

TAFE SA Ministerial Charter (2018-19)

Part 1: Preliminary

1. Purpose

- 1.1. The purpose of this Charter is to set out the direction; governance and operations; and financial requirements for the Corporation as determined by the Government of South Australia.
- 1.2. This Charter has been prepared by the Minister and the Treasurer, in consultation with the Corporation, pursuant to section 12 of the *Public Corporations Act 1993*.
- 1.3. This Charter should be read in conjunction with the annual Performance Statement prepared in consultation with the Minister and the Treasurer pursuant to section 13 of the *Public Corporations Act 1993*, setting the performance targets that the Corporation is to pursue in the coming financial year.

2. Governance context

- 2.1. This Charter should be read in conjunction with the following:

- *TAFE SA Act 2012*
- *Public Corporations Act 1993*
- *National Vocational Education and Training Regulator Act 2011*
- *Training and Skills Development Act 2008*
- *Education Services for Overseas Students (ESOS) Act 2000*
- *Higher Education Support Act 2003*
- *Tertiary Education Quality and Standards Agency Act 2011*
- *Public Finance and Audit Act 1987*
- *Public Sector Act 2009*
- *Public Sector (Honesty and Accountability) Act 1995*
- Code of Ethics for the South Australian Public Sector (February 2010)
- Honesty and accountability for members of government boards (March 2011).

3. Definitions

- 3.1. **'Board'** means the board of directors established as the governing body of TAFE SA under the *TAFE SA Act 2012*.
- 3.2. **'Director'** means a director of the board.
- 3.3. **'Minister'** means the Minister for Education.
- 3.4. **'MAA'** means Memorandum of Administration Arrangement.
- 3.5. **'Performance Statement'** means the statement of performance targets that the Corporation must pursue in the coming financial year as specified by the Minister and the Treasurer after consultation with the Corporation under section 13 of the *Public Corporations Act 1993*.
- 3.6. **'Purchasing Minister'** means Minister for Industry and Skills

- 3.7. *'the Corporation'* means TAFE SA.
- 3.8. *'the Government'* means the Government of South Australia.
- 3.9. *'the State'* means the State of South Australia.
- 3.10. *'Treasurer'* means the Treasurer for the Government of South Australia.
- 3.11. *'VET'* means vocational education and training.

Part 2: Purpose and Direction

4. Establishment

- 4.1. The Corporation is established under the *TAFE SA Act 2012* and is a statutory corporation to which the provisions of the *Public Corporations Act 1993* (other than section 35) apply.

5. Functions of TAFE SA

- 5.1. The Strategic Direction of TAFE SA is to become an effective, sustainable public provider offering choice and high quality training in line with the government policy objectives as set out in *A Fresh Start for TAFE SA* (released 4 September 2018).
- 5.2. In reference to the functions set out in the *TAFE SA Act 2012*, the Corporation's functions are limited to:
 - a. Delivering government-funded VET services that meet the economic and social needs of South Australia as identified by the Purchasing Minister
 - b. Supporting the Purchasing Minister to achieve policy objectives in the development of a competitive market for VET services
 - c. Strengthening VET in schools activity in support of the government's policy objectives
 - d. Delivering higher education programs
 - e. Delivering educational programs and services to international students residing in South Australia
 - f. Providing a financial return to government on fee for service activities delivered in Australia; and any other VET commercial ventures as expressly identified in the Minister-approved Business and Strategic Plans.

Part 3: Governance and Operations

6. Governance arrangements

- 6.1. The Corporation owns assets for and on behalf of the Government for the benefit of the State and has the powers of a natural person and any other powers conferred on it by legislation.
- 6.2. The Government, represented by the Minister and the Treasurer, is the owner of the Corporation, acting for and on behalf of the people of South Australia.

- 6.3. The Board is empowered under the *TAFE SA Act 2012* to make binding decisions for the implementation of that Act.
- 6.4. The Board is accountable to the Minister and the Treasurer for the sound management and stewardship of the Corporation and its assets, for and on behalf of its owners, in accordance with the law, and for the attainment of performance targets specified in the Performance Statement.
- 6.5. The Board's key responsibility is to govern the Corporation in line with the government's policy objectives, as set out in *A Fresh Start for TAFE SA*, achieving continued performance and managing the Corporation to protect the Government's financial interests.
- 6.6. The Corporation shall develop a planning framework followed by a Business Plan and a Strategic Plan. The Board should seek approval for its planning framework, Business Plan and Strategic Plan from the Minister before finalisation and implementation.
- 6.7. The Corporation shall comply with all relevant Government policy and legislation including items outlined in section 2.1 of this Charter.

7. Non-commercial operations

- 7.1. Pursuant to section 12 of the *Public Corporations Act 1993*, the Corporation's non-commercial operations include those operations that are:
 - a. Services as outlined in the VET Services MAA between the Purchasing Minister and the Corporation
 - b. Services requested by the Minister under a Community Services Obligation instruction
 - c. Agreed by the Minister and the Treasurer to be non-commercial.

8. Commercial operations

- 8.1. For the purposes of section 12 of the *Public Corporations Act 1993*, commercial operations of the Corporation are other services not stipulated in section 7.1.

Part 4: Financial standards and reporting

9. Fees and charges

- 9.1 The Corporation's fees and charges will be established in accordance with a Corporation's Fees and Charges Framework approved by the Minister.

10. Asset management

- 10.1 The Corporation will comply with Treasurer's Instructions and other Government policies relating to the acquisition and disposal of assets.

11. Borrowing and investment activities

- 11.1 The Corporation may borrow funds from the South Australian Government Financing Authority, subject to approval by the Treasurer.
- 11.2 All funds or retained earnings shall be invested with the South Australian Government Financing Authority.

12. Dividend and tax equivalent payments

- 12.1 The Corporation will comply with Government policies and relevant Treasurer's Instructions on dividend and tax equivalent payments.
- 12.2 In accordance with section 29 of the *Public Corporations Act 1993*, the Corporation will pay to the Treasurer all rates, duties and taxes as requested by the Treasurer.
- 12.3 In accordance with section 30 of the *Public Corporations Act 1993*, before the end of each financial year the Corporation will recommend to the Treasurer that the Corporation pay a specified dividend or not pay any dividend, for that financial year.

13. Financial reports, systems and practices

Form and content of accounts and financial statements

- 13.1. The Corporation will maintain financial and accounting processes, practices and systems, and prepare financial statements in accordance with:
 - a. Applicable Australian Accounting Standards
 - b. Generally accepted accounting principles and practice, and
 - c. All relevant Government policies including Treasurer's Instructions and Accounting Policy Statements (unless specifically exempted) issued under the *Public Finance and Audit Act 1987*.

Accounting and internal auditing systems and practices

- 13.2. The Corporation will establish and maintain effective records of all asset acquisitions and disposals.
- 13.3. The Corporation will establish an Audit and Risk Committee chaired by a Board Director and reporting through to the Board.
- 13.4. The Corporation will establish and maintain effective internal auditing of its operations in accordance with appropriate standards of practice and as required by its Audit and Risk Committee.
- 13.5. In addition to statutory reporting, the Corporation will provide the following reports to the Minister, the Treasurer, or Department for Treasury and Finance (as appropriate):
 - a. Monthly and quarterly reports including actual and forecast information on financial and non-financial performance, its financial position, contributions to

and from government, capital expenditure, borrowings, financial and operational performance targets and cash flow

- b. Annually for the budget planning process, a forward estimates report covering the Budget year and the three out years
- c. Annual reports on performance against the approved Performance Statement, and
- d. Other information as requested from time-to-time by the Minister or the Treasurer.

13.6 The Corporation shall:

- a. Advise the Minister, as soon as practicable, of any development that materially affects the financial or operating capacity of the Corporation or any of its subsidiaries or gives rise to an expectation that the Corporation or any of its subsidiaries may not be able to meet its debts as and when they fall due
- b. Ensure that all information furnished to the Minister by the Corporation or any of its subsidiaries is accurate and comprehensive, and
- c. Provide advice on dividends to Government and dividend returns to Government as approved by the Minister and the Treasurer.

Part 5: Date of operation

14. Date of operation

14.1. This Charter comes into operation upon signing by the Minister and the Treasurer and is binding on the Corporation.



John Gardner MP
Minister for Education

Date: 26 October 2018



Hon Rob Lucas MLC
Treasurer

Date: 26 October 2018