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of South Australia**

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LAID ON THE TABLE**

16 Nov 2023

TAFE SA 2022-23 Annual Report

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2022-23 ANNUAL REPORT for TAFE SA

To:

The Hon Blair Boyer MP

Minister for Education, Training and Skills

This annual report will be presented to Parliament to meet the statutory reporting requirements of *the Public Corporations Act 1993 and the Public Sector Act 2009* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of TAFE SA by:

David Coltman

Chief Executive

Date: 27 September 2023

Signature:

A handwritten signature in black ink, appearing to be 'J-C' followed by a horizontal line.

From the Chief Executive

Last year TAFE SA's commitment to skilling South Australians resulted in the delivery of 11.8 million registered training hours of quality education and training to over 49,000 students across more than 30 sites across the state.

TAFE SA was also named Large Training Provider of the Year 2022 at the South Australian Training Awards for the second consecutive year.

Student outcomes data for 2022 released from the National Centre for Vocational Education Research (NCVER) indicates that 90 per cent of TAFE SA graduates were satisfied with the overall quality of their training and 87 per cent would recommend their training provider. These results and other key indicators were above national TAFE and Vocational Education and Training (VET) averages and further recognise TAFE SA's commitment to quality education and training delivery for students across the state.

TAFE SA's education staff continued to deliver education and training with enthusiasm and dedication. Collaboration with industry and employers enables TAFE SA to teach the latest sought-after skills — and to truly understand what makes a job-ready graduate.

The quality of teaching staff was exemplified at the SA Training Awards, where three TAFE SA lecturers were finalists in the Vocational Education and Training Trainer of the Year Award.

TAFE SA's five-year training profile has aligned our course delivery with the state's future workforce needs. Strategic industry partnerships have resulted in new training initiatives focused on future skills requirements, including critical areas such as defence, health, energy, and early childhood education.

TAFE SA has continued its commitment to regional communities with Regional Skills Advisory Committees having been implemented across the state, where local community members bring knowledge, skills and experience to identify skills and training needs. This enables TAFE SA's regional approach to be informed at a local level and aligned to the unique needs of each area.

Focused on TAFE SA's future direction, an external expert panel commenced consultation on the South Australian Government's *Roadmap for the Future of TAFE SA* (the Roadmap) which will provide a renewed vision and purpose for TAFE SA. The Roadmap will reimagine and redefine the organisation's role as the public provider of vocational education and training in South Australia. TAFE SA welcomed the findings and insights from the Roadmap when it was released.

TAFE SA has also led the way nationally with the implementation of the Federal Government's Fee Free TAFE initiative. TAFE SA identified over 100 courses for priority student cohorts, removing the barrier to entry for these courses across the state while meeting industry needs.

The strong demand for fee free courses this year exceeded all expectations, providing course access to thousands of students who would not otherwise be able to access this training.

To acknowledge the success and achievements of students, TAFE SA also reintroduced formal graduations, encouraging students to take pride in their VET qualifications. Earlier in the year, a highly successful Limestone Coast Class of 2022 graduation ceremony was held - the first graduation of this kind in the region in 12 years.

In further confirmation of TAFE SA's commitment to access and equity of education and training, TAFE SA was acknowledged as a finalist in the Governor's Multicultural Awards for the education and training delivery to newly arrived Ukrainian refugees. A Ukrainian lecturer delivered the Certificate I and II in Spoken and Written English to students who had arrived in South Australia from Ukraine.

To guide our commitment to reconciliation, the TAFE SA Elders Advisory Group was re-established this year and provides focus to ensure the education and employment outcomes for Aboriginal and Torres Strait Islander staff and students continue to be improved. The Advisory Group has supported TAFE SA's commitment to increase non-Indigenous staff and student knowledge of First Nations expertise and history, and for TAFE SA to be a trusted resource for Aboriginal and Torres Strait Islander peoples.

To support the development of digital learning materials, TAFE SA also provided a range of online learning resources along with staff and student support. Several projects have enhanced TAFE SA's digital delivery, including the Polysynchronous Delivery Project, which aims to provide greater access and equity to students who are geographically isolated or unable to access education and training.

TAFE SA has continued to be a leader in the use of Universal Design for Learning (UDL) in the VET sector. In 2022, the Teaching and Learning team received a national Accessibility in Action Award, presented by the Australian Disability Clearinghouse on Education and Training (ADCET) for a person, team, or project that 'actively improves accessibility for students and staff'.

Key transformation initiatives continued to propel the organisation forward, enabling students and staff to achieve, succeed and thrive through training excellence while providing industries, employees and communities with real world outcomes and skilled, job ready graduates.

It is with passion and pride that TAFE SA continues to deliver accessible education and training for students across the state while also being the benchmark for quality education and training delivery in South Australia. This will always be our promise and our purpose.

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2022-23 ANNUAL REPORT for TAFE SA

Thank you to TAFE SA's staff, Executive and Board for their contributions and commitment to our students and our organisation. The achievements in this report would not be possible without their commitment and dedication to TAFE SA's students, staff and stakeholders.

A handwritten signature in black ink, appearing to read 'J-C' followed by a horizontal line.

David Coltman
Chief Executive
TAFE SA

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Overview: about the agency

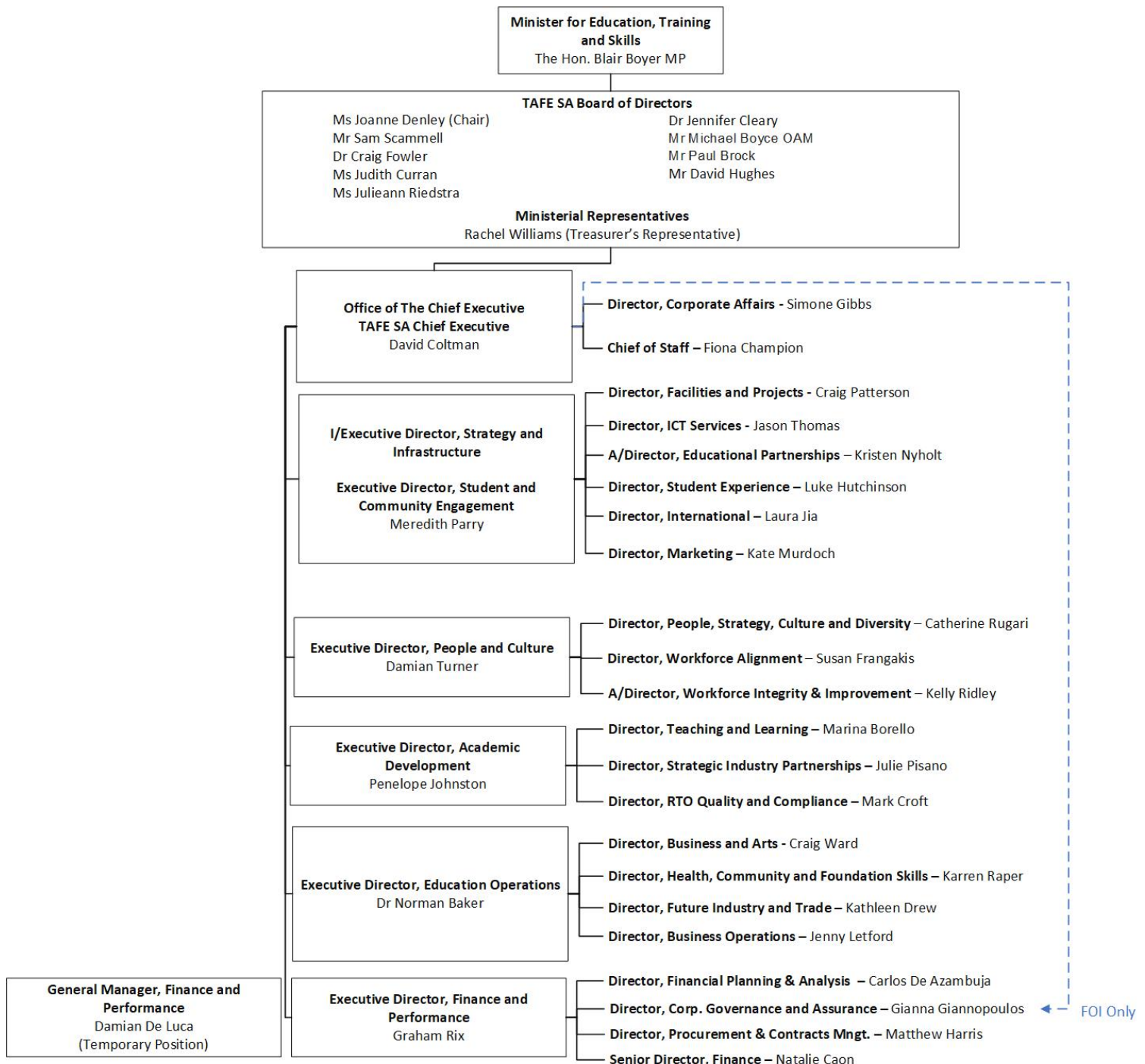
TAFE SA is a statutory corporation of the Government of South Australia, established under the *TAFE SA Act 2012*. TAFE SA is the public provider of VET in South Australia.

TAFE SA's status as a Registered Training Organisation and Institute of Higher Education is managed through the national regulators, the Australian Skills Quality Authority (ASQA) and the Tertiary Education Quality and Standards Agency (TEQSA). It is a requirement of registration with ASQA and TEQSA that TAFE SA demonstrates ongoing compliance with all requirements of the VET Quality Framework and the Higher Education Standards Framework. Compliance is assessed through regular audits. As TAFE SA is also a Higher Education Provider, its CRICOS registration is also regulated by TEQSA.

Our strategic focus

Our purpose	TAFE SA provides quality vocational education and training services aligned with industry needs to support the economic and social needs of South Australia.
Our vision	TAFE SA provides access, flexibility and choice to high-quality public vocational education and training opportunities to equip the students of today with the skills for today and tomorrow.
Our values	TAFE SA behaviours and practices are guided by the Public Sector Code of Ethics and the Public Sector Values shared across government, encompassing service, professionalism, trust, respect, collaboration and engagement, honesty and integrity, courage and tenacity and sustainability.
Our functions, objectives, and deliverables	<p>In addition to TAFE SA's functions as set out in the <i>TAFE SA Act 2012</i>, TAFE SA delivers to 9 areas set by the Minister in the Ministerial Charter and Performance Statement. These are:</p> <ul style="list-style-type: none"> - Election commitments - 12-month Skills Agreement - Responding to community and economic needs - Supporting students to succeed - Sector leading teaching and learning - Building the brand of TAFE SA - Valuing the TAFE SA workforce - Maximising TAFE SA's assets as the public provider - Sustainable and efficient delivery.

Our organisational structure



Board members

As at 30 June 2023, the TAFE SA Board of Directors comprised:

Board member name	Position	Current term dates
Ms Joanne Denley	TAFE SA Board Chair Academic and Quality Committee Audit and Risk Committee People and Culture Committee (Chair)	15/10/2021 - 14/10/2024
Mr Michael Boyce OAM	TAFE SA Board Academic and Quality Committee	15/10/2021 - 14/10/2024
Mr Paul Brock	TAFE SA Board People and Culture Committee	15/10/2021 - 14/10/2024
Dr Jennifer Cleary	TAFE SA Board Academic and Quality Committee	15/10/2021 - 14/10/2024
Ms Judith Curran	TAFE SA Board Academic and Quality Committee People and Culture Committee	15/10/2021 - 14/10/2023
Dr Craig Fowler	TAFE SA Board Academic and Quality Committee (Chair) Higher Education Academic Board (Chair)	15/10/2021 - 14/10/2024
Mr David Hughes	TAFE SA Board Audit and Risk Committee (Chair)	15/10/2021 - 14/10/2024
Ms Julieann Riedstra	TAFE SA Board Audit and Risk Committee	16/01/2023 - 14/10/2024
Mr Sam Scammell	TAFE SA Board Audit and Risk Committee People and Culture Committee	15/10/2021 - 14/10/2023
Ms Rachel Williams	Treasurer's representative	

Changes to the agency

During 2022-23 the following changes were made to the agency's structure and objectives as a result of internal reviews.

Individual workgroup reviews were conducted in the areas of:

- Health and Community Services
- Procurement and Contracts Management
- Corporate Governance and Assurance
- Education Operations
 - schedulers were removed from the business units: Business and Arts; Future Industry and Trade; Health, Community, and Foundation Skills to report to a single line manager in Business Operations.

Organisational reviews of corporate functions:

- ICT Services.

Our Minister

The Hon Blair Boyer MP is the Minister for Education, Training and Skills.

Our Executive team



Office of the Chief Executive

David Coltman
TAFE SA Chief Executive



Academic Development

Penny Johnston
Executive Director, Academic Development



Education Operations

Dr Norman Baker
Executive Director, Education Operations



Finance and Performance

Graham Rix
Executive Director, Finance and Performance



People and Culture

Damian Turner
Executive Director, People and Culture



Student and Community Engagement

Meredith Parry
Executive Director, Student and Community Engagement

Strategy and Infrastructure

Meredith Parry
Interim Executive Director, Strategy and Infrastructure

Legislation administered by the agency

TAFE SA Act 2012

TAFE SA Regulations 2012

Other related agencies (within the Minister's area/s of responsibility)

- Carclew Incorporated
- Child Death and Serious Injury Review Committee
- Child Development Council
- Commissioner for Aboriginal Children and Young People
- Commissioner for Children and Young People
- Construction Industry Training Board
- Department for Education
- Education Standards Board
- History Trust of South Australia
- SACE Board of South Australia
- South Australian Skills Commission
- Teachers Registration Board of South Australia

TAFE SA's performance

Performance at a glance

TAFE SA is committed to implementing a range of activities, strategies, programs, and initiatives to achieve its objectives in line with the organisation's purpose, vision, and strategic goals.

Highlights for 2022-23 include the following.

- Recognised for excellence in vocational education and training as the large training provider of the year in the 2022 SA Training Awards.
- Re-introduced courses in aged care, disability care and childhood education and care at metropolitan TAFE SA campuses, providing immediate opportunity for more South Australians seeking employment or upskilling.
- Commenced implementing the Tranche 1 of the Fee Free TAFE initiative, which will provide 10,500 fee free TAFE enrolments in areas of skills need, with a focus on priority cohorts including:
 - First Nations people
 - LGBTIQ+ community
 - veterans
 - job seekers
 - young people
 - unpaid carers
 - women interested in non-traditional field
 - people with disability
 - people who are eligible for certain visa sub classes.
- Re-established the Aboriginal Elders Advisory Group to provide essential advice and guidance to support TAFE SA's work in improving education and employment outcomes for Aboriginal and Torres Strait Islander employees and students.
- Continued to successfully implement the largest curriculum refresh in TAFE SA's history. A significant undertaking, with a total of 248 programs requiring the content, assessment and delivery methods and materials renewed to align with industry demands.
- Established new Regional Skills Advisory Committees, which will play a key role in identifying skills needs to ensure training offered in the regions is sustainable, viable and relevant to local employers and industry.
- Delivered significant new investments in TAFE SA's digital infrastructure, training and service capability as part of TAFE SA's organisational improvement plan, A Bolder Future for TAFE SA, which is providing improved learning and service experiences for TAFE SA students.
- Developed a new contemporary, state of the art Hydroponic and Propagation Precinct at TAFE SA's Urrbrae Campus, enabling students to propagate plants

and achieve industry ready educational outcomes within horticulture, landscaping, and conservation land management.

- Opened a new state of the art Student Engagement Hub at the Berri campus offering individual and collaborative study spaces and digital facilities for learning and research.
- Developed a brand-new skills lab at the Regency campus, that simulates a childcare facility, to improve training for early childhood education students.

In the 2022-23, financial year the TAFE SA Board and its committees met a total of 27 times, comprising:

- 9 scheduled Board meetings
- 14 committee meetings
- 4 extraordinary Board meetings (2 planned and 2 unplanned in the forward schedule).

A breakdown of the number of meetings attended by each member is provided in the following table.

Board member	No. of meetings attended
Ms Joanne Denley	23
Mr Michael Boyce OAM	13
Mr Paul Brock	13
Dr Jennifer Cleary	8
Ms Judy Curran	15
Dr Craig Fowler	18
Mr David Hughes	15
Ms Julieann Riedstra	8
Mr Sam Scammell	19

Performance indicators and deliverables

TAFE SA deliverables 2022	Performance reporting frequency
Demonstrated support for the government's VET for school students policy	June, September
Demonstrated improvement in regional delivery	June, September
Course changes are managed effectively	June, July, September, October
Course changes operational	July, August, September, October, November
Continue to improve the accessibility of vocational education to regional TAFE SA students	August
Casual staffing proportion	August, November
Enrolments data	September, November
Enhance TAFE SA's student learning experience through technology	September, December
Implementation of an enterprise customer management system	October
Transition training packages in accordance with regulatory requirements and timelines	October
Increase training activity (apprenticeships and non-apprenticeships courses) in areas of trade shortages	October
Course changes strategic	November
Implement a three-year diversity and inclusion strategic plan as part of TAFE SA's commitment to diversity and inclusion for all in a positive and supporting environment for the TAFE SA community	November
Increase training delivery within the aged care, disability, and early childhood sectors across South Australia	December

TAFE SA deliverable 2023	Performance reporting frequency
12-month Skills Agreement	Monthly
Election commitments	January, March, April
Responding to economic and community needs	February, March, April, May, June
Supporting students to succeed	March, June
Sector leading teaching and learning	April
Building the TAFE SA Brand	April
Valuing the TAFE SA workforce	March, May
Maximising TAFE SA's assets as the public provider	February, April
Sustainable and efficient delivery	To be reported upon Q1 2023/24

Corporate performance summary

Agency specific non-financial objectives and performance (2022 calendar year) as outlined in the TAFE SA Performance Statement (1 July 2022 to 30 June 2023).

Indicators	Actual (numbers rounded)	Target
% of TAFE SA VET graduates who improved their employment circumstances after training	66.7%	55.0%
% of TAFE SA VET graduates employed or in further study after training	86.5%	85.0%
% of TAFE SA VET graduates satisfied with the overall quality of training	90.3%	90.0%
TAFE SA load pass rate (a measurement of the number of students who pass their assessment)	80.8%	84.0%

- TAFE SA has achieved all 4 of the non-financial objectives and performance results within the target threshold of 5% for all indicators. Notably, the proportion of graduates who improved their employment circumstances are significantly higher than the target and the proportion observed in the previous year.

Employment opportunity programs

Program name	Performance
Aboriginal Traineeship Program	<p>As part of the South Australian Government Aboriginal Affairs Action Plan (2021-22), the Aboriginal Traineeship Program builds employment opportunities for Aboriginal and Torres Strait Islander trainees across the South Australian Public Sector.</p> <p>TAFE SA actively supports this program and has successfully employed two (2) trainees with a Certificate III level qualification. The trainees are supported by a mentoring program involving TAFE SA staff in partnership with Tauondi Aboriginal College.</p>

Agency performance management and development systems

Performance management and development system	Performance
TAFE SA Performance and Development System	89.47% of all TAFE SA staff had an approved Performance and Development plan during this reporting cycle.

Workplace injury claims	Current year 2022/23	2021/22	% Change (+ / -)
Total new workplace injury claims	32	35	- 8.6%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	5.8	6.9	-15.9%

*Number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

Work health and safety regulations	Current year 2022/23	2021/22	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	2	4	- 50%
Number of provisional improvement, improvement, and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Work health, safety and return to work programs

Program name	Performance
Injury prevention and improvement – work health, safety, and injury management system	<p>TAFE SA commenced implementation of the 2022 to 2024 injury prevention and injury management system.</p> <p>The management system consists of overarching policies, procedures, and operational instructions. The system allows timely changes whenever legislative, best practice and improvements are identified, achieving greater safety for our staff, students, and visitors.</p> <p>TAFE SA uses a proactive approach to managing work health and safety in the workplace with the promotion of reporting via the cross-government digital platform Gov Safety.</p>
Injury prevention – plant safety continuous improvement	<p>The TAFE SA plant safety program continues to provide TAFE SA with assurance regarding the suitability of our plant.</p> <p>Regular risk assessments are performed on TAFE SA plant to ensure the risk of injury is eliminated or reduced to as low as is reasonably practicable for our staff and students.</p>
Well-being continuous improvement	<p>TAFE SA continues to focus on wellbeing to support staff. Employee Assistance Program (EAP) data trends and patterns are regularly reviewed to identify opportunities for improvement. TAFE SA continues to invest in mental health first aid training for staff, including refresher training.</p>
Continuous improvement – WHS internal audit	<p>The TAFE SA WHS&IM internal audit program continues through methodical, independent, and documented assessments where information and evidence are gathered to objectively evaluate and continuously improve TAFE SA's WHS&IM system.</p> <p>The program continues to be applied in accordance with WHS procedures, standards, legislative requirements, known risks, injury and incident statistics and remains practical through its application.</p> <p>In 2022, the program was placed on hold due to COVID-19, and the recruitment process for a new internal auditor. Not completed as part of the 2022 program, those audits have been carried over into the 2023-2025 Internal Audit Schedule.</p>

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Return to work costs**	Current year 2022/23	2021/22	% Change (+ / -)
Total gross workers' compensation expenditure (\$)	\$1,953,478	\$1,719,260	+13.6%
Income support payments – gross (\$)	\$475,001	\$350,190	+35.6%

***before third-party recovery*

Data for previous years is available at: [TAFE SA - WHS - Historical Trend - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/tafe-sa-whs-historical-trend-dataset)

Executive employment in the agency

Executive classification	Number of executives
SAES1	22
SAES2	6
EXEC	1

Data for previous years is available at: [TAFE SA – Executive Employment – Historical Trend - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/tafe-sa-executive-employment-historical-trend-dataset)

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information in the tables below is unaudited. Full audited financial statements for 2022-2023 are attached to this report.

Statement of Comprehensive Income	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation Favourable/ (Unfavourable) \$000s	2021-22 Actual \$000s
Total Income	313 407	312 312	(1 095)	326 763
Total Expenses	320 467	320 885	418	305 439
Net Result	(7 060)	(8 573)	(1 513)	21 324

Statement of Financial Position	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation Favourable/ (Unfavourable) \$000s	2021-22 Actual \$000s
Current assets	135 991	94 468	(41 523)	127 936
Non-current assets	598 543	590 852	(7 691)	603 018
Total assets	734 534	685 320	(49 214)	730 954
Current liabilities	49 467	40 714	8 753	39 366
Non-current liabilities	61 370	42 327	19 043	42 243
Total liabilities	110 837	83 041	(27 796)	81 609
Net assets	623 697	602 279	(21 418)	649 345
Equity	623 697	602 279	(21 418)	649 345

** Budget presented to Parliament (2022-23 Budget Paper 4). Budget amounts have not been adjusted to reflect subsequent budget revisions.*

Prior to 2022-23, TAFE SA was largely funded by the Department for Innovation and Skills. TAFE SA's main income source is now from the Department for Education. Funding from intra-government sources was \$17.6 million lower than 2021-22 reflective of expenditure savings and reduced Commonwealth JobTrainer scheme grants.

TAFE SA also experienced higher operating costs in 2022-23 including:

- Unplanned building-related expenses for stormwater repairs and maintenance.
- Higher consumable costs arising from the impact of new training package requirements, unavoidable inflationary impacts and increased training activity associated with fee free courses.
- Salary costs which apply the latest award increases and superannuation guarantee.

TAFE SA provided a net return of capital of \$38 million in 2022-23 to the Department of Treasury and Finance under the Cash Alignment Policy. This accounts for the movement in Current Assets noted in the table above.

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	18,443

Consultancies with a contract value above \$10,000 each

Consultants	Purpose	Payment (\$)
6 DEGREES CONSULTING	School Cohort Process mapping and improvements	25,600
6 DEGREES CONSULTING	VET Secondary Schools Customer Centric Operating Model	97,130
6 DEGREES CONSULTING	Informed Decision Making Web and Enrolment Models	12,000
DUCK & PARTNERS PTY LTD T/A	Strategic advisory services for Student Experience	45,000
ESCIENT PTY LTD	Training Development Support	18,000
IDENTITY CARE AUSTRALIA & NEW ZEALAND LIMITED	National Case Management Centre incident management services	11,827
JOBREADY TECH PTY LTD	Implementation of Ready Skills Solution across apprenticeships and traineeships	240,993
KPMG	Bolder Future Project - Program 2 - Service Strategy	293,743
MERCER CONSULTING (AUST) P/L	Work value assessments & classification advice	11,680

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Consultants	Purpose	Payment (\$)
NIK&CO CONSULTANCY	Reconciliation Action Plan Community Engagement Framework	10,000
PAGEUP PEOPLE LIMITED	Implementation of HR Recruitment and On-Boarding System	109,513
PRICEWATERHOUSECOOPERS	Delivery of a strategic risk workshop for board members	11,959
PRONTO SOFTWARE LIMITED	Implementation, training, service and project management of Pronto XI software	53,500
UXC CONSULTING GROUP	Review strategic documents, roadmap and forward planning, provide advice and prepare reports	32,500
Sub Total		973,445
Total Consultants		991,888

Data for previous years is available at: [TAFE SA – Consultants – Historical Trend - Dataset - data.sa.gov.au](#)

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year. For 2022-23 these contractors have assisted TAFE SA to deliver on its Bolder Future Program and facilitate the introduction of Fee Free TAFE SA.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	279,282

Contractors with a contract value above \$10,000 each

Contractors	Purpose	Payment (\$)
2M LANGUAGE SERVICES	Design and delivery of Interpreter Training Boost Program	25,000
6 DEGREES CONSULTING	Provision of services to review key workflows and processes of the Office of the Chief Executive	12,375
ACADEMY IT P/L	Dream to IT Careers Innovative Project - training and support to prepare students for a traineeship within an IT company	19,800
AKKODIS AUSTRALIA TALENT	Bolder Future Project - Electronic Customer Relationship Management - implementation of Microsoft Dynamics 365 Cloud Solution	147,588
AKKODIS AUSTRALIA TALENT	Bolder Future Project - Program Management - Dashboard Reporting and Program Tracking	10,935
AKKODIS AUSTRALIA TALENT	Bolder Future Project - Transforming the Trades	258,242
AKKODIS AUSTRALIA TALENT	Bolder Future Project - Human Capital Management System	121,716
AKKODIS AUSTRALIA TALENT	Bolder Future Project - Time and Attendance	28,290
AKKODIS AUSTRALIA TALENT	Bolder Future Project - Strategic Business Initiative Automation Program	38,181
AKKODIS AUSTRALIA TALENT	Learning Design for Video Content Management System & Quality Teaching and Learning through Technology Project	45,364
AKKODIS AUSTRALIA TALENT	Developer for Human Capital Management and Enrolment Improvement	11,197
AKTO PTY LTD	Bolder Future Project - data governance framework, operating model & charter	278,932
AUSLAN SERVICES PTY LIMITED	Interpreting and translation services	91,410
CULTURE CROP	Design services for various marketing campaigns	18,371

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Contractors	Purpose	Payment (\$)
D2V ENTERTAINMENT PTY LTD	Retrieving and editing of artwork	17,324
DEPT OF HOME AFFAIRS	Interpreting and translation services	12,385
ENABLE PROFESSIONAL SERVICES	Bolder Future Project - parchment form automation for My Service	135,406
E-OZ ENERGY SKILLS AUSTRALIA	eProfiling for electrical apprentices	60,404
FINESSE MODEL AGENCY	Modelling service – TAFE SA Flinders Fashion Graduate Parade	22,109
GALPINS	Assist with implementing the Risk Management Plan	44,625
GLEN J FILMS	Filming, editing and equipment charges	42,775
HARRISON MCMILLAN PTY LTD	Bolder Future Project - Human Capital Management System	11,722
HARRISON MCMILLAN PTY LTD	Bespoke Recruitment Solution - recruitment of lecturers for Fee Free TAFE	80,795
HAYS SPECIALIST RECRUITMENT	Bolder Future Project - student experience process review and mapping	196,111
HAYS SPECIALIST RECRUITMENT	Bolder Future Project - Electronic Customer Relationship Management	231,194
HAYS SPECIALIST RECRUITMENT	Bolder Future Project - Strategic Workforce Planning	28,305
HAYS SPECIALIST RECRUITMENT	Bolder Future Project - Polysynchronous Delivery Initiative	137,669
HAYS SPECIALIST RECRUITMENT	Bolder Future Project - Organisational Capability	32,315
HAYS SPECIALIST RECRUITMENT	IT Capital Project - Information Security Strategy	213,937
HUDSON GLOBAL RESOURCES (AUST)	Bolder Future Project - Electronic Customer Relationship Management	298,300

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Contractors	Purpose	Payment (\$)
HUDSON GLOBAL RESOURCES (AUST)	Bolder Future Project - Enterprise Scheduling Solution	106,803
HUDSON GLOBAL RESOURCES (AUST)	Bolder Future Project - Human Capital Management System	42,831
HUDSON GLOBAL RESOURCES (AUST)	Bolder Future Project - Time and Attendance	39,115
HUDSON GLOBAL RESOURCES (AUST)	Bolder Future Project - Finance & Performance Digital Modernisation	73,765
HUDSON GLOBAL RESOURCES (AUST)	Bolder Future Project - Government Risk Management & Compliance Platform	13,497
JMSS CONSULTING SOLUTIONS	Bolder Future Project - Transforming the Trades	54,550
KPMG AUSTRALIA TECHNOLOGY	Integration and configuration of Financial Planning and Analysis capability	243,984
LEARNING INFORMATION SYSTEMS	Management of the International Admission Application Services	50,416
MANPOWER SERVICES AUST P/L	Bolder Future Project - Human Capital Management System	85,439
MANPOWER SERVICES AUST P/L	Bolder Future Project - Time and Attendance	85,439
MANUEL COMMUNICATIONS	Bolder Future Project - Student Engagement & Success	13,798
MAXIMA TRAINING GROUP (AUST)	Bolder Future Project - Profitability Analytics Phase 2 implementation	40,016
MODIS STAFFING PTY LTD	Bolder Future Project - Electronic Customer Relationship Management	52,360
MODIS STAFFING PTY LTD	Bolder Future Project - Profitability Analytics Phase 2 implementation	67,818
MODIS STAFFING PTY LTD	Bolder Future Project - People Change Management	12,526
MODIS STAFFING PTY LTD	Bolder Future Project - Future Students and Student Success initiative	63,453

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2022-23 ANNUAL REPORT for TAFE SA

Contractors	Purpose	Payment (\$)
MODIS STAFFING PTY LTD	Bolder Future Project - Transforming the Trades	112,561
MODIS STAFFING PTY LTD	Bolder Future Project - Enterprise Scheduling Solution	51,474
MODIS STAFFING PTY LTD	Content development for Foundation Skills Interpreting & Translating and National Accreditation Authority for Translators and Interpreters Project	44,547
MOTIV BRAND DESIGN	Design services for various marketing campaigns	18,646
NAATI	Design and delivery of the Interpreter Training Boost Program	10,390
NEW FOCUS PTY LTD	Concept testing research for 2023-2024 Student Recruitment Campaign	31,000
NEXON ASIA PACIFIC PTY LTD	Bolder Future Project - Electronic Customer Relationship Management	17,649
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Electronic Customer Relationship Management	730,277
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Profitability Analytics Phase 2 implementation	26,457
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Program Management - Dashboard Reporting and Program Tracking	228,970
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Quality Teaching and Learning through Technology Project	112,368
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Transforming the Trades	422,506
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Enterprise Scheduling Solution	180,553
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Human Capital Management System	41,547
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Strategic Business Initiative Automation Program	29,838

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2022-23 ANNUAL REPORT for TAFE SA

Contractors	Purpose	Payment (\$)
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Finance & Performance Digital Modernisation	201,070
PEARSON AUSTRALIA GROUP	On demand tutoring service offering expert advice to students	17,809
PERKS & ASSOCIATES PTY LTD	Adaptive Insights – forecasting system improvements	11,950
PHILIP REEDMAN MASTER OF WINE	Course teaching fee - Wine and Spirits	14,000
QS ENROLMENT SOLUTIONS (AUST)	Student Enquiry and Offer management	181,818
RANDSTAD P/L	Bolder Future Project - Profitability Analytics Phase 2 implementation	71,161
RANDSTAD P/L	Bolder Future Project - Transforming the Trades	49,664
RANDSTAD P/L	Bolder Future Project - general ledger Profitability Analytics	25,216
RANDSTAD P/L	Recruitment of Senior Governance and Assurance Officer	12,675
RICOH	Service of Printers	16,593
RIVERGRAPHICS	Supply and install of new campus signage	10,110
RUMENATE LIVESTOCK SERVICES	Preparation of teaching presentations, technical resources and assessments	18,968
SAVILLS VALUATIONS PTY LTD	Office of the Valuer-General valuation of market rental values	57,500
SHOWPONY ADVERTISING	Development of creative concepts for Community Services Metro Campaign	18,530
SHOWPONY ADVERTISING	Development of creative concepts for Fee Free TAFE Campaign	11,690
SHOWPONY ADVERTISING	Development of creative concepts for Adelaide College of Arts branding refresh	10,000

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2022-23 ANNUAL REPORT for TAFE SA

Contractors	Purpose	Payment (\$)
SHOWPONY ADVERTISING	Development of creative concepts for Student Recruitment Campaign for major award course for television, radio and other media	294,602
SQUARE HOLES	Brand campaign concept testing	43,725
SUSAN HEALEY	Choreographic services, staging of dance production and providing advice to lecturers	10,000
TALENT INTERNATIONAL (SA) P/L	Bolder Future Project - Electronic Customer Relationship Management	70,370
TALENT INTERNATIONAL (SA) P/L	Bolder Future Project - Profitability Analytics Phase 2 implementation	33,849
TALENT INTERNATIONAL (SA) P/L	Bolder Future Project - Program Management - dashboard reporting and program tracking	77,916
TALENT INTERNATIONAL (SA) P/L	Bolder Future Project - People Change Management	72,018
TALENT INTERNATIONAL (SA) P/L	Bolder Future Project - Transforming the Trades	55,888
TALENT INTERNATIONAL (SA) P/L	Bolder Future Project - Enterprise Scheduling Solution	68,223
TALENT INTERNATIONAL (SA) P/L	Bolder Future Project - Strategic Business Initiative Automation Program	119,144
TALENT INTERNATIONAL (SA) P/L	Bolder Future Project - Finance & Performance Digital Modernisation	53,712
THE COO ADVANTAGE	Temporary Specialist Resourcing	109,633
TIMEEDIT APAC PTY LTD	Bolder Future Project - implementation of Resource Scheduling and Education Room Booking Tool	29,940

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2022-23 ANNUAL REPORT for TAFE SA

Contractors	Purpose	Payment (\$)
UNIVERSITY OF TASMANIA	National Collaborative project for design of webpage and producing resources and video materials for people with disability	14,091
WHITEDESIGN	Branding Strategy and Graphic Design	10,120
ZOE BELLE DUNWOODIE	Choreographic services, staging of dance production and providing advice to lecturers	10,000
Sub Total		7,579,355
Total Contractors		7,858,636

Data for previous years is available at: [TAFE SA - Contractors - Historical Trend - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/tafe-sa-contractors-historical-trend)

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts](#).

The website also provides details of [across government contracts](#).

Risk management

Risk and audit at a glance

The Audit and Risk Committee (ARC) assists the TAFE SA Board in fulfilling its corporate governance responsibilities in relation to financial reporting and control, risk management, the internal control framework and audit processes. The ARC comprises four members of the TAFE SA Board, with regular attendees including the Chief Executive, Executive Director, Finance and Performance, Internal Audit, and representatives from the Auditor-General's Department. The committee met on 5 occasions during 2022-23.

During 2022-23, the ARC focused on the following matters:

- Corporate governance, including the:
 - embedding of risk practices across the organisation and related reporting
 - assurance TAFE SA has over its key risk mitigation strategies
 - legislative compliance, and related policies.
 - TAFE SA's performance, including review of the annual financial statements.
- Internal audit coverage including:
 - approving the annual internal audit plan
 - considering internal control weaknesses identified within internal audit reports
 - managing actions to be taken to address findings.
- External audit including consideration of internal control weaknesses identified by the Auditor-General and managing actions to be taken to address the findings.
- Data breach - in 2022-23 TAFE SA identified a data breach relating to student information. TAFE SA responded to the breach, including working with relevant government agencies and supporting impacted students. TAFE SA undertook a number of actions to strengthen systems and processes.

Fraud detected in the agency

For the financial year 2022-23, no instances of fraud have been reported.

Strategies implemented to control and prevent fraud

TAFE SA is committed to maintaining a work environment free of fraud and corrupt behaviour and promotes this behaviour in accordance with the organisation's fraud and corruption policy. Fraud control risks are reviewed as part of operational risk profiles to ensure that processes are in place to adequately manage potential fraud risks. Any instances of fraud are treated seriously by the organisation, and where these occur, prompt action is taken to ensure that they are thoroughly investigated, and that those responsible, are held to account.

TAFE SA has implemented several internal controls to mitigate the risk of fraud including:

- ethics awareness training
- conflict of interest training
- delegations
- segregation of duties
- monthly general ledger reconciliations
- stocktakes of fixed assets and key inventories
- key supplier probity checks.

These strategies collectively strengthen our resilience against fraud risks.

In addition to the above, TAFE SA has commenced implementing the recommendations from a recent ICAC evaluation, which will further strengthen the overall fraud control environment.

Data for previous years is available at: [TAFE SA – Fraud – Historical Trend - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/tafe-sa-fraud-historical-trend)

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

Zero

Data for previous years is available at: [TAFE SA – Whistleblowers – Historical Trend - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/tafe-sa-whistleblowers-historical-trend)

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

Reporting required under the *Carers' Recognition Act 2005*

TAFE SA supports and encourages staff with carer responsibilities to discuss their circumstances and working arrangement need with their manager or director. Information on support for working carers, can be found on the TAFE SA's intranet [here](#).

TAFE SA also promotes the *Carers Recognition Act 2005* and the South Australian Carers Charter by ensuring reference during new employee induction and onboarding.

A link to the *Carers Recognition Act 2005* is available for staff on TAFE SA's intranet [here](#) to understand carers' responsibilities and obligations. TAFE SA supports the *Carers Recognition Act 2005* by ensuring employees have access to carers leave provisions as per enterprise agreements.

Reporting under the *Public Corporations Act 1993 (SA)*

Act or Regulation	Requirement
<i>Public Corporations Act 1993 (SA)</i>	Section 33(2)(c): set out any approval or exemption given or determination made by its Minister or the Treasurer under this Act or the corporation's incorporating Act in respect of the corporation or any of its subsidiaries during that financial year or that has effect in respect of that financial year;

TAFE SA is exempt under Section 4 of the *Land Tax Act 1936* as it is a State Government entity. TAFE SA also received exemption from the Dividend and Income Tax Equivalents (ITE) payments for 2023-24 from the Treasurer pursuant to Sections 29 and 30 of the *Public Corporations Act 1993 (SA)*.

Act or Regulation	Requirement
<i>Public Corporations Act 1993 (SA)</i>	Section 33(2)(d): set out any disclosure made during that financial year by a director of the corporation or a subsidiary of the corporation of an interest in a matter decided or under consideration by the board of the corporation or subsidiary;

As at June 30, 2023, 37 disclosures were made by Board Directors and retained on the standing register of Board Directors' declaration of interests during the reporting period.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of complaints 2022-23
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	47
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	23
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	3
Communication	Communication quality	Inadequate, delayed, or absent communication with customer	87
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	6
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	19
Service delivery	Access to services	Service difficult to find; location poor; facilities/environment poor standard; not accessible to customers with disabilities	95
Service delivery	Process	Processing error: incorrect process used; delay in processing application; process not customer responsive	93
Policy	Policy application	Incorrect policy interpretation: incorrect policy applied; conflicting policy advice given	77

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2022-23 ANNUAL REPORT for TAFE SA

Complaint categories	Sub-categories	Example	Number of complaints 2022-23
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	6
Service quality	Information	Incorrect, incomplete, out-dated or inadequate information; not fit for purpose	26
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	38
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	14
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	4
Service quality	Service responsiveness	Service design does not meet customer needs; poor service fit with customer expectations	17
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	555

Additional metrics	Total
Number of positive feedback comments	45
Number of negative feedback comments	665
Total number of feedback comments	710
% complaints resolved within policy timeframes	<ul style="list-style-type: none"> • 67.93% (less than 14 days) • 23.24% (between 14 – 30 days) • 8.82% (over 30 days)

In the 2022-23 financial year there was an increase in the number of complaints overall compared to FY 2021-22. It can be inferred that this is due to the significant increased number of prospective student enquiries, applications, and people engaging with TAFE SA in FY 2022-23 because of the introduction of the Fee Free TAFE initiative. There was also an increase in the number of positive feedback comments received compared to FY 2021-22.

Data for previous years is available at: [TAFE SA – Complaints – Historical Trend - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/tafe-sa-complaints-historical-trend)

Service improvements

From January 2023 to March 2023, the Customer Service Contact Centre experienced a significant increase of 39% in call volume in comparison to the same time last year. The increase in call volume was driven by Fee Free TAFE, and prospective student application status enquiries.

The Customer Service Contact Centre team analysed the frequently asked questions recorded during the period, to understand the drivers of the higher call volume. As a result, improved on-hold messaging has been implemented. The messaging includes additional information on self-service options for students such as assistance on how to enrol, and who is eligible to enrol into Fee Free TAFE courses; caller place in the queue, and potential wait times.

In October 2022, a user experience review was undertaken to analyse the complaints lodgement process. The review led to improvements that have delivered enhanced user experience and improved process workflows, with communications being updated in line with the plain English principles. Business processes have also been updated to ensure that student feedback and ideas are not recorded as complaints.

Additionally in October 2022, TAFE SA implemented a new Enterprise Scheduling System called TimeEdit. The system was launched to align with scheduling for Semester 1, 2023. It provides TAFE SA students and staff with live digital timetables in the one central platform, reducing manually intensive steps in the planning, scheduling, and data entry processes. It enables TAFE SA to optimise resources and facilities use across training locations. The new system will also provide greater visibility and transparency to the worked hours of TAFE SA teaching staff.

Compliance statement

TAFE SA is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	YES
TAFE SA has communicated the content of Premier and Cabinet Circular 039 and the agency's related complaints policies and procedures to employees.	YES

Appendix: Audited financial statements 2022-23



Our ref: A23/465

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Ms J Denley
Chair
TAFE SA Board
TAFE SA
120 Currie Street
ADELAIDE SA 5000
email: denleymanagement@bigpond.com
TAFESABoard@tafesa.edu.au
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Dear Ms Denley

Audit of TAFE SA for the year to 30 June 2023

We have completed the audit of your accounts for the year ended 30 June 2023. Two key outcomes from the audit are the:

- 1 Independent Auditor's Report on your agency's financial report
- 2 audit management letters recommending you address identified weaknesses.

1 Independent Auditor's Report

We are returning the financial report for TAFE SA, with the Independent Auditor's Report. This report is unmodified. The *Public Finance and Audit Act 1987* allows me to publish documents on the Auditor-General's Department website. The enclosed Independent Auditor's Report and accompanying financial report will be published on that website on Tuesday 17 October 2023.

My annual report to Parliament indicates that we have issued an unmodified Independent Auditor's Report on your financial report.

2 Audit management letters

During the year, we sent you audit management letters detailing the weaknesses we noted and improvements we considered you need to make including matters we considered in forming our collective opinion on financial controls required by the *Public Finance and Audit Act 1987*.

Significant matters related to:

- user access to the asset maintenance system
- overpayments to staff due to delays in processing HR forms.

We have received responses to our letters and will follow these up in the 2023-24 audit.

I have also included summary comments about these matters in my annual report. These identify areas we assessed as not meeting a sufficient standard of financial management, accounting and control.

What the audit covered

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

- asset management
- property, plant and equipment
- expenditure and account payable
- payroll processing
- revenue, including funding from the Department for Education, student revenue and accounts receivable
- cash
- general ledger processing.

Particular attention was given to funding arrangements with the Department for Education.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely



Andrew Richardson
Auditor-General

18 September 2023

enc

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
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www.audit.sa.gov.au

**To the Chair
TAFE SA Board
TAFE SA**

Opinion

I have audited the financial report of TAFE SA for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of TAFE SA as at 30 June 2023, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, TAFE SA Board, the Chief Executive and the Executive Director, Finance and Performance.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of TAFE SA. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive and the TAFE SA Board for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The TAFE SA Board is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 32 of the *Public Corporations Act 1993*. I have audited the financial report of TAFE SA for the financial year ended 30 June 2023.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TAFE SA's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive and the Chair of TAFE SA Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson
Auditor-General

18 September 2023

TAFE SA

Financial Statements

For the year ended 30 June 2023

TAFE SA
Certification of Financial Statements
for the year ended 30 June 2023

We certify that:

- the financial statements of TAFE SA:
 - are in accordance with the accounts and records of TAFE SA;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position for TAFE SA at the end of the financial year and the result of its operation and cash flows for the financial year.
- Internal controls employed by TAFE SA for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Joanne Denley
Chair, TAFE SA Board
September 2023



David Coltman
Chief Executive
14 September 2023



Graham Rix
Executive Director, Finance and Performance

14 September 2023

TAFE SA
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
SA Government subsidy funding	2.1	218 898	236 495
Student and other fees and charges	2.2	82 314	77 278
Commonwealth-sourced grants and funding	2.3	6 328	4 340
Resources received free of charge	2.5	2 881	2 805
Other grants and contributions		34	24
Other SA Government grants, subsidies and transfers	2.4	567	2 185
Other income		1 290	3 636
Total income		312 312	326 763
Expenses			
Employee benefits expenses	3.3	213 256	208 701
Supplies and services	4.1	80 939	69 538
Depreciation and amortisation	5.1, 5.2	26 506	26 116
Grants and subsidies		275	75
Net loss from disposal of non-current assets	2.6	62	163
Borrowing costs	7.2	12	6
Other expenses	4.2	(165)	840
Total expenses		320 885	305 439
Net result		(8 573)	21 324
Total comprehensive result		(8 573)	21 324

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

TAFE SA
Statement of Financial Position
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents		73 096	110 773
Receivables	6.1	12 620	9 209
Inventories	5.3	1 687	1 443
Contract assets	2.2	6 646	6 511
Non-current assets classified as held for sale	5.4	419	-
Total current assets		94 468	127 936
Non-current assets			
Receivables	6.1	-	89
Property, plant and equipment	5.1	582 883	595 798
Intangible assets	5.2	7 969	7 131
Total non-current assets		590 852	603 018
Total assets		685 320	730 954
Current liabilities			
Payables	7.1	18 698	18 093
Employee benefits	3.4	16 551	16 407
Financial liabilities	7.2	290	241
Provisions	7.3	1 505	1 399
Contract liabilities	2.2	3 460	2 896
Other liabilities		210	330
Total current liabilities		40 714	39 366
Non-current liabilities			
Payables	7.1	4 189	4 176
Employee benefits	3.4	32 896	33 325
Financial liabilities	7.2	297	104
Provisions	7.3	4 945	4 638
Total non-current liabilities		42 327	42 243
Total liabilities		83 041	81 609
Net assets		602 279	649 345
Equity			
Contributed capital		552 802	591 074
Retained earnings		48 125	56 919
Asset revaluation surplus		1 352	1 352
Total equity		602 279	649 345

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

TAFE SA
Statement of Changes in Equity
for the year ended 30 June 2023

	Asset revaluation surplus	Retained Earnings	Contributed capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	1 352	35 595	641 074	678 021
Net result for 2021-22	-	21 324	-	21 324
Total comprehensive result for 2021-22	-	21 324	-	21 324
Contributed capital*	-	-	(50 000)	(50 000)
Balance at 30 June 2022	1 352	56 919	591 074	649 345
Adjustments	-	(221)	-	(221)
Adjusted balance at 1 July 2022	1 352	56 698	591 074	649 124
Net result for 2022-23	-	(8 573)	-	(8 573)
Total comprehensive result for 2022-2023	-	(8 573)	-	(8 573)
Contributed capital*	-	-	(38 272)	(38 272)
Balance at 30 June 2023	1 352	48 125	552 802	602 279

*Payment made to the Department of Treasury and Finance (DTF) as part of DTF's Cash Alignment Policy returned as equity.

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

TAFE SA
Statement of Cash Flows
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Cash inflows			
SA Government subsidy funding		218 898	236 495
Student and other fees and charges		82 007	77 551
Commonwealth sourced grants and funding		6 097	3 756
Other grants and contributions		34	608
Other SA Government grants, subsidies and transfers		567	2 185
Interest received		6	-
GST recovered from the ATO		6 140	5 844
Other income		1 972	3 232
Cash generated from operations		315 721	329 671
Cash outflows			
Employee benefits		(211 364)	(218 203)
Supplies and services		(88 261)	(76 765)
Interest paid		(12)	(6)
Grants and subsidies		(275)	(75)
Other payments		(556)	(449)
Cash used in operations		(300 468)	(295 498)
Net cash provided by operating activities	8.1	15 253	34 173
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment	2.7	36	41
Cash generated from investing activities		36	41
Cash outflows			
Purchase of property, plant and equipment		(10 958)	(7 975)
Purchase of intangibles		(3 386)	(1 857)
Cash used in investing activities		(14 344)	(9 832)
Net cash used in investing activities		(14 308)	(9 791)
Cash flows from financing activities			
Cash outflows			
Return of equity		(38 272)	(50 000)
Repayment of leases		(350)	(448)
Cash used by financing activities		(38 622)	(50 448)
Net cash provided by financing activities		(38 622)	(50 448)
Net (decrease) / increase in cash and cash equivalents		(37 677)	(26 066)
Cash and cash equivalents at the beginning of the reporting period		110 773	136 839
Cash and cash equivalents at the end of the reporting period		73 096	110 773

The accompanying notes form part of these financial statements.

TAFE SA

Notes to and forming part of the financial statements

For the year ended 30 June 2023

1. About TAFE SA

TAFE SA is a not-for-profit statutory corporation of the state of South Australia, established pursuant to the *TAFE SA Act 2012*.

TAFE SA has a 20% interest in the South Australian Tertiary Admissions Centre (SATAC).

TAFE SA is a member of SATAC who provides admission services to TAFE SA under a service agreement. SATAC became established as an incorporated association on 1 July 2017.

SATAC is an arrangement between the three public South Australian universities, the Minister for Education, Training and Skills and Charles Darwin University in the Northern Territory.

The interests in this associate are not considered material to TAFE SA's core activities. Consequently, as per AASB 128 *Investments in Associates and Joint Ventures*, they have not been taken up in the accounts on an equity basis.

TAFE SA was funded for 2021-22 Financial Year by the Department of Innovation and Skills (DIS). From 1 July 2022, the responsibility for TAFE SA Funding arrangements has transferred to the Department for Education.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in accordance with:

- section 23 of the *Public Finance and Audit Act 1987*
- *Treasurer's Instructions and Accounting Policy Statements* issued by the Treasurer under the *Public Finance and Audit Act 1987*
- relevant Australian Accounting Standards.

No Australian Accounting Standards have been early adopted other than AASB 2021-1 which was adopted from 1 July 2021.

The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars \$'000. Any transactions in foreign currency are translated into Australian dollars at the exchange rate at the date the transaction occurs.

The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out throughout the notes.

TAFE SA is liable for fringe benefits tax (FBT) and goods and services tax (GST). Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash Flows are included in the Statement of Cash Flows on a gross basis, and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

TAFE SA was not required to pay a dividend or make an Income Tax Equivalent payment for the 2021-22 financial year and is not required to pay a dividend or make an Income Tax Equivalent payment for the 2022-23 financial years.

1.2. Objectives and functions

TAFE SA was established as a Public Corporation on 1 November 2012 by the *TAFE SA Act 2012* (the Act). TAFE SA is responsible to the Minister for Education, Training and Skills.

TAFE SA is the public provider of high-quality vocational education and training to support the economic and social needs of South Australia.

The *Public Corporations Act 1993* applies to TAFE SA and requires a Charter and Performance Statement to be prepared for TAFE SA by the Minister for Education, Training and Skills and Treasurer after consultation with TAFE SA.

Functions of TAFE SA

The primary objectives of TAFE SA are to:

- provide technical and further education in a manner that is efficient, effective and responsive to the needs of industry, students and the general community; and
- undertake or facilitate research that relates to technical and further education; and
- provide consultancy or other services, for a fee or otherwise, in any area in which staff of TAFE SA have particular expertise developed (whether wholly or partly) in the course of, or incidental to, the provision of technical and further education; and
- undertake or provide for the development or use, for commercial, community or other purposes, of any intellectual property, product or process created or developed (whether wholly or partly) in the course of, or incidentally to, the provision of technical and further education
- perform any other function assigned to it by the Minister.

Funding

From 1 July 2022 TAFE is partially funded through an intra-government transfer from the Department for Education and prior to that via the Department for Innovation and Skills.

For 2022-23 the intra-government funding included financial support to contribute towards forgone student fees, ancillary costs and student support associated with implementation of Fee Free TAFE.

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.3. Budget performance

The budget performance table compares TAFE SA's outcomes against budget information presented to Parliament (2022-23 Budget Paper 4). The budget amounts have not been adjusted to reflect subsequent budget revisions or administrative restructures. The budget process is not subject to audit.

	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Statement of Comprehensive Income			
Income			
SA Government subsidy funding	222 155	218 898	(3 257)
Student and other fees and charges	86 109	82 314	(3 795)
Commonwealth sourced grants and funding	900	6 328	5 428
Other grants and contributions	2 507	34	(2 473)
Other SA Government grants, subsidies and transfers	1 102	567	(535)
Resources received free of charge	-	2 881	2 881
Other income	634	1 290	656
Total income	313 407	312 312	(1 095)
Expenses			
Employee benefits expenses	225 537	213 256	(12 281)
Supplies and services	65 130	80 939	15 809
Depreciation and amortisation expense	26 183	26 506	323
Grants and subsidies	-	275	275
Net loss from disposal of non-current assets	-	62	62
Borrowing costs	16	12	(4)
Other expenses	3 601	(165)	(3 766)
Total expenses	320 467	320 885	418
Net result	(7 060)	(8 573)	(1 513)
Total comprehensive result	(7 060)	(8 573)	(1 513)

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.3 Budget performance (continued)

	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Investing expenditure summary			
Total new and existing projects	8 970	4 511	(4 459)
Total annual programs	12 356	9 833	(2 523)
Total Right of Use leases	676	567	(109)
Total investing expenditure	22 002	14 911	(7 091)

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted amount for expenses. No Items meet these criteria.

1.4. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. Noteworthy are transactions with Department for Education - refer Note 2.1.

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

2. Income

2.1. SA Government subsidy funding

	2023	2022
	\$'000	\$'000
Funding for delivery of VET training	198 789	212 415
Funding for VET capital projects	20 109	24 080
Total SA Government subsidy funding	218 898	236 495

Grants and subsidies from Department for Education are recognised on receipt as the Memorandum of Administrative Arrangement provides for the allocation of funding without any withholding of funds associated with student numbers or non-achievement of performance criteria.

2.2. Student and other fees and charges

	2023	2022
	\$'000	\$'000
Sales/fee for service revenue	52 355	44 587
Student enrolment fees and charges	21 517	26 657
Other user fees and charges	8 442	6 034
Total student and other fees and charges	82 314	77 278

Contract balances

	2023	2022
	\$'000	\$'000
Contract assets	6 646	6 511
Total Contract Assets	6 646	6 511

	2023	2022
	\$'000	\$'000
Contract liabilities	3 460	2 896
Total Contract Liabilities	3 460	2 896

Student and other fees and charges are recognised when performance obligations have been satisfied.

Performance obligations for student enrolment and charges for domestic and international students as well as short courses, are provided over time and inputs are expended evenly over the performance period.

Contract assets primarily relate to TAFE SA's rights to consideration for work completed but not billed at the reporting date in relation to Adult Migrant English Program and Skills for Education and Employment. Amounts are billed in accordance with agreed upon contractual terms (i.e. periodic intervals). Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to student and fee charges where student courses have not commenced at reporting date and the proportion of fees relating to courses commenced but not completed at reporting date. The remaining performance obligations in relation to contract liabilities are expected to be recognised within the next 12 months.

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

2.3. Commonwealth-sourced grants and funding

	2023	2022
	\$'000	\$'000
Child Care Fee Relief	2 966	2 523
Revitalising TAFE campuses project across Australia project	1 830	650
Mt Barker and Victor Harbour upgrades	1 000	-
Other specific commonwealth revenue	230	583
Destination Australia	302	584
Total Commonwealth-sourced grants and funding	6 328	4 340

Commonwealth sourced grants and funding are recognised on completion of agreed deliverables and in compliance with all obligations under the agreement.

2.4. Other SA Government grants, subsidies and transfers

	2023	2022
	\$'000	\$'000
TVSP reimbursement from Department of Treasury and Finance	431	1 995
Grants from other entities within SA government	136	190
Total Other SA Government grants, subsidies and transfers	567	2 185

Revenue is recognised upon receipt.

2.5. Resources received free of charge

	2023	2022
	\$'000	\$'000
Services received free of charge - Shared Services SA	2 234	2 174
Services received free of charge - Department of the Premier and Cabinet (DPC)	647	631
Total resources received free of charge	2 881	2 805

Contributions of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been received free of charge.

TAFE SA receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA and ICT services from DPC free of charge following Cabinet's approval to cease intra-government charging.

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

2.6. Net loss from disposal of property, plant and equipment

	2023	2022
	\$'000	\$'000
Plant and equipment		
Proceeds from disposal	36	41
Less carrying amount of assets disposed	(98)	(204)
Net (Loss) / gain from disposal of plant and equipment	<u>(62)</u>	<u>(163)</u>

Gains or losses on disposal are recognised at the date control of the assets is passed from TAFE SA and determined after deducting the carrying amount of the asset from the proceeds at that time. When revalued assets are disposed, the revaluation surplus is transferred to retained earnings.

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of TAFE SA include the Minister for Education, Training and Skills, the non-executive board members, the Chief Executive Officer and the members of the Executive Team who have responsibility for the strategic direction and management of TAFE SA.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Education, Training and Skills receives. The Ministers' remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

	2023	2022
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	1 676	2 225
Post-employment benefits	815	223
Total compensation	2 491	2 448

Transactions with key management personnel and other related parties

There were no transactions with key management personnel and other related parties.

3.2. Board and committee members

Members during the 2023 financial year were:

TAFE SA Board

Joanne Denley (Chair)
 Dr Jennifer Cleary
 Judith Curran
 David Hughes
 Dr Craig Fowler
 Sam Scammell
 Paul Brock
 Michael Boyce OAM
 Julieann Riedstra (Appointed January 2023)

People and Culture Committee

Joanne Denley (Chair)
 Judith Curran
 Sam Scammell
 Paul Brock

Academic & Quality Committee

Dr Craig Fowler (Chair)
 Dr Jennifer Cleary
 Judith Curran
 Joanne Denley
 Michael Boyce OAM

Audit & Risk Committee

David Hughes (Chair)
 Joanne Denley
 Sam Scammell
 Julieann Riedstra (Appointed January 2023)

Higher Education Academic Board

Dr Craig Fowler (Chair)

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.2 Board and committee members (continued)

Board and committee remuneration

The number of members whose remuneration received or receivable falls within the following bands:

	2023	2022
\$0 - \$19 999	1	1
\$20 000 - \$39 999	-	2
\$40 000 - \$59 999	7	5
\$80 000 - \$99 999	1	1
Total number of members	9	9

The total remuneration received or receivable by members was \$433 000 (2022: \$398 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length.

3.3. Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages (including annual leave)	174 892	172 918
Employment on-costs - superannuation	18 635	17 218
Employment on-costs - other	9 915	9 424
Long service leave	4 441	(1 142)
Workers' compensation	2 549	4 134
Skills and experience retention leave	1 124	1 085
Targeted voluntary separation payments	587	4 048
Board and committee fees	393	365
Other employee related costs	720	651
Total employee benefits expenses	213 256	208 701

Employment Expenses

TAFE SA's employees are employed under *Tafe SA Act* and *Public Sector Act*. The superannuation employment on-cost charge represents TAFE SA's contributions to superannuation plans in respect of current services of current employees.

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.3 Employee benefits expenses (continued)

Employee remuneration

	2023	2022
	Number	Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$157 001 to \$160 000*	n/a	1
\$160 001 to \$180 000**	9	7
\$180 001 to \$200 000**	9	7
\$200 001 to \$220 000	5	2
\$220 001 to \$240 000	4	5
\$260 001 to \$280 000	1	2
\$280 001 to \$300 000	3	2
\$300 001 to \$320 000	1	-
\$460 001 to \$480 000	1	1
Total	33	27

The total remuneration received by these employees for the year was \$7.0 million (2022: \$5.8 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year.

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, termination payments, temporary allowances, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

**Includes non-executive employees who received/accepted Targeted Voluntary Separation Package termination payments or temporary allowances in 2022-23.

Targeted voluntary separation packages

The number of employees who accepted a Targeted Voluntary Separation Package during the reporting period was 6 (2022: 22).

	2023	2022
	\$'000	\$'000
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	587	1 985
Public Sector Workforce Rejuvenation Packages	-	2 063
Leave paid to separated employees	182	1 700
Recovery from the Department of Treasury and Finance	(431)	(1 995)
Net cost to TAFE SA	338	3 753

During the 2021-2022 financial year, the Government offered employees the opportunity to participate in the South Australian Public Sector Workforce Rejuvenation Scheme. The above table includes 48 employees who accepted the offer under the scheme (\$2.1 million) in 2021-2022 financial year.

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.4. Employee benefits liability

	2023	2022
	\$'000	\$'000
Current		
Annual leave	7 333	7 353
Non-attendance days	4 430	4 368
Long service leave	2 427	2 222
Skills and experience retention leave	1 869	1 909
Accrued salaries and wages	492	555
Total current employee benefits	16 551	16 407
Non-current		
Long service leave	32 896	33 325
Total non-current employee benefits	32 896	33 325
Total employee benefits	49 447	49 732

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave (SERL), non-attendance days and sick leave.

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave and SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. Non-attendance days are accrued annually for employees engaged under the TAFE SA Act but are non-cumulative.

Salary inflation rate for annual leave and skills, experience and retention leave liability changed to 2% (2022:1.5%).

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the education sector across government.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased to 4% (2022: 3.5%).

The actuarial assessment performed by the DTF has increased the salary inflation rate to 3.5% (2022: 2.5%) for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$1 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using several demographic and financial assumptions – including the long-term discount rate.

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.4 Employee benefits liability (continued)

Long service leave entitlements for hourly paid instructors (HPIs) have been excluded from these statements. Long service leave entitlement data for HPIs is only updated in CHRIS21 once actual leave requests have been manually verified against Human Resource records on a case-by-case basis. The empirical evidence of HPI employees taking long service leave entitlements indicates that the HPI long service leave balance is immaterial.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months based on the average long service leave taken annually over the previous 2 years.

4. Expenses

4.1. Supplies and services

	2023	2022
	\$'000	\$'000
General administration and consumables	23 726	19 928
Fees - contracted services	12 047	11 455
Minor works, maintenance and equipment	13 551	10 398
Information technology and communication	10 581	9 177
Books materials and copyright	9 664	8 229
Temp agency costs	3 785	3 141
Shared Services SA	2 234	2 174
Accommodation	994	847
Consultants	992	560
DPC Communication and computing	647	631
Short term leases	602	463
Legal costs	297	394
Funding to external vocational education and training providers	81	195
Other	1 738	1 946
Total supplies and services	80 939	69 538

4.2. Other expenses

	2023	2022
	\$'000	\$'000
Other*	523	401
Bad debts written off	280	437
Impairment loss on receivables	(968)	2
Total other expenses	(165)	840

*Includes audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of \$282 000 (2022: \$254 000). No other services were provided by the Auditor-General's Department.

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5. Non-financial assets

5.1. Property, plant and equipment owned or leased by TAFE SA

Property, plant and equipment owned by TAFE SA with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property plant and equipment owned by TAFE SA is recorded at fair value. Detail about TAFE SA's approach to fair value is set out in note 10.1.

Plant and equipment includes \$43.4 million of fully depreciated plant and equipment still in use.

Depreciation and Amortisation

All non-current assets, not held for sale, with a limited useful life, are systematically depreciated / amortised over their useful lives in a manner that reflects the consumption of their service potential.

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Buildings	10 - 45
Plant and equipment	1 - 40
Library collections	3 - 15
Right-of-use assets	Lease term
Intangibles	5 - 10

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.1. Property, plant and equipment owned and leased by TAFE SA (continued)

Reconciliation 2022-23

The following table shows movement in property, plant and equipment during 2022-23

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Library Collection \$'000	Work in progress \$'000	ROU Vehicles \$'000	Total \$'000
Carrying amount at the beginning of the period	136 060	443 372	8 911	635	6 483	337	595 798
Additions	-	-	1 619	-	9 339	567	11 525
Disposals	-	-	(98)	-	-	-	(98)
Asset reclassified to asset held for sale	(419)	-	-	-	-	-	(419)
Transfers to/(from) work in progress	-	7 316	-	-	(7 316)	-	-
Other	-	-	-	-	-	35	35
Subtotal:	135 641	450 688	10 432	635	8 506	939	606 841
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(21 736)	(1 795)	(71)	-	(356)	(23 958)
Subtotal:	-	(21 736)	(1 795)	(71)	-	(356)	(23 958)
Carrying amount at the end of the period	135 641	428 952	8 637	564	8 506	583	582 883
Gross carrying amount							
Gross carrying amount	135 641	507 855	32 004	16 549	8 506	1 238	701 793
Accumulated depreciation	-	(78 903)	(23 367)	(15 985)	-	(655)	(118 910)
Carrying amount at the end of the period	135 641	428 952	8 637	564	8 506	583	582 883

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.1. Property, plant and equipment owned and leased by TAFE SA (continued)

Reconciliation 2021-22

The following table shows movement in property, plant and equipment during 2021-22

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Library Collection \$'000	Work in progress ROU \$'000	Buildings \$'000	ROU Vehicles \$'000	Total \$'000
Carrying amount at the beginning of the period	136 060	461 020	10 124	711	3 441	-	602	611 958
Additions	-	11	1 515	2	6 447	-	187	8 162
Disposals	-	-	(204)	-	-	-	(1)	(205)
Transfers to/(from) work in progress	-	3 403	2	-	(3 405)	-	-	-
Transfers between asset classes	-	267	(267)	-	-	-	-	-
Subtotal:	136 060	464 701	11 170	713	6 483	-	788	619 915
Gains/(losses) for the period recognised in net result:								
Depreciation	-	(21 329)	(2 259)	(78)	-	-	(451)	(24 117)
Subtotal:	-	(21 329)	(2 259)	(78)	-	-	(451)	(24 117)
Carrying amount at the end of the period	136 060	443 372	8 911	635	6 483	-	337	595 798
Gross carrying amount								
Gross carrying amount	136 060	500 538	31 211	16 549	6 483	-	1 271	692 112
Accumulated depreciation	-	(57 166)	(22 300)	(15 914)	-	-	(934)	(96 314)
Carrying amount at the end of the period	136 060	443 372	8 911	635	6 483	-	337	595 798

TAFE SA

Notes to and forming part of the financial statements

For the year ended 30 June 2023

Property, plant and equipment leased by TAFE SA

Property, plant and equipment leased by TAFE SA as lessee is measured at cost. Additions to leased vehicles during 2022-23 were \$567 000 (2022: \$187 000).

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

TAFE SA has a limited number of leases, namely 66 (2022: 81) motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

The lease liabilities related to the right-of-use vehicles and the maturity analysis of its lease liabilities are disclosed in note 7.2. Depreciation expenses related to the leases is disclosed in note 5.1. Cash outflows related to leases are disclosed in note 8.1.

Depreciation on right-of-use vehicles is calculated on a straight-line basis over the life of the lease.

5.2. Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The acquisition of internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

TAFE SA**Notes to and forming part of the financial statements***For the year ended 30 June 2023***5.2. Intangible assets (continued)****Reconciliation of intangible assets 2022-23**

	Intangibles	Intangibles work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	4 937	2 194	7 131
Additions	-	3 386	3 386
Capitalisations	2 335	(2 335)	-
Amortisation	(2 548)	-	(2 548)
Carrying amount at the end of the period	4 724	3 245	7 969
Gross carrying amount			
Gross carrying amount	28 625	3 245	31 870
Accumulated amortisation	(23 901)	-	(23 901)
Carrying amount at the end of the period	4 724	3 245	7 969

Reconciliation of intangible assets 2021-2022

	Intangibles	Intangibles work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	6 617	656	7 273
Additions	-	1 857	1 857
Capitalisations	319	(319)	-
Amortisation	(1 999)	-	(1 999)
Carrying amount at the end of the period	4 937	2 194	7 131
Gross carrying amount			
Gross carrying amount	26 290	2 194	28 484
Accumulated amortisation	(21 353)	-	(21 353)
Carrying amount at the end of the period	4 937	2 194	7 131

TAFE SA
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.3. Inventories

	2023	2022
	\$'000	\$'000
Current		
Held for sale	33	32
Current - held for distribution at no or nominal amount		
Held for distribution at no or nominal amount	1 654	1 411
Total current inventories	1 687	1 443
Total inventories	1 687	1 443

Inventories held for distribution at no or nominal consideration are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Cost is assigned to low volume inventory items on a specific identification of cost basis.

Cost of all other inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

5.4. Non-current assets classified as held for sale

	2023	2022
	\$'000	\$'000
Land	419	-
Total non-current assets classified as held for sale	419	-

TAFE SA and the Department for Infrastructure and Transport (DIT) have agreed to the terms of an MAA to ratify the transfer of two adjoining portions of land along the eastern boundary of Regency campus, adjacent to South Road, compulsorily acquired by the Commissioner for the North-South Corridor project. Although this land is already being used by DIT for the project, it is expected this transfer will be settled in the 2023-24 Financial Year.

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6. Financial assets

The financial activities of TAFE SA are primarily conducted through a Special Deposit Account with DTF pursuant to section 8 of the *Public Finance and Audit Act 1987*. The Special Deposit Account is used for funds provided by the *Subsidised Training* program from Department for Education, Commonwealth-sourced grants and revenues from fees and charges.

All deposits are with the Treasurer.

6.1. Receivables

	2023	2022
	\$'000	\$'000
Current		
Receivables	8 469	6 629
Less ECL impairment loss on receivables	(2 090)	(3 058)
GST input tax recoverable	1 818	1 790
Prepayments	4 423	3 832
Workers' compensation recoveries	-	16
Total current receivables	12 620	9 209
Non-current		
Workers' compensation recoveries	-	89
Total non-current receivables	-	89
Total receivables	12 620	9 298

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are normally settled within 30 days after the issue of an invoice or the goods / services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST payable to the ATO is included as part of receivables.

Other than as recognised in the impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

TAFE SA has adopted the simplified impairment approach under AASB 9 and measured lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure the impairment allowance.

Impairment loss on receivables

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	3 058	3 056
Increase / (decrease) in the allowance recognised in Profit or loss	(968)	2
Carrying amount at end of the period	2 090	3 058

Impairment losses related to receivables arising from contracts with customers that are external to SA Government. Refer to note 10.2 for information on the expected credit loss model.

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7. Liabilities

7.1. Payables

	2023	2022
	\$'000	\$'000
Current		
Accrued expenses	12 395	13 596
Employment on-costs	3 862	3 638
Trade payables	2 399	843
Paid parental leave scheme payable	17	14
Other	25	2
Total current payables	18 698	18 093
Non-current		
Employment on-costs	4 119	4 096
Creditors	70	80
Total non-current payables	4 189	4 176
Total payables	22 887	22 269

Payables are measured at nominal amounts. Payables and accruals are recognised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Employment on-costs

Employment on-costs include payroll tax, Return to Work SA levies and superannuation contributions and are settled when the respective employee benefits they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

TAFE SA contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has changed from the 2022 rate (66%) to 65% and the average factor for the calculation of employer superannuation on-costs changed from the 2022 rate (10.6%) to 11.1%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in current financial year is immaterial.

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7.2. Financial liabilities

All financial liabilities are lease liabilities, which have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. There were no defaults or breaches on the financial liabilities throughout the year.

The borrowing costs associated with these lease liabilities was \$12,000 (2022: \$6 000).

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

	2023	2022
	\$'000	\$'000
Lease liabilities		
Repayable in less than 1 year	290	266
Repayable in more than 1 year and less than 2 years	297	87
Repayable in more than 2 years and less than 3 years	-	19
Total lease liabilities - undiscounted	587	372

Refer to note 10.2 for information on risk management.

7.3. Provisions

	\$'000	\$'000
Movement in provision for workers compensation		
Carrying amount at the beginning of the period	5 937	3 630
Additions	1 248	-
Revaluations of prior year accidents	(884)	2 307
Carrying amount at the end of the period	6 301	5 937
 Movement in provision for additional compensation		
Carrying amount at the beginning of the period	100	131
Additions	30	-
Revaluation of prior year accidents	19	(31)
Carrying amount at the end of the period	149	100

All provisions relate to work cover compensation.

TAFE SA is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, TAFE SA is responsible for the management and payment of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventative programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

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7.3 Provision (continued)

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

8. Other disclosures

8.1. Cash flow

	2023	2022
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	73 096	110 773
Balance as per the Statement of Cash Flows	<u>73 096</u>	<u>110 773</u>
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	15 253	34 173
Add / (less) non-cash items		
Depreciation and amortisation	(26 506)	(26 116)
Net gain/(loss) from disposal of non-current and other assets	(62)	(163)
Other expenses	(2)	4
Movement in assets and liabilities		
Increase / (decrease) in receivables	3 309	(3 402)
(Decrease) in inventories	244	735
Increase in contract asset	135	4 030
Decrease in payables	(613)	2 268
(Increase) / decrease in employee benefits liability	295	11 286
Decrease in other liabilities	120	7
(Increase) in provisions	(413)	(2 276)
Decrease in contract liabilities	(333)	778
Net result	<u>(8 573)</u>	<u>21 324</u>

The cash outflows for leases are \$350 000 (2022: \$448 000).

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9. Outlook

9.1. Unrecognised contractual commitments

Commitments include capital, operating and outsourcing commitments arising from contractual or statutory sources and are disclosed at their nominal value.

Contractual commitments to acquire property, plant and equipment

	2023	2022
	\$'000	\$'000
Within one year	3 069	1 500
Later than one year but not later than five years	336	300
Total capital commitments	3 405	1 800

TAFE SA's contractual commitments are in relation to improving and maintaining property, plant and equipment at the campuses.

Other contractual commitments

	2023	2022
	\$'000	\$'000
Within one year	25 738	15 298
Later than one year but not later than five years	3 619	8 775
Later than five years	-	21
Total other commitments	29 357	24 094

TAFE SA's other commitments relate to cleaning, security and other maintenance commitments.

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9.2. Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed by way of this note and if quantifiable, are measured at nominal value.

TAFE SA is not aware of any contingent assets.

Future liabilities may arise in relation to rectification and remediation training of Aviation Engineering Maintenance students impacted by the Civil Aviation Safety Authority audit and potential claims from students affected by the release of personal information as notified to students in early 2023. These liabilities are contingent on student claims being lodged. Further, an injury compensation claim is contingent upon legal advice.

The combined value of the contingent liabilities is difficult to reliably estimate.

TAFE SA insures against known insurable risks with the South Australian Government Financing Authority subject to relevant deductibles. Where liabilities arise these are initially funded by TAFE SA and then reimbursed under the relevant insurance provisions where appropriate.

9.3. Impact of standards and statements not yet effective

TAFE SA has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet effective and does not expect these to have a material impact on the TAFE SA's statements.

9.4. Events after the reporting period

There are no identified events after the reporting period.

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10. Measurement and risk

10.1. Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (that is the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment, other than right of use assets, are subsequently measured at fair value after allowing for accumulated depreciation.

All non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

In the normal course of business, revaluation is required at least 6 years in accordance with APS 116.E. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Fair value hierarchy

TAFE SA classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly
- Level 3 – not traded in an active market and are derived from unobservable inputs.

TAFE SA's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2022 and 2023, TAFE SA had no valuations categorised into level 1 and 2; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

TAFE SA held all assets as recurring and level 3.

Plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than \$1.0 million or had an estimated useful life that less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

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10.2. Financial instruments

Financial risk management

TAFE SA's risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

TAFE SA's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Liquidity risk

TAFE SA is funded principally from Department for Education. TAFE SA works with DTF and the Department for Education to determine the cash flows associated with its government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

The *Public Corporations Act 1993* applies to TAFE SA and in accordance with paragraph 28(1) of this Act, the liabilities of a public corporation are guaranteed by the Treasurer.

Credit risk

No collateral is held as security and no credit enhancements relate to financial assets held by TAFE SA.

The credit risk is spread across a large volume of customers.

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. TAFE SA uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

The loss allowance matrix has factored in the potential impact of COVID-19 in receivables with a forward-looking adjustment which has decreased the impairment of receivables.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, TAFE SA considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on TAFE SA's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which TAFE SA is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of receivables progressing through stages to write off based on the common risk characteristics of the transactions and debtors.

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10.2. Financial instruments (continued)

TAFE SA has adopted the simplified impairment approach under AASB 9 *Financial Instruments* and measured lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure impairment allowance.

The following table provides information about the exposure to credit risk and expected credit loss for non-government debtors.

	Debtor gross carrying amount*	Loss	Lifetime expected losses
	\$'000	%	\$'000
Current (not past due)	1 001	22.4%	224
1 to 30 days past due	1 604	20.6%	330
31 to 60 days past due	856	27.1%	232
61 to 90 days past due	523	32.5%	170
More than 90 days past due	3 055	37.1%	1 133
Loss Allowance	7 039		2 090

Impairment losses relate to receivables arising from contracts with customers that are external to SA government.

*Five year average to 30 June 2023.

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and TAFE SA's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within the net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Market risk

TAFE SA does not trade in foreign currency, nor enter into transactions for speculative purposes. TAFE SA manages its risk as per the government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.

There is no exposure to interest rate risk as TAFE SA does not have interest bearing liabilities.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note. Financial assets and financial liabilities are measured at amortised cost. Amounts relating to statutory receivables and payables (e.g. Commonwealth taxes, Auditor-General's Department audit fees etc) and prepayments are excluded as they are not financial assets or liabilities.

TAFE SA measures Trade receivables and payables at amortised cost. Lease liability is measured at present value of future cash flows.