize awards		(13,496)	(15,316)
Other		(102)	(33)
Total payments		**(13,598)**	**(15,349)**
Receipts			
Interest received		17,904	20,832
Other		671	234
Total receipts		**18,574**	**21,066**
Net Cash Flows from Operating Activities	8	**4,976**	**5,717**
Cash Flows from Investing Activities			
Other		-	-
Net Cash Flows from Investing Activities		**-**	**-**
Net Increase in Cash		**4,976**	**5,717**
Opening cash and cash equivalents		47,729	42,012
Closing cash and cash equivalents	3	**52,705**	**47,729**

The accompanying notes form part of these financial statements.

TECHNICAL EDUCATION TRUST FUNDS

Notes to the financial statements
For the year ended 31 December 2016

1. Summary of Significant Accounting Policies

(a) Reporting entity

The Technical Education Trust Funds (the Entity) is a New South Wales government entity. The Entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The financial statements for the year ended 31 December 2016 were authorised for issue by the Statutory Trustee on 19 April 2016.

(b) Basis of preparation

The financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with:

- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- The requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*; and
- The Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest dollar and are expressed in Australian currency.

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Statutory Reporting Period

In terms of Section 4(1A) of the *Public Finance and Audit Act 1983*, the Treasurer has determined that the financial year of the Entity ends on 31 December.

(e) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable.

(i) Investment Revenue

Interest revenue is recognised using the effective interest method as set out in *AASB 139 Financial Instruments: Recognition and Measurement*.

Notes to the financial statements
For the year ended 31 December 2016

1. Summary of Significant Accounting Policies (continued)

(f) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except:

- The amount of GST incurred by the Entity as a purchaser that is not recoverable frm the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense
- Receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(g) Cash and cash equivalents

Cash and cash equivalents is cash held at bank.

(h) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the determination of Total Comprehensive Income for the year when impaired, derecognised or through the amortisation process. There was no change due to impairment, de-recognition or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(i) Other financial assets

Other financial assets are investments that are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Entity has positive intention and ability to hold to maturity. These investments are measured at amortised cost using the effective interest method. These assets represent common trust funds for the moneys entrusted to the Statutory Trustee in accordance with section 8 of the *Technical Education Trust Funds Act 1967 (the Act)*. Interest payments are received for each term deposit every six months and are allocated proportionately according to the amount contributed by each fund to the common trust fund, as required by the Act.

Notes to the financial statements
For the year ended 31 December 2016

1. Summary of Significant Accounting Policies (continued)

(j) Payables

Payables represent liabilities for goods and services provided and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(k) Equity and reserves

The category 'Accumulated Funds' includes all current and prior period retained funds.

(l) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

(m) Changes in accounting policy, including new or revised Australian Accounting Standards:

i. Effective for the first time in 2016

The accounting policies applied in 2016 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2016. The impact of these standards in the period of initial application includes:

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]

AASB 2015-2 amends AASB 101 Presentation of Financial Statements based on the IASB's Disclosure Initiative project. The amendments are designed to encourage entities to apply professional judgement on disclosures. The amendments also clarify that entities should use professional judgement in determining the location and order of information disclosed.

AASB 2015-3 regarding withdrawal of AASB 1031 Materiality

This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing AASB 1031 to effectively be withdrawn. This change has been assessed by the Entity and there is no material impact.

Notes to the financial statements
For the year ended 31 December 2016

1. Summary of Significant Accounting Policies (continued)

ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Accounting Standards issued but not yet effective for the financial year ended 31 December 2016 are not early adopted and would not be expected to have a material impact on the financial statements of the Entity.

- AASB 9 Financial Instruments
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

(n) Common Trust Fund

Pursuant to Section 8 of *the Act*, the Statutory Trustee has established a common fund for moneys held on behalf of each contributing Fund. Records are kept of each contributing funds' share of the common fund.

(o) Trust Funds Assets

Apart from funds invested as fixed term deposits, the Entity held no fixed assets, nor owned or occupied land as at 31 December 2016.

(p) Entity Financial Records

Accounting and other records for the Entity were maintained by the NSW TAFE Commission (the Commission) on behalf of the Statutory Trustee. All administration costs, including salary and wages, were met by the Commission. The Commission does not charge for these costs. The Treasurer of NSW has approved the waiving of audit fees for the Entity.

Notes to the financial statements
For the year ended 31 December 2016

2. Revenue and expenses

		2016 $	2015 $
a. Revenue			
Interest revenue	2(c)	16,509	20,240
Other		667	-
Total revenue		**17,176**	**20,240**
b. Expenses			
Prize awards	2(c)	13,479	15,282
Other expenses	2(c)	171	33
Total expenses		**13,650**	**15,315**

c. The revenue and expenses are attributed to individual funds as follows:

Trust Fund	2016 Income $	2016 Expenditure $	2015 Income $	2015 Expenditure $
Barrington Raymund Roberts Memorial	3,281	2,310	4,416	3,213
Coachbuilders 1914-1919 War Memorial Bursary	756	13	1,007	4
Institute of Mechanical Engineering Craftsmen Prize	813	-	191	-
J. P. Franki Memorial	-	-	24	881
Mary Ellen Roberts Memorial	306	235	412	330
Noel Chettle Memorial Art Prize	1,311	961	1,737	1,303
TAFE Bicentenary Oliver Shaul Scholarship	10,149	7,689	11,707	9,012
William and Elizabeth Cuthbertson Memorial	560	2,442	746	572
	17,176	**13,650**	**20,240**	**15,315**

Notes to the financial statements
For the year ended 31 December 2016

3. Current Assets – Cash and cash equivalents

	2016 $	2015 $
Cash at bank	52,705	47,729
Closing Cash at Bank (per Statement of Cash Flows)	**52,705**	**47,729**

4. Current Assets – Receivables

Interest receivables	4,512	6,106
Other debtors	212	-
Total Receivables	**4,724**	**6,106**

Details regarding credit risk, liquidity risk and market risk including financial assets that are either past due or impaired are disclosed in Note 11.

5. Current/Non-Current Assets – Other Financial Assets

These investments are shown as:

Current assets	164,574	164,574
Non-current assets	286,150	286,150
	450,724	**450,724**

The market value of the investments was not less than the face value.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 11.

Note: the amount of $450,724 ($450,724 in 2015) above is part of total fixed term deposits of $561,462 ($561,462 in 2015) with remaining represented funds held on behalf of TAFE Commission of $110,738 ($110,738 in 2015).

TECHNICAL EDUCATION TRUST FUNDS

Notes to the financial statements
For the year ended 31 December 2016

6. Current Liabilities – Payables

	2016 $	2015 $
Accrued expense	101	33
Total Payables	**101**	**33**

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 11.

7. Accumulated Funds for each Trust Fund at the End of the Reporting Period

Trust Fund	2016 Fund Balance $	2015 Fund Balance $
Barrington Raymund Roberts Memorial	109,807	108,836
Coachbuilders 1914-1919 War Memorial Bursary	27,615	26,872
Institute of Mechanical Engineering Craftsmen Prize[1]	-	(813)
J. P. Franki Memorial	17	17
Mary Ellen Roberts Memorial	9,202	9,131
Noel Chettle Memorial Art Prize	42,747	42,397
TAFE Bicentenary Oliver Shaul Scholarship	301,561	299,101
William and Elizabeth Cuthbertson Memorial	17,103	18,985
	508,052	**504,526**

Notes

1. In 2015, the Institute of Mechanical Engineering Craftsmen went into an accumulated funds deficit. The deficit was reversed in 2016 via a funds transfer from the TAFE Commission.

Notes to the financial statements
For the year ended 31 December 2016

8. Reconciliation of Cash flows from Operating Activities to the Net Result

	2016 $	2015 $
Net cash used on operating activities	4,976	5,717
(Decrease) in Receivables	(1,381)	(792)
Decrease in Payables	(69)	-
Net Result	**3,526**	**4,925**

9. Commitments

As at balance date, there are nil commitments.

10. Contingent Liabilities

As at balance date, there are nil contingent liabilities.

11. Financial Instruments

The principal financial instruments of the Entity are outlined below. These financial instruments arise directly from the Entity's operations or are required to finance the Entity's operations. The Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Entity does not use financial derivatives.

The Entity's main risk arising from financial instruments are outlined below, together with the Entity's objectives, policies and processes for measuring and managing risk.

The Statutory Trustee has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Entity, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee on a regular basis.

Financial instruments give rise to positions that are a financial asset of the Entity and a financial liability of another party. For the Entity these include cash and other financial assets. All financial instruments are shown at net fair value unless stated otherwise.

TECHNICAL EDUCATION TRUST FUNDS

Notes to the financial statements
For the year ended 31 December 2016

11. Financial Instruments (continued)

(a) Financial instruments categories

Financial Assets Class:	Notes	Category	Carrying Amount 2016 $	Carrying Amount 2015 $
Cash and cash equivalents[1]	3	N/A	52,705	47,729
Receivables[2]	4	Receivables (at amortised cost)	4,724	6,106
Other financial assets[3]	5	Loans and receivables (at amortised cost)	450,724	450,724
Financial Liabilities Class:				
Payables[4]	6	Financial liabilities measured (at amortised cost)	101	33

Notes

1. Cash and cash equivalents comprise of bank balance held with the Treasury Banking System. Interest is earned on daily bank balance at Corporate Cheque Account rate.
2. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
3. These are term deposits with banks maturing within 5 years and paying interest rates between 2.35% and 3.95% per annum (2.45% to 6.60% in 2015). Total term deposits are $561,462 ($561,462 in 2015). Trust proportion $450,724 ($450,724 in 2015).
4. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

Notes to the financial statements
For the year ended 31 December 2016

11. Financial Instruments (continued)

(b) Credit risk

Credit risk arises when there is the possibility of the Entity's debtors defaulting on their contractual obligations, resulting in financial loss to the Entity. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets.

Credit risk arises from the financial assets of the Entity, including cash, receivables and term deposits. No collateral is held by the Entity. The Entity has not granted any financial guarantees.

Credit risk associated with the Entity's financial assets, other than receivables, is managed through selection of counterparties and establishment of minimum credit rating standards.

Impact of credit risk to the Entity is minimal.

(c) Liquidity risk

Liquidity risk is the risk that the Entity will be unable to meet its payment obligations when they fall due. The Entity continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility.

Exposure to Liquidity risk is considered minimal.

Maturity analysis and interest rate exposure of financial assets

			Interest Rate Exposure			Maturity Dates		
	Weighted Average Effective Int. Rate	Nominal Amount[1]	Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
		$	$	$	$	$	$	$
2016								
Other financial assets:								
Term deposit	3.66%	450,724	450,724	-	-	164,574	286,150	-
2015								
Other financial assets:								
Term deposit	4.48%	450,724	450,724	-	-	164,574	286,150	-

Notes: 1. The amounts disclosed are the contractual undiscounted cash flows of financial assets.

Notes to the financial statements
For the year ended 31 December 2016

11. Financial Instruments (continued)

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Entity has no exposure to other price risk.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Entity operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2015. The analysis assumes that all other variables remain constant.

(e) Interest rate risk

Exposure to interest rate risk arises primarily through the Entity's cash at bank. All the other financial assets held are subject to fixed interest rates. The weighted effective interest on this is 3.66% p.a. (4.48% p.a. 2015). Interest on the bank balance is subject to fluctuations in market rates. All other financial assets are not subject to interest rate risk as they are non-interest bearing.

Impact of interest rate risk to the Entity is minimal.

		-1%		+1%	
	Carrying Amount	**Profit $**	**Equity $**	**Profit $**	**Equity $**
2016					
Financial assets					
Cash and cash equivalents	52,705	(527)	-	527	-
2015					
Financial assets					
Cash and cash equivalents	47,729	(477)	-	477	-

12. Events after the Reporting Period

There are no events after the reporting period which affect the financial statements.

End of Audited Financial Statements

BUDGET OUTLINE FOR 2017–2018

OPERATING STATEMENT

	2016–17 Budget $'000	2016–17 Revised $'000	2017–18 Budget $'000
EXPENSES EXCLUDING LOSSES			
Operating expenses -			
Employee related	1,138,146	1,099,467	1,130,319
Other operating expenses	532,295	461,199	445,181
Grants and subsidies	...	...	...
Appropriation expense	...	...	...
Depreciation and amortisation	146,309	151,045	140,011
Finance costs	...	...	...
Other expenses	...	...	...
Total expenses excluding losses	**1,816,750**	**1,711,711**	**1,715,512**
REVENUE			
Appropriation	...	...	...
Cluster grant revenue	759,785	759,785	...
Acceptance by the Crown Entity of employee benefits and other liabilities	59,087	51,894	52,945
Transfers to the Crown Entity	...	...	...
Sale of goods and services	477,100	481,293	473,281
Grants and contributions	425,067	374,700	1,130,514
Investment revenue	8,264	8,264	6,266
Retained taxes, fees and fines	...	...	...
Other revenue	74	13,734	...
Total revenue	**1,729,377**	**1,689,670**	**1,663,007**
Gain/(loss) on disposal of non-current assets	(5,420)	(712)	...
Other gains/(losses)	(10,700)	(14,114)	...
NET RESULT	**(103,493)**	**(36,867)**	**(52,505)**

BALANCE SHEET

	2016–17 Budget $'000	2016–17 Revised $'000	2017–18 Budget $'000
ASSETS			
Current Assets			
Cash assets	529,916	694,088	684,860
Receivables	80,915	212,584	210,193
Inventories	...	...	...
Financial assets at fair value	...	...	...
Other financial assets	...	...	...
Other	...	...	...
Assets held for sale	...	...	...
Total current assets	**610,831**	**906,672**	**895,053**
Non-current assets			
Receivables	4,441	4,311	4,311
Inventories	...	...	...
Financial assets at fair value	335	446	446
Equity investments	...	...	...
Property, plant and equipment -			
Land and building	4,501,062	4,450,188	4,394,405
Plant and equipment	22,357	19,788	15,702
Infrastructure systems	...	...	...
Investment properties	...	...	...
Intangibles	47,638	32,764	53,167
Other assets	...	...	...
Total non-current assets	**4,575,833**	**4,507,497**	**4,468,031**
TOTAL ASSETS	**5,186,664**	**5,414,169**	**5,363,084**
LIABILITIES			
Current Liabilities			
Payables	80,627	155,199	158,904
Other financial liabilities at fair value	...	...	...
Borrowings	...	...	...
Provisions	90,057	85,750	85,750
Other	398,002	288,008	285,723
Liabilities associated with assets held for sale	...	...	...
Total current liabilities	**568,686**	**528,957**	**530,377**
Non-current liabilities			
Payables	...	...	...
Other financial liabilities at fair value	...	...	...
Borrowings	...	...	...
Provisions	2,873	2,800	2,800
Other	...	...	...
Total non-current liabilities	**2,873**	**2,800**	**2,800**
Total liabilities	**571,559**	**531,757**	**533,177**
NET ASSETS	**4,615,105**	**4,882,412**	**4,829,907**

	2016–17 Budget $'000	2016–17 Revised $'000	2017–18 Budget $'000
EQUITY			
Accumulated funds	1,513,905	1,879,937	1,827,432
Reserves	3,101,200	3,002,475	3,002,475
Capital equity	...	...	...
Total equity	**4,615,105**	**4,882,412**	**4,829,907**

APPENDICES

INCLUSIVE STRATEGIES

The student and staff profile of TAFE NSW reflects the diversity of the NSW population.

TAFE NSW, as the state's public VET provider, helps people experiencing disadvantage to access the education and skill development services they need to join the workforce and participate fully in the community and economy.

The following section outlines how TAFE NSW supports: students from culturally diverse backgrounds; students and staff who are carers; and provides information on the diversity of the TAFE NSW workforce.

Further details of how TAFE NSW supports other student cohorts such as Aboriginal people can be found in the Serving our students and local communities *section of the performance report.*

MULTICULTURAL POLICIES AND SERVICES PROGRAM

Policy commitments to students from culturally diverse backgrounds

Multicultural NSW Act 2000

All public sector agencies have a responsibility to plan initiatives that meet the needs of a culturally diverse society, and to report annually on these initiatives to the NSW Parliament. This includes a requirement to make the Multiculturalism Principles under the *Multicultural NSW Act 2000* (NSW) part of their core business, including Section 3 (1):

(e) All individuals in New South Wales should have the greatest possible opportunity to:

- *contribute to, and participate in, all aspects of public life in which they may legally participate, and*
- *make use of, and participate in, relevant activities and programs provided or administered by the Government of New South Wales.*

(f) All institutions of New South Wales should recognise the linguistic and cultural assets in the population of New South Wales as a valuable resource and promote this resource to maximise the development of the State.

TAFE NSW makes clear public commitments to diversity in public documents such as the TAFE NSW Annual Report and the TAFE NSW Strategic Plan 2016–2022.

TAFE NSW Multicultural Plan

TAFE NSW is committed to supporting lifelong learning, enhancing the access of students from culturally diverse backgrounds to education and training, increasing employment pathways and building social capacity.

In 2016–17, TAFE NSW introduced an interim state-wide Multicultural Plan while the organisation finalised its separation from the NSW Department of Education.

Under this plan, TAFE NSW contributed to social and economic participation by students and clients from diverse backgrounds in NSW by:

- providing inclusive and accessible support services that improve students' engagement with their learning and help them to complete
- planning, promoting and delivering flexible, high-quality courses to support students to transition to higher-level qualifications and improve their job outcomes
- working closely with communities, businesses and external organisations so that training is integrated, targeted and relevant for students and local industries
- recognising and promoting the value of cultural diversity and social inclusion
- countering racism, intolerance and discrimination
- enhancing staff and leader capacity to meet the needs of culturally diverse students.

TAFE NSW is scheduled to submit a more detailed report to Multicultural NSW on its progress in implementing its Multicultural Plan in 2018.

TAFE NSW Social Inclusion and Participation Policy

The TAFE NSW Social Inclusion and Participation Policy is published on the TAFE NSW website.

This policy is informed by relevant legislation, including the *Australian Human Rights Commission Act 1986* (Commonwealth), the *Racial Discrimination Act 1975* (Commonwealth) and the *Anti-Discrimination Act 1977* (NSW).

In 2016, TAFE NSW initiated a project to review of all policies following separation of TAFE NSW from the NSW Department of Education, in line with the new One TAFE operating model.

Service delivery

Planning

The people of NSW represent many different cultures, languages, beliefs, practices, families, experiences and outlooks. This includes Aboriginal people as well as migrants and their children.

TAFE NSW uses data to inform planning and reporting at local and state levels, including population demographics, student learning needs and outcomes. This data helps improve delivery, assessment and the provision of services to culturally diverse students. Sources include:

- labour market and industry trend reports
- migration patterns and initiatives from government departments
- student engagement, satisfaction and outcome surveys, which are conducted in English or community languages
- informal community feedback
- emerging training demands, including enrolment and completions data
- internal coordination committees, including committees focused on equity and disadvantaged student groups.

Data is used in management reporting, the TAFE NSW annual report, policy and planning analysis, and other types of reporting.

Prior to the implementation of the One TAFE operating model, institute advisory councils were active from 1 July 2016 to 28 February 2017.

Regional advisory councils replaced them on 1 March 2017 to reflect the transition to the One TAFE operating model.

The councils advised the TAFE NSW Board and Managing Director on key issues affecting the delivery of programs and services. Their role included providing advice and information on industry trends and needs, participating in industry and community consultations, and identifying and supporting innovative responses to enterprise and community needs.

The advice the councils provided stemmed from their representation of industry segments.

TAFE NSW also participated in a number of local forums across NSW to seek feedback from multicultural communities, such as the Illawarra Refugee Issues Forum.

Mainstream training

TAFE NSW delivers high-quality teaching programs that meet the needs of students and clients from culturally diverse backgrounds.

In 2016, TAFE NSW had more than 97,700 enrolments by Language Backgrounds Other Than English (LBOTE) students.[80] Students enrolled in full qualifications, short courses and prevocational and part qualifications.

The NCVER Student Outcomes Survey shows that of the LBOTE graduates who studied with TAFE NSW and other government providers[81] in 2015:

- 58.8 per cent were employed after training
- 75.7 per cent were employed or in further study after training
- 88.6 per cent were satisfied with the overall quality of training received.

[80] TAFE NSW corporate data

[81] Please note that this TAFE NSW data is sourced from the *NCVER Student Outcomes Survey* and include ‘other government providers’. The survey was conducted in mid-2016 on 2015 completions.

Promotion of tertiary pathways

Tertiary Preparation Certificate sets up students for further studies

In 2016, TAFE NSW supported 31 disadvantaged and migrant students from Liverpool and Bankstown in Sydney to obtain a qualification equivalent to the Higher School Certificate.[82]

Many of these students had experienced disrupted schooling and had not completed Year 12.

The Certificate IV in Tertiary Preparation helped them develop their study skills to continue into higher-level education and training or obtain a recognised qualification so that they could apply for jobs in Australia.

Graduates of the Certificate IV in Tertiary Preparation earn an Australian Tertiary Admission Rank that they can use to gain entrance to university in Australia. Graduates who achieved a score of 168 or above gained automatic entry to Western Sydney University under a partnership arrangement with TAFE NSW.

Targeted training

TAFE NSW delivers socially inclusive programs and services to support students to reach their potential, regardless of individual circumstances or background, including programs targeted to meet the specific needs of people from culturally diverse backgrounds.

Targeted programs include English language programs, foundation and study skills and prevocational training.

English language programs

In 2016, TAFE NSW delivered high-quality English language programs to students ranging from beginner to vocational and advanced levels. These programs help students develop the language skills to speak and write confidently in English, participate in employment, or transition to higher-level training.

In 2016, TAFE NSW had 13,271 enrolments in Australian Qualifications Framework (AQF) level qualifications for English for Speakers of Other Languages (ESOL).

TAFE NSW had a further 3,227 enrolments in ESOL part qualifications (statements of attainment) and non-AQF level courses.[82]

[82] TAFE NSW corporate data

English language programs delivered by TAFE NSW include the:

- Adult Migrant English Program
- Skills for Education and Employment program, which provides contextualised language training with embedded employability skills
- NSW Adult Migrant English Service Skillmax jobseeker courses
- Elementary English Language
- English for Vocational Purposes
- Settlement Language Pathways for Employment and Training
- Language Pathways for Employment and Training
- Certificate in Spoken and Written English
- English for Further Studies
- Academic English.

Foundation and study skills

Foundation skills include reading, writing, numeracy, oral communication, study skills and employability skills such as communication, teamwork and problem solving.

In 2016, TAFE NSW had 3,013 enrolments by LBOTE students in AQF level foundation and study skills qualifications and 3,216 in foundation and study skills part qualifications (statements of attainment or non-AQF level courses).[83]

Prevocational, skill sets and other part qualifications

TAFE NSW offered part qualifications for people from culturally diverse backgrounds as 'tasters' for different vocational careers, and to help them gain skills and transition into mainstream qualifications. TAFE NSW delivered many of these programs in consultation with community groups.

In 2016, there were 4,153 enrolments by LBOTE students in CSO part qualifications, vocational and community engagement and foundation skills support, as well as 28,464 enrolments by LBOTE students in skill sets.[83]

Cleaning operations course helps develop language skills

TAFE NSW developed a program to help Tibetan humanitarian entrants in the Northern Beaches in metropolitan Sydney develop vocational, job seeking and English language skills.

The program supported the language, literacy and numeracy needs of students whilst also developing their skills for employment in the cleaning industry. Students completed on-the-job training at five local cleaning businesses as part of a placement program.

In the first half of 2017, 14 students graduated with a Certificate II in Cleaning and a Certificate II in Spoken and Written English.[83]

TAFE NSW is planning a similar course to prepare students to work in the children's services sector in the second half of 2017.

[83] TAFE NSW corporate data

Support services

The TAFE NSW Strategic Plan 2016–2022 promotes the delivery of inclusive and accessible services to students from culturally diverse backgrounds and those experiencing disadvantage.

TAFE NSW receives Community Service Obligation funding from the NSW Government to provide disadvantaged students with support services to help them undertake vocational courses.

Further details of support services provided to disadvantaged students under Community Service Obligation can be found in the Serving our students and local communities *section of the performance report.*

In 2016, TAFE NSW worked with government and non-government agencies to provide integrated support and information LBOTE, refugee and humanitarian entrant students. Partner organisations include:

- multicultural community organisations
- government departments and service providers
- refugee settlement service providers
- local *jobactive* employment service providers
- advisory councils and forums
- migrant resource centres
- local businesses and industry peak bodies
- local councils.

Refugees develop learning strategies and early skills

In 2016–17, TAFE NSW helped refugees and asylum seekers at Ultimo, St George and Petersham in metropolitan Sydney access education and training.

Most students had just arrived in Australia, with low literacy and language skills. Many were suffering from the long-term impacts of trauma and needed specialised support.

In the first half of 2017, refugees and asylum seekers undertook 46 enrolments in English, life skills, foundation studies and hospitality courses to help them continue into entry-level employment and further education and training.[84]

Students developed learning strategies and goal-setting skills, and improved their job prospects.

Graduates found employment in hospitality, retail and construction, and a number are on the way to completing higher-level qualifications or volunteering with community agencies.

TAFE NSW developed and delivered the program in partnership with the Asylum Seeker Centre, Life Without Barriers, Settlement Services International, Refugee Welcome Centre, Core Community Services Fairfield, Inner West Council and Marist Youth 180.

[84] TAFE NSW local administrative data

Employment opportunities in cookery

TAFE NSW is helping students from culturally diverse backgrounds to develop the skills to get a job at four sites in the Hunter region.

Eighteen students had graduated with a Food Safety Supervisor Statement of Attainment by the end of 2016[85] and a further 30 students had completed the program by the end of June 2017.[86]

After completing their training, many of the students gained employment as kitchen hands or were able to start small commercial catering businesses.

TAFE NSW delivered the training in partnership with the Lake Macquarie City Council, Hunter African Communities Council and Northern Settlement Services.

Community engagement and promotion of services

TAFE NSW promotes training options and support services to people from culturally diverse backgrounds through:

- industry and community networks
- the TAFE NSW website and social media e.g. the 'Rob Shehadie goes to TAFE' series
- newspaper articles e.g. the promotion of English classes using community languages in multicultural media
- TAFE NSW presentations at other agencies and community days.

TAFE NSW also promotes the availability of external government funded support services, such as NSW Service for the Treatment and Rehabilitation of Torture and Trauma. These support services are promoted online, through industry and community networks and directly to students by TAFE NSW teaching, support and administrative staff.

Recognising and celebrating cultural diversity

TAFE NSW promoted and participated in local community events to recognise the diversity of our student population and workforce in 2016–17, including:

- Multicultural March
- Reconciliation Week
- National Aborigines and Islanders Day Observance Committee Week
- World Refugee Week
- Multicultural Day
- Harmony Day
- National Sorry Day
- Cultural Connections Day
- World Friendship Day
- Multicultural White Ribbon Day
- class excursions to other community cultural events.

[85] TAFE NSW local administrative data
[86] TAFE NSW corporate data

TAFE NSW recognised and celebrated the successes of students and staff who promoted culturally inclusive practices through awards including:

- student multicultural awards
- cultural diversity achievement awards
- scholarships to recognise refugee contributions to TAFE NSW and the community
- nomination of staff for awards e.g. Australian Citizen of the Year Award.

Building workforce capacity to meet student needs

TAFE NSW used local demographic data and student enrolment profiles to plan the recruitment of education staff to support the diverse TAFE NSW student population and respond to local needs.

In 2016–17, TAFE NSW employed staff that reflected the diversity of NSW communities and the TAFE NSW student population, including bilingual teachers, counsellors, student support officers and bilingual volunteer staff.

As at 30 June 2017, TAFE NSW employed 1,301 staff whose first language spoken as a child was not English (16.3 per cent of the total workforce).[87]

Further information on the diversity of the TAFE NSW workforce can be found in the Workforce diversity *section of the appendices.*

TAFE NSW provided professional learning opportunities for staff to support students including:

- strategies to address student barriers to learning
- student engagement and progression strategies
- training in literacy software such as Text ReadWriteGold to help students develop literacy skills
- internal and externally offered cross-cultural awareness and sensitivity training
- training in how to prevent racism, intolerance, discrimination and harassment.

[87] NSW Public Sector Workforce Profile (June 2017). Please note that data on the number of staff whose first language spoken as a child was not English was obtained by self-disclosure, therefore may be an underrepresentation of the actual number.

WORKFORCE DIVERSITY

Representation of equal employment opportunity groups in the workforce

The following equal employment opportunity groups were employed as a proportion of the total number of TAFE NSW staff:

Workforce diversity group	Target	2015–16	2016–17
Women	50.0%	61.2%	62.5%
Aboriginal and Torres Strait Islander people[88],[89]	3.3%	3.2%	3.2%
People whose first language spoken as a child was not English[88]	23.2%	17.2%	16.2%
People with disability[88]	N/A	3.3%	3.2%
People with disability requiring work-related adjustment	N/A	0.9%	0.9%

Source: NSW Public Sector Workforce Profile as at 30 June each year.

Notes:

1. *Representation of Equal Employment Opportunity (EEO) groups is calculated as the estimated number of staff in each group divided by the total number of staff. These statistics, except those for women, have been weighted to estimate the representation of EEO groups in the workforce, where EEO survey response rates were less than 100 per cent. The total number of staff is based on a headcount of permanent and temporary employees.*
2. *The benchmark of 50 per cent for representation of women across the sector is intended to reflect the gender composition of the NSW community.*
3. *The* NSW Public Sector Aboriginal Employment Strategy 2014–17 *introduced an aspirational target of 1.8 per cent by 2021 for each of the sector's salary bands. If the aspirational target of 1.8 per cent is achieved in salary bands not currently at or above 1.8 per cent, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3 per cent.*
4. *A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2 per cent is the percentage of the NSW general population born in a country where English is not the predominant language.*
5. *Work is underway to improve the reporting of disability information in the sector to enable comparisons with population data. For this reason, no benchmark has been provided for the category 'People with Disability or for People with Disability Requiring Work-Related Adjustment'.*

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[88] Please note that data on the reported numbers of staff who are Aboriginal, staff whose first language spoken as a child was not English or staff with disability was obtained by self-disclosure, therefore may be an underrepresentation of the actual number.

[89] Public Service Commission Circular 2014-09 requires statutory bodies to publish the representation and distribution of employees in diversity groups in the body's annual report using the same format as the report provided by TAFE NSW to the NSW Public Service Commission for the 2016–17 Public Sector Workforce Profile report. Please note that the headcount of Aboriginal staff provided in the pages below uses a different method of calculation.

TAFE NSW achieved the following index of distribution of equal employment opportunity groups across salary levels:

Workforce Diversity Group	Target	2015–16	2016–17
Women	100	96	95
Aboriginal and Torres Strait Islander people[90]	100	96	95
People whose first language spoken as a child was not English[90]	100	95	95
People with disability[90]	100	93	92
People with disability requiring work-related adjustment	100	100	99

Source: NSW Public Sector Workforce Profile as at 30 June each year.

Notes:

1. *A distribution index score of 100 indicates that the distribution of members of the workforce diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the workforce diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the workforce diversity group tend to be more concentrated at higher salary bands than is the case for other staff.*
2. *The distribution index is not calculated when the number of employees in the workforce diversity group is less than 20 or when the number of other employees is less than 20.*

Identified workforce diversity strategies for 2016–17

The *Government Sector Employment Act 2013* (NSW) requires NSW public sector agencies to integrate workforce diversity into broader workforce planning processes.

In 2016–17, TAFE NSW continued its commitment to create a workplace that is fair, inclusive, free of discrimination, and reflects the diversity of NSW communities.

TAFE NSW committed to undertake the following workforce diversity strategies during 2016–17:

Increase employment of Aboriginal people

The One TAFE People and Safety Strategy 2017–2022, approved in June 2017, includes commitments to:

- develop an Aboriginal Employment Strategy in collaboration with local communities
- double the number of Aboriginal people employed by TAFE NSW by 2019.

[90] Please note that data on the reported numbers of staff who are Aboriginal, staff whose first language spoken as a child was not English or staff with disability was obtained by self-disclosure, therefore may be an underrepresentation of the actual number.

Aboriginal staff employed by TAFE NSW

In the past year, the number of Aboriginal people employed by TAFE NSW increased by 41 per cent.

Aboriginal staff	30 June 2016	30 June 2017
Headcount of Aboriginal staff employed	178	251
Percentage of total headcount[91]	1.3%	1.8%

Source: TAFE NSW corporate data, reported to Commonwealth Indigenous Participation Plan.

The headcount figures differ from those provided to the NSW Public Service Commission for the 2016–17 Public Sector Workforce Profile report. In moving from a devolved institute organisational structure to a One TAFE operating model, procedural inconsistencies were found in the collection and reporting of workforce data across the 10 TAFE NSW Registered Training Organisations. To compound this, staff workforce diversity groups are identified by self-disclosure, therefore may be an underrepresentation of the actual number. To address this issue, TAFE NSW developed a centralised workforce reporting function to ensure a more consistent approach to identification, collection and reporting on this data.

Aboriginal Employment Strategy

Work will commence on the Aboriginal Employment Strategy in the second half of 2017, when the TAFE NSW human resources organisational structures are in place.

TAFE NSW continued to implement a local Stretch Reconciliation Action Plan and 2015–2018 Aboriginal Employment Strategy across the Far West, Riverina-Murray and Central West Orana regions in 2016–17.

Improve employment outcomes for employees from culturally diverse backgrounds

TAFE NSW used local demographic data and student enrolment profiles to plan the recruitment of teachers, educational support staff and counsellors to support programs and services for diverse TAFE NSW student populations. Different delivery locations employed bilingual teachers, counsellors and student support officers or maintained registers of volunteer bilingual staff to provide interpreting assistance for students.

TAFE NSW continued to provide professional learning opportunities for staff from culturally diverse backgrounds, including leadership and capability development forums.

[91] Percentage calculated based using NSW Public Sector Workforce Profile.

Build the leadership potential of female employees

TAFE NSW supports leadership development and recognises the leadership capability of female employees. Seven of the fifteen members of the TAFE NSW Executive Leadership Team are female.

In 2016–17, TAFE NSW delivered leadership programs with a high proportion of female participants. TAFE NSW also started work to create an internal professional development training academy. This will offer female staff opportunities to expand their skill sets and professional support networks.

Remove any hidden barriers to employment opportunities for people from the lesbian, gay, bisexual, transgender and intersex community

TAFE NSW reviewed recruitment and selection procedures as part of the introduction of the One TAFE operating model to ensure they did not contain any hidden barriers to the employment of people from the lesbian, gay, bisexual, transgender and intersex community.

TAFE NSW also developed an online learning resource 'A guide for selection panel members' to help members or convenors of recruitment panels ensure candidates receive equal employment opportunity during recruitment.

Offer traineeship programs for people with disability and Aboriginal peoples

TAFE NSW employs trainees with disability and Aboriginal trainees on an annual basis.

Aboriginal school-based trainees learn TAFE NSW business from the ground up

TAFE NSW employed five school based Aboriginal trainees in the Dubbo Business Opportunity Hub in the in the Central West and Orana region and one in Western Sydney.

Trainees worked across a number of functional units including: workforce capability; the electro technology, information and communications technology and design faculty; human resources; and the customer service and support unit.

Other diversity achievements in 2016–17

Aboriginal staff

TAFE NSW supports and promotes an inclusive and respectful workplace through its professional development programs for staff, offering Aboriginal cultural awareness and competency training supporting the Public Service Commission's *Aboriginal Senior Leadership Program* and network.

TAFE NSW held a 'Yarn Up' session at Eora College in Chippendale in Sydney on 19 June 2017. The event highlighted how TAFE NSW is integrating Aboriginal cultural perspectives into training delivery and gave Aboriginal staff the opportunity to ask questions and raise concerns about Aboriginal workforce strategies with the Managing Director and other TAFE NSW senior executives.

Items raised included:

- creation of Aboriginal-identified positions
- fair and equitable recruitment and selection of employees to these positions
- leadership development of Aboriginal employees at all levels within the organisation
- policies and procedures to promote cultural awareness training for all TAFE NSW staff.

Staff with disability

TAFE NSW ensures staff with identified disability are provided with access to appropriate resources and facilities, including provision and training in the use of assistive technologies and specialised software. Staff and job applicants with identified disability are provided with accessible rooms, and adjustments are made to ensure a safe and inclusive workplace.

Equity and diversity awareness activities

TAFE NSW promoted and celebrated events to raise diversity awareness and to encourage inclusive practices, such as Reconciliation Week, National Aborigines and Islanders Day Observance Committee Week, World Refugee Week, Multicultural Day, Harmony Day and Cultural Connections Day. TAFE NSW campuses involved students and community members in the celebrations to raise awareness of equity and diversity.

Identified diversity strategies for 2017–18

In 2017–18, TAFE NSW will continue its commitment to nurture a workforce that reflects the diversity of the students and communities that the organisation serves.

Workforce diversity strategies proposed for 2017–18 include:

- creation of a new Manager Diversity position responsible for diversity guidance and coaching to encourage staff to recognise, value and represent the diversity of TAFE NSW customers and NSW communities
- cultural competence development activities, including a cultural competence program
- initiatives to improve employment outcomes for employees from diverse backgrounds and to increase the number of Aboriginal employees
- doubling the number of Aboriginal and Torres Strait Islander peoples in senior leadership, aligned to the NSW Premier's priority to drive public sector diversity
- expansion of Aboriginal Employment Strategies within the One TAFE People and Safety Strategy
- initiatives to build the capability of female employees with leadership potential through mentoring and professional development
- continued provision of traineeship programs for people with disability and Aboriginal peoples on a local basis.

NSW CARERS (RECOGNITION) ACT 2010

The *NSW Carers (Recognition) Act 2010* (NSW) requires public sector agencies to:

- ensure that staff and agents have an awareness and understanding of the *NSW Carers' Charter*
- ensure that staff reflect the *NSW Carers' Charter* principles in their daily work
- consult with bodies representing carers when developing policies that impact upon carers
- develop internal human resources policies with due regard to the *NSW Carers Charter*.

Carers are defined as providing ongoing help to someone who needs it because of their disability, long-term or life-limiting illness, mental illness, dementia or ageing.

Implementation of the Carers' Charter

Students

As a human services and public sector agency under the *Carers (Recognition) Act 2010* (NSW), TAFE NSW provides flexible delivery and assessment options to allow students to study and undertake assessment at a time and place to suit their personal circumstances.

TAFE NSW makes personal, career and study counselling services available to students, including those with carers and those who are carers. TAFE NSW employs specialist staff where required, to identify and provide for the needs of students including referral to TAFE NSW and external services and resources.

TAFE NSW promoted the availability of the Commonwealth Government's Young Carer Bursary Program on websites, the intranet and social media. The aim of the bursary program is to support young carers to remain in or return to education or training, leading to improved employment opportunities.

Staff

TAFE NSW offers flexible work arrangements to help staff balance work and carer responsibilities. Flexible work options include permanent and temporary part-time work, job sharing, leave without pay, flexible working hours, personal carer's leave and short-term leave to attend to family and community responsibilities. We provide information to carers about the flexible arrangements available in response to inquiries.

During 2016–17, up to 3,165 TAFE NSW staff (76 per cent of whom were women) accessed flexible work options. These include up to 2,722 staff taking short-term absences to meet family and community responsibilities.[92]

Staff with carer responsibilities were able to access the TAFE NSW Employee Assistance Program, an independent, confidential and free professional counselling service to support the health and wellbeing of employees, flexible and family-friendly work practices.

[92] TAFE NSW corporate data

Human resources policies supporting carers

TAFE NSW works within the parameters of the *NSW Carers' Charter*, respecting carers' relationships with the people they care for, supporting their choices and being mindful of the health and wellbeing of carers.

TAFE NSW supports employees who are carers through existing human resource policies including our sick leave, FACS leave, leave without pay and permanent part-time work policies.

TAFE NSW is committed to review and prioritise its policies and procedures that support carers and to develop policies that reflect our obligations under the *NSW Carer's Charter* and the *NSW Carers (Recognition) Act 2010* (NSW) in 2017–18.

BUSINESS RESOURCES

LAND DISPOSAL

In 2016–17, the sale revenue from the disposal of the Katoomba (Gang Gang Street) and Granville (South Street) properties amounted to $12.6 million exclusive of GST.

In addition, the balance of proceeds of $6.5 million was received in 2016–17 from the disposal of the Petersham (West Street) property in 2015–16.

Ownership of the Petersham (West Street) site was transferred from TAFE NSW to the NSW Department of Education in 2015–16 to establish a senior high school. The site was surplus to TAFE NSW requirements.

All sale proceeds will be reinvested into modernising and improving TAFE NSW facilities and learning platforms to benefit students.

An application for access to documents concerning details of the property disposed of during 2016–17 may be made in accordance with the *Government Information (Public Access) Act 2009* (NSW).

MAJOR WORKS

The tables below list new, continuing and completed major works, including their cost as at 30 June 2017 and estimated dates of completion.

New major works in 2016–17

TAFE NSW institute,[93] project name and location	**Total expend. to 30 June 2017[94]** ($'000 excl GST)	**Estimated total cost[95]** ($'000 excl GST)	**Start[96]**	**Completion date[97]** (actual or estimated)	**Details of any significant:[98]** • cost overruns • delays • amendments • deferments • cancellations
Hunter Institute - Newcastle West, Hunter Street Campus Refurbishment and Upgrade	$127	$3,711	2016	28 February 2019	-
Illawarra Institute - Bega Regional Industry Training Centre	$0	$8,508	2016	Funds reallocated	Funds reallocated to Bega Connected Learning Centre (CLC) as part of the 2017–18 CLC Program Business Case
New England Institute - Gunnedah Campus Trades Refurbishment	$11	Commercial in confidence[99]	2016	30 April 2018	-
North Coast Institute - Connected Mobile Learning and Self Service (various locations)	$25	Commercial in confidence[99]	2016	30 June 2019	-
North Coast Institute - Kingscliff Campus Connected Health Hub - Stage 2	$116	Commercial in confidence[99]	2016	30 April 2018	-

[93] Consistent with information published in the 2016–17 Budget Paper 2
[94] Total expenditure is the actual expenditure as at 30 June 2017. Figures published in the 2016–17 Budget Paper were estimates as at 30 April 2017.
[95] The estimated total cost for projects continuing in 2016–17 is as published in the 2016–17 Budget Paper 2.
[96] Calendar year
[97] The year of the completion dates is as published in the 2016–17 Budget Paper 2. Please note that in previous years, TAFE NSW estimated end dates. The updated dates have been aligned to the TAFE NSW cash flow.
[98] A significant delay is defined as a delay of more than 12 months. A significant cost overrun is defined as being more than 10 per cent of the total expenditure.
[99] Contract not awarded as at 30 June 2017.

TAFE NSW institute,[93] project name and location	**Total expend. to 30 June 2017[94]** ($'000 excl GST)	**Estimated total cost[95]** ($'000 excl GST)	**Start[96]**	**Completion date[97]** (actual or estimated)	**Details of any significant:[98]** • cost overruns • delays • amendments • deferments • cancellations
Northern Sydney Institute - Brookvale Northern Beaches Campus Plumbing Consolidation and Refurbishment	$11	Commercial in confidence[99]	2016	30 June 2019	-
Northern Sydney Institute - Educational Technology Platform Upgrades (various locations)	$4	$2,300	2016	Cancelled	Project withdrawn due to new information and communication technology strategy
Northern Sydney Institute - Meadowbank Corporate Accommodation	$2,017	$2,763	2017	30 July 2017	-
Northern Sydney Institute - St Leonards Campus Higher Education, International Business and Foundation Services Upgrade	$48	$2,001	2016	20 December 2017	-
South Western Sydney Institute - Granville College Electrotechnology Consolidation	$271	Commercial in confidence[99]	2016	30 September 2018	-
South Western Sydney Institute - Miller College Carpentry Construction and Electrical Consolidation	$342	Commercial in confidence[99]	2016	30 October 2018	-

TAFE NSW institute,[93] project name and location	Total expend. to 30 June 2017[94] ($'000 excl GST)	Estimated total cost[95] ($'000 excl GST)	Start [96]	Completion date[97] (actual or estimated)	Details of any significant:[98] • cost overruns • delays • amendments • deferments • cancellations
Sydney Institute - Gymea Sutherland College Rigging and Scaffolding Consolidation	$2	$2,290	2016	Funds reallocated	Project withdrawn and replaced by Sydney Metro
Sydney Institute - Petersham College Upgrade and Consolidation	$34	$2,926	2016	20 December 2017	-
Sydney Institute - Sydney Metro Training Services	$3,468	$4,967	2017	30 August 2017	-
TAFE NSW Information and Communication Technology - Student Management System	$7,174	$70,800	2016	30 June 2019	-

Continuing major works

TAFE NSW institute,[93] project name and location	Total expend. to 30 June 2017[94] ($'000 excl GST)	Estimated total cost[95] ($'000 excl GST)	Start [96]	Completion date[97] (actual or estimated)	• Details of any significant:[98] cost overruns • delays • amendments • deferments • cancellations
Hunter Institute - Tighes Hill Newcastle Campus Block D Refurbishment	$7,024	$9,912	2014	30 March 2018	-
Hunter Institute - Tighes Hill Newcastle Campus Customer Service and Industry Development Centre	$246	Commercial in confidence[99]	2015	30 March 2018	-
Illawarra Institute - Growing Flexible Delivery Information Technology Infrastructure (various locations)	$5,879	$9,130	2015	30 June 2018	-

TAFE NSW institute,[93] project name and location	Total expend. to 30 June 2017[94] ($'000 excl GST)	Estimated total cost[95] ($'000 excl GST)	Start [96]	Completion date[97] (actual or estimated)	• Details of any significant:[98] cost overruns • delays • amendments • deferments • cancellations
New England Institute - Country NSW Connected Learning Stage 1 (various locations)	$1,444	$4,418	2014	25 September 2017	-
North Coast Institute - Coffs Harbour Education Campus, Applied Construction and Plumbing Technologies Hub	$201	Commercial in confidence[99]	2015	30 June 2019	-
North Coast Institute - Port Macquarie Customer Contact Centre and Kingscliff Student Central	$1,374	$2,779	2016	Port Macquarie 19 December 2016	Completed
				Kingscliff: 30 June 2019	Kingscliff will be reviewed in 2017–18 to clarify requirements under the One TAFE operating model
Northern Sydney Institute - Northern Beaches Campus Electrotechnology	$2,595	$2,860	2016	17 July 2017	-
Northern Sydney Institute - Ryde Campus, Hospitality Training Centre	$3,485	$4,563	2015	24 July 2017	-
Northern Sydney Institute - Ryde Campus, Hospitality Upgrade	$2,013	$2,540	2016	24 July 2017	-
Northern Sydney Institute - St Leonards Campus, Children's Services	$415	$4,540	2016	31 December 2017	-
Riverina Institute - Young New Facilities	$9,711	$10,251	2013	8 June 2018[100]	-

[100] Date adjusted to align to revised date in the 2017–18 Budget Paper 2.

TAFE NSW institute,[93] project name and location	Total expend. to 30 June 2017[94] ($'000 excl GST)	Estimated total cost[95] ($'000 excl GST)	Start[96]	Completion date[97] (actual or estimated)	• Details of any significant:[98] cost overruns • delays • amendments • deferments • cancellations
South Western Sydney Institute - Wetherill Park College Engineering Consolidation	$355	Commercial in confidence[99]	2015	30 January 2019	-
Western Institute - TAFE Western Connect Stage 1 (various locations)	$772	$2,176	2014	30 June 2018	The Bourke location was withdrawn from the 2016–17 major works program. Bourke will be included in the 2017–18 CLC Program Business Case
Western Institute - TAFE Western Connect Stage 2 (various locations)	$318	$9,800	2015	30 June 2019	The Grenfell location was withdrawn from the 2016–17 major works program. Grenfell will be included in the 2017–18 CLC Program Business Case

Completed works

TAFE NSW institute,[93] project name and location	Total expend. to 30 June 2017[94] ($'000 excl GST)	Estimated total cost[95] ($'000 excl GST)	Start[96]	Completion date[97] (actual or estimated)
Illawarra Institute - Wollongong Employer Services Centre	$2,595	$2,535	2015	31 August 2016
New England Institute - Tamworth Community Services, Health, Plumbing and Disabilities Facilities	$10,984	$11,115	2012	19 January 2016

TAFE NSW institute,[93] project name and location	Total expend. to 30 June 2017[94] ($'000 excl GST)	Estimated total cost[95] ($'000 excl GST)	Start[96]	Completion date[97] (actual or estimated)
North Coast Institute - Taree TAFE Facilities Upgrade	$3,736	$3,736	2012	2 February 2017
South Western Sydney Institute - Wetherill Park New Transport Engineering Technology Centre	$9,168	$8,953	2013	20 March 2016
Sydney Institute - Ultimo New Fashion Design Studio	$3,011	$4,581	2013	Main works completed 30 January 2014. Additional upgrade works 30 August 2016
Sydney Institute - Ultimo Relocation of Building U	$5,324	$6,707	2013	Main works completed 30 January 2015 Additional chiller installation May 2016
Western Institute - Mudgee TAFE - Consolidation	$6,148	$6,116	2013	30 September 2016
Western Sydney Institute - Nepean College Kingswood - Stage 5	$14,967	$15,361	2013	1 December 2016
TAFE Customer Billing - Stage 2 *(known as TAFE Revenue Management Project)* (various locations)	$11,304	$12,950	2014	30 June 2017[101]
TAFE NSW Business Systems - Strategic Priority Applications Revivification and Consolidation	$3,845	$7,500	2015	30 June 2017

[101] In 2016–17, TAFE NSW paid vendor invoices of $3.9 million for work completed in 2015–16, prior to the project being written off in the TAFE NSW 2016–17 Financial Statements. This project was superseded by the TAFE NSW Information and Communication Technology - Student Management System (see new major works).

Consultants[102]

Consultants costing $50,000 or more

Name of consultant	Title of project	Nature and purpose of project	Total cost in 2016–17 ($ excluding GST)
KPMG	Independent review of framework of TAFE NSW operating model and organisational design	Independent review of the detailed design and transitional plan to establish the One TAFE operating model	$446,927
Hofmeyr Consulting Pty Ltd	Internal education strategy	Development of an enterprise function map and organisational design for the corporate office within the One TAFE operating model	$ 216,580

Consultants costing less than $50,000

Total no. consultants engaged	Total cost in 2016–17 ($ excluding GST)	Type of consultancy
2	$69,603	Management services

[102] The figures provided by TAFE NSW are based on information available at the time of publication. TAFE NSW notes that limitations in its legacy systems and data have impeded its ability to fully distinguish consultancy services from other contracted services, particularly where such services may have been co-mingled (either in the procurement or in the systems recording). These limitations have been identified and TAFE NSW is currently implementing improvements.

Work-related overseas travel

TAFE NSW staff undertook the following overseas visits in 2016–17. The table below outlines the main purposes of the visits:

Purpose of visit	Description	No. visits
Conferences and professional development	Overseas travel to attend and/or present at conferences or participate in study tours	10
Educational exports	Overseas travel to manage partnerships, contracts, programs, quality assurance or assessment of students	48
Exchange programs	Overseas travel on a professional or teacher exchange program	1
International student recruitment	Overseas travel to recruit inbound full-fee-paying international students to TAFE NSW	21
Market development and client engagement	Overseas travel for international marketing purposes, development of business relationships, engagement with clients and contract management	19
Professional scholarship programs	Staff members awarded scholarships to travel overseas to further their professional skills and knowledge	2
Student excursions	Staff members who accompany students on excursions overseas to increase cultural understanding or attend commemoration ceremonies	37

Source: TAFE NSW local administrative data

OTHER REQUIREMENTS

CHANGES IN LEGISLATION AND SIGNIFICANT JUDICIAL DECISIONS

The Assistant Minister for Skills administers the following legislation relating directly to TAFE NSW:

- *Technical and Further Education Commission Act 1990* (NSW)
- *Technical Education Trust Funds Act 1967* (NSW).

There were no judicial decisions involving TAFE NSW during 2016–17 that had a significant new impact on the organisation's operations.

PRIVACY AND PERSONAL INFORMATION PROTECTION ACT 1998

TAFE NSW is committed to protecting the personal information of our staff, students and members of the public who use our services, in accordance with the *Privacy and Personal Information Protection Act 1998* (NSW) (PPIP Act).

As required by the PPIP Act, the TAFE NSW Privacy Management Plan sets out how we manage personal information (under the PPIP Act) and health information (under the *Health Records and Information Privacy Act 2002*) (NSW). The Privacy Management Plan is available on our website.

TAFE NSW will review the Privacy Management Plan during 2017–18.

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

Access applications received and completed

The total number of access applications received by TAFE NSW during 2016–17 (including withdrawn applications and excluding invalid applications) was 24. One access application received in 2015–16 was carried forward and completed in 2016–17. Provision of this information complies with clause 7(b) of the *Government Information (Public Access) Regulation 2009* (NSW) (GIPA Regulation).

Detailed statistical data about completed access applications under the *Government Information (Public Access) Act 2009* (NSW) (GIPA Act) received by TAFE NSW during the reporting period 2016–17 is provided in the tables below. Provision of this information complies with clauses 7(b) to (d) and Schedule 2 of the GIPA Regulation.

Proactive release of agency information

Under section 7(3) of the GIPA Act and clause 7(a) of the GIPA Regulation, an agency must report on details of its review of its program for the release of government information at intervals of not more than 12 months. This reporting is intended to identify the kinds of government information held by the agency that should be made publicly available in the public interest, without imposing unreasonable additional costs on the agency.

TAFE NSW reviewed its information holdings in May and June 2017. The TAFE NSW Statement of Commitment – Reconciliation Action Plan was identified for proactive release, and is available on the TAFE NSW website.

Table A: Number of applications by type of applicant and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm or deny whether information is held	Application withdrawn	Total
Media	-	-	-	-	-	1	-	-	**2**
Members of Parliament	3	1	-	1	-	-	-	1	**7**
Private sector business	-	1	-	-	-	-	-	-	**1**
Not for profit organisations or community groups	-	-	-	-	-	-	-	-	**-**
Members of the public (application by legal representative)	3	3	-	2	1	-	-	1	**10**
Members of the public (other)	-	3	1	-	-	1	-	1*	**8**
TOTAL	**6**	**8**	**1**	**3**	**1**	**2**	**-**	**3**	**28**

Notes: More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision.
** A GIPA applicant died before a decision was made. There is no category in the GIPA Act or Regulation for an access application which is discontinued in these circumstances, and this application was categorised as 'Application withdrawn'.*

There were 23 access applications completed according to the requirements of the GIPA Act in the 2016–17 reporting period, including three valid applications that were being processed by the agency at the time they were withdrawn.

Three applications received in the 2016–17 period which were not completed were carried forward to the next reporting year.

One application which was received and not completed during the 2015–16 period was carried forward and completed in the 2016–17 reporting year.

Table B: Number of applications received by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm or deny whether information is held	Application withdrawn	Total
Personal information applications*	-	-	-	-	-	-	-	-	**-**
Access applications (other than personal information applications)	3	-	1	1	-	-	-	1	**9**
Access applications that are partly personal information applications and partly other	3	8	-	2	1	2	-	2*	**19**
TOTAL	**6**	**8**	**1**	**3**	**1**	**2**	**-**	**3**	**28**

Notes: A "personal information application" is an access application for the applicant's own personal information, the applicant being an individual (as defined in clause 4 of Schedule 4 to the GIPA Act).

More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision.

** A GIPA applicant died before a decision was made. There is no category in the GIPA Act or Regulation for an access application which is discontinued in these circumstances, and this application was categorised as 'Application withdrawn'.*

Table C: Invalid applications

Reason for invalidity	No. of applications
Application does not comply with formal requirements (section 41 of the GIPA Act)	3
Application is for excluded information of the agency (section 43 of the GIPA Act)	-
Application contravenes restraint order (section 110 of the GIPA Act)	-
Total number of invalid applications received *	**3**
Invalid applications that subsequently became valid applications *	-
TOTAL	**3**

Notes: Reporting on invalid applications is required by the GIPA Regulation Schedule 2.

**As at 30 June 2017, the agency was assisting three applicants to make three invalid applications valid, as required by section 52(3) of the GIPA Act. If these invalid applications become valid applications during 2017–18, the decisions made will be reported in the TAFE NSW 2017–18 Annual Report.*

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act

There were two access applications completed in the 2016–17 reporting period which were refused, either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the GIPA Act (information for which there is conclusive presumption of overriding public interest against disclosure). This reporting is required by clause 7(c) of the GIPA Regulation.

TAFE NSW refused access to information in full for zero access applications, and refused in part for two access applications under Schedule 1.

Table D indicates that the two access applications refused in part fell into the category of legal professional privilege.

	No. of times consideration used
Overriding secrecy laws	-
Cabinet information	-
Executive Council information	-
Contempt	-
Legal professional privilege	2
Excluded information	-
Documents affecting law enforcement and public safety	-
Transport safety	-
Adoption	-
Care and protection of children	-
Ministerial code of conduct	-
Aboriginal and environmental heritage	-
TOTAL	**2**

Notes: More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application).

Reporting on decisions of conclusive presumption against disclosure is required by Schedule 2 of the GIPA Regulation.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the GIPA Act

Access was refused in part 13 times and in full one time, for one or more public interest considerations against disclosure listed in section 14 of the GIPA Act because, on the balance, there was an overriding balance of public interest against disclosing the information.

	No. of occasions applicant not successful
Responsible and effective government	4
Law enforcement and security	-
Individual rights, judicial processes and natural justice	7
Business interests of agencies and other persons	3
Environment, culture, economy and general matters	-
Secrecy provisions	-
Exempt documents under interstate freedom of information legislation	-
TOTAL	**14**

Notes: More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration was recorded (but only once per application).

Reporting on public interest considerations against disclosure is required by Schedule 2 of the GIPA Regulation.

Table F: Timeliness

	No. of applications
Decided within the statutory timeframe (20 days plus any extensions)	18
Decided after 35 days (by agreement with applicant)	2
Not decided within time (deemed refusal)	-
TOTAL	**20**

Notes: Reporting on timeliness is required by the GIPA Regulation Schedule 2.

These figures show valid access applications which result in decisions being made under the GIPA Act section 58. This total does not include withdrawn or invalid applications, which do not result in decisions.

Table G: Number of applications reviewed under part 5 of the GIPA Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal Review	-	-	-
Review by Information Commissioner	-	1	1
Internal review following recommendation under section 93 of GIPA Act	-	-	-
Review by NSW Civil and Administrative Tribunal	-	-	-
TOTAL	**-**	**1**	**1**

Notes: The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data, in this case, indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.
Reporting on reviews is required by Schedule 2 of the GIPA Regulation.

Table H: Applications for review under Part 5 of the GIPA Act (by type of applicant)

	No. of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the GIPA Act)	-
TOTAL	**1**

Note: Reporting on reviews is required by the GIPA Regulation Schedule 2.

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the GIPA Act (by type of transfer)

	No. of applications transferred
Agency-initiated transfers	1
Applicant-initiated transfers	-
TOTAL	**1**

Note: Reporting on transferred applications is required by the GIPA Regulation Schedule 2.

PUBLIC INTEREST DISCLOSURES

Under the TAFE NSW Public Interest Disclosures Internal Reporting Policy and the Guidelines for the Management of Public Interest Disclosures, all staff have a responsibility to report suspected unlawful, corrupt, negligent or improper conduct, serious maladministration or serious and substantial waste of public money. These TAFE NSW policy documents establish the organisation's commitment to support and protect staff who report wrongdoing.

The Policy sets out the manner in which TAFE NSW meets its obligations under the *Public Interest Disclosures Act 1994* (NSW), and the Guidelines set out the roles and responsibilities of staff in making and receiving public interest disclosures. Both the Policy and Guidelines are available to all staff via TAFE NSW intranet site.

During the reporting period, TAFE NSW met the NSW Ombudsman's reporting requirements via its online reporting tool.

The following table shows the total number of employees who made a public interest disclosure and the total number of public interest disclosures received and finalised by TAFE NSW in 2016–17.

	Corrupt Conduct	**Maladministration**	**Serious and Substantial Waste of Public Money**	**Government Information (GIPA) contravention**	**Local Government contravention**	**TOTAL**
Disclosures received[103]	6	-	-	-	n/a	**6**
Employees making a disclosure	4	-	-	-	n/a	**4**
Disclosures finalised	1	-	-	-	n/a	**1**

[103] All disclosures were made by public officials in performing their functions as public officials or were forwarded to TAFE NSW by the Independent Commission Against Corruption of NSW and advised to include the disclosure as a Public Interest Disclosure for reporting purposes.

RISK MANAGEMENT, INSURANCE AND INTERNAL AUDIT

TAFE NSW is committed to ethical and transparent practices, continuous improvement, quality assurance and risk management in its delivery of services to the people of NSW.

Enterprise risk management

Sound management of key risks underpins the success of the TAFE NSW transformation and modernisation.

During the year, TAFE NSW made a significant effort to enhance its enterprise risk management framework in order to support structured, consistent and disciplined processes for managing risks. Key stakeholders, including the TAFE NSW Board, the TAFE NSW Audit and Risk Committee (the Audit and Risk Committee) and senior executives, were consulted throughout the process to identify risks that fall outside the organisation's pre-determined risk appetite levels.

The key initiatives undertaken included establishing a formal Risk Appetite Statement aligned with the TAFE NSW strategic objectives, a revised Enterprise Risk Management Policy and an Enterprise Risk Management Guideline with a clear escalation process for risks that fall outside the organisation's pre-determined risk appetite levels.

To help embed the enhanced framework, TAFE NSW provided senior executives with comprehensive risk management training, including a series of risk identification workshops to identify and evaluate strategic and operational risks.

To help sustain the risk management framework, TAFE NSW established an independent risk management function with both central and enterprise-wide oversight to help embed risk management within the organisation.

Internal audit

Since July 2016, a dedicated internal audit unit has completed internal audits of all TAFE NSW information technology systems; corporate services and operational systems and controls affecting the delivery of education and training; and various legislative, process and compliance reviews.

The unit's responsibility includes the oversight of assurance services and corruption prevention activities across TAFE NSW.

TAFE NSW resources its internal audit function using a co-sourced model, led by a Chief Audit Executive and a small audit team. The organisation uses various third party internal audit service providers to provide access to specialised skills as needed.

The Audit and Risk Committee receives regular status reports on the progress of audits and implementation of audit recommendations.

TAFE NSW completed the 2016–2017 Internal Audit Plan. This Plan was developed through consultation, consideration of TAFE NSW risk registers and prior internal audit coverage and findings.

In June 2017, TAFE NSW developed a strategic three-year plan (2018–2020) and tactical annual audit plan (2018). These plans were approved by the executive and endorsed at the July 2017 Audit and Risk Committee.

Audit and Risk Committee

The Audit and Risk Committee oversees and monitors TAFE NSW governance, risk and control frameworks and external accountability requirements. Between 1 July 2016 and 30 June 2017, the Audit and Risk Committee undertook its duties and responsibilities as prescribed by Treasury Policy Paper *TPP15-03 Internal Audit and Risk Management Policy for the NSW Public Sector*.

The Audit and Risk Committee comprises one independent chair and two independent members. During 2016–17, the Audit and Risk Committee met on six occasions. Attendance details are contained in the table below.

Name	Position	Meetings Attended	Membership as at 30 June 2017
Carolyn Burlew	Independent Chair	6 of 6	Current
Gregory Fletcher	Independent Member	6 of 6	Current
Paul Apps	Independent Member	5 of 6	Current

Insurance

TAFE NSW participates in the NSW Government's self-insurance scheme known as the Treasury Managed Fund. The Fund provides comprehensive insurance cover for TAFE NSW employees through worker's compensation and cover for stakeholders through public liability insurance. The Fund also covers all physical assets such as buildings and equipment as well as motor vehicles and other miscellaneous matters.

Internal audit and risk management policy attestations

Technical and Further Education Commission

Internal Audit and Risk Management Attestation Statement for the 2016/17 Financial Year for the Technical and Further Education (TAFE NSW) Commission.

I, Jon Black, TAFE NSW Managing Director am of the opinion that TAFE NSW has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee		
3.1	An independent and Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Membership

The chair and members of the Audit and Risk Committee are:

	Name:	Start Term Date:	Finish Term Date:
Independent Chairman	Carolyn Burlew	29/09/2014	29/09/2018
Independent Member	Gregory Fletcher	20/05/2016	20/05/2019
Independent Member	Paul Apps	30/06/2016	30/06/2018

I, the Managing Director of TAFE NSW declare that this Internal Audit and Risk Management Statement is also made on behalf of the following controlled entities:

- TAFE Commission (Senior Executives) Staff Agency

13Nov/17

Managing Director, TAFE NSW (Sign and Date)

TAFE NSW Contact Officer
Petra Koziollek, Chief Audit Executive
P: (02) 9217 4362

Technical Education Trust Fund

Internal Audit and Risk Management Attestation Statement for the 2016/17 Financial Year for the Technical Education Trust Fund

I, Jon Black, TAFE NSW Managing Director am of the opinion that TAFE NSW has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

	Core Requirements	For each requirement, please specify whether compliant, non-compliant, or in transition
	Risk Management Framework	
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
	Internal Audit Function	
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
	Audit and Risk Committee	
3.1	An independent and Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Membership

The chair and members of the Audit and Risk Committee are:

	Name:	Start Term Date:	Finish Term Date:
Independent Chairman	Carolyn Burlew	29/09/2014	29/09/2018
Independent Member	Gregory Fletcher	20/05/2016	20/05/2019
Independent Member	Paul Apps	30/06/2016	30/06/2018

13 Nov 17

Managing Director, TAFE NSW (Sign and Date)

TAFE NSW Contact Officer
Petra Koziollek, Chief Audit Executive
P: (02) 9217 4362

COMPLAINTS AND IMPROVEMENTS

Type of complaint	Resolution process	Unre-solved prior to 30 June 2016	Received in 2016–17	Resolved in 2016–17	Carried over beyond 30 June 2017
Category 1 (General) A complaint about a service, procedure or system (e.g. delays, inefficiencies)	Remedy and systems improvement	50	942	897	95
Category 2 (Serious) A complaint about a person that could not be resolved by informal resolution (e.g. unreasonable or unfair behaviour)	Negotiation	31	170	181	20
Category 3 (Investigation) A more serious complaint alleging unlawful behaviour by a person (e.g. alleged breach of legislation, policy, procedure or contract)	Investigation	29	105	95	39

Source: TAFE NSW local administrative data

TAFE NSW addressed and resolved complaints as quickly as possible.

The nature of complaints received in 2016–17 varied, however key themes were as follows:

Type of complaint	Sample improvements made in 2016–17
Difficulties accessing information	• advice to customers that generic information is available on websites, more specific information is provided at advertised information sessions • reviews of web content and design, leading to improvements in the user experience of websites • advice to customers about the availability of learning resources
Difficulties with enrolment, processing of students results, and issuing transcripts arising from the TAFE NSW Student Administration and Learning Management (SALM/*ebs*) system	• release of upgraded SALM/*ebs* versions and workarounds to speed up enquiry and enrolment processes • system improvements and workarounds on a case-by-case basis • implementation of the standardised enrolment process across the TAFE NSW footprint
Changes to NSW Government policies affecting student fees and eligibility for subsidised training	• advice to customers about student fees, eligibility for fee concessions and exemptions, enrolment processes and fee repayment options • reviews of refund and student induction procedures • streamlining of approval process to expedite refunds and enable tracking

Type of complaint	Sample improvements made in 2016–17
Customer service, responsiveness, communication and accuracy of information	• promotion of ‘Customer First’ mindset to staff via multiple communications channels • use of a customer relationship management system to record, track and respond to complaints • customer feedback de-identified and used as a training opportunity to identify potential improvements • implementation of a specialist customer contact centre to provide up-to-date course information and advice about eligibility requirements
Complaints about teaching and assessment	• staff training • focus on quality teaching and assessment • advice to customers to formalise complaint, prompt follow-up by nominated receiver of complaint, relevant senior executives informed
Complaints about potential misconduct	• staff training, covering potential conflicts of interest in enrolment processes, communication, mental health in the workplace, appropriate workplace behaviour and customer care
Technical difficulties, including computer and internet access issues	• one-on-one tutorials with students to minimise technology access issues • transfer of centralised IT services from the NSW Department of Education to a cloud-based environment owned and managed by TAFE NSW
Facilities	• change in opening hours and tutorial times to improve access • temporary relocation of classes or provision of alternative facilities where required, such as air conditioner, kitchenette • management of cleaning contracts to ensure standards maintained.

DIGITAL INFORMATION SECURITY ATTESTATION

ATTESTATION STATEMENT

Digital Information Security Annual Attestation Statement For 2016-17 Financial Year for TAFE NSW

I, Jon Black, Managing Director of TAFE NSW am of the opinion that TAFE NSW had an Information Security Management System in place for the protection of information and core ICT services and systems, through the Department of Education, during the 2016-17 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of the TAFE NSW are adequate.

There is no agency under the control of TAFE NSW which is required to develop an independent Information Security Management System (ISMS) in accordance with the NSW Government Digital Information Security Policy.

Jon Black

MANAGING DIRECTOR TAFE NSW

26 July 2017

Department of Education Contact Officer

Mr Stephen Loquet

CHIEF INFORMATION OFFICER

Information Technology Directorate

NSW Department of Education

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CONTACT US

TAFE NSW website:

Website: www.tafensw.edu.au

Make an inquiry:

Website: https://www.tafensw.edu.au/contact

Telephone: 131 601

Principal office address:

Level two, The Muse, 695-731 Harris Street, Ultimo NSW 2007

Find the address, telephone number and email of your nearest TAFE NSW location:

Website: https://www.tafensw.edu.au/find-campus

Business and service hours:

TAFE NSW business and service hours are generally 8.30 am to 5.00 pm. Many customer service centres and libraries are also open in the evenings during teaching terms.