



TAFENSW



Annual Report 2020-2021

Notes on the data presented in this report

The annual report predominantly uses TAFE NSW data, however, data related to Student outcomes is sourced from the National Centre for Vocational Education Research (NCVER) Student Outcome Survey.

Vocational Education and Training enrolment data is collected by calendar year. The enrolment, completion and student outcomes data provided in the 2020-21 annual report are for the 2020 calendar year.

The data within this report covers all vocational education and training and higher education courses and qualifications delivered by TAFE NSW, including course 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.

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 2020-21 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



Steffen Faurby
Managing Director

TAFE NSW

29 October 2021

Managing Director's Message

I am pleased to report on the financial and operational performance of TAFE NSW in 2020-21.

This has been a year of significant progress for TAFE NSW. We have maintained our position as Australia's leading education and training provider, with nearly half a million enrolments in short courses, traineeships and apprenticeships, higher education programs, and commercial training partnerships.

From 1 July, TAFE NSW realigned its business units to build a stronger, more agile, and competitive organisation. These changes were a critical step towards making the most effective use of student-facing resources, and establishing greater alignment between TAFE NSW and industry.

To support these changes, a new executive leadership team was appointed with a focus on driving results, organisational transformation, and long term strategic planning.

Throughout the year, we made good progress towards achieving the reform agenda set out in the TAFE NSW Strategic Plan 2016-2022. The two-year operational plan provides a roadmap for completing the One TAFE reforms by the end of June 2022.

The COVID-19 pandemic continued to affect operations throughout the year. Although employees began returning to campuses in September 2020, the disruption to face-to-face practical training and work placement programs required a concerted effort to ensure students completed their studies as planned.

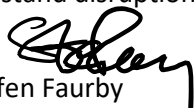
TAFE NSW plays an important role in responding to the immediate and emerging skill needs of communities. Our response to the NSW Government's JobTrainer initiative has been to upskill more than 29,000 school leavers and job seekers via fee-free courses in critical skill areas such as aged care, disability support, construction, agriculture, and IT.

In March, the Premier released a review of the NSW vocational education and training sector, and announced that TAFE NSW would pilot the new Institute of Applied Technology model. The trial, which will see three Institutes at Meadowbank, Kingswood, and one other in a regional community, will look at ways of integrating higher and vocational education through partnerships with industry and universities.

In 2020-21, TAFE NSW continued to invest in modern, adaptable, and digitally-enabled training facilities, opening a new Connected Learning Centre in West Wyalong, and a new multi-trades hub at Coffs Harbour. TAFE NSW has also undertaken a significant capital investment program, investing millions of dollars in modernising teaching facilities, and upgrading technology in learning spaces.

I am particularly proud that this year saw TAFE NSW launch a Reconciliation Action Plan. At its core, the plan provides a framework for creating a culturally safe environment that supports self-determination and economic independence for Aboriginal and Torres Strait Islander peoples.

I want to acknowledge the extraordinary efforts of TAFE NSW employees who banded together to support our students, employers, and each other during a year marred by the global pandemic. While the longtail of COVID-19 will be felt for many months to come, we have built an organisation that is well-placed to withstand disruptions, and help the NSW economy rebound in a post COVID-19 world.



Steffen Faurby

Managing Director

TAFE NSW

29 October 2021



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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 body by the *Technical and Further Education Commission Act 1990* (NSW).

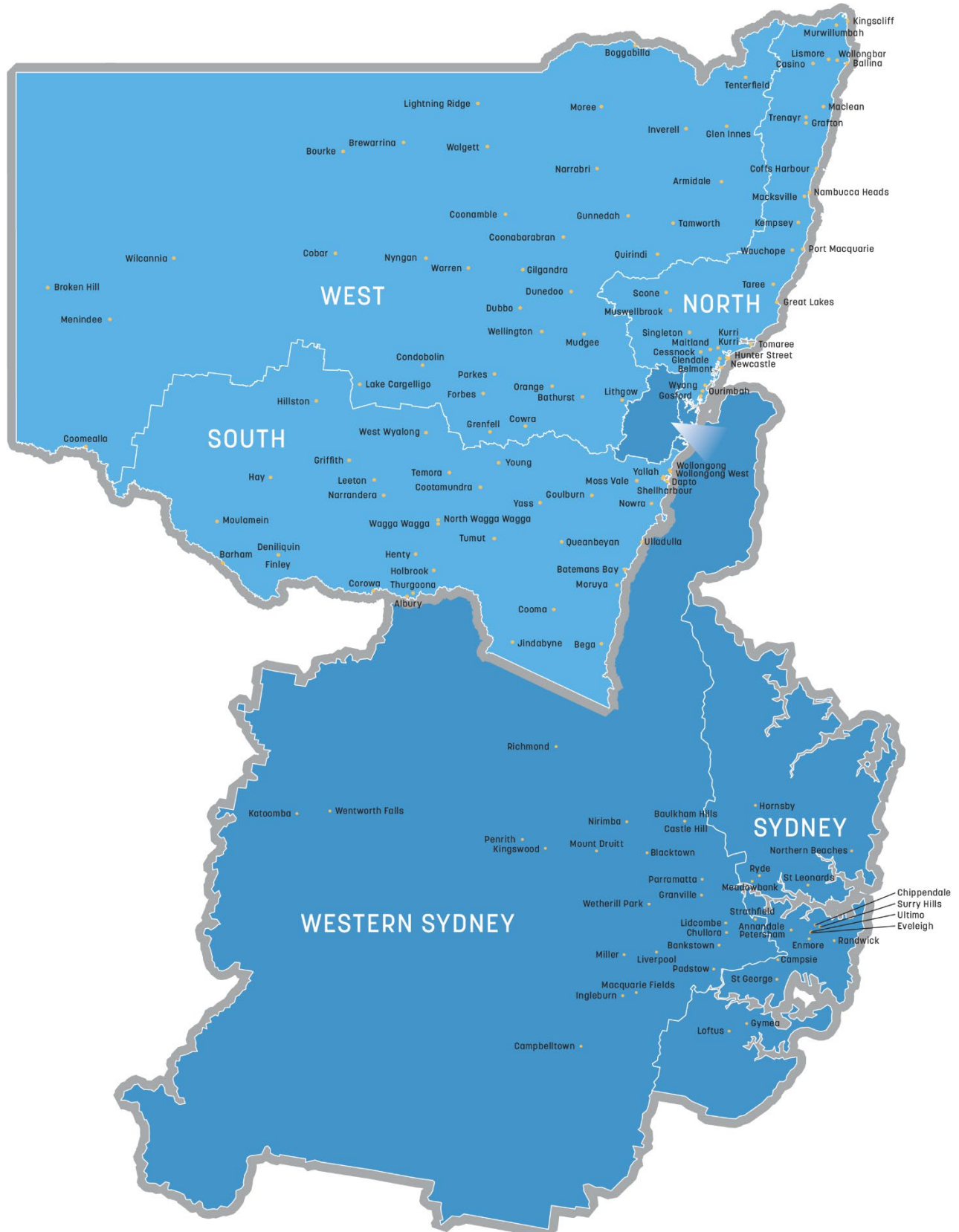
Under this legislation, TAFE NSW performs a number of functions, including:

- 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 2020-21, TAFE NSW delivered education and training at the following locations across NSW.



1.3 Our Commitment to Industry

TAFE NSW continues to strengthen its connection with industry to offer greater access to high quality, relevant training that provides people with the skills they need for jobs of the future. Closer collaboration with industry, including through co-designed training programs is ensuring that our students are able to move seamlessly between training and the workplace.

Industry currency is a hallmark of TAFE NSW training and essential to the quality and relevance of our courses. Our staff are dedicated to bringing their industry expertise into teaching teams to enhance currency. Our staff leverage their relationship with industry to integrate new and emerging technologies that students will encounter in the workplace and provide real-world experiences.

1.4 Our Business Environment

External Environment

Our external environment is continually evolving driven by the changing nature of work, accelerated adoption of technology, shifting customer expectations and significant economic and social impacts related to the COVID-19 pandemic and natural disasters that have impacted communities in NSW. These factors are driving the demand for training to build the skills base aligned to growth areas and to address changing skill needs.

During 2020-21, TAFE NSW was presented with a number of challenges with the ongoing response to COVID-19, flooding affecting a number of campuses in addition to the recovery from drought and bushfires the previous year. TAFE NSW continues to respond to these challenges and our staff continue to show their resilience and determination to support students and communities in NSW. Despite these challenges, we continue to adapt our training delivery to new ways of working, learning and responding to training demand.

TAFE NSW is playing a critical role in resolving current skills shortages and helping to reskill displaced workers impacted by COVID-19. External drivers are likely to create further opportunities for TAFE NSW to develop partnerships with industry and with other tertiary providers including universities to become more responsive to training needs.

TAFE NSW continues to adapt its learning environment to the new reality by implementing safety measures aligned to the evolving NSW Public Health Orders, introducing innovative learning approaches and increasing flexible delivery, where appropriate. Over 6300 teachers have completed capability uplift and refresher programs and over 100,000 resources have been developed to support teachers to deliver virtually, as well as communicate and manage the changing environment.

TAFE NSW continues to put in place social distancing and robust hygiene measures for all face to face delivery. The hygiene measures were supported by the \$36 million cleaning stimulus fund provided by the NSW Government.

A Vision for TAFE NSW

TAFE NSW is committed to achieving the NSW Government's Vision for TAFE NSW, which outlines the ambition for the organisation 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 students experiencing disadvantage or disengaged groups to take up vocational training.

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

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

TAFE NSW Strategic Plan and Operational Plan

Strategic Plan

In 2020-21 TAFE NSW continued to embed the One TAFE approach and the goals outlined in the TAFE NSW Strategic Plan 2016-22. The Strategic Plan focuses on four goals:

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

Operational Plan

To support the achievement of our Strategic Plan goals, TAFE NSW has a two-year Operational Plan 2020-22 in place to renew our competitive strengths and position TAFE NSW as the leading skills provider of choice for learners from all backgrounds. The Plan is built on three commitments and key initiatives aligned to these commitments as follows:

1. Responsive and connected to our customers
 - 1.1. Strengthening our service delivery
 - 1.2. Embedding customer centricity
2. Flexible and engaging place to learn and work
 - 2.1. Cultivating workplace capability
 - 2.2. Accelerating digital adoption
3. Strong and sustainable organisation.
 - 3.1. Enhancing financial governance
 - 3.2. Exploring ways to grow our business

A series of performance measures are also identified in the Plan to support in tracking progress against the commitments in the Operational Plan. Together, the Strategic Plan and Operational Plan will ensure that TAFE NSW continues to deliver training that builds a resilient economy and vibrant communities and meets the needs of our students and industry. Achievements against the Strategic and Operational Plan is set out under the heading titled "Achievements against the Strategic Plan 2016-22"

Smart and Skilled

Smart and Skilled is a reform of the NSW Government's Vocational Education and Training (VET) system, which commenced in 2015, and is intended to help people in NSW to obtain the skills they need to get a job, advance their career or continue to further study. Smart and Skilled provides an entitlement to government-subsidised training up to Certificate III level in addition to government subsidies for higher-level qualifications in targeted priority areas.

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. Fee-free training is available for apprenticeships, foundation skills qualifications and traineeship qualifications. Fee-free training is also made available to Aboriginal and/or Torres Strait Islander students, students with disability, and for other categories of students experiencing disadvantage.

In November 2020, 100,000 fee-free training places were made available for people in NSW under the NSW Government's Skilling for Recovery initiative. TAFE NSW was able to offer training to school leavers, young people and job seekers as part of this initiative in areas such as aged care, nursing, apprenticeships, IT and community services. This fee-free training supported the people of NSW to reskill, retrain and redeploy in a post COVID-19 economy.

2. Performance and Achievements

2.1 Achievements against the Strategic Plan 2016-22 and Operational Plan 2020-22

During 2020-21, TAFE NSW has continued to adapt to our operating environment and the changing world of work and skills. TAFE NSW must continue to proactively embrace change to continue to deliver contemporary learning experiences and future-focused skills training. Our strategies have enabled us to build on our deep expertise, industry and community connections, and position TAFE NSW for continued future success.

The following achievements are contributing to building on TAFE NSW's role as a public provider serving local communities in line with the Strategic and Operational Plan goals:

- Developed innovative delivery models to support leading industry reskilling and upskilling in fast-growing sectors and emerging areas, such as the Construct NSW digital platform
- Developed the Centres of Excellence (CoE) concept and announced NSW Institute of Applied Technology (IAT) pilots to embrace service delivery innovation, greater collaborative delivery and better student outcomes
- Enhanced brand experience through continuous improvements to TAFE NSW websites and campaigns, including profiling TAFE NSW student stories in marketing campaigns
- Accelerated digital capability uplift in response to COVID-19, including security tools and systems enhanced across TAFE NSW
- Delivered a new identity management solution (IMS), a single instance of the student management system and a new integration platform
- Developed strategic partnerships with government, industry and other education and training providers to enhance offerings, meet training needs and respond to emerging skills needs
- Developed simulated training capacity to allow rural and remote workers to engage in training from their preferred location such as the partnership with NSW Health Pathology, Cognitive VR and diagnostic solutions company, Werfen
- Implemented the TAFE NSW Reconciliation Action Plan (RAP) to engage staff and stakeholders in reconciliation and develop innovative strategies to create a culturally safe environment
- Established a Teachers Reference Group to drive the delivery of quality educational products and student experience.

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

Area	Outcome
Course enrolments	468,000 +
Course completions	134,000 +
TAFE Digital (online) enrolments	194,000 +
VET graduates satisfied with training	89.0%
VET graduates employed or in further study	81.5%
NSW apprentice commencements	73%
NSW apprentice completions	8,600 +
Higher Education course enrolments	2,600 +
Higher Education graduate satisfied	79.0%

2.2 Skilling the Workforce of the Future

Service Delivery Planning Mechanisms in 2020-21

TAFE NSW remains focused on developing and offering qualifications that deliver improved job outcomes for students.

This involves ensuring that training remains relevant to students and employers.

TAFE NSW is committed to continuing to be a flexible and agile public training provider, including through the development and introduction of new courses that meet the changing employment needs and growth markets. Courses which are no longer relevant in terms of student demand and industry need are either adapted to better address current need or replaced with courses that better match demand and need.

To align our training delivery with demand, TAFE NSW undertakes comprehensive research and analysis of the demand for skills and training as part of an ongoing annual Service Delivery Planning process. This allows TAFE NSW to identify current, emerging and future skills and training demand.

As part of this process, TAFE NSW consults with industry bodies to ensure the identified skill requirements are met. TAFE NSW also works closely with community organisations and groups to support students experiencing disadvantage to undertake training and move into jobs and higher level training.

2.3 SkillsPoints – Resources and Engagement to Meet Industry Needs

The SkillsPoint product teams are developing a comprehensive suite of innovative, high-quality, and digitally-enabled products.

SkillsPoints ensure quality in learning product design, development and assessment as well as ensuring consistency across training products so that students have the same learning experience regardless of the mode of delivery or their location. Ongoing access to market analysis and industry consultation ensure TAFE NSW adapts its education and training offerings to meet new and emerging industry and employer needs.

The majority of products are developed for nationally recognised qualifications, to ensure TAFE NSW adheres to national training package specifications and satisfies regulatory and licensing requirements. Other products include higher education products, emerging industry needs for non-accredited short courses and micro credentials and the ongoing refinement of existing TAFE NSW products.

Consistent, High-Quality Training Products across NSW

Five principles underpin the development of all TAFE NSW products:

1. Digital first
2. Efficient
3. Stakeholder-informed
4. Transparent
5. Customisable

SkillsPoints work with our delivery teams and other specialists to develop training products that meet new and emerging skill needs more efficiently.

Innovation is essential to ensure that TAFE NSW products maintain currency in a rapidly changing digital environment. State-of-the-art digital learning materials will continue to 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.

Showcase

Digital Learning Lab

The Digital Learning Lab is focussed on exploring and managing applications of emerging technologies in learning such as xAPI, virtual and augmented reality, artificial intelligence and nudge techniques to empower TAFE NSW students in their training journeys.

The Lab completed a range of commercial virtual reality projects during 2020, including a collaboration with Werfen and NSW Health to deliver a pilot VR simulation centred around Werfen's GEM Premier 500 blood gas analyser; and for icare, an online virtual reality training product, focused on raising apprentices' awareness and changing their behaviour to safety when working at heights on a worksite.

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.

Industry Engagement

Our industry relationship leads are engaged to be externally focused, bringing together industry intel to influence the way TAFE NSW works with industry stakeholders. For example, we work with industry, peak bodies and other government stakeholders to identify new technology and emerging trends that can be leveraged as best practice and incorporated as benchmark quality standards within our training curriculum.

2.4 Training that Leads to Jobs

Enrolments

TAFE NSW had 468,000 enrolments in 2020².

Addressing Emerging Industry and Skill Needs

The ways industries operate and the skills required for the future are rapidly evolving. This is driven by accelerated digitalisation in workplaces, adoption of new technologies, changing economic landscapes and shifting social behaviours and consumer expectations. TAFE NSW regularly adapts its course profile and delivery approaches to anticipate and respond to these changes. To ensure future industry demand is met, TAFE NSW is building the supply of new workers trained in emerging areas and the latest technologies, enabling worker mobility through reskilling in future-proofed and in-demand areas and upskilling existing staff in emerging skills.

For example, TAFE NSW contributed to the development of the Diploma in Aerotropolis Industry 4.0 with Multiversity partners to meet future industry needs. Also in partnership with industry, TAFE NSW launched its Micro Skills training solution to address emerging needs including in construction and cyber security. TAFE NSW is also working closely with industry partners as part of its Centres of Excellence and Institutes of Applied Technology pilots to co-design innovative education models and training programs.

2.5 National Disability Insurance Scheme

In 2020, TAFE NSW had 13,000 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 III in Allied Health Assistance
- Certificate IV in Allied Health Assistance
- Certificate III in Fitness
- Certificate IV in Fitness.³

² TAFE NSW data.

³ TAFE NSW data.

2.6 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 2020 over 35 per cent of enrolments were 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.

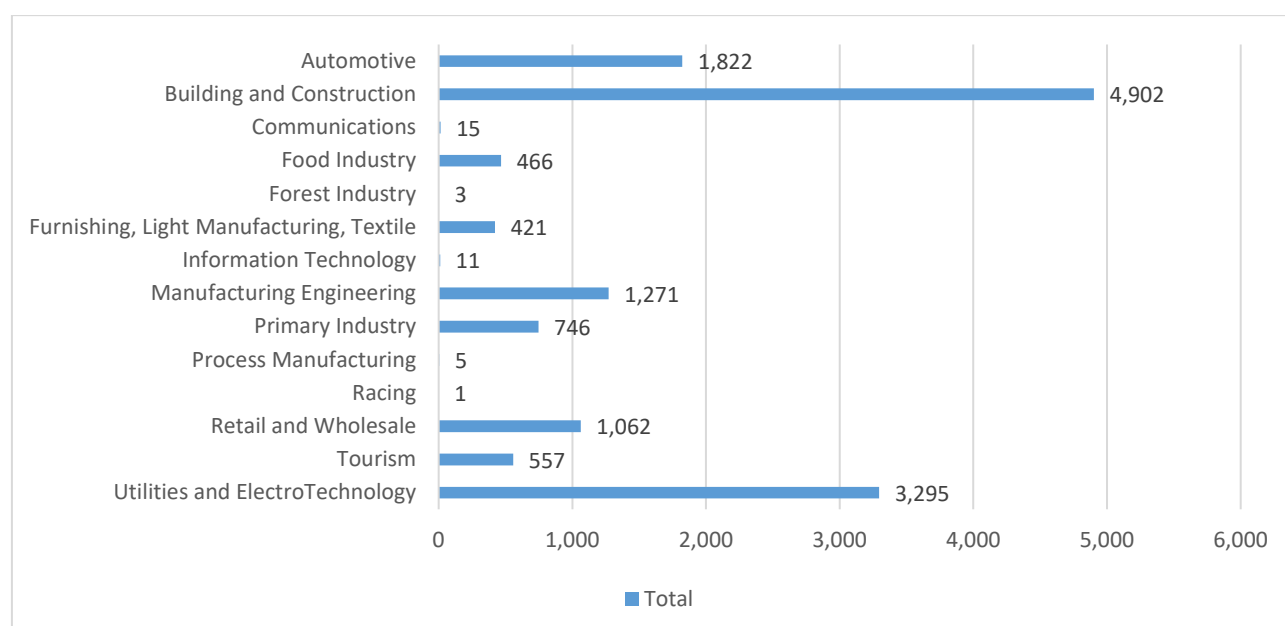
There were also approximately 16,000 commencing enrolments in Smart and Skilled AQF foundation skills qualifications in 2020. Foundation skills include learning, reading, writing, numeracy, oral communication, study skills and employability skills such as communication, teamwork and problem solving.

2.7 Apprenticeship Commencements

In 2020, TAFE NSW had more than 14,500 apprenticeship approvals, 73 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 2020 number of apprenticeship commencements by industry



Source: TAFE NSW, based on Training Services NSW figures (December 2020)

⁴ Training Services NSW (December 2020)

Certificate IV Level and above Enrolments

In 2020, there were over 97,900 enrolments in qualifications at Certificate IV level and above. These figures include 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.

Completions

Overall Australian Qualifications Framework (AQF) enrolments and completions in 2020 were impacted by the closure of campuses and reduced face-to-face training caused by the pandemic. Completions for all TAFE NSW students in Certificate IV and above qualifications declined from 31,400 in 2019 to 22,500 in 2020⁵.

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 AQF qualifications and courses are achieved when the student becomes eligible for the award to be conferred.

2.8 VET Student Loans

Commonwealth Government VET Student Loans allow 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.

There were 9,700 unique TAFE NSW students who accessed a loan through VET Student Loans to pay for their studies in 2020. Of the students, 8,600 used the loan to pay the student fee for a course subsidised by the NSW Government and 1,100 for a commercial course.⁶

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 Project Management
- Diploma of Beauty Therapy
- Diploma of Building Design
- Diploma of Business Administration
- Diploma of Business
- Diploma of Visual Arts
- Diploma of Mental Health

VET Student Loan fee exemption for COVID-19

The Commonwealth Government has introduced an exemption from the 20 per cent loan fee for full fee-paying VET Student Loan students. This applies for all VET Student Loan amounts incurred for census days between 1 April 2020 and 30 June 2021. The exemption will be automatically applied and reflected on the Australian Taxation Office's debt records.

With the introduction of Job Trainer there has been a reduction in the uptake of VET Student Loans for eligible Diplomas in NSW for Quarter 4, 2020 which is expected to continue throughout 2021.

2.9 Higher Education

Industry needs

⁵ Course completions from TAFE NSW Data.

⁶ TAFE NSW data.

TAFE NSW started delivering higher education programs in 2011. Since then, TAFE NSW has responded to demand for higher level skills within the labour market by developing higher education courses that meet industry needs, have a strong vocational emphasis and are delivered by academics with strong industry expertise.

TAFE NSW designs its degree programs to align to industry workforce standards and requirements and respond to industry needs and identified gaps in training. TAFE NSW degrees, where appropriate, are accredited with the relevant professional associations. For example the Graduate Diploma in Financial Planning was developed by TAFE NSW and accredited by the Financial Adviser Standards and Ethics Authority (FASEA) to address the change in industry requirements for financial advisors. Another example is the Bachelor of Property Valuation, recognised by the Australian Property Institute, and is one of the few courses in Australia specifically designed to meet the requirements of the property valuation market.

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

Since 2016, in partnership with industry, TAFE NSW Higher Education students have conducted applied research projects that help students to develop problem-solving skills by working on practical industry problems.

Enrolments

In 2020, 2,600 domestic and international students enrolled in TAFE NSW Higher Education qualifications.⁷ This continued growth was due, in part, to additional delivery locations as well as a 16 per cent increase in international student enrolments. In 2020, international students represented 54 per cent of the overall cohort of higher education students⁸.

Growth

At the end of 2020, TAFE NSW Higher Education had a total of 46 courses listed on the National Register.

During 2020, TAFE NSW Higher Education accredited 15 new Undergraduate Certificate courses, in response to the Commonwealth Government's COVID-19 short course training initiative. The tuition fees of the first two of these short courses – the Undergraduate Certificate in Adult Education and the Undergraduate Certificate in Sustainable Practice – were subsidised by the Commonwealth government under the Commonwealth Grants Scheme. The Scheme was extended to a further six TAFE NSW Undergraduate Certificates in 2021 – the first time TAFE NSW Higher Education students were eligible to access HECS (Commonwealth Higher Education Contribution Scheme) to pay tuition fees.

Higher Education Compliance

TAFE NSW Higher Education, PRV12049, has been registered to operate as a Higher Education provider to 30 March 2023. TAFE NSW is seeking re-registration until 30 March 2030. Registration allows higher education providers to deliver accredited higher education programs (AQF 5 – 10), pursuant to *Tertiary Education Quality and Standards Agency Act 2011 (TEQSA ACT)* and comply with the 'Higher Education Standards Framework (Threshold Standards) 2021', regulated by the national higher education regulator, the Tertiary Education and Quality Standards Agency (TEQSA). TEQSA regulates higher education providers and accredits and reaccredits courses of study and conducts compliance and quality assessments annually.

Quality Assurance

⁷ TAFE NSW - Commonwealth Tertiary Collection of Student Information System. Please note that the higher education data presented in this section is a subset of all TAFE NSW data.

⁸ Australian Education International

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 complies with the requirements of the Tertiary Education Quality Standards Agency Higher Education Standards Framework.

Review and Benchmarking

The TAFE NSW Higher Education review and improvement processes also incorporate moderation and external benchmarking including benchmarking exercises with external academic partners to improve aspects of course delivery, such as student support and assessment design.

Student transitions to employment or further study

While students may enter directly into a TAFE NSW Higher Education qualification, TAFE NSW also provides a streamlined and supportive pathway for vocational students to continue on to higher education in their chosen field. Our admission processes also provide pathways for entry to mature aged learners and people who have experienced educational and/or socio-economic disadvantage.

In 2020, 430 students completed their studies and graduated with a TAFE NSW Higher Education qualification. The Commonwealth Government funded Quality Indicators of Learning and Teaching (QILT) Graduate Outcomes Survey (GOS) data in relation to labour force indicators for 2018 - 2020 indicate a 93.1 per cent labour force participation rate, with 57.1 per cent of TAFE NSW Higher Education graduates in full-time employment and 36 per cent in part-time employment.

Higher Education Research

As part of embedding scholarship into learning and teaching, TAFE NSW Higher Education students engage with industry on applied research projects where possible, which have real world application. Some examples from 2020 include:

- *Sydney Trains Elevated Solar Cycleway Feasibility Study and Proposal* where students enrolled in the Associate Degree of Applied Engineering (Renewable Energy Engineering) engaged with Transport for NSW on a concept overview and technical /environmental /financial /social analysis.
- *Identification and Ranking of Wind Energy Opportunities for Small Wind Turbines for Diffuse Energy* where students enrolled in the Associate Degree of Applied Engineering (Renewable Energy Technologies) identified potential locations for wind turbines.
- *Contactless payments at school facilities* where students enrolled in the Bachelor of Information Technology (Network Security) explored opportunities for tailored encrypted contactless payment systems for use in education settings.

2.10 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 Survey⁹ found that 89.0 per cent of 2020 TAFE VET graduates in NSW were satisfied with the overall quality of training. The TAFE NSW graduate satisfaction rate was higher than the national average for all TAFEs across Australia and all VET providers across Australia (88.4 per cent).

The 2019 NCVER survey of employers' use and views of the VET system¹⁰ found that 81.9 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 77.1 per cent.

The QILT Graduate Destination Survey of 2019-2020 graduates conducted by the Commonwealth Government found that TAFE NSW Higher Education graduate satisfaction with teaching practices had increased compared to previous year from 70.9 per cent to 79.1 per cent. In the national Student Experience Survey, 81.0 per cent of current TAFE NSW Higher Education students were positive about their skills development compared to the national average of 79.7 per cent.

2.11 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 2020, TAFE NSW students, staff and TAFE NSW (the organisation) combined to win over 50 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 Trainee of the Year Awards, Industry awards, Community Awards as well as representation at International Championships such as the Communication Award from the World Association of Chefs Societies.

A selection of these awards is detailed below.

NSW Training Awards and Australian Training Awards

The NSW Training Awards 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 featured strongly in the 2020 NSW Training Awards, winning 3 awards at the state level.

Table 2: 2020 NSW Training Awards Winners

Category	Winner
Trainee of the Year	Emily Jones
People's Choice School Based Apprentice/Trainee of the Year	Theodore Scholl
Special Award for a Woman in a Non-Traditional Trade or Vocation	Georgia Foley

The TAFE NSW winner of the Trainee category in the 2020 NSW Training Awards progressed to competing as a finalist in the 2020 Australian Training Awards.

⁹ Survey conducted in December 2020, on the outcomes of government-funded students.

¹⁰ Most recent data available.

Table 3: 2020 Australian Training Award Finalist

Category	Winner
Trainee of the Year	Emily Jones

In 2021 TAFE NSW students and staff have continued to achieve outstanding results with 28 regional award finalists across NSW for the 2021 NSW Training Awards.

Other State / National / International Awards

Caitlin Grace, TAFE NSW Northern Beaches student was awarded the 2021 University of Canberra Chancellor's Commendation Award. Caitlin started her pathway to the Bachelor of Event and Tourism Management degree as a TAFE NSW Diploma student.

Tally Argent, TAFE NSW Kingscliff student and apprentice at Three Blue Ducks, Byron Bay was finalist in the Restaurant and Catering NSW 2020 Hospitality Awards for Apprentice Chefs.

Michael Bell, Teacher at Newcastle campus won the Kilgour Prize from Newcastle Art Gallery and was a finalist in the Sulman Prize held by Art Gallery NSW.

Lilian Hong, TAFE NSW International Customer Experience Coordinator was awarded the 2021 community Caring Award from the Rotary Club of Wahroonga and Ku-ring-gai council in recognition of her efforts in assisting people of diverse cultures to access training and support during the COVID-19 crisis.

The Intuition 2010 Sparkling Wine produced at TAFE NSW Kurri Kurri won a silver medal at the Australian and New Zealand Boutique Wine Show.

Elise Hyoin Lee of South Korea won the 2020 NSW International Student Awards for Vocational Education and Training (VET) for her valuable contribution to both the international student community and broader NSW community and as an advocate for vocational education and strengthening education pathways between Australia and her home country.

Four TAFE NSW Graphic Design students from the Enmore Design Studio were awarded winners of a prestigious 'Graphite Pencil' in the Design and Art Direction International Competition. The students were Richard Anderson, Diana Tsuchida, Alex Kastanas and Dimos Tsalikis.

TAFE NSW Apprentice, Lucas Staff from Kurri Kurri was named the National Apprentice Baker of the Year at the National 2021 Excellence in Baking Awards in Sydney.

TAFE NSW Loftus student, Patrick Thomas was awarded the Australian Glass and Window Associations Apprentice of the Year Award 2020.

Kurt Peters from TAFE NSW Kurri Kurri won the 2021 Australian Sports Turf Managers Association Awards for NSW Golf Graduate and Viche Church Medal.

Karyn Doyle, Manager of Le Cordon Bleu Sydney received the Communication Award from the World Association of Chef's Societies.

TAFE NSW Hamilton Student, Jack Mylott won the Australian Baking Society's 'Sydney J Packham' Award for 2021.

2.12 Reconciliation Action Plan

TAFE NSW is committed to and has a strong understanding of the need to provide a culturally safe study and work environment for Aboriginal and Torres Strait Islander Peoples.

After thorough consultation with Aboriginal stakeholders, in April 2019 TAFE NSW joined the reconciliation journey as a One TAFE entity to raise the profile of Aboriginal issues and affairs within the organisation. In October 2019 TAFE NSW commenced the development of an Innovate Reconciliation Action Plan, to be implemented over a two-year period. The TAFE NSW Innovate Reconciliation Action Plan consists of concrete, accountable actions and deliverables.

In November 2020, Reconciliation Australia endorsed the TAFE NSW Innovate Reconciliation Action Plan (RAP) 2020–2022 and it was officially launched on 3 December 2020. The launch included participation from Aboriginal and non-Aboriginal staff across all of TAFE NSW, Aboriginal peak bodies and community members.

Within the RAP, TAFE NSW has made commitments under four pillars - Relationships, Respect, Opportunities and Governance. TAFE NSW is committed to developing, refining, and implementing governance documents, structures, plans, and protocols to embed reconciliation into the TAFE NSW culture.

Under the Relationships Pillar, TAFE NSW has made substantial inroads in strengthening relationships with Aboriginal and Torres Strait Islander Peoples, engaging staff and stakeholders in reconciliation, and the implementation of innovative strategies to create a culturally safe environment that supports self-determination and economic independence for Aboriginal and Torres Strait Islander Peoples.

Under the Opportunities Pillar, TAFE NSW is removing barriers and prioritising procurement from Aboriginal and Torres Strait Islander businesses. TAFE NSW has updated its procurement policy to allow first consideration of Aboriginal and Torres Strait Islander businesses up to \$250,000. Updates have been made to the Aboriginal & Social Procurement Buyers Guide with a NAIDOC event held to educate TAFE NSW on how they can support Aboriginal business.

Deliverables under the Governance Pillar include the development and official endorsement of the formal Aboriginal Governance model, including the establishment of Reconciliation Implementation Coordination Committees (RICCS) for each Region, TAFE Digital and Corporate (x2). The purpose of the RICCs is to implement the Reconciliation Action Plan in each TAFE NSW functional area, and be a conduit for the flow of information to the Reconciliation Action Committee (RACC), which is comprised of a cross-section of senior TAFE NSW staff. The TAFE NSW Aboriginal Strategic Leadership Group (ASLG) was established to empower more Aboriginal staff to be a part of decision making. Its membership includes a diverse range of Aboriginal staff members from across the organisation, and at various levels of seniority.

Achievements under the Respect Pillar include the establishment of the Aboriginal Cultural Capability Framework, for the implementation of cultural safety for staff and students across TAFE NSW.

This Framework has resulted in many deliverables to increase cultural safety including the purchase of Tindale Aboriginal language maps that have been distributed to each TAFE NSW site and the purchase of Aboriginal art pieces from 123 different Aboriginal artists for display across the State.

In June 2021, a successful pilot of the 10655NAT Course in Aboriginal and Torres Strait Islander Cultural Education was conducted for TAFE NSW staff in Broken Hill, Tamworth, Eora, Dubbo and Armidale. This provides opportunities for all TAFE NSW staff to participate in formal, accredited, and structured face-to-face and on-Country Aboriginal Cultural competency training and contributes to the process of reaccreditation through the Australian Skills Quality Authority (ASQA).

To capture accountabilities and associated data to meet the RAP targets, TAFE NSW launched a dashboard reporting tool which expedites the distribution of mandatory reports to internal stakeholders and Reconciliation Australia.

TAFE NSW values the skills experiences and knowledge of Aboriginal and Torres Strait Islander peoples and through the TAFE NSW RAP, continues to strengthen the relationships between Aboriginal and non-Aboriginal peoples.

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 2020, TAFE NSW continued to enrol 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.¹¹

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 delivery and work-based learning and is continuing to expand the use of 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.¹²

¹¹ TAFE NSW data.

¹² TAFE NSW data.

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.

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 achieving their goals.

Additionally, in response to the impact on employment due to the COVID-19 pandemic, the JobTrainer Program was introduced in October 2020. This program provides free or subsidised training courses for accredited diplomas, certificates, or short courses in various industries.

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 2020, there were over 150,100 enrolments by students living in regional or remote areas, comprising 32 per cent of total enrolments.¹³

TAFE NSW continues to expand 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.

There were fifteen CLCs in operation as at 30 June 2021, working with mobile training units to bring equipment and tools to the students to provide hands-on, practical training. Another three were opened in July 2021, with four more due to be delivered by 2023. This assists TAFE NSW to expand the range of courses offered in regional areas.

Table 4: 2020 TAFE NSW Enrolment Breakdown

36,800 + enrolments by Aboriginal Students	120,500 + enrolments by unemployed students
104,300 + enrolments by students from a language background other than English	150,100 + enrolments by students in regional and remote areas
171,100 + enrolments by students aged 15-24 years old	46,300 + enrolments by students with a disability
95,800 + enrolments by mature aged students	271,400 + enrolments by female students

Source: TAFE NSW data (2020). Note: 'Mature aged' is defined as being 45 years and older.

¹³ 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).

TAFE NSW acknowledges the need for greater transparency as well as improved tracking and reporting of CSO Funding utilisation. In December 2020, TAFE NSW embarked on a comprehensive review of the current state of CSO management and allocations. Implementation of the findings has commenced for:

- Establishment of a centralised CSO Governance model
- Updated CSO Guidelines for 2022
- Extensive review of the delivery of CSO Non Nationally Recognised (NNR) courses and Learner Support
- Development a CSO Tracking tool

TAFE NSW continues to review the utilisation of CSO, implement review recommendations and continuous improvement strategies.

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	2020 course enrolments
Aboriginal students ¹⁴	36,800 +
Students with disability ¹⁵	46,300 +
Unemployed students ¹⁶	120,500 +
Regional / remote students ¹⁷	150,100 +
Students from Language Backgrounds other than English ¹⁸	104,300 +

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

Types of Support Provided

In 2020, 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.

¹⁴ Aboriginal students are students who self-identified on their enrolment form as Aboriginal, Torres Strait Islander or both.

¹⁵ Students with disability are students who asked for help with their disability or who specified a type of disability on their enrolment form.

¹⁶ Unemployed students are students who self-identified on their enrolment form as being unemployed and seeking part-time or full-time work.

¹⁷ Regional/Remote students are based on Accessibility/Remoteness Index of Australia (ARIA), 2011. (Latest data available.)

¹⁸ Language Background other than English students stated on their enrolment form that the main language they speak at home is not English.

Aboriginal Students

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

In 2020, there were 36,800 enrolments by Aboriginal students.¹⁹

TAFE NSW develops customised programs for cohorts of Aboriginal and/or Torres Strait Islander students and learning plans for individual students to support their participation in vocational education and training.

The enrolments of Aboriginal students in Certificate IV and above qualifications in the past five years are:

- 9,400 Aboriginal enrolments in 2016 to 9,800 in 2020, an increase of 4 per cent
- An increase in TAFE NSW's proportion of overall NSW Aboriginal student enrolments from 23 per cent in 2016 to 27 per cent of Aboriginal student enrolments in 2020.

A trend towards enrolling in higher-level qualifications was evident in the 25 to 29-year student age group. Over the five-year period to 2020, TAFE NSW enrolments by Aboriginal students in the 25 to 29 year age group in Certificate IV and above qualifications increased by 16.0 per cent with increases mainly in Certificate IV (800 in 2016 to 1,200 in 2020)

In 2020, there were over 11,200 enrolments by Aboriginal students in part qualifications (Statements of Attainment or non-AQF level courses) a decrease of 3 per cent from the previous year (over 11,500).

Aboriginal completions declined by 39 per cent over the five year period from 2016 to 2020. This is consistent with a decline in overall completion rates for TAFE NSW over the same period, which is predominantly due to a sharp rise of prevocational and part qualifications enrolments and completions in 2016. Prevocational and part qualifications were introduced to provide more enrolment opportunities, support student success and progression into higher qualifications.

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 culture 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 to assist with future planning of targeted or tailored courses for community.

¹⁹ TAFE NSW data.

Showcase

North Region²⁰

In partnership with Taree Indigenous Development and Employment and the Local Area Police Command, TAFE NSW North Region delivered an Aboriginal Learner Driver Course at Taree campus. Fifteen Aboriginal students were enrolled in this 10-week program, they participated in structured workshops with different hands-on activities set up throughout the classroom. Computers were also available for students to practice the Service NSW Learners Practice Test at any time during the lesson. At the end of the course, twelve students were successful at receiving their Learner Licence.

South Region²¹

Maddison Peisley, a proud Wandandian woman overcame personal challenges in 2020 and a difficult high school life to complete a Certificate III in Business Administration and be awarded four TAFE NSW South Region Excellence Awards including Trainee of the Year, Student of the Year, Aboriginal and Torres Strait Islander Student of the Year and Technology and Business Services Student of the Year. Maddison completed a Diploma of Youth Work at TAFE NSW Shellharbour in 2019 and after completing work placement as part of the course she secured casual work at Southern Youth and Family Services. After completing a Traineeship and Certificate III Business Administration she now uses the skills obtained from her TAFE NSW qualifications to act as a mentor to young jobseekers and support the organisation with administration work.

West Region²²

The Wilcannia Project is a shared venture between TAFE NSW and Murdi Paaki Regional Assembly (MPRA), the peak representative structure representing the interests of Aboriginal Torres Strait Islander people across Western NSW aimed at building capacity for employment and support the community in Wilcannia.

Working with WaterNSW, a training program was designed to help local Aboriginal people benefit from opportunities presented by the Wilcannia weir replacement and proposed BAAKA Cultural Centre. Eleven locals completed TAFE NSW Statement of Attainment and Certificate I and II in Construction.

The program enables students to develop practical skills and gain qualifications to start a career in construction and builds local capacity to improve future opportunities within the community.

A second phase of the program has also commenced involving hospitality and tourism to assist in growing tourism and retail opportunities in Wilcannia.

Sydney Region²³

The TAFE NSW Indigenous Police Recruitment Our Way Delivery Program (IPROWD) is a partnership between TAFE NSW, the NSW Police Force, Charles Sturt University and the Australian Government designed to support Aboriginal and Torres Strait Islander people who want to join the NSW police force, other justice and emergencies services agencies. Since 2008, many Aboriginal students have become sworn officers and other students have gone into non-sworn roles such as Special Constables, General Administrative Support Officers and Aboriginal Community Liaison Officers. In June 2021, 12 Aboriginal and Torres Strait Islanders graduated from a 17-week Redfern based program and are one step closer to their dream careers in the Police Force.

²⁰ Refer to regional map under 1.2 Our Footprint (Page 2).

²¹ Refer to regional map under 1.2 Our Footprint (Page 2).

²² Refer to regional map under 1.2 Our Footprint (Page 2).

²³ Refer to regional map under 1.2 Our Footprint (Page 2).

Western Sydney

A group of elders from the Tharawal Aboriginal Corporations Elders Group discovered a new appreciation for native florals after studying a Statement of Attainment in Floristry and Statement of Attainment in Study and Employability Skills in an Aboriginal context at TAFE NSW. The elders, who were supported through the course with a Yarning Circle held each week by an Aboriginal Teacher, gained valuable skills through the tailored course as well as benefited from exchanging ideas and stories and connecting with each other. The group of elders have now set up a low cost floristry service for their local community.

TAFE Digital

Through an existing Certificate III Early Childhood Education and Care and Diploma of Childhood Education and Care Traineeship program between TAFE Digital and Yenu Allowah Aboriginal Child and Family Centre at Mount Druitt, TAFE Digital have been able to expand opportunities for community engagement and contribute positively to the local community. TAFE Digital Early Childhood students are given the opportunity to network with Yenu Allowah staff to meet work placement and other assessment requirements and Yenu Allowah Aboriginal Child and Family Centre benefits from the introduction to prospective Aboriginal Early Childhood employees that they know are culturally capable and have gained a local understanding of the local Community.

This partnership has allowed for the sharing of culturally relevant and safe Early Childhood Education and Care, parent and family support. TAFE Digital is now offering Yenu Allowah Aboriginal Child and Family Centre families short courses on food handling, nutrition and budgeting presented by an Aboriginal Hospitality Teacher.

Students with a Disability

Students with a disability present with a wide range of complex issues. Teacher Consultants ensure that adjustments support these ongoing conditions and assist students to connect with Counselling and Career Development Services where appropriate. Some students have two or more disabilities and this requires close liaison between Teacher Consultants to enable 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 at 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 that records the negotiated types of reasonable adjustment based on the individual needs of each student.

There were 46,300 enrolments by students with disability in 2020.²⁴

Developing a TAFE NSW Disability Inclusion Action Plan 2020-2021

One of the key objects of the ***Disability Inclusion Act 2014*** (DIA) is to acknowledge that people with disability have the same human rights as other members of the community and that the State and the community have a responsibility to facilitate the exercise of those rights. The Act aims to promote ongoing commitment of the NSW Government to building a strong, equitable and inclusive community across NSW.

²⁴ TAFE NSW data.

TAFE NSW is committed to supporting these rights and to driving the mutually beneficial partnerships and programs that work towards closing the prosperity, education and employment gaps. The TAFE NSW Disability Inclusion Action Plan 2020-2021 was developed in 2020, with the implementation phase commencing in 2021.

Multicultural Policies and Program

TAFE NSW is committed to a workplace and educational space where dignity, trust, respect, and the promotion of diversity and inclusion is valued. Our culturally and linguistically diverse students and employees are a reflection of the NSW community. Roughly 30% of all enrolments at TAFE NSW are from students born overseas and 22% of those enrolments are from students who speak a language other than English at home.²⁵

To reinforce its commitment to diversity and inclusion, TAFE NSW developed the *TAFE NSW Multicultural Plan 2020-2022* (Multicultural Plan) in December 2019. The plan was submitted to Multicultural NSW as part of our requirements under the *Multicultural NSW Act 2000*.

The Multicultural Plan is guided by the Multicultural Policies and Services Program (MPSP) framework provided by Multicultural NSW. The MPSP framework has been mapped against the TAFE NSW Strategic Plan 2016 – 2022.

In June 2021, TAFE NSW hosted an online event “Unity in Diversity” to support and celebrate Refugee Day and to provide an update on the commitments made in the Multicultural Plan. There were nearly 400 attendees at the event, which included students, employees and community stakeholders.

TAFE NSW is progressing the development of the Multicultural Governance structure and the development of the Multicultural policy.

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. In 2020-21, a series of initiatives continued the modernisation of the organisation into a contemporary comprehensive public provider:

- Product development processes were significantly improved, reducing the time it takes to deliver new and updated products to the market
- Over 130 products were re-designed to incorporate automated assessments, reducing duplication for students and making marking more efficient for teachers
- The processing of workers compensation and care claims were simplified and streamlined through the implementation of an online safety system
- TAFE NSW's commitment to reconciliation was affirmed with the launch of the Innovate Reconciliation Action Plan
- A Reporting and Insights Platform implemented to provide a single source of truth and dramatically improve decision making and performance
- Five institute-based data centres were consolidated into the TAFE Private Cloud reducing overhead cost and operations risk.
- A new \$13 million Trades Hub was opened at Coffs Harbour, which means around 700 apprentices a year can be trained in carpentry, construction, plumbing, shop fitting, and electrical trades
- TAFE NSW Women in Business Program reached over 11,500 registrants covering 31 topics to assist women in establishing or operating a micro business or small business.
- The roll out of almost 10,000 new devices for TAFE classrooms commenced to refresh 1,400 labs across 128 campuses

²⁵ TAFE NSW data.

- All campuses remain open for students who require access to services to assist virtual delivery and cannot access them from home such as technology, library services and computer labs.
- For students residing in LGAs of concern (during the reporting period), virtual delivery continues until COVID-safe return to face to face delivery can commence in line with the NSW Public Health Orders
- Critical Skills such as Nursing were prioritised for delivery face to face, to ensure limited impact to their ability to complete practical components of their course and their progression into the workforce.

4.1 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
- Increasing its share of the international student market
- Expanding higher education opportunities
- Increasing fee-for-service offerings to individuals and industries not eligible for government-subsidised training.

TAFE NSW is heavily invested in ensuring our industry stakeholders have the available training when and where they want it, ensuring business confidence for our customers and skills growth. TAFE NSW is positioned to deliver full qualifications, short courses and Microskills to accommodate the diversity of industry needs, domestically and internationally. As technology advances, the ability to offer more flexible and digital training solutions is becoming real, creating new ways for our customers to learn when and where they like. To support whole of business training, TAFE NSW has implemented a streamed approach to business development to ensure touchpoints across our wide and diverse footprint, from metropolitan areas into our regional and remote communities. Having these close links to our communities, industries, schools and universities is integral to the support for the NSW economy.

Domestic Commercial Delivery

In 2020, there were 44,400 domestic commercial enrolments in TAFE NSW qualifications.²⁶

TAFE NSW secured commercial contracts, approximately 82 per cent of which were with private sector clients. In the public sector, TAFE NSW secured contracts with over 164 government departments and agencies, including 101 councils.

International Education

The number of international students enrolled at TAFE NSW for 2020²⁷ were:

- 1,360 in Higher Education qualifications
- 2,273 in VET qualifications
- 351 in English Language Intensive Courses for Overseas Students (ELICOS)

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

In 2020-21, TAFE NSW promoted its educational offerings to new international students through virtual education exhibitions in Australia, Nepal, China, the Philippines, Vietnam, Colombia, Brazil, Indonesia, South Korea, Japan and India. Some of the most popular courses for international students continue to

²⁶ TAFE NSW data.

²⁷ Australian Education International (December 2020) is the source of all data in this section.

include Information Technology, Early Childhood Education and Care, Hospitality Management, Nursing, Building and Construction, and Business.

TAFE NSW implemented a number of measures to support international students during COVID-19. This includes a continuation of TAFE NSW's international student support plan which offers real time contact support to all international students. All enrolled students have been given a three instalment payment option. In addition, requests for customised instalment plans are being considered based on individual circumstances. Students facing extreme hardship are being given support in the form of grocery vouchers and hampers, which were provided by Foodbank in partnership with Study NSW.

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, with a delivery focus on Asia.

TAFE NSW maintained the following partnerships in 2020-21:

Table 6:

Overseas Partner Organisation	Location
Association of Education & Training Pty Ltd (AET)	China
Australian Vocational Education Alliance	China
Beijing College of Politics and Law	China
Chengdu Industrial Vocational Technical College	China
Guangdong Industry and Technical College	China
Guangdong Mechanical and Engineering College	China
Jiangsu Agri-animal Husbandry Vocational 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
Shenzhen Polytechnic	China
Shunde Polytechnic	China
Zhangjiagang Vocational Education Centre	China
Fiji National University	Fiji
Edventures Technology Solutions Pvt Ltd (India)	India
Odisha Rural Development and Marketing Society (ORMAS) India	India
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 with the International Asset Management Standard ISO 55000 and has a Strategic Asset Management Framework to support implementation.

TAFE NSW continues to develop a 20 Year Infrastructure Strategy (20YIS) in response to an Infrastructure NSW recommendation in the *NSW State Infrastructure Strategy (SIS) 2018-2038: Building Momentum*. This is currently due for completion by the end of the 2021 Calendar Year.

The fundamental purpose of the 20YIS is to efficiently plan for flexible, student-oriented and technologically enabled infrastructure in the right locations to support TAFE NSW's future operational needs. It does this by setting out the investment priorities for TAFE NSW over the next 5, 10 and 20 years.

These priorities align with and support the broader strategic objectives of TAFE NSW, as well as the NSW Government's vision for the organisation and its ambitious growth agenda for the NSW economy.

Throughout 2020-21, TAFE NSW continued to develop 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 (CLCs)
- Dedicated, purpose built Mobile Training Units (MTUs) to bring equipment and tools to students to provide hands-on, practical training
- Digital and mobile platforms to improve connectivity and accessibility
- A replacement program for infrastructure assets and teaching equipment that are at the end of their life, through the \$100 million stimulus package provided by the NSW Government.

In 2020-21, TAFE NSW continued to expand the types of courses available across regional and rural NSW through digitally enabled facilities including CLCs and connection to Centres of Excellence (CoE).

Connected Learning Centres

The Connected Learning Centres (CLCs) are a key component of the Interconnected Training Network (ITN) for regional and rural NSW and aim to:

- improve access to a wider range of TAFE NSW courses and services in rural and regional NSW, allowing students to learn through a method and at a pace that suits their needs
- enhance access to teachers, both on and offsite by allowing students to study locally while connecting to campus based teaching delivery points
- provide multipurpose, digitally enabled learning spaces in accessible locations, integrated with MTUs to provide the practical components of course delivery at CLCs.

TAFE NSW has so far delivered 15 CLCs in three tranches across regional NSW in:

- Coonabarabran, Glen Innes, Quirindi and Tenterfield (Tranche 1 completed in 2017-18)
- Corowa, Deniliquin, Bega, Narrandera, Bourke, Grenfell, Murwillumbah, Scone, Singleton and Yamba (Tranche 2 completed in 2018-19)
- West Wyalong (Tranche 3 – completed February 2021)

Additional CLCs were opened in Tomaree, Nambucca Heads and Hay in July 2021, with a further four CLCs in Batemans Bay, Byron Bay, Cobar, and Jindabyne to be completed by February 2023.

Centres of Excellence

TAFE NSW is establishing Centres of Excellence (CoEs) as state-of-the-art training facilities offering specialist training programs that are designed and delivered in partnership with industry, universities and other partners. CoEs will provide up-to-date curriculum and expand the scope of high quality fit-for-purpose training including micro credentials, bespoke courses, and masterclasses to meet current and future demand for skills. Students will emerge with industry-relevant specialist skills that equip them to be highly productive in the workforce.

Through the CoEs, TAFE NSW will transform the current approach to training by offering seamless pathways between school, VET, higher education and industry and bridge the growing skills gap.

Key features will include:

- partnerships with industry to co-invest, co-design and co-deliver skills programs of the future
- an integrated education model delivering work integrated learning, multidirectional pathways and co-created programs
- future-focused curriculum of cutting-edge qualifications, micro-credentials and short courses aligned to industry needs and emerging careers
- innovative teaching practices to create immersive experiences based on an in-depth understanding of student preferences and industry needs
- flexible and adaptable learner spaces to promote experiential learning, project collaboration and support professional development.

This educational model will provide students with greater access to high quality, relevant training in a way that quickly adapts to the needs of employers. TAFE NSW is currently in the process of developing a business case for an Aged Care CoE.

Institutes of Applied Technology

The Institutes of Applied Technology (IAT) were announced by the NSW Government in March 2021 and are a recommendation of the Gonski-Shergold VET Sector Review. The IAT pilots will see industry and universities partner with TAFE NSW at Meadowbank and Kingswood campuses to position the NSW economy, employers and individuals to adapt to future skill requirements. The pilot sites include the IAT for Digital Tech at Meadowbank due to open in August 2022 and the IAT for Construction in Kingswood due to open in February 2023. The location and skills discipline for the regionally-based IAT pilot is yet to be announced.

The IAT model will build on existing collaborations and partnerships between TAFE NSW, the NSW Department of Education and the universities to develop integrated vocational and higher education programs, combine practical and theoretical curriculum for emerging industries and enhance pathways to higher education.

The IAT's focus will go beyond technical skills to provide students with deep exposure to a practical work-oriented disciplines while also having a breadth of employability skills in communication, critical thinking, complex problem solving, creativity and entrepreneurship.

Information and Communications Technology (ICT) Services

In 2020-21, TAFE NSW saw a large increase in the adoption of digital tools to support digital delivery and working offsite in response to COVID-19 as well as the introduction of more flexible working arrangements. Approximately 97 per cent of delivery teams are now using TAFE NSW's business communication platform for meet ups and over 30,000 virtual desktops have been provided, allowing teachers and students access to teaching and learning in real-time anywhere across NSW.

TAFE NSW's technology focus has been on simplification, consolidation, heightened cybersecurity and increasing efficiencies to enhance digital adoption. The following are some of the key initiatives that TAFE NSW has achieved this year:

- the Student Management Solution (SMS) Program successfully consolidated 11 Regional EBS instances in a single, **OneTAFE EBS** instance providing improved data quality and consistency, and allowing teachers to access a sole dataset that provides a single view of students across TAFE NSW
- continuation of the **student technology service desk** that was established in May 2020 to support students with their technology needs -especially those who are learning off-site
- a more powerful, **multi-factor authentication** (MFA) tool was rolled out to all staff to significantly improve TAFE NSW's cybersecurity posture. In parallel, a new **identity management** solution was finalised in October 2020 which has enabled the consistent identification of contractors, staff and students
- a **next-generation telephony and contract centre** platform has been deployed and regional high-risk PABX platforms decommissioned. The new platform will facilitate an improved operating model with consistent workflows to support our customers more effectively
- improved compliance with Payment Card Industry Data Security Standard (PCI DSS) by improving security controls and processes in handling card holder data (CHD).

Along with achievement of the above milestones, the SMS program has been progressing with technical readiness of the program expected in 2021-22. Front-end enhancements to the TAFE NSW website will provide students with a guided course exploration experience and a much-improved student journey experience as they select and enrol in courses. PeopleSoft Campus is being developed to support the 'operational spine' of TAFE NSW and facilitate an improved approach to course development and administration.

4.2 Risk Management, Insurance and Internal Audit

TAFE NSW is committed to quality assurance and risk management in its delivery of services.

Enterprise Risk Management

Sound risk management underpins the success of TAFE NSW in providing excellent customer outcomes. The TAFE NSW Enterprise Risk Management Framework sets the foundations and organisational arrangements for risk management across TAFE NSW. The framework adopts the key ERM principles of:

- Create and protect value
- Integrate with planning processes, decision-making structures and operational procedures
- Be systematic, structured and timely
- Be based on best available information
- Be dynamic, iterative and responsive to change

During the year, TAFE NSW re-evaluated the organisation's appetite for risk-taking in support of greater innovation when exploring opportunities for positive impact. The resulting Risk Appetite Statement has two main uses, informing decision-making/judging options, and monitoring risk performance. It helps create the space for potential gains through innovation, experimentation, learning and adaptation while managing the potential for loss.

The revised Risk Appetite Statement and an external risk environment scan were used in a major refresh of the TAFE NSW strategic risk profile.

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

Audit and Risk Committee

The Audit and Risk Committee (ARC) oversees and monitors TAFE NSW governance, risk and control frameworks and external accountability requirements. Between 1 July 2020 and 30 June 2021, the ARC undertook its duties and responsibilities as prescribed by Treasury Policy Paper *TPP15-03 Internal Audit and Risk Management Policy for the NSW Public Sector* and *Internal Audit and Risk Management Policy for the General Government Sector* (TPP20-08).

The ARC comprises one independent chair and two independent members. During 2020-2021, the Audit and Risk Committee met on six occasions. Attendance details are contained in the Table 7 below.

Name	Position	Eligible Meetings Attended	Membership during 2019-20
Carolyn Burlew	Independent Chair	5 of 6	Current
Gregory Fletcher	Independent Member	6 of 6	Current
Allan Cook	Independent Member	6 of 6	Current

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 internal audit team. The organisation uses various third-party internal audit service providers to provide access to specialised skills as needed.

The ARC receives regular status reports on the progress of audits and implementation of audit recommendations.

TAFE NSW completed the 2020-21 Internal Audit Plan. This Plan was developed through consultation, consideration of TAFE NSW risk registers, resources and prior internal audit coverage and findings.

TAFE NSW developed a strategic three-year plan (2021–2024) and tactical annual audit plan (2021-2022). These plans were endorsed by the ARC in June 2021 and subsequently approved by the Managing Director.

4.3 Vocational Education and Training Compliance and Quality Audits

Registration and Compliance Audits

TAFE NSW RTO 90003 has been re-registered to operate as a Registered Training Organisation (RTO) to 1 September 2025. Registration allows 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). 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 across TAFE NSW in 2020-21.

Overseas Students Service Compliance

TAFE NSW is a registered 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.

TAFE NSW successfully underwent a re-registration process as a vocational education and training, higher education and English Language CRICOS provider and was successfully re-registered by ASQA, and by the Tertiary Education Quality and Standards Agency (TEQSA) to 1 September 2025, respectively.

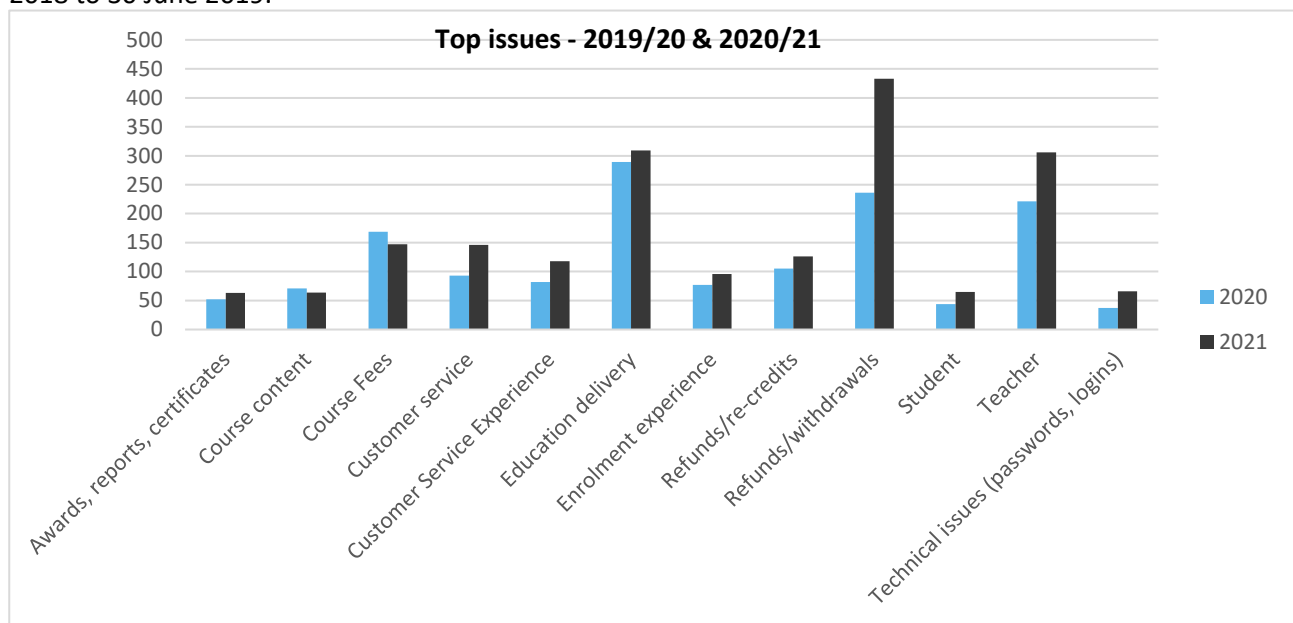
4.4 Insurance

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.

4.5 Complaints and Improvements

TAFE NSW received 2,230 complaints for the period 1 July 2020 to 30 June 2021, an increase on the 1,825 received for the period 1 July 2019 to 30 June 2020, but lower than the 2,325 received for the period 1 July 2018 to 30 June 2019.



Examples of improvements as a result of complaints include:

1. Reviewing IT systems and internal processes to accommodate the use of preferred names instead of legal names.
2. Adding information to the TAFE NSW website for international students about transfer requests.
3. Changes to assessment and marking guides which were causing confusion for students.
4. Improved system to retain completed assessments and supplementary evidence.

4.6 Research and Development

Table 8: 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
Sydney Trains Elevated Solar Cycleway Feasibility Study and Proposal	TAFE NSW Higher Education for Sydney Trains (Transport for NSW)	Concept overview, comparative technical analysis, financial-environmental-social analysis, future opportunities and potential Australian based businesses capable of constructing and maintaining Sydney Trains Elevated Solar Cycleway (STESC) solution	N/A	Completed October 2020
Identification and Ranking of Wind Energy Opportunities for Small Wind Turbines	TAFE NSW Higher Education for Diffuse Energy	Identification and Ranking of Wind Energy Opportunities for Small Wind Turbines for Diffuse Energy	N/A	Completed in February 2021
Limited Community Services and Resources: The Impacts on Families' Wellbeing	TAFE NSW Higher Education	The main aim of the research is to identify how an individual's holistic wellbeing is affected as support services are restricted . The research study identified various concerning impacts for families that crossover into early childhood services which then affects an individual's ability to manage their emotions while achieving their full potential	N/A	Completed December 2020
Explore Strategies for Developing and Maintaining Bilingualism of Young Children in Home Environment and Early Childhood Services	TAFE NSW Higher Education	The aim of this research is to investigate and explore the approaches and strategies that parents and educators/teachers use to support children's bilingualism at home setting and in the early childhood services	N/A	Completed December 2020

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 Advisory Board

The functions of the NSW TAFE Commission Advisory 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 9: the following people served as TAFE NSW Board members during the period from 1 July 2020 to 30 June 2021. Details of positions held and qualifications are as at 30 June 2021.

Board member	Term of appointment	Positions held	Qualifications and professional development
Danny O'Connor (Chairperson from 1 June 2021)	1 April 2021 to 31 March 2025	Danny O'Connor Consulting Advisory Board Member, Energesse Digital Health Technology Board Member, Healthy North Coast Primary Health Network Board Member, Wilhelm Integrated Solutions Healthscope Northern Beaches Hospital	Graduate, Australian Institute of Company Directors, GAICD Global Health Leadership Graduate, University of California, Berkeley Master of Social Policy, University of New South Wales Pharmacology, Post Graduate studies, University of Sydney Bachelor of Social Studies (Hons), University of Sydney
Terry Charlton (Chairperson)	1 June 2018 to 31 May 2021	Member, Monaro Early Intervention Service Board	Master of Science (Psychology), University of Newcastle Bachelor of Commerce (Economics and Accounting), University of Newcastle
Steffen Faurby	Ex officio member of the Board	Managing Director, TAFE NSW	Graduate Diploma in Business Administration (International Business), Copenhagen Business School (CBS) Bachelor of Science, (Mechanical Engineering), Aarhus College of Engineering Graduate, Australian Institute of Company Directors, GAICD Graduate Diploma, Organisational Psychology, Macquarie University
Mark Scott	1 January 2021 to 23 April 2021	Secretary, Department of Education	Graduate, Australian Institute of Company Directors, GAICD Master's Degree, Public Administration, Harvard University, John F. Kennedy School of Government Master's Degree, Political Science and Government, University of Sydney Diploma of Education, University of Sydney Bachelor's Degree, Arts, University of Sydney

Georgina Harrison	14 June 2021 to 13 June 2025	Secretary, Department of Education	Creating Collaborative Solutions, Harvard Executive Education Leadership Across Borders Program, UK, Canada and Australia Public Service Commissions Civil Service Faststream, UK Civil Service College Bachelor of Science Biological Sciences, University of Birmingham, UK
Hilary Jessie Borthwick	14 October 2019 to 13 August 2022	Mr Davies & HJ Borthwick Partners	Bachelor of Arts (Asian Studies) Australian National University Diploma of Arts and Design, Prahran CAE
Carolyn Burlew	1 January 2018 to 31 March 2021	Chair, Audit and Risk Committee, TAFE NSW 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, Legal Profession Admissions Board, Audit and Risk Committee 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 Graduate, Australian Institute of Company Directors GAICD

Ero Coroneos	1 January 2016 to 31 March 2021	Supply Chain Risk, Lendlease Corporation Chair, Social Sustainability Committee, Property Council of Australia Associate Member, Australian Property Institute Associate Member, Governance Institute of Australia Graduate Member, Australian Institute of Company Directors Member, UN Global Compact Network Australia, Modern Slavery Working Group Member, Modern Slavery Expert Advisory Group, Department of Home Affairs Member, Australian Border Force, Modern Slavery Expert Advisory Group Member, NSW Committee Hellenic Australian Lawyers Association Member, Corporate Governance and Regulation Committee, Property Council of Australia	Master of Arts (Communications and Cultural Studies), University of Western Sydney Bachelor of Laws (Honours), University of Technology Sydney Bachelor of Arts, University of Sydney Bachelor of Commerce (Land Economics), University of Western Sydney Diploma of Applied Corporate Governance, Governance Institute of Australia Graduate, Australian Institute of Company Directors GAICD
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Greg Fletcher	1 August 2016 to 31 March 2021	Chair, SMEG Australia Pty Ltd Vice-Chairman and Chair, Audit and Risk Committee, and Lead Independent Director and Member of the Remuneration and Nomination 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 NSW Member, Audit and Risk Committee, NSW State Transit Authority Chair, Audit and Risk Committee, NSW Electoral Commission Member, Audit and Risk Committee, NSW Health Infrastructure Chair, HealthShare NSW/eHealth Audit and Risk Committee	Bachelor of Commerce, University of New South Wales Chartered Accountant Member, Institute of Chartered Accountants
Kirsty Hosea (Senior Management)	1 January 2021 to 31 December 2022	Chief Delivery Officer, TAFE NSW	Masters of Business Administration, Charles Sturt University Bachelor of Arts in Communications, Canberra University Certification, Design Thinking, Austin Centre for Design
Todd Williams	1 January 2016 to 20 November 2020	Fellow, Australian Institute of Company Directors Committee Member on NSW Cyber Security Network Director, Newcastle Grammar School Associate Director, Place – Australian Infrastructure Plan, Infrastructure Australia Adjunct Fellow to the European Union (EU) Centre RMIT University Director, TWPartners Director, Pacific Wholesale Solutions	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

John Borghetti AO	1 June 2021 to 31 May 2025	Director, Art Gallery of NSW Director, Brisbane Airport Corporation Pty Ltd (BAC) Director, John Sample Group (JSG) Pty Ltd Director, Alinta Energy Director, Balmoral Pastoral Investments Pty Ltd Director, Charlie Teo Foundation Director, O'Connell Street Partners Advisor, IFM Investors (Global) Advisory Board Member, Marprop Real Estate Investors	Breakthrough Program for Executives, IMD Lausanne, Switzerland Marketing Strategy Program III, Australian Graduate School of Management, University of Sydney Air Transport Course, Manila University, Philippines Manager Development, Mitchell College, NSW
Isaiah Dawe	1 June 2021 to 31 May 2025	CEO, ID.Know Yourself	Communication and Leadership, Dale Carnegie Course Leadership in Business, Tony Robbins Business Mastery Course Life Coaching, Tony Robbins Personal Development Course Blue Knot, National Centre of Excellence of Complex Trauma IPROWD, Redfern Local Area Command (NSW Police – TAFE NSW) Workforce Essentials, Charles Sturt University Preparation Program (Science), University of New South Wales
Alison Mirams	1 June 2021 to 31 May 2025	Director, Roberts Co. Management Services Director, Roberts Co. (Australia) and Subsidiary Companies Division Councillor for PRA (NSW) Director, UNSW Foundation Chair Advisory Board, Faculty of Arts, Design & Architecture, University of NSW Advisory Board member, AeroPM	Graduate, Australian Institute of Company Directors, GAICD Engineering Executive, Engineers Australia, COMPIEAUST Engineering Executive, Engineers Australia, ENGEXEC Graduate Diploma in Urban Estate Management, University of Technology, Sydney Bachelor of Building (Construction Economics), University of Technology, Sydney
Kristina Troughton	1 April 2021 to 31 March 2025	Managing Director, IBM Australia and New Zealand Board Member, Australian Information Industry Association (AIIA)	Graduate, Australian Institute of Company Directors GAICD BSC/BComm Physiology, Pharmacology and Economics, Auckland University, New Zealand Diploma in Health Economics, Tomson University, Norway Diploma in Direct Marketing, NZ Direct Marketing Association
Terry Charlton (Former Chairperson)	1 June 2018 to 31 May 2021	Member, Monaro Early Intervention Service Board	Master of Science (Psychology), University of Newcastle Bachelor of Commerce (Economics and Accounting), University of Newcastle

5.4 Meeting Attendance

The TAFE NSW Board convened six meetings and three extraordinary meetings during the period from 1 July 2020 and 30 June 2021.

TAFE NSW Board members' attendance for that period is set out in Table 10 below.

Board Member	Eligible to attend	Attended
Terry Charlton (Former Chairperson)	6	6
Steffen Faurby	6	6
Mark Scott	1	1
Georgina Harrison	0	0
Hilary Jessie Borthwick	6	6
Carolyn Burlew	6	6
Ero Coroneos	6	6
Greg Fletcher	6	5
Kirsty Hosea	1	1
Todd Williams	4	4
John Borghetti	0	0
Isaiah Dawe	0	0
Alison Mirams	0	0
Danny O'Connor (Chairperson)	0	0
Kristina Troughton	0	0

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.

In 2020-21 TAFE NSW commenced employing senior executives through the Staff Agency. The Staff Agency is listed as a Separate Agency in Part 3, Schedule 1 of the Government Sector Employment Act (GSE Act) 2013. Senior executives employed through the Staff Agency are employed under section 39 of the GSE Act and are classified as Public Service senior executives (PSSEs).

5.6 Number of Senior Executive Breakdown by Band

TAFE NSW employed the following senior executives in 2019-20 and 2020-21. As stated above, through 2020-21 TAFE NSW commenced employing senior executives under section 39 of the GSE Act. Numbers in this respect are shown in Table 12.

Table 11a: The Managing Director and senior executives directly reporting to the Managing Director as at June 30 2020.

Band	Female	Male	Total
Band 4 or equivalent	-	-	-
Band 3 or equivalent	1	3	4
Band 2 or equivalent	2	1	3
Band 1 or equivalent	1	1	2
Total	4	5	9

Table 11b: The Managing Director and senior executives directly reporting to the Managing Director as at 30 June 2021.

Band	Female	Male	Total
Band 4 or equivalent	-	-	-
Band 3 or equivalent	2	1	3
Band 2 or equivalent	2	3	5
Band 1 or equivalent	1	1	2
Total	5	5	10

Table 12: Senior executives reported in Table 11b above and all senior executives employed under section 39 of the GSE Act as at 30 June 2021

Band	Female	Male	Total
Band 4 or equivalent	-	-	-
Band 3 or equivalent	2	1	3
Band 2 or equivalent	2	5	7
Band 1 or equivalent	10	11	21
Total	14	17	31

Note: Excludes senior executives employed under the TAFE Commission Act and not reporting to the Managing Director.

5.7 Average Remuneration by Band

Table 13a Average remuneration by Band, including the TAFE NSW Managing Director and senior executives directly reporting to the TAFE NSW Managing Director as at 30 June 2020.

Band	GSE Act remuneration range (\$) ²⁸	TAFE NSW average remuneration (\$) ²⁹
Band 4 or equivalent	487,051 - 562,650	-
Band 3 or equivalent	345,551 - 487,050	461,671 ³⁰
Band 2 or equivalent	274,701 - 345,550	393,209
Band 1 or equivalent	192,600 - 274,700	215,945

Source: NSW Public Sector Workforce Profile

Table 13b: Average remuneration by Band, including the TAFE NSW Managing Director and senior executives directly reporting to the TAFE NSW Managing Director, as at 30 June 2021.

Band	GSE Act remuneration range (\$) ²⁸	TAFE NSW average remuneration (\$) ²⁹
Band 4 or equivalent	487,051 - 562,650	-
Band 3 or equivalent	345,551 - 487,050	456,500
Band 2 or equivalent	274,701 - 345,550	345,318
Band 1 or equivalent	192,600 - 274,700	218,418

Table 14: Average remuneration by Band, for those senior executives reported in Table 13b above and all senior executives employed under section 39 of the GSE Act as at 30 June 2021.

Band	GSE Act remuneration range (\$) ²⁸	TAFE NSW average remuneration (\$) ²⁹
Band 4 or equivalent	487,051 - 562,650	-
Band 3 or equivalent	345,551 - 487,050	456,500
Band 2 or equivalent	274,701 - 345,550	340,227
Band 1 or equivalent	192,600 - 274,700	232,464

0.20% of employee-related expenditure was related to the TAFE NSW Managing Director and employees in a substantive, relieving or acting roles who were reporting directly to the TAFE NSW Managing Director as at 30 June 2021. This compares to 0.26% in 2019-20.

0.42% of employee-related expenditure was related to the above group as well as all other senior executives employed under section 39 of the GSE Act as at 30 June 2021.

5.8 Senior Executive Positions and Qualifications

TAFE NSW employed the following senior executives in 2020-2021. This includes the Managing Director and senior executives reporting directly to the Managing Director during that time (see Table 15 below).

²⁸ Remuneration ranges are set by the Statutory and Other Offices Remuneration Tribunal (SOORT).

²⁹ TAFE NSW senior executives are employed under the Government Sector Employment Act 2013 or the Technical and Further Education Commission Act 1990 (NSW). Remuneration under the GSE Act and the TAFE Commission Act do not directly align. On this basis, the average remuneration for TAFE NSW senior executives may fall outside the remuneration range for the relevant GSE Act band.

³⁰ The TAFE NSW Managing Director is classified at the level of PSSE Band 3. This average includes the remuneration of the TAFE NSW Managing Director, which exceeds the total remuneration package range for a PSSE Band 3 and is as per the Special Determination by the SOORT.

Table 15:

Senior executive	Position title	Qualifications and professional development
Steffen Faurby	Managing Director	Graduate Diploma in Business Administration (International Business) Bachelor of Science (Mechanical Engineering) Graduate, Australian Institute of Company Directors, GAICD Graduate Diploma, Organisational Psychology
Kirsty Hosea	Chief Delivery Officer (from 9 November 2020)	Master of Business Administration Bachelor of Arts (Communication) Certification in Design Thinking
Kerry Penton	R/Chief Delivery Officer (to 12 Jan 2021)	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
Catherine Grummer	A/Chief Corporate Services Officer (to 25 October 2020) Chief Corporate Services Officer (from 26 October 2020)	Bachelor of Science (Biology) Master of Business Administration (Strategy, Analytical Consulting, Technology Management) Advanced Human Resource Executive Program NSW Leadership Academy
Kristie O'Brien	A/Chief Product and Quality Officer (to 20 December 2020)	Bachelor of Arts (Communications) Diploma of (Government) Management Certificate IV in Assessment and Workplace Training
Margot McNeill	Chief Product and Quality Officer (from 1 December 2020)	PhD in Assessment with Technologies Master of Arts (English Literature) Master of Education (Online learning) Bachelor of Arts Diploma of Education Principal Fellow of the UK Higher Education Academy
David Backley	Chief Information Officer A/Chief Transformation Officer (to 1 November 2020)	Master of Professional Practice (Information Technology)
Susie George	A/Chief Strategy and Commercial Officer (to 31 December 2020)	Bachelor of Business (Human Resources) Graduate Certificate of Management Company Directors Course, Australian Institute Company Directors
Vik Naidoo	Chief Strategy and Commercial Officer (from 11 January 2021)	Doctor of Philosophy – PhD Strategy and International Business Master of Commerce (Honours), International Business Bachelor of Commerce, Marketing and International Business Management Development Program, Higher Education Administration and Leadership

Julie Tickle	A/Chief People and Culture Officer (to 30 May 2021) Chief People and Culture Officer (from 31 May 2021)	Master of Education, Adult Education and Training Bachelor of Arts Diploma of Education Diploma of Business & Management Graduate Diploma Leadership Certificate IV Project Management Certificate IV Training and Assessment
Michael Alacqua	Chief Transformation Officer (from 2 November 2020)	Master of Business Administration Bachelor of Science (Information Technology)
Ben Turner	Chief of Staff	Bachelor of Business (with Distinction) Bachelor of Laws Chartered Accountant Solicitor admitted to the Supreme Court of New South Wales
Gabrielle Crittenden	Director Media and Communications	Bachelor of Arts Graduate Diploma of Human Resource Management, TAFE NSW
Lucy Arundell	Chief Education and Training Officer (to 10 July 2020)	Bachelor of Arts Graduate Diploma of Information Management
Glen Babington CSC	Chief Operating Officer (to 10 July 2020)	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

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 and Tertiary Education).

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

The following senior executive positions reported to the Managing Director for all or part of FY2020-21.

Chief Delivery Officer

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.

Chief Corporate Services Officer

The Chief Corporate Services Officer is responsible for providing executive leadership and strategic direction for the Shared Services group. This group enables the achievement of TAFE NSW's vision and objectives by providing high-quality and cost-effective transactional and support services and advice across a portfolio of functions. These functions include finance, procurement, infrastructure (including facilities), governance, legal and risk management.

Chief Product and Quality Officer

The Chief Product and Quality Officer is responsible for ensuring TAFE NSW's education and training products provide engaging and inspiring teaching and learning experiences, with a focus on quality, innovation and continually meeting the evolving needs of customers and industry. In addition, this position is responsible for ensuring TAFE NSW has strong and productive relationships with VET regulatory bodies and operates according to the required educational compliance standards.

Chief Information Officer

The Chief Information Officer provides strategic leadership and advice with respect to systems, technology and information, and ensures appropriate governance and management of the ICT function and digital ecosystem for TAFE NSW.

Chief Strategy and Commercial Officer

The Chief Strategy and Commercial Officer is responsible for TAFE NSW's strategic policy and planning functions, as well as leading TAFE NSW's strategic commercial operations including corporate marketing, major accounts and industry partnerships.

Chief People and Culture Officer

The Chief People Officer provides executive leadership and strategic direction for TAFE NSW's People & Culture function. People & Culture enables the achievement of TAFE NSW's vision and objectives by

providing efficient, value-add services and advice regarding strategic workforce planning and sourcing, training and development, performance and engagement, organisational culture and values, leadership and succession, work health and safety, workplace relations, payroll and benefits, organisation design and enterprise change.

Chief Transformation Officer

The Chief Transformation Officer oversees the development and monitors execution of TAFE NSW-wide major transformation programs. The Chief Transformation Officer plays a key role in ensuring TAFE NSW achieves its vision and objectives through effective reform, and that the organisation is positioned to meet the current and future demands of its customers, industry, the community and other key stakeholders.

Chief of Staff

The Chief of Staff is responsible for providing expert and trusted advice to the Managing Director and Executive team with respect to matters of public sector accountability and responsibility. The role also leads a team responsible for the research, preparation, consultation and delivery of Ministerial and Government correspondence, briefings and recommendations.

Director of Corporate Communications

The Director of Corporate Communications is responsible for ensuring TAFE NSW's corporate communications enhance TAFE NSW's brand and reputation, effectively engage TAFE NSW employees, the community, industry, other external stakeholders and the media; and support the achievement of TAFE NSW's strategic and operational objectives.

Chief Operating Officer

The Chief Operating Officer is responsible for the 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.

This role reported to the Managing Director until 10 July 2020, at which time it was removed from the structure.

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.

This role reported to the Managing Director until 10 July 2020, at which time it was removed from the structure.

5.10 Organisational Chart

As at 30 June 2021, the following senior executive positions reported to the Managing Director.



6. Human Resources

6.1 Number of Employees

Table 16: TAFE NSW employed the following employees (full-time equivalent):

Service group	June 2017	June 2018	June 2019	June 2020	June 2021
Teachers	5,670	5,730	5,914	5,919	5,964
Support Services including Educational support	4,226	4,587	4,623	4,505	4,635
Total	9,896	10,317	10,537	10,424	10,599

Source: TAFE NSW Payroll Report (average for June)

Table 17: Further breakdown of teachers by employment category (full-time equivalent)

Category	June 2017	June 2018	June 2019	June 2020	June 2021
Permanent full-time	2,832	2,750	2,753	2,725	2,920
Permanent part-time	56	58	59	68	92
Temporary full-time	393	317	460	453	241
Temporary part-time	81	64	86	87	46
Part-time casual	2,308	2,542	2,555	2,586	2,666
Total	5,670	5,730	5,914	5,919	5,964

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 Organisation Design 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 will fluctuate, from month to month as part-time and casual teachers may not have been working during the census period, which can be 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 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 and Culture team has continued to deliver on the five priorities to address the TAFE NSW Strategic Plan 2016–22 goal to ‘develop a customer driven, proud and productive TAFE NSW team’.

These are:

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.

6.3 Developing a Quality Workforce

Workforce plans ensure TAFE NSW has the right number of teaching staff, with the right capabilities, in the right locations and at the right time to provide quality education to students. Workforce Plan development involves significant engagement with teaching sections around the state.

Strategic workforce planning activities were undertaken during 2020-21 to support the detailed design, planning and construction of significant developments across TAFE NSW.

The Operational Workforce Planning Tool was implemented across various Skills Teams based on skills demand. Training sessions were conducted to support priority disciplines including Agriculture, Automotive, Construction, Electrical Trades & Nursing. This resulted in 95 priority delivery teams engaging in the Operational Workforce Planning process statewide.

The TAE Scholarship Program, aimed at attracting industry professionals in critical skills into teaching by paying for the cost of obtaining the required Certificate IV in Training and Assessment (TAE40116 or equivalent) was initiated in FY2019/20. This financial year, 343 scholarships were offered. As of 30 June 2021 outcomes from the program include:

- 75 scholars completed their studies and are now teaching
- 160 are teaching under supervision whilst completing studies
- 40 are employed as Education Support Officers while completing studies
- 30 are on a pathway to employment as Education Support Officers while completing studies.

A pilot of Talent Pools as part of TAFE NSW’s talent acquisition and management strategy was held over a six month period from September 2020 to January 2021. The pilot consisted of talent pools for four roles - Program Directors, Program Managers, Project Managers and Business Analysts. 135 candidates have been appointed to the pools and 15 candidates placed as of June 2021. Following the pilot, a talent pool was launched in May 2021 for Education Administration Support roles. A target of 100 candidates for this talent pool has been set.

TAFE NSW Academy

The TAFE Academy continued to provide leadership development opportunities through its Leadership Essentials and Development (LeAD) program and the Leader Success Experience Program (LSEP).

LeAD is a four-week program with a mix of theoretical and practical elements and is open to existing leaders, emerging leaders and individuals wishing to develop their leadership qualities. Originally launched as a face-to-face program, it moved to a virtual program to support continued delivery due to COVID-19. The program was delivered to more than 300 participants across five cohorts. Feedback from all cohorts has been overwhelmingly positive.

To support TAFE NSW’s ongoing structural and cultural transformation, the Leader Success Experience Program (LSEP) was developed and commenced in November 2020. The program was delivered over a six

month period to 128 senior leaders, providing them the opportunity to hone their capabilities to effectively lead through organisational change and transformation. The program offered a blended range of theoretical and practical elements that were supported by strengths-based assessments and pre and post 360-degree surveys.

Participants embedded and shared their learning with others through a series of 'In Conversation' sessions with emerging leaders and LEaD Alumni.

Mandatory Training

In January 2021, eight online mandatory training modules were made available to all TAFE NSW employees. The topics were:

- Child Protection
- Code of Conduct
- Workplace Health and Safety
- Fraud and Corruption
- Workplace Behaviour
- Cyber Security Awareness
- WHS Risk Management
- Working in Education and Training.

Performance Development and People@TAFE

The Performance Development and Review Plan (PDRP) process continues to support growth and development of TAFE NSW employees, with regular, quality performance conversations being promoted as part of best practice. To support this process, a number of resources were developed including the Let's Chat series of conversation guides on setting goals, having one-on-ones, providing helpful feedback, having coaching conversations and addressing conflict.

To further support leaders to develop their skills to confidently coach for performance and provide helpful feedback, 19 workshops were delivered to over 400 leaders and aspiring leaders. Overall, participants indicated their confidence to provide feedback increased from 6.3 to 7.5 out of 10 after attending the workshop. TAFE NSW Capability Partners were certified to deliver the Crucial Conversations course which develops capability in navigating difficult conversations. The course was delivered to 158 participants over 16 sessions.

As part of the Leader as Coach program, 29 leaders attended workshops and 22 individuals achieved Level 1 certification in Organisational Coaching. The certified coaches then ran workshops for more than 100 managers and coached 60 individuals one-on-one. Coaching resources were consolidated on the TAFE NSW intranet for continued access, including a self-led online learning resource.

People@TAFE continues as the capability and performance development system which supports the embedding of TAFE NSW's performance development framework after its launch in the 2018-19 year. The system has on average over 1 million user hits per month.

The People@TAFE system underwent changes to improve the user-experience and make it mobile friendly, with a focus on the Keeping it Current and Individual Delivery Profile forms which are tools to collect and collate evidence of what an individual teacher is qualified to teach and assess. People@TAFE has now captured over 300,000 pieces of competency and currency evidence from over 11,000 teachers and assessors. It has also supported over 3,100 capability uplift activities, with over 35,000 attendances from employees.

Quality Teaching and Learning

The 2020-21 year saw a continuation of the development and implementation of consistent processes and practices for quality teaching and learning, and embedding of the Professional Standards for Teachers across capability programs and resources. The Teacher Workforce Development Pathway was developed to provide a clear and structured approach to teacher capability development and visibility over professional development options available. A role specific online teacher induction and on-boarding resource was launched to provide a consistent experience and information for new teachers, which complemented the Head Teacher induction resources already available. New Head Teachers were given the opportunity to participate in a Head Teacher Essentials pilot program, specifically designed to build their skills in leading a teaching section and effectively managing learning delivery.

Building digital capability in teachers remained a capability development focus and was supported by delivery of the Teaching with Technology program and availability of resources to support teachers delivering virtually in response to COVID-19. The Teaching with Technology program incorporated interactive sessions demonstrating a range of new educational technology tools as well an opportunity for individual coaching. Both synchronous and asynchronous learning options were made available to support teachers using digital platforms such as Microsoft Teams, Moodle and the TAFE Digital Campus as well as educational technology tools to engage students in an interactive learning experience.

The Learning Express program continued to provide targeted capability development for teachers on a range of topics related to quality teaching and contemporary learning. The Spotlight Series provided opportunities for teachers to update their industry currency and skills by attending a series of 'live' virtual sessions targeted for specific industry areas and aligned to units of competence. There were 88 separate industry-led Spotlight sessions delivered with a total attendance of 5,100. As a result of these programs, a comprehensive library of resources and recordings continues to evolve and is available for teachers to access anytime.

A comprehensive online resource on Designing and Developing Assessment and Learning Resources was also made available on Staff Moodle for teachers and learning designers to support development of quality learning resources and assessments.

Employee Recognition

The 2020 TAFE NSW Employee Recognition Awards included seven award categories for both individuals and teams. Judging involved two levels; region and state, with the region winners progressing to the state judging round. 455 nominations were received which was a 68% increase on 2019. Due to COVID restrictions, both region and state celebrations were held virtually. There were another 1,179 employees acknowledged in the past year through the peer-to-peer Reward and Recognition Program.

Professional Development

Capability Central is a central repository for all professional development resources. The repository links to the Learning Management System (Staff Moodle) which can track completion of e-learning programs.

Additions to Capability Central during the year included Emergency Management, Crisis & Incident Management, Chemical Management System, Staff Selection update, PCI DSS Cardholder Data Management, Security and Card Payment Refund modules, Procure to Pay, Coaching Skills, Interest Based Problem Solving, in addition to a comprehensive suite of resources for educational employees.

First Aid for TVET Teachers, Designated First Aid Officers and Teachers of high risk courses continues to be supported. TAFE NSW also provided a number of staff professional development options, face-to-face and virtually across the organisation to build capability. In addition to Flexible Working and Connected Delivery, opportunities included Teaching with Technology, Crucial Conversations, Productivity Ninja, CD4Me, Team Cohesion workshops and resources, as well as LunchBytes, Learning Dives and Learning Express, which are interactive online sessions to build capability for all employees.

Survey of Organisational Health

The 2020 Organisational Health Survey was conducted in September. A total of 7,920 employees participated (51% of employees, an increase from 42% in 2019). The survey focused on employee alignment and engagement measures. Four priority areas were identified to inform actions to support TAFE NSW's commitment to build a flexible and engaging place to learn and work. These were:

- Plan and Deliver: ensuring individual and team objectives are in place and that they link to TAFE NSW's operational plan
- Call Out: communicate, model, and call out TAFE NSW values and acceptable behaviours
- Stop and Say: regularly recognising individuals and teams for their efforts and achievements
- Frontline Focus: remain focused on Teacher capability development and career mobility.

Actions implemented include:

- Quarterly all-staff Town Halls and monthly senior leader briefings to cascade key messages and connect activities back to the 2020-22 Operational Plan
- "Let's Chat" series to build confidence and capability to have performance-related conversations
- Incorporating "Stop and Say" and "Shout Out" moments into newsletters and team meetings, to specifically recognise the contribution of teams and individuals
- Development of a Teacher Workforce Development Pathway, a structured approach to teacher capability development
- Creation of Teacher role specific induction and onboarding resources,
- "Be Your Best You" webinar series focused on capability development to support safety and wellbeing.

To measure progress against the four priority areas, TAFE NSW conducted a pulse survey from 19 April to 10 May 2021 with 5,793 employees participating. The survey revealed improvements across all four priority areas, demonstrating that focused efforts on specific areas has led to positive outcomes for our staff. Noteworthy was the 17% increase in respondents indicating they have clarity on how their role aligns to TAFE NSW's long-term goals and strategies.

TAFE NSW continues to be focused on improving organisational health and employee engagement.

6.4 Workforce Diversity and Achievements

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 30 June 2021 (Table 18):

Workforce diversity group	Target	2019-20	2020-21
Female employees	50.0%	62.9%	63.3%
Aboriginal and Torres Strait Islander people	3.3%	2.0%	2.1%
People whose first language spoken as a child was not English	23.2%	10.5%	11.1%
People with disability	5.6%	2.0%	2.1%
People with disability requiring work-related adjustment	N/A	0.7%	0.7%

Notes:

- 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.
- The benchmark of 50 per cent for representation of females across the sector is intended to reflect the gender composition of the NSW community.
- 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.
- 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.
- The target of 5.6 per cent representation of staff with a disability by 2025 is intended to reflect the NSW community. This target is included in the NSW Premier Priorities under the World Class Public Service section. TAFE NSW is progressing towards this target through a Disability Inclusion Action Plan and fostering a psychological safe environment to promote disclosure. There is no target provided for people with a disability requiring workplace adjustments.

TAFE NSW achieved the following index of distribution of equal employment opportunity groups across salary levels (Table 19):

Workforce Diversity Group	Target	2019	2020
Females	100	93	92
Aboriginal and Torres Strait Islander people	100	101	98
People whose first language spoken as a child was not English	100	93	92
People with disability	100	94	98
People with disability requiring work-related adjustment	100	95	98

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:

- 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.
- 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.
- 2021 data becomes available in late 2021.

Identified workforce diversity strategies for 2020–21

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

Aboriginal Employment Strategy

Be Empowered: Empowering Aboriginal People Through Employment

TAFE NSW released a three year Aboriginal Employment Strategy, “Be Empowered: Empowering Aboriginal People Through Employment” in January 2019. The strategy progresses TAFE NSW’s commitment to be a diverse, inclusive and culturally safe employer of choice. The strategy has six 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
- Create understanding of the elements required to retain Aboriginal employees and ensure retention rates equal or better than the retention rates reported by the NSW Public Service Commission
- Increase applications from Aboriginal people for roles at TAFE NSW year on year over the next three years
- Ensure all Aboriginal employees complete the Performance Development Review Plan and have a capability development plan through People@TAFE.

Progress towards these targets is being achieved through four (4) Key Action Areas:

- Attraction and Recruitment
- Retention, Engagement, Career Development and Progression
- Cultural Capability and Accountability
- Community Engagement.

TAFE NSW has established the role of Manager Aboriginal Employment. Reporting into this role are the Aboriginal Employment Advisor roles in each region which 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.

The Aboriginal Cultural Inclusion online resource for internal staff training continues to serve as an important program to inform and enhance Aboriginal engagement and inclusion in the workforce. The resource is available to all staff and has five modules, with 1710 employees engaging with the resource as of June 2021.

TAFE NSW South, North and West regions have also piloted the Aboriginal Targeted Training and Assessment Program, offering scholarships to suitable candidates to undertake either the Enterprise Trainer Skill Set, TAE40116 Certificate IV in Training and Assessment via an Away from Base Model, or TAE Upgrades with no course fees as a pathway to employment as a teacher, Education Support Officer or Assessor. Four candidates started employment via this program in FY2020/21.

A Mentoring Program for Aboriginal employees was established and ensures the process is culturally appropriate and consistent with the diversity, values and characteristics of Aboriginal people. Mentoring is a key initiative of the Be Empowered: Empowering Aboriginal People through Employment Aboriginal Employment Strategy.

Both mentors and mentees have an opportunity to contribute to a broader cultural understanding of Aboriginal people by participating in the mentoring program.

Increase employment of Aboriginal People

The One TAFE People and Safety Strategy 2017–2022, approved in June 2017, included commitments to double the number of Aboriginal people employed by TAFE NSW by 2022. As of 2017 TAFE NSW employed 178 Aboriginal people and as of June 2021 the number of Aboriginal people employed is 307, an increase of 129 people or 72 per cent.

Aboriginal staff currently employed by TAFE NSW

Aboriginal employees	30 June 2020	30 June 2021
Headcount of Aboriginal employees	297	307
Percentage of total headcount ³¹	2.0%	2.1%

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

Disability

Disability Inclusion Action Plan

In 2020-21 TAFE NSW developed its first Disability Inclusion Action Plan. This plan seeks to embed a culture of inclusion for people with disability, implementing strategies and actions that will identify and address barriers. TAFE NSW seeks to embed Diversity and Inclusion in all policy, planning and strategy to support and reflect the diversity of the NSW communities and TAFE NSW student population.

Other disability initiatives

In 2020-21 TAFE NSW completed a diagnostic on its attraction and selection process to identify barriers that candidates with a disability might be facing. Recommendations from the diagnostic will be implemented to develop a more inclusive recruitment process.

The TAFE NSW Staff with a Disability Community has grown and diversified. Members can access support, network and raise issues relating to accessibility and inclusion. The network is a collaborative space in which employees feel psychologically safe.

Other diversity initiatives

Equity and diversity awareness activities

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. Technology was utilised to continue to celebrate and raise awareness in a COVID-19 safe environment.

Young Professionals Network (YPN)

A Young Professionals Network (YPN) was established in 2021 to recognise and connect employees under 35 years old.

The network has a peer elected committee who manage the governance, membership, activities and events, and is sponsored by the Chief Information Officer and endorsed by the Culture and Engagement Committee.

The intention of the YPN is to develop a supportive and inclusive network of individuals, to support their professional growth and potential as future leaders. With more than 260 members living and working geographically dispersed across the state, the network has connected members through formalised virtual capability events, social activities and introductions via a collaborative online space. Leaders can connect

³¹ Percentage based on total headcount using TAFE NSW Payroll Report (average for June).

with the YPN to better understand the opinions, needs and cultural shifts across many different teams, skills and business functions of the organisation.

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 2020–21, up to 4,286 TAFE NSW staff (69 per cent of whom were female staff) accessed leave for flexible work reasons. These include up to 2,756 staff taking short-term absences to meet family and community responsibilities. This is in addition to employees who had approved flexible work arrangements such as working from home, compressed working week and reduced working hours, in addition to other informal working arrangements.

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 including Working Flexibly

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

TAFE NSW launched Working Flexibly on 4 September 2020. Working Flexibly is about taking a fresh look at where, when and how employees work while delivering mutually beneficial outcomes for employees, TAFE NSW and customers.

Working Flexibly offers all employees the opportunity to request a flexible working arrangement that suits them and maintains service delivery. In the 2020 Organisational Health Survey, 55% of employees responded positively about being able to access the flexibility they needed.

An online application process has been developed to simplify the process for employees and managers. To further embed Working Flexibly at TAFE NSW, employee forums have been used to discuss success stories and answer questions from employees and managers who may be resistant to trying a different way of working.

6.5 Workplace Relations

TAFE NSW workplace relations practices comply with Commonwealth and NSW legislation and government policy requirements by providing terms and conditions of employment that are fair under enterprise agreements.

Enterprise Agreements

TAFE NSW completed negotiations and bargaining with the Australian Education Union NSW Teachers Federation and self-nominated bargaining representatives under the *Fair Work Act 2009* (Cth) for its largest enterprise agreement that covers more than 9,000 employees. A new *TAFE Teachers and Related Employees Enterprise Agreement 2020* received approval from the Fair Work Commission on 24 December 2020. The ballot had a voting participation of 44 per cent and endorsement by 89 per cent of employees that cast a vote.

TAFE NSW commenced negotiation and bargaining with the Australian Education Union NSW Teachers Federation under the *Fair Work Act 2009* (Cth) for a new *TAFE Teachers in TAFE Children's Centres Enterprise Agreement 2021* that covers approximately 20 employees.

TAFE NSW enterprise agreements enable and support the organisation to continue to be the leading vocational education training provider 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, the Australian Education Union NSW Teachers Federation and the Community and Public Sector Union, regularly met throughout the year to discuss strategic and operational issues affecting TAFE NSW and its employees with a particular focus on the impact of the COVID-19 pandemic. TAFE NSW continued to work constructively with trade unions to foster and promote conciliatory workplace relations to achieve the common goal of maintaining TAFE NSW as the leading vocational education training provider for the benefit of students.

Alternative Dispute Resolution

Alternative dispute resolution (ADR) continues to be an important and effective way for TAFE NSW to resolve interpersonal conflict and issues in the workplace in a collaborative and efficient way that avoids a lasting negative impact on employees. ADR also provides the opportunity for employees to undergo coaching to support them in the workplace and build their capability that empowers them to successfully address workplace issues and disputes in a timely manner. In the four years since its inception, the organisational benefits of ADR that have been realised include maintaining staff engagement levels, discretionary effort and productivity as well as reduce the need for conducting workplace investigations and defend employment and industrial litigation.

6.6 Work Health and Safety

Our Focus on Wellbeing

The Employee Wellbeing Plan was refined in 2020-21 to further build on TAFE NSW's 2020 strategic commitment to 'improve health & wellbeing of employees' by focusing on mental health and employee resilience through several targeted initiatives offered to employees, including:

- The 'Be Your Best' mental health program, which was developed to support teams under pressure and stress. 35 Sessions were delivered to priority teams and functional areas, and covered topics including Managing Stress, Difficult Conversations, Burnout, Fatigue & Working under Pressure and Enhancing Employee Interactions. There was a high participation rate (1,623 attendees) and feedback indicated participants felt the sessions had a positive impact on their performance at work
- The 'Be Your Best' mental health program for leaders, to build wellbeing capability in themselves and teams, including Communication Matters Masterclass, Managing Teams in Challenging Times and Maintaining Energy. 15 sessions were delivered with 272 leaders participating.

As part of its focus on wellbeing, TAFE NSW prioritised 'wellbeing as a way of working' and integrated this state-wide through specific initiatives such as:

- 'Having a Wellbeing Conversation' - a campaign to encourage and equip all leaders to have open and productive conversations about wellbeing with their team members
- A wellbeing 'deep dive' - a facilitated session hosted through Teams.
- Inclusion in the CD4Me program where staff can access resources at any time including EAP, Fitness Passport and webinars with a wellbeing focus.

Significant support was provided to assist employees through the COVID-19 pandemic, including revised approaches to the Employee Assistance Program, resources and training in health, anxiety, self-care and managing teams in challenging times.

WHS Performance

TAFE NSW has seen a similar number of total claims being received in 2020-21 (220 claims) compared to that of 2019-20 (218 claims).

TAFE NSW saw a 10% reduction in the number of time loss claims in 2020-21. This is a consistent improvement year on year dating back to 2014-15 where TAFE NSW experienced over 160 time loss claims.

Claim frequency continues to trend downwards.

The contribution rate has been relatively flat over the five years to 2020-21. However, in FY2021-22 contributions increased to the highest level since 2014-15. The increase in the contributions was driven by:

- **Increased Exposure** demonstrated by a steady increase in the number of staff and declared wages year on year.
- **Physical Injuries with Lost Time:** Average claims are of a higher severity due to the nature of the injury and TAFE NSW's aging workforce - 90% of injured employees were over the age of 40. Employees with physical injuries are taking longer to recover resulting in longer time off work.
- **Psychological Injuries with Lost Time:** Increasing number of psychological claims which are complex to manage a return to work, with employees staying on the worker compensation scheme longer, and moving into TAFE NSW long term claim portfolio increasing the ongoing long term risk and cost for the agency to manage these claims.

Through TAFE NSW's performance monitoring with Finitly Actuarial team and icare, it was evident that there was an improvement against assumptive figures for the 2019-20 and 2020-21 year i.e. Return to Work performance has improved. With the introduction of the Agency Performance Adjustment (APA) in 2020-21, TAFE NSW are on track to receive a refund after consideration of their actual performance in comparison with their assumptive claims figures (APA definition below).

Workers Compensation Performance

	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Total claims	329	280	250	309	273	218	220
Total hours paid (time loss wages)	90,381	102,644	83,369	68,347	65,315	61,023	22,352
Lost time claims ⁱ	164	139	125	139	131	98	88
Total wages paid to date ⁽ⁱⁱⁱ⁾	\$2,868,230	\$3,414,957	\$3,180,480	\$2,965,973	\$2,530,784	\$2,547,780.90	\$993,519
Total cost paid to date (medical & wage payments)	\$5,757,718	\$7,279,100	\$6,496,503	\$5,940,833	\$5,373,756	\$3,520,929.68	\$1,553,181
Average cost per claim	\$17,500	\$25,996	\$25,986	\$19,226	\$19,684	\$22,476.59	\$10,051
Deposit contributions (excl GST)	\$12,572,995	\$9,974,435	\$8,437,525	\$8,894,865	\$9,984,390	\$11,163,902	\$12,160,000
Declared Wages	N/A	N/A	\$963.3M	\$937.59M	\$901.01M	\$1,045.05M	\$1,218.38M
Contribution Rate	N/A	N/A	0.88%	0.95%	1.11%	1.07%	1.00%
APA 2019/20	N/A	N/A	N/A	N/A	N/A	N/A	Pricing Basis: \$12.2M Current Assessment: \$11.9M Refund: \$0.2M
APA 2020/21	N/A	N/A	N/A	N/A	N/A	N/A	Pricing Basis: \$11.2M Current Assessment: \$10.9M Refund: \$0.3M
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)	\$391,583.30 excl GST (Refund)	NA - APA now in effect as above NA - APA now in effect as above
5 year hindsight adjustment	\$2,542,793 (Refund)	\$4,215,839 (Refund)	\$2,819,085 (Refund)	\$648,809 (Refund)	\$862,840.25 (Refund)	\$1,527,238.11 excl. GST (Payable)	NA - APA now in effect as above NA - APA now in effect as above

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.

Notes:

- Allianz and iCare data takes several months to mature as claims are processed. These results may reflect a shortfall in 2020-21 data.
- Definition of The Agency Performance Adjustment (APA): is a discretionary arrangement where claim costs are tracked for 2.5 years (30 months) after the start of each fund year and adjustments are made to the agency's initial contribution amount where claims experience is different to the pricing basis. An agency whose claims experience has improved from the initial contribution calculation will receive a refund of some of their contribution. However, where an agency's experience has deteriorated, that agency is required to make an additional payment. This came into effect in FY2020/21
- 3 and 5 year hindsight adjustments do not apply from 2020-21 onwards

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 2020-21.

7.2 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 Technical and Further Education Commission (the Commission), which comprises the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Commission's financial position, financial performance and cash flows

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 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 (including Independence Standards)' (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 Matter

As part of my audit procedures, I found that until 2 June 2021, when the Commission received an instrument of delegation from the Minister for Education, the Commission had no specific delegation to incur expenditure from deemed appropriation money held in the Consolidated Fund. Until that date, expenditures made from deemed appropriation money were non-compliant with section 5.5 of the *Government Sector Finance Act 2018*.

My opinion is not modified in respect of this matter.

Other Information

The Commission's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The 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 *Government Sector Finance Act* Statement by the 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.

Managing Director's Responsibilities for the Financial Statements

The Managing Director is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The Managing Director's responsibility also includes such internal control as the Managing Director determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Managing Director is responsible for assessing the Commission's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

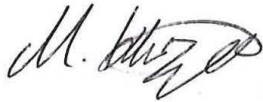
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Commission carried out its 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.



Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 September 2021
SYDNEY

7.3 Financial Statements



Technical and Further Education Commission

Consolidated Annual Financial Statements

for the year ended 30 June 2021

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Technical and Further Education Commission
Statement by the Managing Director of the Technical and Further Education
Commission
for the year ended 30 June 2021

Pursuant to Division 7.2 of the *Government Sector Finance Act 2018*, I state that:

- 1 The accompanying financial statements have been prepared in accordance with the provisions of the *Government Sector Finance Act 2018* and regulation, Australian Accounting Standards and NSW Treasury publications;
- 2 The financial statements exhibit a true and fair view of the financial position and financial performance of the Commission; and
- 3 I am not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.



Steffen Faurby

Managing Director

Date: 29 September 2021

Technical and Further Education Commission
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2021

		Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
	Notes			
Expenses excluding losses				
Operating expenses				
Employee related expenses	2(a)	1,284,207	1,280,228	1,267,479
Personnel services expenses	2(b)	4,224	-	-
Other operating expenses	2(c)	398,237	526,449	418,239
Depreciation and amortisation	2(d)	168,589	159,804	164,437
Finance costs	2(e)	274	315	287
Total expenses excluding losses		1,855,531	1,966,796	1,850,442
Revenue				
Sale of goods and services from contracts with customers	3(a)	321,966	329,788	343,154
Investment revenue	3(b)	4,672	1,256	6,260
Grants and other contributions	3(c)	1,600,195	1,708,652	1,468,714
Acceptance by the Crown of employee benefits and other liabilities	3(d)	26,810	47,846	38,668
Other income	3(e)	2,223	3,031	5,518
Total revenue		1,955,886	2,090,573	1,862,314
Operating Result		100,355	123,777	11,872
Gains on disposal	4	12,982	12,959	344
Other gains / (losses)	5	5,100	-	(11,265)
Net result	21	118,437	136,736	951
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Changes in revaluation surplus of property, plant and equipment	10	375,798	-	-
<i>Items that may be reclassified to net result in subsequent periods</i>				
Net change in revaluation surplus for assets disposed	10	(8,345)	-	-
Net change in revaluation surplus for assets-held-for-sale	13	(440)	-	(58)
Total other comprehensive income		367,013	-	(58)
TOTAL COMPREHENSIVE INCOME		485,450	136,736	893

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Financial Position
as at 30 June 2021

		Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
	Notes			
ASSETS				
Current assets				
Cash and cash equivalents	6	433,158	334,652	297,565
Receivables	7	159,368	123,120	120,731
Contract assets	8	59,722	34,573	120,873
Restricted assets	9	144	144	144
		<u>652,392</u>	<u>492,489</u>	<u>539,313</u>
Non-current assets held-for-sale	13	2,711	23	5,245
Total Current Assets		<u>655,103</u>	<u>492,512</u>	<u>544,558</u>
Non-Current Assets				
Receivables	7	2,219	221	221
Property, plant and equipment				
Land	10	1,492,818	1,119,292	1,121,701
Buildings	10	2,543,292	2,605,626	2,532,679
Plant and Equipment	10	57,917	50,952	36,223
Total property, plant and equipment		<u>4,094,027</u>	<u>3,775,870</u>	<u>3,690,603</u>
Right-of-use assets	11	19,428	18,206	23,732
Intangible assets	12	134,594	134,841	113,614
Other financial assets	14	175	175	175
Total Non-Current Assets		<u>4,250,443</u>	<u>3,929,313</u>	<u>3,828,345</u>
Total Assets		<u>4,905,546</u>	<u>4,421,825</u>	<u>4,372,903</u>
LIABILITIES				
Current Liabilities				
Payables	16	139,499	108,919	106,639
Provisions	17	130,482	113,344	113,344
Contract liabilities	8	201,161	113,585	198,355
Lease liabilities	18	5,616	5,853	5,485
Total Current Liabilities		<u>476,758</u>	<u>341,701</u>	<u>423,823</u>
Non-Current Liabilities				
Provisions	17	8,607	10,088	10,089
Lease liabilities	18	10,343	8,912	14,603
Total Non-Current Liabilities		<u>18,950</u>	<u>19,000</u>	<u>24,692</u>
Total Liabilities		<u>495,708</u>	<u>360,701</u>	<u>448,515</u>
Net Assets		<u>4,409,838</u>	<u>4,061,124</u>	<u>3,924,388</u>
EQUITY				
Reserves		2,734,982	2,374,671	2,379,488
Accumulated funds		1,674,856	1,686,453	1,544,900
Total equity		<u>4,409,838</u>	<u>4,061,124</u>	<u>3,924,388</u>

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Changes in Equity
for the year ended 30 June 2021

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2020		1,544,900	2,379,488	3,924,388
Net result for the year		118,437	-	118,437
Other comprehensive income				
Changes in revaluation surplus of property, plant and equipment for land revaluation	10	-	375,798	375,798
Reclassification of revaluation surplus of property, plant and equipment for retired assets	10	11,519	(11,519)	-
Amounts recognised in equity relating to non-current assets disposed	10	-	(8,345)	(8,345)
Amounts recognised in equity relating to non-current assets held-for-sale	13	-	(440)	(440)
Total other comprehensive income		11,519	355,494	367,013
Total comprehensive income for the year		129,956	355,494	485,450
Balance at 30 June 2021		1,674,856	2,734,982	4,409,838
Balance at 1 July 2019		1,540,814	2,379,546	3,920,360
Changes in accounting policy		3,135	-	3,135
Restated balance at 1 July 2019		1,543,949	2,379,546	3,923,495
Net result for the year		951	-	951
Other comprehensive income				
Amounts recognised in equity relating to non-current assets held-for-sale	13	-	(58)	(58)
Total other comprehensive expense		-	(58)	(58)
Total comprehensive income for the year		951	(58)	893
Balance at 30 June 2020		1,544,900	2,379,488	3,924,388

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Cash Flows
for the year 30 June 2021

	Notes	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(1,234,572)	(1,232,382)	(1,217,010)
Personnel services		(3,135)	-	-
Other operating expenses		(437,500)	(519,927)	(512,784)
Finance costs		(274)	(315)	(287)
Total Payments		(1,675,481)	(1,752,624)	(1,730,081)
Receipts				
Sale of goods and services		311,593	342,866	301,016
Interest received		467	1,256	1,414
Grants and contributions		1,675,266	1,708,652	1,615,155
Other operating receipts		35,163	(15,150)	53,056
Total Receipts		2,022,489	2,037,624	1,970,641
NET CASH FLOWS FROM OPERATING ACTIVITIES	21	347,008	285,000	240,560
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of land and buildings plant and equipment		23,568	20,590	4,235
Purchases of land and buildings, plant and equipment		(204,362)	(237,631)	(75,850)
Purchases of intangible assets		(24,839)	(25,550)	(29,108)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(205,633)	(242,591)	(100,723)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings and advances		(5,782)	(5,323)	(4,077)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(5,782)	(5,323)	(4,077)
NET INCREASE IN CASH		135,593	37,086	135,761
Opening cash and cash equivalents		297,565	297,566	161,804
CLOSING CASH AND CASH EQUIVALENTS	6	433,158	334,652	297,565

The accompanying notes form part of these financial statements.

Cash balances at the beginning and end of reporting periods are attributable to the NSW Government as owner, forming part of the Consolidated Fund under the deemed appropriations provision of the *Government Sector Finance Act 2018* section 4.7.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

1. Summary of Significant Accounting Policies

(a) Reporting entity

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

The *Government Sector Finance Act 2018* (GSF Act) section 2.4(1)(i) lists the Commission as a GSF Agency and Statutory Body representing the Crown in the right of the State of New South Wales (Crown). The Commission charges fees for services, which under Section 4.7 of the GSF Act fall under the deemed appropriation provision. As a representative of the Crown, cash balances at the beginning and end of reporting periods are considered deemed appropriations attributable to the NSW Government as owner.

The Commission as a reporting entity, comprise all entities under its control, namely the TAFE Commission (Senior Executives) Staff Agency ("the Agency"). 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. There were no personnel services rendered in FY2019-20. Personnel services have recommenced in FY2020-21 to accommodate employees contracted under Public Service Senior Executive (PSSE) provisions as a result of new organisation chart implemented as at 1 July 2020.

The Commission is comprised of a single service group.

These financial statements for the year ended 30 June 2021 have been authorised for issue by the Managing Director on 29 September 2021.

(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 (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Government Sector Finance Act 2018* (GSF Act); and
- Treasurer's Direction issued under the GSF 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. In preparing the financial statements, the Managing Director has assessed the ability of the Commission 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.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Commission's presentation and functional currency.

(c) Statement of compliance

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

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(d) 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 (ATO) 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 ATO are classified as operating cash flows.

(e) Foreign currency translation

Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.

All Commission monetary assets and liabilities are held in Australian dollars. Differences arising on settlement are recognised in the net result.

The Commission does not hold non-monetary items that require fair value translation from foreign exchange rates.

(f) Comparative information

Except when an AAS permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(g) Changes in accounting policy, including new or revised AAS

(i) Effective for the first time in FY2020-2021

The Commission applied AASB 1059 *Service Concession Arrangements: Grantors* (AASB 1059) for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 is effective for the entity from 1 July 2020. Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services. AASB 1059 does not have an impact on the financial statements as the Commission do not hold any Service Concession Arrangements.

Several other amendments and interpretations apply for the first time in FY2020-21, but do not have an impact on the financial statements.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(g) Changes in accounting policy, including new or revised AAS (continued)

(ii) Effective for the first time in FY2019-2020

The Commission applied AASB 15 *Revenue from Contracts with Customers* (AASB 15), AASB 16 *Leases* (AASB 16) and AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) for the first time.

The Commission also applied sections of the *Government Sector Finance Act 2018* which partially came into effect on 1 July 2019.

AASB 15 Revenue from Contracts with Customers

The adoption of AASB 15 made significant changes to the Commission's revenue recognition policies as they pertain to the Smart and Skilled – Entitlement Funding Contract and Student Fee Revenue.

In accordance with the transition provisions in AASB 15, the Commission has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, i.e. 1 July 2019. The effect of adopting AASB 15 resulted in an adjustment to the Commission's equity position as at 1 July 2019 to the value of \$3.135m (refer Statement of Changes in Equity).

Details of the adjustment for changes in accounting policy on implementation of AASB 15 are as follows:

Impact on the Statement of Comprehensive Income (increase / (decrease)):

	Notes	30 June 2020 Impact of AASB 15 \$'000
Revenue		
Rendering of services – Student fees	3 (a)	6,320
Other grants with sufficiently specific performance obligations	3 (c)	54,852
Operating result		61,172
Net result		61,172

Impact on Statement of Financial Position (increase / (decrease)):

	Notes	30 June 2020 Impact of AASB 15 \$'000
Assets		
Contract assets	8	90,656
Liabilities		
Contract liabilities	8	26,350
Total adjustment to equity		64,306

The adoption of AASB 15 did not have an impact on Other Comprehensive Income and the Statement of Cash Flows for the 2019-20 financial year.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(g) Changes in accounting policy, including new or revised AAS (continued)

AASB 1058 Income of Not-for-Profit Entities

The effect of adopting AASB 1058 resulted in a nil impact on the Statement of Financial Position and the Statement of Comprehensive Income, Other Comprehensive Income and the Statement of Cash Flows for the financial year. There were no significant adjustments on impacted revenue streams upon the adoption of AASB 1058. The Commission expects AASB 1058 to have minimal impact on future reporting periods on income recognition and deferred income.

AASB 16 Leases

The Commission adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

Leases that had previously been classified as 'operating leases' under AASB 117, a lease liability is recognised at 1 July 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 1.50%.

The corresponding right-of-use asset is initially recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019. The exception is right-of-use assets that are subject to accelerated depreciation. These assets are measured at their fair value at 1 July 2019.

For leases previously classified as finance leases the Commission recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of AASB 16 are only applied after that date.

The Commission elected to use the practical expedient to expense lease payments for lease contracts that at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).

The effect of adoption of AASB16 as at 1 July 2019 resulted in; a reduction in prepayments for (\$4m), recognition of right-of-use assets for \$22.7m and recognition of a lease liability for \$22.7m.

Government Sector Finance Act 2018

The *Government Sector Finance Act 2018* partially came into effect on 1 July 2019.

The GSF Act section 2.4(1)(i) lists the Commission as a GSF Agency and Statutory Body representing the Crown. As a representative of the Crown, cash balances at the beginning and end of reporting periods are considered deemed appropriations attributable to the NSW Government as owner under Section 4.7 of the GSF Act.

(iii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise. The following new AAS have not been applied and are not yet effective.

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*

The possible impact of these Standards in the period of initial application is not expected to materially affect the financial statements.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(g) Changes in accounting policy, including new or revised AAS (continued)

(iv) Impact of COVID-19 on Financial Reporting for 2020-21

The outbreak of the Novel Coronavirus (COVID-19) was declared as a 'Global Pandemic' by the World Health Organisation on 11 March 2020. Developments throughout 2020 and 2021 have caused uncertainty for education providers as well as the global and Australian economy. This uncertainty has created risks and conditions that the Commission has not encountered before.

The Commission continues to closely monitor the COVID-19 outbreak and has put in place regular communication mechanisms to staff members and students to manage these impacts. This includes regular interaction with government and public health officials at the highest levels. The Commission continues to implement mitigating actions to ensure there is minimal disruption to its normal operations.

The net result and operations of the Commission throughout 2020 and 2021 were negatively impacted, evident from the lower than budgeted net result. The Commission were able to offset much of the COVID-19 related impacts by delaying some activities, recognise savings as a result of restricted on-site activities, and transition to online distance learning approaches to training. The Commission were further assisted in reducing the unfavourable impacts of COVID-19 with additional funding.

The Commission conducted an assessment of the impacts of COVID-19 which have been reported in the financial statements. The following areas were assessed:

Fair value of property, plant and equipment

The Commission has conducted an assessment of the fair value of its property, plant and equipment as at 30 June 2021. Based on the conclusion of the Commissions' independent valuers, Jones Lang LaSalle, there was no evidence at balance date to indicate any material impact or impairment due to COVID-19. Further commentary on recognition and measurement is provided in Note 10 and 15.

Allowance for expected credit losses

The Commission implemented a moratorium on debt collection activities in the middle quarters of calendar year 2020. The pause in collection activities was due to the ongoing developments of COVID-19 and was implemented by the Commission to alleviate any unnecessary financial hardship and emotional distress on studying students. Considerations to the ongoing impacts and uncertainty of COVID-19 has been factored into the expected credit loss methodology recognised in 2020 and 2021. Further commentary on recognition and measurement is provided in Note 7 and 26.

Leasing arrangements

Given uncertainties about how the pandemic would progress and the need for consistency in rent relief negotiations across government agencies, NSW Treasury advised agencies on 28 April 2020 to negotiate rent relief with eligible tenants for an initial six-month period, (notionally from 24 April – 24 October). NSW Treasury issued a further notice on 1 October 2020 advising agencies to continue providing rent relief to eligible tenants from 25 October 2020 – 28 March 2021. The Commission complied with NSW Treasury's request and implemented rent relief for a number of commercial property spaces. The financial impact of the rent relief is immaterial in comparison to gross rent received during the financial year. Further commentary on recognition and measurement is provided in Note 3(b).

Grants and contributions

The Commission received additional funding in 2020 and 2021 to assist in its ability to continue delivering educational services in a COVID-19 safe manner for staff and students. Education has continued to be considered an essential service throughout the pandemic, with campuses remaining open, however operating at a modified and reduced capacity. The Commission received additional funding for fee-free short courses, campus cleaning and the Asset Replacement Program. Further commentary on recognition and measurement is provided in Note 3.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(g) Changes in accounting policy, including new or revised AAS (continued)

Contract assets

The Commission halted course delivery for a period in April-May 2020, forcing Semester 1, Term 2, course end dates to be moved from June 2020 into the beginning of the new financial year, FY21. This meant an increased portion of students of the Commissions largest revenue stream, Entitlement Subsidy, were mid-milestone in their course delivery at the end of June 2020, with course end dates deferred until July-August 2020. This resulted in an increased Contract Asset balance for the year ended 30 June 2020. Further commentary on recognition and measurement is provided in Note 8.

2. Expenses Excluding Losses

(a) Employee related expenses

	2021	2020
	\$'000	\$'000
Salaries and wages (including annual leave) ^a	1,064,585	1,050,071
Superannuation - defined benefit plans	7,571	8,672
Superannuation - defined contribution plans	100,693	94,648
Long service leave	18,965	29,998
Workers' compensation insurance	12,027	12,877
Payroll tax and fringe benefit tax	57,103	64,197
Redundancy / Other	23,263	7,016
Total employee related expenses	1,284,207	1,267,479

^a. An amount of \$3.6m of employee-related expenses were capitalised during the year (2020: \$1.5m), and are therefore excluded from the balances above.

(b) Personnel services expenses

	2021	2020
	\$'000	\$'000
Salaries and wages (including annual leave)	3,661	-
Superannuation - defined contribution plans	43	-
Long service leave	274	-
Workers' compensation insurance	33	-
Payroll tax and fringe benefit tax	180	-
Redundancy / Other	33	-
Total personnel services expenses	4,224	-

Recognition and Measurement

The Commission received personnel services from the Staff Agency for employees contracted under Public Service Senior Executive arrangements. Under these arrangements, liabilities at year end are stated as liabilities to the Agency.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

2. Expenses Excluding Losses (continued)

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

	2021	2020
	\$'000	\$'000
Auditor's remuneration - audit of the financial statements ^a	985	1,025
Expense relating to short-term leases	9	112
Variable lease payments, not included in lease liabilities	4,917	4,310
Maintenance	68,100	42,589
Insurance	7,796	6,040
Consultants	391	2,601
Contractors	50,414	78,722
Cleaning	69,007	50,036
Agents fees	822	1,902
Shared Services	2,547	2,048
Service expenses	71,794	81,039
Minor stores, provisions, plant and computing	52,849	54,193
Travel and motor vehicle expenses	5,691	9,031
Postage and telephone	4,909	3,877
Utilities	19,777	21,156
Printing	6,813	7,853
Advertising	17,466	18,231
Other operating expenses	13,950	33,474
Total other operating expenses	398,237	418,239

^a Total audit fees for FY2020-21 year per the Annual Engagement Plan are \$0.985m (2020: \$1.025m) excluding GST. There were \$nil non-audit services provided by the NSW Audit Office for 2021 (2020: \$nil).

Recognition and Measurement

Maintenance

Maintenance relates to contracted labour, infrastructure, communication technology maintenance and other (non-employee related) expenses. Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated. Capitalisation thresholds may apply to maintenance expenses if applicable (refer to Note 10 for more details).

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.

Lease expense

The Commission recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term, i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

2. Expenses Excluding Losses (continued)

(d) Depreciation and amortisation expense

	2021 \$'000	2020 \$'000
Depreciation		
Buildings and improvements	147,087	146,413
Plant and equipment	11,686	8,784
Right of use assets - buildings	1,803	1,803
Right of use assets - plant and equipment	4,154	2,679
	<u>164,730</u>	<u>159,679</u>
Amortisation		
Intangibles	3,859	4,758
	<u>3,859</u>	<u>4,758</u>
Total depreciation and amortisation expense	<u>168,589</u>	<u>164,437</u>

Refer to note 10, 11 and 12 for recognition and measurement policies on depreciation and amortisation.

(e) Finance Costs

	2021 \$'000	2020 \$'000
Interest expense from lease liabilities	274	287
Total finance costs	<u>274</u>	<u>287</u>

Recognition and Measurement

Finance costs consist of interest from lease liabilities. Costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities. Refer to note 11 for recognition and measurement policies on lease interest charges.

3. Revenue

Recognition and measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* (AASB 15) or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15. Comments regarding the accounting policies for the recognition of income are discussed below.

(a) Sale of goods and services from contracts with customers

	2021 \$'000	2020 \$'000
Sale of goods		
Course projects and materials	5,858	5,310
	<u>5,858</u>	<u>5,310</u>
Rendering of services		
Student fees	300,975	323,709
Other	15,153	14,135
	<u>316,128</u>	<u>337,844</u>
Total sale of goods and rendering of services	<u>321,986</u>	<u>343,154</u>

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

3. Revenue (continued)

Recognition and measurement

Sale of goods

Revenue from sale of goods is recognised when the Commission satisfies a performance obligation by transferring the promised goods. Course projects and materials are distinct from course delivery services as the student can benefit from these readily available goods separate from participation in units of competency. The Commission typically satisfies its performance obligations when control of course projects and materials are transferred to students at the point of purchase. Significant judgements are not required in this instance. The payments are typically due at the point of purchase.

Revenue from these sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

Rendering of service

Revenue from rendering of services is recognised when the Commission satisfies the performance obligation by transferring the promised services. The Commission is the leading provider of vocational education and training in Australia. Each year, more than 500,000 students enrol into nationally recognised training courses. The Commission typically satisfies its performance obligations by upskilling students through participation in Units of Competency over a course delivery period. Revenue is recognised progressively, in line with course delivery. The Commission applies significant judgement when evaluating when a student obtains control of the promised services over course duration, in satisfaction of performance obligations, including in their assessment allowances for student withdrawals, credit transfers and other adjustments in accordance with the Commission's refund policies. The payments for Student Fees are typically due on student enrolment in a course. The funds are then held as Contract Liabilities until performance obligations are met.

The revenue is measured at the transaction price agreed under the contract less values that the Commission have assessed for student attrition and adjustments. No element of financing is deemed present as payments are due when service is provided.

Refer Note 8 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when the Commission expects to recognise the unsatisfied portion as revenue.

(b) *Investment revenue*

	2021	2020
	\$'000	\$'000
Interest revenue	467	1,414
Rental income	4,205	4,846
Total investment revenue	<u>4,672</u>	<u>6,260</u>

Recognition and measurement

Interest Income

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).

Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

3. Revenue (continued)

(c) Grants and other contributions

	2021 \$'000	2020 \$'000
Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity		
Asset contributions	118,375	25,141
	118,375	25,141
Other grants with sufficiently specific performance obligations		
Entitlement subsidy	441,492	412,736
Targeted priority	349,764	332,893
Other public sector agencies	75,604	28,707
	866,860	774,336
Grants without sufficiently specific performance obligations		
Operational based funding	425,260	496,332
Community service obligation	164,449	157,083
Commonwealth government	2,885	9,856
Other public sector agencies	22,366	5,959
	614,960	669,230
Donations		
Donations and industry contributions	-	7
	-	7
Total grants and other contributions	1,600,195	1,468,714

Recognition and measurement

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the Commission is recognised when the Commission satisfies its obligations under the transfer. The Commission satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. Income is recognised based on the construction plan and performance against the plan.

Revenue from grants with sufficiently specific performance obligations is recognised when the Commission satisfies a performance obligation by transferring the promised services. The primary service that the Commission promises to transfer is to train a student in a course which is made up of units of competency. The Commission typically satisfies its performance obligations as it delivers training to the student on a straight-line basis over the course duration start and end dates.

The payments are typically due when a student meets specific delivery milestones. This varies on a monthly basis based on student enrolments and delivery plans.

Revenue from grants without sufficiently specific performance obligations is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied. Income from grants without sufficiently specific performance obligations is recognised when the Commission obtains control over the granted assets (e.g. cash).

Refer Note 8 for transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

3. Revenue (continued)

(d) Acceptance by the Crown of employee benefits and other liabilities

The following liabilities and / or expenses have been assumed by the Crown or other government entities:

	2021	2020
	\$'000	\$'000
Superannuation - defined benefit	7,176	8,142
Superannuation on annual leave – defined benefit	27	86
Long service leave	19,239	29,996
Payroll tax - defined benefit	368	444
Total acceptance by the Crown of employee benefits and other liabilities	<u>26,810</u>	<u>38,668</u>

(e) Other Income

	2021	2020
	\$'000	\$'000
Insurance recovery	2,223	4,681
Other income	-	837
Total other income	<u>2,223</u>	<u>5,518</u>

4. Gains on disposal

	2021	2020
	\$'000	\$'000
Gain on disposal of property, plant and equipment		
Proceeds from disposal	23,568	4,235
Written down value of assets disposed ^a	(10,586)	(3,891)
Net gain on disposal of property, plant and equipment	<u>12,982</u>	<u>344</u>

^a Refer to 'Note 15(b) – '(b) Reconciliation of recurring Level 3 fair value measurements'.

5. Other gains / (losses)

	2021	2020
	\$'000	\$'000
Impairment of receivables	(4,518)	(16,793)
Recovered receivables previously impaired	10,744	5,552
Write-off buildings	(1,015)	(22)
Write-off plant and equipment	(111)	(2)
Total other gains / (losses)	<u>5,100</u>	<u>(11,265)</u>

Recognition and measurement

Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by the Commission from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

- Trade receivables from contracts with customers and contract assets – Note 26
- Property, plant and equipment – Note 10
- Leases – Note 11
- Intangible assets – Note 12

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

6. Cash and Cash Equivalents

	2021 \$'000	2020 \$'000
Cash at bank and on hand	433,158	297,565
Total cash and cash equivalents	<u>433,158</u>	<u>297,565</u>

For the purposes of the statement of cash flows, cash and cash equivalents includes cash at bank, cash on hand and subject to an insignificant risk of changes in value, and net of outstanding bank overdraft. Cash at bank and on hand includes \$14k (2020: \$14k) of restricted cash held by the Commission for student prize awards (refer to Note 9 for disclosure on restricted assets).

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:

	2021 \$'000	2020 \$'000
Cash and cash equivalents (per statement of financial position)	433,158	297,565
Closing cash and cash equivalents (per statement of cash flows)	<u>433,158</u>	<u>297,565</u>

Details regarding credit risk and market risk including financial assets are disclosed in Note 26.

7. Current / Non-Current Assets - Receivables

	2021 \$'000	2020 \$'000
Current:		
Trade receivables from contracts with customers	58,839	15,527
Student receivables	58,721	84,145
Other receivables	44,235	26,260
Prepayments	13,878	14,758
	<u>175,673</u>	<u>140,690</u>

Less: Allowance for expected credit losses:

- Trade receivables from contracts with customers	(16,305)	(19,959)
Total expected credit losses	(16,305)	(19,959)
Total current receivables	<u>159,368</u>	<u>120,731</u>

	2021 \$'000	2020 \$'000
Movements in Allowance for expected credit losses:		
Balance at 1 July	(19,959)	(18,918)
Amounts written off during the year	9,562	15,752
Amounts recovered during the year	(10,744)	(5,552)
(Increase) / Decrease in allowance recognised in net result	4,836	(11,241)
Balance at 30 June	<u>(16,305)</u>	<u>(19,959)</u>

	2021 \$'000	2020 \$'000
Non-Current		
Prepayments	2,219	221
Total non-current receivables	<u>2,219</u>	<u>221</u>

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

7. Current / Non-Current Assets - Receivables (continued)

Details regarding credit risk, liquidity risk and market risk including financial assets that are either past due or impaired are disclosed in Note 26.

Recognition and measurement

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.

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

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.

Impairment

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 Commission expects to receive, discounted at the original effective interest rate.

For trade receivables from contracts with customers, 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 from contracts with customers, adjusted for forward-looking factors specific to the receivable.

8. Contract Assets and Liabilities

	2021 \$'000	2020 \$'000
Contract assets - current	131,825	186,165
Less: impairment allowance	<u>(72,103)</u>	<u>(65,292)</u>
	59,722	120,873
Contract liabilities - current	<u>201,161</u>	<u>198,355</u>
	201,161	198,355
Contract receivables (included in Note 7)	<u>101,093</u>	<u>104,480</u>

Recognition and measurement

Contract assets relate to the Commission's right to consideration in exchange for courses delivered, but not billed at the reporting date in respect of Entitlement Revenue. The balance of contract assets at 30 June 2021 was impacted by the Commission's eligibility for Entitlement revenue following a student's satisfactory achievement of set milestones within the subsidised course, held to a yearly predetermined funding cap. On satisfaction of student's meeting specified milestones in subsidised courses, performance obligations are reported to Department of Education and typical timing of payment is made immediately. The contract asset impairment allowance balance has increased during the year as a result of increased volume of students being at intra milestone positions in their course delivery.

The Impairment Allowance methodology used by the Commission is calculated at a cohort and regional level. As populations within the cohorts and regions change, this will give rise to fluctuations in the impairment allowance on a yearly basis.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

8. Contract Assets and Liabilities (continued)

Recognition and measurement (continued)

As of 30 June 2021, the transaction price allocated to the remaining performance obligations from contracts with customers is \$381.3m. The Transaction price allocated to the remaining performance obligations relates to Smart and Skilled Entitlement Revenue, of which 69% is expected to be recognised as revenue in the 2021-22 financial year, 26% in the 2022-23 financial year and 5% beyond the 2022-23 financial year.

Contract liabilities relate to the Commission's consideration received in advance from customers in respect of sale of goods and services from contracts with customers and capital funding received in advance of capital expenditure. The balance of contract liabilities for the sale of goods and services from contracts with customers at 30 June 2021 was impacted by the variable consideration of student fees. The Commission performed an analysis of historical information to ensure a sound basis for estimating the future variations in student fees 'expected value'. Historical refund rates have been used to comply with AASB 15 para 55 requirements to recognise a provision for 'refund liability' or 'contract liability'. The provision for expected variation or contract liability is recognised as a liability at the inception of a student's enrolment and recognises the amount of revenue that is expected not to be realised over the period of delivery, based on past experience. The contract liability has remained at a consistent balance as a proportion to student fee revenue during the financial year. Revenue recognised in 2020-21 financial year that was included in the contract liability balance at the beginning of the year was \$183.3m. There was no revenue recognised in the current reporting period that related to performance obligations in a prior year.

9. Restricted Assets

	2021 \$'000	2020 \$'000
Fixed Term Deposits	144	144
Total restricted assets	<u>144</u>	<u>144</u>

Recognition and measurement

Restricted Assets are held in a high interest bank account. The Restricted Assets represent donations held by the Commission for student prize awards with interest earned used to fund awards. Donations are recognised upon receipt of cash. Additional Restricted Assets not disclosed in Note 9 includes \$14k disclosed in Note 6 (2020: \$14k).

10. Property, Plant and Equipment

(a) Total property, plant and equipment

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
At 1 July 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	<u>1,118,479</u>	<u>2,632,765</u>	<u>24,960</u>	<u>3,776,204</u>
Year ended 30 June 2020				
Net carrying amount at beginning of year	1,118,479	2,632,765	24,960	3,776,204
Purchase of assets	3,248	46,403	20,049	69,700
Reclassification to assets held for sale	(7)	(15)	-	(22)
Write-offs	(3)	(19)	(2)	(24)
Amounts recognised in equity relating to non-current assets held-for-sale	(16)	(42)	-	(58)
Depreciation expense	-	(146,413)	(8,784)	(155,197)
Net carrying amount at end of year	<u>1,121,701</u>	<u>2,532,679</u>	<u>36,223</u>	<u>3,690,603</u>

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

10. Property, Plant and Equipment (continued)

(a) Total property, plant and equipment (continued)

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
At 1 July 2020 - fair value				
Gross carrying amount	1,121,701	6,330,351	184,529	7,636,581
Accumulated depreciation and impairment	-	(3,797,672)	(148,306)	(3,945,978)
Net carrying amount	1,121,701	2,532,679	36,223	3,690,603
Year ended 30 June 2021				
Net carrying amount at beginning of year	1,121,701	2,532,679	36,223	3,690,603
Purchase of assets	268	170,603	33,491	204,362
Reclassification to assets held for sale	(4,000)	(4,052)	-	(8,052)
Write-offs	-	(1,015)	(111)	(1,126)
Amounts recognised in equity relating to non-current assets held-for-sale	(440)	-	-	(440)
Net change in revaluation surplus for assets disposed	(509)	(7,836)	-	(8,345)
Net revaluation increments less revaluations decrements	375,798	-	-	375,798
Depreciation expense	-	(147,087)	(11,686)	(158,773)
Net carrying amount at end of year	1,492,818	2,543,292	57,917	4,094,027
At 30 June 2021 - fair value				
Gross carrying amount	1,492,818	6,459,365	211,276	8,163,459
Accumulated depreciation and impairment	-	(3,916,073)	(153,359)	(4,069,432)
Net carrying amount	1,492,818	2,543,292	57,917	4,094,027

Properties divested during the year included sites at Dapto, North Wagga Wagga, Scone, Mudgee, Goulburn and Randwick. Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 15.

(b) Property, plant and equipment held and used by the Commission

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
At 1 July 2019 - fair value				
Gross carrying amount	1,114,392	6,181,015	165,482	7,460,889
Accumulated depreciation and impairment	-	(3,576,324)	(140,522)	(3,716,846)
Net carrying amount	1,114,392	2,604,691	24,960	3,744,043
Year ended 30 June 2020				
Net carrying amount at beginning of year	1,114,392	2,604,691	24,960	3,744,043
Purchase of assets	3,248	46,340	20,049	69,637
Additions of right-of-use assets	-	(335)	-	(335)
Reclassification to assets held for sale	(5)	(15)	-	(20)
Write-offs	(3)	(19)	(2)	(24)
Amounts recognised in equity relating to non-current assets held-for-sale	(16)	(42)	-	(58)
Net revaluation decrements	-	2,116	-	2,116
Depreciation expense	-	(144,403)	(8,784)	(153,187)
Net carrying amount at end of year	1,117,616	2,508,333	36,223	3,662,172

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

10. Property, Plant and Equipment (continued)

(b) Property, plant and equipment held and used by the Commission (continued)

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
At 1 July 2020 - fair value				
Gross carrying amount	1,117,616	6,229,844	184,529	7,531,989
Accumulated depreciation and impairment	-	(3,721,511)	(148,306)	(3,869,817)
Net carrying amount	1,117,616	2,508,333	36,223	3,662,172
Year ended 30 June 2021				
Net carrying amount at start of year	1,117,616	2,508,333	36,223	3,662,172
Purchase of assets	268	169,560	33,491	203,319
Reclassification to assets held for sale	(4,000)	(3,575)	-	(7,575)
Write-offs	-	(1,015)	(111)	(1,126)
Assets transferred from an operating lease arrangement used by the Commission	455	3,042	-	3,497
Amounts recognised in equity relating to non-current assets held-for-sale	(440)	-	-	(440)
Net change in revaluation surplus for assets disposed	(509)	(7,836)	-	(8,345)
Net revaluation increments	375,343	-	-	375,343
Depreciation expense	-	(146,061)	(11,686)	(157,747)
Net carrying amount at end of year	1,488,733	2,522,448	57,917	4,069,098
At 30 June 2021 - fair value				
Gross carrying amount	1,488,733	6,363,511	211,276	8,063,520
Accumulated depreciation and impairment	-	(3,841,063)	(153,359)	(3,994,422)
Net carrying amount	1,488,733	2,522,448	57,917	4,069,098

(c) Property, plant and equipment where the Commission is lessor under operating leases

	Land \$'000	Buildings \$'000	Total \$'000
At 1 July 2019 - fair value			
Gross carrying amount	4,087	103,065	107,152
Accumulated depreciation and impairment	-	(74,991)	(74,991)
Net carrying amount	4,087	28,074	32,161
Year ended 30 June 2020			
Net carrying amount at beginning of year	4,087	28,074	32,161
Purchase of assets	-	63	63
Assets transferred to an operating lease arrangement	-	335	335
Reclassification to assets held for sale	(2)	-	(2)
Depreciation expense	-	(2,010)	(2,010)
Assets transferred to an operating lease arrangement	-	(2,116)	(2,116)
Net carrying amount at end of year	4,085	24,346	28,431

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10. Property, Plant and Equipment (continued)

(c) Property, plant and equipment where the Commission is lessor under operating leases (continued)

	Land \$'000	Buildings \$'000	Total \$'000
At 1 July 2020 - fair value			
Gross carrying amount	4,085	100,507	104,592
Accumulated depreciation and impairment	-	(76,161)	(76,161)
Net carrying amount	4,085	24,346	28,431
Year ended 30 June 2021			
Net carrying amount at start of year	4,085	24,346	28,431
Purchase of assets	-	1,043	1,043
Reclassification to assets held for sale	-	(477)	(477)
Assets transferred from an operating lease arrangement to be used by the Commission	(455)	(3,042)	(3,497)
Net revaluation increments	455	-	455
Depreciation expense	-	(1,026)	(1,026)
Net carrying amount at end of year	4,085	20,844	24,929
At 30 June 2021 - fair value			
Gross carrying amount	4,085	95,854	99,939
Accumulated depreciation and impairment	-	(75,010)	(75,010)
Net carrying amount	4,085	20,844	24,929

Recognition and measurement

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.

Capitalisation threshold

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.

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 a feasible higher restricted alternative use.

Technical and Further Education Commission
Notes to the Financial Statements
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10. Property, Plant and Equipment (continued)

Recognition and measurement (continued)

Revaluation of property, plant and equipment (continued)

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 15 for further information regarding fair value.

Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date. The Commission conducts a comprehensive revaluation at least every three years for its land where the market approach is the most appropriate valuation technique and at least every five years for other classes including buildings and property, plant and equipment. In the current year a comprehensive revaluation for land was completed for the year ended 30 June 2021 and was based on independent valuation experts Jones Lang LaSalle (JLL).

The last comprehensive revaluation for buildings was completed for the year ended 30 June 2018 and was based on independent valuation experts JLL. Interim revaluations are conducted between comprehensive revaluations to determine whether cumulative changes to indicators suggest fair value may differ materially from carrying value. In the current year an interim revaluation was completed for buildings, to determine indexation values for the year ended 30 June 2021. JLL gave consideration to a wide range of factors and market changes in their determination of indexation factors. Management determined that fair value had not changed materially since 30 June 2018.

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

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

Revaluation increments are recognised in other comprehensive income and credited to the asset revaluation surplus in equity. 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 a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

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.

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.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

10. Property, Plant and Equipment (continued)

Recognition and measurement (continued)

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment 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.

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.

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 and have not changed since 2020. These are listed below.

Asset	Useful life range
Buildings	10 to 80 years
Leasehold Improvements	Term of the lease
Heritage Buildings	20 to 200 years
Plant and Equipment	3 to 43 years

Right-of-Use Assets acquired by lessees

AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The Commission has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained at Note 11.

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11. Leases

(a) The Commission as a Lessee

The Commission leases various properties and motor vehicles. Lease contracts are typically made for fixed periods of one to five years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Commission does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Commission and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of \$nil.

AASB 16 requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The Commission has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new.

Right-of-use assets under leases

The following tables presents right-of-use assets that do not meet the definition of investment property.

	Buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2020	10,169	13,563	23,732
Additions	356	1,297	1,653
Depreciation expense	(1,803)	(4,154)	(5,957)
Balance at 30 June 2021	8,722	10,706	19,428

	Buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2019	11,972	14,711	26,683
Additions	-	1,531	1,531
Depreciation expense	(1,803)	(2,679)	(4,482)
Balance at 30 June 2020	10,169	13,563	23,732

Technical and Further Education Commission
Notes to the Financial Statements
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11. Leases (continued)

(a) The Commission as a Lessee (continued)

Lease liabilities

The following table presents liabilities under leases

	2021	2020
	\$'000	\$'000
Balance at 1 July	20,088	22,634
Additions	1,653	1,531
Interest expenses	(274)	(287)
Payments	(5,508)	(3,790)
Balance at 30 June	15,959	20,088

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Commission is the lessee:

	2021	2020
	\$'000	\$'000
Depreciation expense of right-of-use assets	5,957	4,482
Interest expense on lease liabilities	274	287
Expense relating to short-term leases	9	112
Variable lease payments, not included in the measurement of lease liabilities	4,917	4,310
Total amount recognised in the statement of comprehensive income	11,157	9,191

The Commission had total cash outflows for leases of \$6.06m in 2021 (2020: \$4.36m).

Recognition and measurement

The Commission assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Commission recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of-use assets

The Commission recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 10 to 80 years
- Plant and Equipment 3 to 43 years

If ownership of the leased asset transfers to the Commission at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. 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. 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.

Technical and Further Education Commission
Notes to the Financial Statements
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11. Leases (continued)

(a) The Commission as a Lessee (continued)

Recognition and measurement (continued)

i. Right-of-use assets (continued)

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 the net result.

Refer to the accounting policies in property, plant and equipment in Note 10.

ii. Lease liabilities

At the commencement date of the lease, the Commission recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of purchase options reasonably certain to be exercised by the Commission; and
- payments of penalties for terminating the lease, if the lease term reflects the Commission exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Commission's leases, the lessee's incremental borrowing rate is used, being the rate that the Commission would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Commission's lease liabilities are included at Note 18.

iii. Short-term leases and leases of low-value assets

The Commission applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

iv. Leases that have significantly below-market terms and conditions principally to enable the Commission to further its objectives

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the entity to further its objectives is same as normal right-of-use assets. They are measured at cost, subject to impairment. They are not subject to revaluation.

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Notes to the Financial Statements
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11. Leases (continued)

(b) The Commission as a Lessor

The Commission's investment properties are leased to tenants under operating leases with rentals payable monthly. Lease contracts for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

Although the Commission is exposed to changes in the residual value at the end of current leases, the Commission typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Exceptions about the future residual values are reflected in the fair value of the properties.

Lessor for operating leases

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June are, as follows:

	2021	2020
	\$'000	\$'000
Within one year	3,964	4,555
One to two years	568	2,681
Two to three years	446	427
Three to four years	54	129
Four to five years	42	66
Later than five years	77	137
Total (excluding GST)	5,151	7,995

Recognition and measurement – lessor for operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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12. Intangible Assets

	Software \$'000	Total \$'000
At 1 July 2019		
Cost (gross carrying amount)	193,673	193,673
Accumulated amortisation and impairment	(104,409)	(104,409)
Net carrying amount	89,264	89,264

Year ended 30 June 2020		
Net carrying amount at beginning of year	89,264	89,264
Additions (from internal development)	28,975	28,975
Additions (acquired software)	133	133
Amortisation (recognised in "depreciation and amortisation")	(4,758)	(4,758)
Net carrying amount at end of year	113,614	113,614

	Software \$'000	Total \$'000
At 1 July 2020		
Cost (gross carrying amount)	222,781	222,781
Accumulated amortisation and impairment	(109,167)	(109,167)
Net carrying amount	113,614	113,614

Year ended 30 June 2021		
Net carrying amount at beginning of year	113,614	113,614
Additions (from internal development)	24,839	24,839
Amortisation (recognised in "depreciation and amortisation")	(3,859)	(3,859)
Net carrying amount at end of year	134,594	134,594

At 30 June 2021		
Cost (gross carrying amount)	247,620	247,620
Accumulated amortisation and impairment	(113,026)	(113,026)
Net carrying amount	134,594	134,594

Recognition and measurement

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 2020. 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.

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13. Non-Current Assets Held-For-Sale

	2021	2020
	\$'000	\$'000
Assets held-for-sale		
Land	2,494	5,245
Buildings	217	-
Total assets held for sale	<u>2,711</u>	<u>5,245</u>

Amounts recognised in other comprehensive income relating to assets held-for sale

	2021	2020
	\$'000	\$'000
Net change in revaluation surplus equity investments measured at FVOCI	(440)	(58)
	<u>(440)</u>	<u>(58)</u>

Assets held for sale at fair value in 2021 are properties located at Castle Hill (2020: Randwick, North Wagga Wagga and former Dapto properties).

Further details regarding fair value measurement are disclosed in Note 15.

Recognition and measurement

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 / amortised while they are classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are continued to be recognised.

14. Other Financial Assets

	2021	2020
	\$'000	\$'000
Shares	175	175
Total financial assets at fair value	<u>175</u>	<u>175</u>

Recognition and measurement

One parcel of share is held as a joint investment in Coffs Harbour Technology Park with DoE and Southern Cross University. Share is recognised at cost which is deemed fair value.

Technical and Further Education Commission
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15. Fair Value Measurement of Non-Financial Assets

Fair value measurement and 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.

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.

(a) Fair value hierarchy

		Level 1 Fair Value \$'000	Level 2 Fair Value \$'000	Level 3 Fair Value \$'000	Total Fair Value \$'000
30 June 2021	Note				
Land	10	-	501,859	990,959	1,492,818
Buildings	10	-	-	2,543,292	2,543,292
Non-current assets held for sale	13	-	-	2,711	2,711
Carrying value as at 30 June 2021		-	501,859	3,536,962	4,038,821
30 June 2020	Note				
Land	10	-	16,495	1,105,206	1,121,701
Buildings	10	-	-	2,532,679	2,532,679
Non-current assets held for sale	13	-	-	5,245	5,245
Carrying value as at 30 June 2020		-	16,495	3,643,130	3,659,625

Technical and Further Education Commission
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15. 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.

	Land \$'000	Buildings \$'000	Non-current Assets Held- for-Sale \$'000	Total Recurring Level 3 Fair Value \$'000
Fair value as at 1 July 2020	1,105,206	2,532,679	5,245	3,643,130
Additions	268	170,603	8,052	178,923
Disposals	-	(1,015)	(10,586)	(11,601)
Transfer to non-current assets held-for-sale	(358)	(4,052)	-	(4,410)
Revaluation increments recognised in Other comprehensive income	278,223	(7,836)	-	270,387
Depreciation	-	(147,087)	-	(147,087)
Transfer from Level 3 to Level 2	(392,380)	-	-	(392,380)
Fair value as at 30 June 2021	990,959	2,543,292	2,711	3,536,962

	Land \$'000	Buildings \$'000	Non-current Assets Held- for-Sale \$'000	Total Recurring Level 3 Fair Value \$'000
Fair value as at 1 July 2019	1,101,983	2,632,766	9,114	3,743,863
Additions	3,249	46,402	22	49,673
Disposals	-	-	(3,891)	(3,891)
Revaluation decrements recognised in Net result – included in the line item 'Other losses'	(3)	(19)	-	(22)
Transfer to non-current assets held-for-sale	(7)	(15)	-	(22)
Revaluation decrements recognised in Other comprehensive expense	(16)	(42)	-	(58)
Depreciation	-	(146,413)	-	(146,413)
Fair value as at 30 June 2020	1,105,206	2,532,679	5,245	3,643,130

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

(c) Valuation techniques

i. Land

Comprehensive land valuations were completed for the year ended 30 June 2021 using a Comparative Market Value basis, adjusted for restrictions and applied to each site area. Due consideration was 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 the desktop valuation method on a sample of assets to determine the fair value. In 2018, a comprehensive valuation of building assets was carried out by independent valuation experts, JLL. JLL conducted full site inspections, condition assessments and building re-componentisation to determine fair value.

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 historical cost as an approximation of fair value do not require fair value hierarchy disclosures.

16. Current Liabilities – Payables

	2021 \$'000	2020 \$'000
Accrued salaries, wages and on-costs	31,733	32,079
Creditors	79,270	50,115
Group, payroll and fringe benefits tax	4,855	5,236
Other	23,641	19,209
Total current payables	<u>139,499</u>	<u>106,639</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 26.

Recognition and measurement

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.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

17. Current / Non-Current Liabilities – Provisions

	2021 \$'000	2020 \$'000
Current		
Employee benefits and related on-costs: ^(a)		
Annual leave ^a	55,581	54,108
On-costs annual leave	17,504	13,391
On-costs long service leave	41,024	41,181
	<u>114,109</u>	<u>108,680</u>
Other Provisions:		
Provisions for refunds and related commitments	3,310	4,664
Provisions for restructure	13,063	-
	<u>16,373</u>	<u>4,664</u>
Total current provisions	<u>130,482</u>	<u>113,344</u>
Non-current		
Employee benefits and related on-costs: ^(a)		
On-costs long service leave	4,056	3,582
	<u>4,056</u>	<u>3,582</u>
Other Provisions:		
Provisions for refunds	4,551	6,507
	<u>4,551</u>	<u>6,507</u>
Total non-current provisions	<u>8,607</u>	<u>10,089</u>
Total provisions	<u>139,089</u>	<u>123,433</u>

^a. It is estimated that the provision for annual leave and on-costs for annual leave and long service leave of \$118.1m (2020: \$112.2m) includes an amount of \$103.3m expected to be settled within 12 months (2020: \$98.7m) and an amount of \$14.8m is expected to be settled in more than 12 months (2020: \$13.6m).

	Note	2021 \$'000	2020 \$'000
Aggregate employee benefits and related on-costs			
Provisions - current		114,109	108,680
Provisions - non-current		4,056	3,582
Accrued salaries, wages and on-costs	16	31,731	32,079
Total aggregate employee benefits and related on-costs		<u>149,896</u>	<u>144,341</u>

Movements in provisions (other than employee benefits)

	Provisions for Refunds \$'000	Provisions for Restructure \$'000	Total \$'000
Movement in other provisions during the financial year, other than employee benefits, are set out below:			
Balance at 1 July	11,171	-	11,171
Additional provisions recognised	-	13,063	13,063
Amount used	(3,310)	-	(3,310)
Balance at 30 June	<u>7,861</u>	<u>13,063</u>	<u>20,924</u>

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

17. Current / Non-Current Liabilities – Provisions (continued)

Recognition and measurement

Employee benefits and related on-costs

i. 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% (2020: 7.9%) of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Commission has assessed the actuarial advice based on the Commission's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the Commission does not expect to settle the liability within 12 months as the Commission does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

ii. Long service leave and superannuation

The Commission's liabilities for long service leave and defined benefit superannuation are assumed by the Crown. 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 of employee benefits and other liabilities".

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

iii. Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

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. Students are eligible to apply for refunds under special circumstances. The Commission has recognised a provision of \$8.2m (2020: \$11.2m) to remit funds to the Commonwealth Department of Education based on actuarial assessment of historical remissions. The timing of the outflow is uncertain. There are no reimbursements associated with the provision.

Any provisions for restructuring are recognised only when the Commission has a detailed formal plan and the Commission has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

18. Current / Non-Current Liabilities – Lease Liabilities

	2021 \$'000	2020 \$'000
Current		
Lease liability (see Note 11)	5,616	5,485
Total current lease liability	<u>5,616</u>	<u>5,485</u>
Non-Current		
Lease liability (see Note 11)	10,343	14,603
Total non-current lease liability	<u>10,343</u>	<u>14,603</u>
Total lease liabilities	<u>15,959</u>	<u>20,088</u>

19. Commitments

	2021 \$'000	2020 \$'000
Capital Commitments		
Aggregate capital expenditure contracted for at balance date and not provided for:		
Within one year	130,525	62,609
Later than one year and not later than five years	11,017	7,882
Total (including GST)	<u>141,542</u>	<u>70,491</u>

20. 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 and icare Treasury Managed Fund.

(b) Contingent assets

The Commission is not aware of any contingent assets.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

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

Reconciliation of cash flows from operating activities to the net result as reported in the Consolidated Statement of Comprehensive Income as follows:

	2021	2020
	\$'000	\$'000
Net cash used on operating activities	347,008	240,560
Changes in accounting policy	-	(3,135)
Depreciation and amortisation	(168,589)	(164,437)
Allowance for impairment and write-offs	(1,126)	(24)
(Increase)/Decrease in provisions	(15,656)	4,671
Increase/(Decrease) in receivables	40,635	(11,480)
(Decrease) in contract assets	(61,151)	(22,770)
(Increase) in contract liabilities	(2,806)	(64,542)
(Increase)/Decrease in payables	(32,860)	21,764
Net gain on sale of property, plant and equipment	12,982	344
Net result	118,437	951

22. Non-Cash Financing and Investing Activities

	2021	2020
	\$'000	\$'000
Liabilities and expenses assumed by the Crown ^a	(26,810)	(38,668)
	(26,810)	(38,668)

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

23. Related Party Disclosures

(a) Key Management Personnel

The Commission's key management personnel compensation is as follows:

	2021	2020
	\$'000	\$'000
Short-term employee benefits	2,576	2,185
Post-employment benefits	171	173
Separation benefits	61	244
Total remuneration	2,808	2,602

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Commission, 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 2021

23. Related Party Disclosures (continued)

(a) Key Management Personnel (continued)

Key management personnel compensation (continued)

Compensation includes:

- Short-term employee benefits including wages, salaries, paid annual leave and paid sick leave, allowances, bonuses (if payable within twelve months of the end of the financial year) and non-monetary benefits (such as, 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.

Key management personnel compensation disclosed above excludes the Minister for Skills and Tertiary Education. Ministerial compensation is paid by the NSW Legislature, not the Commission. Key management personnel compensation also excludes long service leave, which is assumed by the Crown.

Other than the key management personnel compensation noted above, there were no material related party transactions with key management personnel.

(b) Transactions with Government Related Entities during the financial year

During the year, the Commission entered the following individually significant arm's length transactions with other entities that are controlled by the NSW Government:

- Corporate services fees of \$2.5m (2020: \$2.2m) were incurred to the DoE in respect of IT and other services of which, \$2.2m (2020: \$1.1m) is accrued at year end.
- 'TAFE Delivered Vocational Education and Training (TVET)' course fee revenue totalling \$36.7m (2020: \$35.7m) and recurrent grant and entitlement revenue of \$1.6bn from the Department of Education, of which \$71.9m (2020: \$48.7m) is the net contract liability and \$42.6m (2020: \$nil) was accrued revenue at year end.

The NSW TAFE Commission settled the following property with a Government Related Entity during the financial year:

- 2-20 King Street, Randwick NSW 2031 to the Health Administration Corporation for \$18.2m. Proceeds have been recognised as proceeds from sale, previously recognised as payments in advance for 30 June 2019.

The Commission paid payroll tax and debt collection services to Revenue NSW, received audit services from the Audit Office of NSW, obtained insurance arrangements from NSW Self Insurance Corporation, water from Sydney Water, servers from Department of Customer Service, long service leave by the Crown and secondments to and from various NSW Government Agencies.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

24. Budget Review

The Commission's net result of \$118m gain is a \$19m unfavourable variation against the budgeted net result of \$137m. The major factors contributing to this variation are outlined below:

- Total revenue was \$135m (or 6%) less than budget. Reductions were a result of a decrease in training revenues as a result of the impact of COVID-19 on international student enrolments, general softening of the commercial market, reduction in entitlement revenues, capital expenditure funding held as a contract liability until the performance obligations have been satisfied.
- Other Operating Expenses were \$128m (or 24%) favourable to budget primarily due to savings in contractor expenses, contracted services and travel.
- Depreciation Expenses were \$9m (or 5%) higher than original budget, primarily due to the capitalisation of constructed assets.

The Commission's total net assets were \$349m higher than the budget. The major factors contributing to this movement are an increase in the carrying value for land as a result of a full land revaluation completed for FY2020-21 and an increase in cash assets attributable to the increase in funding arrangements with the Department of Education. These assets are partially offset by higher contract liabilities relating to unspent funding received for capital projects.

The Commission's net cash flows from operating activities is a net inflow of \$347m compared to a budgeted cash inflow of \$285m. This is mainly driven by the increase in revenue from funding agreements with the Department of Education offset by an underspend in FY2020-21 budgeted capital projects.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

25. Trust Funds

The Commission holds monies in a trustee capacity for the Technical Education Trust Fund. The trustee is charged with the administration of the Trust Funds including the investment of trust monies and the awarding of prizes to students undertaking courses of studies conducted by the Commission. As the Commission performs only a custodial role in respect of these monies and because the monies cannot be used for the achievement of the Commission's own objectives, these funds are not recognised in the financial statements. The following is a summary of the transactions in the trust account:

	2021 \$'000	2020 \$'000
(a) Barry Raymund Roberts Memorial		
Cash / investment at the beginning of the financial year	116	114
Add: Receipts	1	2
Cash / investment at the end of the financial year	<u>117</u>	<u>116</u>
(b) Coachbuilders War Memorial Bursary Trust		
Cash / investment at the beginning of the financial year	30	29
Add: Receipts	-	1
Cash / investment at the end of the financial year	<u>30</u>	<u>30</u>
(c) Mary Ellen Roberts Memorial		
Cash / investment at the beginning of the financial year	9	9
Cash / investment at the end of the financial year	<u>9</u>	<u>9</u>
(d) Noel Chettle Memorial Art Prize		
Cash / investment at the beginning of the financial year	42	42
Add: Receipts	-	1
Less: Expenditure	(1)	(1)
Cash / investment at the end of the financial year	<u>41</u>	<u>42</u>
(e) Oliver Shaul Scholarship Trust		
Cash / investment at the beginning of the financial year	296	303
Add: Receipts	2	5
Less: Expenditure	-	(12)
Cash / investment at the end of the financial year	<u>298</u>	<u>296</u>
(f) William and Elizabeth Cuthbertson Memorial		
Cash / investment at the beginning of the financial year	17	17
Add: Receipts	1	-
Cash / investment at the end of the financial year	<u>18</u>	<u>17</u>

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

26. 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 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

			Carrying Amount 2021 \$'000	Carrying Amount 2020 \$'000
Financial Assets	Note	Category		
Class:				
Cash and cash equivalents	6	N/A	433,158	297,565
Receivables ^a	7	Amortised Cost	61,897	91,626
Other financial assets	9 & 14	Amortised Cost	319	319
Financial Liabilities				
Class:				
Payables ^b	16	Financial liabilities measured at amortised cost	102,652	69,007
Lease liabilities	18	Financial liabilities measured at amortised cost	15,959	20,088

^a. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

^b. Excludes statutory payables and contract liabilities (i.e. not within scope of AASB 7).

The Commission determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Commission transfers its rights to receive cash flows from the asset; and either:

- the Commission has transferred substantially all the risk and rewards of the asset; or
- the Commission has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

Where the Commission has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Commission's continuing involvement in the asset. In that case, the Commission also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Commission has retained.

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

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

26. Financial Instruments (continued)

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial risks

i. 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.

Cash and cash equivalents

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) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Accounting policy for impairment of trade receivables and other financial assets

Receivables – trade receivables

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts.

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

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. The Commission has identified historical collectability rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors. The expected credit loss provision is increased to incorporate the risk that debts 60 - 180 days past due are also uncollectible, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables 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 2021

26. Financial Instruments (continued)

(d) Financial risks (continued)

i. Credit risk (continued)

Receivables – trade receivables (continued)

The loss allowance for trade receivables as at 30 June 2021 and 2020 was determined as follows:

30 June 2021						
\$'000						
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0.00%	0.35%	0.20%	37.09%	85.82%	20.85%
Estimated total gross carrying amount at default	46,061	6,056	5,523	2,820	17,742	78,202
Expected credit loss	(2)	(21)	(11)	(1,046)	(15,225)	(16,305)

30 June 2020						
\$'000						
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0.23%	0.00%	2.40%	35.68%	73.37%	17.89%
Estimated total gross carrying amount at default	71,236	7,800	3,907	3,478	25,163	111,585
Expected credit loss	(162)	-	(94)	(1,241)	(18,462)	(19,959)

Note: The 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 7 and the contract assets 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 2021 and 2020. Most of the Commission's trade debtors have a good credit rating.

ii. 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 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.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2021

26. Financial Instruments (continued)

(d) Financial risks (continued)

ii. Liquidity risk (continued)

The table below summarises the maturity profile of the Commission's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

	Weighted average effective Int. Rate \$'000	Nominal Amount ^a \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- interest bearing \$'000	< 1 yr \$'000	1 - 5 yrs \$'000	> 5 yrs \$'000
2021								
Payables:								
Creditors		102,652	-	-	102,652	102,652	-	-
Lease Liabilities	1.57%	15,960	15,960	-	-	5,616	10,162	182
2020								
Payables:								
Creditors	-	69,007	-	-	69,007	69,007	-	-
Lease Liabilities	1.50%	20,389	20,389	-	-	5,567	14,101	711

^a The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Commission can be required to pay. The amounts excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7) and therefore will not reconcile to Note 16. The table includes both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

iii. 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 2020. 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 2021

26. Financial Instruments (continued)

(d) Financial risks (continued)

iv. 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.

	2021		2020	
	-1%	+1%	-1%	+1%
Financial Assets	\$'000	\$'000	\$'000	\$'000
Net Result	(4,333)	4,333	(2,977)	2,977
Equity	-	-	-	-

(e) Fair value compared to carrying amount

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.

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.

27. Events after the Reporting Period

With reference to Note 1 (g), the COVID-19 situation continues during the interval between the end of the financial year and the date of this report. During the interval, the Commission continued to monitor the current COVID-19 situation to determine if the pandemic has any impact on the financial reporting for 2020-21.

The Commission's fair value of land and buildings as at 30 June 2021, underwent a post balance sheet review as at 10 September 2021. The Commission received advice that the fair value of land and buildings provided on 30 June 2021 had not materially changed. There are no indicators that the Commission's receivables and contract assets have been affected at the date of this report.

The Commission has implemented a Roadmap outlining the planned approach to its operations, ensuring continued delivery and minimal disruption to its normal operations, taking into consideration the NSW Public Health Orders.

Other than any potential future impacts from COVID-19 mentioned above, there has not arisen in the interval between the end of the financial year and the date of this report any other items, transaction or event of a material and unusual nature likely to significantly affect the operations of the Commission, the results of those operations or the state of affairs of the Commission in subsequent financial years.

End of audited financial statements

7.4 Technical Education Trust Funds



Technical Education Trust Funds

Annual Report

for the 18 month period ended 30 June 2021

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Technical Education Trust Funds Annual Report for the 18 month period ended 30 June 2021

Brief History and Charter

The *Technical Education Trust Funds Act 1967* (hereinafter referred to as the Act in this Report) makes provisions with respect to certain Trust Funds for the advancement of education. The Act provides for the dissolution of a number of trusts and for substituted trusts to be created and vested in trustees appointed in terms of the Act.

The Trustee of the Funds is the statutory authority in terms of Schedule 2 of the *Government Sector Finance Regulation 2018* and this Annual Report has been prepared to meet the requirements of the *Annual Reports (Statutory Bodies) Act 1984*. The report covers those Trust Funds where the office of the Managing Director of the Technical and Further Education Commission (the Commission) is specified as the Trustee pursuant to the Act.

The Funds are:

Barrington Raymund Roberts Memorial Fund
Coachbuilders 1914-1919 War Memorial Bursary Fund
Institute of Mechanical Engineering Craftsmen Prize Fund
J. P. Franki Memorial Fund
Mary Ellen Roberts Memorial Fund
Noel Chettle Memorial Art Prize Fund
TAFE NSW Bicentenary Oliver Shaul Scholarship Fund
William and Elizabeth Cuthbertson Memorial Fund

In terms of Section 2.10(2) of the *Government Sector Finance Act 2018*, the Treasurer has determined that:

- the Technical Education Trust Fund's (the Entity) current financial year will cover the 18 month period that commenced on 1 January 2020 and ends on 30 June 2021; and
- the Entity's subsequent financial years will commence on 1 July and end on the following 30 June.

Aims and Objectives

The Trustees are charged with the administration of the Trust Funds including the investment of trust moneys and the awarding of prizes to students undertaking courses of studies conducted by the Commission.

As provided by the Act, the capital of the Funds is held upon trust and invested in a manner permitted by the *Trustee Act 1925*. Prize awards are made in terms of the By-laws pursuant to the provisions of the Act.

Access

Accounting and administrative functions for the Funds are undertaken on behalf of the Trustees by the Commission:

Principal office address: 651-731 Harris St
Ultimo NSW 2007
Telephone: 131 601

Technical Education Trust Funds Annual Report for the 18 month period ended 30 June 2021

Management and Structure

The Trustee during the year was the Managing Director of the Commission. The name of the Managing Director of the Commission in office during the year and until the date of this report is set out below. The Managing Director was in office for this entire period unless otherwise stated. The Managing Directors during the course of the reporting period were as follows:

- Kerry Penton, Acting Managing Director from 22 July 2019 until 10 January 2020; and
- Steffen Faurby, Managing Director (appointed 13 January 2020).

As accounting and administrative functions are undertaken by the Commission, the Trustees do not directly employ any staff.

Summary Review of Operations

During the year, interest revenue on investments and the operating bank account totalled \$6,923. Prize awards totalling \$690 were made by the Trustee. The awards based on 2021 results were:

Fund	Award \$	Recipient
Noel Chettle Memorial Art Prize Fund	690	Ella Harris, Meadowbank Campus
Total	690	

Legal Changes

There were no judicial decisions during the year having an impact on the Technical Education Trust Funds.

Budget Estimates and Financial Results

	18 months to 30 June 2021 Budget Estimate \$	18 months to 30 June 2021 Actual \$
Revenue	10,521	6,923
Total revenue	10,521	6,923
Expenses	8,407	690
Total expenses	8,407	690
Net result	2,114	6,233
Total Comprehensive income	2,114	6,233

Whilst an amount has been nominated for prize awards in the budget estimate for the 18 month period ended 30 June 2021, the actual value of awards to be made will be determined at the time by the Trustee in terms of the provisions of the Act. There is no commitment by the Trustee to make awards to the value nominated or to treat the unexpended income as accrued income for purposes of making future awards. Hence the 2021 budget was produced based on the expected income for the period.



INDEPENDENT AUDITOR'S REPORT

Technical Education Trust Funds

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Technical Education Trust Funds (the Trust), which comprise the Statement of Comprehensive Income for the 18 month period ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows, for the 18 month period then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Trust's financial position, financial performance and cash flows

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 Trust 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 (including Independence Standards)' (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 Trust's annual report for the 18 month period ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Statutory Trustee of the Trust is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Statutory Trustee of the Technical Education Trust Funds and the draft annual report.

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.

Statutory Trustee's Responsibilities for the Financial Statements'

The Statutory Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The Statutory Trustee's responsibility also includes such internal control as the Statutory Trustee determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Trustee is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

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/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Trust carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Michael Kharzoo
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

30 September 2021
SYDNEY

Start of Audited Financial Statements

Technical Education Trust Funds

Statement by the Statutory Trustee of the Technical Education Trust Funds for the 18 month period ended 30 June 2021

Pursuant to Division 7.2 of the *Government Sector Finance Act 2018*, I state that:

- 1 The accompanying financial statements have been prepared in accordance with the provisions of the *Government Sector Finance Act 2018* and regulation, Australian Accounting Standards and NSW Treasury publications;
- 2 The financial statements exhibit a true and fair view of the financial position and financial performance of the Technical Education Trust Funds; and
- 3 I am not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.



Steffen Faurby

Statutory Trustee

Date: 29 September 2021

Technical Education Trust Funds
Statement of Comprehensive Income
for the 18 month period ended 30 June 2021

		18 months to 30 June 2021 \$	12 months to 31 December 2019 \$
	Notes		
Revenue	2(a)	6,923	11,240
Total revenue		6,923	11,240
Expenses	2(b)	690	12,650
Total expenses		690	12,650
Net result		6,233	(1,410)
Total Comprehensive income / (loss)		6,233	(1,410)

The accompanying notes form part of these financial statements.

Technical Education Trust Funds
Statement of Financial Position
as at 30 June 2021

		30 June 2021	31 December 2019
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	3	18,756	12,523
Other financial assets	4	494,710	494,710
Total Current Assets		513,466	507,233
Total Assets		513,466	507,233
Net Assets			
		513,466	507,233
EQUITY			
Accumulated funds	5	513,466	507,233
Total equity		513,466	507,233

The accompanying notes form part of these financial statements.

Technical Education Trust Funds
Statement of Changes in Equity
as at 30 June 2021

	Notes	Accumulated Funds \$	Total \$
Balance at 1 January 2020		507,233	507,233
Net result for the year		6,233	6,233
Total comprehensive income		6,233	6,233
Balance at 30 June 2021		513,466	513,466
Balance at 1 January 2019		508,643	508,643
Net result for the year		(1,410)	(1,410)
Total other comprehensive expense		(1,410)	(1,410)
Balance at 31 December 2019		507,233	507,233

The accompanying notes form part of these financial statements.

Technical Education Trust Funds
Statement of Cash Flows
for the 18 month period ended 30 June 2021

		18 months to 30 June 2021 \$	12 months to 31 December 2019 \$
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Prize awards		(690)	(12,650)
Total Payments		<u>(690)</u>	<u>(12,650)</u>
Receipts			
Interest received		6,923	11,209
Total Receipts		<u>6,923</u>	<u>11,209</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	6	<u>6,233</u>	<u>(1,441)</u>
NET INCREASE / (DECREASE) IN CASH		6,233	(1,441)
Opening cash and cash equivalents		12,523	13,964
CLOSING CASH AND CASH EQUIVALENTS	3	<u>18,756</u>	<u>12,523</u>

The accompanying notes form part of these financial statements.

Technical Education Trust Funds
Notes to the Financial Statements
for the 18 month period ended 30 June 2021

1. Summary of Significant Accounting Policies

(a) Reporting entity

The Technical Education Trust Funds (the Entity) is a New South Wales government entity. The Entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The Entity has changed its financial year-end from 31 December to 30 June and this is the first financial reporting period adopting the new year-end date. The financial statements are therefore for the 18 month period ended 30 June 2021.

These financial statements for the 18 month period ended 30 June 2021 were authorised for issue by the Statutory Trustee (including the comparatives for the 12 month period ended 31 December 2019) on 29 September 2021.

(b) Basis of preparation

The Entity's financial statements are general purpose financial statements which have been prepared on an accruals basis in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Government Sector Finance Act 2018* (GSF Act); and
- The Financial Reporting Directions mandated by the Treasurer under the GSF Act.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

The outbreak of the Novel Coronavirus (COVID-19) was declared as a 'Global Pandemic' by the World Health Organisation on 11 March 2020. Developments throughout 2020 and 2021 have caused uncertainty for the global and Australian economy. This uncertainty has created risks and conditions that the Entity has not encountered before. As a result management have continually assessed and considered likely impacts of COVID-19 on the financial statements arising from this major global event.

All amounts are rounded to the nearest dollar and are expressed in Australian currency which is the Entity's presentation and functional currency.

(c) Statement of compliance

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

(d) Statutory reporting period

In terms of Section 2.10(2) of the *Government Sector Finance Act 2018*, the Treasurer has determined that:

- the Entity's current financial year will cover the 18 month period that commenced on 1 January 2020 and ends on 30 June 2021; and
- the Entity's subsequent financial years will commence on 1 July and end on the following 30 June.

(e) Income Tax Recognition

The Entity is exempt from tax.

Technical Education Trust Funds
Notes to the Financial Statements
for the 18 month period ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(f) 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 Entity has changed its financial year-end from 31 December to 30 June and this is the first financial reporting period adopting the new year-end date. The financial statements are therefore for the 18 month period ended 30 June 2021. The comparatives are for the 12 month period ended 31 December 2019.

(g) Accounting for the Goods and Services Tax (GST)

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

- the amount of GST incurred by the Entity 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) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in the 18 month period ended 30 June 2021

The Entity applied AASB 1059 *Service Concession Arrangements: Grantors* (AASB 1059) for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Several other amendments and interpretations apply for the first time in the 18 month period ended 30 June 2021, but do not have an impact on the financial statements of the Entity.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 is effective for the Entity from 1 January 2020. Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services. AASB 1059 does not have an impact on the financial statements as the Entity does not hold any Service Concession Arrangements.

(ii) Effective for the first time in the prior reporting period

The Entity applied AASB 15 *Revenue from Contracts with Customers* (AASB 15), AASB 16 *Leases* (AASB 16) and AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) for the first time. These standards did impact the Entity's recognition of revenue. The Entity does not have or enter into any lease arrangements.

The Entity also applied sections of the *Government Sector Finance Act 2018* which partially came into effect on 1 July 2019.

Technical Education Trust Funds
Notes to the Financial Statements
for the 18 month period ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

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

(i) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Accounting Standards have not been applied and are not yet effective:

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*

The possible impact of these standards in the period of initial application is not expected to materially affect the financial statements.

(i) Common trust fund

Pursuant to Section 8 of the *Technical Education Trust Fund Act 1967* (the Act), the Statutory Trustee has established a common fund for moneys held on behalf of each contributing Fund. Records are kept of each contributing funds' share of the common fund.

(j) Trust fund assets

Apart from funds invested as cash deposits, the Entity held no fixed assets, nor owned or occupied land as at 30 June 2021.

(k) Entity financial reports

Accounting and other records for the Entity were maintained by the NSW Technical and Further Education Commission (the Commission) on behalf of the Statutory Trustee. All administration costs, including salary and wages, were met by the Commission. The Commission does not charge for these costs. The Treasurer of NSW has approved the waiving of audit fees for the Entity.

Technical Education Trust Funds
Notes to the Financial Statements
for the 18 month period ended 30 June 2021

2. Revenue and Expenses

(a) Revenue

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.

	18 months to 30 June 2021	12 months to 31 December 2019
	\$	\$
Interest revenue	6,923	11,209
Other ^a	-	31
Total revenue	6,923	11,240

^a Other revenue of \$nil (31 December 2019: \$31) relates to write-back of bank certification charges.

Recognition and measurement

Interest Income

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).

(b) Expenses

	18 months to 30 June 2021	12 months to 31 December 2019
	\$	\$
Prize awards	690	12,650
Total expenses	690	12,650

(c) Revenue and expenses attributed to individual funds

	18 months to 30 June 2021		12 months to 31 December 2019	
Trust Fund	Income \$	Expenditure \$	Income \$	Expenditure \$
Barrington Raymund Roberts Memorial	1,541	-	2,488	-
Coachbuilders 1914-1919 War Memorial Bursary	378	-	616	-
Mary Ellen Roberts Memorial	109	-	184	-
Noel Chettle Memorial Art Prize	575	690	927	650
TAFE Bicentenary Oliver Shaul Scholarship	4,099	-	6,659	12,000
William and Elizabeth Cuthbertson Memorial	221	-	366	-
Total	6,923	690	11,240	12,650

Technical Education Trust Funds
Notes to the Financial Statements
for the 18 month period ended 30 June 2021

3. Cash and Cash Equivalents

	30 June 2021	31 December 2019
	\$	\$
Cash at bank and on hand	18,756	12,523
Closing cash and cash equivalents (per statement of cash flows)	<u>18,756</u>	<u>12,523</u>

Recognition and measurement

Cash and cash equivalents

Cash and cash equivalents is cash held at bank.

Refer to Note 10 for details regarding credit risk and market risk arising from financial instruments.

4. Current Assets – Other Financial Assets

	30 June 2021	31 December 2019
	\$	\$
Current assets ^a	494,710	494,710
Total Other Financial Assets	<u>494,710</u>	<u>494,710</u>

^a Current asset of \$494,710 (31 December 2019: \$494,710) relates to deposits held in an investment bank account.

Recognition and measurement

Other financial assets

Other financial assets are investments that are non-derivative financial assets held in an investment account. This investment is measured at amortised cost using the effective interest method. The financial asset represents common trust funds for the moneys entrusted to the Statutory Trustee in accordance with section 8 of Act. Interest payments received are allocated proportionately according to the amount contributed by each fund to the common trust fund, as required by the Act.

The market value of the investments was not less than the face value.

Refer to Note 10 for details regarding credit risk, liquidity risk, market risk and interest rate risk arising from financial instruments.

Technical Education Trust Funds
Notes to the Financial Statements
for the 18 month period ended 30 June 2021

5. Accumulated Funds by Trust Fund

Trust Fund	Initial Fund Capital	30 June 2021 Fund Balance	31 December 2019 Fund Balance
	\$	\$	\$
Barrington Raymund Roberts Memorial	34,000	117,032	115,491
Coachbuilders 1914-1919 War Memorial Bursary	6,100	29,805	29,425
J. P. Franki Memorial	-	36	36
Mary Ellen Roberts Memorial	3,400	9,301	9,193
Noel Chettle Memorial Art Prize	8,000	41,757	41,873
TAFE Bicentenary Oliver Shaul Scholarship	150,000	297,838	293,739
William and Elizabeth Cuthbertson Memorial	5,300	17,697	17,476
Total	206,800	513,466	507,233

Recognition and measurement

Accumulated funds

This includes the current period's net result and prior period retained funds.

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

	18 months to 30 June 2021	12 months to 31 December 2019
	\$	\$
Net cash used on operating activities	6,233	(1,441)
Decrease in Payables	-	31
Net Result	6,233	(1,410)

7. Commitments

There are \$nil commitments as at 30 June 2021 (31 December 2019: \$nil).

8. Contingent Liabilities and Contingent Assets

There are \$nil contingent liabilities as at 30 June 2021 (31 December 2019: \$nil).

There are \$nil contingent assets as at 30 June 2021 (31 December 2019: \$nil).

9. Related Party Disclosures

(a) Key management personnel

Key management personnel of the Entity includes the Statutory Trustee. Under section 10 of the Act, Statutory Trustees shall not be entitled to any fees or other remuneration in their capacity as trustees for the purposes of this Act. As a result, there is no compensation disclosure made under this standard.

The Statutory Trustee is the Managing Director of the Commission.

Technical Education Trust Funds
Notes to the Financial Statements
for the 18 month period ended 30 June 2021

9. Related Party Disclosures (continued)

(b) Transactions with Government Related Entities during the financial year

There were no transactions with Government Related Entities during the 18 month period ended 30 June 2021 (31 December 2019: \$nil).

10. Financial Instruments

The Entity's principal financial instruments are outlined below. These financial instruments arise directly from the Entity's operations or are required to finance the Entity's operations. The Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Entity's main risk arising from financial instruments are outlined below, together with the Entity's objectives, policies and processes for measuring and managing risk.

The Statutory Trustee has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Entity, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Entity on a continuous basis.

(a) Financial Instrument categories

Financial Assets	Note	Category	Carrying amount 30 June 2021	Carrying amount 31 December 2019 \$
Class:				
Cash and cash ^a equivalents	3	N/A	18,756	12,523
Other financial assets ^b	4	Amortised Cost	494,710	494,710

a. Cash and cash equivalents comprise of bank balance with interest earned on daily bank balance at Corporate Cheque Account rate.
b. Other financial assets includes deposits held in an investment bank account.

Technical Education Trust Funds
Notes to the Financial Statements
for the 18 month period ended 30 June 2021

10. Financial Instruments (continued)

(b) De-recognition of financial assets and liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Entity transfers the financial asset :

- where substantially all the risks and rewards have been transferred; or
- where the Entity has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the Entity 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 Entity's continuing involvement in the asset. In that case, the entity 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 Entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Entity could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Credit Risk

Credit risk arises when there is the possibility of the Entity's debtors defaulting on their contractual obligations, resulting in financial loss to the Entity. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Entity, including cash, receivables and deposits held in an investment bank account. No collateral is held by the Entity. The Entity has not granted any financial guarantees.

Credit risk associated with the Entity's financial assets, other than receivables, is managed through selection of counterparties and establishment of minimum credit rating standards. There are no receivables at the end of this financial year.

Impact of credit risk to the Entity is minimal.

(d) Liquidity risk

Liquidity risk is the risk that the Entity will be unable to meet its payment obligations when they fall due. The Entity continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility. Payables balance as at 30 June 2021 is \$nil (30 December 2019: \$nil).

Exposure to liquidity risk is considered minimal.

Technical Education Trust Funds
Notes to the Financial Statements
for the 18 month period ended 30 June 2021

10. Financial Instruments (continued)

(e) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Entity has no exposure to 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 Entity operates and the time frame for the assessment (i.e. until the end of the next 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 2019. The analysis assumes that all other variables remain constant.

(f) 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. Exposure to interest rate risk arises primarily through the Entity's cash at bank and deposits held in an investment account. Interest on the bank balance and investment account are subject to fluctuations in market rates.

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 following table demonstrate the sensitivity to a reasonably possible change in interest rates as at reporting date:

	30 June 2021		31 December 2019	
	-1%	+1%	-1%	+1%
	\$	\$	\$	\$
Net Result	(5,134)	5,134	(5,072)	5,072
Equity	-	-	-	-

11. Events after the Reporting Period

The Entity is not aware of any other material or significant events that should be disclosed.

End of audited financial statements

7.5 Approved Land Disposals

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 three sites under the 2020-21 Divestment Program, with a market value of \$5.54 million (excl. GST), for the following sites:

1. Mudgee Annexe (to Mid-Western Regional Council)
2. Scone – Whole (to private purchaser)
3. Goulburn Annexe (to private purchaser)

Total sales value at 30 June 2021 was \$23.54 million (excl. GST). All sale proceeds will be reinvested into modernising and improving TAFE NSW's facilities and learning platforms to benefit students.

7.6 Major Works

The tables below list new, continuing and completed major works, including their cost as at 30 June 2021 and estimated dates of completion.

Table 20: New Major Works in 2020-21

TAFE NSW project name and location	Total expend. to 30 June 2021 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start ³²	Completion date (actual or estimated)	Details of any significant: ³³ cost overruns delays amendments deferments cancellations
Budgeting, Forecasting and Reporting System	\$7	\$2,300	2020	Jun-22	Estimated total cost at end of the Plan phase is \$2.3M.). Most of the spending deferred to 2021-2022 was due to the Plan phase taking longer than initially anticipated.
Contact Centre Communications	\$3,974	\$5,000	2020	Feb-23	
TAFE NSW Digital Course Migration and Centralisation	\$744	\$3,200	2020	Feb-22	
Enhanced System to Support Student Access	\$2,865	\$3,000	2020	Dec-20	

³² Calendar year.

³³ A significant delay is defined as a delay of more than 12 months. A significant cost overrun is defined as being more than 10 percent of the total expenditure.

TAFE NSW project name and location	Total expend. to 30 June 2021 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start ³²	Completion date (actual or estimated)	Details of any significant: ³³ cost overruns delays amendments deferments cancellations
IT Network Asset Refresh	\$3,692	\$4,000	2020	Mar-22	Rollout of upgrades delayed due to 2021-22 COVID restrictions, duration of delays to be advised
Regional Data Centre Consolidation and Virtualisation	\$1,515	\$3,000	2020	Jan-22	Rollout of upgrades delayed due to 2021-22 COVID restrictions, duration of delays to be advised
Reporting and Insights Program	\$1,716	\$2,000	2020	Jun-21	
Revitalising TAFE Campuses	\$1,711	\$20,000	2020	Jun-22	-
Staff Integrated Systems Portal	\$448	\$1,000	2020	TBC	Project was initiated and put on hold to complete a Service Design on the Shared Services Platform.
TAFE Asset Renewal Program - Buildings	\$39,735	\$56,976	2020	Jun-22	-
TAFE Asset Renewal Program – Plant & Equipment	\$12,074	\$22,300	2020	Dec-21	-

Table 21: Continuing Major Works

TAFE NSW , project name and location	Total expend. to 30 June 2021 (\$'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
Bega Specialist Centre (Stage 2)	\$15,184	\$17,004	2020	August 2021	-
Connected Learning Centres Stage 3	\$27,091	\$57,100	2019	February 2023	Site option for Jindabyne remains under discussion, along with the Development Approval for the Byron Bay CLC site. Currently all sites are due for completion by February 2023.
Meadowbank Education and Employment Precinct – TAFE NSW Phase 2.1	\$59,769	\$128,900	2019	July 2022	-
North Coast Institute - Coffs Harbour Education Campus, Applied Construction and Plumbing Technologies Hub	\$13,266	\$13,258	2015	March 2021	
Specialist Centre, Connected Health Hub, Coffs Harbour	\$3,356	\$3,358	2018	July 2020	-
Student Management Services	\$109,749	\$112,438	2016	June 2022	Technical Readiness of the SMS project will be November 2021 for Higher Education and May 2022 for Vocational Education and Training.
Western Sydney Construction Hub	\$4,372	\$80,357	2019	March 2023	

7.7 Consultants Costing \$50,000 or more

Table 22: Consultants > \$50,000

Name of consultant	Title of project	Purpose of consultancy	Actual cost (\$)
Deloitte Consulting Pty Ltd	Workforce Strategy Pilot	Management services – Provision of a Workforce Strategy Pilot for the Product Group (Phases 1 and 2)	\$99,000
Deloitte Consulting Pty Ltd	Shared Services Planning Support engagement	Management services – Preparation of a Shared Services Strategy	\$85,250
Deloitte Consulting Pty Ltd	Strategic workforce programs support	Organisational review – Review of the People & Culture Strategic Programs	\$82,500
Red Earth Advisory	Case Study development	Management services – Advice and recommendations for product development	\$71,148
Nous Group Pty Ltd	Corporate Services Operating Rhythm Services	Organisational review – Provision of a High Level Operating Model for the Shared Services Group	\$53,570

Note: Figures are subject to rounding. Payments are inclusive of GST.

7.8 Consultants Costing less than \$50,000

Table 23: Consultants < \$50,000

Supplier Name	Description	Spend in FY20
Deloitte Consulting Pty Ltd	Management services – Product & Quality workforce strategy program	\$38,500

Note: Figure is subject to rounding. Payments are inclusive of GST.

7.9 Timely Payment of Accounts

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-20	\$5,847	\$10,086	\$13,452	\$27,235	\$6,085	\$62,705
Dec-20	\$2,662	\$11,294	\$9,876	\$8,642	\$3,664	\$36,138
Mar-21	\$4,262	\$9,577	\$21,394	\$6,206	\$776	\$42,214
Jun-21	\$83,934	\$26,466	\$25,087	\$28,946	\$1,253	\$165,686
Small business suppliers						
Sep-20	\$86.82	\$411.92	\$1,158.63	\$1,310.74	\$126.47	\$3,094.57
Dec-20	\$54.08	\$290.37	\$117.51	\$197.04	\$3.09	\$662.09
Mar-21	\$123.74	\$350.47	\$135.16	\$116.39	\$3.02	\$728.76
Jun-21	\$1,181.19	\$961.12	\$233.98	\$136.66	\$33.42	\$2,546.37

All suppliers	Sep-20	Dec-20	Mar-21	Jun-21
Invoices due for payment (#)	7,523	4,567	4,896	5,703
Invoices paid on time (#)	6,958	4,029	4,214	5,058
Actual percentage of invoices paid on time (based on number of invoices)	92%	88%	86%	89%
Amount due for payment (\$'000)	62,693	36,104	42,109	99,015
Amount paid on time (\$'000)	61,011	33,374	37,989	78,298
Actual percentage of invoices paid on time (based on \$)	97%	92%	90%	79%
Number of payments for interest on overdue invoices (#)	0	0	0	0
Interest paid on late invoices (\$)	0	0	0	0

Small business suppliers	Sep-20	Dec-20	Mar-21	Jun-21
Invoices due for payment received from small businesses (#)	99	96	84	159
Invoices from small businesses paid on time (#)	91	87	71	150
Actual percentage of small business invoices paid on time (based on number of invoices)	92%	91%	85%	94%
Amount due for payment to small businesses (\$'000)	3,095	662	727	2,211
Amount due to small businesses paid on time (\$'000)	3,051	553	599	2,077
Actual percentage of small business invoices paid on time (based on \$)	99%	84%	82%	94%
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

To improve payment performance, TAFE NSW employees are being encouraged to submit all invoices in a timely manner to ensure sufficient time to process payment before financial year end. TAFE NSW employees are also encouraged to utilise P cards for payments less than \$10,000, to reduce the volume of invoice payment exceptions and delays that may contribute to late payment.

Where interest was paid due to late payments, list of instances and reasons for delay which caused late payment: N/A

7.10 Work Related Overseas Travel

There were no overseas visits by TAFE NSW staff in 2020-21.

7.11 Budget Outline for 2021-22

TAFE Commission

Operating Statement

	2020-21		2021-22
	Budget	Revised	Budget
	\$000	\$000	\$000
Expenses Excluding Losses			
Operating Expenses -			
Employee Related	1,280,228	1,313,220	1,325,287
Personnel Services Expenses	...	...	...
Other Operating Expenses	526,449	415,005	460,003
Grants and Subsidies	...	3	...
Appropriation Expense	...	...	...
Depreciation and Amortisation	159,804	169,230	175,930
Finance Costs	315	312	320
Other Expenses	...	...	...
TOTAL EXPENSES EXCLUDING LOSSES	1,966,797	1,897,769	1,961,540
Revenue			
Appropriation Revenue	...	...	...
Cluster Grant Revenue	0	...	0
Acceptance by Crown Entity of Employee Benefits and Other Liabilities	47,846	46,813	45,110
Transfers to the Crown Entity	...	...	...
Sales of Goods and Services	329,788	326,342	357,578
Grants and Contributions	1,708,652	1,611,404	1,601,188
Investment Revenue	1,256	469	1,902
Retained Taxes, Fees and Fines	...	...	...
Other Revenue	3,031	11,599	4,395
Total Revenue	2,090,574	1,996,627	2,010,172
Gain/(loss) on Disposal of Non Current Assets	12,959	12,960	...
Other Gains/(Losses)	...	(10,190)	(2,360)
Net Result	136,736	101,628	46,272

Balance Sheet

	2020-21		2021-22
	Budget	Revised	Budget
	\$000	\$000	\$000
Assets			
Current Assets			
Cash Assets	334,652	424,375	394,570
Taxes Receivable	...	...	...
Receivables	123,120	70,869	68,509
Contract Assets	34,573	37,831	37,831
Inventories	...	...	...
Financial Assets at Fair Value	144	...	...
Other Financial Assets	...	144	144
Other	...	...	...
Assets Held For Sale	23	...	...
Total Current Assets	492,512	533,220	501,054
Non Current Assets			
Taxes Receivable	...	...	...
Contract Assets	...	...	...
Receivables	221	221	221
Inventories	...	...	...
Financial Assets at Fair Value	175	175	175
Equity Investments	...	...	...
Property, Plant and Equipment -			
Land and Building	3,724,918	4,064,872	4,113,255
Plant and Equipment	50,952	35,003	52,372
Infrastructure Systems	...	...	...
Investment Properties	...	...	...
Right of Use Assets	18,206	19,077	13,033
Intangibles	134,841	111,813	125,673
Other Assets	...	...	...
Total Non Current Assets	3,929,313	4,231,161	4,304,729
Total Assets	4,421,825	4,764,380	4,805,783
Liabilities			
Current Liabilities			
Taxes Payable	...	...	...
Payables	105,539	109,749	109,749
Contract Liabilities	113,585	113,585	113,585
Other Financial Liabilities at Fair Value	...	...	...
Borrowings	5,853	5,775	4,070
Provisions	113,344	131,356	131,356
Other	3,380	...	...
Liabilities Associated with Assets Held for Sale	...	...	...
Total Current Liabilities	341,701	360,466	358,760
Non Current Liabilities			
Taxes Payable	...	...	...
Payables	...	...	...
Contract Liabilities	...	...	...
Other Financial Liabilities at Fair Value	...	...	...
Borrowings	8,912	9,619	6,455
Provisions	10,088	11,813	11,813
Other	...	...	...
Total Non Current Liabilities	19,000	21,433	18,268
Total Liabilities	360,701	381,898	377,028
Net Assets	4,061,125	4,382,482	4,428,754
Equity			
Accumulated Funds	1,686,453	1,658,010	1,704,282
Reserves	2,374,671	2,724,472	2,724,472
Capital Equity	...	...	...
Total Equity	4,061,125	4,382,482	4,428,754

Cash Flow Statement

	2020-21		2021-22
	Budget	Revised	Budget
	\$000	\$000	\$000
Cash Flows From Operating Activities			
Payments			
Employee Related	1,232,382	1,245,086	1,280,177
Personnel Services Expenses	...	...	...
Grants and Subsidies	...	3	...
Finance Costs	315	312	320
Equivalent Income Tax	...	...	...
Other Payments	519,927	406,300	454,634
Total Payments	1,752,624	1,651,701	1,735,131
Receipts			
Appropriation	...	...	...
Cluster Grant Revenue	0	...	0
Cash reimbursements from the Crown Entity	...	...	...
Sale Proceeds Transfers to the Crown Entity	...	...	...
Cash transfers to the Crown Entity	...	...	...
Sale of Goods and Services	342,866	365,534	352,209
Retained Taxes, Fees and Fines	...	...	...
Interest Received	1,256	469	1,902
Grants and Contributions	1,708,652	1,604,472	1,601,188
Other Receipts	(15,150)	7,993	4,395
Total Receipts	2,037,624	1,978,468	1,959,693
Net Cash Flows From Operating Activities	285,000	326,767	224,562
Cash Flows From Investing Activities			
Proceeds from Sale of Property, Plant and Equipment	20,590	25,249	2,181
Purchases of Property, Plant and Equipment	(237,631)	(216,289)	(225,116)
Proceeds from Sale of Investments	...	...	...
Purchases of Investments	...	...	...
Advances Repayments Received	...	...	...
Advances made	...	...	...
Other Investing	(25,550)	(2,865)	(26,563)
Net Cash Flows From Investing Activities	(242,591)	(193,905)	(249,498)
Cash Flows From Financing Activities			
Proceeds from Borrowings and Advances	...	...	...
Repayment of Borrowings and Advances	(5,323)	(6,052)	(4,870)
Dividends Paid	...	...	...
Other Financing	...	...	...
Capital Appropriation - Equity Appropriation	...	...	...
Cash Equity Injection to For-Profit Entities	...	...	...
Net Cash Flows From Financing Activities	(5,323)	(6,052)	(4,870)
Net Increase/(Decrease) in Cash	37,086	126,809	(29,806)
Opening Cash and Cash Equivalents	297,566	297,566	424,375
Reclassification of Cash Equivalents	...	...	...
Cash transferred in (out) as a Result of Administrative Restructuring	...	...	...
Closing Cash and Cash Equivalents	334,652	424,375	394,570

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 2020-21 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 2020-21 (including withdrawn applications but not including invalid applications) was 95. Provision of this information complies with clause 8(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 2020–21 is provided in the tables below. Provision of this information complies with clauses 8(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.

During 2020-21 updated policies and guidelines were made publicly available at no cost on the TAFE NSW website. Following a major review of policies and procedures regarding fees, new or updated versions were uploaded including the TAFE NSW VET (Vocational Education and Training) Student Loans Policy and Guidelines, TAFE NSW VET Procedures, TAFE NSW VET Student Loans Policy, and TAFE NSW Tuition Fee and Refund Policy.

TAFE NSW students were assisted with updated guidance on the full range of TAFE NSW courses as well as the annual online Student Guide 2021, updated to address the impacts of the COVID-19 pandemic. The Student Guide 2021 packages student-centred guidance including availability of awards and scholarships, support for students with disabilities, assistance to Aboriginal and Torres Strait Islander students, and other support services such as children's centres on campus and the student association.

COVID-19 updates were provided on the TAFE NSW website to inform students and the wider community about changing government requirements, providing advice on how TAFE NSW operations would continue during the COVID pandemic.

The TAFE NSW Agency Information Guide was updated and expanded to provide a comprehensive account of the agency's enabling legislation, operating model and governance, policies, and ways to access agency information. For example, the TAFE NSW Advertising Compliance Certificate for its annual TAFE NSW Student Enrolment Advertising Campaign was updated for 2021 and made publicly available via the TAFE NSW Agency Information Guide.

Table 24: 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	0	0	1
Members of Parliament	0	0	1	0	0	0	0	0
Private sector business	13	4	0	2	0	1	0	3
Not for profit organisations or community groups	0	0	0	0	0	0	0	1
Members of the public (application by legal representative)	51	0	0	3	0	0	0	1
Members of the public (other)	2	0	0	0	0	0	0	2

* 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 25.

Notes:

The total number of access applications received by TAFE NSW during 2020-21 (including withdrawn applications but not including invalid applications) was 95.

- Two applications received in the 2019-20 period that were still being processed at the end of that financial year were carried forward to the 2020-21 reporting year.
- Eight applications received in the 2020-21 period that remained invalid at the end of that financial year were carried forward to the 2021-22 reporting year.

Table 25: 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 *	66	2	0	5	0	1	0	7
Access applications (other than personal information applications)	0	1	1	0	0	0	0	1
Access applications that are partly personal information applications and partly other	0	1	0	0	0	0	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.

Two applications received in the 2019-20 period that were still being processed at the end of the period were carried forward to the 2020-21 reporting year.

Eight applications received in the 2020-21 period that remained invalid at the end of the period were carried forward to the 2021-22 reporting year.

Table 26: Invalid applications

Reason for invalidity	No. of applications
Application does not comply with formal requirements (section 41 of the GIPA Act)	49
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	49
Invalid applications that subsequently became valid applications	27

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

As at 30 June 2021, the agency was assisting six applicants to make seven invalid applications valid, as required by section 52(3) of the GIPA Act. If these invalid applications become valid applications during 2021–22, the decisions subsequently made will be reported in the TAFE NSW 2021-22 Annual Report.

Table 27: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act

There were zero (0) access applications completed in the 2020-21 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.

Table 27

	No. of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Excluded information	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
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 28: Other public interest considerations against disclosure: matters listed in table to section 14 of the GIPA Act

Access was refused in part for four (4) access applications and in full for one (1) 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	5
Law enforcement and security	1
Individual rights, judicial processes and natural justice	10
Business interests of agencies and other persons	3
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	1

Note: 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 29: Timelines

	No. of applications
Decided within the statutory timeframe (20 days plus any extensions)	87
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	87

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

These figures show only the valid access applications which resulted 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 30: 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 +	0	0	0
TOTAL	0	0	0

* 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.

+ Note: One application for review was submitted to the NSW Civil and Administrative Tribunal, but this application was withdrawn by the applicant so external review of the agency's decision did not take place.

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

Table 31: 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	0

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

+ Note: One application for review from an access applicant was submitted to the NSW Civil and Administrative Tribunal, but this application was withdrawn by the applicant.

Table 32: 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 people it deals with, including TAFE NSW staff, students, customers and service providers. TAFE NSW manages personal and health information in accordance with the *Privacy and Personal Information Protection Act 1998* (NSW) (PPIP Act), *Health Records and Information Privacy Act 2002* (NSW) (HRIP Act) and the *Privacy Act 1988* (Cth) where applicable. The TAFE NSW Privacy Management Plan sets out how TAFE NSW manages personal and health information in accordance with the requirements of the PPIP Act and HRIP Act. TAFE NSW's Privacy Policy also sets out how TAFE NSW collects, stores, uses and discloses 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 several 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 33 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 2020-21. During this period, TAFE NSW focussed on awareness raising and capability uplift in public interest disclosure identification and reporting processes which may have contributed to an increase in reports.

	Corrupt Conduct	Maladmini- stration	Serious Substantial Waste of Public Money	Government Information (GIPA) contravention	Local Government contravention	TOTAL
Disclosures received ³⁴	38	-	-	-	n/a	38
Employees making a disclosure	43	-	-	-	n/a	43
Disclosures finalised	10	-	-	-	n/a	10

³⁴ All disclosures were made by public officials in performing their functions as public officials or were forwarded to TAFE NSW by the Independent Commission Against Corruption of NSW and advised to include the disclosure as a Public Interest Disclosure for reporting purposes.

8.5 Internal Audit and Risk Management Attestation

Internal Audit and Risk Management Attestation Statement for the 2020–21 Financial Year for the NSW Technical and Further Education Commission

I, Steffen Faurby, am of the opinion that the NSW Technical and Further Education Commission has internal audit and risk management processes in operation that are, excluding the exceptions below, compliant with the seven (7) core requirements set out in the *Internal Audit and Risk Management Policy* for the General Government Sector, specifically:

Core Requirements		Compliant or Non-Compliant
Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee		
3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Non-Compliant
3.2	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

I, Steffen Faurby, advise that the internal audit and risk management processes for the NSW Technical and Further Education Commission depart from the following Core Requirements set out in the *Internal Audit and Risk Management Policy* for the General Government Sector.

The circumstances giving rise to these departures have been determined by the Responsible Minister and the NSW Technical and Further Education Commission has implemented the following practicable alternative measures to meet the Core Requirements:

Departure	Reason for departure and description of practicable alternative measures implemented/being implemented
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	A new independent Chair was appointed with effect from 30 September 2020. However, the appointee could not assume the role until early 2021, owing to personal circumstances. The term of the outgoing Chair was extended to 30 June 2021, beyond the five years permitted by clause 3.1.13. The new independent Chair was appointed from 1 July 2021, resolving the Departure from Core Requirement 3.1.

Membership

The current chair and members of the Audit and Risk Committee are:

- Independent Chair, Allan Cook, 24 September 2019 - 29 September 2024 (Chair 1 July 2021 - 30 June 2022)
- Independent Member, Carolyn Burlew, 29 September 2014 - 31 August 2022
- Independent Member, Gregory Fletcher, 20 May 2016 - 31 July 2023
- Independent Member, Loretta Di Mento, 7 July 2021 – 6 July 2025

A handwritten signature in black ink, appearing to read 'Steffen Faurby', with a stylized, cursive script.

Steffen Faurby

Managing Director

NSW Technical and Further Education Commission

11 October 2021

8.6 Digital Information Security Attestation



PO BOX 707
BROADWAY NSW
2007 AUSTRALIA

Cyber Security Annual Attestation Statement for the 2020-2021 Financial Year for TAFE NSW

I, Steffen Faurby, Managing Director of TAFE NSW, am of the opinion that TAFE NSW has managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy (CSP).

Governance is in place to manage the cyber security maturity and initiatives of TAFE NSW. The Audit and Risk Committee (ARC) receives regular cyber security updates. The FOCUS (Executive) Team have ongoing oversight of cyber security within Information Technology, Operational Technology and Internet of Things.

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

TAFE NSW has an Information Security Management System (ISMS) in place.

TAFE NSW is doing the following to continuously improve the management of cyber security governance and resilience:

- Improved vulnerability management tools and processes to improve detection and resolution of identified vulnerabilities.
- Supply chain risk management has been improved through the consistent identification, monitoring and lifecycle management of supply chain risks.
- Identification of risks and control implementation has been extended to cover Operational Technology and Internet of Things.
- Cyber Security culture improvement activities are continually undertaken by engaging partners, staff, executives and students.
- Implemented a more powerful, multi-factor authentication (MFA) tool to significantly improve TAFE NSW's cybersecurity posture.
- Improved compliance with Payment Card Industry Data Security Standard (PCI DSS) by improving security controls and processes in handling card holder data (CHD).
- Performs daily backups, conducts cyber security response exercises and periodically tests its disaster recovery capabilities.

Yours sincerely

Steffen Faurby
Managing Director
TAFE NSW
23 August 2021

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8.7 Contact Details

TAFE NSW website: www.tafensw.edu.au

Make an inquiry

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

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Principal office address: Building A Mary Ann Street
Ultimo NSW 2007

Postal address: PO Box 707
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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.

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