ANNUAL REPORT

2022 – 2023

TAFE NSW acknowledges Aboriginal and Torres Strait Islander Peoples as the Traditional Custodians of the Land, Rivers and Sea. We acknowledge and pay our respects to the Elders, past, present and emerging of all Nations.

DUBBO, WEST REGION
TRADITIONAL LANDS OF THE WIRADJURI PEOPLE

Notes on the data in this report

While this report predominantly uses TAFE NSW data, figures related to learner outcomes are sourced from the National Centre for Vocational Education Research (NCVER) Student Outcome Survey.

Enrolment, completion, and learner outcomes data reflects the 2022 calendar year.

The data within this report covers all vocational education and training and higher education courses and qualifications delivered by TAFE NSW, both domestically and offshore, as well as training that is delivered on behalf of other Registered Training Organisations. It includes training that is government funded and fee-for-service. Data published in some previous annual reports may not be comparable due to the use of different business rules in prior years.

COVER IMAGE: EARLY CHILDHOOD EDUCATION AND CARE | GLENDALE

Letter to the Minister

The Hon. Steve Whan
Minister for Skills, TAFE 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 Annual Report 2022–2023* to you for presentation to Parliament in your capacity as Minister for Skills, TAFE and Tertiary Education.

The Annual Report 2022–2023 and the Financial Reports for the TAFE Commission and Technical Education Trust Funds have been prepared under the *Government Sector Finance Act 2018* (NSW).

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

Yours sincerely

Stephen Brady
Managing Director, TAFE NSW
October 2023

Managing Director's message

I am pleased to report on the operational and financial performance of TAFE NSW in 2022–23.

This has been a significant year for the public training provider, starting with the launch of a more customer-focused strategic plan. The *TAFE NSW Strategic Plan 2022–25: Building A Skilled Workforce For A Stronger NSW*, is a roadmap for meeting the evolving skills needs of industry, learners, and communities across NSW. At its heart, it's a plan to help grow the state's economy.

2022–23 marked the return to a somewhat normal operating rhythm following the global pandemic and natural disasters. In the first half of the reporting period, 3,000 learners, whose courses were disrupted by COVID-19, were assisted to complete their studies. A further 68,000 students affected by changes to national training packages were provided with individual transition plans to help them complete their qualifications.

TAFE NSW continued to play a critical role in training the state's workforce. This year, we proudly supported the Australian and NSW governments' committment to training, delivering more than 66,000 fee-free training places in critical skill areas, such as the care, technology, construction, hospitality, and tourism sectors.

During the year, TAFE NSW successfully secured re-registration as a Higher Education provider and received reaccreditation to continue delivering seven higher education programs. TAFE NSW has been granted re-registration for the maximum seven-year timeframe, with no conditions. This speaks to the quality and excellence that exists within TAFE NSW and reaffirms our position as one of Australia's leading dual-sector education and training providers.

In 2022–23, TAFE NSW continued to invest in digitally enabled training facilities. We embarked on our largest single investment in digital infrastructure in 15 years, rolling out 15,000 new devices, upgrading specialist classroom technology, and installing more than 200 Connected Learning Points to support virtual teaching and learning. We also delivered significant improvements to our physical infrastructure, investing $273 million in new teaching equipment, campus maintenance, and new facilities at Meadowbank, Batemans Bay, Byron Bay, and Jindabyne.

I am particularly proud that 2022 saw the launch of an important new teacher training program. During the year, Paid to Learn supported 64 industry professionals to transition into teaching careers, ensuring TAFE NSW has a steady pipeline of new teaching talent across electrical, carpentry and plumbing industry areas.

This year, TAFE NSW continued to evolve its operations, piloting a new educational model in collaboration with industry and the university sector. The Institutes of Applied Technology help address the rapidly emerging skills needs of the IT and construction sectors based on industry-identified training needs. Since February, learners have enrolled in more than 22,000 microskills or microcredentials through the new Institutes.

In the latter half of the year, we contributed to several important sectoral reviews. By elevating its voice through the Australian Universities Accord and the NSW Vocational Education and Training Review, TAFE NSW is contributing to a once-in-a-generation reform of the post-school education sector.

I want to acknowledge the outstanding efforts of TAFE NSW employees and the support of the TAFE NSW Board throughout the year. This year's achievements reflect what we can achieve by working together.

Stephen Brady
Managing Director, TAFE NSW

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OVERVIEW

Our charter

TAFE NSW is Australia's largest provider of skills training, with a focus on both vocational and higher education. We play a critical role in supporting the NSW Government's priorities by equipping learners with the skills they need to participate in their local communities and the economy.

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

Under this legislation, TAFE NSW performs several functions, including:

- providing education services that meet the skills needs of individuals and employers
- consulting with industry and the community to ensure services remain relevant
- providing people experiencing disadvantage with access to the training they need to participate in their local communities and the economy
- helping students progress to further education and training with TAFE NSW or other education and training providers.

Enrolments

TAFE NSW operates in 155 metropolitan, regional, and remote locations using a range of delivery modes, including face-to-face, virtual, self-paced online, and workplace-based training. Some courses use a blend of delivery modes. Learners can study at their own pace and can choose from full-time, part-time, or self-paced courses.

TAFE NSW caters to a range of learners, from students trying taster courses while still at school; to post-school learners seeking technical, trade, and specialist skills development; to people who want to update their skills or change careers.

In 2022, TAFE NSW was again Australia's largest education and training provider, with more than 397,000 enrolments. Our training spans around 260 occupations across 85 industry sectors, and includes short courses, pre-vocational programs, nationally accredited vocational training, higher education, school-based learning, microskills and microcredentials, and customised commercial training programs for employers seeking to upskill their workforce.

TAFE NSW enrolments at a glance

397K

total enrolments

93K

TAFE Digital (online) enrolments

16.9K

enrolments in school-based traineeships and apprenticeships, taster courses, and HSC programs

122K

short course enrolments

22K

microskills and microcredential enrolments

16.5K

apprenticeship enrolments

40K

domestic commercial enrolments

2.4K

higher education enrolments

3.2K

international enrolments

Sources: TAFE NSW, NSW Training Services, NSW Department of Education.

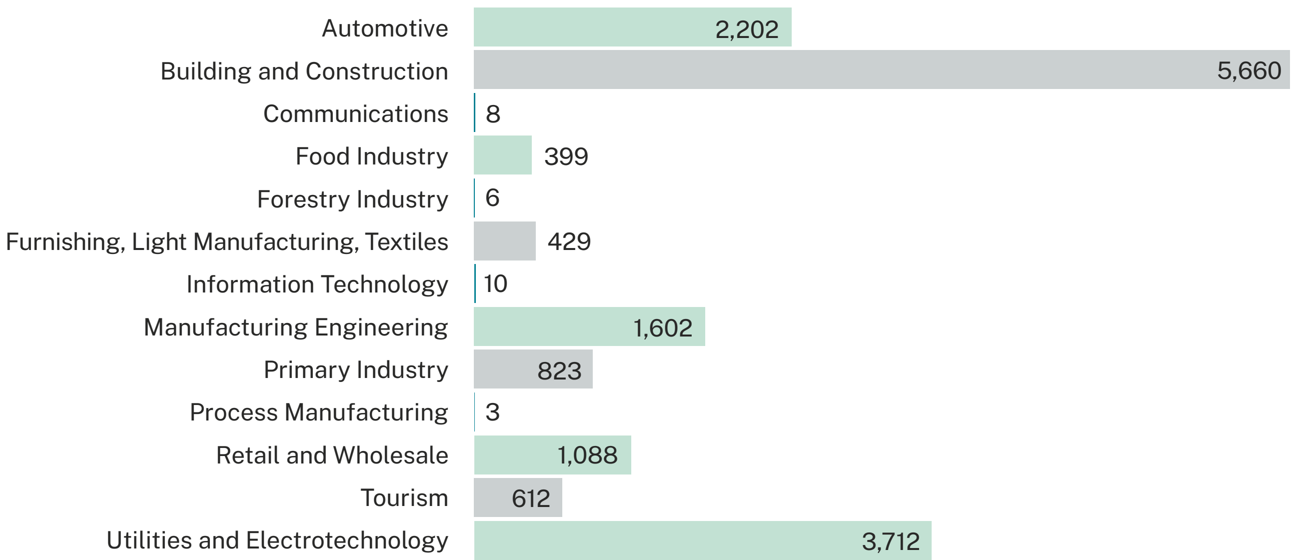
Apprenticeship commencements

TAFE NSW has long been the leading apprenticeship training provider in NSW, dominating apprenticeships in the electrical services, carpentry, plumbing, and light mechanical automotive sectors. In 2022, TAFE NSW had 16,500 apprenticeship approvals, accounting for 73 per cent of all apprentices in the state.

Meeting the strong demand for apprenticeship training remains a key priority for TAFE NSW. Throughout 2022–23, we stepped up our support for apprentices and their employers by:

- boosting teaching capacity in high-demand apprenticeship areas through the Paid to Learn teacher training program (see page 33 for further detail)
- investing in additional resources in the Apprenticeship and Traineeship team to help streamline critical enrolment and reporting processes that support learner progress
- strengthening school engagement to increase school-based apprenticeship and traineeship commencements
- improving tracking to better manage demand for apprenticeship and traineeship places in local communities.

2022 TAFE NSW apprenticeship commencements by industry:



Source: NSW Training Services.

Completions

Completions for TAFE NSW learners, across all courses, increased from 126,700 in 2021 to more than 131,000 in 2022. This included over 22,400 completions at Certificate IV and above.

Completions measure learners who have met all the requirements of a qualification, course, or skill set, including on-the-job obligations. Completions for qualifications and courses under the Australian Qualifications Framework are achieved when the learner becomes eligible for the award to be conferred.

Completion rates are affected by a range of factors, including the duration of the course, learners choosing to take more time to complete a course, delays in signing off workplace training, or a student's decision to transfer from one course to another.

Smart and Skilled

Smart and Skilled is a NSW Government program that helps people get in-demand skills training. It provides an entitlement to government-subsidised training up to Certificate III level, and government subsidies for higher-level qualifications in targeted priority areas.

The NSW Government pays training providers a fixed price for each qualification on the NSW Skills List. Fee-free training is available for apprenticeships and traineeships, and foundation skills qualifications. Fee-free training is also made available to Aboriginal and Torres Strait Islander learners, learners with disabilities, and other categories of learners experiencing disadvantage.

Fully subsidised training is also made available under the TAFE NSW–managed Targeted Priority Prevocational and Part Qualification program.

In 2022, over 68 per cent of TAFE NSW enrolments were under Smart and Skilled and TAFE NSW–managed Targeted Priority programs.

In September 2020, the JobTrainer program was introduced, funded under the Australian Government's JobTrainer initiative and the NSW Government's Skilling for Recovery initiative. Through this program, TAFE NSW offers training to school leavers, jobseekers, veterans, and other learners in the priority skill areas of aged care, digital skills, childcare, and disability support. As of June 2023, TAFE NSW had over 99,000 enrolments in JobTrainer courses.

VET Student Loans

Australian Government VET (Vocational Education and Training) Student Loans allow eligible learners to use an income-contingent loan to pay their tuition fees for diploma-level qualifications and above. Learners are only required to repay the loan when their income exceeds the minimum threshold.

In 2022, 2,100 unique TAFE NSW learners accessed a VET Student Loan. Of these, 1,550 students used the loan to pay the learner fee for a course subsidised by the NSW Government, and 550 used the loan to pay the fee for an unsubsidised course.

VET Student Loans predominantly supported learners in the following courses:

- Diploma of Nursing
- Diploma of Visual Arts
- Diploma of Community Services
- Diploma of Library and Information Services
- Diploma of Early Childhood Education and Care
- Diploma of Beauty Therapy
- Diploma of Graphic Design
- Diploma of Ceramics
- Diploma of Project Management
- Diploma of Practice Management.

COMMERCIAL COOKERY – PATISSERIE | RYDE

International learners

As a leading provider of skills training, TAFE NSW attracts students from across the globe. The international education sector is subject to significant external influences, including changes in the Australian Government's policies regarding visas and skilled migration. In 2022, TAFE NSW had 3,219 international enrolments, with:

- 1,202 in higher education qualifications
- 1,728 in VET qualifications
- 289 in English Language Intensive Courses for Overseas Students (ELICOS).

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

STRATEGY

Strategic Plan

In July 2022, TAFE NSW launched a new customer-focused strategic plan. It was developed in consultation with hundreds of stakeholders including industry, learners, employees, local communities, government agencies, and the TAFE NSW Commission Advisory Board.

The plan builds on the last five years, and ensures training and support services, curriculum, learning spaces, technology, and our employees work together to deliver educational experiences that lead to student success and good job outcomes.

The plan reflects the evolving environment in which TAFE NSW operates, acknowledging the economic and labour market conditions, technological and digital innovation, as well as changing industry, learner, and community expectations that continually shape our service delivery.

Progress against the plan is evaluated quarterly, ensuring a robust approach to resource allocation and project delivery. It is a dynamic document, built around an annual review cycle to ensure it remains fit for purpose and aligns with the NSW Government's current and emerging priorities for TAFE NSW.

Our vision

To be the leading provider of lifelong learning, meeting the evolving needs of industry and learners in communities across NSW.

Our goals and enablers

TAFE NSW will help grow the NSW economy by delivering future-focused, responsible and flexible skills education. We will achieve this by:

- **Accelerating skills in priority areas.** This goal focuses on ensuring learners develop the right mix of skills needed to achieve educational and job outcomes, aligned to evolving economic and community needs.
- **Ensuring educational quality.** This goal focuses on ensuring our teaching and learning practices continually evolve ensuring we deliver quality training that is responsive to the needs of learners and the community.
- **Delivering exceptional learner experiences.** This goal focuses on offering engaging and flexible learning experiences at every stage of the lifelong learner journey.
- **Partnering to drive agile, innovative solutions.** This goal focuses on delivering agile, industry-leading training in collaboration with government, industry, and communities to meet the needs of a changing world.
- **Cultivating an empowered, adaptive workforce.** This enabling goal focuses on empowering our people and building a great workplace.
- **Adopting digital technologies for service enhancements.** This enabling goal acknowledges that transforming our digital footprint is the key to unlocking engaging, flexible, and industry-responsive learning experiences.

OPERATIONS AND PERFORMANCE

Improving learners' enrolment experience

TAFE NSW is committed to ensuring people have access to the training they need to fully participate in their local communities and the economy. Choosing a vocational or higher education provider is a major decision for learners and their families, and a positive enrolment experience sets up students for a successful learning journey.

Over the past 12 months, we received more than 274,000 course enquiries via the TAFE NSW website. While most learners choose an online enrolment option, TAFE NSW also provides phone and live chat support, together with in-person enrolment assistance at every campus. TAFE NSW also has dedicated customer support teams at more than 100 locations across the state, helping individuals to access enrolment and specialist support services.

As part of an ongoing focus to improve the enrolment experience, this year TAFE NSW enhanced its website, to make it easier for prospective learners to find relevant information about their study options. Improvements included better-quality course information, enhanced website navigation and search functionality, and a new fee-free eligibility calculator. Across Semester 2, 2022 and Semester 1, 2023, 77.4 per cent of people rated their website experience as either good or excellent.

In 2023, we piloted a new web-based Self-Assessment Tool to improve the enrolment experience for Diploma of Nursing applicants. This allows prospective students to check their enrolment eligibility before completing a course application. This year, more than 15,000 people used the tool, and more than 8,000 ineligible applicants were referred to alternative pathway training options.

We also improved our enrolment processes for fee-free eligible learners. This has reduced the need for learners to contact customer service or attend a campus to supply mandatory documentation. These enhancements have reduced call wait times during peak enrolment periods by up to 84 per cent.

Renewed focus on educational quality

TAFE NSW is committed to ensuring its teaching, learning, and assessment practices meet the diverse needs of both industry and learners. This year, TAFE NSW made significant progress with the development of an Educational Quality Framework, which looks to define quality in TAFE NSW practices. This is an important step towards self-assurance, and takes an evidence-based approach to embedding good practice principles in:

- curriculum and assessment design
- industry, employer, and community engagement
- learner support
- teacher currency and capability.

The Framework is underpinned by continuous improvement through the self-assurance model that curates a range of performance and feedback data to systematically monitor, evaluate, and improve training outcomes. Led by the Product and Quality Group, and working closely with teaching teams, TAFE NSW is taking a phased approach to continuous improvement, starting with 10 high-enrolment courses across health, wellbeing and care, business and IT, hospitality, and traditional trades.

This year, we reviewed several student-facing policies and procedures with the aim of making TAFE NSW a safer place to study. In June, we introduced a new Customer Complaints Process, to provide a consistent, state-wide approach to handling student concerns. We also began work to refine our Sexual Assault and Consent Policy, resulting in the introduction of consent modules in student orientation materials.

Supporting disadvantaged learners

TAFE NSW continues to help people experiencing disadvantage to successfully engage in education, training, and employment. In 2022, TAFE NSW supported more people experiencing disadvantage than any other training provider.

TAFE NSW receives Community Service Obligation (CSO) funding to provide a range of services to learners facing barriers to education and employment, including:

- counselling and career development services
- accessibility and disability support
- on-campus and online library resources
- access to culturally safe learning spaces
- language, literacy, numeracy, and digital literacy support.

In October, TAFE NSW finalised the transformation of its student support model, expanding referral pathways and services using a combination of face-to-face, phone-based, and online assistance. These changes provide students, no matter where they live or study, with equitable access to counselling, disability assistance, and learner support services. Under the new state-wide model, TAFE NSW has:

- responded to 372 crisis calls from students and employees seeking critical incident support
- assisted 19,205 students with counselling and career services
- provided 33,945 students experiencing neurological disorders, physical and medical conditions, and hearing and vision impairments with access to a teacher consultant to assist with reasonable adjustments or study support
- delivered a range of general study supports, including providing 34,650 learners with resources that provide answers to frequently asked questions, and running 4,510 'Ask A Librarian' live chat sessions
- published 179 specialist study guides, which have been viewed 745,040 times.

Enrolment of learners facing disadvantage

38K+

Aboriginal and Torres Strait Islander learners

86K+

unemployed learners

43K+

learners with disability

92K+

learners from a non-English language background

125K+

regional and remote learners


MUSIC AND PERFORMANCE | ULTIMO

Accessibility and disability support

In 2022, 43,000 learners with disability enrolled in TAFE NSW.

People with disability have the same human rights as other members of the community. TAFE NSW is committed to supporting these rights by providing programs and services that work towards closing the prosperity, education, and employment gaps often experienced by people with disability.

The TAFE NSW *Disability Inclusion Action Plan 2020–2022* focuses on creating an inclusive learning and work environment for all learners and employees with an emphasis on policy and planning, accessible physical and digital environments, training and employment, and best practices for inclusion and accessibility. This year, we:

- developed a suite of training resources to foster inclusive teaching practices, including guidelines for cultural safety, learner diversity, and multicultural inclusivity
- introduced inclusive design standards for training and assessment materials to ensure all our courses consider the diverse nature of our learner cohorts and their ability to access information
- invested in Vision Australia's accessibility training for employees who develop educational products or marketing materials, ensuring resources are accessible for people with visual impairment
- completed a multiyear program to replace 60 lifts across 29 campuses, improving classrooms and building accessibility for learners and employees with a mobility-related disability.

Culturally inclusive learning

TAFE NSW is committed to improving the educational and employment outcomes of Aboriginal and Torres Strait Islander learners by addressing national Closing the Gap targets. In 2022, 38,000 Aboriginal learners enrolled in TAFE NSW courses, up 5.5 per cent year on year.

TAFE NSW recognises the impact of identity, language, and culture on the lives of Aboriginal and Torres Strait Islander peoples. Learners can access purpose-built Aboriginal Learning Spaces, Yarning Circles, or Culturally Safe Spaces at more than 60 TAFE NSW locations. This year, we started design work and construction for six additional cultural learning spaces in Boggabilla, Wagga Wagga, Sydney, Orange, Young, and Gilgandra.

The TAFE NSW Aboriginal Education and Engagement teams have raised the profile of TAFE NSW as a training provider of choice for Aboriginal learners through ongoing community outreach to local Aboriginal communities and employers. The team has paved the way for Aboriginal learners to feel culturally safe at TAFE NSW by:

- delivering community events at every TAFE NSW campus as part of National Reconciliation Week and NAIDOC Week
- developing customised training programs to meet specific local community needs. This includes the Cultural Floristry program delivered at TAFE NSW Shellharbour, which provides a culturally specific pathway to a career in floristry or horticulture

YARNING CIRCLE | EORA

- assisting more Aboriginal learners to gain employment with the NSW Police Force and Australian Federal Police as a result of the Indigenous Police Recruitment Our Way Delivery program. Since the program started in 2008, more than 1,000 participants have secured a career in Policing, other Justice and Emergency Services or further education
- collaborating with industry and local employers to create direct career pathways for Aboriginal learners and increase the number of skilled and credentialled Aboriginal people in sectors such as law, dentistry, and construction
- bringing together local Elders, members of the Aboriginal and multicultural communities, artists, learners, and staff to design murals for TAFE NSW campuses that reflect the stories, languages, visions, and aspirations of the collective heritages of the local area.

TAFE NSW works with Aboriginal communities and advisory groups to understand their diverse learning needs. As a result, it offers Aboriginal and Torres Strait Islander learners a range of targeted courses and educational pathways. Programs cover primary health care practice, cultural arts, early childhood education and care, and nursing.

This year, TAFE NSW also launched the Acknowledgement of Country Microskill to meet growing demand for a deeper understanding of Aboriginal cultural protocols. The course explains the origins, meaning and protocols around Acknowledgement of Country and Welcome to Country. Through this course, learners gain the understanding to conduct an engaging, contextualised Acknowledgement of Country.

First Nations dental program delivers benefits to communities

In April 2023, TAFE NSW launched a First Nations Dental Pathway Program to increase the number of Aboriginal and Torres Strait Islander people working in the dental industry.

The collaboration between TAFE NSW and the University of Sydney, with funding from NSW Health, is providing supported training pathways for up to 72 participants over three years.

It will see Aboriginal people employed as dental assistants or new entrant trainees in Local Health Districts and Aboriginal Medical Services while they complete a Certificate III in Dental Assisting.

Head Teacher of Dental Studies Suzie Woods says the partnership demonstrates the power of the vocational and university sectors taking an integrated approach to training.

‘Students have access a supported study pathway. This helps overcome barriers that have previously prevented Aboriginal people from fully participating in these critical workforces.’

Kamilaroi woman Kiara-Lee Kovacs says the program has made her want to go further in life, to help her community and achieve her dream career.

‘The support of my teachers and my family has been invaluable,’ Kiara-Lee said. ‘I am gaining the hands-on skills I need to succeed in this industry.’

ABORIGINAL CULTURAL ARTS | EORA

Supporting the aspirations of Aboriginal communities

In 2023, TAFE NSW piloted a program for learners in remote communities who had disengaged from education or who not have the opportunity to engage in skills training because of geographical isolation.

The Remote Learner Support Program was piloted in six remote communities, including those with a high proportion of Aboriginal and vulnerable populations in far western NSW. Delivered in a culturally supportive learning environment that involved community members, the pilots offered a mix of foundational and vocational skills to help build learner confidence in further education or employment opportunities.

The pilots provide TAFE NSW with rich insights and a highly adaptable and replicable model for other remote and disadvantaged communities.

Career Pathways Teacher Cameron Johnson delivered the first TAFE NSW Remote Learner Support Pilot in Condobolin. His key objective was to create genuine connections with his students.

'My class was made up of 13 Aboriginal people,' Cameron said. 'We spent the first two days building trust. Once I had that, the environment shifted to one of warmth and safety, and discussions began to flow freely.

'We built garden beds, cooked meals and created artworks, all very practical things that we could do while talking. I got to understand their background, their aspirations, and what they needed in terms of education and learning resources to reach their goals.

'To see my students achieve traineeships, start their own businesses, or enrol in further study with TAFE NSW was really rewarding and proved to me this program is what isolated communities need.'

CONNECTED LEARNING POINT | TAMWORTH

Regional and remote learners

TAFE NSW continues to expand regional and remote access to education and training through investments in digitally enabled facilities, blended learning options such as virtual delivery, and block release opportunities that support students to complete the practical components of their studies over a continuous number of days at larger regional or metropolitan campuses. In 2022, more than 125,000 enrolments by learners living in regional or remote areas enrolled in TAFE NSW courses, up 6 per cent year on year.

During the year, TAFE NSW invested $22.5 million to establish three new Connected Learning Centres in the regional communities of Byron Bay, Jindabyne, and Batemans Bay. This is the first time TAFE NSW has had a permanent training presence in the Byron Bay and Jindabyne communities.

Twenty Connected Learning Centres were operational across NSW in 2022–23. They provide regional and remote students with increased access to in-demand skills, teachers, and support services. Connected Learning Centres play an important role in delivering training aligned to local skills priorities such as the growing health, tourism, hospitality, and care sectors.

During the year, TAFE NSW invested $18.3 million to build 203 Connected Learning Points at 101 TAFE NSW locations. Equipped with high-tech cameras and accessibility software, Connected Learning Points supports the delivery of virtual learning by connecting teachers and students across the state. Connected Learning Points give learners in regional and remote locations access to specialised training that could benefit their local communities and provide pathways to further qualifications.

Using technology to break down geographical barriers

Our network of Connected Leaning Points reaches far beyond geographical boundaries, opening up new learning and career opportunities. Allison Poole helped establish the state's first specialist Auslan Learning Point in the Far West.

'The Learning Point expands access training for people living outside of metropolitan Sydney, bringing an even broader range of study options to people in regional and remote communities,' Allison said.

'The Learning Point is helping TAFE NSW meet the growing demand for Auslan sign language skills. This need isn't just about having people with sign language skills for crisis and public safety information. It extends to navigating everyday life for the Deaf community.'

'For those students who enrolled, the result was a real win. It's also a breakthrough for the Deaf community, those considering an interpreting career, and Auslan teachers, as the Learning Point makes this training more accessible than ever.'

ENGLISH LITERACY | ULTIMO

Multicultural learners

TAFE NSW is committed to improving the training and employment outcomes of learners from multicultural backgrounds. More than 30 per cent of all TAFE NSW learners were born overseas, and over 23 per cent of learners speak a language other than English at home.

TAFE NSW offers foundation skills at all levels, from entry-level to advanced foundation and further study skills, with integrated support options to enable learners to pursue their desired personal and career aspirations.

Over the reporting period, TAFE NSW provided training to 18,041 migrants through the Australian Government–funded Adult Migrant English Program. The program provides free English lessons and childcare to migrants and refugees, with a focus on speaking, listening, reading, and writing skills for everyday living, work, and study.

In 2022, the Career Pathways team at TAFE NSW Newcastle collaborated with Mosaic Multicultural Connections to build a skill set course that offers a mix of employability and vocational skills for refugees who have recently arrived in Australia. The Introduction to Cleaning Operations course combines commercial cleaning units, with communication skills, and work health and safety units. Two refugees from Afghanistan graduated with the skills to launch their own cleaning business, providing employment for six people.

Honouring students, teachers and employees

TAFE NSW has a proud history of excellence. Our learners, teachers, and employees are recognised for their achievements on the national and world stage. During the year, TAFE NSW and our learners won 28 awards, affirming our reputation as a leading education and training provider.

Table 1: Student awards

Award	Winner
2023 AWEX/TAFE NSW National Graduate Wool Classer	Austin Grace
2023 Floristry first place at Royal Easter Show	Emerlinda Kruk
2023 NSW Golf Course Superintendents Association Vince Church Graduate Encouragement Award	Austyn Layton
2023 Sports Turf Association NSW Graduate of the Year	James Ophir
2023 Australian Glass & Window Association (AGWA) New South Wales Apprentice of the Year	Nathaniel Leatherby
2023 Mini Woolies Competition – Most improvement in a student or group of students	TAFE NSW Supply Chain and eCommerce Skills Team
2023 Boating Industry Association – Apprentice of the Year	Beau Deathridge
2023 Wine & Spirit Education Trust Napa Valley Asia Pacific Scholarship	Marc Bloom
2023 Novaskill Excellence Award – Apprentice of the Year	Cooper Ivey
2022 NSW Training Awards – Women in Trades	Lucinda Shilcock
2022 NSW Training Awards – Encouragement Award	Jonathon O’Connor
2022 Australian Institute Horticulture Student of the Year	Nathan Watson
2022 Brett Graham Culinary Scholarship	Ashleigh Handsaker
2022 National Motorcycle Apprentice of the Year	Steven Hanson
2022 NSW Excellence in Surveying and Spatial Information – Grant Kilpatrick Student of the year	Benjamin Parkinson
2022 NSW/ACT Group Training – Apprentice of the Year	Taylor Vandijk
2022 Windmill Trust Scholarship for Regional NSW Artists	Juanita McLauchlan
2022 William Galvin Memorial Scholarship	Jonathon O'Connor

Table 2: Industry excellence awards

Award	Winner
2023 Boating Industry Association Apprentice of the Year	Beau Deathridge
2023 Australian Culinary Federation Restaurant Challenge – Gold Medal	Le Cordon Bleu Academy
2023 New South Wales Metro Nestle Golden Chef's Hat	Ethan Annesley
2022 LinkedIn Talent Award – Learning	TAFE NSW
2022 Avid Award – Best Mix of Music or Composition	Mckenzi Scott
2022 Brett Graham Culinary Scholarship	Ashleigh Handsaker
2022 Ivan Kingham Award	Billy Steer

Table 3: Teaching and professional awards

Award	Winner
2023 Dennis Teasdale Perpetual Trophy	Kerri Capill
2022 TAFE Directors of Australia – Bronze TAFE Services or Support Leader Award	Zac Ekandi

Partnering with industry and communities to meet emerging skill needs

During the reporting period, TAFE NSW undertook work to better align our course planning with the changing skills needs of industry and local communities. The Training Portfolio Strategy is a three-year plan built around the government's skills priorities, and informed by stakeholder intelligence, emerging skills needs, regional workforce requirements, changing population demographics and jobs forecasts.

The plan helps shape medium and long-term training priorities, and is a critical tool for prioritising the development of new training and assessment materials, and making decisions about investments in digital and physical infrastructure, and workforce planning.

Keeping pace with national training packages

TAFE NSW remains focused on offering qualifications that improve educational and job outcomes for graduates. Vocational training courses are generally, but not exclusively, based on national training packages.

Throughout the year, TAFE NSW continued to respond to the large volume of transitioning national training packages. The breadth of TAFE NSW's scope saw 178 courses superseded, requiring updates to 1,545 units of competency, and the development of 12,360 individual training and assessment artefacts. Additionally, TAFE NSW provided individual transition plans to support 68,000 students whose studies were affected by transitioning courses.

CYBER SECURITY | INSTITUTE OF APPLIED TECHNOLOGY – DIGITAL MEADOWBANK

Responsive training

This year, we made progress in balancing TAFE NSW's portfolio of nationally accredited courses with a suite of non-accredited training programs that can be developed quickly to meet rapidly emerging skills needs.

In 2021, following the release of the landmark report, *In the same sentence: Bringing higher and vocational education together*, the NSW Government announced plans to pilot a new educational model. The Institutes of Applied Technology bring together vocational education, universities, and industry to fast-track training solutions for sectors that are in a constant state of skills transformation.

The intent of the Institutes is to address rapidly emerging skills needs by co-designing and co-delivering microskills and microcredential programs based on industry-identified skills needs. Microskills are short, self-directed, online courses aimed at developing a specific skill. Microcredentials include assessed learning and provide certification in an industry-specific skill. Across the year, there were 22,000 enrolments in microskills or microcredential programs via the Institutes.

During the year, TAFE NSW piloted two Institutes with a focus on the digital technology and construction sectors:

- The Institute of Applied Technology – Digital is located at Meadowbank. It brings together TAFE NSW with Microsoft, University of Technology Sydney, and Macquarie University, as well as SAS, Salesforce, and SAP. This institute has a focus on courses in cloud computing, cybersecurity, data, artificial intelligence and software. The facility became operational in January.
- The Institute of Applied Technology – Construction is located at Kingswood. It brings together TAFE NSW, CPB Contractors, and Western Sydney University with a focus on courses on project management in construction, digital in construction, and contract administration. The facility is expected to open in late 2023 and began offering online programs in June 2023.

In 2022–23, TAFE NSW delivered 60 microskills programs that offer short, sharp industry-driven training across a range of sectors. This approach is positioning TAFE NSW to become more future-focused in responding to industry skills needs.

HAIRDRESSING AND BARBERING | MOBILE TRAINING UNIT

Industry engagement

TAFE NSW continues to strengthen its connection with industry to ensure our learners can move seamlessly between training and the workplace.

TAFE NSW has an Industry Innovation Team that acts as a dedicated engagement point for consulting with industry to ensure our education and training services are relevant to industry and employers.

During the year, TAFE NSW launched an Industry Engagement Plan that sets out our approach to state-wide industry engagement. TAFE NSW designs courses in consultation with industry to ensure they are current, relevant, and respond to emerging trends and technological developments. During the year, we convened 75 Industry Collaboration Reference Groups to obtain advice on workforce development needs and training priorities, and to seek feedback on the development of training and assessment materials. The reference groups span Construction and Energy, Digital and Business Skills, Health, Wellbeing and Care, Creative Services, Agribusiness, Transport and Manufacturing, and Foundational Skills and Languages.

Developing innovative training solutions through industry engagement

In 2022, TAFE NSW partnered with Hair and Beauty Australia, Keune, Airyday, and the Australian Melanoma Research Foundation to co-design a new microskill program.

The ‘Spot a Spot’ microskill aims to teach hair and beauty professionals to recognise suspicious spots. It also prepares them to start a conversation with clients about early awareness of skin cancer.

TAFE NSW Hairdressing and Barbering Head Teacher Vanessa Grant said ‘Spot a Spot’ is the first course to focus on hairdressers, barbers, and beauty therapists working in a salon environment.

‘The course showcases real-life case studies of hairdressers and beauty therapists with their clients, and the process they went through to raise concerns about skin changes that turned out to be skin cancer,’ said Ms Grant.

‘It’s a powerful tool for the hair and beauty industry, and arms TAFE NSW apprentices with real-world skills to confidently communicate concerns with their clients.’

Throughout the year, TAFE NSW Skills Exchange delivered onsite upskilling and training to over 3,400 construction workers, ranging from apprentices through to mature-aged workers. Training was delivered onsite at over 17 major construction projects, such as:

- Western Sydney Airport
- Powerhouse Museum Parramatta
- One Sydney Harbour tower
- John Hunter Hospital, Newcastle
- Martin Place, Central and Waterloo train stations
- Liverpool Health and Academic Precinct Hospital.

Skills Exchange is the training delivery method TAFE NSW created to support the onsite training needs of the construction industry. This delivery model was established in 2012 to provide specific and relevant short courses for training new entrants to the industry and upskilling existing workers.

In the construction industry, the focus is on completing projects on time, within budget and in compliance with required standards. TAFE Skills Exchange supports these goals by ensuring the project workforce is adequately skilled to complete the job, in many cases without participants having to leave the worksite.

We also made changes to training delivery based on specific industry needs and demand. Through industry feedback, TAFE NSW recognised commercial electrical apprentices needed more exposure to the residential electrical skills that are required to satisfy licensing conditions and gain their qualifications.

Investing in facilities to support industry and communities

TAFE NSW recognises that improving educational and employment outcomes rests in part on our ability to evolve the way we provide our services. This means adapting our digital and physical infrastructure, building flexibility into our assets, and adopting technologies that will improve access to education and training.

TAFE NSW has aligned its five-year Digital Roadmap with the digital priorities of the NSW Government. This roadmap focuses on improving our digital infrastructure and ensuring our learners and employees have access to the latest and most secure digital services, expanding our services to communities across NSW. TAFE NSW will continue to use relevant and engaging educational technologies to ensure learners have the core digital skills and abilities they need for their careers.

During the year, we started work on developing a Campus Master Plan. When complete, the plan will provide a detailed roadmap that guides investment priorities to modernise our infrastructure and meet changing market demands. The plan takes a local, regional, and state perspective, and will define how our campuses operate as a network to meet the needs of industry and communities, while minimising duplication of specialist infrastructure.

In 2022–23, we continued to invest in our physical and digital infrastructure network with:

- two new Connected Learning Centres completed in the regional communities of Batemans Bay and Byron Bay, and significant progress on a third in Jindabyne
- a new multi-trades workshop in the regional community of Scone
- a new multi-trades hub at Meadowbank
- $115 million directed towards maintenance at 116 campuses, including new carpets, improved heating and cooling systems, paintwork, and roofing repairs
- $9 million invested in new specialist teaching equipment at 68 campuses, including demonstration electric vehicles, mechanical hoists, manufacturing and machining equipment, and updated beauty beds and salon chairs
- $29.5 million for our largest single investment in digital infrastructure in 15 years: rolling out 15,000 new devices, upgrading specialist classroom technology, and installing 203 Connected Learning Points to support virtual teaching and learning
- the completion of a two-year investment to deliver 16 Covered Outdoor Learning Areas, providing all-weather learning spaces for carpentry students to build full-sized buildings.

MANAGEMENT AND ACCOUNTABILITY

Leadership and governance

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

TAFE Commission Board

The TAFE Commission Board (TAFE NSW Board) is an advisory board established under the TAFE Act. The Minister appoints members of the TAFE NSW Board under section 11 of the TAFE Act.

The functions of the TAFE NSW Board are set out in section 12 of the TAFE Act. They include reviewing and making 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 technical and further education services provided by TAFE NSW
- the relationship between TAFE NSW and other education sectors, including schools, higher education, and adult and community education.

Table 4: TAFE NSW Board members, 1 July 2022 to 30 June 2023

Board member	Term of appointment	Positions held	Qualifications
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	Master of Social Policy, University of NSW Pharmacology postgraduate studies, University of Sydney Bachelor of Social Studies (Honours), University of Sydney Global Health Leadership Graduate, University of California, Berkeley Graduate, Australian Institute of Company Directors
Stephen Brady (ex officio member of the Board)	13 December 2021	Managing Director, TAFE NSW	Bachelor of Laws (Honours), University of Queensland Bachelor of Commerce (Honours), University of Queensland IMD Breakthrough Program for Senior Executives
Georgina Harrisson	28 June 2021 to 14 April 2023	Secretary, Department of Education	Bachelor of Science Biological Sciences, University of Birmingham, UK Creating Collaborative Solutions, Harvard Executive Education Leaders Across Borders program, UK, Canada and Australia public service commissions Civil Service Fast Stream, UK Civil Service College

Board member	Term of appointment	Positions held	Qualifications
Hilary Jessie Borthwick	14 October 2019 to 29 August 2023	Mr Davies & HJ Borthwick Partners	Bachelor of Arts (Asian Studies), Australian National University Diploma of Arts and Design, Prahran CAE
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 for Complex Trauma IPROWD Training Program, Redfern Local Area Command, NSW Police and TAFE NSW Workforce Essentials, Charles Sturt University Preparation Program (Science), University of NSW
Alison Mirams	1 June 2021 to 31 May 2025	Director, Roberts Co. Management Services Director, Roberts Co. (Australia) and subsidiary companies Division Councillor, PRA (NSW) Director, UNSW Foundation Chair Advisory Board, Faculty of Arts, Design & Architecture, University of NSW Advisory Board member, AeroPM	Bachelor of Building (Construction Economics), University of Technology Sydney Graduate Diploma in Urban Estate Management, University of Technology Sydney Graduate, Australian Institute of Company Directors Engineering Executive, Engineers Australia, COMPIEAUST Engineering Executive, Engineers Australia, ENGEXEC
Katrina Troughton (Deputy Chair from 1 November 2022)	1 April 2021 to 31 March 2025	Managing Director, Adobe ANZ	Bachelor of Science/Bachelor of Commerce Physiology, Pharmacology and Economics, Auckland University, New Zealand Diploma in Health Economics, University of Tromsø, Norway Diploma in Direct Marketing, NZ Marketing Association Graduate, Australian Institute of Company Directors

Board member	Term of appointment	Positions held	Qualifications
Dr Geoffrey Newcombe	19 July 2021 to 8 July 2025	Non-government Schools Not-For-Profit Advisory Committee Non-Government Schools Superannuation Fund Dymocks Children's Charities Department of Education (Western Australia) Australian Council for Educational Research	Company Directors Course, Australian Institute of Company Directors PhD in Financial Management in Education, and Master of Education Administration, University of NSW Bachelor of Science, University of NSW Diploma of Education, University of NSW Professional upgrade program: Accrual Accounting/Business Information Systems, Mitchell College of Advanced Education, Bathurst
Adam Liaw	19 July 2021 to 18 July 2025	Australia–Japan Foundation (Board Member) Museum of Chinese in Australia (Board Member)	Bachelor of Laws (Honours), The University of Adelaide Bachelor of Science (Jurisprudence), The University of Adelaide Graduate Diploma in Legal Practice, Law Society of South Australia

Meeting attendance

Table 5: TAFE NSW Board members' attendance from 1 July 2022 to 30 June 2023

Board member	Eligible to attend	Attended
Danny O'Connor (Chair)	4	4
Jessie Borthwick	4	4
Isaiah Dawe	4	4
Stephen Brady (MD)	4	4
Alison Mirams	4	4
Katrina Troughton (Deputy Chair)	4	4
Georgina Harrisson	3	1
Geoffrey Newcombe	4	4
Adam Liaw	4	3

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

Senior executive positions and qualifications

The following senior executives reported directly to the Managing Director between 1 July 2022 and 30 June 2023.

Table 6: Senior executive positions and qualifications

Senior executive	Position title	Qualifications and professional development
Stephen Brady	Managing Director	Bachelor of Law (with Honours) Bachelor of Commerce (with Honours)
Margot McNeill	Chief Product and Quality Officer	PhD in Assessment with Technologies Master of Arts (English Literature) Master of Education (Online learning) Bachelor of Arts
Julie Tickle	Chief People Officer	Master of Education, Adult Education and Training Bachelor of Arts (Psychology and English) Graduate Diploma in Leadership Certificate IV Training and Assessment
Fiona Rankin	Chief Information Officer (from 8 August 2022)	Master of Business in Information Technology Management Bachelor of Economics Graduate Diploma in Financial Management
Patrick Woods	Chief Operating Officer (from 12 September 2022)	Doctor (Honoris Causa) Master of Business Administration Bachelor of Science
Janet Schorer	Chief Delivery Officer (from 24 October 2022)	Executive Master of Public Administration Graduate Diploma, Child and Adolescent Psychology Bachelor of Arts (Psychology) Diploma of Applied Science (Nursing)
Vik Naidoo	Chief Strategy and Commercial Officer (to 30 June 2023)	Doctor of Philosophy Master of Commerce (with Honours) Bachelor of Commerce Certificate IV in Training and Assessment
Gabrielle Crittenden	Director Media and Communications	Bachelor of Arts Graduate Diploma of Human Resource Management
Lauren Conceicao	Executive Director Strategic Planning & Policy (from 5 June 2023)	Masters of Business Administration Certificate IV in Training and Assessment
Michael Alacqua	Chief Transformation Officer (to 29 July 2022)	Master of Business Administration Bachelor of Science (Information Technology)
Ben Turner	Chief of Staff (to 28 August 2022)	Bachelor of Business (Distinction) Bachelor of Laws
David Backley	Chief Information Officer (to 16 September 2022)	Master of Professional Practice (Information Technology)

Senior executive	Position title	Qualifications and professional development
Daniel Bowes	A/Chief Corporate Services Officer (to 5 October 2022)	Bachelor of Politics, Philosophy and Economics (with Honours)
Belinda Mackinnon	A/Chief Delivery Officer (to 11 November 2022)	Graduate Diploma of Adult Education Diploma of Training and Assessment Diploma of Teaching
Elise Comans	Director Strategic Projects (to 30 May 2023)	Bachelor of Taxation Law

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 TAFE Act, the Minister for Skills, TAFE and Tertiary Education.

The Managing Director shapes, leads and drives the TAFE NSW's strategic direction to fulfil the government's strategic objectives, including implementing its policies and setting its strategic agenda for vocational education and training in NSW.

The Managing Director leads the TAFE NSW Executive Leadership Team and manages diverse interests and priorities across the organisation. The Managing Director is a member of the TAFE NSW Commission 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 as at 30 June 2023.

Chief Delivery Officer

The Chief Delivery Officer oversees the delivery of all TAFE NSW education and training and learner-related services. They are responsible for ensuring the Student Experience Group achieves its operational, financial and commercial objectives. They also drive transformational change to position TAFE NSW as a market leader in meeting the current and future needs of learners, industry, the community, government and other key stakeholders.

Chief Product and Quality Officer

The Chief Product and Quality Officer is responsible for leading two of TAFE NSW's strategic goals—'accelerating skills in priority areas' and 'enhancing educational quality'—to meet the evolving needs of industry, learners and communities across NSW. This includes ensuring that TAFE NSW has an education and training product mix that supports innovation and the achievement of its social and community service objectives; enables participation and quality learning outcomes for learners from diverse demographic groups; and enables TAFE NSW to fulfil its regulatory requirements as a dual-sector public provider.

Chief Information Officer

The Chief Information Officer provides executive leadership and strategic direction for the Systems Group. This includes ensuring appropriate governance and management of the Information and Communications Technology function and the digital ecosystem for TAFE NSW.

Chief People Officer

The Chief People Officer provides executive leadership and strategic direction for TAFE NSW's People and Culture function. People and Culture supports 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, safety and wellbeing; workplace relations; payroll and benefits; organisation design; and diversity and inclusion.

Chief Operating Officer

The Chief Operating Officer is directly responsible for providing executive leadership and strategic direction for the Shared Services Group. This group supports TAFE NSW's vision and objectives by providing high-quality and cost-effective services and advice across a portfolio of functions. These functions include finance, procurement, infrastructure (including facilities), governance, legal and risk management, continuous improvement, business enablement, brand experiences, and planning and development.

Chief Strategy and Commercial Officer

The Chief Strategy and Commercial Officer is responsible for TAFE NSW's strategic policy and planning functions. They also lead TAFE NSW's strategic commercial operations, including corporate marketing, major accounts and industry partnerships. This position was revised and replaced by the Executive Director Strategic Planning and Policy.

Executive Director Strategic Planning and Policy

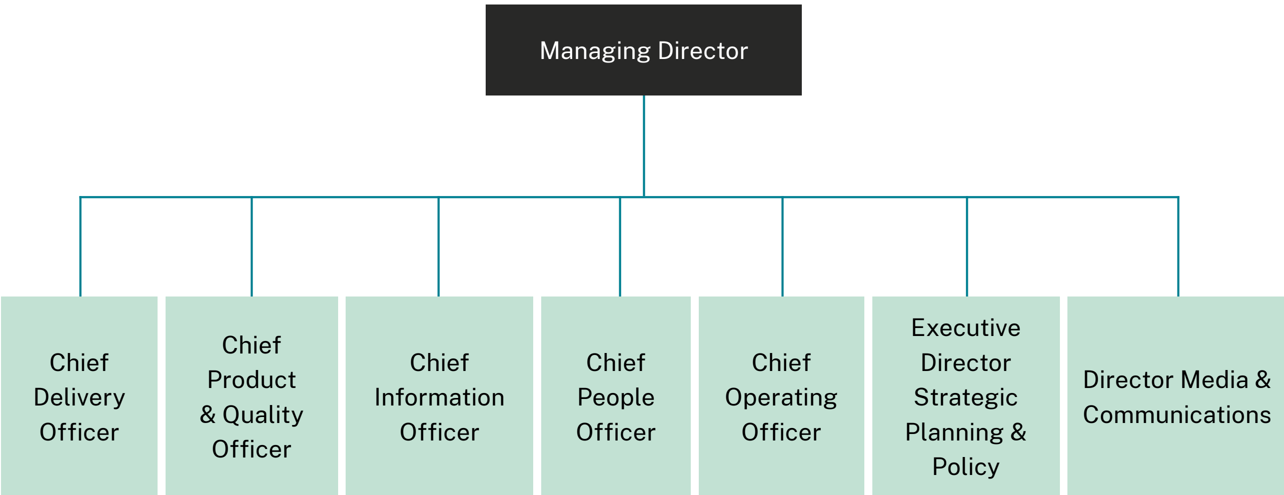
The Executive Director Strategic Planning and Policy directs and manages functions providing high-level expertise, policy, research and strategy advice at state and national levels; executive and ministerial liaison services; and the implementation of major projects requiring integration across portfolios to deliver on TAFE NSW and government priorities.

Director Media and Communications

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

Organisational chart

The following senior executive positions currently report to the Managing Director:



TAFE NSW (Senior Executives) Staff Agency comment

The TAFE 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 began employing senior executives through the Staff Agency, which is listed as a Separate Agency in Part 3, Schedule 1 of the *Government Sector Employment Act 2013* (NSW) (GSE Act). 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).

TAFE NSW employed the following senior executives in 2021–22 and 2022–23. As stated, in 2020–21 TAFE NSW began employing senior executives under section 39 of the GSE Act.

The increase in PSSE numbers reflected in tables 8a and 8b is the result of senior personnel engaged under the TAFE Act being transitioned to PSSE roles engaged under the GSE Act. Therefore there was a corresponding decline in the number of senior personnel employed under the TAFE Act.

Table 7a: The Managing Director and senior executives directly reporting to the Managing Director as at 30 June 2023

Band	Female	Male	Total
Band 4 or equivalent	–	–	–
Band 3 or equivalent	1	2	3
Band 2 or equivalent	4	1	5
Band 1 or equivalent	1	–	1
Total	6	3	9

Table 7b: The Managing Director and senior executives directly reporting to the Managing Director as at 30 June 2022

Band	Female	Male	Total
Band 4 or equivalent	–	–	–
Band 3 or equivalent	1	2	3
Band 2 or equivalent	2	3	5
Band 1 or equivalent	2	1	3
Total	5	6	11

Table 8a: Senior executives reported in Table 7a above and all senior executives employed under section 39 of the GSE Act as at 30 June 2023

Band	Female	Male	Total
Band 4 or equivalent	–	–	–
Band 3 or equivalent	1	2	3
Band 2 or equivalent	8	7	15
Band 1 or equivalent	21	27	48
Total	30	36	66

Table 8b: Senior executives reported in Table 7b above and all senior executives employed under section 39 of the GSE Act as at 30 June 2022

Band	Female	Male	Total
Band 4 or equivalent	–	–	–
Band 3 or equivalent	1	2	3
Band 2 or equivalent	4	5	9
Band 1 or equivalent	14	20	34
Total	19	27	46

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

Table 9a: Average remuneration by Band, including the Managing Director and senior executives directly reporting to the Managing Director, as at 30 June 2023

Band	GSE Act remuneration range $	TAFE NSW average remuneration $
Band 4 or equivalent	509,251–588,250	–
Band 3 or equivalent	361,301–509,250	447,980
Band 2 or equivalent	287,201–361,300	346,737
Band 1 or equivalent	201,350–287,200	234,158

Table 9b: Average remuneration by Band, including the Managing Director and senior executives directly reporting to the Managing Director, as at 30 June 2022

Band	GSE Act remuneration range $	TAFE NSW average remuneration $
Band 4 or equivalent	499,251–576,700	–
Band 3 or equivalent	354,201–499,250	409,075
Band 2 or equivalent	281,551–354,200	353,951
Band 1 or equivalent	197,400–281,500	239,121

Table 10a: Average remuneration by Band for senior executives reported in Table 9a above and all senior executives employed under section 39 of the GSE Act, as at 30 June 2023

Band	GSE Act remuneration range $	TAFE NSW average remuneration $
Band 4 or equivalent	509,251–588,250	–
Band 3 or equivalent	361,301–509,250	447,980
Band 2 or equivalent	287,201–361,300	328,014
Band 1 or equivalent	201,350–287,200	239,488

Table 10b: Average remuneration by Band, for those senior executives reported in Table 9b above and all senior executives employed under section 39 of the GSE Act,as at 30 June 2022

Band	GSE Act remuneration range $	TAFE NSW average remuneration $
Band 4 or equivalent	499,251 –576,700	–
Band 3 or equivalent	354,201–499,250	409,075
Band 2 or equivalent	281,551–354,200	342,852
Band 1 or equivalent	197,400–281,500	237,798

Of employee-related expenditure, 0.25 per cent related to the TAFE NSW Managing Director and employees in substantive, relieving or acting roles who were reporting directly to the TAFE NSW Managing Director as at 30 June 2023.

This is the same percentage reported as at 30 June 2022 in the TAFE NSW Annual Report 2021–22.

Of employee-related expenditure, 1.27 per cent related to the above group as well as all other senior executives employed under section 39 of the GSE Act as at 30 June 2023. This compares to 0.89 per cent as at 30 June 2022.

Number of employees

Table 11: Full-time equivalent TAFE NSW employees

Service group	June 2018	June 2019	June 2020	June 2021	June 2022	June 2023
Teachers	5,730	5,914	5,919	5,964	5,730	5,992
Support Services, including educational support	4,587	4,623	4,505	4,635	4,592	4,849
Total	10,317	10,537	10,424	10,599	10,322	10,841

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

Table 12: Further breakdown of teachers by employment category (full-time equivalent)

Category	June 2018	June 2019	June 2020	June 2021	June 2022	June 2023
Permanent full-time	2,750	2,753	2,725	2,920	2,806	2,972
Permanent part-time	58	59	68	92	102	124
Temporary full-time	317	460	453	241	332	343
Temporary part-time	64	86	87	46	47	40
Part-time casual	2,542	2,555	2,586	2,666	2,444	2,514
Total	5,730	5,914	5,919	5,964	5,730	5,992

Source: TAFE NSW Payroll Report (average for June).

Notes:

- *Full-time equivalent includes all permanent, temporary and casual employees active during the 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).*

Service group categories shown include:

- *teachers – head teachers, teachers, assessors, education support officers, disability consultants*
- *support services – specialised disabilities support; class support; librarians; student and customer services; educational compliance; security; and support functions, such as finance, human resources, IT, legal and marketing.*

SUSTAINABILITY

Building an adaptive workforce

As the market for staff is becoming more competitive and global, we have identified a need to showcase why talented individuals should choose us over other potential employers. To this end, we have improved how we recruit, attract new talent and retain highly passionate professionals, by showcasing the transformative impact we have on the lives of the people of NSW.

After extensive employee collaboration, we pinpointed the leading advantage of a TAFE NSW career: it has a life-changing impact. It is a career that allows you to transform someone's world—as well as your own. The journey offers abundant avenues for growth and development, all within an inclusive, adaptable work environment.

In 2023, TAFE NSW shared the story of our purpose-driven organisation and highlighted that we offer not just a job but rather a career full of opportunity. This strategic endeavour has begun to establish TAFE NSW as an employer of choice that attracts talent, and it offers a preview of the future that awaits potential members. Early efforts in this space have yielded exceptional results, evident in the surge of applications and flourishing talent pools, which show there is an unprecedented interest in working for TAFE NSW.

Building our workforce

To build and foster the workforce, we will need to deliver on TAFE NSW's Strategic Plan and attract the very best teachers to a career at TAFE NSW. The Paid to Learn program was launched in 2022 to attract industry professionals into a teaching career and deliver 480 new and additional TAFE NSW teachers by 2025.

Paid to Learn is designed to fast-track and support new teachers transitioning from industry into vocational education as they obtain their teaching qualifications. Participants are paid a wage while they complete their training and assessment teaching qualification.

The program is about more than receiving a wage. The new teachers learn in a fully supportive environment, allowing them to partner with and shadow existing teachers via a mentoring program. We have had phenomenal success so far, with over 98 per cent of learners completing the program.

We've started out with a focus on traditional trades areas where there is significant unmet training demand—for example, in construction, energy, transport and manufacturing.

In 2022–23, 64 electrical, carpentry and plumbing industry participants completed the immersive 14-week training course at TAFE NSW and were deployed as TAFE NSW teachers.

The program leverages the skills and experience of tradespeople to help meet the increasing demand for teachers in the construction and energy sectors, while growing capacity to increase training. For example, an extra 36 carpentry apprentices started training at Randwick, thanks to a Paid to Learn graduate increasing the capacity of that section.

Another 80 Paid to Learn participants will graduate in November 2023, ready to begin teaching in Term 1 2024. These future teachers come from all industry areas and are drawn from across NSW, so we can effectively resource teaching sections where needed, and expand delivery.

ELECTROTECHNOLOGY | MILLER

Paid to Learn bolstering our teaching ranks

In November, the first cohort of participants in our Paid to Learn program graduated, helping us deliver on our goal of attracting the very best teachers to a career at TAFE NSW. One of the many successful graduates is Matt Johnston, 38, who was attracted to Paid to Learn after closing his electrical small business to spend more time with his young family. During the program, Matt earned a wage from TAFE NSW while spending three days a week shadowing other TAFE NSW teachers and two days a week completing his Training and Assessment course. In Semester 2, he started as a full-time electrical trades teacher at TAFE NSW Belmont.

'The Paid to Learn program is definitely the only reason I was able to become a teacher,' Matt said. 'It would have just been too hard to run my own business, spend time with my family and also complete the Certificate IV in Training and Assessemen at the same time. It gave me the confidence and skills to make a running start into my teaching career, and I was really impressed with the support services the program offered.

'While I was confident in my skills as a tradesman, I had to learn about things like managing a classroom, planning activities and assessments, and dealing with students with different learning needs. I love being a teacher, and it's just so rewarding to pass on my knowledge to the next generation of electricians, especially when I've just come out of the trade myself.'

Supporting teachers' professional development

TAFE NSW focuses on continuous professional development to ensure teachers' skills are current and aligned with industry expectations, and reflect community needs. TAFE NSW's People Strategy 2022-25 outlines a significant and practical program of work that prioritises workforce initiatives and activities.

Following are some achievements in 2022–23.

- TAFE NSW launched the refreshed Quality Teaching Essentials Program, an introductory-level program designed to help new teachers build their skills in planning and delivering learning. The program was designed to bridge the gap between educational theory and practical aspects of teaching, and 225 educational staff members participated in it.
- Fifty head teachers progressed through the Leadership Essentials and Development program and 87 completed our Head Teacher Essentials program.
- Learning Dives (skills for our adaptive workplace) and Lunchbyte sessions (upskilling in systems and technology) were conducted at various times throughout each term, to accommodate a wide range of schedules. schedules. About 125 staff members attend each session.
- An Industry Spotlight Series of learning sessions supported teacher currency, skills, and knowledge. There were 2,216 participants across 33 sessions.
- Engage is the TAFE NSW annual conference for educational teams, where dynamic industry thought leaders can exchange ideas for providing innovative and engaging learner experiences. In 2022–23, 1,616 staff attended.

Workforce stabilisation

In response to employee feedback, TAFE NSW has significantly invested in more permanent teaching roles to stabilise our workforce and provide more career pathways. This approach allows us to increase capacity, service unmet demand, and deliver high-quality, public vocational education. Importantly, a more stable, less casualised workforce, especially in rural and remote areas, is good for regional and local economies, and will enable growth.

During 2022–23, we implemented a range of strategies to achieve this, including a shift in our recruitment strategy. We worked to convert temporary, merit-selected teachers to permanent roles and to expand the opportunity for new permanent positions in growth areas.

In February 2023, the Managing Director issued a Recruitment Directive prioritising permanent positions when creating new roles or filling vacant positions, where doing so is appropriate and sustainable based on business and educational needs.

As a result of these activities, TAFE NSW has created 378 new teaching roles, 237 of which are permanent positions. In addition, 247 casual teachers have been appointed into permanent roles and a further 169 have taken on temporary roles. This renewed focus on stabilising the workforce and enhancing career pathways has yielded significant results, with 65 per cent of all workforce recruitment in the past year filled by internal candidates.

This approach is about providing the educational workforce with high job satisfaction, stable employment, career progression opportunities and a sustainable workload.

Listening to employees

TAFE NSW used insights from the NSW Public Service Commission's 2022 People Matter Employee Survey to focus on building a better workplace. The insights from this survey have been critical to highlighting staff pain points and identifying systems and processes for improvement.

- Staff complaints are handled through a new complaints resource hub, along with in-person support where needed, so grievances can be triaged quickly and effectively. This has included condensing over 90 pages of documents into a single, six-page policy and procedure document, and consolidating four separate systems into a centralised and secure complaints management system.

- The ‘Requests to Fill’ process was reduced to a single sign-off rather than five, saving about 10,000 work hours in the recruitment process each year.
- We eliminated single-use and paper-based forms used in a number of high-demand employee and student services to reduce administrative tasks and improve the speed of service delivery. This included integrating isolated workflows in the people management and payroll systems into existing organisation-wide systems, significantly reducing the employee hours expended on the manual transfer and duplicated processes.

A significant achievement over the past year was growth in six TAFE NSW staff networks. These networks are an important tool for TAFE NSW to hear directly from employees about improvements and to foster a culture of inclusion and belonging.

Following are some highlights for the networks in 2022–23.

- The Multicultural Staff Network (MSN) launched in December 2022. The MSN currently has 180 members and promotes diversity, inclusion and belonging through active participation and collaboration. It provides a culturally safe environment where employees can connect, build cultural ties, share stories and increase their education through knowledge sharing.
- The TAFE NSW Pride Network grew from 296 members to 421. Members hosted four state-wide events: International Day against Homophobia, Transphobia and Biphobia; Wear it Purple day; Pride Month; and Transgender Awareness Week.
- The Young Professionals Network elected a new committee in 2023 and increased membership by 127 members. This network is part of a global initiative aimed at connecting, growing and developing the leadership skills of like-minded under-35 professionals.
- The TAFE NSW Staff with Disability Network rebranded as TAFE-Ability. A committee was formalised and members worked collaboratively to develop a vision and a purpose. TAFE-Ability promotes a socially just, accessible and inclusive workplace where the diversity of all is valued and people with disability can belong, contribute, utilise their potential, and be recognised, respected, and celebrated with pride.
- Our Women in Tech Network hosted five events with an average attendance of 80 participants. The Women in Tech Network was created in 2019. Its 577 members champion opportunities for women in the technology sector by promoting diversity and inclusion, connecting, empowering, and advancing career pathways.

Building a diverse and sustainable workforce

TAFE NSW is committed to ensuring our workforce reflects the diverse communities we serve. By doing so, we are able to create a strong sense of belonging to improve learner outcomes, staff engagement, and community partnerships, strengthening TAFE NSW’s overall influence.

Clear priorities for fostering a safe environment and supporting cultural, psychological and physical wellbeing are established in the *TAFE NSW Strategic Plan 2022–25*. These priorities are focused on creating a learning and working environment where dignity, trust, respect, diversity and inclusion are valued.

The TAFE NSW Diversity and Inclusion Council was established in 2022 to advocate for ‘being yourself at TAFE NSW’ so that staff can achieve their full potential. The council fosters a deeper appreciation of diversity, equity, and inclusion within the organisation to bring people closer together.

The council comprises members of the Executive Leadership Team, sponsors and representatives from employee reference groups, and various diversity and inclusion committees, including from our:

- Aboriginal Senior Leadership Group
- Aboriginal Staff Network
- Staff with Disability Community
- Pride Network
- Multicultural Staff Network
- Young Professionals Network
- Women in Tech Network.

Representation of equal employment opportunity groups in the workforce

In 2022–23, we saw the growth of our Aboriginal workforce, which has been enabled by a fully resourced and dedicated Aboriginal Employment Team and the Aboriginal Staff Network.

Aboriginal employee numbers grew by 24 in 2022–23 and now represent 2.2 per cent of staff overall.

The following equal employment opportunity groups were employed as a proportion of the total headcount of employees as at 30 June 2023.

Table 13: Workforce diversity group data

Workforce diversity group	Target (%)	2021–22 (%)	2022–23 (%)
Female employees	50.0	63.0	62.8
Aboriginal and Torres Strait Islander peoples	3.0	2.1	2.2
People whose first language spoken as a child was not English	23.2	10.6	10.4
People with disability	5.6	2.4	2.4
People with disability requiring work-related adjustment	N/A	0.8	0.9

Notes:

- *Representation of Equal Employment Opportunity (EEO) groups is calculated as the actual number of staff in each group divided by total headcount as at June.*
- *The benchmark of 50 per cent representation of female employees across the sector is intended to reflect the gender composition of the NSW community.*
- *The NSW Public Sector Aboriginal Employment Strategy 2019–25 introduced a target of 3 per cent for non-executive roles across the sector by 2025.*
- *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 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 by fostering a psychologically safe environment to promote disclosure. There is no target provided for people with disability requiring workplace adjustments.*

TAFE NSW STAFF NETWORKS

TAFE NSW achieved the following index distribution of EEO groups across salary levels.

Table 14: Workforce diversity group targets

Distribution index score

Workforce diversity group	Target	2021	2022
Female employees	100	92	91
Aboriginal and Torres Strait Islander peoples	100	97	98
People whose first language spoken as a child was not English	100	92	93
People with disability	100	98	97
People with disability requiring work-related adjustment	100	98	97

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

Notes:

- *Data on the reported numbers of staff who are Aboriginal, whose first language spoken as a child was not English, or who have disability was obtained by self-disclosure, therefore may be an underrepresentation of the actual number.*
- *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.*
- *2023 data becomes available in late 2023.*

Reconciliation Action Plan

TAFE NSW created its first Reconciliation Action Plan in 2020 (Innovate RAP 2020–2022) to provide the organisation with state-wide actions regarding its relationships with Aboriginal and Torres Strait Islander communities and people.

In 2019, TAFE NSW had approximately 185 Aboriginal and Torres Strait Islander employees. Through the implementation of our first Innovate RAP 2020–2022 and Aboriginal Employment Strategy, we have since increased this number to 340 Aboriginal and Torres Strait Islander employees across all functional areas.

A strong foundation was established with the development of an Aboriginal Governance Framework, which includes our Reconciliation Action Coordination Committee (RACC). This framework provides key links with integral external Aboriginal stakeholders through our Aboriginal Community Reference Groups and with our internal Aboriginal Strategic Leadership Group to support all Aboriginal business across TAFE NSW.

The development of an Aboriginal Cultural Capability Framework streamlined programs to uplift the cultural awareness and capability of all staff at TAFE NSW.

The Aboriginal Participation Strategy was also developed to support self-determination of Aboriginal and Torres Strait Islander peoples and businesses.

TAFE NSW will continue with an Innovate RAP in 2022-2025. This has been developed in alignment with our organisational core values and strategic vision of being the leading provider of lifelong learning, meeting the evolving needs of industry and learners in communities across NSW. TAFE NSW will continue to strive to be the employer and vocational education and training provider of choice for all Aboriginal and Torres Strait Islander people.

Our RACC is guiding the implementation of and reporting on TAFE NSW's Innovate RAP to ensure best practice and accountability, providing the organisation with state-wide actions regarding its relationships with Aboriginal and Torres Strait Islander communities and peoples.

Disability Inclusion Action Plan

The TAFE NSW Disability Inclusion Action Plan helps us deliver on our strategic priorities by setting tangible goals to create an inclusive work and learning environment for our staff and learners. In 2022–23, TAFE NSW continued its commitment to implement the 2020–2022 Disability Inclusion Action Plan.

The plan aims to:

- go beyond securing only the rights of people with disability, ensuring a safe, respectful and fair place of learning and work
- remove barriers to fostering an inclusive environment in which all people can achieve their full potential
- ensure our learning platforms and online presence have embedded Universal Design for Learning and meet accessibility standards.

In late 2023, TAFE NSW will evaluate the effectiveness of the 2020–2022 Disability Inclusion Action Plan to inform the development of the 2024-2028 plan. This will be completed in collaboration with people with lived experience to ensure they have a voice and can contribute.

Work health and safety

In 2022–23, TAFE NSW launched the Illness Prevention Approach, emphasising a comprehensive, long-term strategy to effectively manage, prevent and reduce the risk of all infectious diseases. This approach serves as a proactive framework to safeguard the health and wellbeing of our workforce and stakeholders.

Initially, a COVID-19 task force was established to address the challenges posed by the pandemic. However, with the implementation of updated public health orders, the task force was no longer required, allowing us to redirect resources and focus on the broader Illness Prevention Approach. By implementing targeted measures and protocols, we aim to create a safer and healthier environment, mitigating the impact of potential infectious disease outbreaks and ensuring a resilient organisation for the future.

TAFE NSW redefined the Employee Wellbeing Approach and Plan in 2022–23, aligning it with the 2022–25 strategic plan. The approach aims to build a thriving, diverse and adaptable workforce while improving employee health. Initiatives like wellbeing support days and monthly campaigns focus on mental health.

TAFE NSW has improved its work health and safety performance, with a 13 per cent decline in lost time injuries, but faces challenges with an upward trend in the number and severity of workers' compensation claims. Despite this, performance adjustments indicate progress towards refunds. Prioritising wellbeing remains crucial for sustaining a positive work environment and a resilient workforce.

Our Lost Time Injury Frequency Rate of 6 remains above the TAFE NSW target of 4.6. This reflects an increase in serious claims that result in more than five days off work and an increase in injuries requiring medical treatment.

The top five WHS risk categories remain the same as 2021–22:

i. work environment: water leaks and mould, building maintenance and ventilation/air conditioning.
ii. slips and trips: uneven surfaces, slippery wet floors and incidents on stairs or steps.
iii. security incidents: unsocial behaviour, aggression or intimidation, and thefts or break-ins.
iv. illness and natural causes.
v. student injuries: primarily sharp tool or object incidents.

The areas of Tourism, Hospitality and Events, Building, Construction and Property, and Creative Industries recorded the most injuries.

This year, the number of total incidents reported increased by 62 per cent, with 97 per cent of these related to hazard reporting. The number of open claims increased by 20 per cent. This reflects the proactive activities and effort undertaken throughout the year to raise awareness, and increase knowledge and reporting.

TAFE NSW delivered targeted and focused toolbox talks, with a 163 per cent increase in participation from the previous year. This, together with setting clear targets and performance measures for senior leaders, elevated staff awareness and compliance.

TAFE NSW undertook a proactive approach to illness prevention, which resulted in a 20 per cent increase in participation in our flu vaccination program.

We continue to work closely with our insurer, our leaders and others to improve our Work Health and Safety approach, awareness and reporting.

Workers’ compensation performance

Claim frequency is on an upward trend with 245 total claims received in 2022–23, compared to 219 in 2021–22.

TAFE NSW’s serious claims rate (LTIFR ≥ 5 days) increased to 5.0 in 2022–23 compared to 3.7 in 2021–22.

TAFE NSW’s exposure has increased, based on declared wages, by 5.1 per cent this year.

TAFE NSW has seen a significant uplift (32 per cent) in the workers’ compensation contribution from 2021-21 to 2022–23.

The increase in the contribution is driven by:

- a growth in exposure, demonstrated by a steady increase in the number of employees and declared wages year on year
- a rise in severity of claims and average claim size
- 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 per cent 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. There have been increasing numbers of psychological claims, which are complex to manage before successfully returning staff to work. Employees are staying on the workers’ 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.

TAFE NSW’s agency performance adjustments (APAs), which measure performance at set times during a financial year, demonstrates that 2021–22 and 2022–23 are on track to receive refunds based on current assessment of performance. However, formal assessments will not take place until after 31 December 2023.

Table 15: Workers’ compensation performance

	2018–19	2019–20	2020–21	2021–22	2022–23
Total claims(i)	277	218	239	219	245
Total hours paid (lost time wages)	174,917	111,024	77,162	53,211	33,401
Lost time claims(ii)	141	104	110	90	78
Serious claims rate (LTIFR ≥ 5 days)	5.8	4.7	4.7	3.7	5.0
Total wages paid to date	$6,382,280	$4,217,777	$3,329,238	$2,544,755	$1,642,489
Total cost paid to date (medical & wage payments)	$8,699,836	$5,674,642	$4,595,849	$3,820,357	$2,225,387
Average cost per claim	$31,299	$26,030	$19,229	$17,444	$9,083
Contribution rate	1.11%	1.07%	1.00%	1.24%	1.56%

i. Total claims includes all reportable claims.

ii. Lost time claims figures are based on accepted claims for lost time and do not include provisionally accepted claims.

Notes:

- *Data is compiled directly from Allianz and iCare data.*
- *The annual claims data for each financial year will continue to change as active ongoing claims grow and develop in each measure listed in Table 16.*
- *Allianz and iCare data take several months to mature as claims are processed. These results may reflect a shortfall in the 2022–23 data.*

Our focus on wellbeing

The Employee Wellbeing Approach and Plan was redefined in 2022–23 to align with and deliver on TAFE NSW's 2022–25 Strategic Plan. Our Wellbeing Approach is a key enabler in building a thriving, diverse and adaptable workforce, and enforces our commitment to improve the health and wellbeing of employees. The approach was informed by insights from the wellbeing analysis. Mental health and employee resilience was a particular focus, with several targeted initiatives offered to employees, including the following:

- Wellbeing Support Days: A dedicated two-day event to support all employees to maintain positive mental and physical health in the workplace. The event was hosted by external speakers and featured inspirational internal employees sharing their expertise. Some 59 wellbeing sessions were delivered to more than 1,000 unique participants (73 per cent from Student Experience Group) attending 2,869 sessions, with a very successful event rating of 9.13 out of 10.
- A monthly wellbeing campaign with themes incorporating sleep, movement, finance, positive behaviour and mental health. Key training is showcased via 'Wellbeing Wednesday' – a virtual wellbeing session supporting capability uplift. The session achieved high impact and engagement with a Net Promotor Score of 82 per cent, and 97 per cent of employees stating they can apply the learnings to enhance their wellbeing and performance.

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

- Leadership psychoeducation sessions: a campaign to encourage and equip leaders to have open and productive conversations about wellbeing with their team members.
- Mental health and wellbeing pilot leadership program: a fit-for-purpose mental health course that builds appropriate techniques for leaders to support workload, change and other workplace stressors.
- Specialised mental health training: delivery of a Mental Health First Aid (MHFA) program to key cohorts across the business; launch of Trauma Informed Care program, as well as Accidental Counsellor training delivered virtually by the TAFE NSW Health Wellbeing and Community Services teaching section.
- Significant support to assist leaders and employees through group psychoeducation sessions: these cover psychological safety, team effectiveness, self-care, energy, vicarious trauma and team cohesiveness.
- A range of other holistic wellbeing services, including an enhanced Employee Assistance Program (EAP) service for all employees and direct family members. Our flu vaccination program had a 21 per cent increase in participation over the 2022 program. Other services included wellbeing while working from home support, various webinars, and access to online tools to support improvement in personal and workplace wellbeing to achieve a healthy and happy life.

OUR OPERATIONS

TAFE NSW spends over $550 million per year across the following three portfolios:

- Corporate Goods and Services
- Information, Communication, Technology; and
- Property and Infrastructure Services.

At TAFE NSW, the procurement function is centralised under a team of accredited and skilled professionals who handle engagements exceeding $250,000. For engagements below this threshold, business stakeholders have responsibility, backed by the support of the Procurement team's resources, processes, and technology. The TAFE NSW Procurement Framework is comprehensive and consists of the following key documents to drive behaviour and decision making:

- TAFE NSW Procurement Policy
- Procurement Planning Procedure
- Procurement Sourcing Procedure
- Contract Management Procedure
- Simple Procurement less than $250,000 procedure
- TAFE NSW Code of Conduct
- TAFE NSW Delegation Manual

TAFE NSW has achieved the highest level of competency accreditation for Goods and Services and Construction Procurement from the NSW Procurement Board. This formal recognition confirms that TAFE NSW possesses the required capability and capacity to deliver value for money, efficiency, and effectiveness in government procurement, ensuring excellent service delivery. The procurement function at TAFE NSW complies with the *NSW Government Procurement Policy Framework* and is committed to meeting the goals and objectives that underpin the Framework.

OUR SUPPLIERS

Due to the range of courses we deliver, our significant geographic footprint, and high spend across our three procurement categories, we engage a total of 3,900 suppliers spread across 33 countries.

Of the suppliers that TAFE NSW engaged in the past 12 months:

- 96.7% are based in Australia
  - Australia is considered a low-risk location
- 3.3% are based in countries outside of Australia
  - 0.9% are high-risk locations
  - 0.6% are moderate-risk locations
  - 1.8% are low-risk locations

Most goods and services purchased on behalf of TAFE NSW originate from low-risk geographical locations such as Australia, the United States of America and Great Britain. A small portion of suppliers are based in overseas countries such as China, Vietnam, Brazil and India. These international suppliers are primarily involved in assisting TAFE NSW with the recruitment of international students who come to Australia to learn at TAFE NSW. TAFE NSW's expenditure with international suppliers is less than $160,000 annually.

> "TAFE NSW has a complex supply chain, buying diverse goods and services to support teachers to deliver courses and training. It's critical that we take accountability and assess modern slavery risk in our procurement activities."
>
> **Director, TAFE NSW Procurement**

TAFE NSW SUPPLY CHAIN

TAFE NSW has thoroughly examined the goods and services purchased within each portfolio and pinpointed specific categories that pose a high risk of modern slavery practices. To effectively mitigate these risks, we concentrate our efforts on these areas by raising awareness, fostering collaboration, and implementing rigorous due diligence measures.

Approximately half of TAFE NSW suppliers fall under 10 distinct commodities, with building and facility maintenance, educational equipment and management and administrative services being the most significant, accounting for 30 per cent of all suppliers.

The map below highlights where TAFE NSW suppliers are based.

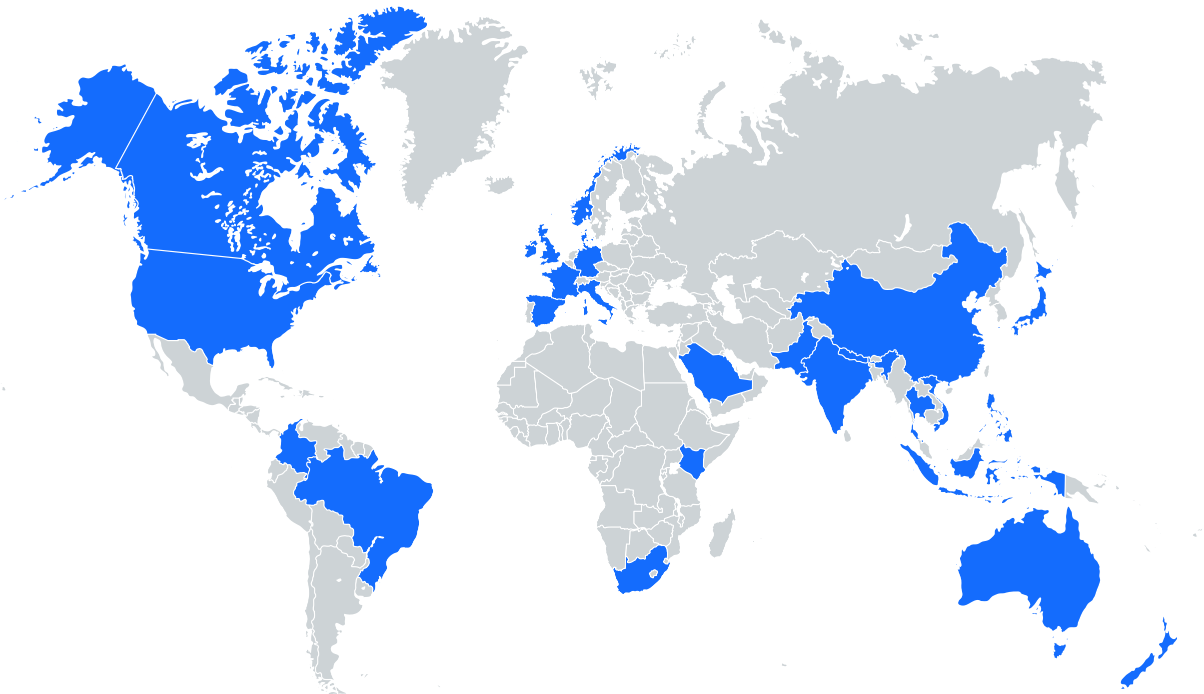


Figure 1 - Geographical locations of TAFE NSW suppliers

TAFE NSW SUPPLY CHAIN

TAFE NSW has established partnerships with suppliers for frequently purchased goods and services. Additionally, ad hoc engagements occur with suppliers for low value and low risk needs.

This chart provides an overview of the annual spend per category.

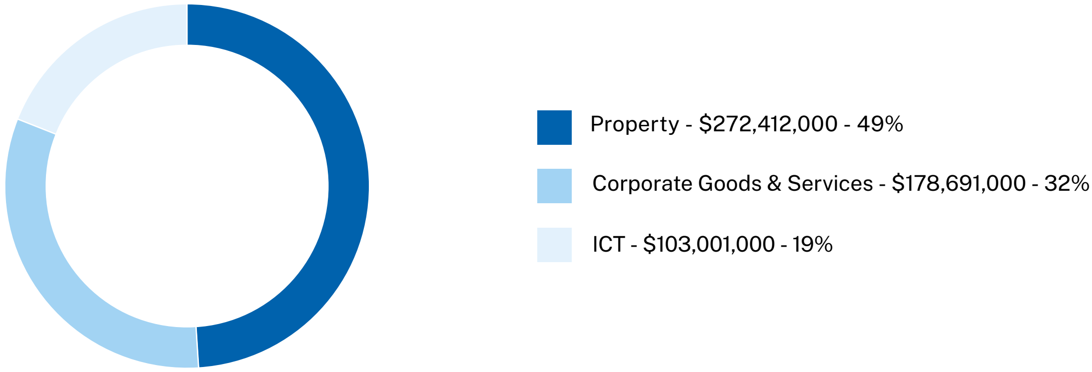


Figure 2 - 2022/2023 spend with suppliers per category

TAFE NSW is working towards consolidating its supply base and implementing modern slavery due diligence as part of contract management activities.

Commodity	No. Suppliers
Building and Facility Construction and Maintenance Services	506
Musical Instruments and Games and Toys and Arts and Crafts and Educational Equipment and Materials and Accessories and Supplies	393
Management and Business Professionals and Administrative Services	259
Education and Training Services	143
Engineering and Research and Technology Based Services	114
Transportation and Storage and Mail Services	110
Service Industry Machinery and Equipment and Supplies	99
Tools and General Machinery	79
Food Beverage and Tobacco Products	71
Editorial and Design and Graphic and Fine Art Services	69

TAFE NSW SUPPLY CHAIN

The below table categorises the types of goods and services we purchase in each of the portfolios, and details areas that typically have a higher probability of modern slavery occurring.

Portfolio	Categories	High modern slavery impact areas
Corporate Goods & Services	• Course delivery resources • Travel • Fleet services • Marketing • Recruitment	• Office consumables and promotional merchandise • Garments • Call centre services and business process outsourcing • Hospitality and catering services and consumables • Recruitment and contractor services
Information & Communication Technology	• Technology and data • Telecommunications	• Software and cloud services • Desktop and Audio Visual Hardware (computers, projectors, smart screens, phones) • IT Professional services • WAN, LAN and Mobile hardware
Property & Construction	• Construction • Facilities maintenance	• Construction services and supplies • Landscaping and maintenance requirements, utilities, contractors • Cleaning and Waste management services • Furniture

Figure 3 - TAFE NSW Categories with a high risk of modern slavery

MODERN SLAVERY FACTORS

Having carefully considered the various factors contributing to modern slavery, TAFE NSW has identified those more likely to be prevalent within our supply chain. We have prioritised our focus on these areas of concern by evaluating the perceived risk and considering our vulnerability.

To combat modern slavery effectively, we are enhancing awareness, fostering collaboration, and implementing robust due diligence practices. By taking these measures, we are committed to building a modern slavery-free supply chain that upholds ethical standards and safeguards human rights.

- **Recruitment:** Recruitment practices carry inherent risks of modern slavery, including exploitative actions such as recruiters charging high fees, withholding workers' passports, and using false promises to trap vulnerable workers. A vulnerability exists where TAFE NSW works with international agents that oversee engagement with international students.
  TAFE NSW is ensuring that internal stakeholders are aware of the potential risks and address these with the agents.
- **Migrant Workers:** Migrant workers brought into a country without proper documentation, limited language skills, and isolated from their families and communities are at greater risk of being exploited. A vulnerability exists in high-risk categories such as cleaning and security, where employees may be on minimum wages.
  TAFE NSW is conducting third-party due diligence reporting to better understand and address the risks for applicable contracts.
- **Subcontracting:** Subcontracting within the supply chain can introduce risks, with delayed payment to workers leading to financial strain. TAFE NSW seeks to minimise subcontracting across major facility maintenance contracts.
  TAFE NSW complies with the *Building and Construction Industry Security of Payment Act 1999 (NSW)* to ensure prompt cash flow to subcontractors.
- **Lack of transparency:** Immature, weak or non-existent company processes can contribute to obscuring supply chain transparency, making it challenging to identify and address modern slavery risks. However at TAFE NSW, modern slavery is assessed during the planning, sourcing and managing phases of all significant procurements valued at more than $250,000.
- **Minimal Action:** A lack of education, awareness and capability can negatively impact on an organisation and individual's ability to be accountable and effectively address modern slavery. TAFE NSW is committed to increasing awareness of modern slavery through various initiatives, including collaboration with suppliers, as well as education and training for TAFE NSW staff.
- **Discrimination:** Discrimination based on race, gender, or other factors can create conditions that make individuals more vulnerable to exploitation. TAFE NSW Code of Conduct provides a framework for all employees to use when facing legal and/or ethical questions around what is and isn't discrimination in the workplace.

IMPACTS OF COVID-19

The COVID-19 pandemic had significant ramifications on modern slavery, directly and indirectly affecting TAFE NSW.

The widespread economic disruption resulted in job losses, business closures, and reduced incomes for many households. Consequently, TAFE NSW faced challenges across categories, as suppliers tried to deal with materials and labour shortages by looking to alternate manufacturing and distribution processes to meet demand and manage financial pressures.

Fortunately, as the impact of the pandemic recedes, the supply chain is stabilising and suppliers can effectively meet supply and demand through standard business operating procedures.

However, TAFE NSW is aware of the modern slavery risk that emerged during the COVID-19 pandemic within its procurement supply chain and operations, and is considering this as part of the approach to eliminating modern slavery.

PLAN ON A PAGE

MODERN SLAVERY VISION:

We will proactively identify and eliminate modern slavery in our procurement operations and supply chains.

**OBJECTIVE 1:
ANALYSIS AND DUE DILIGENCE**

Embed a Procurement Framework that's ethical, transparent and prioritises due diligence that supports an ethical and sustainable supply chain.

- Analyse high-risk expenditure categories.
- Assess new procurements for modern slavery risk.
- Conduct due diligence across suppliers and contracts.
- Issue self-assessment questionnaires to contracted suppliers.
- Evaluate modern slavery risk in tender evaluations.

**OBJECTIVE 2:
COLLABORATION**

Leverage our partnerships with NSW Government, industry experts and the supply chain to progress our vision to eliminate modern slavery.

- Collaborate with the external stakeholders.
- Engage third party due diligence suppliers.
- Consult with advocacy groups.
- Partner with suppliers.

**OBJECTIVE 3:
KNOWLEDGE AND AWARENESS**

Increase our stakeholder's knowledge and awareness of modern slavery and create an organisation that is committed to implementing reasonable steps.

- Provide training, information and resources to increase organisational awareness.
- Build and maintain a knowledge hub for buyers in high-risk categories.
- Implement the Anti-slavery Commissioner's Reasonable Steps Guidance.

**OBJECTIVE 4:
SUPPLIER ENGAGEMENT**

Partner with suppliers who are equally committed to identifying and addressing instances of modern slavery in the supply chain.

- Engage with suppliers who agree to the TAFE NSW Statement of Business Ethics.
- Engage with high-risk suppliers to assess and address risks.
- Encourage suppliers to implement policies and procedures that considers their own supply chain.
- Assess contracted supplier status.

INITIATIVES

The initiatives listed below have been established for implementation and ongoing progression throughout FY23 and FY24. These initiatives will guide TAFE NSW to achieve its vision to eliminate modern slavery.

#	Focus Area	Key Initiative	Framework area	Activities	Accountable Officer	Status
1	**Analysis and Due Diligence**	Analyse high-risk expenditure categories	**Data analysis**	Analyse high-risk expenditure categories to determine if the risk profile suggests that they are vulnerable to being affected by modern slavery.	Director of Procurement Capability & Governance	Completed
2	**Analysis and Due Diligence**	Assess new procurement activities for modern slavery risk	**Sourcing**	Assess new procurement activities for modern slavery risk and include strengthened steps for buyers across plan, source and manage stages.	Director, TAFE NSW Procurement	Ongoing
3	**Analysis and Due Diligence**	Conduct due diligence at a Vendor Master level	**Supplier management**	Conduct due diligence at a Vendor Master level by engaging with third party due diligence analytical firms to provide an independent review of risks.	Director of Procurement Capability & Governance	FY24 Q2
4	**Analysis and Due Diligence**	Issue self-assessment questionnaire to contract suppliers	**Contract management**	Self-assessment questionnaire to contracted suppliers with a core set of questions that cover a combination of risk identification factors and mitigation systems.	Director of Procurement Capability & Governance	FY24 Q1
5	**Analysis and Due Diligence**	Evaluate suppliers involved in new sourcing activities	**Sourcing**	Evaluate suppliers involved in new sourcing activities to determine if they have the governance, stakeholder engagement, risk identification and management, monitoring and remedies to control modern slavery risks.	Director, TAFE NSW Procurement	Ongoing
6	**Enhance Collaboration**	Collaborate with the external stakeholders	**Networking**	Continue to collaborate with external stakeholders (e.g. Office of the Anti-slavery Commissioner, NSW Treasury, etc.) in working groups and pilot activities.	Director of Procurement Capability & Governance	Ongoing
7	**Enhance Collaboration**	Engage third party diligence suppliers	**Due diligence**	Engage third-party diligence suppliers to assist supplier review when warranted by risk assessment.	Director, TAFE NSW Procurement	Ongoing
8	**Enhance Collaboration**	Consult with advocacy groups	**Networking**	Consult with advocacy groups as nominated by the Office of the Anti-Slavery Commissioner.	Director, TAFE NSW Procurement	Ongoing

#	Focus Area	Key Initiative	Framework area	Activities	Accountable Officer	Status
9	**Enhance Collaboration**	Collaborate with contract suppliers	**Contract management**	Identify key contracted suppliers for further collaboration by reviewing the master contract register and identifying high-risk categories.	Director of Procurement Capability & Governance	Completed
10	**Build capability and awareness**	Provide refresher training and raise awareness to staff	**Capability**	Raise awareness, provide refresher training as well as developing a TAFE NSW Moodle for ongoing training of staff.	Director of Procurement Capability & Governance	FY24 Q2 & Q4
11	**Build capability and awareness**	Build a knowledge hub for buyers in high-risk categories	**Capability**	Build a knowledge hub for buyers in high-risk categories under a dedicated MS Teams channel.	Director of Procurement Capability & Governance	FY24 Q2
12	**Build capability and awareness**	Implement the Anti-slavery Commissioner's Guidelines	**Policy**	Implement the Anti-slavery Commissioner's July 2023 Guidelines.	Director of Procurement Capability & Governance	FY24 Q1
13	**Engage and partner with suppliers**	Update Statement of Business Ethics	**Policy**	Update the TAFE NSW Statement of Business Ethics to include a revised statement aligned to the NSW Government Supplier's Code of Conduct.	Director of Procurement Capability & Governance	FY24 Q1
14	**Engage and partner with suppliers**	Engage suppliers to raise awareness	**Contract management**	Engage with suppliers providing products or services deemed high-risk to raise awareness and manage ongoing modern slavery risk.	Director of Procurement Capability & Governance	Ongoing
15	**Engage and partner with suppliers**	Encourage suppliers to implement policies and procedures	**Contract management**	Encourage suppliers to implement policies and procedures through targeted engagement and contract management.	Director, TAFE NSW Procurement	Ongoing
16	**Engage and partner with suppliers**	Assess contracted supplier status	**Contract management**	Develop a questionnaire for contracted suppliers to keep TAFE NSW informed of their progress in managing modern slavery risks through regular contract performance meetings.	Director of Procurement Capability & Governance	FY24 Q1

AUDITOR-GENERAL NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

Technical and Further Education Commission

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying consolidated financial statements of Technical and Further Education Commission (the Commission), which comprises the Statement by the Managing Director, the Consolidated Statement of Comprehensive Income for the year ended 30 June 2023, the Consolidated Statement of Financial Position as at 30 June 2023, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information. The consolidated entity comprises the Commission and the entities it controlled as at the year's end or from time to time during the financial year.

In my opinion, the consolidated 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 Consolidated 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).

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

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

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Other Matter

As part of my audit procedures, I found that the Commission did not have a delegation or sub delegation from the Minister for Education and Early Learning to incur expenditure from cluster grants for the year ended 30 June 2023 which are monies appropriated out of the Consolidated Fund through the *Appropriation Act 2022*. The Commission's expenditure of monies appropriated out of the Consolidated Fund through the *Appropriation Act 2022* was contrary to sections 5.5 and 4.6(1) of the GSF Act, which states 'Money must not be paid out of the Consolidated Fund except under the authority of an Act'. On 11 October 2023, the Commission subsequently received the delegation from the Minister for Education and Early Learning to incur expenditure from cluster grants.

My opinion is not modified in respect of this matter.

Managing Director's Responsibilities for the Consolidated Financial Statements

The Managing Director is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

A description of my responsibilities for the audit of the consolidated financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

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 consolidated financial statements
- about the security and controls over the electronic publication of the audited consolidated financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the consolidated financial statements.

Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

16 October 2023
SYDNEY

Technical and Further Education Commission

Consolidated Annual Financial Statements

for the year ended 30 June 2023

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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 2023

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

1. The accompanying consolidated 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 consolidated 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 consolidated financial statements to be misleading or inaccurate.

Managing Director

Date: 13 October 2023

Technical and Further Education Commission
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2023

	Notes	Actual 2023 $'000	Budget 2023 $'000	Restated Actual 2022 $'000
Expenses excluding losses				
Operating expenses				
Employee related expenses	2(a)	1,343,323	1,400,351	1,248,841
Personnel services expenses	2(b)	18,431	-	12,005
Other operating expenses	2(c)	448,435	415,358	454,328
Depreciation and amortisation	2(d)	221,978	179,931	180,082
Finance costs	2(e)	318	361	265
Total expenses excluding losses		**2,032,485**	**1,996,001**	**1,895,521**
Revenue				
Sale of goods and services from contracts with customers	3(a)	261,903	348,309	254,637
Investment revenue	3(b)	14,574	1,673	3,467
Grants and other contributions	3(c)	1,769,304	1,651,651	1,622,497
Acceptance by the Crown of employee benefits and other liabilities	3(d)	38,420	48,013	(9,523)
Other income	3(e)	14,203	4,533	5,570
Total revenue		**2,098,404**	**2,054,179**	**1,876,648**
Operating Result		**65,919**	**58,178**	**(18,873)**
Gains / (losses) on disposal	4	(1,911)	-	(3,019)
Other gains / (losses)	5	16,623	(2,360)	3,107
Net result	21	**80,631**	**55,818**	**(18,785)**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net result in subsequent periods				
Net changes in revaluation surplus of property, plant and equipment	11	934,506	-	436,261
Items that may be reclassified to net result in subsequent periods				
Net change in revaluation surplus for assets disposed	11	(10,634)	-	(10,525)
Total other comprehensive income / (expense)		**923,872**	**-**	**425,736**
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		**1,004,503**	**55,818**	**406,951**

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Financial Position
as at 30 June 2023

	Notes	Actual 2023 $'000	Budget 2023 $'000	Restated Actual 2022 $'000	Restated Actual 1 July 2021 $'000
ASSETS					
Current assets					
Cash and cash equivalents	7	281,412	215,880	301,156	433,158
Receivables	8	127,634	169,210	170,382	159,368
Contract assets	9	100,985	44,345	63,807	59,722
Restricted assets	10	3,984	159	158	144
		514,015	**429,594**	**535,503**	**652,392**
Non-current assets held-for-sale		-	2,711	-	2,711
Total Current Assets		**514,015**	**432,305**	**535,503**	**655,103**
Non-Current Assets					
Receivables	8	3,052	2,036	3,406	2,219
Property, plant and equipment					
Land	11	1,743,124	1,487,015	1,601,877	1,492,818
Buildings	11	3,800,469	2,647,144	3,016,568	2,681,414
Plant and Equipment	11	132,155	92,514	80,801	57,917
Total property, plant and equipment		**5,675,748**	**4,226,673**	**4,699,246**	**4,232,149**
Right-of-use assets	12	14,641	13,053	19,979	19,428
Intangible assets	13	150,707	168,638	142,771	134,594
Other financial assets	14	175	175	175	175
Total Non-Current Assets		**5,844,323**	**4,410,575**	**4,865,577**	**4,388,565**
Total Assets		**6,358,338**	**4,842,880**	**5,401,080**	**5,043,668**
LIABILITIES					
Current Liabilities					
Payables	16	168,363	179,200	170,955	139,499
Provisions	17	119,923	128,678	123,823	130,482
Contract liabilities	9	95,418	28,140	128,337	201,161
Lease liabilities	18	4,805	6,425	5,606	5,616
Total Current Liabilities		**388,509**	**342,443**	**428,721**	**476,758**
Non-Current Liabilities					
Provisions	17	3,973	10,081	6,692	8,607
Lease liabilities	18	6,442	5,233	10,756	10,343
Total Non-Current Liabilities		**10,415**	**15,314**	**17,448**	**18,950**
Total Liabilities		**398,924**	**357,757**	**446,169**	**495,708**
Net Assets		**5,959,414**	**4,485,123**	**4,954,911**	**4,547,960**
EQUITY					
Reserves		4,229,695	2,729,533	3,311,561	2,902,129
Accumulated funds		1,729,719	1,755,590	1,643,350	1,645,831
Total equity		**5,959,414**	**4,485,123**	**4,954,911**	**4,547,960**

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 2023

	Notes	Accumulated Funds $'000	Asset Revaluation Surplus $'000	Total $'000
Balance at 1 July 2022		1,681,390	3,121,694	4,803,084
Prior period adjustments	6	(38,040)	189,867	151,827
Restated balance at 1 July 2022		**1,643,350**	**3,311,561**	**4,954,911**
Net result for the year		80,631	-	80,631
Other comprehensive income / (expense)				
Net changes in revaluation surplus of property, plant and equipment	11	-	934,506	934,506
Reclassification of revaluation surplus of property, plant and equipment for retired assets		5,738	(5,738)	-
Amounts recognised in equity relating to non-current assets disposed	11	-	(10,634)	(10,634)
Total other comprehensive income / (expense)		**5,738**	**918,134**	**923,872**
Total comprehensive income / (expense) for the year		**86,369**	**918,134**	**1,004,503**
Balance at 30 June 2023		**1,729,719**	**4,229,695**	**5,959,414**
Balance at 1 July 2021		1,674,856	2,734,982	4,409,838
Prior period adjustments	6	(29,025)	167,147	138,122
Restated balance at 1 July 2021		**1,645,831**	**2,902,129**	**4,547,960**
Net result for the year		(18,785)	-	(18,785)
Other comprehensive income / (expense)				
Restated net changes in revaluation surplus of property, plant and equipment	11	-	436,261	436,261
Reclassification of revaluation surplus of property, plant and equipment for retired assets		16,304	(16,304)	-
Amounts recognised in equity relating to non-current assets disposed	11	-	(10,525)	(10,525)
Restated total other comprehensive income / (expense)		**16,304**	**409,432**	**425,736**
Restated total comprehensive income / (expense) for the year		**(2,481)**	**409,432**	**406,951**
Restated balance at 30 June 2022		**1,643,350**	**3,311,561**	**4,954,911**

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Cash Flows
for the year 30 June 2023

	Notes	Actual 2023 $'000	Budget 2023 $'000	Actual 2022 $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(1,306,351)	(1,352,338)	(1,269,586)
Personnel services		(17,405)	-	(10,372)
Other operating expenses		(527,211)	(409,080)	(496,457)
Finance costs		(318)	(361)	(265)
Total Payments		**(1,851,285)**	**(1,761,779)**	**(1,776,680)**
Receipts				
Sale of goods and services		290,222	343,343	265,392
Interest received		8,516	1,673	502
Grants and contributions		1,727,440	1,651,651	1,544,283
Other operating receipts		83,449	4,533	72,229
Total Receipts		**2,109,627**	**2,001,200**	**1,882,406**
NET CASH FLOWS FROM OPERATING ACTIVITIES	21	**258,342**	**239,421**	**105,726**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		116	2,622	2,808
Purchases of property, plant and equipment		(263,641)	(292,380)	(221,132)
Purchases of intangible assets		(12,304)	(23,978)	(17,247)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(275,829)**	**(313,736)**	**(235,571)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings and advances		(2,257)	(4,364)	(2,157)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(2,257)**	**(4,364)**	**(2,157)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(19,744)**	**(78,679)**	**(132,002)**
Opening cash and cash equivalents		301,156	294,559	433,158
CLOSING CASH AND CASH EQUIVALENTS	7	**281,412**	**215,880**	**301,156**

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.

1. Statement 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 a 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, consolidates all entities under its control, namely the TAFE Commission (Senior Executives) Staff Agency ("the Agency"). The Agency provides personnel services to the Commission for employees contracted under Public Services Senior Executive (PSSE) arrangements. In the process of preparing the consolidated financial statements for the Commission, which consist of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

The Commission is comprised of a single service group.

These financial statements for the year ended 30 June 2023 have been authorised for issue by the Managing Director on 13 October 2023.

(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 Directions 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.

The Commission receives its funding under a Funding Deed arrangement with the NSW Department of Education (DoE) which receives appropriations from the Consolidated Fund. DoE appropriates funds from the Consolidated Fund for the entities it is administratively responsible for, including the Commission, refer to Note 1(c) for more information. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year.

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.

1. Summary of Significant Accounting Policies (continued)

(b) *Basis of preparation (continued)*

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 *Appropriation Act 2022* (Appropriations Act) (and the subsequent variations, if applicable) appropriates the sum of $22.5b to the Minister for Education and Early Learning out of the Consolidated Fund for the services of DoE for the year 2022–23.

The *Treasury and Energy Legislation Amendment Act 2022* made some amendments to sections 4.7 and 4.9 of the GSF Act. These amendments commenced on 14 November 2022 and are applied retrospectively. As a result:

- the lead Minister for the Commission, being the Minister for Education and Early Learning, is taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time the Commission receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the Commission. These deemed appropriations are taken to have been given for the services of the DoE;
- on 11 October 2023 the lead Minister for the Commission delegated the power to expend cluster grants to the responsible Minister for the Commission, being the Minister for Skills, TAFE and Tertiary Education, including the authority to subdelegate to the accountable authority for the Commission.

In addition, government money that the Commission receives or recovers, from another GSF agency, of a kind prescribed by the GSF regulations that forms part of the Consolidated Fund, is now capable of giving rise to deemed appropriations where the receiving agency has a different lead Minister to the agency making the payment, or one or both of the agencies is a special office (as defined in section 4.7(8)).

On 16 June 2023, the *GSF Amendment (Deemed Appropriations) Regulation 2023* was approved to bring the GSF regulations in line with the above deemed appropriation amendments to the GSF Act.

A summary of compliance is disclosed in the financial statements of the Annual Report of the DoE. It has been prepared by aggregating the spending authorities of the Minister for Education and Early Learning for the services of DoE. It reflects the status at the point in time this disclosure statement is being made. The Commission's spending authority and expenditure is included in the summary of compliance.

The State Budget and related Appropriation Bill for the year commencing 1 July 2023 was delayed and tabled in September 2023. Pursuant to section 4.10 of the GSF Act, the Treasurer has authorised the payment of specified sums out of the Consolidated Fund to meet the requirements of this period.

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. Exchange rate differences arising on settlement of foreign currency transactions 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.

Correction of prior period

During the current year, the Commission identified a prior period adjustment in relation to the 2017-18 comprehensive revaluation. The adjustment identified has been corrected by restating the balances at the earliest period presented (1 July 2021) and recognising the adjustment through to asset revaluation reserve and accumulated funds at that date.

Comparatives have been changed to reflect the correction of this adjustment. The impact on each financial statement line item is disclosed in the table at Note 6.

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

(i) Effective for the first time in FY2022-2023

There were no new AAS applied for the first time in 2022-23. The accounting policies applied in 2022-23 are consistent with those of the previous financial year.

1. Summary of Significant Accounting Policies (continued)

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

(ii) 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 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- AASB 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

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

(h) ***Impact of COVID-19 on Financial Reporting for 2022-23***

The outbreak of the Novel Coronavirus (COVID-19) was declared as a 'Global Pandemic' by the World Health Organisation on 11 March 2020. The pandemic created economic uncertainty in global and domestic markets and caused interruptions in the operations of most organisations. The Commission overcame business continuity challenges by fast tracking a vast programme of hybrid course delivery strategies to minimise disruptions to its operations.

In 2023, post pandemic, the Commission has integrated the newly established hybrid course delivery strategies into its 'new normal' delivery functions. As a result of this approach, the pandemic is not considered to have a material impact in the 2023 financial reporting year. The Commission continues to closely monitor COVID-19 advice via regular interaction with government and public health officials at the highest levels.

In 2022, The Commission assessed the impacts of COVID-19 and reported the outcomes in its financial statements. The following areas were assessed in 2022:

Fair value of property, plant and equipment

The Commission conducted an assessment of the fair value of its property, plant and equipment as at 30 June 2022. The Commission's independent valuers, Jones Lang LaSalle, reported that COVID-19, amongst other macroeconomic influences, led to "significant valuation uncertainty" due to the continued impact with supply chains, material shortages, shipping movements and price rises influencing building materials.

Grants and contributions

The Commission did not receive additional funding in 2023 or 2022 to assist in its ability to continue delivering educational services in a COVID-19 safe manner for staff and students.

1. Summary of Significant Accounting Policies (continued)

(h) *Impact of COVID-19 on Financial Reporting for 2022-23 (continued)*

Allowance for expected credit losses

The Commission implemented a moratorium on debt collection activities in periods throughout 2020 to 2022. 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. The Commission factored in the impacts and uncertainty of COVID-19 into the Expected Credit Losses methodology in 2022.

Leasing arrangements

NSW Treasury advised agencies that the Retail and Other Commercial Leases (COVID-19) Regulation 2022 (the Regulation) was passed on 13 January 2022. Amendments to the legislation required landlords to negotiate rent relief up until 13 March 2022 in the absence of ongoing JobSaver and Micro-business Grant payments. The financial impact was immaterial to the Commission.

2. Expenses Excluding Losses

(a) *Employee related expenses*

	2023	2022
	$'000	$'000
Salaries and wages (including annual leave) [a]	1,098,193	1,063,144
Superannuation - defined benefit plans	4,971	6,258
Superannuation - defined contribution plans	113,871	102,251
Long service leave	31,886	(16,318)
Workers' compensation insurance	21,923	16,039
Payroll tax and fringe benefit tax	67,093	56,651
Redundancy / Other	5,386	20,816
Total employee related expenses	**1,343,323**	**1,248,841**

[a.] An amount of $4.9m of employee-related expenses were capitalised during the year (2022: $5.2m) and are therefore excluded from the balances above.

(b) *Personnel services expenses*

	2023	2022
	$'000	$'000
Salaries and wages (including annual leave)	14,973	10,427
Superannuation - defined contribution plans	474	55
Long service leave	1,511	534
Workers' compensation insurance	267	98
Payroll tax and fringe benefit tax	860	512
Redundancy / Other	346	379
Total personnel services expenses	**18,431**	12,005

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.

2. Expenses Excluding Losses (continued)

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

	2023	2022
	$'000	**$'000**
Auditor's remuneration - audit of the financial statements[a]	1,015	985
Expense relating to short-term leases	1	-
Variable lease payments, not included in lease liabilities	1,405	3,542
Maintenance	96,993	98,190
Insurance	10,390	9,396
Consultants	275	1,051
Contractors	44,911	39,608
Cleaning	38,229	58,242
Agents' fees	1,014	728
Shared Services	5	2,162
Service expenses	119,642	120,365
Minor stores, provisions, plant and computing	53,233	53,467
Travel and motor vehicle expenses	10,943	5,097
Postage and telephone	3,333	4,271
Utilities	20,162	17,721
Printing	7,845	5,852
Advertising	19,337	17,232
Other operating expenses	19,702	16,419
Total other operating expenses	**448,435**	**454,328**

[a] Total audit fees for the year per the Annual Engagement Plan are $1.015m (2022: $0.985m) excluding GST. Audit Office of NSW has not provided any non-audit services for 2023 and 2022.

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 expenditure if applicable (refer to Note 11 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.

2. Expenses Excluding Losses (continued)

(d) *Depreciation and amortisation expense*

	2023 $'000	2022 $'000
Depreciation		
Buildings and improvements	187,733	152,184
Plant and equipment	25,161	17,947
Right of use assets - buildings	2,002	2,899
Right of use assets - plant and equipment	4,160	3,671
	219,056	**176,701**
Amortisation		
Intangibles	2,922	3,381
	2,922	**3,381**
Total depreciation and amortisation expense	**221,978**	**180,082**

Refer to Note 11, 12 and 13 for recognition and measurement policies on depreciation and amortisation. Refer Note 6 for 2021-22 restated depreciation.

(e) *Finance Costs*

	2023 $'000	2022 $'000
Interest expense from lease liabilities	318	265
Total finance costs	**318**	**265**

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 the NSW Treasury Mandate to not-for-profit NSW General Government Sector (GGS) entities. Refer to Note 12 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*

	2023 $'000	2022 $'000
Sale of goods		
Course projects and materials	6,747	3,829
	6,747	**3,829**
Rendering of services		
Student fees	238,769	240,294
Other	16,387	10,514
	255,156	**250,808**
Total sale of goods and rendering of services	**261,903**	**254,637**

3. Revenue (continued)

Recognition and measurement

Sale of goods

Revenue from the 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 the 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. 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: the 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 has assessed for student attrition and adjustments. No element of financing is deemed present as payments are due when service is provided.

Refer to Note 9 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***

	2023	2022
	$'000	$'000
Interest revenue	8,516	502
Rental income	6,058	2,965
Total investment revenue	**14,574**	**3,467**

Recognition and measurement

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, cash and cash equivalents.

Rental Income

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

3. Revenue (continued)

(c) *Grants and other contributions*

	2023 $'000	2022 $'000
Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity		
Asset contributions	188,898	152,734
	188,898	**152,734**
Other grants with sufficiently specific performance obligations		
Entitlement subsidy	479,635	411,608
Targeted priority	428,428	377,249
Other public sector agencies	36,951	30,726
	945,014	**819,583**
Grants without sufficiently specific performance obligations		
Operational based funding	472,713	474,211
Community service obligation	153,811	151,486
Commonwealth government	3,504	3,957
Other public sector agencies	5,215	20,280
	635,243	**649,934**
Donations		
Donations and industry contributions	149	246
	149	**246**
Total grants and other contributions	**1,769,304**	**1,622,497**

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 monthly 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 to Note 9 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.

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:

	2023	2022
	$'000	**$'000**
Superannuation - defined benefit	4,723	5,904
Superannuation on annual leave - defined benefit	41	70
Long service leave	33,399	(15,782)
Payroll tax - defined benefit	257	285
Total acceptance by the Crown of employee benefits and other liabilities	**38,420**	**(9,523)**

(e) *Other Income*

	2023	2022
	$'000	**$'000**
Insurance recovery	10,443	5,521
Other income	3,760	49
Total other income	**14,203**	**5,570**

4. Gains / (losses) on disposal

	2023	2022
Gains / (losses) on disposal of property, plant and equipment	**$'000**	**$'000**
Proceeds from disposal	116	2,808
Written down value of assets disposed[a]	(2,027)	(5,827)
Net gains / (losses) on disposal of property, plant and equipment	**(1,911)**	**(3,019)**

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

5. Other gains / (losses)

	2023 $'000	2022 $'000
Decrease in expected credit losses	1,826	2,332
Recovered receivables previously impaired	8,633	8,427
Write back / (write-off) buildings	3,632	(1,731)
Write back / (write-off) plant and equipment	3,803	(243)
Gain on termination of lease liability	175	11
Write-off intangibles	(1,446)	(5,689)
Total other gains / (losses)	**16,623**	**3,107**

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 11
- Leases – Note 12
- Intangible assets – Note 13

6. Prior Period Adjustments

Since the 2017-18 comprehensive valuation exercise, the Commission has developed enhanced asset data which has formed the basis of the comprehensive revaluation of buildings in 2022-23. A prior period adjustment has subsequently been applied to restate fair value impacts on comparative reporting periods with a view to realigning cumulative effects of 2017-18 comprehensive valuation outcomes with revised buildings gross floor area measurement data.

The Commission determined the period specific effects of the adjustment and restated opening balances for 2021-22 and 2022-23 of assets, depreciation expenses, other comprehensive income and equity in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*.

Adjustments were applied as follows:

	Notes	2022 $'000	1 July 2021 $'000
Expenses excluding losses			
Depreciation and amortisation	2(d)	(9,015)	(29,025)
Adjustment to Operating Result		**(9,015)**	**(29,025)**
OTHER COMPREHENSIVE INCOME			
Changes in revaluation surplus of property, plant and equipment	11	22,720	-
Adjustment to Total other comprehensive income / (expense)		**22,720**	**-**
ASSETS			
Property, plant and equipment			
Buildings	11	151,827	138,122
Adjustment to Net Assets		**151,827**	**138,122**
EQUITY			
Reserves	11	189,867	167,147
Accumulated funds	11	(38,040)	(29,025)
Adjustment to Total equity		**151,827**	**138,122**

7. Cash and Cash Equivalents

	2023	2022
	$'000	$'000
Cash at bank and on hand	281,412	301,156
Total cash and cash equivalents	**281,412**	**301,156**

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 is exclusive of any restricted cash held by the Commission, refer to Note 10 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:

	2023	2022
	$'000	$'000
Cash and cash equivalents (per statement of financial position)	281,412	301,156
Closing cash and cash equivalents (per statement of cash flows)	**281,412**	**301,156**

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

8. Current / Non-Current Assets - Receivables

	2023	2022
	$'000	$'000
Current:		
Trade receivables from contracts with customers	49,846	66,166
Student receivables	20,151	36,966
Other receivables	40,828	51,320
Prepayments	19,285	23,096
	130,110	**177,548**
Less: Allowance for expected credit losses:		
- Trade receivables from contracts with customers	(2,476)	(7,166)
Total expected credit losses	(2,476)	(7,166)
Total current receivables	**127,634**	**170,382**

	2023	2022
	$'000	$'000
Movements in Allowance for expected credit losses:		
Balance at 1 July	(7,166)	(16,305)
Amounts written off during the year	3,053	6,888
Amounts recovered during the year	(8,633)	(8,427)
Decrease in allowance recognised in net result	10,270	10,678
Balance at 30 June	**(2,476)**	**(7,166)**

	2023	2022
	$'000	$'000
Non-Current		
Prepayments	3,052	3,406
Total non-current receivables	**3,052**	**3,406**

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

The Commission recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. To determine when the agency becomes a party to the contractual provisions of the instrument, the entity considers:

- Whether the entity has a legal right to receive cash (financial asset) or a legal obligation to pay cash (financial liability); or
- Whether at least one of the parties has performed under the agreement.

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.

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

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.

9. Contract Assets and Liabilities

	2023 $'000	2022 $'000
Contract assets - current	186,923	141,539
Less: impairment allowance	(85,938)	(77,732)
	100,985	**63,807**
Contract liabilities - current	95,418	128,337
	95,418	**128,337**
Contract receivables (included in Note 8)	**62,825**	**84,340**

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 2023 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 students meeting specified milestones in subsidised courses, performance obligations are reported to the Department of Education and recognised as a receivable.

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 gives rise to fluctuations in the impairment allowance on a yearly basis.

As of 30 June 2023, the transaction price allocated to the remaining performance obligations from contracts with customers is $495m (2022: $369m). 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 2023-24 financial year, 26% in the 2024-25 financial year and 5% beyond the 2024-25 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.

9. Contract Assets and Liabilities (continued)

Recognition and measurement (continued)

The balance of contract liabilities for the sale of goods and services from contracts with customers at 30 June 2023 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 will fluctuate year-on-year as funding contracts change and the performance obligations within are variable.

Revenue recognised in 2022-23 financial year that was included in the contract liability balance at the beginning of the year was $61m. No revenue was recognised in the current reporting period that related to performance obligations in a prior year.

10. Restricted Assets

	2023	2022
	$'000	$'000
Prize funds	163	158
Student Benefits Program	3,821	-
Total restricted assets	**3,984**	**158**

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. The previous institute Student Association model was closed, and its functions transitioned to the Commission in FY23. The closure of the former Student Association model, and subsequent transfer of control of residual funds to the Commission, have allowed the commencement towards establishing the new Student Benefits Program.

11. Property, Plant and Equipment

(a) Total property, plant and equipment

	Land $'000	Buildings $'000	Plant and equipment $'000	Total $'000
At 1 July 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**
Gross adjustments	-	167,147	-	167,147
Accumulated depreciation adjustments	-	(29,025)	-	(29,025)
Net carrying adjustments*	**-**	**138,122**	**-**	**138,122**
Gross carrying amount	1,492,818	6,626,512	211,276	8,330,606
Accumulated depreciation and impairment	-	(3,945,098)	(153,359)	(4,098,457)
Restated net carrying amount	**1,492,818**	**2,681,414**	**57,917**	**4,232,149**
Year ended 30 June 2022				
Net carrying amount at beginning of year	1,492,818	2,681,414	57,917	4,232,149
Purchase of assets	-	175,489	41,135	216,624
Disposals	-	(3,097)	(19)	(3,116)
Write-offs	-	(1,731)	(285)	(2,016)
Net change in revaluation surplus for assets disposed	-	(10,525)	-	(10,525)
Restated net revaluation increments less revaluation decrements*	109,059	327,202	-	436,261
Restated depreciation expense*	-	(152,184)	(17,947)	(170,131)
Restated net carrying amount at end of year*	**1,601,877**	**3,016,568**	**80,801**	**4,699,246**
At 30 June 2022 - fair value				
Restated gross carrying amount*	1,601,877	7,080,437	246,723	8,929,037
Restated accumulated depreciation and impairment*	-	(4,063,869)	(165,922)	(4,229,791)
Restated net carrying amount*	**1,601,877**	**3,016,568**	**80,801**	**4,699,246**

*Further details regarding the prior period adjustments are disclosed in Note 6.

11. 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 2022 - fair value				
Gross carrying amount	1,601,877	6,890,570	246,723	8,739,170
Accumulated depreciation and impairment	-	(4,025,829)	(165,922)	(4,191,751)
Net carrying amount	**1,601,877**	**2,864,741**	**80,801**	**4,547,419**
Gross adjustments	-	189,867	-	189,867
Accumulated depreciation adjustments	-	(38,040)	-	(38,040)
Net carrying adjustments*	**-**	**151,827**	**-**	**151,827**
Restated gross carrying amount	1,601,877	7,080,437	246,723	8,929,037
Restated accumulated depreciation and impairment	-	(4,063,869)	(165,922)	(4,229,791)
Restated net carrying amount	**1,601,877**	**3,016,568**	**80,801**	**4,699,246**
Year ended 30 June 2023				
Net carrying amount at beginning of year	1,601,877	3,016,568	80,801	4,699,246
Purchase of assets	-	190,798	69,328	260,126
Disposals	(35)	(1,886)	(46)	(1,967)
Write-backs / (write-offs)	(70)	3,632	3,803	7,365
Reclassification to plant and equipment		(3,430)	3,430	-
Net change in revaluation surplus for assets disposed	(221)	(10,413)	-	(10,634)
Net revaluation increments less revaluation decrements	141,573	792,933	-	934,506
Depreciation expense	-	(187,733)	(25,161)	(212,894)
Net carrying amount at end of year	**1,743,124**	**3,800,469**	**132,155**	**5,675,748**
At 30 June 2023 - fair value				
Gross carrying amount	1,743,124	8,634,958	319,508	10,697,590
Accumulated depreciation and impairment	-	(4,834,489)	(187,353)	(5,021,842)
Net carrying amount	**1,743,124**	**3,800,469**	**132,155**	**5,675,748**

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 15.

*Further details regarding the prior period adjustments are disclosed in Note 6.

11. Property, Plant and Equipment (continued)

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

	Land $'000	Buildings $'000	Plant and equipment $'000	Total $'000
At 1 July 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**
Gross adjustments	-	165,277	-	165,277
Accumulated depreciation adjustments	-	(29,366)	-	(29,366)
Net carrying adjustments*	**-**	**135,911**	**-**	**135,911**
Gross carrying amount	1,488,733	6,528,788	211,276	8,228,797
Accumulated depreciation and impairment	-	(3,870,429)	(153,359)	(4,023,788)
Restated net carrying amount	**1,488,733**	**2,658,359**	**57,917**	**4,205,009**
Year ended 30 June 2022				
Net carrying amount at beginning of year	1,488,733	2,658,359	57,917	4,205,009
Purchase of assets	-	175,301	41,135	216,436
Disposals	-	(3,097)	(19)	(3,116)
Write-offs	-	(1,731)	(285)	(2,016)
Assets transferred from an operating lease arrangement used by the Commission	-	3,262	-	3,262
Assets transferred to an operating lease arrangement	(37,815)	(31,034)	-	(68,849)
Net change in revaluation surplus for assets disposed	-	(10,525)	-	(10,525)
Restated net revaluation increments*	105,998	323,369	-	429,367
Restated depreciation expense*	-	(149,120)	(17,947)	(167,067)
Restated net carrying amount at end of year	**1,556,916**	**2,964,784**	**80,801**	**4,602,501**
At 30 June 2022 - fair value				
Restated gross carrying amount	1,556,916	6,919,168	246,723	8,722,807
Restated accumulated depreciation and impairment	-	(3,954,384)	(165,922)	(4,120,306)
Restated net carrying amount	**1,556,916**	**2,964,784**	**80,801**	**4,602,501**

*Further details regarding the prior period adjustments are disclosed in Note 6.

11. Property, Plant and Equipment (continued)

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

	Land $'000	Buildings $'000	Plant and equipment $'000	Total $'000
At 1 July 2022 - fair value				
Gross carrying amount	1,556,916	6,727,512	246,723	8,531,151
Accumulated depreciation and impairment	-	(3,914,479)	(165,922)	(4,080,401)
Net carrying amount	**1,556,916**	**2,813,033**	**80,801**	**4,450,750**
Gross adjustments	-	191,656	-	191,656
Accumulated depreciation adjustments	-	(39,905)	-	(39,905)
Net carrying adjustments*	**-**	**151,751**	**-**	**151,751**
Restated gross carrying amount	1,556,916	6,919,168	246,723	8,722,807
Restated accumulated depreciation and impairment	-	(3,954,384)	(165,922)	(4,120,306)
Restated net carrying amount	**1,556,916**	**2,964,784**	**80,801**	**4,602,501**
Year ended 30 June 2023				
Net carrying amount at beginning of year	1,556,916	2,964,784	80,801	4,602,501
Purchase of assets	-	190,593	69,328	259,921
Disposals	(35)	(1,886)	(46)	(1,967)
Write-backs / (write-offs)	(70)	3,632	3,803	7,365
Assets transferred from an operating lease arrangement used by the Commission	-	3,948	-	3,948
Assets transferred to an operating lease arrangement	(2,332)	(8,600)	-	(10,932)
Reclassification to plant and equipment		(3,430)	3,430	-
Net change in revaluation surplus for assets disposed	(221)	(10,413)	-	(10,634)
Net revaluation increments	137,392	771,562		908,954
Depreciation expense	-	(184,658)	(25,161)	(209,819)
Net carrying amount at end of year	**1,691,650**	**3,725,532**	**132,155**	**5,549,337**
At 30 June 2023 - fair value				
Gross carrying amount	1,691,650	8,430,910	319,508	10,442,068
Accumulated depreciation and impairment	-	(4,705,378)	(187,353)	(4,892,731)
Net carrying amount	**1,691,650**	**3,725,532**	**132,155**	**5,549,337**

*Further details regarding the prior period adjustments are disclosed in Note 6.

11. Property, Plant and Equipment (continued)

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

	Land $'000	Buildings $'000	Total $'000
At 1 July 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**
Gross adjustments	-	1,870	1,870
Accumulated depreciation adjustments	-	341	341
Net carrying adjustments*	**-**	**2,211**	**2,211**
Restated gross carrying amount	4,085	97,724	101,809
Restated accumulated depreciation and impairment	-	(74,669)	(74,669)
Restated net carrying amount	**4,085**	**23,055**	**27,140**
Year ended 30 June 2022			
Net carrying amount at beginning of year	4,085	23,055	27,140
Purchase of assets	-	188	188
Assets transferred to an operating lease arrangement	37,815	31,034	68,849
Assets transferred from an operating lease arrangement to be used by the Commission	-	(3,262)	(3,262)
Restated net revaluation increments*	3,061	3,833	6,894
Restated depreciation expense*	-	(3,064)	(3,064)
Restated net carrying amount at end of year	**44,961**	**51,784**	**96,745**
At 30 June 2022 - fair value			
Restated gross carrying amount	44,961	161,269	206,230
Restated accumulated depreciation and impairment	-	(109,485)	(109,485)
Restated net carrying amount	**44,961**	**51,784**	**96,745**

*Further details regarding the prior period adjustments are disclosed in Note 6.

11. Property, Plant and Equipment (continued)

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

	Land $'000	Buildings $'000	Total $'000
At 1 July 2022 - fair value			
Gross carrying amount	44,961	163,058	208,019
Accumulated depreciation and impairment	-	(111,350)	(111,350)
Net carrying amount	**44,961**	**51,708**	**96,669**
Gross adjustments	-	(1,789)	(1,789)
Accumulated depreciation adjustments	-	1,865	1,865
Net carrying adjustments*	**-**	**76**	**76**
Restated gross carrying amount	44,961	161,269	206,230
Restated accumulated depreciation and impairment	-	(109,485)	(109,485)
Restated net carrying amount	**44,961**	**51,784**	**96,745**
Year ended 30 June 2023			
Net carrying amount at beginning of year	44,961	51,784	96,745
Purchase of assets	-	205	205
Assets transferred to an operating lease arrangement	2,332	8,600	10,932
Assets transferred from an operating lease arrangement to used by the Commission	-	(3,948)	(3,948)
Net revaluation increments	4,181	21,371	25,552
Reclassification to plant and equipment			
Depreciation expense	-	(3,075)	(3,075)
Net carrying amount at end of year	**51,474**	**74,937**	**126,411**
At 30 June 2023 - fair value			
Gross carrying amount	51,474	204,048	255,522
Accumulated depreciation and impairment	-	(129,111)	(129,111)
Net carrying amount	**51,474**	**74,937**	**126,411**

*Further details regarding the prior period adjustments are disclosed in Note 6.

11. Property, Plant and Equipment (continued)

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 AAS.

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 Policy and Guidelines Paper, TPP21-09 *Valuation of Physical Non-Current Assets at Fair Value* (TPP21-09), and Treasurer's Direction TD21-05 *Valuation of Physical Non-Current Assets at Fair Value* (TD21-05). TPP21-09 and TD21-05 adopts fair value in accordance with AASB *13 Fair Value Measurement* (AASB 13) and AASB *116 Property, Plant and Equipment* (AASB 116).

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 considers 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 considering 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.

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 land and buildings, where the market approach is the most appropriate valuation technique. The Commission conducts a comprehensive revaluation at least every five years for other classes including buildings and property, plant and equipment. The Commission's revaluation cycle is designed to maximise professional valuer's site visits whereby land is comprehensively revalued on each occasion of building comprehensive revaluation.

A comprehensive revaluation for land and buildings was completed for 30 June 2023 and was based on an independent assessment performed by valuation experts, Acumentis Property Valuers. Management has recognised the fair value uplift for land and buildings for the year ended 30 June 2023.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value.

The Commission holds some land and operates campuses in flood and bushfire prone areas. Acumentis Property Valuers have considered the impact of flood and bushfire status while assessing the fair value of these assets.

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.

11. Property, Plant and Equipment (continued)

Recognition and measurement (continued)

Revaluation of property, plant and equipment (continued)

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 increased or decreased 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 the same class of asset previously recognised as a loss 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 offset against one another within a class of non-current assets, but not otherwise. 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.

Refer to Note 6 for details in relation to prior period adjustments resulting from changes to buildings Gross Floor Area since comprehensive revaluation exercise conducted in 2017-18.

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.

In 2022-2023, the Commission was not materially impacted by the heavy rains and resultant flooding in NSW, unlike in 2021-2022, which led to the impairment of the two campuses in Murwillumbah CLC ($1.7m) and Lismore ($9.9m). Lismore remains impaired at 30 June 2023 and the Commission has disclosed a contingent asset for the insurance recovery. Refer to Note 20.

11. Property, Plant and Equipment (continued)

Recognition and measurement (continued)

Depreciation of property, plant and equipment
Depreciation is provided for on a straight-line basis 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. The comprehensive revaluation exercise performed in 2023 updated the Commission's useful lives as listed below.

Asset	Useful life range 2022	Useful life range 2023
Buildings	10 to 80 years	12 to 70 years
Leasehold Improvements	Term of the lease	Term of the lease
Heritage Buildings	20 to 200 years	70 years
Plant and Equipment	3 to 43 years	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 12.

12. 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 several property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. Most of the 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 $1.88m (2022: $0.6m).

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 $'000	Plant and equipment $'000	Total $'000
Balance at 1 July 2022	10,094	9,885	19,979
Additions	1,768	926	2,694
Depreciation expense	(2,001)	(4,159)	(6,160)
Retirements	(1,721)	(151)	(1,872)
Balance at 30 June 2023	**8,140**	**6,501**	**14,641**

	Buildings $'000	Plant and equipment $'000	Total $'000
Balance at 1 July 2021	8,722	10,706	19,428
Additions	4,424	4,075	8,499
Depreciation expense	(2,899)	(3,671)	(6,570)
Retirements	(153)	(1,225)	(1,378)
Balance at 30 June 2022	**10,094**	**9,885**	**19,979**

12. Leases (continued)

(a) The Commission as a Lessee (continued)

Lease liabilities
The following table presents liabilities under leases

	2023 $'000	2022 $'000
Balance at 1 July	16,362	15,959
Additions	2,589	7,255
Retirements	(1,889)	(1,431)
Interest expenses	318	265
Payments	(6,133)	(5,686)
Balance at 30 June	**11,247**	**16,362**

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

	2023 $'000	2022 $'000
Depreciation expense of right-of-use assets	6,180	6,570
Interest expense on lease liabilities	318	265
Expense relating to short-term leases	1	-
Variable lease payments, not included in the measurement of lease liabilities	1,405	3,542
Total amount recognised in the statement of comprehensive income	**7,904**	**10,377**

The Commission had total cash outflows for leases of $6.13m during the year (2022: $5.69m).

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:

Asset	Useful life range 2022	Useful life range 2023
Buildings	10 to 80 years	12 to 70 years
Plant and Equipment	3 to 43 years	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.

12. Leases (continued)

(a) The Commission as a Lessee (continued)

Recognition and measurement (continued)

i. Right-of-use assets (continued)

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.

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 11.

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.

12. Leases (continued)

(a) The Commission as a Lessee (continued)

Recognition and measurement (continued)

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 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.

(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 Consumer Price Index 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 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:

	2023 $'000	2022 $'000
Within one year	2,535	1,718
One to two years	2,002	1,518
Two to three years	1,998	1,406
Three to four years	1,096	1,440
Four to five years	530	573
Later than five years	391	26
Total (excluding GST)	**8,552**	**6,681**

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.

13. Intangible Assets

	Software	Total
At 1 July 2021	**$'000**	**$'000**
Cost (gross carrying amount)	247,620	247,620
Accumulated amortisation and impairment	(113,026)	(113,026)
Net carrying amount	**134,594**	**134,594**
Year ended 30 June 2022		
Net carrying amount at beginning of year	134,594	134,594
Additions (from internal development)	17,247	17,247
Write-offs	(5,689)	(5,689)
Amortisation (recognised in “depreciation and amortisation”)	(3,381)	(3,381)
Net carrying amount at end of year	**142,771**	**142,771**

	Software	Total
At 1 July 2022	**$'000**	**$'000**
Cost (gross carrying amount)	259,178	259,178
Accumulated amortisation and impairment	(116,407)	(116,407)
Net carrying amount	**142,771**	**142,771**
Year ended 30 June 2023		
Net carrying amount at beginning of year	142,771	142,771
Additions (from internal development)	12,304	12,304
Write-offs	(1,446)	(1,446)
Amortisation (recognised in “depreciation and amortisation”)	(2,922)	(2,922)
Net carrying amount at end of year	**150,707**	**150,707**
At 30 June 2023		
Cost (gross carrying amount)	270,036	270,036
Accumulated amortisation and impairment	(119,329)	(119,329)
Net carrying amount	**150,707**	**150,707**

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.

13. Intangible Assets (continued)

Recognition and measurement (continued)

The useful lives of intangible assets are assessed to be finite and the expected useful lives for the below categories of intangible assets have not changed since 2022. 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.

14. Other Financial Assets

	2023 $'000	2022 $'000
Shares	175	175
Total financial assets at fair value	**175**	**175**

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.

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 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*

30 June 2023	Note	Level 1 Fair Value $'000	Level 2 Fair Value $'000	Level 3 Fair Value $'000	Total Fair Value $'000
Land	11	-	1,685,054	58,070	1,743,124
Buildings	11	-	6,132	3,794,337	3,800,469
Carrying value as at 30 June 2023		**-**	**1,691,186**	**3,852,407**	**5,543,593**

30 June 2022	Note	Level 1 Fair Value $'000	Level 2 Fair Value $'000	Level 3 Restated Fair Value $'000	Total Restated Fair Value $'000
Land	11	-	538,523	1,063,354	1,601,877
Buildings	11	-	-	3,016,568	3,016,568
Carrying value as at 30 June 2022		**-**	**538,523**	**4,079,922**	**4,618,445**

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
Restated fair value as at 1 July 2022	1,063,354	2,864,741	-	3,928,095
Prior period adjustments	-	151,827	-	151,827
Restated net carrying amount at beginning of year*	1,063,354	3,016,568	-	4,079,922
Additions	-	190,798	-	190,798
Disposals	-	(1,886)	-	(1,886)
Write-back	-	3,632	-	3,632
Reclassification to plant and equipment	-	(3,430)		(3,430)
Net change in revaluation surplus for assets disposed	-	(10,413)	-	(10,413)
Revaluation increments recognised in Other comprehensive income	42,212	799,135	-	841,347
Depreciation	-	(187,733)	-	(187,733)
Transfer from Level 2 to Level 3	6,850	-	-	6,850
Transfer from Level 3 to Level 2	(1,054,346)	(12,334)	-	(1,066,680)
Fair value as at 30 June 2023	**58,070**	**3,794,337**	**-**	**3,852,407**

*Refer to Note 6 for detail in relation to the prior period adjustments.

	Land $'000	Buildings $'000	Non-current Assets Held-for-Sale $'000	Total Recurring Level 3 Fair Value $'000
Restated fair value as at 1 July 2021	990,959	2,543,292	2,711	3,536,962
Prior period adjustments	-	138,122	-	138,122
Restated net carrying amount at beginning of year*	990,959	2,681,414	2,711	3,675,084
Additions	-	175,489	-	175,489
Disposals	-	(3,097)	(2,711)	(5,808)
Write-offs	-	(1,731)	-	(1,731)
Net change in revaluation surplus for assets disposed	-	(10,525)	-	(10,525)
Restated revaluation increments recognised in Other comprehensive income*	72,395	327,202	-	399,597
Restated depreciation*	-	(152,184)	-	(152,184)
Restated fair value as at 30 June 2022	**1,063,354**	**3,016,568**	**-**	**4,079,922**

*Refer to Note 6 for detail in relation to the prior period adjustments.

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

(c) *Valuation techniques*

i. Land

Land valuations are stated at fair value using a Comparative Market Value basis, adjusted for restrictions and applied to each site area. In the current year, the Commission's fair value was revised as part of the comprehensive revaluation and uplifted to current market value. 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). The 2023 comprehensive land valuation was completed by independent valuation experts, Acumentis Property Valuers. The comprehensive revaluation comprised of full site inspections, full title, map, zoning, topography and restriction searches and recent comparable property sales. Consideration was given to locality, and general market and socio-economic factors and overlaid with the specialised professional valuer's opinion to arrive at a determination of fair value.

ii. Buildings

All building assets are stated at fair value using the Current Replacement Cost method except for buildings at one site where the market approach has been assessed as the most appropriate valuation technique as described below.

The 2023 comprehensive building valuation was completed by independent valuation experts, Acumentis Property Valuers. The comprehensive revaluation for buildings valued at Current Replacement Cost comprised of full site inspections, component price inputs sourced from an independent quantity surveyor, project management costs and regional construction costs. To determine Optimised Replacement Costs consideration was given to valuer's assessment of remaining useful life, condition assessment, recent site improvements and asset maintenance programs. The Commission has separately restated Gross Replacement Cost and Accumulated Depreciation for assets valued using the Current Replacement Cost method.

Where the market approach to revaluation of buildings was considered most appropriate, the valuer performed the comprehensive revaluation in accordance with the market approach described for Land, and tested for appropriate outcome using the income approach, arriving at a market value in line with the income approach after reviewing rental income for like assets in the area. In line with AASB 13 requirements, the Commission has reported the net replacement cost for assets held at market fair value.

iii. Plant and equipment

TPP21-09 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, the Commission 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

	2023 $'000	2022 $'000
Accrued salaries, wages and on-costs	48,702	35,424
Creditors	104,278	104,355
Group, payroll and fringe benefits tax	5,912	4,784
Other	9,471	26,392
Total current payables	**168,363**	**170,955**

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

16. Current Liabilities – Payables (continued)

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.

17. Current / Non-Current Liabilities – Provisions

	2023 $'000	2022 $'000
Current		
Employee benefits and related on-costs: [(a)]		
Annual leave[a]	65,948	64,411
On-costs annual leave	17,411	16,610
On-costs long service leave	34,488	33,857
	117,847	**114,878**
Other Provisions:		
Provisions for refunds and related commitments	1,662	2,798
Provisions for restructure	-	6,147
Provision for make good	414	-
	2,076	**8,945**
Total current provisions	**119,923**	**123,823**
Non-current		
Employee benefits and related on-costs: [(a)]		
On-costs long service leave	3,411	3,349
	3,411	**3,349**
Other Provisions:		
Provisions for refunds and related commitments	-	2,099
Provision for make good	562	1,244
	562	**3,343**
Total non-current provisions	**3,973**	**6,692**
Total provisions	**123,896**	**130,515**

[a]. It is estimated that the provision for annual leave and on-costs for annual leave and long service leave of $121.3m (2022: $118.2m) includes an amount of $108.4m expected to be settled within 12 months (2022: $102.9m) and an amount of $12.9m is expected to be settled in more than 12 months (2022: $15.3m).

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

	Note	2023 $'000	2022 $'000
Aggregate employee benefits and related on-costs			
Provisions - current		117,847	114,878
Provisions - non-current		3,411	3,349
Accrued salaries, wages and on-costs	16	48,702	35,424
Total aggregate employee benefits and related on-costs		**169,960**	**153,651**

Movements in provisions (other than employee benefits)

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

	Provisions for Refunds $'000	Provisions for Restructure $'000	Provisions for Make good $'000	Total $'000
Balance at 1 July	4,897	6,147	1,244	12,288
Additional provisions recognised	-	998	107	1,105
Amount used	(3,235)	(7,145)		(10,380)
Unused amounts reversed	-	-	(375)	(375)
Balance at 30 June	**1,662**	**-**	**976**	**2,638**

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 8.4% (2022: 8.4%) 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".

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

Recognition and measurement (continued)

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.

Other provisions

i. 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.

ii. Other provisions

Provisions are recognised when: the Commission has a present legal or constructive obligation because 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 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 $1.7m (2022: $4.9m) 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.

18. Current / Non-Current Liabilities – Lease Liabilities

	2023 $'000	2022 $'000
Current		
Lease liability (see Note 12)	4,805	5,606
Total current lease liability	**4,805**	**5,606**
Non-Current		
Lease liability (see Note 12)	6,442	10,756
Total non-current lease liability	**6,442**	**10,756**
Total lease liabilities	**11,247**	**16,362**

19. Commitments

	2023 $'000	2022 $'000
Capital Commitments		
Aggregate capital expenditure contracted for at balance date and not provided for:		
Within one year	79,420	88,003
Later than one year and not later than five years	2,464	-
Total (including GST)	**81,884**	**88,003**

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*

A contingent asset exists for the insurance claim in relation the insurance recovery for the material flood damage at the Lismore Campus. An estimate of the financial effect is not practicable as the Commission is currently awaiting on the recommendations from the Northern Rivers Reconstruction Corporation (NRRC). The NRRC is responsible for coordinating the planning, rebuilding and construction work of essential services, infrastructure and housing across multiple government agencies to rebuild Lismore which includes the Lismore Campus.

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:

	2023 $'000	Restated 2022 $'000
Net cash used on operating activities	258,342	105,726
Depreciation and amortisation*	(221,978)	(180,082)
Allowance for impairment and write-offs	6,164	(7,652)
Decrease in provisions	6,619	8,574
(Decrease) / increase in receivables	(43,102)	12,201
Increase in contract assets	37,178	4,085
(Increase) / decrease in contract liabilities	32,919	72,824
Increase in restricted assets	3,826	14
Decrease / (increase) in payables	2,574	(31,456)
Net (loss) on sale of property, plant and equipment	(1,911)	(3,019)
Net result	**80,631**	**(18,785)**

*Refer to Note 6 for detail in relation to the prior period adjustments.

22. Non-Cash Financing and Investing Activities

	2023 $'000	2022 $'000
Liabilities and expenses assumed by the Crown [a]	(38,420)	9,523
	(38,420)	**9,523**

[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:

	2023 $'000	2022 $'000
Short-term employee benefits	2,279	2,985
Post-employment benefits	142	163
Separation benefits	262	429
Total remuneration	**2,683**	**3,577**

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.

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.

23. Related Party Disclosures (continued)

(a) *Key management personnel compensation (continued)*

Key management personnel compensation disclosed above excludes the Minister for Skills, TAFE 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:

- TAFE Delivered Vocational Education and Training (TVET) course fee revenue totalling $38.2m (2022: $37.0m) and recurrent grant and entitlement revenue of $1.7bn (2022: $1.6bn) from the Department of Education, of which $3.6m (2022: $22.5m) is the net contract liability and $41.7m (2022: $59.5m) was accrued revenue at year end.
- Corporate services fees of $nil (2022: $2.2m) were incurred to the DoE in respect of IT and other services of which, $nil (2022: $0.3m) is accrued at year end.

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 and Construction Risks Insurance Fund (CRIF), water from Sydney Water, foreign exchange services from TCorp, servers from Department of Customer Service, long service leave and redundancy reimbursements from the Crown Entity and secondments and leave transfers to and from various NSW Government Agencies.

24. Budget Review

The Commission's net result of $81m gain is a $25m favourable variation against the budgeted net result of $56m. The major factors contributing to this variation are outlined below:

- Total revenue $44m (or 2%) favourable to budget mainly due to increase in training revenues due to higher Entitlement and Targeted Priority enrolments and increase in investment revenue due to increase in interest rates offset by equal decrease in student fee due to the shift in uptake of Fee Free courses.
- Employee related expenses were $38m (or 3%) favourable to budget primarily due to lower spend on non-teaching salary and wages driven by the difficulty in securing staff in the current competitive employment market, lesser organisational units undergoing redesign activities and actuarial adjustments to employee benefits assumed by the Crown Entity.
- Other gains were $18m favourable to budget primarily due to decrease in ECL recognised due to improved collection rates, recovery of previously impaired debtor balances, and writeback of previously impaired building and plant and equipment assets.
- Other Operating expenses were $33m (or 8%) unfavourable to budget primarily due to higher contractor activity on Government Facilities Contract for repairs and maintenance of infrastructure.
- Depreciation and amortisation were $42m (or 23%) unfavourable to budget due to higher depreciation expenses following recognition of comprehensive valuation uplift in building assets.

The Commission’s total net assets were $1.47b (or 33%) higher than the budget. The major factor contributing to this movement was the uplift in the carrying value for land and buildings following completion of the 2022-23 comprehensive revaluation exercise.

The Commission’s net cash flows from operating activities is a net inflow of $258m compared to a budgeted cash inflow of $239m. This is mainly due to higher Entitlement and Targeted Priority enrolments, higher operating revenue from investments, and lower employee related expenses offset by decrease in student fee revenue and increases in operating expenses such as travel and repair and maintenance costs post-Covid.

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:

	2023 $'000	2022 $'000
(a) Barry Raymund Roberts Memorial		
Cash / investment at the beginning of the financial year	117	117
Add: Receipts	4	-
Cash / investment at the end of the financial year	**121**	**117**
(b) Coachbuilders War Memorial Bursary Trust		
Cash / investment at the beginning of the financial year	30	30
Add: Receipts	1	-
Cash / investment at the end of the financial year	**31**	**30**
(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	**9**	**9**
(d) Noel Chettle Memorial Art Prize		
Cash / investment at the beginning of the financial year	42	41
Add: Receipts	1	1
Less: Expenditure	(1)	-
Cash / investment at the end of the financial year	**42**	**42**
(e) Oliver Shaul Scholarship Trust		
Cash / investment at the beginning of the financial year	299	298
Add: Receipts	9	1
Cash / investment at the end of the financial year	**308**	**299**
(f) William and Elizabeth Cuthbertson Memorial		
Cash / investment at the beginning of the financial year	18	18
Add: Receipts	1	-
Cash / investment at the end of the financial year	**19**	**18**

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 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 2023 $'000	Carrying Amount 2022 $'000
Financial Assets	**Note**	**Category**		
Class:				
Cash and cash equivalents	7	N/A	281,412	301,156
Receivables [a]	8	Amortised Cost	39,495	65,683
Other financial assets	10 &14	Amortised Cost	338	333
Financial Liabilities				
Class:				
Payables [b]	16	Financial liabilities measured at amortised cost	113,233	130,775
Lease liabilities	18	Financial liabilities measured at amortised cost	11,247	16,362

a. Excludes statutory receivables and prepayments (i.e., not within scope of AASB 7 *Financial Instruments: Disclosures* (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.

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 *Financial instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the ECLs, 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 factors, including macroeconomic and inflationary 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. ECLs are applied at each receivable stage and adjusted accordingly throughout the receivable lifecycle based on changes in historical loss rates and forward-looking 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 365 days past due.

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 2023 and 2022 was determined as follows:

	30 June 2023 $'000					
	Current	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
Expected credit loss rate	1.75%	9.90%	6.78%	26.12%	21.03%	5.90%
Estimated total gross carrying amount at default	29,638	2,817	2,477	605	6,434	41,971
Expected credit loss	(518)	(279)	(168)	(158)	(1,353)	(2,476)

	30 June 2022 $'000					
	Current	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
Expected credit loss rate	0.28%	0.35%	1.22%	6.55%	66.38%	9.84%
Estimated total gross carrying amount at default	54,843	4,600	1,808	1,207	10,391	72,849
Expected credit loss	(151)	(16)	(22)	(79)	(6,898)	(7,166)

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 8 and the contract assets total in Note 9.

The Commission is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2023 and 2022. 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 using 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 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.

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

			Interest Rate Exposure			Maturity Dates		
	Weighted average effective Int. Rate $'000	**Nominal Amount[a] $'000**	**Fixed Interest Rate $'000**	**Variable Interest Rate $'000**	**Non-interest bearing $'000**	**< 1 yr $'000**	**1 - 5 yrs $'000**	**> 5 yrs $'000**
2023								
Payables:								
Creditors	-	113,233	-	-	113,233	113,233	-	-
Lease Liabilities	2.29%	11,247	11,247	-	-	4,807	3,599	2,841
2022								
Payables:								
Creditors	-	130,775	-	-	130,775	130,775	-	-
Lease Liabilities	1.73%	16,362	16,362	-	-	5,606	8,165	2,591

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 exclude 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 considering 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 2022. The analysis assumes that all other variables remain constant.

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 Reserve Bank of Australia 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.

	2023		2022	
	-1%	**+1%**	**-1%**	**+1%**
Financial Assets	**$'000**	**$'000**	**$'000**	**$'000**
Net Result	(2,854)	2,854	(3,013)	3,013
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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to 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

Technical Education Trust Funds
Annual Report

for the year ended 30 June 2023

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Note: Apart from the Financial Statements for the year ended 30 June 2023, all other financial information in this report is unaudited.

Overview

Aims and objectives

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

As provided by the *Technical Education Trust Funds Act 1967* (here in after referred to as the Act in this Report), 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.

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.

- Stephen Brady, Managing Director (appointed 13 December 2021)

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

Brief history and charter

The Act 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 Entity 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 *Government Sector Finance Act 2018*. The report covers those trust funds where the office of the Managing Director of 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 Entity's financial year will commence on 1 July and end on the following 30 June.

Strategy

Strategic objectives and outcomes

The administration of trust funds encompasses a set of strategic objectives aimed at ensuring the responsible management and effective utilisation of the funds. One primary objective is the fair and transparent awarding of prizes to students pursuing courses of study. This includes establishing clear eligibility criteria, a rigorous selection process, and a system that encourages academic excellence and achievement. Another key objective is the prudent investment of trust moneys, with a focus on achieving consistent growth and maintaining the purchasing power of the funds over time.

The ultimate outcome sought is to provide meritorious students with the financial support they need to excel in their educational pursuits while ensuring the long-term sustainability and growth of the Trust Funds.

Operations and Performance

Management and activities

The Trustee of the Entity 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.

Management activities in relation to the Trust Funds, includes:

- assessing risk tolerance and monitoring market trends to ensure the preservation and growth of the principal amount;
- adherence to the Act in relation to the awarding of prizes to students; and
- maintaining transparent and equitable processes for application, evaluation, and distribution of prizes.

Summary review of operations

During the year, interest revenue on investments and the operating bank account totalled $15,724. Prize awards totalling $600 were made by the Trustee.

Performance information

The Managing Director of the Commission, who serves as the Trustee of the Entity, holds responsibility for managing the Trust Funds, which involves distributing prizes to students who are enrolled in courses offered by the Commission. As a result, the strategic goals of the Trust Funds are in harmony with the TAFE NSW Strategic Plan 2022-25, particularly the goal of delivering exceptional learner experiences.

Efforts are made to enhance learner experiences to facilitate meaningful engagement and foster lifelong connections by establishing a framework that promotes academic excellence and acknowledges outstanding performance. The following award was made during the year:

Fund	Award $
Noel Chettle Memorial Art Prize Fund	600
Total	**600**

Management and Accountability

Consultants

There were no consultants engaged by the Trustee during the year.

Legal changes

There were no judicial decisions during the year having an impact on the Entity.

Economic or other factors

The main economic factor affecting the Entity in its objective in awarding prizes to students is interest rates. Interest rates affect the interest received from investment accounts, which impact the funds available for awarding prizes.

The Entity continually assesses the risk tolerance and monitors market trends to ensure the preservation and growth of the trust funds.

Events arising after the end of the annual reporting period

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

Risk management and insurance activities

The Entity is committed to risk management to ensure responsible management and effective utilisation of the funds.

The Entity continues to manage risk in a manner consistent with the obligations provided in section 3.6 of the *Government Sector Finance Act 2018* to establish, maintain, and keep under review effective systems for risk management.

Internal audit and risk management policy attestation

The Entity has been granted a Small Agency Exemption for the Internal Audit and Risk Management Policy, notwithstanding the exemption the Entity continues to meet the requirements under the *Government Sector Finance Act 2018*.

Cyber Security Policy attestation

The Commission undertakes the accounting and administrative functions for the Entity, including management of cyber security risks in a manner consistent with the mandatory requirements as set out in the NSW Government Cyber Security Policy.

The Cyber Security Annual Attestation Statement for the 2022-23 Financial Year for the Commission can be found in the TAFE NSW annual report.

Compliance with the *Privacy and Personal Information Protection Act 1998*

The Entity is committed to protecting the personal information of people it deals with. The Entity manages personal and health information in accordance with the *Privacy and Personal Information Protection Act 1998* (NSW), *Health Records and Information Privacy Act 2002* (NSW) and the *Privacy Act 1988* where applicable.

Government Information (Public Access) Act 2009 reporting

The Commission undertakes the accounting and administrative functions for the Entity, including any applications made under the *Government Information (Public Access) Act 2009 (NSW).*

There were no access applications received by the Commission in relation to the Entity during 2022-23 (including withdrawn applications but not including invalid applications). Provision of this information complies with clause 8(b) of the *Government Information (Public Access) Regulation 2018 (NSW)*.

Public Interest Disclosures

The Commission undertakes the accounting and administrative functions for the Entity, including any assessments and investigations arising from public interest disclosures.

There were no public interest disclosures received by the Commission in relation to the Entity during 2022-23

Management and Accountability (continued)

Other information

The annual report will be available to the public on the TAFE NSW website https://www.tafensw.edu.au/corporate/annual-report.

There were nil external costs incurred in the production of this report.

Exemptions

The Entity has been granted a Small Agency Exemption for the Internal Audit and Risk Management Policy, notwithstanding the exemption the Entity continues to meet the requirements under the *Government Sector Finance Act 2018*.

Sustainability

Modern Slavery Act 2018 (NSW) reporting

The Commission undertakes the accounting and administrative functions for the Entity, including upholding human rights within its supply chains and promoting ethical business practices in alignment with the *Modern Slavery Act 2018 (NSW).* The Commission understands that modern slavery is a serious human rights issue affecting millions of vulnerable people around the world.

The Commission's commitment to eradicating Modern Slavery will continue as it advances targeted initiatives to ensure it establishes and maintains supply chains that are ethical and sustainable. For further information on how the Commission plans to eradicate modern slavery in its operations, please view the relevant section in the in the TAFE NSW annual report.

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 comprises the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, 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.

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).

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

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

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 Regulation 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.

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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

Delegate of the Auditor-General for New South Wales

16 October 2023
SYDNEY

Start of Audited Financial Statements

Technical Education Trust Funds
Statement by the Statutory Trustee of the Technical Education Trust Funds
for the year ended 30 June 2023

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 exibit 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.

Stephen Brady

Statutory Trustee

Date: 13 October 2023

Technical Education Trust Funds
Statement of Comprehensive Income
for the year ended 30 June 2023

	Notes	Actual 2023 $	Actual 2022 $
Revenue	2(a)	15,724	1,364
Total revenue		**15,724**	**1,364**
Expenses	2(b)	600	-
Total expenses		**600**	**-**
Net result		**15,124**	**1,364**
Total Comprehensive income		**15,124**	**1,364**

The accompanying notes form part of these financial statements.

Technical Education Trust Funds
Statement of Financial Position
as at 30 June 2023

	Notes	Actual 2023 $	Actual 2022 $
ASSETS			
Current Assets			
Cash and cash equivalents	3	35,244	20,120
Other financial assets	4	494,710	494,710
Total Current Assets		**529,954**	**514,830**
Total Assets		**529,954**	**514,830**
Net Assets		**529,954**	**514,830**
EQUITY			
Accumulated funds	5	529,954	514,830
Total equity		**529,954**	**514,830**

The accompanying notes form part of these financial statements.

Technical Education Trust Funds
Statement of Changes in Equity
as at 30 June 2023

	Accumulated Funds $	Total $
Balance at 1 July 2022	**514,830**	**514,830**
Net result for the year	15,124	15,124
Total comprehensive income	**15,124**	**15,124**
Balance at 30 June 2023	**529,954**	**529,954**
Balance at 1 July 2021	**513,466**	**513,466**
Net result for the year	1,364	1,364
Total comprehensive income	**1,364**	**1,364**
Balance at 30 June 2022	**514,830**	**514,830**

The accompanying notes form part of these financial statements.

Technical Education Trust Funds
Statement of Cash Flows
for the year ended 30 June 2023

	Notes	Actual 2023 $	Actual 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Prize awards		(600)	-
Total Payments		**(600)**	**-**
Receipts			
Interest received		15,724	1,364
Total Receipts		**15,724**	**1,364**
NET CASH FLOWS FROM OPERATING ACTIVITIES	6	**15,124**	**1,364**
NET INCREASE IN CASH		**15,124**	**1,364**
Opening cash and cash equivalents		20,120	18,756
CLOSING CASH AND CASH EQUIVALENTS	3	**35,244**	**20,120**

The accompanying notes form part of these financial statements.

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.

These financial statements for the year ended 30 June 2023 were authorised for issue by the Statutory Trustee on 13 October 2023.

(b) *Basis of preparation*

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *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.

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 financial year will commence on 1 July and end on the following 30 June.

(e) *Income Tax Recognition*

The Entity is exempt from income tax.

(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.

1. Summary of Significant Accounting Policies (continued)

(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 year ended 30 June 2023

There were no new AAS applied for the first time in 2022-23. The accounting policies applied in 2022-23 are consistent with those of the previous financial year.

(ii) Issued but not yet effective

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

The following new Accounting Standards 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 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*

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

(i) *Impact of COVID-19 on Financial Reporting for 2022-23*

The outbreak of the Novel Coronavirus (COVID-19) was declared as a 'Global Pandemic' by the World Health Organisation on 11 March 2020.

Management has continually assessed and considered likely impacts of COVID-19 on the financial statements arising from this major global event. The pandemic is not considered to have had an impact on the 2023 reporting year, nor on the prior year.

Management continues to closely monitor COVID-19 advise via regular interaction with government and public health officials at the highest levels.

(j) *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.

1. Summary of Significant Accounting Policies (continued)

(k) ***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 2023.

(l) ***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.

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.

	Actual 2023 $	Actual 2022 $
Interest revenue	15,724	1,364
Total revenue	**15,724**	**1,364**

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*

	Actual 2023 $	Actual 2022 $
Prize awards	600	-
Total expenses	**600**	**-**

(c) *Revenue and expenses attributed to individual funds*

	Actual 2023		Actual 2022	
Trust Fund	**Income $**	**Expenditure $**	**Income $**	**Expenditure $**
Barrington Raymund Roberts Memorial	3,583	-	307	-
Coachbuilders 1914-1919 War Memorial Bursary	911	-	77	-
Mary Ellen Roberts Memorial	283	-	23	-
Noel Chettle Memorial Art Prize	1,270	600	112	-
TAFE Bicentenary Oliver Shaul Scholarship	9,137	-	800	-
William and Elizabeth Cuthbertson Memorial	540	-	45	-
Total	**15,724**	**600**	**1,364**	**-**

3. Cash and Cash Equivalents

	Actual 2023 $	Actual 2022 $
Cash at bank and on hand	35,244	20,120
Closing cash and cash equivalents (per statement of cash flows)	**35,244**	**20,120**

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

	Actual 2023 $	Actual 2022 $
Current assets [a]	494,710	494,710
Total Other Financial Assets	**494,710**	**494,710**

[a] Current asset of $494,710 (30 June 2022: $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.

5. Accumulated Funds by Trust Fund

Trust Fund	Initial Fund Capital $	Actual 2023 Balance $	Actual 2022 Balance $
Barrington Raymund Roberts Memorial	34,000	120,922	117,339
Coachbuilders 1914-1919 War Memorial Bursary	6,100	30,793	29,882
J. P. Franki Memorial	-	36	36
Mary Ellen Roberts Memorial	3,400	9,607	9,324
Noel Chettle Memorial Art Prize	8,000	42,539	41,869
TAFE Bicentenary Oliver Shaul Scholarship	150,000	307,774	298,638
William and Elizabeth Cuthbertson Memorial	5,300	18,283	17,742
Total	**206,800**	**529,954**	**514,830**

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

	Actual 2023 $	Actual 2022 $
Net cash used on operating activities	15,124	1,364
Net Result	**15,124**	**1,364**

7. Commitments

There are $nil commitments as at 30 June 2023 (30 June 2022: $nil).

8. Contingent Liabilities and Contingent Assets

There are $nil contingent liabilities as at 30 June 2023 (30 June 2022: $nil).

There are $nil contingent assets as at 30 June 2023 (30 June 2022: $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.

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

There were no transactions with Government Related Entities during the year ended 30 June 2023 (30 June 2022: $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 2023 $	Carrying amount 2022 $
Class:				
Cash and cash [a] equivalents	3	N/A	35,244	20,120
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 include deposits held in an investment bank account.

(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.

10. Financial Instruments (continued)

(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 2023 is $nil (30 June 2022: $nil).

Exposure to liquidity risk is considered minimal.

(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 2022. 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:

	2023		2022	
	-1%	+1%	-1%	+1%
	$	$	$	$
Net Result	(5,299)	5,299	(5,148)	5,148
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

APPENDICES

Major works

Table 16: New major works (started in 2022–23)

TAFE NSW project name and location	Total expenditure to 30 June 2023 ($'000 excl. GST)	Estimated total cost ($'000 excl. GST)	Start (calendar year)	Completion date (actual or estimated)	Details of any significant delays or overruns (more than 12 months or 10% of total expenditure)
Asset Renewal Program	122,762	139,000	2022	December 2023	
Coffs Harbour Optimisation	675	29,600	2022	June 2025	
Kingscliff Campus Expansion	1,228	32,700	2022	June 2025	
Northern Rivers Education, Training and Research Hub	431	2,500	2022	January 2024	
Ryde Building A Upgrade	289	4,900	2022	June 2024	
Wyong Animal Studies	382	4,900	2022	June 2024	
Wollongong Renewable Energy Training Facilities	0	2,500	2023	June 2024	
Wetherill Park Electric Vehicle Training	60	2,500	2023	June 2024	
Gunnedah Childhood Education	10	2,500	2023	November 2024	

Table 17: Continuing major works in 2022–23 (started prior to 2022–23 and either completed or ongoing in 2022–23)

TAFE NSW project name and location	Total expenditure to 30 June 2023 ($'000 excl. GST)	Estimated total cost ($'000 excl. GST)	Start (calendar year)	Completion date (actual or estimated)	Details of any significant delays or overruns (more than 12 months or 10% of total expenditure)
Scone Multi-trades Hub	2,270	3,000	2021	February 2023	
Shared Service Centre	3,200	4,010	2021	July 2022	
Undercover Areas for Training at Heights	5,900	5,900	2021	December 2022	
Connected Learning Centres Program – Stage 3	53,472	57,094	2019	October 2023	
Institute of Applied Technology for Construction	68,463	80,357	2019	October 2023	
Institute of Applied Technology for Digital Tech	127,544	128,900	2019	July 2022	
Institute of Applied Technology Pilot Program	9,221	13,200	2021	October 2023	
ICT Asset Refresh Program to Enhance Student Experience	18,403	19,000	2021	June 2023	
Student Management Services	138,819	154,587	2016	June 2024	Labour market shortages delayed completion

Approved land disposals

The Minister, in the capacity as the Minister administering the *TAFE Commission Act 1990* (NSW) approves the divestment of TAFE NSW's real property. In the 2022–23 period, there were no sales greater than $5 million.

Consultants

Table 18: Consultants engaged costing equal to or greater than $50,000

Name of consultant	Project title	Purpose of consultancy	Spend in financial year ($)
Nous Group Pty Ltd	Commercial Strategy Development	Management services: Develop an approach to building a commercial fee-for-service model for TAFE NSW	242,000

Table 19: Consultants engaged costing less than $50,000

Supplier name	Description	Spend in financial year ($)
Deloitte Consulting Pty Ltd	Information technology: Advise on ICT strategy for network sharing	30,992
Astrolabe Group	Management services: Provide critical analysis of future options for TAFE regional boundaries	29,700

Promotion—overseas visits

TAFE NSW staff undertook the following overseas visits in 2022–23.

Table 20: Main purposes of the visits

Purpose of visit	Description	No. of visits
Conferences and professional development	Attended and/or presented at conferences or participated in study tours (includes international competitions, such as WorldSkills)	7
Educational exports	Managed partnerships, contracts, programs, quality assurance or assessment of students	7
Exchange programs	Involved in a professional or teacher exchange program	0
International student recruitment	Recruited inbound full-fee-paying international students to TAFE NSW	7
Market development and client engagement	International marketing purposes, development of business relationships or engagement with clients	3
Professional scholarship programs	Staff members awarded scholarships to further their professional skills and knowledge	0
Student excursions	Staff members accompanied students on excursions to increase cultural understanding or attend commemoration ceremonies (Australian Government Endeavour Mobility Grants trips)	0

Requirements arising from employment

The TAFE NSW Commission (Senior Executives) Staff Agency (the Staff Agency) is a controlled entity of the NSW Technical and Further Education Commission. The Staff Agency is listed as a Separate Agency in Part 3, Schedule 1 of the *Government Sector Employment Act 2013* (NSW) (GSE Act). 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).

The Commission, as a reporting entity, comprises all entities under its control, namely the Staff Agency. The Staff Agency provides personnel services to the Commission for employees contracted under PSSE arrangements. 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.

Legal change

The Minister for Skills, TAFE 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 2022–23 that had a significant, new impact on the organisation's operations.

Privacy and Personal Information Protection Act 1998 (NSW)

TAFE NSW is committed to protecting the personal information of the people it deals with, including TAFE NSW staff, learners, 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 *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, and has been updated to address the amendments to the PPIP Act, which become effective on 28 November 2023. TAFE NSW's Privacy Policy also sets out how it collects, stores, uses and discloses personal information.

Government Information (Public Access) Act 2009 (NSW)

Access applications received and completed

The total number of access applications received by TAFE NSW during 2022–23 (including withdrawn applications, but not including invalid applications) was 163. 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 2022–23 is provided in the tables that follow. 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 2022–23, a number of new or updated policies and guidelines were made publicly available on the TAFE NSW website. These included:

- a suite of new materials regarding generative artificial intelligence (AI), including ChatGPT, such as a Student Guide to ChatGPT, a Teacher Guide to ChatGPT and a Library Guide to Generative AI
- a new Higher Education Academic Integrity Procedure, including advice on types of academic misconduct, dealing with suspected cases, appeals, monitoring and evaluation
- a new Privacy Management Plan that sets out how TAFE NSW manages personal and health information in accordance with the relevant legislation
- a new TAFE NSW Customer Complaints Policy, which applies to all customer complaints, including anonymous complaints made by domestic or international students or members of the public about TAFE NSW, its agents or related parties
- updated guidance on the full range of TAFE NSW courses as well as the annual online Student Guide 2023, which now includes more information about multifactor authentication for students and, notably, new guidance on generative AI.

Table 21: Number of access applications received under the Government Information (Public Access) Act 2009 (NSW) by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refusal to deal with application	Refusal to confirm or deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of parliament	0	0	0	0		0	0	0
Private sector business	37	2	4	1	0	1	0	5
Not-for-profit organisations or community groups	0	0	0	0	0	1	0	0
Members of the public (application by legal representative)	90	4	1~	6	0	1	0	6
Members of the public (other)	2	3	1~	1	0	0	0	0
Personal information applications*	2	3	2~	1	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	3~	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 (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 'Access refused in full' decisions related to applications seeking sensitive confidential personal or health information that could not be released due to the effect of the principle in section 15(e) of the GIPA Act, that disclosure cannot be made subject to any conditions on the use or disclosure of information. Nevertheless, the personal or health information was disclosed to the applicants via the Privacy and Personal Information Protection Act 1998 *(NSW) or the* Health Records and Information Privacy Act 2022 *(NSW).*

The total number of access applications received by TAFE NSW during 2022–23 (including withdrawn applications but not including invalid applications) was 163.

- *14 applications received in the previous 2021–22 period that remained invalid at the end of that financial year were carried forward to the 2022–23 reporting year. Of those 14 applications, eight became valid and proceeded to decision making, five remained invalid and one was withdrawn by the applicant.*

Table 22: Invalid applications received under Government Information (Public Access) Act 2009 (NSW)

Reason for invalidity	No. of applications
Application does not comply with formal requirements (section 41 of the GIPA Act)	62
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	62*
Invalid applications that subsequently became valid applications	39

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

** Five invalid applications were subsequently withdrawn by the applicants.*

As at 30 June 2023, the agency was assisting five applicants to make five invalid applications valid, as required by section 52(3) of the GIPA Act. If these invalid applications become valid applications during 2023–24, the subsequent decisions will be reported in the TAFE NSW 2023–24 Annual Report.

Table 23: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act

Two access applications completed in the 2022–23 reporting period 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.

	No. of times consideration used*
Overriding secrecy laws	2
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	3
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 *Electricity Network Assets (Authorised Transactions) Act 2015* (NSW)	0
Information about authorised transaction under *Land and Property Information NSW (Authorised Transaction) Act 2016* (NSW)	0

Note: Reporting on decisions of conclusive presumption against disclosure is required by Schedule 2 of the GIPA Regulation.

* *More than one 'Conclusive presumption of overriding public interest against disclosure' may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application).*

Table 24: Other public interest considerations against disclosure: matters listed in table to section 14 of the GIPA Act

Access was refused in part for five access applications and in full for three 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 (1)	5
Law enforcement and security (2)	0
Individual rights, judicial processes and natural justice (3)	15~
Business interests of agencies and other persons (4)	6
Environment, culture, economy and general matters (5)	0
Secrecy provisions (6)	0
Exempt documents under interstate Freedom of Information legislation (7)	0

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.

~Two 'Access refused in full' decisions related to applications seeking sensitive, confidential personal or health information that could not be released due to the effect of the principle in section 15(e) of the GIPA Act, that disclosure cannot be made subject to any conditions on the use or disclosure of information. Nevertheless, the personal or health information was disclosed to the applicants via the Privacy and Personal Information Protection Act 1998 (NSW) or the Health Records and Information Privacy Act 2022 (NSW).

Table 25: Timeliness

	No. of applications
Decided within the statutory timeframe (20 days plus any extensions)	145
Decided after 35 days (by agreement with applicant)	0
Not decided within timeframe (deemed refusal)	0
Total	145*

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

** The total of 145 applications decided in 2022–23 includes 14 applications that were invalid at the end of the previous 2021–22 financial year, and which were carried forward into the 2022–23 financial year and decided in 2022–23.*

These figures show only the valid access applications that resulted in decisions being made under section 58 of the GIPA Act. This total does not include withdrawn or invalid applications, which do not result in decision.

Table 26: Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	1	0	1
Review by Information Commissioner*	1	0	1
Internal review following recommendation under section 93 of the GIPA Act	1	0	1
Review by NSW Civil and Administrative Tribunal	0	1	1
Total	3	1	4

** The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.*

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

Table 27: Applications for review under Part 5 of the GIPA Act (by type of applicant)

	No. of applications for review
Applications by access applicants	3
Applications by persons to whom information the subject of the access application relates (see section 54 of the GIPA Act)	0
Total	3

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

Table 28: 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 reviews is required by the GIPA Regulation Schedule 2.

Public interest disclosures

Table 29: Details of public interest disclosures

Type of review	Detail	Number
Number of public officials who have made a public interest disclosure (PID) to the public authority	Total	51
Number of PIDs received by the public authority in total and the number of PIDs received by the public authority relating to each of the following	Total PIDs received	49
	Corrupt conduct	46
	Maladministration	3
	Serious and substantial waste of public or local government money	0
	Government information contraventions	0
	Local government pecuniary interest contraventions	0
Number of PIDs finalised	Total	4

TAFE NSW has a PID policy in place.

Actions taken to ensure staff awareness responsibilities under section 6E(1)(b) of the *Public Interest Disclosures Act 1994* (NSW) (PIDA) have been met include:

- staff undertaking that they have read and understood the Internal Reporting Policy
- training provided by the ombudsman
- training provided to new staff during induction
- email messages to staff
- links on the intranet
- messages in staff newsletters.

Cybersecurity policy

Cyber Security Annual Attestation Statement for the 2022–2023 Financial Year for TAFE NSW

I, Stephen Brady, 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 risks, maturity and initiatives of TAFE NSW. Risks to the information and systems of TAFE NSW have been assessed and managed through an effective governance framework. TAFE NSW has a certified Information Security Management System (ISMS) in place.

TAFE NSW is doing the following to continuously improve the management of cyber security governance and resilience:

- The Audit and Risk Committee (ARC) receives regular cyber security updates.
- The Executive Leadership Team (ELT) has ongoing oversight of cyber security within Information Technology, Operational Technology and the Internet of Things.
- The Chief Information Security Officer updates the ARC and the ELT on managing risks, and compliance with NSW CSP.
- Cyber Security culture improvement activities are continually undertaken by engaging partners, staff, executives and students.
- Multi Factor authentication (MFA) has been enforced for all staff, with an opt-out option for students and alumni.
- Information security controls are further improved by implementing Data Loss Prevention and Digital Rights Management.
- TAFE NSW's compliance with Payment Card Industry Data Security Standard (PCI DSS) has increased through improved controls and processes in handling cardholder data (CHD).
- TAFE NSW has a cyber incident response plan; it is integrated with the security components of business continuity arrangements; and cyber crisis response has been tested over the previous 12 months involving senior business executives.
- TAFE NSW performs daily backups, conducts cyber security response exercises and periodically tests its disaster recovery capabilities to continuously improve cyber resilience.

Yours sincerely,

Stephen Brady
Managing Director, TAFE NSW
13 October 2023

Internal audit and risk management attestation statement for the 2022–23 financial year for the NSW Technical and Further Education Commission

I, Stephen Brady, am of the opinion that the NSW Technical and Further Education Commission has internal audit and risk management processes in operation that are 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.	Compliant
3.2	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Compliant

Membership

The current chair and members of the Audit and Risk Committee are:

- Independent Chair, Allan Cook, 24 September 2019 to 30 September 2024 (Chair 1 July 2021 to 30 June 2024)
- Independent Member, Loretta Di Mento, 7 July 2021 to 6 July 2025
- Independent Member, (Esther) Carol Holley, 1 November 2022 to 31 October 2025.

Stephen Brady
Managing Director
NSW Technical and Further Education Commission
31 August 2023

Risk management and insurance activities

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 enterprise risk management principles of:

- creating and protecting value
- integrating with planning processes, decision-making structures and operational procedures
- being systematic, structured, timely and based on best available information
- being dynamic, iterative and responsive to change.

TAFE NSW has a clearly articulated Risk Appetite Statement that informs decision making, assessment of options, and monitoring of risk performance. It helps create the space for potential gains through innovation, experimentation, learning and adaptation while managing the potential for loss.

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

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, product liability, professional indemnity and miscellaneous cover, which includes voluntary workers, learners on work experience, and international travel.

TAFE NSW ABN 89 755 348 137