

TAFE NSW ANNUAL REPORT

2018-19



Notes on the data presented in this report

The annual report mainly uses TAFE NSW data. The data related to Student outcomes has been sourced from NCVER Student Outcome Survey.

VET enrolment data is collected by calendar year. The enrolment, completion and student outcomes data provided in the 2018–19 annual report are for the 2018 calendar year.

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 data.

LETTER TO THE MINISTER

The Hon. Dr Geoff Lee, MP
Minister for Skills and Tertiary Education
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 2018–19 Annual Report to you for presentation to Parliament in your capacity as Minister for Skills and Tertiary Education.

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.

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

A handwritten signature in black ink, enclosed within a hand-drawn oval. The signature appears to be 'K. Penton'.

Kerry Penton
Acting Managing Director

TAFE NSW

31 October 2019

Managing Director's Message

I am pleased to report on the financial and operational performance of TAFE NSW in 2018–19.

The 2018-19 financial year has seen TAFE NSW maintain its position as Australia's leading education and training provider, with nearly half a million enrolments each year, from commercial trainees to people experiencing disadvantage.

Managing Director Dr Caralee McLiesh has left TAFE NSW in a strong position following her departure in July 2019 to take up a senior position in the New Zealand public service. In particular, Dr McLiesh drove an ardent focus on quality now firmly embedded across the agency, which will leave a lasting legacy for generations of students, staff and employers.



TAFE NSW has continued its significant One TAFE Modernisation program to create a single public provider, operating under commercial principles and geared to respond to areas of skills need. In 2018–19, we completed a series of important steps to achieve this goal such as:

- Unprecedented recruitment of teachers and educators
- Transitioned the last major system from the Department of Education's network to our own ICT environment
- Capital investments including nine new Connected Learning Centres
- Transitioned to a single registered training organisation (RTO)

In October, TAFE NSW successfully transitioned the last major system from the Department of Education's network to our new ICT environment, which means we are now managing all of our applications and systems centrally through an industry-leading private cloud.

We continued to invest in modern facilities that are adaptable, industry-standard and digitally-enabled; delivering nine Connected Learning Centres in regional areas, supported by mobile training units, simulation and virtual reality experiences.

TAFE NSW has also undertaken \$22 million worth of capital investment to expand our capacity to meet growing demand for allied health and trades training in Western Sydney.

On 1 January, we achieved an important milestone in our *One TAFE* journey when we began operating as a single Registered Training Organisation (RTO). TAFE NSW previously operated 12 RTOs.

We continue to take significant strides towards One TAFE in the knowledge that these reforms are strengthening TAFE NSW to remain the number one training provider in Australia, now and into the future.



Kerry Penton
Acting Managing Director
TAFE NSW

31 October 2019

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1. About TAFE NSW

1.1 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 skills needs of individuals and the workforce, in ways that recognise the changing nature of workplaces and the need for new skills and retraining
- 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.

1.2 Our Footprint

TAFE NSW delivers 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 2018-19, TAFE NSW delivered education and training at the following locations across NSW, excluding the Sydney metropolitan area.



In 2018–19, TAFE NSW delivered education and training at the following locations in the Sydney metropolitan area.



1.3 Our Commitment to Industry

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

TAFE NSW has a future-focused and customer-centric plan to contribute to the NSW economy and support industry through:

- Creating jobs
- Building infrastructure
- Boosting apprenticeships
- Delivering strong budgets
- Protecting the vulnerable.

TAFE NSW is committed to skilling the workforce of the future by providing quality, job-ready graduates to business and industry throughout NSW, Australia and internationally.

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

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

1.4 Our Business Environment

A Vision for TAFE NSW

The 2016 document *A Vision for TAFE NSW* outlines the NSW Government's ambition 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."¹

The Vision confirms 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.

TAFE NSW Strategic Plan and One TAFE NSW

Strategic Plan

In 2018-19 TAFE NSW continued its transition to One TAFE and its efforts to realise the NSW Government's Vision for TAFE NSW and the goals outlined in the TAFE NSW Strategic Plan 2016-22. The Strategic Plan focuses on four goals:

1. Skill the State's workforce of the future as the provider of choice
2. Being a contemporary, commercial and sustainable business
3. Serve our local communities
4. Develop a customer-driven, proud and productive TAFE NSW team.

The TAFE NSW Strategic Plan 2016-22 provides a series of milestones for the purpose of tracking progress against the Strategic Plan goals.

TAFE NSW's progress towards these milestones is set out under the heading titled "Achievements against the Strategic Plan 2016-22 milestones".

One TAFE

Under the One TAFE operating model, TAFE NSW has transitioned to a single Registered Training Organisation (RTO). Supported by streamlined and coordinated corporate functions and a single digital delivery arm, TAFE Digital, TAFE NSW has established industry-dedicated SkillsPoints to ensure the development and maintenance of quality and innovative learning products, as well as industry engagement and collaboration. In line with the Strategic Plan, TAFE NSW aims to be the provider of choice for students offering enhanced customer experience across the state and to be partners with industry in the provision of consistent and quality-assured training services.

To establish TAFE NSW as a contemporary and sustainable organisation, the Strategic Plan identifies priority initiatives which are underway, including efforts to:

- Implement real-time, integrated enterprise-wide business systems to support consistent and efficient operations, effective decision making and improved customer experience
- Embed quality and excellence across the organisation, including enhancing our industry-relevant products and services and elevating customer experience based on insights

¹ NSW Government, *A Vision for TAFE NSW* (2016)

- Align the asset portfolio to customer needs with connected learning centres to enable greater reach across our regional and rural communities.

Strategies are also in place to build a healthy, inclusive and agile workforce, operating in a service-oriented culture aligned to a common set of values.

Smart and Skilled

The NSW Government's reform of the state's VET system, Smart and Skilled, commenced in January 2015.

Smart and Skilled is intended 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. Fee-free training is available for apprenticeship qualifications, foundation skill qualifications and, from 1 January 2020, traineeship qualifications. Fee-free training is also made available to Aboriginal and Torres Strait Islander students, students with disability, and other categories of students experiencing disadvantage.

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. Students pay the same fee for government-subsidised training, regardless of whether they study at TAFE NSW or another approved training provider.

Besides competing with private providers for a share of contestable funding, TAFE NSW plays a vital role in delivering non-commercial training to meet government policy objectives such as fee free courses in areas of skill shortages.

2. Performance and Achievements

2.1 Achievements against the Strategic Plan 2016-22

In 2018-19, TAFE NSW made significant progress towards the milestones outlined in the Strategic Plan. These included:

- Consolidating processes under the One TAFE operating model, with a more consistent and collaborative approach across the corporate and delivery arm of the business, including efforts to consolidate and streamline multiple learning platforms
- Embedding a single digital delivery entity, TAFE Digital, to provide innovative fully online training across NSW and Australia, including launching courses in TAFE Digital's Learning Management System
- Embedding the nine SkillsPoints across the state as industry-dedicated points of contact responsible for the development of high quality and innovative learning products, including updated training product materials in the TAFE NSW Learning Bank
- Establishing the next phase of Connected Learning Centres across the state to enable greater access to training for rural and regional communities via industry standard and digitally enabled spaces
- Embedding TAFE Enterprise to provide business-to-business (B2B) customers with the highest quality corporate training
- Delivering improved customer services with the Release 2 of the Customer Relationship Management System and the introduction of the TAFE Private Cloud, which has improved customer experience for TAFE NSW students and employers, and enhanced collaboration for TAFE NSW staff.

These significant achievements are contributing to positioning TAFE NSW as a contemporary, commercial and sustainable business in line with the strategic plan goals.

Table 1: Our Performance reports against key areas of the TAFE NSW Strategic Plan 2016–22.

Area	Outcome
Course enrolments	436,000+
Course completions	163,000+
Online subject enrolments	97,000+
VET graduates satisfied with training	89.0%
VET graduates employed in further study	83.9%
NSW apprentice commencements	79%
NSW apprentice completions	8,500 +
Higher Education course enrolments	2,100+
Higher education graduate satisfied	83.3%

2.2 Skilling the Workforce of the Future

Planning Mechanisms in 2018-19

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.

TAFE NSW undertakes an annual planning process to inform its service delivery planning. From 2019-20, the determination of the Training Outlook, including training demand indicators, is a key input to the service delivery and budget planning. The process will be implemented progressively across the business.

As part of the planning process, TAFE NSW consults with industry bodies to ensure the latest skill requirements are reflected in our planning. We also work closely with community organisations and groups to support disadvantaged students to take up Vocational Education and Training and move into jobs and higher level training.

TAFE NSW has a Planning and Reporting Framework in place which 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 Training Outlook is a critical element of this Framework ensuring that our planning process, as well as training delivery, is aligned the skill needs of the NSW economy and supports greater community participation and engagement with lifelong learning during ones career.

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 ten 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.

2.3 One TAFE Education and Training Strategy

The TAFE NSW Education and Training Strategy 2018-22 is our strategy for how TAFE NSW will deliver education and training over five years. It clearly explains the direction and goals for the provision of Vocational Education and Training and Higher Education and will guide the actions of our business as we transition to a modern, innovative organisation that realises commercial success.

The Education and Training Strategy:

- Sets the education and training direction and priorities for the whole of TAFE NSW for five years
- Supports all four goals of our Strategic Plan and provide direction for the Corporate, Regional and Digital Delivery teams
- Enhances the customer journey wherever and whenever a customer interacts with us
- Identifies significant changes ahead for the way we design and deliver education and training to ensure quality teaching and learning and good job outcomes.

2.4 SkillsPoints – Resources and Engagement to Meet Industry Needs

The nine SkillsPoint Headquarters (HQs) provide dedicated, industry specific point of contact for employers.

Working with TAFE Digital, the nine SkillsPoint teams are developing high-quality training products for specific industry sectors. When developed, these products are stored in the Learning Bank where they will be available to staff across TAFE NSW.

SkillsPoints ensure compliance in learning product design, development and assessment. Nationally recognised qualifications adhere to national Training Package specifications and satisfy regulatory and licensing requirements. SkillsPoints also ensure consistency across training products so that students may have the same learning experience regardless of the mode of delivery or their location.

Ongoing market analysis and industry consultation ensure TAFE NSW adapts its education and training offerings to meet new and emerging industry and employer needs. SkillsPoints also develop higher education courses, commercial and non-accredited courses to meet specific customer needs.

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.

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.

SkillsPoints locations in regional and metropolitan areas

REGIONAL



NEWCASTLE

Innovative Manufacturing, Robotics and Science

The planning, design and production of goods including machinery and equipment, vehicles, textiles, fashion and clothing.



GRIFFITH

Agribusiness

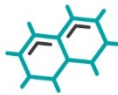
Food, fibre production and processing and associated industries.



TAMWORTH

Career Pathways, Aboriginal Languages and Employability Skills

Employment and study preparation, foundation skills, Aboriginal languages and language proficiency.



QUEANBEYAN

Health, Well-being and Community Services

Medical and allied health care and the associated support services; children's services; well-being and fitness.



DUBBO

Supply Chain and eCommerce

Retail, vehicle service and repair, transport, distribution and logistics. Digital and online business and electronic transactions.



COFFS HARBOUR

Tourism and Experience Services

Provision of services to customers including: food preparation and food service, hospitality, personal services, tourism, funeral services, visitor economy and travel.

METRO



ULTIMO

Technology and Business Services

Business, financial, commercial and professional services including banking, administration, real estate, leadership, education, local government and public sectors. Technology including: cloud, digital data, communication, digitisation, cyber security and networks.



PARRAMATTA

Creative and Design Ideation

Cultural, creative, digital media, design, fashion and artistic pursuits and processes.



MOUNT DRUITT

Infrastructure, Energy and Construction

Construction, building, energy and utilities, property and public safety.

2.5 Training that Leads to Jobs

Enrolments

TAFE NSW had 436,000 enrolments in 2018.²

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 jobs growth and infrastructure investment in NSW. Workers will increasingly be required to engage in lifelong learning, including upskilling and reskilling throughout their career, to ensure their skills remain in-demand and keep pace with technological changes. TAFE NSW is modernising to meet these challenges and prepare the people of NSW for the future.

2.6 National Disability Insurance Scheme

In 2018, TAFE NSW had 11,800 enrolments in qualifications that contribute to the National Disability Insurance Scheme workforce, including:

- Certificate III in Individual Support
- Certificate IV in Disability
- Diploma of Community Services
- Advanced Diploma of Community Sector Management
- Graduate Certificate in Client Assessment and Case Management
- Certificate IV in Allied Health Assistance.³

2.7 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.

In 2018 there were over 34 per cent enrolments in part qualifications (Australian Qualifications Framework (AQF) Statements of Attainment or non-AQF level courses), the majority of which 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 training.

There were also over 5,900 enrolments in AQF foundation skills qualifications in 2018. Foundation skills include learning, reading, writing, numeracy, oral communication, study skills and employability skills such as communication, teamwork and problem solving.

² TAFE NSW data.

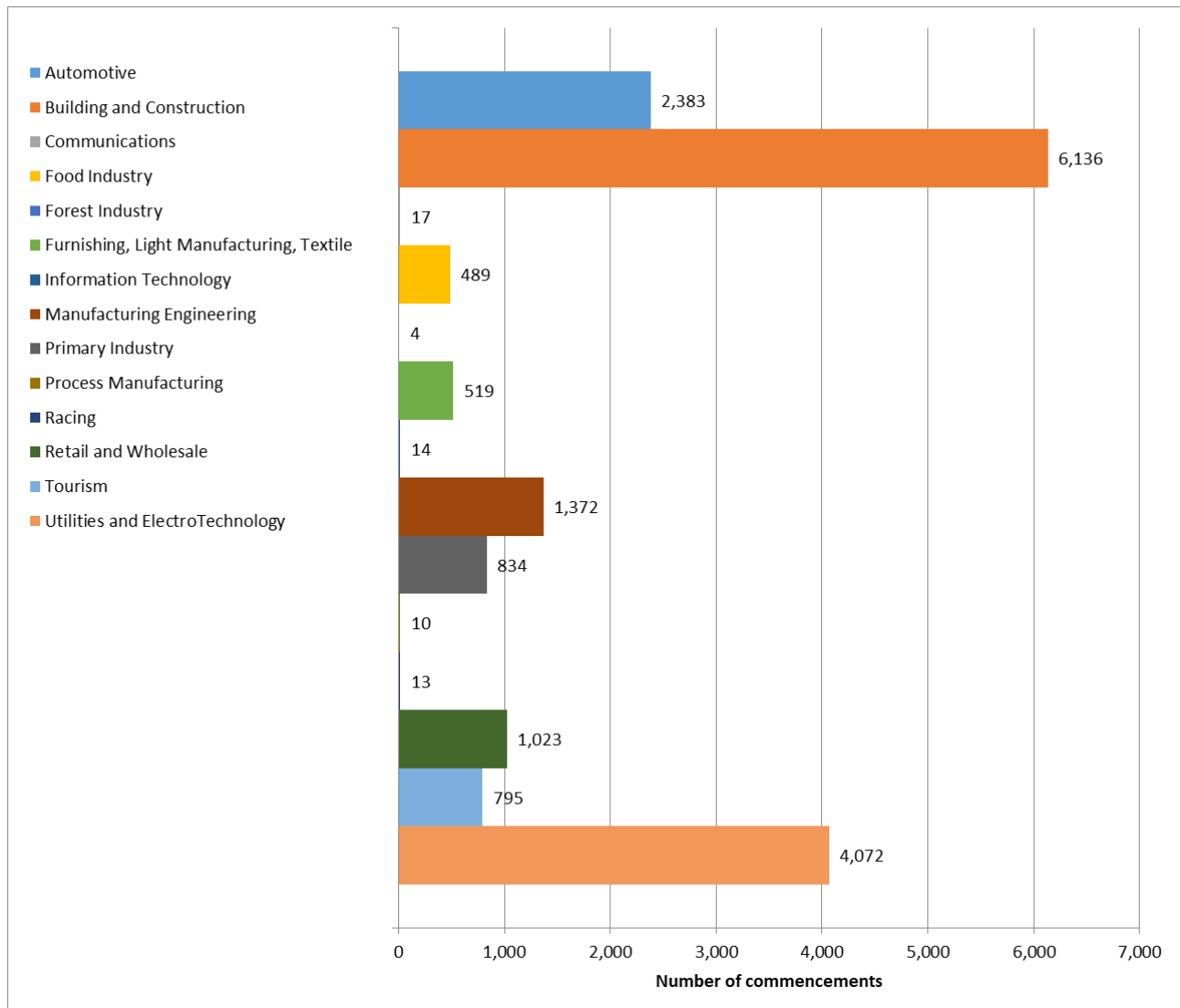
³ TAFE NSW data.

2.8 Apprenticeship Commencements

In 2018, TAFE NSW had more than 17,600 apprenticeship approvals, 79 per cent of the total for NSW.⁴

Building and Construction had the highest number of commencements, followed by Utilities and ElectroTechnology.

Figure 1: TAFE NSW 2018 number of apprenticeship commencements by industry



Source: TAFE NSW, based on Training Services NSW figures (December 2018)

Certificate IV Level and above Enrolments

In 2018, there were over 118,600 enrolments in qualifications at Certificate IV level and above. 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.

⁴ Training Services NSW (December 2018).

2.9 VET Student Loans

VET Student Loans allows eligible students to use an income-contingent loan to pay their tuition fees for VET qualifications at the diploma level and above. Students are only required to repay a loan when their income exceeds a minimum threshold. The Commonwealth Government implemented the VET Student Loans program from 1 January 2017, replacing the existing VET FEE-HELP scheme for new students.

There were 10,800 unique TAFE NSW students who accessed a loan through VET Student Loans to pay for their studies in 2019. Of the students, 9,200 used the loan to pay the student fee for a course subsidised by the NSW Government and 1,500 for a commercial course.⁵

The number of commencing VET Student Loans assisted students increased by 45 per cent between 2017 and 2018.

VET Student Loans predominantly supported students in the following courses:

- Diploma of Nursing
- Diploma of Community Services
- Diploma of Early Childhood Education and Care
- Diploma of Beauty Therapy
- Diploma of Building Design
- Diploma of Visual Arts
- Diploma of Leadership and Management
- Diploma of Business Administration
- Diploma of Accounting

VET FEE-HELP

The VET FEE-HELP scheme closed on 31 December 2018, with no new VET FEE-HELP loans provided by the Commonwealth Government to students after this date.

The number of TAFE NSW students who accessed a VET FEE-HELP loan continued to decline until the scheme's closure, with only 700 assisted by VET FEE-HELP in 2018. These students were not able to reasonably complete their training in 2017 and applied to the Commonwealth Government to continue to receive VET FEE-HELP assistance in 2018.

Completions

Completions for all TAFE NSW students in Certificate IV and above qualifications were over 28,700 in 2018.

These qualification completions included over 45 per cent at Diploma level and above in 2018.⁶

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.

As the training provider for the majority of apprentices in NSW, TAFE NSW is central to efforts to achieve the overall NSW target of 65 per cent completion rates, in line with the State priority, 'Boosting Apprenticeships'.

⁵ TAFE NSW data.

⁶ TAFE NSW data.

2.10 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.

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

Enrolments

During 2018, TAFE NSW delivered sixteen Higher Education Qualifications. TAFE NSW Higher Education combined domestic and international enrolments were 2,149 in 2018.⁷ Tuition fee revenue growth increased by 33 per cent in 2018 from 2017. This continued growth was due in part to additional delivery locations, commencement of delivery of the Bachelor of Applied Commerce and a growth of 60 per cent in enrolments by international students, with these enrolments mainly 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 numbered 884 in 2018, forming 41 per cent of the overall cohort of higher education students.⁸

Completions

The number of TAFE NSW Higher Education completions was 298 in 2018.⁹

Growth

From 1 July 2018 to 30 June 2019 TEQSA accredited five new TAFE NSW Higher Education programs.

These additional courses bring the number of TEQSA accredited TAFE NSW Higher Education programs to 29. TAFE NSW Higher Education is now being delivered in every region of TAFE NSW and TAFE Digital.

In addition to the 29 TAFE NSW developed and accredited degree programs, TAFE NSW is delivering 12 other higher education programs on behalf of university partners.

⁷ 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 data.

⁸ Australian Education International.

⁹ 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 data.

Quality Assurance

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

The Academic Council oversees curriculum development and quality assurance processes to ensure TAFE NSW Higher Education achieves its educational objectives and meets the 'Higher Education Threshold Standards'.

The Dean's Committee monitors the quality assurance processes for teaching and learning across TAFE NSW Higher Education courses and campuses.

Review and Benchmarking

The TAFE NSW Higher Education review and improvement process, incorporates course advisory committees, teaching and learning committees, campus reference groups, moderation 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. The Committees 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.

2.11 Quality Measures

Student transitions to employment or further study

The NCVER Student Outcomes Survey¹⁰ states that 68.1 per cent of TAFE NSW and other government provider vocational graduates in NSW were employed after completing training in 2017. The Survey also states that 36.0 per cent of 2018 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.

The Quality Indicators of Learning and Teaching (QILT) Graduate Destination Survey indicated that in 2017-2018, TAFE NSW Higher Education students' rate of transition to employment after completing their course was 77.5 per cent of 2018 graduates.

¹⁰ Conducted in mid-2018 on 2017 completions.

Of the students who graduated, 63.0 per cent were working full- or part-time by the time they were surveyed. 9.7 per cent of TAFE NSW Higher Education graduates also went on to further study.¹¹

2.12 Customer Satisfaction and Improvements

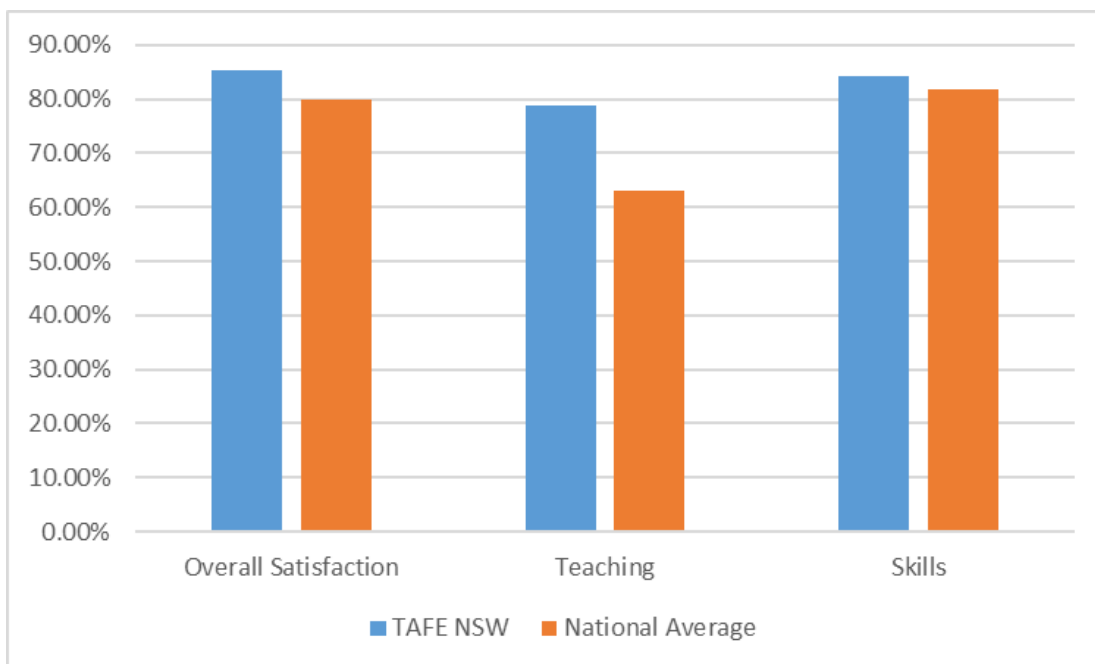
The satisfaction rate of TAFE NSW VET graduates was higher than the averages for NSW and national VET providers.

The NCVER Student Outcomes Survey¹² states that 89.6 per cent of 2018 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 and government providers in Australia (87.8 per cent) and higher than the rate for government-funded VET providers across Australia (87.4 per cent).

The 2017 NCVER survey of employers' use and views of the VET system¹³ found that 85.9 per cent of employers were satisfied with the overall quality of TAFE NSW nationally recognised training. The TAFE NSW employer satisfaction rate was close to the national average for all TAFE Institutes in Australia 85.6 per cent.

The QILT Graduate Destination Survey of 2017-2018 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 2: 2017-2018 TAFE NSW Higher Education graduate satisfaction



Source: QILT Graduate Destination Survey of 2017- 2018 graduates (May 2018)

¹¹ Information from Quality Indicators for Learning and Teaching (QILT) website about graduate employment outcomes sourced from the Graduate Outcomes Survey (GOS). Survey results from 2016, 2017 and 2018 are pooled to improve data reliability.

¹² Conducted in mid-2017 on 2016 completions.

¹³ NCVER, *Employers' use and views of the VET system 2017*– no survey in 2018 as this held every two years.

2.13 Awards

Our students receive recognition from employers and the community for their job-ready skills and knowledge. They are also consistently awarded for their levels of skills and dedication to their learning and their careers. Equally, TAFE NSW staff and the organisation as a whole are acknowledged and recognised for excellence in delivering vocational education and training.

In 2018, TAFE NSW students, staff and TAFE NSW itself as an organisation combined to win over 70 external awards, helping to confirm our reputation as a leader in the industry.

These awards were contested on state, national and international stages, and ranged from state-wide Student of the Year Awards and the Minister for Tourism Student Achiever Awards, to gold medals at the national WorldSkills competition and the international Animation and Effects Awards.

A selection of these awards is detailed below.

NSW Training Awards

The NSW Training Awards held in September, 2018 are the peak state awards for vocational education and training, recognising and celebrating achievement, excellence and innovation in the nation's largest training sector. TAFE NSW students and staff featured strongly, winning eight of the 13 award categories.

Table 2: 2018 NSW Training Awards Winners

Category	Winner
INDIVIDUAL AWARDS	
Apprentice of the Year	Michael Edwards
Trainee of the Year	Tara Proberts-Roberts
Vocational Student of the Year	Katayoon Karimodini
School Based Apprentice/Trainee of the Year	Lucy Allen
Special Award for a Woman in a Non-Traditional Trade	Tayla Constable
VET Trainer/Teacher of the Year	Belinda Maudson
ORGANISATION AWARDS	
Large Training Provider of The Year	TAFE NSW Enmore Design Centre
Industry Collaboration Award	TAFE NSW and Central Coast Health District

Australian Training Awards

The TAFE NSW winners of the 2018 NSW Training Awards progressed to competing in the 2018 Australian Training Awards event, with four students and one staff member making it through as finalists (see table).

Michael Edwards, from TAFE NSW Wagga Wagga, won the Apprentice of the Year award, being recognised for his achievements in the Certificate III in Electrotechnology (Electrician). In the final 'Capstone' exam for his apprenticeship, Michael achieved the unprecedented result of 100 per cent in his practical exam and 93 per cent for the knowledge exam. His employer, Snowy Hydro, acknowledged his exemplary commitment as a mature-age apprentice with a dual qualification while juggling a young family.

Table 3: 2018 Australian Training Awards Winners

Category	Finalists
Apprentice of the Year	Michael Edwards (winner)
Trainee of the Year	Tara Proberts-Roberts
Vocational Student of the Year	Katayoon Karimodini
VET Trainer/Teacher of the Year	Belinda Maudson
School Based Apprentice/Trainee of the Year	Lucy Allen
Large Training Provider of the Year	TAFE NSW Enmore Design Centre

Other State Awards

Eight TAFE NSW tourism students from across the state were awarded Student Achiever Awards by Minister for Tourism, Adam Marshall. The students were Kieran Alexander, Marcello Polifrome-Occelli, Donata Jones, Sean Goggin, Phuong (Teresa) Nguyen, Danyon Pilbeam, Bailee Staines and Renee Bridges.

Kennedy Jackson (Diploma of Beauty Therapy at TAFE NSW Ultimo) won the 2018 NSW International Student of the Year Award in the Vocational Education and Training category.

The tourism and hospitality teaching team at TAFE NSW Wollongbar won the gold award in the Tourism Education and Training category of the 2018 NSW Tourism Awards.

TAFE NSW's partnership with the Department of Justice won the Driving Public Sector Diversity category in the 2018 Premier's Award for Public Service for the Creating Aboriginal Employment Pathways, Justice Aboriginal Employment Program.

Other National/International Awards

At the 2018 WorldSkills Australia National Championships NSW was well represented in the open skill categories with 116 competitors. Over a third of all medals and almost half the gold medals on offer were won by TAFE NSW students across disciplines like automotive, wall and floor tiling, cloud computing, fashion technology, landscape construction, visual merchandise, game design and development and welding.

Eight of the TAFE NSW gold medal winners made the 15-strong Australian Skillaroo team competing in 2019 in the WorldSkills International Championship in Kazan, Russia. Eight TAFE NSW staff members will travel as chief experts in their particular discipline.

TAFE NSW Kingswood student Folau Talbot won the Apprentice of the Year category in the 2018 NAIDOC Awards. He was nominated by his employers, Poche Centre for Indigenous Health at the University of Sydney.

In the international 2018 Animation and Effects Awards, the Bachelor Degree students of 3D Art and Animation at TAFE NSW Design Centre Enmore won the gold medal in the Student Category for their Photonic State project at the Vivid Festival in Sydney.

TAFE NSW's National Environment Centre, near Albury NSW, won the silver medal in the international Green Colleges category of the World Federation of Colleges and Polytechnics Awards of Excellence in 2018.

At the international LearnX Festival, which recognizes world-leading best practice in digital learning and development, TAFE NSW won a gold medal in the Best Blended Learning Model for its blended delivery of the Certificate III in Individual Support.

3. Serving Our Students and Local Community

3.1 Our Students

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

TAFE NSW caters to a range of students from school students starting a VET course whilst still at school, to those choosing their first career and seeking technical, trade and specialist skills development, through to career upgraders or mature learners, who want to update their skills or change careers.

In 2018, TAFE NSW enrolled students in more nationally recognised VET qualifications than any other VET provider and offered students customised courses, TEQSA accredited Higher Education programs and university programs delivered on behalf of partner universities.¹⁴

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

3.2 Our Products

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

TAFE NSW products range 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.

TAFE offers 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.

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.¹⁵

TAFE NSW Vocational Education Training (VET) courses are generally but not exclusively based on nationally recognised training packages. Training packages and higher education programs are developed to meet the identified training needs of specific industry sectors.

¹⁴ TAFE NSW data.

¹⁵ TAFE NSW data

We support our students through personalised learning solutions, flexible education and training options, and also through a range of student support services. Those include career counselling, disability services, library services, Aboriginal support services, International Student support, Student Associations, Children's Centres, language, literacy and numeracy services and many more, to help students engage successfully with education and training. We are committed to supporting our students through to course completion and or achieving their goals.

3.3 Enrolments by Students

TAFE NSW continues to improve access for our rural and regional students through improved learning platforms and innovative facilities.

In 2018, there were over 145,400 enrolments by students living in regional or remote areas, comprising 33 per cent of total enrolments.¹⁶

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

The CLCs 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.

CLCs have opened in Bega, Bourke, Coonabarabran, Corowa, Deniliquin, Glen Innes, Grenfell, Murwillumbah, Narrandera, Quirindi, Singleton, Tenterfield and Yamba.

Table 4: 2018 TAFE NSW Enrolment Breakdown

38,500+ enrolments by Aboriginal Students	95,600 + enrolments by unemployed students
89,800+ enrolments by students from a language background other than English	145,400+ enrolments by students in regional and remote areas
169,400+ enrolments by students aged 15-24 years old	49,700+ enrolments by students with a disability
90,000+ enrolments by mature aged students	229,700+ enrolments by female students

Source: TAFE NSW data (2018). Note: 'Mature aged' is defined as being 45 years and older.

¹⁶ TAFE NSW data.

3.4 Community Service Obligation

TAFE NSW plays a critical role in promoting equity and access to education in NSW. As a public VET provider TAFE NSW has an obligation to the NSW Government to serve the people and communities of NSW, including those who face significant barriers to education and employment.

TAFE NSW provides additional support to Aboriginal and Torres Strait Islander students, students with disability and other learners experiencing disadvantage, and services all areas of New South Wales, to ensure the benefits of VET are available to all.

Community Service Obligation (CSO) funding is provided to TAFE NSW in recognition of the organisation's legislated obligations to provide those experiencing disadvantage 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).

3.5 Categories of Students Facing Disadvantage

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.

Table 5 below shows TAFE NSW enrolments in some of the most common categories of disadvantage:

Category	2018 course enrolments
Aboriginal students ¹⁷	38,500+
Students with disability ¹⁸	49,700+
Unemployed students ¹⁹	95,600+
Regional / remote students ²⁰	145,400+
Students from Language Backgrounds other than English ²¹	89,800+

Source: TAFE NSW data. Note: Students may meet the criteria for multiple categories of disadvantage.

¹⁷ Aboriginal students are students who self-identified on their enrolment form as Aboriginal, Torres Strait Islander or both.

¹⁸ Students with disability are students who asked for help with their disability or who specified a type of disability on their enrolment form.

¹⁹ Unemployed students are students who self-identified on their enrolment form as being unemployed and seeking part-time or full-time work.

²⁰ Regional / Remote students are based on Accessibility/Remoteness Index of Australia (ARIA), 2011.

²¹ Language Background other than English students stated on their enrolment form that the main language they speak at home is not English.

Types of Support Provided

In 2018, TAFE NSW continued to provide support services to learners facing barriers to education and employment under CSO funding. This included:

- Helping students overcome barriers to learning through: foundation skills development, language, literacy and numeracy support and learning materials tailored to the individual's needs
- Providing personal supports such as counselling, mentoring and pre-training assistance
- Specialist support services, including support and services for people with disability such as note taking, interpreters and adjustment of learning and assessment materials
- Career services to facilitate pathways to employment through practical supports, such as interview preparation, and linking students to job providers
- Services that support transitions from school to TAFE NSW, and from TAFE NSW to further education
- Access to study facilities and services such as computers with specific software packages at library and learning resource centres
- Engagement with low socioeconomic status communities and with youth at risk of disengaging from school, to promote greater engagement in education and employment.

3.6 Social Inclusiveness

NSW is made up of people from different cultures, languages, beliefs, practices, families, experiences and outlooks.

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 and linguistically diverse backgrounds.²²

Aboriginal Students

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

In 2018, there were 38,500 enrolments by Aboriginal students.²³

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

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

- Certificate IV level and above:
 - 7,400 Aboriginal students in 2014 to 9,900 Aboriginal enrolments in 2018, an increase of 33 per cent
 - 20 per cent of Aboriginal enrolments in 2014 to 26 per cent of Aboriginal student enrolments in 2018.
- Diploma level and above:
 - 3,600 Aboriginal enrolments in 2014 to 3,900 Aboriginal enrolments in 2018, an increase of 10 per cent
 - An increase from 9.6 per cent of Aboriginal enrolments in 2014 to 10.3 per cent per cent in 2018.

²² Workforce diversity is under section 6.4 Workforce Diversity and Achievements.

²³ TAFE NSW data.

The trend towards enrolling in higher-level qualifications was particularly evident in the 25 to 29-year student age group. Over the five-year period to 2018, TAFE NSW enrolments by Aboriginal students in the 25 to 29 year age group increased in:

- Certificate IV and from 500 Aboriginal enrolments in 2014 to 1,100 in 2018, an increase of 102 per cent
- Diploma and above from 600 in 2014 to 700 in 2018 an increase of 24 per cent.²⁴

In 2018, there were over 12,300 enrolments by Aboriginal students in part qualifications (Statements of Attainment or non-AQF level courses) a decrease of 12 per cent from the previous year (over 14,000).

Course completions by Aboriginal students at TAFE NSW increased by 4 per cent from 2014 to 2018, particularly in higher-level qualifications. Completions in qualifications at Certificate IV level and increased from 800 in 2014 to 1,000 in 2018 (21 per cent).

The TAFE NSW Aboriginal Engagement team have successfully raised the profile of TAFE NSW through regular and ongoing engagement with local Aboriginal communities and business across the region.

The team have paved the way for Aboriginal students to feel culturally safe at TAFE NSW by:

- Promoting cultural safety/content through course design and delivery;
- Embedding Aboriginal cultural in everyday practices and service delivery through Aboriginal Cultural Awareness training, art, storytelling, awards ceremonies and celebrating cultural events;
- Support services provided by Aboriginal Student Support Officers;
- Attending community events and meetings;
- Conducting community based training needs analysis to identify barriers to training, type of skills and qualifications required by Aboriginal communities and assist with future planning of targeted or tailored courses for community.

SHOWCASE

From 2017 – 2018 Holly Bartram, an Indigenous student from a remote area in NSW had aspirations to work in the male dominated Agricultural Industry. To maximise her prospects, Holly chose TAFE NSW to complete two nationally-recognised qualifications, and is well on her way to successfully completing a Certificate IV in Training and Assessment and a Diploma in Aboriginal Studies for Professional and Community Practice. She cites the support of her teachers Susan Lockett and Kathleen Zarubin and the flexibility and support from TAFE NSW as being key to her success. Holly is now employed at TAFE NSW West Region on a temporary contract as People Business Partner Capability & Support Officer role in addition to working in the Agricultural Industry.

In March 2019 Holly was named of Student of the Year (West Region), Aboriginal and Torres Strait Islander Student of the Year (West Region) and Technology and Business Services Student of the Year (West Region) and strives for excellence while giving back to the agriculture industry and her community.

²⁴ TAFE NSW data.

SHOWCASE

Westside Community Centre (Centre) partnered with TAFE NSW to deliver a Building Skills Training project at their site.

Westside Community Centre is situated in a high density social housing area of West Albury dealing with a range of social issues including economic disadvantage, long term unemployment, alcohol and drugs, and domestic violence. The Centre provides the local community with a range of support services and delivers programs that aim to build capacity, sustainability and resilient individuals and communities. The Centre gained funding through the NSW Department of Family and Children Services (FaCS) through the Estate Management Unit to upgrade the playground area on the premises.

The Building Skills Training had been developed to engage and immerse at risk Aboriginal youth within the West Side Community in hand- on, work-based skills in the areas of concreting and construction. The training provided basic workplace trade skills that prepared participants for direct employment or apprenticeships on upcoming infrastructure projects in the Albury region.

Twelve Aboriginal people enrolled in the Building Skills Training project that was delivered over a 17 week period. Majority of the 12 Aboriginal participants had been disengaged from education for at least 5 – 10 years and most had never had a fulltime job. The main barrier for these participants in gaining employment was lack of work experience, education, time management and their ability to read and write.

Westside Community Centre and TAFE NSW engaged support services both internally and externally including TAFE NSW Aboriginal Student Support Officer and job agencies to ensure participants were able to successfully complete the course. Of the 12 participants, eight completed and passed the Building Skills Training with one student gaining employment within 2 weeks of completion.

Students with a Disability

Students with a disability present with a wide range of complex issues including mental health issues and Teacher Consultants ensure that the adjustments support these ongoing conditions and assist in linking with Counselling and Career Development Services where appropriate. Some students have two or more disabilities and this requires close liaison between Teacher Consultants thus enabling the student to receive support across a range of disability areas.

TAFE Disabilities Services ensures that students with a disability have access, support and equal opportunities while studying in TAFE NSW. These may be either prospective or current students who require some reasonable adjustment which may include tutorial support, assistive and adaptive technology, in class support such as notetakers, Auslan interpreters and/or class notes in alternative form, examination modifications.

An Individual Education Plan is developed in consultation with the student with a disability and it records the negotiated types of reasonable adjustment based on the individual needs of each student.

There were 49,700 enrolments by students with disability in 2018.²⁵ Out of these enrolments, 11,800²⁶ contributed to the National Disability Insurance Scheme workforce.

SHOWCASE

Craig Shanahan is proof that you can follow your dreams no matter your circumstances. Despite his vision impairment, Craig completed Commercial Cookery and Hospitality Management courses at TAFE NSW and dreams of opening his own café/dessert bar.

Craig lost the vision in one of his eyes due to cancer at a very young age. He finished high school and followed his love of cooking by completing Certificates II and III in Commercial Cookery at TAFE NSW and worked as a qualified chef for a number of years. At 23 years, Craig had a further health set-back with a life threatening brain tumour, which caused him to lose vision in his other eye.

He still dreamt of opening a café and returned to TAFE NSW to gain front of house and management skills through the Diploma and Advance Diploma Hospitality Management. Craig was able to use adaptive technology to navigate computers and smartphones through voice commands and touch.

Recommencing study at TAFE NSW was a little daunting for Craig as he was nervous about finding his way around the facilities but he found his teachers and classmates to be friendly and helpful. The teachers made adjustments for him by adapting class materials so that his computer could read them to him.

Craig is working towards opening a business that will run as a café by day and dessert bar by night.

Disability Inclusion Action Plan

The *Disability Inclusion Act 2014* (DIA) aims to promote ongoing commitment of the NSW Government to building a strong and equitable community. TAFE NSW is committed to reflecting this aim and supporting the fundamental right of people with disability. A Disability Inclusion Action Plan (The Plan) is under development to provide an organisation-wide strategy to implement the DIA's objectives and practical measures for the community. The Plan is scheduled to be finalised by the end of July 2020 following internal and external consultation.

Students from a Language Background other than English

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

In 2018, 89,800 LBOTE students enrolled in TAFE NSW courses being 20.6 percent of all enrolments.²⁷

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 employment prospects job outcomes

²⁵ TAFE NSW data.

²⁶ TAFE NSW data.

²⁷ TAFE NSW data.

- 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.

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 job active providers and non-government community organisations, to deliver effective training and services to these students.

In 2018, there were 95,600 enrolments by unemployed people.²⁸

In 2018, there were 224,200 enrolments by students from a low socio-economic background in 2018, being 51 percent of the total of NSW enrolments.²⁹

SHOWCASE

TAFE NSW provides additional support to students to help overcome barriers and help these students succeed. One such student, Jade* is a 16 year old student who is living under the guardianship of an Aboriginal Out Of Home Care agency and studying at TAFE NSW – Miller. Jade had low literacy levels and low confidence in her ability to succeed and experienced anxiety when she commenced.

TAFE NSW has worked with the Out of Home Care agency to provide intensive support to Jade by enabling additional time for assignments, regular check-ins with the student, counselling and practical support for stress and time management.

Jade reports feeling more confident which is helping her to stay motivated in her studies.

*Not her real name.

Students without Year 12 or Equivalent

In 2018 there were over 45 per cent enrolments by students without Year 12 or equivalent (Certificate III).

TAFE NSW delivered the Certificate IV in Tertiary Preparation with 2,000 enrolments in 2018,³⁰ providing an alternative pathway for students to obtain an Australian Tertiary Admission Rank in an adult learning environment.

²⁸ TAFE NSW data.

²⁹ TAFE NSW data, based on the Australian Bureau of Statistics' Socio-Economic Indexes for Areas Index of Relative Socio-economic Disadvantage (index 1, 2, 3 and 4).

³⁰ TAFE NSW 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 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 2018, TAFE NSW trained 383 school-based apprentices and 500 school-based trainees.³¹

Female Students

In 2018, TAFE NSW had over 229,700 enrolments by females accounting for 53 per cent of total enrolments.³²

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

SHOWCASE

Caroline Joukhdar enrolled in a TAFE NSW course in 2019 after many years out of the workforce. Despite her initial reservations, Caroline has found renewed confidence and a passion for her chosen vocation.

Having previously sold furniture and other items as a hobby, Caroline decided it was time to pursue her interest further and enrol in an Interior Design course at TAFE NSW – Lidcombe. She has discovered an ability to succeed in education, and far from struggling in the course, which she felt she would do, she is thriving. Caroline plans to further her studies by enrolling in the Diploma Interior Design. “I’m proud of everything I have achieved, I came in here thinking you can coordinate this colour with that and this chair with that but there is so much more to learn – lighting makes a big difference as do textures. I’m learning all this through the interior decorating course. My kids have seen a change in me. I am proud that I helped myself as everyone has always depended on me and I never once stopped and said it is my turn. Now I am doing something for myself,” Caroline said.

Caroline has joined a growing industry. According to research by the Australian Government, the number of interior designers grew over the past five years and is expected to grow over the next five years from 14,000 in 2018 to 16,100 by 2023¹³.

Disengaged Students

The TAFE NSW Youth Engagement Strategy (YES) program aims to inspire and re-engage students by providing an opportunity to undertake supported training that lays the foundations for a meaningful career.

In 2018 TAFE NSW has continued to work with NSW schools in 2018 to implement an early intervention Youth Engagement Strategy pilot (YES) program targeting youth at risk of disengaging from education and training, over 5,500 students were enrolled in the YES program.

³¹ Training Services NSW.

³² TAFE NSW data.

Students in need of Settlement Services

TAFE NSW is involved in several programs and initiatives that support people and families from a refugee background to settle and start a new life in NSW. For example, the Adult Migrant English Program (AMEP) that is funded by the Australian Government, provides up to 510 hours of free English lessons, supporting migrants to participate socially and economically in Australian society. This is further supported by free childcare so adult migrants can participate in AMEP while their children are cared for by qualified childcare providers at either Childcare Centres and at some TAFE NSW campus creche facilities. This service is a partnership between TAFE NSW and Gowrie NSW³³.

SHOWCASE

Ko Zaw Min was a chef in Malaysia and was keen to continue working in this field. In 2018, he studied and achieved Certificate II in Hospitality at TAFE NSW. He also completed the Responsible Service of Alcohol (RSA) certification.

Ko Zaw Min is currently studying Certificate II in Spoken and Written English at Coffs Harbour Education Campus and in June 2019, he has been selected to receive AMEP Extend, which is a capped sub-program of AMEP and offers extra hours to hard-working students who require additional time to consolidate their English skills.

The courses Ko Zaw Min has undertaken has provided him with the skills and knowledge to now work four to five nights a week at a local Ethiopian restaurant and also assist the owner of the restaurant on market days.

Ko Zaw Min was also selected to be a guest speaker at the Department of Human Services national program, Multiculturalism: Our Stories. The aim of this program is to provide staff within the government sector an opportunity to hear and share stories from migrants and refugees while also asking questions to dispel myths portrayed in the media and society more generally. Ko Zaw Min did a fantastic job telling his story. He could not believe he was speaking to leaders of Departments within the government sector. The Facilitator of Multiculturalism: Our stories stated that Ko Zaw Min's session received an "overwhelmingly positive response from all staff who attended. They expressed gratitude for having community members come into the office and share their story of their life journey".

TAFE NSW also collaborates with external organisations to ensure refugees are supported through education, health and social/community events. Some of these organisations include the NSW Service for the Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS), Red Cross, Settlement Services International, and Local Councils. Working Groups have also been established between TAFE NSW and external organisations to ensure communities are prepared to appropriately support refugees, particularly when there are high numbers. This has enabled careful planning and facilitated information sharing about initiatives and events to support refugees.

³³ <https://joboutlook.gov.au/occupation.aspx?code=2325>

SHOWCASE

A Law Expo was held on 24 October 2018 to give Adult Migrant Education Program students who are new to Australia important information about the legal and support services available in Australia, such as Legal Aid, Trustee and Guardian, Anti-Discrimination Board and Service NSW.

The event was organised by TAFE NSW Adult Migrant Education Program teachers and included presentations from NSW Department of Justice, NSW Police and Legal Aid and held at TAFE NSW - Wetherill Park. The event attracted a crowd of more than 250 people and was a great example of the extra value that TAFE NSW brings to the community and its programs. for having community members come into the office and share their story of their life journey”.

3.7 Multicultural Policies and Service Programs

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):

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.
- 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.

In 2018-2019, TAFE NSW worked toward an interim state-wide Multicultural Plan while the organisation finalises its new plan which is to be submitted to the Multicultural NSW for approval.

TAFE NSW provides a wide range of foundation Language, Literacy and Numeracy training programs to address the needs of students from culturally and linguistically diverse backgrounds. There are also many work readiness programs delivered to develop employability skill capabilities of students.

In addition to these entry programs, there are a range of support services to ensure students from culturally and linguistically diverse backgrounds are able to access services to meet their individual needs and aspirations. These include:

- Careers Counselling service provision to support students studies and promote tertiary pathways
- Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS) counselling services
- Language, Literacy and Numeracy tutorial support

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 2018-19, including:

- Celebrating Harmony Day across many of our Campuses in March 2019;
- Holding Reconciliation Week activities across Campuses in May and June 2019;

- Conducting NAIDOC celebratory events across Campuses during mid – late June 2019 as NAIDOC week traditionally occurs in a TAFE NSW holiday period;
- Participated in community organised NAIDOC week events across the region in July 2018;
- Attending local Multicultural group meetings and forums, such as the Ethnic Communities Council meetings and meetings with Aboriginal Land Councils;
- Attending Citizenship Ceremonies; and
- Supporting a range of community cultural events with information stalls including the Cessnock Cultural Stomp and Maitland Riverlights Festival.

SHOWCASE

The 10th emPOWER electrical pre-apprenticeship graduation ceremony held at TAFE NSW Ultimo on July 1st 2019. TAFE NSW has been delivering 10-week full time Aboriginal Pre-Apprenticeship Programs for 13 years in partnership with NECA, the National Electrical and Communications Association. TAFE NSW and NECA have partnered to target 200 identified electrical apprenticeships across the 10-program delivery.

The program has gone from strength to strength and we are proud to announce that at the end of the contract we have successfully met our target of 207 student enrolments, with the following outcomes- 54 NECA apprenticeships, 9 with other electrical employers, 31 into other employment, 26 returned to school and 8 to other TAFE courses. These numbers are set to increase to include the current graduating students.

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
- Gili Awards
- Scholarships to recognise refugee contributions to TAFE NSW and the community
- Metropolitan North Aboriginal Education Consultative Group (AECG) Awards
- The Mr George Watts Student Excellence Award and the Contribution to Aboriginal Education Teacher Award.

SHOWCASE

On Saturday 2 March, 80 TAFE NSW students and staff from across NSW were awarded **Best Float Design** for their float entitled “BE FEARLESS” which they created for the 2019 Sydney Gay and Lesbian Mardi Gras. The win was in a field of 197 highly competitive floats! This icon parade, now in its 41st year, was televised on SBS, showing our students marching down Oxford Street behind a colourful float entered by the Design Centre Enmore.

Their award-winning creation featured a huge mirror-skull and Giant ‘Mexican Day of the Dead’ puppets in the likeness of pop icons like Freddy Mercury and David Bowie. Hundreds of thousands of spectators lined the parade route, with more tuning in from around the world. Congratulations to everyone at the Design Centre Enmore for their hard work in guiding their students through the process of designing and making the float and skeleton puppets. Students also designed the lighting, sound, costumes and choreography.

SHOWCASE

A proud and passionate Wiradjuri woman, Patricia had been working with Family and Community Services for 15 years and was wanting a change so she could teach Aboriginal studies and work with local Aboriginal communities.

Patricia enrolled in the Diploma of Aboriginal Studies, completing the course online while also juggling family, work and community commitments. As a mature age student, the VET pathway was flexible and offered an alternative learning style that suited her needs.

The Diploma has given Patricia the opportunity to change careers, having successfully gained employment with TAFE NSW as an Aboriginal Engagement Coordinator at TAFE NSW Tumut.

In recognition of her studies, Patricia was awarded the 2019 Riverina Regional State Training Award for Aboriginal and Torres Strait Islander Student of the Year, progressing to the 2019 State Awards for Aboriginal and Torres Strait Islander Student of the year.

4. 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 delivered a series of initiatives to modernise the organisation and transform it into a contemporary and commercial government-owned business:

- Started operating as one Registered Training Organisation with our national regulator, the Australian Skills Quality Authority. This move supports streamlined ways of working and a consistent 'One TAFE approach' to quality and compliance across our organisation.
- Delivered nine Connected Learning Centres at Deniliquin, Narrandera, Corowa, Singleton, Grenfell, Bourke, Yamba, Murwillumbah and Bega. Our CLCs provide more choice through blended delivery options, better access and convenient training, supported by state-of-the-art digital technologies, to students and employers across regional NSW.
- Started replacing the EBS system with the new Student Management Services solution to reduce the admin pressure on our people, allowing them to focus on students. So far this system has given our customers and staff:
 - Better marketing and social media tools
 - Faster response to enquiries using our new Customer Relationship Management (CRM) system and live chat
 - Smarter tools for customers with a self-service knowledgebase
 - Easier access to a brand new staff-facing FAQ knowledgebase
 - Smarter course search on the TAFE NSW website
- Extracted over 300 systems as part of our separation from the Department of Education, to become more independent, including the safe transition of SAP, Identity Management, Office 365, Asset Management Data and the TAFE Program Diary.

4.1 TAFE Digital

TAFE Digital is Australia's largest provider of online vocational education and training and is also achieving high satisfaction ratings from its students. In the recent NCVET survey, over 90% of students who completed their online studies would recommend TAFE Digital as a training provider and over 89% were very satisfied with their experiences. There are four arms to TAFE Digital, as outlined below.

Digital Delivery

The Digital Delivery team utilises its online teaching and educational experts and the latest teaching and learning tools to communicate with, guide, provide feedback and assess students to ensure progression throughout their course. Over 150,000 assessments were marked during this reporting period, a total number of 350 teachers and support staff assisted over 80,000 students in Australia and overseas, and our online learning management system supported over one million logins.

This team also provides students with access to internship, work placement and job networking opportunities within Australian companies through a partnership with Ribit and delivers training to small business operators in Digital Literacy, Financial Literacy and Certificate IV in New Small Business qualifications. During this financial year 300 students, registered with Ribit and more than 4,800 small business operators were provided with training under the Skills for Business programme, a NSW Government and TAFE NSW initiative to support small businesses across NSW.

In the 2018-19 financial year, there is a significant focus on the use of real-time data and analytics to better inform the activities of our teachers to improve our student journey. This data and resultant actions plans were used to streamline the application process, support students during critical junctures in their online learning, and ensure that students receive critical support. This included the piloting of new initiatives such as a student Study Buddy. The team also achieved a significant review of education quality across TAFE Digital, with the upskilling of teachers through professional development programs designed to enhance quality teaching delivery practices.

Digital Learning Lab

The Digital Learning Lab is focussed on exploring and managing applications of emerging technologies in learning such as x-API, virtual and augmented reality, AI and nudge techniques to empower our students in their training journeys. During this year, the Digital Learning Lab developed the framework required to enable deep interrogation of learning data, aimed at the early identification of opportunities to better support our students.

Digital Design

Digital Design is a collaborative centre that builds and designs leading edge, digital training materials for TAFE NSW and commercial clients. The team is comprised of experts in learning design, universal design and accessibility, graphic design, virtual and augmented reality, video production, digital courseware authoring, writing and editing and computer programming.

This year saw the team conduct extensive research to develop benchmarks in learning design to ensure a high quality interactive student experience. The combined team built over 2,200 digital assets in over 50 courses for the organisation to use in its classroom, blended and online training.

Digital Product Management

The Digital Product Management team has nine product leads co-located with our SkillsPoints teams to provide product project support and digital advice.

SHOWCASE

TAFE Digital Diploma of Landscape Design student, Verity Snaith will return to Kenya in 2019 to construct a large-scale community garden at the Shikumu Twydale Memorial Primary School. The school was built as a result of a charity formed by Verity and her husband, Dr Ryan Snaith.

In 2009 the Snaith couple, having formed the registered Australian charity called Kenya Aid, provided the community with the funds to purchase land to build the school, which was originally made up of a group of six students who were unable to attend the local government school. They went to a church sporadically to learn what they could from a local volunteer teacher.

Local and international parents, teachers and friends facilitated the construction of eight temporary classrooms made of mud. Over the last few years these classrooms have been replaced with permanent brick classrooms. Construction of the school is now almost complete – two classrooms, a kitchen and an additional toilet block are all that remain to be constructed.

Ms Snaith said, “When Ryan finished his training to become a specialist emergency physician, it was time for me to start a Diploma of Landscape Design with TAFE Digital.

“Prior to completing the Diploma I didn’t have the skills I now have that allow me to design, implement and manage a large-scale community garden project. However each unit of the Diploma has provided me with the knowledge I need to make the project a success – from conducting an accurate site analysis right through to selecting plants that suit the climate and site conditions.”

“We anticipate that produce from the permaculture project will provide lunch to 200 children a day, offer an income stream for community members, and allow HIV positive patients at our hospital access to fresh produce which is vital to their ongoing wellbeing,” said Mrs Snaith.

Embarking on Kenya Aid together has been a life altering decision for the Snaith couple. “I am so glad we persevered – each trip to Kenya has shown how small actions have lasting impacts on the lives of the people in that community. Our school was ranked both number 1 and most improved in the district in 2017, and we’ve had 17 graduates go on to further education – a phenomenal rate for one of the most impoverished areas in Kenya.

Verity Snaith was awarded TAFE NSW Agribusiness Student of the Year at the TAFE NSW Excellence Awards held in June 2019 in recognition of her academic achievements and international community contribution. She recently also won the NSW Training Services Student of The Year Award.

4.2 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

Domestic commercial enrolments in TAFE NSW qualifications were 93,300 in 2018.³⁴

TAFE Enterprise completed its first full year of operations. Commercial contracts were secured, with approximately 80% being with private sector clients. In the public sector, TAFE NSW secured contracts with over 400 agencies, including 81 councils.

The Skills for Business program, targeted at businesses with less than 200 employees, achieved over 3,000 enrolments. The top 5 industries were Retail Trade, Construction, Professional Services, Health Care and Education.

International Education

The number of international students enrolled in TAFE NSW:

- In Higher Education qualifications was 884 in 2018³⁵
- In VET qualifications was 2,959 in 2018
- In English Language Intensive Courses for Overseas Students (ELICOS) were 748 in 2018.

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

In 2018–19, TAFE NSW promoted its educational offerings to new international students by attending education exhibitions in Sydney, Nepal, China, the Philippines, Thailand, Vietnam, Colombia, Brazil, Indonesia, South Korea, Japan, Hong Kong, Malaysia, India, Taiwan, Sri Lanka, Spain and Italy.

Some of the most popular courses for international students include Information Technology, early Childhood Education and Care, Hospitality Management, Carpentry, Nursing, Building and Construction, and Business.

³⁴ TAFE NSW data.

³⁵ Australian Education International (December 2018) is the source of all data in this section.

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 Asia.

Table 6: TAFE NSW maintained the following partnerships in 2018–19:

Overseas Partner Organisation	Location
Anshan Xilianguangbo Education & Consulting Services Co., Ltd (T/A Unistar)	China
Beijing College of Politics and Law	China
Caretek (China) Medical PLC	Caretek (China) Medical PLC
Chengdu Industrial Vocational Technical College	China
Guangdong Industry and Technical College	China
Guangdong Mechanical and Engineering College	China
Hunan Environment Biological Polytechnic	China
Jiangsu Agri-animal Husbandry Vocational College	China
Kunming Metallurgy College	China
Liaoning Agricultural Technical College	China
Ningbo City College of Vocational Technology	China
Ningbo Foreign Affairs School	China
Renji Hospital	China
Shanghai AXGZ Education Training Co. Ltd	China
Shanghai Commercial School	China
Shanghai Municipal Education Commission	China
Shenzhen Polytechnic	China
Shunde Polytechnic	China
Zhangjiagang Vocational Education Centre	China
Fiji National University	Fiji
INTI International College Penang	Malaysia
Global Academy of Tourism and Hospitality Education	Nepal

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.

The TAFE NSW Strategic Asset Management Plan 2018/19 – 2027/28 details asset management objectives to ensure changes to the asset portfolio align to future learning needs and existing assets are safe and efficiently managed to support the effective and efficient delivery of teaching and learning for students across NSW.

TAFE NSW has committed to align to the International Asset Management Standard ISO 55000 in the TAFE NSW Asset Management Policy and has a Strategic Asset Management Framework to support implementation.

TAFE NSW is developing a 20 Year Infrastructure Strategy in accordance with Infrastructure NSW's Recommendation #111 in the *State Infrastructure Strategy 2018-2038: Building Momentum*. The 20 Year Infrastructure Strategy, will be completed by mid-2020, and detail how TAFE NSW will leverage government and industry investment to place customers at the centre of outcomes-based infrastructure planning ensuring:

- Students, community, employers and industry partners are at the centre of our service delivery planning
- TAFE NSW is aligned to land use priorities identified in the NSW Governments' Regional and District Plans and Priority Precincts
- The Interconnected Training Network supports future service delivery
- Improved utilisation and asset management, including asset recycling
- The funding requirement to support the future state is quantified.

In 2018–19, 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
- Student centred, digitally enabled Connected Learning Centres
- Dedicated, purpose built Mobile Training Units to bring equipment and tools to students to provide hands-on, practical training
- Digital and mobile platforms to improve connectivity and accessibility.

In 2019–20, TAFE NSW will continue to expand the types of courses available across regional and rural NSW through digitally enabled facilities including Connected Learning Centres.

Connected Learning Centres

In July 2016, the then Minister for Skills, the Hon. John Barilaro, MP announced a commitment to establish Connected Learning Centres 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 Training 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.

A further 9 Connected Learning Centres were delivered as part of Tranche 2 between July 2018 and June 2019 in Corowa, Deniliquin, Narrandera, Bega, Bourke, Grenfell, Murwillumbah, Singleton, and Yamba. The Connected Learning Centre in Scone is due to be completed 18 July 2019.

In March 2019, the NSW Government committed to building an additional eight Connected Learning Centres in Batemans Bay, Byron Bay, Cobar, Hay, Jindabyne, Nambucca Heads, Nelson Bay and West Wyalong.

Business System

Development of the new Student Management System continued throughout 2018-19, following its first two releases:

- a marketing automation solution for campaign and lead management in November 2017, and
- a Customer Relationship Management (CRM) system in June 2018.

While initially implemented in contact centres in May 2019, the CRM was also deployed for use by frontline staff in a number of campuses. Deployment to remaining campuses will be staggered across the second half of 2019 with the CRM system providing enhanced capability for:

- Self-service and staff-assisted enquiries using the new student TAFE NSW website and staff-facing course search with geo-tagging
- Student and staff-facing FAQ knowledge base
- The ability to manage and track enquiries for customers across TAFE NSW (using a CRM system).

Design and build of the new system was finalised in October 2019, and responsibility for the delivery of the remaining elements of the system will be transitioned from the current vendor to TAFE NSW. This will enable a staged approach to implementation of the new system and ensure the end solution is the right fit for the unique needs of our staff and students.

Once implemented, the new system will significantly improve the customer experience and provide a single customer view. This will help improve the quality and consistency of student and business data which will help streamline business planning, internal monitoring systems and external reporting processes.

The transition to a new One TAFE organisational model and the machinery of government change to transfer remaining back office administration activities from the Department of Education, was a significant undertaking during the year. The Auditor-General has noted the impacts of these changes during its audit. TAFE NSW is currently implementing a number of enhancements to systems and procedures to ensure effective control of expenditure and purchasing.

Information and Communications Technology (ICT) Services

In 2018-19, TAFE NSW continued the transformation of its technology services to enable TAFE NSW to thrive in an increasingly competitive digital era. Aligned with the Board endorsed TAFE NSW Information and Communication Technology Strategic Business Plan 2017-2023 (ICT Strategy), TAFE NSW has:

- Completed its transition from the NSW Department of Education and significantly reformed its ICT services while ensuring business continuity throughout a complex technology driven operation
- Continued enhancement of its cloud-based enterprise architecture, websites and processes to support the OneTAFE model and consistent learning delivery
- Internally developed and delivered the OneTAFE NSW Digital Campus – a purpose-built learning platform that enables online students and teachers to engage, collaborate and achieve learning outcomes seamlessly

- Completed set up of the technologies required by Connected Learning Centres across NSW to allow a wider range of TAFE NSW courses and services to be accessed in rural and regional NSW
- Established an enterprise process excellence function to deliver business modelling and strategic business process analysis; process improvement; and the management of changes
- Supported the development of the new student management system through delivery of technology infrastructure and services
- Strengthened our security posture in order to protect TAFE NSW from cyber-attacks and breaches both internally and externally
- Been awarded the ITSM Project of the Year in September 2018 by itSMF (an independent and internationally recognised industry forum for IT service management). This external award acknowledged TAFE NSW's commitment to improving operational efficiencies and ICT service levels across the organisation.
- Initiated a Women in ICT Forum as a place for people, especially women, to share their stories, ideas and advice; promote opportunities; and build community.

Importantly, the digital transformation of TAFE NSW continues to progress with ongoing improvements that support innovation and creativity, and deliver value to customers.

4.3 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 risk management underpins the success of TAFE NSW in providing excellent customer outcomes. The One TAFE modernisation is impacting risks at all operational levels.

During the year, TAFE NSW prioritised the implementation of its enterprise risk management framework and the development of risk management practices across the operational business. The framework guides process excellence and sound decision-making.

Key stakeholders remained active in risk management, including the TAFE NSW Board, the TAFE NSW Audit and Risk Committee (the Audit and Risk Committee) and senior executives.

The key initiatives undertaken included embedding risk management practices through quarterly risk reviews, an evaluation of the applicability of the risk categories and revision of the Risk Appetite Statement, and maturing our risk culture through business engagement and collaboration.

Risk owners were tasked with monthly monitoring of risk treatment action plans and new templates were introduced for branch and group reporting to Executive Leadership Team focused on risks for escalation and treatment action tracking.

The effective management of risk requires understanding of risk management principles as well as knowledge and skills in the processes applied by TAFE NSW. The Risk Management Unit supports ongoing training and capability development for risk owners, control and action owners and other employees involved in risk management.

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 2018 and 30 June 2019, 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 2018-2019, the Audit and Risk Committee met on eight occasions. Attendance details are contained in the Table 7 below.

Name	Position	Eligible Meetings Attended	Membership during 2018-19
Carolyn Burlew	Independent Chair	6 of 6	Current
Gregory Fletcher	Independent Member	6 of 6	Current
Paul Apps	Independent Member	1 of 1	Retired ³⁶
Ralph Kelly	Independent Member	3 of 3	Current ³⁷

³⁶ Retired September 2018

³⁷ Commenced February 2019

Internal Audit

An internal audit capability is established within TAFE NSW to undertake internal audits of TAFE NSW operational systems and controls.

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 2018–2019 Internal Audit Plan. This Plan was developed through consultation, consideration of TAFE NSW risk registers and prior internal audit coverage and findings.

TAFE NSW developed a strategic three-year plan (2019–2022) and tactical annual audit plan (2019-2020). These plans were endorsed by the Audit and Risk Committee in May 2019.

4.4 Vocational Education and Training Compliance and Quality Audits

On 1 January 2019, TAFE NSW commenced operating as one Registered Training Organisation (RTO). Registration allows the RTOs to provide vocational education and training (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).

Registration and Compliance Audits

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

TAFE NSW RTO 90003 underwent a re-registration audit in October-November 2018. TAFE NSW RTO 90003 has been re-registered to 1 September 2025.

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 2018-19.

Higher Education Compliance

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.

Overseas Students Service Compliance

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.

4.5 Insurance

TAFE NSW is part of the NSW Treasury Managed Fund Scheme that provides a range of cover for many NSW government agencies. The Fund provides broad protection for asset and liability exposures including:

- Workers compensation cover according to NSW statute for TAFE NSW employees,
- Property and motor vehicle cover for loss or damage to buildings, contents, equipment and motor vehicles,
- Liability cover including public liability, products liability and professional indemnity, and
- Miscellaneous cover which includes voluntary workers, students on work experience, and international travel.

4.6 Complaints and Improvements

Type of complaint	Resolution process	Unresolved prior to 30 June 2018	Received in 2018–19	Resolved in 2018–19	Carried over beyond 30 June 2019
Category 1 (General) A complaint about a service, procedure or system (e.g. delays, inefficiencies)	Remedy and systems improvement	260	1811	1624	187
Category 2 (Serious) A complaint about a person that could not be resolved by informal resolution (e.g. unreasonable or unfair behaviour)	Negotiation	37	387	374	13
Category 3 (Investigation) A more serious complaint alleging unlawful behaviour by a person (e.g. alleged breach of legislation, policy, procedure or contract)	Investigation	13	125	124	1

Table 8 Source: TAFE NSW local administrative data

TAFE NSW addressed and resolved complaints as soon as practicable. Updates to the complaints policy and procedure for One TAFE were implemented state-wide. A Complaints Community of Practice was established to share complaint handling expertise and better identify business improvement opportunities.

Table 9: the nature of complaints received in 2018–19 varied, however key themes were as follows:

Type of complaint	Sample improvements made in 2018–19
Difficulties receiving transcripts and testamurs	- Direct referrals to student administration established for fast turnaround - Better communication links between financial and administration areas cemented
Customer service, responsiveness and communication channels	De-identified complaint data shared with Customer Service, Marketing and Customer Experience teams to improve service
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 - Better visibility of issues by senior teaching staff
Delay in issuing refunds/re-credits	Additional staff on-boarded to more effectively handle workloads

4.7 Research and Development

Table 10: 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
Air Conditioning Refrigeration & Building Services (ARBS) Stand Alone Solar Powered Air-Conditioning System	TAFE NSW Higher Education	In the Associate Degree of Applied Engineering (Renewable Energy Technologies) a research project has been developed in collaboration with ARBS Education Foundation to determine the practicality of an off grid Air conditioning prototype powered by solar PV system integration with a battery. This project aims to develop systems that can effectively integrate renewable energy in small scale Air-Conditioning systems.	N/A	November 2019
Innovative / Emerging / Optimised solutions for the rapid deployment of Ground Mounted Systems	TAFE NSW Higher Education	In the Associate Degree of Applied Engineering (Renewable Energy Technologies) a student research team is conducting an analysis of Innovative / Emerging / Optimised solutions for the rapid deployment of Ground Mounted Systems at effective \$/W for the total Design and Construction life-cycle cost. This will include innovative 100MW solar PV system using Bifacial and Optimiser (demonstrating a superior solution against the price and performance of a standard system of equal size).	N/A	November 2019
Maintenance optimisation of Solar PV System via Remote Monitoring – 100MW to 300MW systems	TAFE NSW Higher Education	In the Associate Degree of Applied Engineering (Renewable Energy Technologies) a student research team is conducting a study into the maintenance optimisation of Solar PV System via Remote Monitoring. This will focus on remote inland high temperature (extreme environmental conditions) large solar farm installations ranging from 100MW to 300MW.	N/A	November 2019

Name of project	Conducted by	Nature and purpose of project	Total cost over life of project (\$ excluding GST)	Completion date
Maintenance optimisation of Solar PV System via Remote Monitoring - off-grid commercial systems up to 200kW	TAFE NSW Higher Education	In the Associate Degree of Applied Engineering (Renewable Energy Technologies) a student research team is conducting a study into the maintenance optimisation of Solar PV System via Remote Monitoring, specifically for off-grid commercial systems up to 200kW.	N/A	November 2019
Comparison of 'best' Battery Technology Storage for Solar PV system of different sizes	TAFE NSW Higher Education	In the Associate Degree of Applied Engineering (Renewable Energy Technologies) a research project has been developed to compare Battery Technology Storage for Solar PV system of different sizes (eg: Lead Acid, versus Lithium-Ion, versus CSIRO UltraBattery.	N/A	November 2019
Breaking The Cycle: The role of TAFE NSW in lowering youth unemployment and re-engaging those classified as NEET (not engaged in Education and Training)	TAFE NSW	An overseas study trip by a Foundation Skills Head Teacher was funded under a 2018 Premier's Teaching Scholarship, to learn about the international strategies being used to prepare young people for employment. Countries visited included Iceland, Denmark and Finland.	\$10,000	May 2019
Bricklaying training: A focus on catering to excellence and inclusion	TAFE NSW	A study trip to the United Kingdom by a Bricklaying Head Teacher was funded under a 2018 Premier's TAFE NSW Teaching Scholarship to conduct research and investigations regarding good practice in literacy and numeracy support for bricklaying students, catering to excellence in the competency-based vocational education and training sector.	\$10,000	July 2019

5. Senior Executives

5.1 Management Structure

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

5.2 NSW TAFE Commission Board

The functions of the NSW TAFE Commission Board (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.

5.3 Current Board Member Qualifications and Terms of Appointment

Table 11: the following people served as TAFE NSW Board members during the period from 1 July 2018 to 30 June 2019. Details of positions held and qualifications are as at 30 June 2019.

Board member	Term of appointment	Positions held	Qualifications and professional development
Terry Charlton (Chairperson)	1 June 2018 to 31 May 2022	Member, Monaro Early Intervention Service Board	Master of Science (Psych.), University of Newcastle Bachelor of Commerce (Economics and Accounting), University of Newcastle
Caralee McLiesh	A/Managing Director (from 28 September 2018 to 5 December 2018) Managing Director (from 5 December 2018) Ms McLiesh was an ex officio member of the Board (from 28 September 2018 to 30 June 2019, resigned from the role of Managing Director effective from 19 July 2019)	A/Managing Director (from 28 September 2018 to 5 December 2018) Managing Director (from 5 December 2018)	Bachelor of Economics (Honours), Australian National University Doctor of Philosophy (Finance), University of Melbourne

Board member	Term of appointment	Positions held	Qualifications and professional development
Jon Black	N/a Mr Black was an ex officio member of the Board (from 7 December 2015 to 28 September 2018, resigned from the role of Managing Director effective from 28 September 2018)	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 , 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 2018 to 31 December 2021	Board member, Australian Centre for International Commercial Arbitration	Bachelor of Laws, University of Sydney
Carolyn Burlew	1 January 2018 to 31 December 2020	Member, Pharmacy Council of NSW Independent Chair, Audit and Risk Committee, Department of Communities and Justice Independent Chair, Audit and Risk Committee, Crown Solicitor's Office Independent Chair, Audit and Risk Committee, Transport for NSW Independent Chair, Audit and Risk Committee, Far West Local Health District Independent Member, Audit and Risk Committee, Western Local Health District	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
Joan Cooper	1 January 2016 to 8 April 2019, resigned from the Board effective 8 April 2019	Chair, Academic Board of TAFE NSW Higher Education Chair, Governing Council of Western Sydney Institute of Management (potential HE provider working towards registration) Chair, Academic Board, Study Group Australia Member, Academic Board AIH Chair of the Tech Expert Advisory Board	Doctor of Philosophy (Mathematics), University of Newcastle Bachelor of Mathematics (Honours), University of Newcastle

Board member	Term of appointment	Positions held	Qualifications and professional development
Ero Coroneos	1 January 2016 to 31 December 2019	Supply Chain Risk, Lendlease Corporation Chair, Social Sustainability Committee, Property Council of Australia Member, UN Global Compact Network Australia – Modern Slavery Working Group Associate Member, Australian Property Institute Associate Member, Governance Institute of Australia Graduate Member, Australian Institute of Company Directors	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
Greg Fletcher	1 August 2016 to 31 July 2020	Chair, SMEG Australia Pty Ltd Vice-Chairman and Chair, Audit and Risk Committee, Yancoal Australia Limited Independent Director, Chair of the Audit and Risk Committee and Member of the Remuneration Committee, Saunders International Limited Member, Audit and Risk Committee, TAFE Member, Audit and Risk Committee, Railcorp Member, Audit and Risk Committee, NSW State Transit Authority Chair, Audit and Risk Committee, NSW Electoral Commission Member, Audit and Risk Committee, NSW Heath Infrastructure	Bachelor of Commerce, University of New South Wales Chartered Accountant Member, Institute of Chartered Accountants

Board member	Term of appointment	Positions held	Qualifications and professional development
Morris Iemma	1 January 2016 to 31 December 2019	Chair, NSW Cancer Institute Chair, Southern Expansion Football Club (Bid Group) Chair, Districts Cricket Association (NSW) National Chair, Miracle Babies Foundation President, Kingsgrove Cricket Club Vice President, St George Cricket Association Member, Roberts/Pizzarotti Constructions Advisory Board Committee Member, Campbelltown/Camden Cricket Club Community Manager, Lantern Club (Mingara Leisure Group) Shareholder, Clean Tech Partnerships (C.T.P.)	Bachelor of Economics, University of Sydney Bachelor of Laws, University of Technology, Sydney
Duncan Taylor	1 January 2016 to 31 December 2019	Shareholder, Growth Farms Australia Group Funding Partner, Farm Partnerships Australia Director, Bobingah Pty Ltd Director, Fairross Pty Ltd Committee Member, Monaro Early Intervention Service Associate Member, Law Society of NSW Volunteer, Country Universities Centres (CUC)	Graduate Diploma of Applied Legal Practice Bachelor of Laws (First Class Honours) Bachelor of Economics
Justine Turnbull	1 January 2018 to 30 April 2019, resigned from the Board effective 30 April 2019	Chair, Access Programs Australia Limited Consultant, Q Workplace Solutions	Bachelor of Laws (Honours), University of Sydney Bachelor of Economics, University of Sydney

Board member	Term of appointment	Positions held	Qualifications and professional development
Todd Williams	1 January 2016 to 31 December 2019	Fellow, Australian Institute of Company Directors Committee Member on NSW Cyber Security Network a partnership between the Universities Director, Newcastle, Grammar School	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
Simon Draper	9 November 2018 to 31 March 2019, appointed to the role of the Senior Executive from the Department of Industry commencing 9 November 2018. New machinery of government announced 31 March 2019	Secretary, NSW Department of Industry	Company Directors Course, Governance, Australian Institute of Company Directors Bachelor of Economics (Hon), University of Sydney Master of Business, Finance, University of Technology, Sydney

5.4 Meeting Attendance

The TAFE NSW Board convened eight meetings during the period from 1 July 2018 and 30 June 2019. TAFE NSW Board members' attendance for that period is set out in Table 12 below.

Board Member	Eligible to attend	Attended
Terry Charlton (Chairperson)	8	8
Craig Pudig (Deputy Chairperson)	8	8
Jon Black	2	2
Caralee McLiesh	6	6
Carolyn Burlew	8	7
Joan Cooper	5	5
Ero Coroneos	8	8
Simon Draper	2	2
Greg Fletcher	8	7
Morris Iemma	8	4
Duncan Taylor	8	7
Justine Turnbull	6	6
Todd Williams	8	6

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

5.5 TAFE NSW Commission (Senior Executive) 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.

It has been dormant for two years and TAFE NSW has an exemption for reporting on the Staff Agency.

5.6 Number of Senior Executive Breakdown by Band

TAFE NSW employed the following senior executives in 2017-18 and 2018-19. These figures include the Managing Director and senior executives reporting directly to the Managing Director at the end of the reporting year.

Table 13: As at 30 June 2018

Band	Female	Male	Total
Band 4 or equivalent	-	-	-
Band 3 or equivalent	-	3	3
Band 2 or equivalent	6	3	9
Band 1 or equivalent	-	-	-
Total	6	6	12

Source: NSW Public Sector Workforce Profile

Table 14: As at 30 June 2019

Band	Female	Male	Total
Band 4 or equivalent	-	-	-
Band 3 or equivalent	2	2	4
Band 2 or equivalent	2	1	3
Band 1 or equivalent	-	-	-
Total	4	3	7

Source: NSW Public Sector Workforce Profile

5.7 Average Remuneration by Band

Table 15: 2017-18 Average Remuneration by Band

Band	GSE Act remuneration range (\$) ³⁸	TAFE NSW average remuneration (\$)
Band 4 or equivalent	463,551–535,550	-
Band 3 or equivalent	328,901–463,550	465,225
Band 2 or equivalent	261,451–328,900	365,363 ³⁹
Band 1 or equivalent	183,300–261,450	-

Source: NSW Public Sector Workforce Profile

Table 16: 2018-2019 Average Remuneration by Band

Band	GSE Act remuneration range (\$) ⁴⁰	TAFE NSW average remuneration (\$)
Band 4 or equivalent	475,151 to 548,950	-
Band 3 or equivalent	337,101 - 475,150	428,955
Band 2 or equivalent	268,001 - 337,100	366,952
Band 1 or equivalent	187,900 - 268,000	-

Source: NSW Public Sector Workforce Profile

In 2018-19, 0.29 per cent of the TAFE NSW employee-related expenditure was related to senior executives. This compares to 0.40 percent in 2017-18.

This percentage includes the Managing Director and employees in substantive, relieving or acting roles who were reporting directly to the Managing Director as at 30 June 2019. This treatment is consistent with figures reported in previous TAFE NSW annual reports.

³⁸ Remuneration ranges are set by the NSW Remuneration Tribunal.

³⁹ 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 evaluation was undertaken externally. Remuneration under the GSE Act and the TAFE Commission Act do not directly align.

⁴⁰ Remuneration ranges are set by the NSW Remuneration Tribunal.

⁴⁰ Remuneration ranges are set by the NSW Remuneration Tribunal.

5.8 Senior Executive Positions and Qualifications

TAFE NSW employed the following senior executives in 2018-19. This includes the Managing Director and senior executives reporting directly to the Managing Director during that time (see Table 17 below).

Senior executive	Position title	Qualifications and professional development
Jon Black	Managing Director (to 28 September 2018)	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
Caralee McLiesh	A/Managing Director (from 28 September 2018 to 5 December 2018) Managing Director (from 5 December 2018).	Bachelor of Economics (Honours) Doctor of Philosophy (Finance)
Lucy Arundell	Chief Education and Training Officer	Bachelor of Arts Graduate Diploma of Information Management
Glen Babington CSC	Chief Operating Officer	Master of Business Administration Bachelor of Arts (Honours) Company Directors Diploma, Australian Institute of Company Directors Diploma of Applied Indonesian Language Diploma of Executive Coaching
David Backley	Chief Information Officer	Master of Professional Practice (Information Technology)
Mark Easson	Chief Financial Officer	Master of Business Administration Bachelor of Commerce Chartered Accountant Company Directors Course, Australian Institute of Company Directors
Paul Ingwersen	A/General Manager, People and Safety ((until 3 September 2018)	Executive Masters in Public Administration Graduate Certificate in Leadership in Vocational Education Certificate in English Language Teaching to Adults Company Directors Course, Australian Institute of Company Directors
Catherine Grummer	General Manager, People and Safety (from 3 September 2018)	Bachelor of Science (Biology) Master of Business Administration (Strategy, Analytical Consulting, Technology Management) Advanced Human Resource Executive Program NSW Leadership Academy
Megan Aitken	General Manager, TAFE Digital	Master of Arts (Communications) Bachelor of Business Board Member, UNELife, University of New England

Senior executive	Position title	Qualifications and professional development
Susie George	Regional General Manager, North	Bachelor of Business (Human Resources) Graduate Certificate of Management Company Directors Course, Australian Institute Company Directors
Catherine Baxter AM	Regional General Manager, West	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
Michael Cullen PSM	Regional General Manager, Western Sydney	Bachelor of Commerce (Economics)
Kerry Penton	Regional General Manager, South (to 27 May 2019) A/Chief Delivery Officer (from 27 May 2019)	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
Jonathan Davis	A/Regional General Manager, South (from 27 May 2019)	Master's Degree in Education Management Further and Adult Education Teachers' Certificate Bachelor of Science, Business Administration and Management
Alison Wood	Regional General Manager, Sydney	Master of Arts Graduate Diploma TESOL Bachelor of Science Certificate IV in Training and Assessment Company Directors Course, Australian Institute of Company Directors

5.9 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 part or all of 2018-19.

Chief Delivery Officer

This role was established on 27 May 2019, as a direct report to the Managing Director.

The Chief Delivery Officer oversees the delivery of all TAFE NSW education and training products and services. They are responsible for ensuring these products and services are delivered in a way that unequivocally puts the customer at the centre; meets the required educational, regulatory and safety standards; aligns to the One TAFE model, and appropriately balances TAFE NSW's commercial interests with its community and social responsibilities.

Regional General Managers

Regional General Managers reported to the Managing Director from 1 July 2018 to 26 May 2019.

The Regional General Managers are accountable for training and education delivery and regional engagement 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 customer's experience and organisation's performance through the functions of marketing and communications; business development; governance, legal and risk; property and logistics; business development; and student administration and support services. The Chief Operating Officer is also responsible for the branch that coordinates the portfolio of programs implementing the 'One TAFE' operating model.

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.

Chief Information Officer

The Chief Information Officer provides strategic leadership and advice with respect to ICT and enterprise process, and ensures appropriate governance and management of the ICT & enterprise process function for TAFE NSW.

General Manager TAFE Digital

The General Manager TAFE Digital reported to the Managing Director from 1 July 2018 to 26 May 2019.

The General Manager TAFE Digital is accountable for all the online delivery across TAFE NSW, the overall digital design of TAFE NSW products, and the management of the Digital Lab to ensure continued

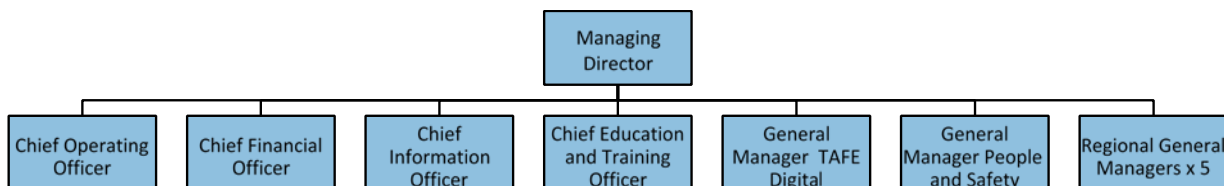
innovation in learning technologies and techniques. The scope of the role covers the management of all online students, the delivery of a quality and consistent learning experience by online learners; the delivery of superior and cost effective digital product; all innovation in new technology to improve student outcomes.

General Manager People and Safety

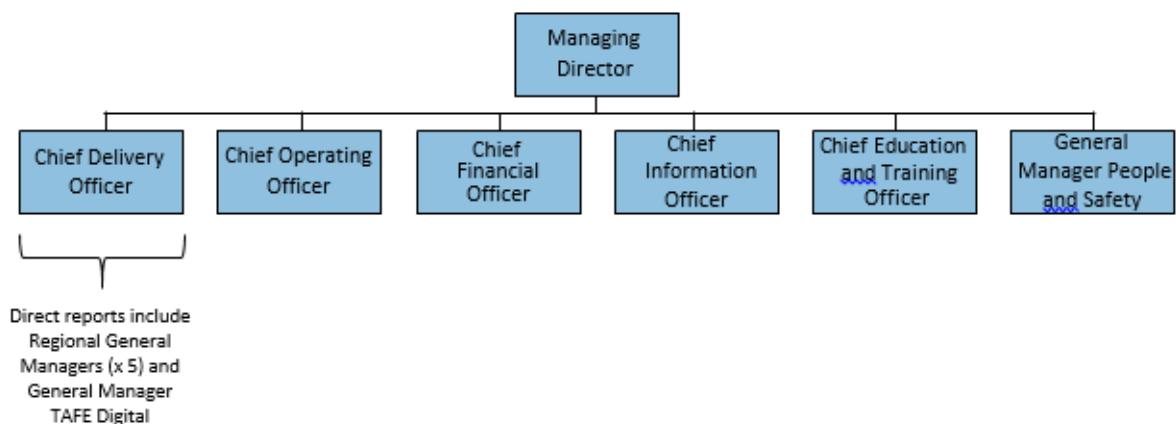
The General Manager People and Safety leads human resources strategies and initiatives to ensure the effective management and development of TAFE NSW employees. This position provides leadership and resources on workforce planning, organisational development, change management, safety, performance management, procedures, payroll, recruitment and workplace relations matters. The position maintains a culture 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 organisational health programs and supports line management to maximise employees' potential. The role is responsible for developing a comprehensive workforce strategy to ensure TAFE NSW is a competitive quality provider in a contestable market.

5.10 Organisational Chart

From 1 July 2018 to 26 May 2019, the following senior executive positions reported to the Managing Director.



From 27 May 2019 to 30 June 2019, the following senior executive positions reported to the Managing Director.



6. Human Resources

6.1 Number of Employees

Table 18: TAFE NSW employed the following employees (full-time equivalent):

Service group	June 2016	June 2017	June 2018	June 2019
Teachers	5,488	5,482	5,458	5,827
Support Services including Educational support	4,254	4,194	4,568	4,324
Total	9,742	9,676	10,026	10,151

Source: TAFE NSW Payroll Report (average for June)

Service group categories shown include the following:

- Teachers – Head teachers, teachers, assessors, education support officers, outreach coordinators, disability consultants
- Support Services – specialised disabilities support, class support, librarians, student and customer services, educational compliance, security, project resources for the One TAFE Modernisation Program and support functions such as finance, human resources, IT, legal and marketing.

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 number of employees for the year, whereas the annual report figure is based on workforce data collected during a particular census period (June month average of hours worked and paid).

6.2 One TAFE People and Safety Strategy

The One TAFE People and Safety Strategy 2017–22 (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 2016–22 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.

To ensure People and Safety continues to support the achievement of the TAFE NSW strategic goals and the People and Safety Strategy, a People and Safety 2019-20 Business Plan has been produced. Within this is a range of initiatives which fall under four focus areas:

1. Quality and Excellence
2. Embed One TAFE
3. Customer Experience
4. Build Our Culture

6.3 Developing a Quality Workforce

During 2018-19 TAFE NSW completed a Strategic Workforce Plan in a number of key Health Wellbeing and Community Services disciplines. This workforce plan aims to maximise the likelihood of TAFE NSW having the right number of teaching staff, with the right capabilities, in the right locations at the right time to provide quality education to students. The Workforce Plan involved significant engagement with teaching sections around the state.

TAFE NSW Academy

The TAFE Academy was launched in April 2018 and has delivered leadership programs to 90 Education and Training Team Leaders, 45 TAFE Managers and 62 Head Teachers. Each Academy program runs for nine months and focuses on building leadership capabilities. Programs include virtual monthly masterclasses that are based on emergent and strategic topics aligned with organisational priorities. The programs also include the development of Individual Leadership Action Plans, mentoring and coaching, and 360 reviews. Programs are based on the 70:20:10 framework.

Feedback from all of the programs has been overwhelmingly positive.

The inaugural Academy Graduation for Teaching & Education Team leaders was held in May 2019 at Ultimo Campus, which also saw the launch of the first group of Academy Alumni.

The TAFE Academy also delivered a 'Teaching with Technology' program to approximately 145 teachers and head teachers over a period of eight weeks. Each session was delivered virtually utilising a range of different technologies to demonstrate and build capability simultaneously.

The Academy played a collaborative role with the Education & Training Group Aboriginal Forum held at Kurri Kurri Campus in June 2019, with the opportunity to take part in a learning circle yarn focusing on building aboriginal leadership development.

The remaining program graduations and two new programs for TAFE Managers and Head Teachers are planned for the remainder of 2019.

Mandatory Training

In January 2019, six online mandatory training modules were made available to all TAFE NSW employees. The topics included:

- Child Protection
- Code of Conduct
- Workplace Health and Safety
- Public Interest Disclosure (PID)
- Bullying and Harassment
- Cybersecurity Awareness.

By 19 June 2019, 14,422 employees had participated in the online training.

Performance Development and People@TAFE

In June 2018, People@TAFE, a capability and performance development system was launched to support the embedding of TAFE NSW's performance development framework. Since its launch, the People@TAFE system has undergone changes to improve the user-experience. The Keeping it Current (KIC) form, has been revised to make it easier for employees to upload currency and qualification information, and the Individual Delivery Profile, the tool to collate evidence of what an individual teacher is qualified to teach and assess, will be released in July 2019 in line with compliance requirements.

As part of the initial release, electronic Performance Development and Review Plans (PDRP) were implemented across the state to support continuous growth and development of all TAFE NSW employees, and to encourage regular, quality performance conversations as part of best practice. As of May 2019, 2438 PDRPs have been created, with this number continuing to grow each month. To support this process, a number of resources have been developed including “How to” conversation guides.

Quality Teaching and Learning

2018-2019 saw a strong emphasis on developing and implementing consistent processes and practices for quality teaching and learning. The Educational Quality project, starting with Demonstrating VET Currency and Competence workshops was initiated in March 2019. More than 8500 educational employees will be completing a compulsory five hour workshop and evidence documents will be uploaded into People@TAFE. Sixty percent of these employees are expected to attend workshops across late June and early July 2019.

This project represents the most significant investment in educational employees since One TAFE was implemented. These workshops have formed one component of a longer term program of support and focus on quality teaching and learning. Examples of other initiatives that have supported educational quality across the year include Learning Express, Smart Quality Toolkit version 2, Facilitation Skills, TVET Teacher Induction, Digital Teacher Toolkit and Responding to Challenging Student Behaviours. Many of these programs have associated resources that employees can access online at any time via Capability Central, the TAFE NSW staff learning and development library.

Professional Standards for Teachers

The purpose of the Professional Standards for Teachers is to acknowledge the central role that teacher quality plays in student outcomes. They will provide a clear and agreed vision of what effective teaching looks like, alongside a framework that guides career and capability development. They have been designed to support teacher development, best practice and educational excellence across TAFE NSW.

They contain 15 separate standards for what effective educators know and do.

The Standards identify what effective educators know and do, organised into three domains of Professional Knowledge, Professional Practice and Professional Engagement

The Standards have been developed after rigorous research, benchmarking of domestic and international standards and best practice, along with consultation across TAFE NSW and with the Teachers Federation. Consultation on the Professional Standards will continue during FY19-20.

Staff Rewards and Recognition Program

In November 2018, the Rewards and Recognition Program expanded to include the first TAFE NSW Recognition Awards. There were six award categories in total catering to both team and individual nominations. Judging and acknowledgement occurred at two levels, regional and state. State winners went on to attend a formal recognition dinner at the Ambassador Restaurant in Ryde and tickets to the ENGAGE Conference.

In late 2018, TAFE NSW launched peer to peer e-cards, a quick and easy way for employees to recognise one another for a job well done. Nominators can choose to select from six e-cards to recognise a peer. Throughout the past quarter, over 200 e-cards, have been utilised.

Professional Development

The expansion of Capability Central offerings across the year has had an emphasis on providing safety related resources for employees, for example Warden training, Risk Management, Asbestos Awareness and Security Tips, in addition to a wide suite of resources for educational employees. The Capability Central repository links to the Learning Management System and central Staff Moodle which can track use and completion of e-learning resources.

For the first time First Aid for TVET Teachers, First Aid Officers and Teachers of High Risk courses was standardised across TAFE NSW. TAFE NSW also provided a number of staff professional development options locally, face-to-face and virtually across the organisation to build capability. These opportunities have included Orientation, Crucial Conversations, Electronic Personal Effectiveness Planning (ePEP), Team Building, and Managing a Dispersed Team as well as LunchBytes and Learning Express, which are weekly interactive online sessions to build capability for all employees.

TAFE NSW supported all TAFE NSW teachers and a range of additional teaching focused roles to complete the two additional units (TAEASS502 and TAELLN411) required to comply with the RTO Standards. Teachers were supported via sponsored enrolments, workshops, drop-in support sessions and a reimbursement program for employees who completed the units via external RTOs.

Survey of Organisational Health

The Organisational Health Survey collects feedback from TAFE NSW employees on what it is like to work at TAFE NSW. By influencing how we shape, prioritise and implement a broad range of workforce initiatives, this feedback helps TAFE NSW provide a work environment that is more rewarding and fulfilling, and to help us build and maintain a workforce focused on delivering the best it can for our students.

The 2018 Organisational Health Survey (OHS) was conducted in June 2018. 7,285 TAFE NSW employees participated (a response rate of 49%). This survey focused on Organisational Health using employee alignment and engagement measures.

Post the 2018 survey, the Executive Leadership Team supported the following five priority areas as a focus for improvement:

- Clearly communicate the One TAFE strategy
- Improve teacher engagement in One TAFE modernisation
- Continue TAFE NSW's investment in people
- Strengthen connection to senior leaders
- Prioritise wellbeing as a way of working.

A number of activities for the end of 2018 and early 2019 were then recommended to both understand the results and develop and implement plans for achieving improvements. These included Regional and Senior Leadership Team Deep Dives, leadership and teacher interviews, focus groups and the creation of a Culture and Engagement Committee with members from across the organisation.

Our Focus on Wellbeing

The Employee Wellbeing Strategy was established, with a commitment by 2020 to 'improve health & wellbeing of employees'. Mental health and employee resilience was a particular focus during 2018–19, with a number of Wellbeing Webinars conducted. Participation for these sessions was well subscribed and feedback from employees was positive. Equally, Mental Health Awareness was prioritised with state-wide campaigns on R U OK Day and during Safety Week, as well as 400 employees participating in the Mental Health First Aid program, via our in-house delivery model.

A range of holistic wellbeing services were deployed, including the NSW Government's Get Healthy at Work program. To date, over 1,000 employees have completed health checks. Employees continued to benefit from savings in gym memberships, flu vaccinations and gaining access to online tools to support improvement in personal wellbeing to achieve a healthy and happier life.

TAFE NSW has prioritised 'wellbeing as a way of working' and wellbeing was integrated into TAFE Academy leadership development programs.

6.4 Workforce Diversity and Achievements

In 2018-19 TAFE NSW began the implementation of the Diversity and Inclusion Plan. This focused on developing processes and procedures that enable full participation and inclusion in the workplace. The Diversity and Inclusion Plan supports TAFE NSW's efforts to reflect the diversity of NSW communities and TAFE NSW student population.

Representation of equal employment opportunity groups in the workforce

The following equal employment opportunity groups were employed as a proportion of the total headcount of employees as at June 2019 (Table 19):

Workforce diversity group	Target	2017-18	2018-19
Female employees	50.0%	62.9%	62.7%
Aboriginal and Torres Strait Islander people	3.3%	2.1%	2.2%
People whose first language spoken as a child was not English	23.2%	10.5%	11.7%
People with disability	N/A	2.0%	2.4%
People with disability requiring work-related adjustment	N/A	0.5%	0.7%

Notes:

1. Representation of Equal Employment Opportunity (EEO) groups is calculated as the actual number of staff in each group divided by the total headcount of staff as at June.
2. The benchmark of 50 per cent for representation of females 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'.

TAFE NSW achieved the following index of distribution of equal employment opportunity groups across salary levels (Table 20):

Workforce Diversity Group	Target	2017	2018
Females	100	95	93
Aboriginal and Torres Strait Islander people	100	95	100
People whose first language spoken as a child was not English	100	95	96
People with disability	100	92	94
People with disability requiring work-related adjustment	100	99	95

Source: NSW Public Sector Workforce Profile as at 30 June each year.

Note: 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.

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.
3. 2019 data becomes available in August 2019.

Identified workforce diversity strategies for 2018–19

The *Government Sector Employment Act 2013* (NSW) requires NSW public sector agencies to integrate workforce diversity into broader workforce planning processes.

In 2018–19, 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 2018–19.

Increase employment of Aboriginal People

The One TAFE People and Safety Strategy 2017–2022, approved in June 2017, includes commitments to double the number of Aboriginal people employed by TAFE NSW by 2019. As of 2017 TAFE NSW employed 178 Aboriginal people and as of June 2019 the number of Aboriginal people employed is 305, an increase of 127 or 58 per cent.

Aboriginal staff employed by TAFE NSW

In the past year, the number of Aboriginal people employed by TAFE NSW increased by 9.3 per cent (Table 21).

Aboriginal employees	30 June 2018	30 June 2019
Headcount of Aboriginal employees	286	305
Percentage of total headcount ⁴¹	2.1%	2.2%

Source: TAFE NSW data, reported to Commonwealth Indigenous Participation Plan.

Aboriginal Employment Strategy

Be Empowered: Empowering Aboriginal People Through Employment

TAFE NSW has released a three year Aboriginal Employment Strategy, “Be Empowered: Empowering Aboriginal People Through Employment”. The Strategy was launched in January. The strategy progresses TAFE NSW’s commitment to be a diverse, inclusive and culturally safe employer of choice. The strategy has five targets:

- Double Aboriginal employee headcount,
- Diversify Aboriginal employment across functional areas grades and roles with an aim to exceed the NSW target at each grade
- A workplace that values Aboriginal culture, skills and perspectives of Aboriginal employees and communities
- Understand the elements required to retain Aboriginal employees and ensure retention rates equal or better the retention rates reported by the NSW Public Service Commission
- Recruitment applications for roles at TAFE NSW to increase year on year from Aboriginal people.
- Aboriginal employees complete the Performance Development Review Plan and have a capability development plan through People@TAFE.

Progress towards these targets will be achieved through four (4) Key Action Areas:

1. Attraction and Recruitment
2. Retention, Engagement, Career Development and Progression
3. Cultural Capability and Accountability
4. Community Engagement.

Underpinning this Strategy the TAFE Values will guide our actions towards a culturally safe and respectful workplace. TAFE NSW has established Aboriginal Employment Advisor roles in each region to support the retention and career development of Aboriginal employees as well as increasing the capability of the recruitment team to support Aboriginal applicants through the recruitment process. TAFE NSW will build cultural awareness across TAFE NSW through the provision of a Cultural Competency Framework supported by Aboriginal cultural awareness training.

Aboriginal staff

TAFE NSW provides vocational education and training programs and support services to Aboriginal and Torres Strait Islander Peoples as part of its core business. TAFE NSW has a legislative responsibility to provide these programs and support services to Aboriginal and Torres Strait Islander Peoples in accordance with the TAFE Commission Act (1990).

TAFE NSW recognises the value of Aboriginal and Torres Strait Islander leadership and decision making in educational planning, design and delivery, in particular for customised Aboriginal and Torres Strait Islander products and partnerships.

⁴¹ Percentage based on total headcount using TAFE NSW Payroll Report (average for June).

TAFE NSW Aboriginal staff Forum (Kurri Kurri Campus 11 – 13 June 2019)

The TAFE NSW Aboriginal Staff Forum is an event that provides Aboriginal and Torres Strait Islander staff with an opportunity to network with each other, engage in professional development, consider and workshop a range of issues, and to collaborate on policy and strategic directions. The event was previously known as the TAFE NSW Aboriginal Staff Symposium.

The TAFE NSW Aboriginal Staff Forum was held at Kurri Kurri TAFE Campus on 11-13 June and provided participants an opportunity to revisit and celebrate earlier milestones and acknowledge these foundations as the inspiration and bedrock of current successes.

TAFE NSW believe it is imperative that for Aboriginal and Torres Strait Islander staff to continue to maintain our effort, it needs to be able to review and reposition itself to better meet the increasing and diverse vocational education and training needs of Aboriginal peoples and communities.

The Forum provided a focal point to acknowledge the changing structural landscape of the organisation, its ongoing review, evaluation and realignment of new systems and processes to better support bridging the gap of Aboriginal and Torres Strait Islander disadvantage.

The 2019 TAFE NSW Aboriginal Staff Forum was hosted by the TAFE Academy and co-ordinated through Education and Training Group; the theme for the forum was “Be Empowered, Be Recognised, Be Deadly”.

The forum was attended by 80 Aboriginal and/or Torres Strait Islander staff from across the state, representing a diverse range of roles and positions.

The Forum aimed to:

- Highlight the achievements of Aboriginal education in TAFE NSW over the last 40 years
- Inform participants of current and future VET issues that directly impact on our service provision
- Provide Regions the opportunity to showcase successful programs/initiatives
- Provide Aboriginal staff with the opportunity to share life experiences and gain real skills for the future
- Provide input into the way forward for Aboriginal vocational education and training in TAFE NSW

Improve employment outcomes for employees from culturally diverse backgrounds

In 2019 TAFE NSW developed and published a Multi Faith/Quiet Room Guideline to ensure that employees and students have a safe place to pray, meditate or contemplate on campus. This reflects TAFE NSW’s commitment to foster a culturally safe environment in which all employees feel they belong.

Harmony Day 2019 was observed at many campuses reflecting the rich diversity that TAFE NSW has across its workforce and student population. This events were well attended with many different activities such as meditation, dancing, singing and writing harmony messages.

Cultural Awareness Training was launched in 2018 to build awareness and understanding across the TAFE NSW workforce. This training will be further developed to deepen understanding in 2019.

TAFE NSW continued to provide professional learning opportunities for staff from culturally diverse backgrounds, including leadership and capability development forums.

Build the leadership potential of female employees

TAFE NSW supports leadership development and recognises the leadership capability of female employees. Over half of the members of the TAFE NSW Executive Leadership Team are females.

In 2019 TAFE NSW developed a Women in IT group to bring together employees across the state in this typically male dominated career. This group meet regularly and seeks to support and advance female employees as well as provide networking and development opportunities.

Other diversity initiatives

Staff with disability

In 2019 TAFE NSW created and launched a reasonable adjustment process to ensure that employees with disability can fully participate in the workplace. To build capability across the workforce a training module Disability Awareness and Inclusion has been created and will be launched to all employees in 2019.

In 2018 TAFE NSW joined the Australian Network on Disability and appointed its CIO (Chief Information Officer) as the executive sponsor for employees with disability. TAFE NSW remains committed to providing employment opportunities for persons with a disability and in 2019 participated in the Paralympian employment program.

Equity and diversity awareness activities

In 2019 TAFE NSW developed a new procedure to prevent and manage unacceptable workplace behaviours as well as a procedure to prevent discrimination. These procedures support TAFE NSW's commitment to have a workplace where dignity, trust, respect and the promotion of diversity and inclusion is valued.

TAFE NSW promoted and celebrated events to raise diversity awareness and to encourage inclusive practices, such as Reconciliation Week, World Refugee Week, Mardi Gras, Harmony Day, Ramadan and International Women's Day. TAFE NSW campuses involved students, staff and community members in the celebrations to raise awareness of equity and diversity.

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. TAFE NSW provides information to carers about the flexible arrangements available in response to inquiries.

During 2018–19, up to 3,858 TAFE NSW staff (70 per cent of whom were female staff) accessed flexible work options. These include up to 2,676 staff taking short-term absences to meet family and community responsibilities.

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, and flexible and family-friendly work practices.

Human Resources Policies Supporting Carers

TAFE NSW supports employees who are carers through existing human resource policies including sick leave, FACS leave, leave without pay and permanent part-time work policies.

During 2018–19 TAFE NSW has been developing its approach to Flexible Working, a program that will support all employees including those with caring responsibility to balance work and life. The program “Working Flexibly” will be launched in late 2019 and will include tools, resources and capability build to ensure it is fully embedded in the organisation.

One of the options included in Working Flexibly will be a Transition to Retirement program that supports older workers who want to remain working but in a more flexible capacity. Employees can apply for Transition to Retirement for the purpose of carer responsibilities.

TAFE NSW will utilise existing systems to record and report on all formal flexible working arrangements and transition to retirement programs.

Identified diversity strategies for 2019–20

In 2019–20, TAFE NSW will continue its commitment to having a workforce that reflects the diversity of the students and communities that the organisation serves.

Workforce diversity strategies proposed for 2019–20 include:

- Development of a Multicultural Plan with a focus on fostering an inclusive workplace with improved employment opportunities for people from a culturally diverse background
- Development of a Disability Inclusion Action Plan with a focus on increased opportunities for people with disability
- Implementation of the Working Flexibly Program that will embed flexible working at TAFE NSW
- Diversity and inclusion training, coaching and guidance to be delivered to ensure that TAFE NSW employees recognise, value and represent the diversity of the communities TAFE NSW serves
- Development of accessibility standards to create an inclusive environment that all employees can participate in
- Development of a transition to retirement program that will provide options for employees that want to remain in the workplace longer.

6.5 Workplace Relations

TAFE NSW employment practices comply with Commonwealth and NSW legislation that ensures the terms and conditions of its employees are fair under its several industrial instruments.

Enterprise Agreements

TAFE NSW commenced preparation for the negotiation and bargaining of three enterprise agreements during 2018-19. Those enterprise agreements provide the terms and conditions of employment for the majority of TAFE NSW employees in areas such as administration, support, management and teaching. The trade unions that will be engaged during enterprise bargaining include the Australian Education Union NSW Teachers Federation, the Community Public Sector Union, United Voice and the Australian Workers Union. The enterprise agreements enable and support TAFE NSW to continue to be one of the leading VET providers in NSW and also compete more effectively in the Higher Education market to promote and foster learning and develop NSW and Australia's workforce of the future.

Consultation with Trade Unions

TAFE NSW and representatives from the two major trade unions met during 2018-19 to discuss strategic and operational issues affecting TAFE NSW employees during the TAFE NSW Peak Consultative Group. The main function of the Group is to provide an opportunity for stakeholder input on key result areas such as workplace reform and industrial relation matters.

Alternative Dispute Resolution

TAFE NSW recognises the importance of effectively resolving interpersonal conflict and issues in the workplace in a collaborative and efficient way that avoids a lasting negative impact on the people involved.

To support employees in the workplace TAFE NSW has implemented alternative dispute resolution across the organisation to successfully address workplace issues and disputes in a timely manner, and in doing so maintain a high level of engagement, discretionary effort and productivity from employees. The program has been so well received that plans have been made to build upon the value-add service during 2019-20.

6.6 Work Health and Safety

TAFE NSW has achieved a reduction in total number of injuries reported since 2014-15 with 2018-19 experiencing a 14 percent decrease compared to the 2017-18 financial year.

2018-19 saw a reduction (44) in reportable claims compared to 2017-18 financial year, 2018/19 also continued to experience a reduction of 60 percent (\$2,645,800) in total cost paid to date. This is reflective of TAFE NSW and Allianz effective claims management with an increased focus on supporting workers to return to work and provision of suitable duties to injured workers. (Note: the annual claims data for each financial year will continue to change as active ongoing claims grow and develop in each measure listed in the table below).

Each year a three and five year adjustment may be payable or refundable to TAFE NSW for the respective deposit contribution year based on actual claims performance. *(For example 2019-20 adjustments will be based on 2016-17 and 2014-15 claims performance).*

Table 22: Source - TMF: Allianz Insurance and iCare.

	2014–15	2015–16	2016–17	2017–18	2018–19
Total claims	328	280	250	308	264
Total hours paid (time loss wages)	80,089	83,797	65,751	44,587	15,005
Lost time claims ⁽ⁱ⁾	164	138	124	136	80
Total wages paid to date ⁽ⁱⁱ⁾	\$2,524,547	\$2,843,468	\$2,541,092	\$1,912,722	\$635,855
Total cost paid to date (medical & wage payments)	\$5,253,687	\$6,390,692	\$5,240,067	\$4,394,522	\$1,748,722
Average cost per claim	\$16,017	\$22,824	\$20,960	\$14,268	\$6,623
Deposit contributions (excl GST)	\$12,572,995	\$9,974,435	\$8,437,525	\$8,894,865	\$9,984,390
3 year hindsight adjustment	-\$1,229,484 (Payable)	\$5,674,467 (Refund)	\$4,537,001 (Refund)	\$3,935,599 (Refund)	\$4,120,867.16 (Payable)
5 year hindsight adjustment	\$2,542,793 (Refund)	\$4,215,839 (Refund)	\$2,819,085 (Refund)	\$648,809 (Refund)	\$862,840.25 (Refund)

Notes:

ⁱ⁾ Allianz and iCare data takes several months to mature as claims are processed. This results in a shortfall in 2018-19 data, as Allianz and iCare report 80 lost time claims in comparison to TAFE NSW internal records of 123 lost time incidents (LTI).

ⁱⁱ⁾ Retrospective amendments have been made to the Total Hours Paid and No. Claims with Lost Time for the years 2014–15 to 2017–18, following the processing of a backlog in wage reimbursements and claim closures in 2018.

No prosecution action was taken against TAFE NSW under the *Work Health and Safety Act 2011* (NSW) in 2018–19.

7. Budget and Expenditure

7.1 Funds Granted to Non-Government Community Organisations

TAFE NSW did not grant any funds to non-government community organisations in 2018-19.

7.2 Financial Statements



Technical and Further Education Commission

Annual Financial Statements

for the year ended 30 June 2019

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Technical and Further Education Commission
Statement by the Acting Managing Director of the Technical and Further Education
Commission
for the year ended 30 June 2019

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.



Kerry Penton

Acting Managing Director

Date: 24 September 2019

Technical and Further Education Commission
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2019

		Consolidated Actual 2019 \$'000	Consolidated Budget 2019 \$'000	Consolidated Actual 2018 \$'000
	Notes			
Expenses excluding losses				
Operating expenses				
Employee related	2(a)	1,258,589	1,155,609	1,221,629
Personnel services	2(b)	-	-	509
Other operating expenses	2(c)	432,559	466,356	479,443
Depreciation and amortisation expense	2(d)	153,224	146,536	137,675
Total expenses excluding losses		1,844,372	1,768,501	1,839,256
Revenue				
Sale of goods and services	3(a)	396,501	570,619	423,061
Investment revenue	3(b)	2,586	4,638	4,186
Grants and contributions	3(c)	1,156,586	1,076,357	1,101,284
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	81,702	50,398	62,595
Other revenue	3(e)	9,905	6,069	6,725
Total revenue		1,647,280	1,708,081	1,597,851
Operating Result		(197,092)	(60,420)	(241,405)
Gain on disposal	4	2,271	-	4,283
Other losses	5	(32,966)	-	(2,524)
Net result	18	(227,787)	(60,420)	(239,646)
Other comprehensive expense				
<i>Items that will not be reclassified to net result</i>				
Net decrease in property, plant and equipment revaluation surplus	9	(9,698)	-	(531,065)
<i>Items that may be reclassified to net result in subsequent periods</i>				
Net change in revaluation surplus for assets-held-for-sale	11	(4,886)	-	-
Total other comprehensive expense		(14,584)	-	(531,065)
TOTAL COMPREHENSIVE INCOME EXPENSE		(242,371)	(60,420)	(770,711)

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Financial Position
as at 30 June 2019

		Consolidated Actual 2019 \$'000	Consolidated Budget 2019 \$'000	Consolidated Actual 2018 \$'000
	Notes			
ASSETS				
Current Assets				
Cash and cash equivalents	7	161,804	222,837	245,966
Receivables	8	275,907	263,471	233,431
Non-current assets held-for-sale	11	9,114	-	1,873
Other financial assets	12	144	-	134
Total Current Assets		446,969	486,308	481,404
Non-Current Assets				
Receivables	8	4,217	2,311	4,765
Property, plant and equipment				
Land	9	1,118,479	-	1,168,872
Buildings	9	2,632,765	3,729,212	2,687,544
Plant and equipment	9	24,960	30,194	19,710
Total property, plant and equipment		3,776,204	3,759,406	3,876,126
Intangible assets	10	89,264	90,785	71,755
Other financial assets	12	175	557	175
Total Non-Current Assets		3,869,860	3,853,059	3,952,821
Total Assets		4,316,829	4,339,367	4,434,225
LIABILITIES				
Current Liabilities				
Payables	14	268,365	265,797	277,127
Provisions	15	110,535	82,745	86,818
Total Current Liabilities		378,900	348,542	363,945
Non-Current Liabilities				
Provisions	15	17,569	2,800	7,549
Total Non-Current Liabilities		17,569	2,800	7,549
Total Liabilities		396,469	351,342	371,494
Net Assets		3,920,360	3,988,025	4,062,731
EQUITY				
Reserves		2,379,546	2,353,861	2,434,533
Accumulated funds		1,540,814	1,634,164	1,628,198
Total equity		3,920,360	3,988,025	4,062,731

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Changes in Equity
as at 30 June 2019

		Consolidated Accumulated Funds	Consolidated Asset Revaluation Surplus	Consolidated Total
	Notes	\$'000	\$'000	\$'000
Balance at 1 July 2018		1,628,198	2,434,533	4,062,731
Net result for the year		(227,787)	-	(227,787)
Other comprehensive expense				
Net decrease in property, plant and equipment revaluation surplus	9	-	(9,698)	(9,698)
Amounts recognised in equity relating to non-current assets held-for-sale	11	-	(4,886)	(4,886)
Total other comprehensive expense		-	(14,584)	(14,584)
Total comprehensive expense for the year		(227,787)	(14,584)	(242,371)
Transactions with owners in their capacity as owners				
Increase in net assets from equity transfers	20	100,000	-	100,000
Asset revaluation reserve balance transferred to accumulated funds on disposal of assets		40,403	(40,403)	-
		140,403	(40,403)	100,000
Balance at 30 June 2019		1,540,814	2,379,546	3,920,360
Balance at 1 July 2017		1,875,730	2,992,284	4,868,014
Correction of errors ^a	6	(34,572)	-	(34,572)
Restated balance at 1 July 2017		1,841,158	-	4,833,442
Net result for the year		(239,646)	-	(239,646)
Other comprehensive expense				
Net decrease in property, plant and equipment revaluation surplus	9	-	(531,065)	(531,065)
Total other comprehensive expense		-	(531,065)	(531,065)
Total comprehensive expense for the year		(239,646)	(531,065)	(770,711)
Transactions with owners in their capacity as owners				
Asset revaluation reserve balance transferred to accumulated funds on disposal of assets		26,686	(26,686)	-
		26,686	(26,686)	-
Balance at 30 June 2018		1,628,198	2,434,533	4,062,731

^a Opening balance adjustment for prior period events – refer to Note 6.
The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Cash Flows
for the year ended 30 June 2019

		Consolidated Actual 2019 \$'000	Consolidated Budget 2019 \$'000	Consolidated Actual 2018 \$'000
	Notes			
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(1,160,376)	(1,101,510)	(1,149,800)
Other operating expenses		(508,898)	(485,736)	(524,351)
Total Payments		(1,669,074)	(1,567,246)	(1,673,951)
Receipts				
Sale of goods and services		328,637	570,617	402,427
Interest received		2,588	4,639	7,339
Grants and contributions		1,156,588	1,076,357	1,117,289
Other operating receipts		89,016	6,069	41,405
Total Receipts		1,576,825	1,657,682	1,568,460
NET CASH FLOWS FROM OPERATING ACTIVITIES	18	(92,249)	90,436	(105,491)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of land and buildings, plant and equipment		43,664	5,245	22,335
Purchases of land and buildings, plant and equipment, and intangible assets		(135,577)	(179,487)	(129,893)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(91,913)	(174,242)	(107,558)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash injection from the Crown Entity		100,000	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		100,000	-	-
NET DECREASE IN CASH		(84,162)	(83,806)	(213,049)
Opening cash and cash equivalents		245,966	308,643	459,015
CLOSING CASH AND CASH EQUIVALENTS	7	161,804	222,837	245,966

The accompanying notes form part of these financial statements.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

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 *Public Finance and Audit Amendment (Financial Reporting and Audit Exclusions) Regulation 2019* removes the requirement for the Agency to prepare financial statements. The Agency did not operate during 2018-19 and is now dormant. Accordingly, the Commission's 2018-19 financial statements have been prepared on a consolidated basis and the Agency has not been reported separately.

The Commission is comprised of a single service group.

These financial statements for the year ended 30 June 2019 have been authorised for issue by the Acting Managing Director on 24 September 2019.

(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* (the Act) and *Public Finance and Audit Regulation 2015*; and
- Treasurer's Direction issued under the Act.

The financial statements have been prepared on a going concern basis which assumes that payment of liabilities will be met, as and when they fall due, without any intention or necessity to liquidate assets or otherwise wind up operations. The Department of Industry provided a letter of support covering cluster entities, which included the Commission, during the current financial year. In preparing the financial statements, the Acting Managing Director has assessed the ability of the Commission and the consolidated entity to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting except where operations will be dissolved by an Act of parliament or otherwise cease.

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.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(b) Basis of preparation (continued)

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 and the determination of whether funding from other government entities is reciprocal or non-reciprocal in nature for the purpose of revenue recognition.
- Note 8 Current / Non-Current Assets – Receivables – Management has estimated the allowance for impairment in accordance with the accounting policy in Note 1 (i)(xi).
- Note 9 Non-Current Assets – Property, Plant and Equipment – A revaluation to determine indexation values was completed using independent valuation experts (refer Note 1 (i)(iii)). No revaluation adjustment has been booked based on management's judgement that the reported 30 June 2019 carrying values are materially representative of fair value.
- Note 13 Fair Value Measurement of land and buildings assets have been categorised as Level 2 and Level 3 fair value based on the inputs and valuation techniques used (refer Note 1(m)).
- Note 15 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 18-13 Accounting for Long Service Leave and Annual Leave*. In accordance with the accounting policy (refer Note 1 (k)(v)) management applied judgement, obtained actuarial estimates and reviewed financial models in determining other provisions recognised.
- Note 21 Related Party Disclosures – Management has 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

There were no personnel services arrangements in place during the 2019 year.

In 2018 the Commission received personnel services from both:

- TAFE Commission (Senior Executives) Staff Agency (the Agency) from 10 December 2014 to 31 March 2018 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.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(f) *Income tax*

The Commission is exempt from income tax.

(g) *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.

(h) *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:

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

i. 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.

ii. Rendering of services

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

iii. Investment revenue

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial assets (i.e. after deducting the loss allowance for expected credit losses).

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(i) 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.

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* and, AASB 116 *Property, Plant and Equipment*.

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 such as zoning and heritage restrictions. 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 13 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 last comprehensive revaluation for land and buildings was completed for the year ended 30 June 2018 and was based on independent valuation experts Jones Lang La Salle (JLL).

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. A revaluation to determine indexation values was completed using independent valuation experts, Property NSW. Property NSW gave consideration to a wide range factors and market changes in their determination of indexation factors. Management determined that fair value had not changed materially since the prior year.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(i) 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.

As a not-for-profit entity, revaluation increments and decrements are only offset within a class of non-current assets. The Commission has two classes related to the asset revaluation reserves being land and buildings.

When revaluing 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.

Revaluation increments are recognised in other comprehensive income and credited to the asset revaluation surplus. However, 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.

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.

iv. Impairment of property, plant and equipment

As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment arises in the circumstances such as where the costs of disposal are material.

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.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(i) Assets (continued)

iv. Impairment of property, plant and equipment

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

v. Depreciation of property, plant and equipment

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. Land is not a depreciable asset.

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

Asset	Useful life range	
	2019	2018
Buildings	10 to 80 years	10 to 80 years
Leasehold Improvements	Term of the lease	Term of the lease
Heritage Buildings	20 to 200 years	20 to 200 years
Plant and Equipment	3 to 43 years	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 major 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. Finance leases are recognised on balance sheet. The treatment of leases is in accordance with AASB 117 Leases.

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 and the expected useful lives for the below categories of intangible assets have not changed since 2018. These are listed below.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(i) Assets (continued)

viii. Intangible assets (continued)

The useful lives of intangible assets are assessed to be finite and the expected useful lives for the below categories of intangible assets have not changed since 2018. These are listed below.

Asset	Useful life range
Software	3 to 10 years

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.

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)

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Recognition and measurement

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement under AASB 9 (from 1 July 2018)

The Commission holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Subsequent measurement under AASB 139 (for comparative period ended 30 June 2018)

Subsequent measurement is 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 through the amortisation process.

x. De-recognition 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.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(i) Assets (continued)

x. De-recognition of financial assets (continued)

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.

xi. Impairment of financial assets

Impairment under AASB 9 (from 1 July 2018)

The Commission recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, the Commission applies a simplified approach in calculating ECLs. The Commission recognises a loss allowance based on lifetime ECLs at each reporting date. The Commission has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

Impairment under AASB 139 (for comparative period ended 30 June 2018)

Receivables are subject to an annual review for impairment. These 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.

The Commission first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

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.

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

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 365 days are written off against the provision for impairment as collection is considered remote.

(j) 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.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(k) 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.

ii. De-recognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

iii. 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% (2018: 7.9%) of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. 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.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(k) Liabilities (continued)

b. Long service leave and superannuation (continued)

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.

v. Other provisions

Provisions are recognised 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. When the Commission expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

(l) Equity and reserves

i. 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).

ii. Accumulated funds

This includes the current period's net result, prior period retained funds and any contributions to and from owners.

iii. 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(i)(iii).

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.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(l) *Equity and reserves (continued)*

iv. Equity transfers

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.

All 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.

(m) *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. These inputs are categorised under AASB 13 *Fair Value Measurement* 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 13 for further disclosures regarding fair value measurements of non-financial assets.

(n) *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
- separation benefits.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(n) *Related parties (continued)*

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);
- Post-employment benefits include compulsory superannuation contributions; and
- Other long-term employee benefits (benefits other than short-term, separation 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.

(o) *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 22.

(p) *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. The comparative information includes the effect of prior period adjustments included in Note 6.

As disclosed in Note 1(a) the Staff Agency has been relieved from the PFAA requirement to prepare separate financial statements. In line with Accounting Standards and for comparative purposes, for the financial year ended 30 June 2018 the Staff Agency reported a nil net result, comprising of personal services revenue of \$1.07m and acceptance by the Crown Entity of employee benefits and other liabilities revenue of \$0.15m, offset by employee related expenses of \$1.23m.

(q) *Changes in accounting policy, including new or revised Australian Accounting Standards*

i. *Effective for the first time in 2018-19*

The accounting policies applied in 2018-2019 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 2018-2019. The impact of these standards in the period of initial application includes:

AASB 9 & AASB 2016-8 Financial Instruments

AASB 9 requires financial assets to be classified based on the entity's business model and contractual cash flow tests. It includes a new expected credit loss model for calculating impairment on financial assets. It also carries forward the guidance on recognition and de-recognition of financial instruments from AASB 139 *Financial Instruments: Recognition and Measurement* (AASB 139).

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(q) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

The Commission has adopted AASB 9 *Financial Instruments* (AASB 9), which resulted in changes in accounting policies in respect of recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets. AASB 9 also significantly amends other standards dealing with financial instruments such as the revised AASB 7 *Financial Instruments: Disclosures* (AASB 7).

a) Classification and measurement of financial instruments

The Commission applied AASB 9 retrospectively but has not restated the comparative information which is reported under AASB 139.

The initial application of AASB 9 did not materially affect the classification or measurement of financial instruments in the Commission's consolidated financial statements.

In summary, upon the adoption of AASB 9, the Commission had the following required or elected reclassifications as at 1 July 2018:

	Measurement category		Carrying amount		
	AASB 139	AASB 9	Original \$'000	New \$'000	Difference \$'000
Trade receivables	Loans & Receivables	Amortised cost	212,206	212,206	-
Other financial assets	Loans & Receivables	Amortised cost	309	309	-

b) Impairment

The adoption of AASB 9 has fundamentally changed the Commission's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the entity to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. There is no material impact to the Commission on adopting the new impairment model.

ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW 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:

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(q) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

- *AASB 15, AASB 2014-5, AASB 2015-8, AASB 2016-3, AASB 2016-7 and AASB 2016-8 regarding Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities*

AASB 15 provides a new framework for revenue recognition and measurement following a five step approach. The new standard replaces the existing accounting literature for revenue recognition which is spread across various standards and interpretations. Revenue is recognised under AASB 15 when the Commission satisfies its performance obligations by transferring services to a student and only the consideration the Commission expects to receive can be recognised as revenue. AASB 15 is effective for annual reporting periods beginning on or after 1 July 2018. AASB 2016-7 provides a dispensation for not-for-profit entities to begin reporting on or after 1 July 2019. The Commission is working with NSW Treasury on the transition method and reporting requirements for the year ended 30 June 2020. The Commission has carried out an initial assessment to estimate the impact of adopting AASB 15.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. This standard superseded or clarifies income recognition requirements relating to public sector NFP entities.

At this time the Commission cannot reliably measure the impact to the Statement of Comprehensive Income, as a result of the implementation of AASB 15 and AASB 1058. Adopting the new standards is estimated to increase accumulated funds by \$18.3m. It will also result in the recognition of contract assets of approximately \$72.8m, a provision of \$80.1m and a decrease in deferred revenue of \$5.6m. These estimates are made up as follows:

- It was determined that Entitlement Training revenue (a component of Grants and Contributions in the Commission's financial statements) would require the creation of a Contract asset of \$70.2m and an Attrition Provision of \$39.7m (presented as a liability). The net impact is an estimated \$30.5m increase to Accumulated funds. Under the current standards (AASB 1058), revenue was recognised on the date of receipt rather than over the duration of a course as it is delivered. At the date of these accounts the funding agreement previously held with the Department of Industry has been transferred to the Department of Education. The Smart and Skilled funding agreement is operating under the same terms and conditions as the previous agreement.
- AASB 15 also requires the expected revenue value to be estimated, taking into account of the probability of not receiving the full revenue amount as a result of enrolment status changes, recognition of prior learning, and/or credit transfers. The assessment identified variability in the revenue recognition of Student Fees (a component of sale of goods and services) which would require the creation of a Provision for Refunds of approximately \$20.4m. Based on estimates the provision will decrease Accumulated funds and Deferred Revenue by \$14.3m and \$6.1m respectively.
- Smaller contracts within the Commission are impacted by the changes to the accounting standards where invoicing to the customer was either ahead or behind service delivery. The impact will require an increase to Deferred Revenue of approximately \$0.5m and an increase to Contract Assets of \$2.6m with the net impact to Accumulated funds of \$2.1m.
- *AASB 16 Leases and AASB2018-8*

The new standard removes the lease classification test for lessees and requires all leases (including operating leases) to be brought onto the balance sheet. Lessor accounting will remain largely unchanged. AASB 16 is effective for the Commission for annual reporting periods beginning on 1 July 2019.

The Commission has completed the initial impact assessment of the new standard and an expected adjustment of \$12.2m would be required on balance sheet in order to recognise the present value of the lease liability using the total payments due over the expected term of lease recognised under AASB 16. A corresponding right-of-use asset would be recognised under AASB 16. The impact to the Statement of Comprehensive Income is not material.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2019

1. Summary of Significant Accounting Policies (continued)

(q) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

- **AASB 2018-7 Definition of Material**

The Standard principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. This Standard applies to annual reporting periods beginning on or after 1 January 2020.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2019

2. Expenses Excluding Losses

(a) Employee related expenses

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Salaries and wages (including annual leave) ^a	1,006,363	962,236
Superannuation - defined benefit plans	9,602	12,062
Superannuation - defined contribution plans	91,874	79,579
Long service leave	72,100	50,535
Workers' compensation insurance	13,356	8,992
Payroll tax and fringe benefit tax	63,089	60,523
Redundancy / Other	2,205	47,702
Total employee related expenses	1,258,589	1,221,629

^a An amount of \$6.0m of employee-related expenses were capitalised during the year (2018: \$3.4m), and are therefore excluded from the balances above.

(b) Personnel services

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Salaries and wages (including annual leave)	-	462
Superannuation - defined benefit plans	-	24
Workers' compensation insurance	-	3
Payroll tax and fringe benefit tax	-	20
Total personnel services	-	509

In 2018, all personnel services and employees related to the Staff Agency services were transferred to TAFE NSW Commission employment contracts. No personnel services rendered in 2019.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2019

2. Expenses Excluding Losses (continued)

(c) *Other operating expenses include the following:*

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Auditor's remuneration - audit of the financial statements ^a	1,000	1,100
Operating lease rental expense - minimum lease payments	8,922	4,363
Maintenance ^b	42,094	47,084
Insurance	6,429	6,094
Consultants	529	100
Contractors	85,363	118,297
Cleaning	38,979	38,767
Agents fees	3,855	4,382
Shared Services	2,008	23,756
Service expenses	75,892	84,017
Minor stores, provisions, plant and computing	69,750	48,100
Travel and motor vehicle expenses	12,948	16,937
Postage and telephone	7,947	6,884
Utilities	22,124	20,480
Printing	8,103	8,566
Advertising	20,554	21,763
Other operating expenses	26,062	28,753
Total other operating expenses	432,559	479,443

^a. Total audit fees for the 2018-19 year per the Annual Engagement Plan are \$1.0m (2018: \$1.1m) excluding GST. There were \$nil non-audit services provided by the NSW Audit Office for 2019 (2018: \$nil).

^b. Maintenance relates to contracted labour, infrastructure communication technology maintenance and other (non-employee related) expenses

(d) *Depreciation and amortisation expense*

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Depreciation		
Buildings and improvements	139,926	122,945
Plant and equipment	7,171	7,019
	147,097	129,964
Amortisation		
Intangibles	6,127	7,711
Total depreciation and amortisation expenses	153,224	137,675

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

3. Revenue

(a) Sale of goods and services

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Student fees	378,379	404,304
Course projects and materials	3,414	4,088
Other	14,708	14,669
Total sale of goods and services	396,501	423,061

(b) Investment revenue

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Interest revenue	2,586	4,186
Total investment revenue	2,586	4,186

(c) Grants and contributions

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Vocational Education and Training Grants ^a	2,881	7,418
Other Public Sector agencies ^b	1,145,653	1,090,263
Commonwealth Government	7,318	3,421
Donations and industry contributions	734	182
Total grants and contributions	1,156,586	1,101,284

^a Under AASB 1004 Contributions, The Commission is required to recognise grants and contributions once control has been gained. This results in a timing difference between when revenue is recognised and when expenditure occurs. Contributions were received during the year to the value of \$2.9m (2018: \$7.4m). Restrictions are placed on the activities for which the funds can be utilised.

^b In 2018-19 and 2017-18, the Commission received a grant from the NSW Department of Industry, Skills and Regional Development and the Department of Education. In 2018-19 redundancy cost reimbursement of \$0.8m (2018: \$30.2m) was received from NSW Treasury.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

3. Revenue (continued)

(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 2019 \$'000	Consolidated 2018 \$'000
Superannuation - defined benefit	9,055	11,382
Superannuation on annual leave – defined benefit	54	63
Long service leave	72,100	50,533
Payroll tax - defined benefit	493	617
Total acceptance by the Crown Entity of employee benefits and other liabilities	81,702	62,595

(e) Other revenue

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Insurance recovery	4,363	1,331
Rental recovery	5,542	5,394
Total other revenue	9,905	6,725

4. Gain on Disposal

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Gain / (loss) on disposal of property, plant and equipment		
Proceeds from disposal	43,664	22,335
Written down value of assets disposed ^a	(41,393)	(18,052)
Net gain on disposal of property, plant and equipment	2,271	4,283

^a Written down value of assets disposed is \$41.4m (2018: \$18.1m) of this \$1.9m (2018: \$nil) was held as assets held for sale in 2018 (refer Note 11) and \$39.5m (2018: \$18.1m) held in property (refer Note 9). Properties divested in 2019 include Belrose (Northern Beaches Council portion), Bombala, Goulbourn (part disposal), Grenfell (part disposal), Tuncurry, Hornsby and Epping.

5. Other Losses

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Impairment of intangibles	-	(2,548)
Impairment of receivables	(20,470)	24
Write-off buildings	(7,996)	-
Write-off plant and equipment	(4,500)	-
Total other losses	(32,966)	(2,524)

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

6. Prior Period Adjustments

There were no prior period adjustments in 2018-19.

In 2017-18, two prior period adjustments were identified and corrected. As it was impracticable to determine the period specific effects of these, the Commission restated the opening balances for 2017-18 of assets, liabilities and equity in accordance with paragraph 44 of AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

(a) Overstatement of student receivables

Part of student receivables and associated revenues were overstated in prior years. The overstatement was identified in financial year 2017-18 following an enhancement of the reconciliation framework for student revenues. As a result of the student revenue framework enhancement activities, Current Receivables were reduced by \$41.3m and Unearned Revenue reduced Current Liabilities by \$13.3m. The total impact on Equity being a reduction of \$28m.

(b) Recoveries of VET FEE HELP Loans (VFH)

In 2017-18 the Commonwealth recovered VFH loans made to the Commission following a review of student data. These loans were recognised as revenue in prior years. As a result of the review of VFH student data, current liabilities increased, and equity decreased by \$8.6m.

The overstatement of student receivables (\$28m) and the recoveries of VFH Loans (\$8.6m) resulted in a combined impact on Equity of \$34.6m (refer Statement of Changes in Equity).

7. Cash and Cash Equivalents

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Cash at bank and on hand	161,804	245,966
Total cash and cash equivalents	161,804	245,966

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 2019 \$'000	Consolidated 2018 \$'000
Cash and cash equivalents (per statement of financial position)	161,804	245,966
Closing cash and cash equivalents (per statement of cash flows)	161,804	245,966

Details regarding credit risk, liquidity risk and market risk including financial assets are disclosed in Note 23.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2019

8. Current / Non-Current Assets - Receivables

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Current:		
Sale of goods and services	18,248	9,595
Student receivables	89,167	79,387
Other debtors	31,483	40,243
Prepayments	12,304	9,728
Accrued income	143,843	109,200
	<u>294,825</u>	<u>248,133</u>
Less: Allowance for expected credit losses / Allowance for impairment	(18,918)	(14,702)
Total current receivables	<u>275,907</u>	<u>233,431</u>

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Movements in Allowance for expected credit losses / Allowance for impairment:		
Balance at 1 July	(14,702)	(21,135)
Amounts written off during the year (Note 1(i)(xi))	14,483	6,409
(Increase) / Decrease in allowance recognised in profit or loss (Note 1(i)(xi))	(18,699)	24
Balance at 30 June	<u>(18,918)</u>	<u>(14,702)</u>

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Non-Current:		
Prepayments	4,217	4,765
Total non-current receivables	<u>4,217</u>	<u>4,765</u>

Details regarding credit risk and market risk including financial assets that are either past due or impaired are disclosed in Note 23.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2019

9. Non-Current Assets – Property, Plant and Equipment

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Consolidated Total \$'000
At 1 July 2018 - fair value				
Gross carrying amount	1,168,872	6,217,514	171,031	7,557,417
Accumulated depreciation and impairment	-	(3,529,970)	(151,321)	(3,681,291)
Net carrying amount	1,168,872	2,687,544	19,710	3,876,126
At 30 June 2019 - fair value				
Gross carrying amount	1,118,479	6,284,080	165,482	7,568,041
Accumulated depreciation and impairment	-	(3,651,315)	(140,522)	(3,791,837)
Net carrying amount	1,118,479	2,632,765	24,960	3,776,204

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:

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Consolidated Total \$'000
Year ended 30 June 2019				
Net carrying amount at start of year	1,168,872	2,687,544	19,710	3,876,126
Additions	-	105,904	16,985	122,889
Disposals	(36,470)	(2,986)	(64)	(39,520)
Write-offs	-	(7,996)	(4,500)	(12,496)
Asset Held For Sale	(9,038)	(76)	-	(9,114)
Amounts recognised in equity relating to non-current assets held-for-sale	(4,885)	(1)	-	(4,886)
Net revaluation decrements	-	(9,698)	-	(9,698)
Depreciation expense	-	(139,926)	(7,171)	(147,097)
Net carrying amount at end of year	1,118,479	2,632,765	24,960	3,776,204

A comprehensive revaluation of land and building assets was performed to 30 June 2018 (refer Note 1 (i)(iii)).

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 13.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2019

9. Non-Current Assets – Property, Plant and Equipment (continued)

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Consolidated Total \$'000
At 1 July 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
At 30 June 2018 - fair value				
Gross carrying amount	1,168,872	6,217,514	171,031	7,557,417
Accumulated depreciation and impairment	-	(3,529,970)	(151,321)	(3,681,291)
Net carrying amount	1,168,872	2,687,544	19,710	3,876,126

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:

Year ended 30 June 2018	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Consolidated Total \$'000
Net carrying amount at start of year	687,005	3,762,899	26,270	4,476,174
Additions	-	80,438	488	80,906
Disposals	(8,919)	(11,124)	(9)	(18,052)
Net revaluation increments and decrements	490,036	(1,021,101)	-	(531,065)
Asset Held For Sale	(1,250)	(623)	-	(1,873)
Depreciation expense	-	(122,945)	(7,019)	(129,964)
Net carrying amount at end of year	1,168,872	2,687,544	19,710	3,876,126

A comprehensive revaluation of land and building assets was performed to 30 June 2018 (refer Note 1 (i)(iii)).

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 13.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2019

10. Intangible Assets

	Consolidated 30 June 2019 \$'000	Consolidated 1 July 2018 \$'000
Internally Generated Software		
Cost (gross carrying amount)	193,673	173,889
Accumulated amortisation and impairment	(104,409)	(102,134)
Net carrying amount	<u>89,264</u>	<u>71,755</u>

	Consolidated 30 June 2018 \$'000	Consolidated 1 July 2017 \$'000
Internally Generated Software		
Cost (gross carrying amount)	173,889	142,067
Accumulated amortisation and impairment	(102,134)	(106,878)
Net carrying amount	<u>71,755</u>	<u>35,189</u>

Reconciliations

A reconciliation of the movements in intangible assets is set out below:

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Net carrying amount		
Net carrying amount at start of year	71,755	35,189
Additions (from internal development)	23,636	46,825
Impairment losses	-	(2,548)
Amortisation (recognised in "depreciation and amortisation")	(6,127)	(7,711)
Net carrying amount at end of year	<u>89,264</u>	<u>71,755</u>

11. Non-Current Assets Held-For-Sale

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Non-current assets held-for-sale		
Land and buildings ^a	9,114	1,873
Total non-current assets held-for-sale	<u>9,114</u>	<u>1,873</u>

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Amounts recognised in other comprehensive income relating to assets held-for sale		
Net change in revaluation surplus of property, plant and equipment	(4,886)	-
	<u>(4,886)</u>	<u>-</u>

^a Assets held for sale in 2019 include Belrose (RMS portion) and Randwick properties.

Further details regarding fair value measurement are disclosed in Note 13.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

12. Other Financial Assets

This includes the investment in Coffs Harbour Technology Park of \$0.175m (2018: \$0.175m) and Restricted Funds totalling \$0.144m (2018: \$0.134m) held in a high interest bank account. The Restricted Funds represent donations held by the Commission for student prize awards with interest earned used to fund awards.

13. Fair Value Measurement of Non-Financial Assets

The fair value measurement for land is \$1,118.5m (2018: \$1,168.9m). Of this, \$16.5m (2018: \$16.5m) has been categorised as Level 2 and \$1,102.0m (2018: \$1,152.3m) has been categorised as Level 3 based on the inputs to the valuation technique used. Refer to Note 13(a).

The fair value measurement for the Commission's buildings, demountables and specialised properties of \$2,642.6m (2018: \$2,687.5m) have been categorised as Level 3 fair value based on the inputs to the valuation technique used. Refer to Note 13(a).

(a) Fair value hierarchy *

		Level 1	Level 2	Level 3	Consolidated
		Fair Value	Fair Value ^b	Fair Value	Total
		\$'000	\$'000	\$'000	\$'000
30 June 2019					
	Note				
Land	9	-	16,495	1,101,984	1,118,479
Buildings	9	-	-	2,632,765	2,632,765
Non-current assets held for sale	11	-	-	9,114	9,114
Carrying value as at 30 June 2019		-	16,495	3,743,863	3,760,358
		Level 1	Level 2	Level 3	Consolidated
		Fair Value	Fair Value	Fair Value	Total
		\$'000	\$'000	\$'000	\$'000
30 June 2018					
	Note				
Land ^b	9	-	16,495	1,152,377	1,168,872
Buildings	9	-	-	2,687,544	2,687,544
Non-current assets held for sale	11	-	-	1,873	1,873
Carrying value as at 30 June 2018		-	16,495	3,841,794	3,858,289

* Refer to Note 1(m) for the Commission's policy for determining when transfers between hierarchy levels are deemed to have occurred.

^b There has been a change in hierarchy for a portion of the Land revalued during the period from Level 3 to Level 2. This change is due to the availability of observable market inputs within local real estate markets.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2019

13. 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 Total Recurring Level 3 Fair Value
	Land \$'000	Buildings \$'000	Non-current Assets Held- for-Sale \$'000
Fair value as at 1 July 2018	1,152,377	2,687,544	1,873
Additions	-	105,904	9,114
Disposals	(36,470)	(2,986)	(1,873)
Revaluation decrements recognised in Net result – included in the line item 'Other losses'	-	(7,996)	-
Transfer to non-current assets held-for-sale	(9,038)	(76)	-
Revaluation decrements recognised in Other comprehensive expense	(4,885)	(9,699)	-
Depreciation	-	(139,926)	-
Fair value as at 30 June 2019	1,101,983	2,632,766	9,114

			Consolidated Total Recurring Level 3 Fair Value
	Land \$'000	Buildings \$'000	Non-current Assets Held- for-Sale \$'000
Fair value as at 1 July 2017	687,005	3,762,899	-
Additions	-	80,438	1,873
Disposals	(6,919)	(11,124)	-
Net revaluation increments and decrements	490,036	(1,021,101)	-
Transfer to non-current assets held-for-sale	(1,250)	(623)	-
Depreciation	-	(122,945)	-
Transfer to Level 2	(16,495)	-	-
Fair value as at 30 June 2018	1,152,377	2,687,544	1,873

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

13. Fair Value Measurement of Non-Financial Assets (continued)

(c) Valuation techniques

i. Land

Land valuations were completed using a Comparative Market Value basis, adjusted for restrictions and applied to each site area. Due consideration has also been given to the inclusion in the valuation or otherwise, of land and buildings that are "shared" (i.e. where the legal title is in another entity's name but the Commission wholly or partially utilises the asset in the ordinary course of business).

ii. Buildings

All building assets are stated at fair value using the Current Replacement Cost method. In the current year, the Commission's valuation was estimated using a range of indices to determine the fair value. In 2018, a comprehensive valuation of building assets was carried out by independent valuation experts. As such JLL conducted full site inspections, condition assessments and building re-componentisation. The accounting policy for the revaluation of property, plant and equipment is included in Note 1(i)(iii).

iii. Plant and equipment

Treasury Policy Paper 14-01 requires the revaluation of plant and equipment to be undertaken at least every five years. Given plant and equipment is primarily made up of furniture and fixtures and IT equipment, TAFE NSW has deemed the fair value of plant and equipment to approximate the written down value. Plant and equipment are examples of recurring fair value measurements. Plant and equipment measured using depreciated replacement cost as an approximation of fair value do not require fair value hierarchy disclosures.

14. Current Liabilities – Payables

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Accrued salaries, wages and on-costs	24,399	21,398
Creditors	80,286	112,441
Unearned revenue	133,455	125,794
Group, payroll and fringe benefits tax	5,213	5,091
Other	25,012	12,405
Total current payables	<u>268,365</u>	<u>277,127</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 23.

Technical and Further Education Commission
Notes to the Financial Statements
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15. Current / Non-Current Liabilities – Provisions

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Current		
Employee benefits and related on-costs		
Annual leave ^a	48,922	45,862
On-costs annual leave	13,620	12,582
On-costs long service leave	36,888	28,374
	99,430	86,818
Other provisions^b		
Provisions for refunds and related commitments	11,105	-
	11,105	-
Total current provisions	110,535	86,818
Non-current		
Employee benefits and related on-costs		
On-costs long service leave	8,646	7,549
	8,646	7,549
Other provisions^b		
Provisions for refunds	8,923	-
	8,923	-
Total non-current provisions	17,569	7,549

^a. It is estimated that the provision for annual leave and on-costs for annual leave and long service leave of \$108.1m includes an amount of \$99.4m expected to be settled within 12 months (2018: \$86.8m) and an amount of \$8.6m is expected to be settled in more than 12 months (2018: \$7.5m).

^b. Students are eligible to apply for refunds under special circumstances. The Commission has recognised a provision of \$14.8m to remit funds to the Commonwealth Department of Education based on actuarial assessment of historical remissions. The timing of the outflow is uncertain. The Commission also allows for other service delivery related commitments (\$5.2m). The Commission has determined the estimate from project budgets. There are no reimbursements associated with either provision.

		Consolidated 2019 \$'000	Consolidated 2018 \$'000
Aggregate employee benefits and related on-costs	Note		
Provisions - current		99,430	86,818
Provisions - non-current		8,646	7,549
Accrued salaries, wages and on-costs	14	24,399	21,396
Total aggregate employee benefits and related on-costs		132,475	115,763

Movements in provisions (other than employee benefits)

Movement in other provisions during the financial year, other than employee benefits, are set out below:

	Other provisions \$'000	Consolidated Total \$'000
Carrying amount at 1 July 2018	-	-
Additional provisions recognised	20,028	20,028
Carrying amount at 30 June 2019	20,028	20,028

Technical and Further Education Commission
Notes to the Financial Statements
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16. Commitments

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
(a) Capital Commitments		
Aggregate capital expenditure contracted for at balance date and not provided for:		
Within one year	47,474	91,613
Later than one year and not later than five years	11,788	21
Total capital commitments	59,262	91,634
	Consolidated 2019 \$'000	Consolidated 2018 \$'000
(b) Operating Lease Commitments		
<i>As Lessee</i>		
Future non-cancellable operating lease rentals not provided for and payable:		
Within one year	7,586	3,913
Later than one year and not later than five years	8,090	7,301
Later than five years	401	210
Total operating lease commitments	16,077	11,424
Total commitments (including GST)	75,339	103,058

The leases mainly relate to leases of motor vehicles and facilities for teaching. 2018 operating commitments have been restated following a review of contract data.

The total of commitments for expenditure include GST of \$6.8m (2018: \$8.8m) that are expected to be recovered from the Australian Tax Office.

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
<i>As Lessor</i>		
Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:		
Within one year	3,698	3,156
Later than one year and not later than five years	4,005	5,460
Later than five years	141	323
Total operating lease rentals receivable (including GST)	7,844	8,939

The leases mainly relate to rental of facilities.

The total of rental receivables include GST of \$0.7m (2018: \$0.8m) that are expected to be paid to the Australian Tax Office.

Technical and Further Education Commission

Notes to the Financial Statements

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17. Contingent Liabilities and Contingent Assets

(a) Contingent liabilities

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 andicare Treasury Managed Fund.

(b) Contingent assets

The Commission is not aware of any contingent assets.

18. Reconciliation of Cash Flows from Operating Activities to Net Result

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Net cash used on operating activities	(92,249)	(105,491)
Adjustment to opening balance impact	-	34,572
Depreciation and amortisation	(153,224)	(137,675)
Allowance for impairment and write-offs	(12,496)	(2,524)
(Increase) in provisions	(33,737)	(415)
Increase / (Decrease) in receivables	41,928	(37,423)
Increase in other financial assets	10	23
Decrease in creditors	19,710	5,004
Net gain on sale of property, plant and equipment	2,271	4,283
Net result	(227,787)	(239,646)

19. Non-Cash Financing and Investing Activities

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Liabilities and expenses assumed by the Crown Entity	(81,702)	(62,595)
Total non-cash financing and investing activities^a	(81,702)	(62,595)

^a. The Crown assumes the long service leave liability of the Commission.

20. Equity Transfers

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Cash Equity injection transferred from Crown Entity	100,000	-
Total equity transfers	100,000	-

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

21. Related Party Disclosures

a) Key Management Personnel

The consolidated entity key management personnel compensation is as follows:

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Short-term employee benefits	1,665	1,682
Post-employment benefits	114	103
Separation benefits	348	-
Total remuneration	2,125	1,785

The Consolidated entity includes total compensation for key management personnel paid by the Commission and the Agency in 2017-18.

Key management personnel compensation disclosed above excludes the Assistant Minister for Skills and the Minister for Small and Family Business, Skills and Vocational Education. 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 Entity.

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 \$2.0m (2018: 23.7m) were incurred to the DoE in respect of IT and other services of which, \$1m (2018: \$0.0m) is accrued revenue at year end.
- 'TAFE Delivered Vocational Education and Training (TVET)' course fee revenue from the Department of Education, totalling \$30.8m (2018: \$33.6m) of which, \$7.0m (2018: \$13.6m) is accrued revenue at year end.
- Recurrent grant and entitlement revenue of \$1.1bn (2018: \$1.1bn) from the Department of Industry, Skills and Regional Development, of which \$128.3m (2018: \$92.7m) is accrued revenue at year end.
- The NSW TAFE Commission divested the following properties with Government Related Entities during the financial year:
 - 188 The Forest Way, Belrose NSW 2085 to Roads and Maritime Services for \$3.8m. This property will settle in July 2019. The property is held in asset held for sale and the revenue recognised as a receivable at year end.
 - 298 Peats Ferry Road, Hornsby NSW 2077 to Transport for NSW for \$17.7m. This property settled in June 2019.
 - 86 Chelmsford Avenue, Epping NSW 2121 to DoE for \$23.4m. This property settled in June 2019.
 - 2-20 King Street, Randwick NSW 2031 to the Health Administration Corporation for \$18.2m. This property will likely settle in December 2019. Proceeds have been received and has been recognised as a payment in advance at year end.

Technical and Further Education Commission

Notes to the Financial Statements

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21. Related Party Disclosures (continued)

The Commission paid payroll tax to Revenue NSW, received personnel services from the Agency in 2017-18, received audit services from the NSW Audit Office, obtained insurance arrangements from NSW Self Insurance Corporation, water from Sydney Water and long service leave by the Crown Entity.

22. Budget Review

The Commission's net result of \$228m loss is a \$168m unfavourable variation against the budgeted loss of \$60m. The major factors contributing to this variation are outlined below:

- Total revenue was \$61m (or 4%) less than budget. This was primarily due to reduction in commercial revenue due to ongoing deterioration in the commercial market as well as a significant drop in domestic and international student numbers.
- Employee Related Expenses were \$103m (or 9%) higher than original budget, primarily due to a change in student demand and additional funding which allowed for additional teaching resources. An additional allocation of funding was granted to TAFE NSW during 2018-19. Increase also due to actuarial adjustments to employee benefits assumed by the Crown Entity.
- Other Operating Expenses were \$34m (or 7%) lower than budget due savings mainly in relation to contractor costs and non-essential travel expenses.

The Commission's total net assets were \$68m lower than the budget. The major factors that have contributed to this movement are in relation to Employee provisions on-cost increases, not assumed by the Crown Entity, due to large actuarial adjustments to employee benefits assumed by the Crown Entity and additional provisions.

The Commission's net cash flows from operating activities is a net outflow of \$92m compared to a budgeted cash inflow of \$90m. This is mainly driven by the decline in commercial market as well as a significant drop in domestic and international student numbers. The Commission received an equity injection from the Crown Entity of \$100m.

Technical and Further Education Commission

Notes to the Financial Statements

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23. Financial Instruments

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. 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 Acting 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.

(a) Financial instrument categories

i. As at 30 June 2019 under AASB 9

			Consolidated Carrying Amount 2019 \$'000
Financial Assets	Note	Category	
Class:			
Cash and cash equivalents	7	N/A	161,804
Receivables ^a	8	Amortised Cost	244,461
Other financial assets	12	Amortised Cost	319
Financial Liabilities			
Class:			
Payables ^b	14	Financial liabilities measured at amortised cost	104,941

ii. As at 30 June 2018 under AASB 139 (comparative period)

			Consolidated Carrying Amount 2018 \$'000
Financial Assets	Note	Category	
Class:			
Cash and cash equivalents	7	N/A	245,966
Receivables ^a	8	Loans and receivables (at amortised cost)	212,206
Other financial assets	12	Loans and receivables (at amortised cost)	309
Financial Liabilities			
Class:			
Payables ^b	14	Financial liabilities measured at amortised cost	124,304

^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).

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

23. 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

Accounting policy for impairment of trade debtors and other financial assets under AASB 9

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.

The Commission applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. For students whose debts are already provided for, or written off, and have debts 60 - 180 days. The expected credit loss provision is increased to incorporate the risk that their debts 60 - 180 days are also uncollectible, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 180 days past due.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2019

23. Financial Instruments (continued)

Receivables – trade debtors (continued)

The loss allowance for trade debtors as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows:

30 June 2019 \$'000						Consolidated
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0.11%	0.00%	6.06%	6.92%	61.19%	7.18%
Estimated total gross carrying amount at default	205,910	13,787	6,747	7,971	28,964	263,379
Expected credit loss	(233)	-	(409)	(552)	(17,724)	(18,918)

30 June 2018 \$'000						Consolidated
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	-	-	-	4.25%	28.88%	6.48%
Estimated total gross carrying amount at default	167,534	-	-	9,933	49,441	226,908
Expected credit loss				(422)	(14,280)	(14,702)

Note: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 8.

The Commission is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2019. Most of the Commission's trade debtors have a good credit rating.

Accounting policy for impairment of trade debtors and other financial assets under AASB 139 (comparative period only).

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. Debtors 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 to non-student entities are made on 30-60 day terms.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

23. Financial Instruments (continued)

b) Credit Risk (continued)

For the comparative period 30 June 2018, the ageing analysis of trade debtors is as follows:

	Consolidated Total \$'000	Past due but not impaired \$'000	Considered impaired \$'000
2018			
< 3 months overdue	9,511	9,089	422
3 months - 6 months overdue	21,656	20,399	1,257
> 6 months overdue	13,505	482	13,023

Notes: The ageing analysis excludes statutory receivables and prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 8.

The Commission is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2018. Most of the Commission's trade debtors have a good credit rating.

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 an operating bank account and a credit card facility. The Commission is bound by NSW Treasury banking requirements.

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 Treasury Circular 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 Acting Managing Director of the Commission (or a person appointed as delegate) 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.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

23. Financial Instruments (continued)

c) Liquidity Risk (continued)

Maturity analysis and interest rate exposure of financial liabilities

Consolidated	Weighted average effective Int. Rate	Nominal Amount ^a \$'000	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- interest bearing \$'000	< 1 yr \$'000	1 - 5 yrs \$'000	> 5 yrs \$'000
2019								
Payables:								
Creditors	-	104,941	-	-	104,941	104,941	-	-
2018								
Payables:								
Creditors	-	124,304	-	-	124,304	124,304	-	-

* 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 amounts excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7) and therefore will not reconcile to Note 14. 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 2018. The analysis assumes that all other variables remain constant.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2019

23. Financial Instruments (continued)

e) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission holds basic financial instruments that have minimal exposure to interest rate risk or other price risk. 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.

	2019 Profit \$'000		2018 Profit \$'000	
	-1%	+1%	-1%	+1%
Consolidated Financial Assets	Profit \$'000	Profit \$'000	Equity \$'000	Equity \$'000
Cash and cash equivalents	(1,618)	1,618	(2,460)	2,460

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.

24. Events after the Reporting Period

The Secretary of the Department of Premier and Cabinet, has announced Machinery of Government changes. Effective 1 July 2019, TAFE NSW will move from the Industry Cluster to the Education Cluster. In relation to events that occur between the end of reporting period and the date the financial statements are authorised for issue, The Commission is not aware of any material or significant events that should be disclosed.

End of audited financial statements

Technical and Further Education Commission Independent Auditors Report



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 the Technical and Further Education Commission (the Commission), which comprises the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement 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 2019, 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 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 Commission's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Acting Managing Director of the Commission is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the PF&A Act Statement by the Acting Managing Director.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise 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.

The Acting Managing Director Responsibilities for the Financial Statements

The Acting 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 Acting 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 Acting Managing Director is responsible for assessing the ability of the Commission and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities 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/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.



Aaron Green
Assistant Auditor-General

Delegate of the Auditor-General for New South Wales

27 September 2019
SYDNEY

7.3 Land Disposal

The Minister, in the capacity as the Minister administering the TAFE Commission Act 1990, approves the divestment of TAFE NSW's real property.

The Minister approved eight sites under the 2018/19 Divestment Program, with a market value of \$60.83 million (excl. GST), for the following sites:

1. Belrose (to the Northern Beaches Council)
2. Bombala (to the Snowy Monaro Regional Council)
3. Epping (to Department of Education)
4. Goulburn - Part (to the Goulburn Regional Conservatorium)
5. 43 East Street Grenfell (to the Weddin Landcare Steering Committee)
6. Hornsby – Part (to Transport for NSW)
7. Randwick (to Health Infrastructure NSW) – pending approval of subdivision and transfer of title
8. Tuncurry (to Tuncurry Group Pty Ltd)

Total sales value at 30 June 2019 was \$61.75 million (excl. GST). All sale proceed will be reinvested into modernising and improving TAFE NSW's facilities and learning platform to benefit students.

7.4 Major Works

The tables below lists new, continuing and completed major works, including their cost as at 30 June 2019 and estimated dates of completion.

Table 23: New Major Works in 2018–19

TAFE NSW ⁴² project name and location	Total expend. to 30 June 2019 ⁴³ (\$'000 excl GST)	Estimated total cost ⁴⁴ (\$'000 excl GST)	Start ⁴⁵	Completion date ⁴⁶ (actual or estimated)	Details of any significant: ⁴⁷ - cost overruns - delays - amendments - deferments - cancellations
Connected Learning Centres (Mobile Training Units)	\$2,318	\$4,343	2018	31 October 2019	- 1 MTU truck was acquired by 30 May 2019 - 13 Storage MTU were completed by 30 June 2019 - 10 Storage MTU were completed by 31 July 2019 - 14 Specialist MTU to be completed by 31 October 2019

⁴² Consistent with information published in the 2018-19 Budget Paper 2, with the exception of I&I IDM and Integrations (SMS), Data Quality Management (SMS) and Randwick Carpark, which were added in March 2019 as part of an adjustment

⁴³ Total expenditure is the actual expenditure as at 30 June 2019. Figures published in the 2018-19 Budget Paper were estimates as at 30 April 2018.

⁴⁴ The estimated total cost for projects continuing in 2018-19 is as published in the 2018-19 Budget Paper 2.

⁴⁵ Calendar year.

⁴⁶ The year of the completion dates is as published in the 2018-19 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.

⁴⁷ 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.

TAFE NSW ⁵¹ project name and location	Total expend. to 30 June 2019 ⁵² (\$'000 excl GST)	Estimated total cost ⁵³ (\$'000 excl GST)	Start ⁵⁴	Completion date ⁵⁵ (actual or estimated)	Details of any significant: ⁵⁶ - cost overruns - delays - amendments - deferments - cancellations
I&I IDM and Integrations (SMS)	\$12,037	Commercial in confidence	2019	30 March 2020	-
Data Quality Management (SMS)	\$1,878	Commercial in confidence	2019	30 March 2020	-
Randwick Carpark	\$0	Commercial in confidence	2019	30 June 2020	Project was introduced in March 2019. Project on hold and to be reviewed upon completion of Randwick Partnership Development project in August 2019.

Table 24: Continuing Major Works

TAFE NSW , project name and location	Total expend. to 30 June 2019 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start	Completion date (actual or estimated)	Details of any significant: - cost overruns - delays - amendments - deferments - cancellations
Connected Learning Centres Program – Stage 2 – North Region	\$19,810	\$22,671	2017	Singleton: 4 October 2018 Murwillumbah: 29 April 2019 Yamba: 15 April 2019 Scone: 18 July 2019	-
Connected Learning Centres Program – Stage 2 – South Region	\$10,425	\$14,698	2017	Corowa: 29 June 2018 Deniliquin: 17 July 2018 Narrandera: 31 July 2018	Substation for Narrandera is still outstanding and is due to be installed by September 2019. No impact on educational delivery.
New England Institute - Gunnedah Campus Trades Refurbishment	\$292	\$862	2016	February 2020	A revised business case was approved in November 2018. Original scope did not meet local industry requirements.
North Coast Institute - Coffs Harbour Education Campus, Applied Construction and Plumbing Technologies Hub	\$1,436	9,727	2015	1 February 2021	-

TAFE NSW , project name and location	Total expend. to 30 June 2019 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start	Completion date (actual or estimated)	Details of any significant: - cost overruns - delays - amendments - deferments - cancellations
RandwickPartnership Development	\$598	\$1,269	2017	31 July 2019	-
South Western Sydney Institute - Miller College Carpentry Construction and Electrical Consolidation	\$5,856	\$7,684	2016	14 October 2019	- Completion delays due to 9 month Development Approval process
Specialist Centre, Connected Health Hub, Coffs Harbour	\$207	\$3,203	2018	20 July 2020	-
Student Management Services	\$61,960	\$85,000	2016	30 March 2020	-

Table 25: Completed Works

TAFE NSW, project name and location	Total expend. to 30 June 2019 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start	Completion date (actual or estimated)
Meadowbank - Stage 1	\$27,064	\$28,104	2018	Ultimo 21 December 2018 Meadowbank 29 April 2019
TAFE NSW Parramatta	\$714	\$1,941	2018	26 November 2018
Campus Consolidation, St George	\$3,993	\$4,175	2018	29 April 2019
Connected Learning Centres Program – Stage 2 – West Region	\$7,788	\$9,080	2017	Grenfell: 17December 2018 Bourke: 14 March 2019
Hunter Institute - Newcastle West, Hunter Street Campus Refurbishment and Upgrade	\$4,055	\$3,771	2016	12 March 2019
Hunter Institute - Tighes Hill Newcastle Campus Customer Service and Industry Development Centre	\$1,443	\$7,200	2015	Part 1 - Block S Lift Upgrade: 20 March 2018. Part 2 - B Block Demolition: 12 March 2019. The remaining project was withdrawn in March 2019 as it no longer aligns with the One TAFE Operating Model.

TAFE NSW, project name and location	Total expend. to 30 June 2019 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start	Completion date (actual or estimated)
North Coast Institute - Connected Mobile Learning and Self Service (various locations)	\$25	\$1,500	2016	Project was withdrawn in March 2019 as it no longer aligns with the One TAFE Operating Model.
North Coast Institute - Kingscliff Campus Connected Health Hub - Stage 2	\$192	\$2,182	2016	Project was withdrawn in March 2019. Business case for new project to be submitted for Kingscliff Expansion.
North Coast Institute - Port Macquarie Customer Contact Centre and Kingscliff Student Central	\$1,374	\$2,780	2016	Port Macquarie: 19 December 2016 The Kingscliff project was withdrawn in March 2019 as it no longer aligns with the One TAFE Operating Model.
Northern Sydney Institute - Brookvale Northern Beaches Campus Plumbing Consolidation and Refurbishment	\$34	\$,296	2016	Project was withdrawn in March 2019 as it no longer aligns with the One TAFE Operating Model.
South Western Sydney Institute - Granville College Electrotechnology Consolidation	\$5,263	\$7,918	2016	21 December 2018
South Western Sydney Institute - Wetherill Park College Engineering Consolidation	\$8,133	\$8,300	2015	21 December 2018
Sydney Institute - Petersham College Upgrade and Consolidation	\$964	\$1,576	2016	Barbering project: 19 February 2018. Lift Installation: Installation: August 2018.
Western Institute - TAFE Western Connect Stage 2 (various locations)	\$7,788	\$8,850	2015	Dubbo: 21 December 2018. Menindee: 30 July 2018.
Connected Learning Centres Program – Stage 2 - Bega	\$6,033	\$8,508	2017	7 February 2019

7.5 Consultants Costing \$50,000 or more

Table 26: Consultants > \$50,000

Supplier Name	Description	Spend in FY19
Nous Group Pty Ltd	ASQA Audit	\$206,988
The Boston Consulting Group	Advisory Work for TAFE MD	\$230,000

7.6 Consultants Costing less than \$50,000

Table 27: Consultants < \$50,000

Supplier Name	Description	Spend in FY19
PricewaterhouseCoopers (PwC) Legal	Independent Assurance for the PMO	\$43,099
PricewaterhouseCoopers (PwC) Legal	Review of the Connected Learning Centres Program	\$48,679

7.7 Timely Payment of Accounts

2019 Timely Payment of Accounts

Aged invoices analysis at the end of each quarter based on terms of payment* :

Quarter	Not yet due \$'000	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	Total \$'000
All suppliers						
Sep-18	\$ 4,465	\$ 644	\$ 67	\$ 20	\$ 4	\$ 5,193
Dec-18	\$ 2,548	\$ 1,667	\$ 18	\$ 10	\$ -	\$ 4,209
Mar-19	\$ 14,346	\$ 2,325	\$ 56	\$ 11	\$ -	\$ 16,710
Jun-19	\$ 26,579	\$ 724	\$ 88	\$ 37	\$ -	\$ 27,408
Small business suppliers						
Sep-18	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ 3
Dec-18	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ 7
Mar-19	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 10
Jun-19	\$ 22	\$ -	\$ -	\$ -	\$ -	\$ 22

*Terms of payment is the payment due date stated in the vendor's invoice.

Accounts due and paid within 30 days from the date of receipt of a correctly rendered invoice** for each quarter :

All suppliers	Sep-18	Dec-18	Mar-19	Jun-19
Invoices due for payment (#)	29,139	27,704	26,966	33,388
Invoices paid on time (#)	27,258	26,644	26,063	32,182
Actual percentage of invoices paid on time (based on number of invoices)	94%	96%	97%	96%
Amount due for payment (\$'000)	113,166	110,313	109,809	145,768
Amount paid on time (\$'000)	105,919	107,782	106,242	140,094
Actual percentage of invoices paid on time (based on \$)	94%	98%	97%	96%
Number of payments for interest on overdue invoices (#)	0	0	0	0
Interest paid on late invoices (\$)	0	0	0	0
Small business suppliers				
Invoices due for payment received from small businesses (#)	48	48	42	79
Invoices from small businesses paid on time (#)	47	48	42	75
Actual percentage of small business invoices paid on time (based on number of invoices)	98%	100%	100%	95%
Amount due for payment to small businesses (\$'000)	101	105	54	194
Amount due to small businesses paid on time (\$'000)	100	105	54	179
Actual percentage of small business invoices paid on time (based on \$)	99%	100%	100%	92%
Number of payments to small business for interest on overdue invoices (#)	0	0	0	0
Interest paid to small businesses on late invoices (\$)	0	0	0	0

**A correctly rendered invoice is an invoice which meets all of the following criteria:

- Includes the vendor's business's name, its ABN, a valid purchase order number, and contains the words 'Tax Invoice';
- Reconciles with the confirmed delivery of goods and/or services supplied;
- Has been sent to TAFE NSW's centralised accounts processing centre as quoted in the purchase order; and
- Complies with any other specific requirements from terms of trade and/or purchase order.

Commentary on problems affecting prompt processing of payments during the year and on initiatives implemented to improve payment performance:

Issues:

* Suppliers send invoices to TAFE NSW contact staff instead of sending it to TAFE NSW's centralised accounts processing centre as stated in the purchase order instructions. This delays the payment of invoices as it relies on the contact staff sending the invoices to TAFE Finance Shared Services in a timely manner.

Initiatives:

- * Focus on migrating small business to P-Cards payments.
- * Updated intranet page with work instructions
- * Focus Groups held across TAFE NSW regions
- * TAFE NSW Supplier Invoicing Guide sent to vendors, as well as uploaded on the internet
- * Power BI Dashboards created to highlight recalcitrant staff
- * Tailored training to staff with highest volume of unpaid invoices.

Note : Format of this report has been changed from 2018 so that information presented is simple, easy to understand and includes all information required to be presented as per NSW Treasury Directions.

7.8 Work Related Overseas Travel

TAFE NSW staff undertook the following overseas visits in 2018-19. Table 28 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 (includes international competitions, such as Worldskills)	13
Educational exports	Overseas travel to manage partnerships, contracts, programs, quality assurance or assessment of students	28
Exchange programs	Overseas travel on a professional or teacher exchange program	0
International student recruitment	Overseas travel to recruit inbound full-fee-paying international students to TAFE NSW	10
Market development and client engagement	Overseas travel for international marketing purposes, development of business relationships, engagement with clients	3
Professional scholarship programs	Staff members awarded scholarships to travel overseas to further their professional skills and knowledge	1
Student excursions	Staff members who accompany students on excursions overseas to increase cultural understanding or attend commemoration ceremonies (Commonwealth Endeavour Mobility Grants trips)	22

Source: TAFE NSW local administrative data

7.9 Budget Outline for 2019-2020

TAFE Commission

Operating Statement

	2018-19		2019-20
	Budget	Revised	Budget
	\$000	\$000	\$000
Expenses Excluding Losses			
Operating Expenses -			
Employee Related	1,155,609	1,215,356	1,268,716
Personnel Services Expenses	...	...	...
Other Operating Expenses	465,736	423,927	424,122
Grants and Subsidies	620	620	...
Appropriation Expense	...	...	...
Depreciation and Amortisation	146,536	154,826	157,482
Finance Costs	...	...	...
Other Expenses	...	...	...
TOTAL EXPENSES EXCLUDING LOSSES	1,768,501	1,794,729	1,850,320
Revenue			
Appropriation Revenue	...	...	...
Cluster Grant Revenue	60,000	60,000	...
Acceptance by Crown Entity of Employee Benefits and Other Liabilities	50,398	49,540	47,352
Transfers to the Crown Entity	...	...	...
Sales of Goods and Services	570,617	373,207	342,998
Grants and Contributions	1,016,357	1,080,073	1,474,299
Investment Revenue	4,638	2,554	2,851
Retained Taxes, Fees and Fines	...	...	...
Other Revenue	6,069	6,431	5,916
Total Revenue	1,708,081	1,571,805	1,873,417
Gain/(loss) on Disposal of Non Current Assets	...	19,367	...
Other Gains/(Losses)	...	(24,876)	...
Net Result	(60,420)	(228,433)	23,096

Balance Sheet

	2018-19		2019-20
	Budget	Revised	Budget
	\$000	\$000	\$000
Assets			
Current Assets			
Cash Assets	222,837	198,422	197,003
Taxes Receivable	...	...	...
Receivables	263,471	184,165	225,398
Inventories	...	...	...
Financial Assets at Fair Value	...	134	134
Other Financial Assets	...	...	...
Other	...	...	...
Assets Held For Sale	...	32,773	...
Total Current Assets	486,308	415,495	422,535
Non Current Assets			
Taxes Receivable	...	...	...
Receivables	2,311	4,765	4,765
Inventories	...	...	...
Financial Assets at Fair Value	557	175	175
Equity Investments	...	...	...
Property, Plant and Equipment -			
Land and Building	3,729,212	3,751,214	3,713,430
Plant and Equipment	30,194	16,220	14,380
Infrastructure Systems	...	...	1,132
Investment Properties	...	...	...
Intangibles	90,785	75,478	110,027
Other Assets	...	...	...
Total Non Current Assets	3,853,058	3,847,852	3,843,909
Total Assets	4,339,367	4,263,348	4,266,445
Liabilities			
Current Liabilities			
Taxes Payable	...	...	...
Payables	120,074	118,892	118,892
Other Financial Liabilities at Fair Value	...	...	...
Borrowings	...	...	...
Provisions	82,745	91,493	94,367
Other	145,723	125,789	88,876
Liabilities Associated with Assets Held for Sale	...	...	...
Total Current Liabilities	348,542	336,173	302,134
Non Current Liabilities			
Taxes Payable	...	...	...
Payables	...	...	...
Other Financial Liabilities at Fair Value	...	...	...
Borrowings	...	...	14,040
Provisions	2,800	2,874	2,874
Other	...	...	...
Total Non Current Liabilities	2,800	2,874	16,914
Total Liabilities	351,342	339,047	319,048
Net Assets	3,988,025	3,924,301	3,947,397
Equity			
Accumulated Funds	1,634,164	1,499,768	1,522,864
Reserves	2,353,861	2,424,533	2,424,533
Capital Equity	...	...	...
Total Equity	3,988,025	3,924,301	3,947,397

8. Appendices

8.1 Changes in Legislation and Significant Judicial Decisions

The Minister for Skills and Tertiary Education 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 2018–19 that had a significant new impact on the organisation's operations.

8.2 Government Information (Public Access) Act 2009

Access applications received and completed

The total number of access applications received by TAFE NSW during 2018–19 (including withdrawn applications but not including invalid applications) was 38. Provision of this information complies with clause 7(b) of the *Government Information (Public Access) Regulation 2018 (NSW)* (GIPA Regulation).

Detailed statistical data about access applications under the *Government Information (Public Access) Act 2009 (NSW)* (GIPA Act) completed by TAFE NSW during the reporting period 2018–19 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 8(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, and details of any information made publicly available as a result. The review is intended to identify the kinds of government information held by the agency that should in the public interest be made publicly available without imposing unreasonable additional costs on the agency.

TAFE NSW reviewed its information holdings relating to policies and written directions during the financial year, and updated policies were made publicly available at no cost including, for example, the TAFE NSW Diversity and Inclusion Policy, the Complaints Management Policy, the 'Manage Assessment Appeals' Written Direction, and the TAFE NSW Work Health and Safety Policy.

Table 29: 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
Media	0	0	0	0	0	1	0	0
Members of Parliament	0	0	0	0	0	1	0	0
Private sector business	3	3	2	0	0	0	0	0
Not for profit organisations or community groups	0	1	0	0	0	0	0	0
Members of the public (application by legal representative)	17	2	0	2	0	2	0	1
Members of the public (other)	2	2	0	0	1	0	0	0

* 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. This also applies to Table 29.

Notes:

The total number of access applications received by TAFE NSW during 2018–19 (including withdrawn applications but not including invalid applications) was 38.

However, two of those applications received in the 2018–19 period were not completed during the financial year and have been carried forward to the 2019-20 reporting year.

Also, four applications were received but not completed during the 2017–18 period, and these were carried forward and completed in the 2018–19 reporting year.

Table 30: 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
Personal information applications *	10	1	0	0	0	0	0	1
Access applications (other than personal information applications)	0	1	1	0	0	2	0	0
Access applications that are partly personal information applications and partly other	6	8	1	2	0	2	0	0

* 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.

Table 31: Invalid applications

Reason for invalidity	No. of applications
Application does not comply with formal requirements (section 41 of the GIPA Act)	30
Application is for excluded information of the agency (section 43 of the GIPA Act)	0
Application contravenes restraint order (section 110 of the GIPA Act)	0
Total number of invalid applications received	30
Invalid applications that subsequently became valid applications	14

Notes: Reporting on invalid applications is required by the GIPA Regulation Schedule 2.

As at 30 June 2019, the agency was assisting five applicants to make five (5) invalid applications valid, as required by section 52(3) of the GIPA Act. If these invalid applications become valid applications during 2019–20, the decisions made will be reported in the TAFE NSW 2019–20 Annual Report.

Table 32: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act

There were three (3) access applications completed in the 2018–19 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 8(c) of the GIPA Regulation.

TAFE NSW refused access to information in full for zero access applications, and refused in part for three (3) access applications under Schedule 1.

	No. of times consideration used *
Overriding secrecy laws	0
Cabinet information	1
Executive Council information	0
Contempt	1
Legal professional privilege	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0

	No. of times consideration used *
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	0

*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 33: Other public interest considerations against disclosure: matters listed in table to section 14 of the GIPA Act

Access was refused in part for nine (9) access applications times and in full for two (2) access applications, 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	2
Law enforcement and security	0
Individual rights, judicial processes and natural justice	10
Business interests of agencies and other persons	2
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

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 34: Timeliness

	No. of applications
Decided within the statutory timeframe (20 days plus any extensions)	39
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	39

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 35: Number of applications reviewed under part 5 of the GIPA Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal Review	0	0	0
Review by Information Commissioner *	0	0	0
Internal review following recommendation under section 93 of GIPA Act	0	0	0
Review by NSW Civil and Administrative Tribunal ~	--	1	1
TOTAL	--	1	1

* 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.

~ During 2018-19, the NSW Civil and Administrative Tribunal held a hearing for a review of one (1) access application which was completed in 2018-19, but the NCAT decision was not made by 30 June 2019. The Tribunal decision was published on 1 August 2019 and upheld the decisions made by TAFE NSW.

Reporting on reviews is required by Schedule 2 of the GIPA Regulation.

Table 36: 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)	0
TOTAL	1

Note: Reporting on reviews is required by the GIPA Regulation Schedule 2.

Table 37: 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	0
Applicant-initiated transfers	0
TOTAL	0

Note: Reporting on transferred applications is required by the GIPA Regulation Schedule 2.

8.3 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 and it underwent review during 2018–19.

In 2018, TAFE NSW developed its Privacy Policy which sets out how we collect, store, use and disclose personal information.

8.4 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.

TAFE NSW undertakes a number of activities to raise and maintain staff awareness of the public interest disclosure reporting process; it is included in TAFE NSW's suite of annual mandatory training as well regularly highlighted in communications with staff.

During the reporting period, TAFE NSW met the NSW Ombudsman's reporting requirements via its online reporting tool.

The following Table 38 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 2018–19.

	Corrupt Conduct	Maladministration	Serious Substantial Waste of Public Money	Government Information (GIPA) contravention	Local Government contravention	TOTAL
Disclosures received ⁴⁸	2	-	-	-	n/a	2
Employees making a disclosure	15	1	-	-	n/a	16
Disclosures finalised	11	-	-	-	n/a	11

⁴⁸ 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 (ICAC) and advised to include the disclosure as a Public Interest Disclosure for reporting purposes.

8.5 Internal Audit and Risk Management Attestation

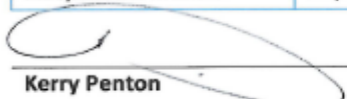
Internal Audit and Risk Management Attestation Statement for the 2018/19 Financial Year for the NSW Technical and Further Education Commission

I, Kerry Penton, Acting Managing Director, NSW Technical and Further Education Commission (TAFE NSW) am of the opinion that TAFE NSW has internal audit and risk management processes in operation that are compliant with the eight core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements	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
Internal Audit Function	
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 of the Audit and Risk Committee

	Name	Start term date	End term date
Independent Chairman	Carolyn Burlew	29 September 2014	30 September 2020
Independent Member	Gregory Fletcher	21 May 2019	31 July 2020
Independent Member	Ralph Kelly	20 December 2018	19 December 2023


Kerry Penton
 Acting Managing Director, NSW Technical and
 Further Education Commission
 24 September 2019

8.6 Digital Information Security Attestation

TAFE
NSW

PO BOX 707
BROADWAY NSW
2007 AUSTRALIA

8 August 2019

Cyber Security Annual Attestation Statement for the 2018-2019 Financial Year for TAFE NSW

I, Kerry Penton, am of the opinion that TAFE NSW has managed cyber security risks in a manner consistent with the majority of Mandatory Requirements set out in the NSW Government Cyber Security Policy. Since the introduction of the NSW Government Cyber Security Policy in February 2019, TAFE NSW has identified gaps between its management of cyber security risks and the new Mandatory Requirements. In response TAFE NSW has established a program of works (Cyber Security Policy Compliance program managed by the Head of Governance, Security and Risk) to address these gaps.

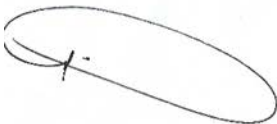
Governance is in place to manage the cyber-security maturity and initiatives of TAFE NSW.

Risks to the information and systems of TAFE NSW have been assessed and managed.

There exists a current Cyber Incident Response Plan for TAFE NSW which has not been tested during the reporting period.

An independent audit of the Agency's reporting against the mandatory requirements of the NSW Cyber Security Policy will be undertaken by Ernst & Young in October 2019 as part of the TAFE NSW Internal Audit Program FY20 following completion of the Cyber Security Policy Compliance program.

Yours sincerely



Kerry Penton
Acting Managing Director
TAFE NSW

8.7 Contact Details

TAFE NSW website: www.tafensw.edu.au

Make an inquiry

Website: <https://www.tafensw.edu.au/contact>

Telephone: 131 601

Principal office address
Building A Mary Ann Street
Ultimo NSW 2007

Postal address
PO Box 707
Broadway NSW 2007

Find the address, telephone number and email of your nearest TAFE NSW location:
<https://www.tafensw.edu.au/find-campus>

Business and service hours

TAFE NSW business and service hours are generally 8:30am to 5:00pm. Many Customer Service Centres and libraries are also open in the evenings during teaching terms.



TAFENSW