

# TAFE SA

## Annual Report 2014–15

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Nursing students, TAFE SA Whyalla Campus  
Electrical students, Tonsley Campus  
Hairdressing student, Adelaide City Campus



The Hon Gail Gago MLC  
Minister for Employment, Higher Education and Skills  
Level 9, Terrace Towers  
178 North Terrace  
ADELAIDE SA 5000

Dear Minister

I am pleased to present you with the Annual Report for TAFE SA for the period 1 July 2014 to 30 June 2015.

The report has been prepared in accordance with the requirements of the *Public Corporations Act 1993*, and the *Public Sector Act 2009*.

The report provides TAFE SA's financial statement for the reporting period and provides an overview of activities and achievements during this time.

Yours sincerely

A handwritten signature in black ink, which appears to read 'Peter Vaughan'.

Peter Vaughan  
**CHAIR, TAFE SA BOARD**

30 September 2015

**TAFE SA Board**

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# Chair's message



**Peter Vaughan**  
Chair, TAFE SA Board

On behalf of the TAFE SA Board, I am delighted to introduce TAFE SA's Annual Report for the period 1 July 2014 to 30 June 2015.

TAFE SA's role as a quality public provider continues to be of great significance at both a state and national level. The Board recognises TAFE SA's contribution to South Australia's economic and social development and the value that our local communities place on our training services.

To fulfil that role, TAFE SA is continuing to transform the way it delivers training in order to be more innovative, accessible and flexible.

This is not a simple process, nor is it something that can be achieved without the staunch support of our stakeholders. As the public provider, TAFE SA is committed to meeting the skilling needs of South Australians by ensuring that our efficiency and ability to operate in the vocational education and training market is optimised.

To help drive such reform, the Board was delighted that one of its members, Ms Miriam Silva agreed to act as Chief Executive during the recruitment phase for TAFE SA's new leader. With a highly experienced Executive team now in place, led by our new Chief Executive, Mr Robin Murt, the Board is confident that TAFE SA can deliver on its enormous potential.

This, of course, cannot be achieved without the outstanding professionalism and commitment of our employees. Having overseen the achievements and activities of our workforce during the last three years, I have been reminded, time and again, of their resilience and passion for transforming lives through education. This is a wonderful opportunity to reflect on these outcomes and on behalf of the Board, offer our congratulations and thanks.

It is timely to also thank my fellow Board members, past and present, for their outstanding contribution and ongoing advocacy for this great organisation. We welcomed new member, Dr Susan Mitchell, to our ranks in early 2015 and of course, Ms Silva re-joined the Board after her stint as Acting Chief Executive. Most of our members have been with the Board since TAFE SA was established as a Statutory Corporation in 2012. It has been a rewarding and inspiring journey and we are all honoured to have served the organisation over the past three extraordinary years.

# Chief Executive's foreword



**Robin Murt**  
Chief Executive

During 2014-15, TAFE SA continued to build on its outstanding reputation of providing high quality teaching and learning programs.

Few education or training providers around the world have the scope of courses and the training capability of TAFE SA.

It is the work of our staff that makes these outcomes possible, driving the TAFE SA vision of being recognised as an innovative, global leader in the design and delivery of sustainable VET products and services.

I have been overwhelmed by the commitment, professionalism and honesty of our staff during the time that I have been Chief Executive of TAFE SA.

Clearly our graduates too continue to be impressed with our education and training outcomes, with 92 per cent of students indicating that they are satisfied with the training they receive with us. This outcome is mirrored in the high rates of students employed or in further study after graduating at 90 per cent as measured by the National Centre for Vocational Education and Research.

The quality of our vocational products reflects our ongoing commitment that courses are developed in conjunction with industry and the community, thereby ensuring that graduates are ready for the workplace with knowledge and skills they can use on the job.

There have been many challenges in the 2014-15 year, as there always are in large organisations, but also a great many successes.

Indeed, one only needs to briefly reflect on the achievements of our students and staff in winning accolades – whether they be our wins at the Royal Adelaide Show, achievements in national and state awards like WorldSkills – to appreciate the quality of our delivery.

However TAFE SA as the public provider also plays a key role in ensuring that all South Australians are provided with the opportunity to access training, ensuring equity in educational delivery as well as excellence.

Indeed 2014-15 saw the expansion of many programs that saw our organisation become even more inclusive, including joining the 'Racism. It stops with me' campaign. And I would particularly like to acknowledge the work of my predecessor, Acting Chief Executive, Ms Miriam Silva in this regard as well as boosting the profile of multiculturalism in our organisation.

Key delivery continues throughout South Australia including large amounts of training in the regions and in the Anangu Pitjantjatjara Yankunytjatjara Lands. This work has been further supported by the dedicated groups of Regional Managers who play a key role in aligning training activity with local need.

TAFE SA has also significantly improved our capacity to build effective partnerships during the reporting period through our Business Development Managers, employees with extensive industry expertise aligned to specific disciplines. By working closely with industry leaders, employers and the community, we provide the best possible outcomes for employers and students, providing employers with the skill sets they need while providing our students with meaningful work opportunities.

In some cases this relates to filling skills gaps, like our partnerships with companies that require staff at the cutting edge – with world class training – in areas like advanced manufacturing. In other instances these partnerships deliver dividends for the community, like fundraising to assist local families through projects delivered at our Noarlunga campus or in helping with the Sampson Flat bushfire recovery.

Our organisation has achieved much this year and we have laid the groundwork for a strong future.

I commend the 2014-15 annual report to you.





# About TAFE SA

## Our Vision

A world class vocational education and training provider.

## Our Mission

Lifelong learning that sustains communities and builds workforce capability and individual capacity.

## Our Values

As an organisation we place a high priority on the following core values:

### Integrity

We act ethically and honestly, and maintain the highest of academic standards.

### Responsiveness

We provide timely and enterprising learning solutions, which meet customer needs and surpass expectations.

### Professionalism

We interact professionally with all of our key stakeholders.

### Creativity and Innovation

We foster an organisational culture that values inquisitiveness, experimentation, fresh perspectives and the sharing of new ideas.

### Excellence

We strive to excel in all of our educational and business pursuits.

### Accountability

We ensure that all parts of the organisation are accountable for the achievement of strategic objectives and performance targets.

### Sustainability

We accept and act upon our environmental, economic and social sustainability responsibilities.

# About TAFE SA

**TAFE SA is a Statutory Corporation of the Government of South Australia, and is the major public provider of vocational education and training (VET) in South Australia.**

Our objective is to support the economic and social development of the State through the provision of VET that fosters employment, enhances career options through up-skilling and underpins sustainable industry growth. Our core business is the design and facilitation of high quality teaching and learning programs and services to a diverse customer base – locally, nationally and internationally.

The total annual revenue of TAFE SA is approximately \$330 million and with approximately 2 300 Full-Time Equivalent employees, it delivers VET to approximately 80 000 students across a network of dozens of campuses and many more delivery sites, including on the APY Lands and Aboriginal Home Lands.

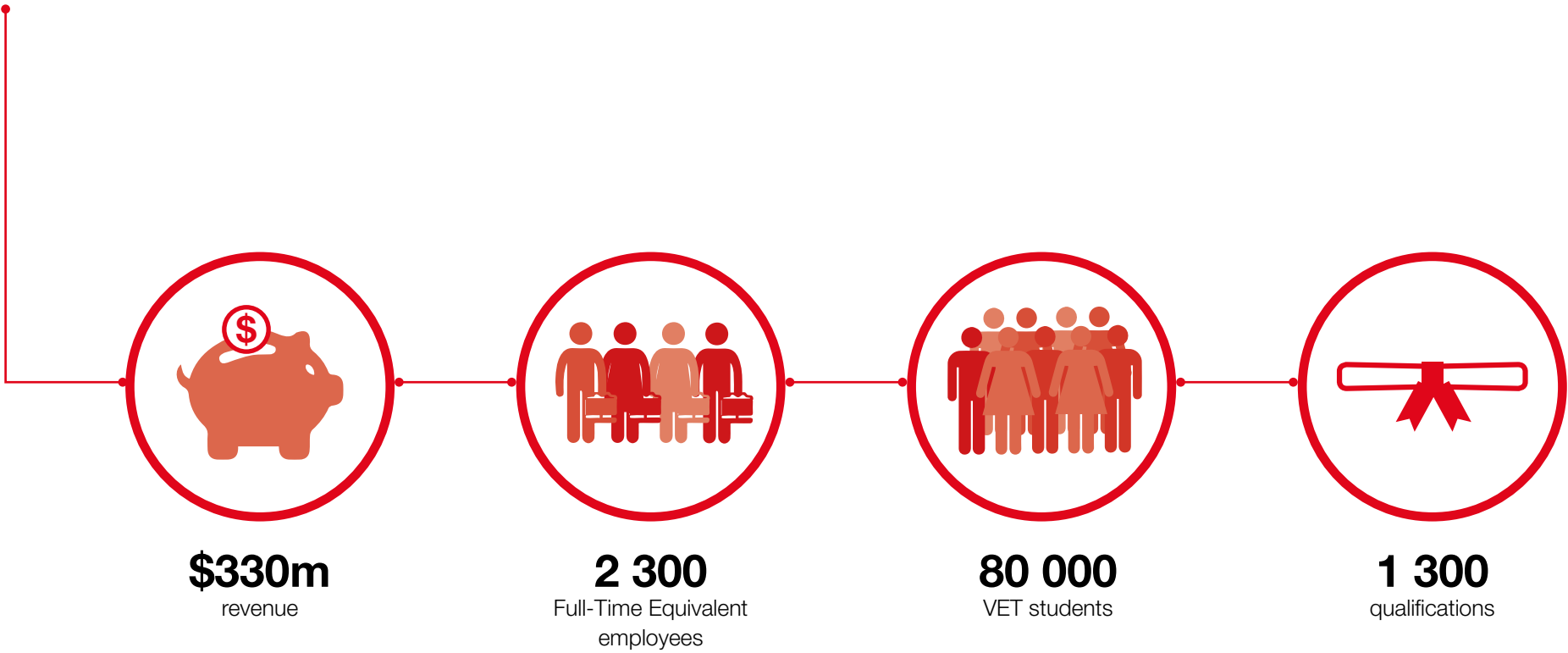
TAFE SA delivers more than 1300 qualifications across the following portfolio areas:

- Mining, Engineering and Transport
- Building and Construction
- Tourism, Hospitality and Creative Arts
- Community Services, Health and Lifestyle
- Business, Justice and IT
- Primary Industries, Animal and Laboratory Sciences
- Foundation Skills
- Aboriginal Education.

We are very proud of our long and distinguished history of providing high quality teaching and learning programs and services to a very culturally and demographically diverse customer base.

We believe strongly in our aspirational vision to become leaders in the provision of educational experiences which model and assist individuals, enterprises, organisations and communities (urban, rural and remote) to build futures which are economically, environmentally and socially sustainable.

As the public provider, we honour our role as an instrument of public policy and our obligations to the communities and industries we serve, while at the same time understanding the urgent need to become financially sustainable within an increasingly competitive VET marketplace.







# Corporate Governance

## 2.1 Enabling Legislation

TAFE SA was established as a Statutory Corporation on 1 November 2012 under section 4 of the TAFE SA Act 2012.

## 2.2 Responsible Minister

TAFE SA falls within the portfolio of The Hon Gail Gago, MLC, Minister for Employment, Higher Education and Skills. The Minister is accountable to the South Australian public for the delivery of efficient and effective services that respond to training, employment and workforce needs.

## 2.3 Ministerial Directives

No Ministerial directives were received during the reporting period.

## 2.4 The Board

Under the TAFE SA Act 2012, the independent board of directors governs TAFE SA on behalf of the State Government and reports on its performance to the Minister for Employment, Higher Education and Skills.

As stipulated in the TAFE SA Act 2012, members of the Board include people who together have the abilities and experience required for the effective performance of TAFE SA's functions and the proper discharge of its business and management obligations.

The following TAFE SA Board members were appointed by the Governor of South Australia:

- Mr Peter Vaughan (Chair)
- Mr John Branson AM
- Ms Noelene Buddle
- Mr Rob Chapman
- Ms Joanne Denley
- Ms Annette Hurley
- Ms Virginia Simmons AO
- Ms Miriam Silva (resigned effective 13 July 2014 to undertake the role of A/Chief Executive until 1 February 2015; reappointed to the TAFE SA Board on 12 February 2015)
- Dr Susan Mitchell (appointed 12 February 2015).

Operational management of TAFE SA is delegated by the Board through the Chief Executive to the executive team.

Pursuant to section 12 of the Public Corporations Act 1993, a Charter was prepared by the Minister and the Treasurer after consultation with the Board. It clarifies the relationship between TAFE SA, the Minister and the Treasurer by defining and limiting the functions, powers and operations of TAFE SA, all of which are outlined broadly in the legislation. A copy of the Charter is provided at the end of this report.



# Corporate Governance

## 2.5 Committees

The TAFE SA Board has established an active committee structure that capitalises on the skills and experiences of individual members.

The committees assist the Board in meeting its corporate governance responsibilities.

The committees of the Board are:

### Audit and Risk Management Committee

The Audit and Risk Management Committee assists the Board in fulfilling its corporate governance responsibilities in relation to financial reporting, risk management, the internal control framework and audit processes.

### Finance Committee

The Finance Committee assists the Board in fulfilling its corporate governance responsibilities in relation to the sound financial management of TAFE SA by overseeing the development of financial strategies, policies, goals and budgets that support the strategic goals of TAFE SA. The committee also reviews TAFE SA's financial performance against its goals.

### Human Resources Committee

The Human Resources Committee assists the Board in fulfilling its corporate governance responsibilities in relation to human resource management. In particular:

- organisation culture and values
- workforce planning and succession planning
- attraction, retention, recruitment, motivation and placement
- workforce diversity and flexible work arrangements
- training and development performance management

Human Resources policies including Workplace Health and Safety.

### Strategy Committee

The Strategy Committee assists the Board in fulfilling its responsibilities in relation to the sound management of TAFE SA by overseeing the TAFE SA transformation process to assist TAFE SA in becoming a financially viable publicly-owned training business.

This includes oversight of TAFE SA's strategic and business planning processes.

### Other reporting lines

Higher Education Academic Board.

## 2.6 Board Achievements

In accordance with its obligations under the Public Corporations Act 1993 and the Ministerial Charter, the TAFE SA Board was responsible to the Minister for fulfilment of its corporate governance responsibilities including:

- the stewardship and sound financial management of TAFE SA
- oversight of TAFE SA operations
- securing continuing improvements of performance
- ensuring appropriate strategies, initiatives and business plans were in place to address current market conditions and that reflect best current commercial practices
- oversight of the risk management and internal control framework and audit processes
- ensuring that appropriate management structures and systems were in place
- appointment of a Chief Executive
- regular reporting to the Minister on TAFE SA's finances and operations.

| Summary of Committee Membership |         |                |          |                 |
|---------------------------------|---------|----------------|----------|-----------------|
| Name                            | Finance | Audit and Risk | Strategy | Human Resources |
| John Branson                    | X       | Chair          |          |                 |
| Noelene Buddle                  | Chair   | X              |          |                 |
| Rob Chapman                     |         |                | X        | X               |
| Joanne Denley                   |         |                | X        | Chair           |
| Annette Hurley                  |         | X              |          | X               |
| Susan Mitchell                  |         |                | X        | X               |
| Miriam Silva                    | X       | X              |          |                 |
| Virginia Simmons AO             | X       |                | X        |                 |
| Peter Vaughan                   |         |                | Chair    | X               |

| TAFE SA Board Attendance       |      |           |     |     |           |       |           |      |
|--------------------------------|------|-----------|-----|-----|-----------|-------|-----------|------|
| Director                       | 2014 |           |     |     | 2015      |       |           |      |
|                                | Aug  | Sept      | Oct | Dec | Feb       | April | May       | June |
| John Branson AM                | X    | X         | X   | X   | X         | X     | X         | X    |
| Noelene Buddle                 | X    | X         | X   | X   | X         | X     | X         | X    |
| Rob Chapman                    | X    | (apology) | X   | X   | (apology) | X     | X         | X    |
| Joanne Denley                  | X    | X         | X   | X   | X         | X     | X         | X    |
| Annette Hurley                 | X    | X         | X   | X   | X         | X     | X         | X    |
| Dr Susan Mitchell <sup>1</sup> |      |           |     |     | X         | X     | X         | X    |
| Miriam Silva <sup>2</sup>      |      |           |     |     | X         | X     | (apology) | X    |
| Virginia Simmons AO            | X    | X         | X   | X   | X         | X     | (apology) | X    |
| Peter Vaughan (Chair)          | X    | X         | X   | X   | X         | X     | X         | X    |

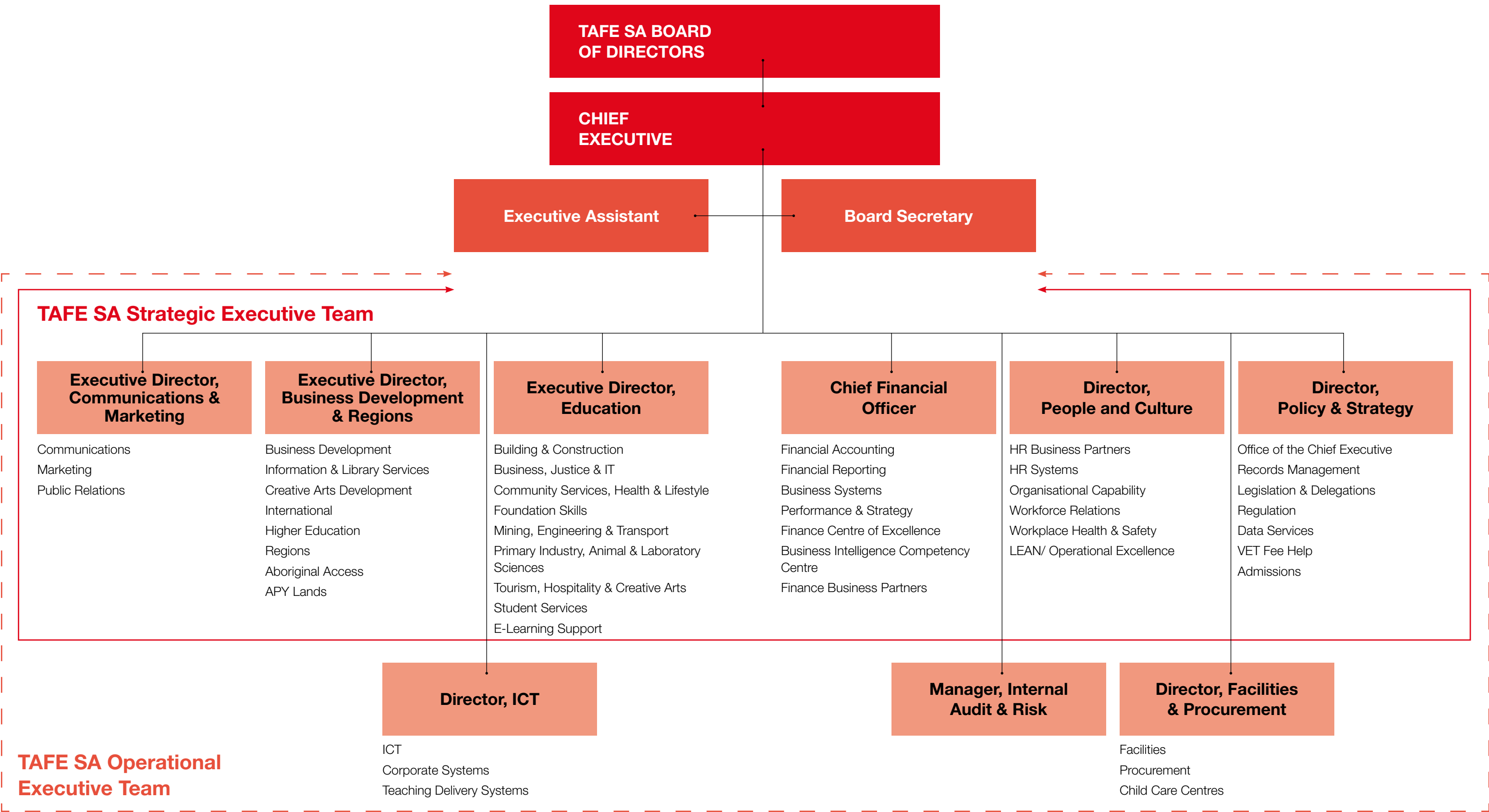
<sup>1</sup> appointed 12 February 2015

<sup>2</sup> resigned effective 13 July 2014; reappointed 12 February 2015



# Organisational Structure

As at 30 June 2015





# Year in review

## 3.1 Business Transformation and Sustainability

### Short Courses

Short courses are developed focussing on work skills and leisure across all program areas. TAFE SA offers more than 570 short courses. The Regency Gastronomic Adventures program offers gourmet short courses run by culinary lecturers, including classes for beginners and professionals, kids' kitchen sessions, baking and patisserie classes, and artisan cheese-making classes. Adelaide College of the Arts offers short courses including photography, dance and jewellery making, while Tonsley campus offers courses including home building, carpentry, and plumbing. Courses are also offered across South Australia using community facilities. Popular ones include First Aid, forklift and White Card. Business and Finance is offering a wide range of online courses in tax and financial related areas. These courses enable students to upskill and gain a taste of careers they may be interested in pursuing.

### Collaborative Partnerships

TAFE SA continued to engage in a number of partnerships, joint ventures and collaborative activities during 2014–15.

TAFE SA's focus on innovation has been boosted by a new partnership with Australia's largest air conditioning manufacturer, Seeley International. The agreement will enable students to have supervised access to the Seeley facilities, products and staff for training; provide for TAFE SA training of Seeley employees and agents; and generate research opportunities involving Seeley and TAFE SA.

The Business, Justice and IT Business Unit has a partnership with St Vincent de Paul Society to place TAFE SA students as volunteers in their retail stores; and the Justice and Policing team has begun supporting SAPOL with its recruit screening processes by conducting a number of pre-screening tests targeting literacy and numeracy skill.

The TAFE SA Adelaide College of the Arts engaged with Arts SA to deliver music training to students at Adelaide's newest entrepreneurial hub, St. Paul's Creative Centre. The Creative Centre provides a city base for artists from across mediums to work, collaborate and learn with an emphasis on supporting the live music industry in South Australia.

The TAFE SA Cookery, Patisserie and Bakery program collaborated with the Sunday Mail Home Expo during

17 – 19 October 2014 to provide demonstrations for a number of TAFE SA short courses and holiday programs including Regency Gastronomic Adventures, 'Kids day out' and 'Gingerbread making competition' which have been highly successful. The program also worked collaboratively with a number of Aged Care and Hospital sectors across the state to provide upskilling to workers in Certificate II in Kitchen Operations, Certificate III in Catering Operations or Certificate III in Commercial Cookery.

TAFE SA delivered a Certificate I in Hospitality (with a cookery focus) in the APY Lands at the Umuwa Trade Training Centre. This training was highly successful with many of these students continuing into the Certificate II in Kitchen Operations. This collaboration has assisted students gain employment through traineeships at Uluru Resort, Northern Territory.

A collaborative effort between Horticultural based RTO ART Educational Services and TAFE SA Foundation Skills has successfully delivered a Certificate II in Horticulture to Skills for Education and Employment (SEE) funded students. Resources included the community gardens at Anglicare in Elizabeth and the classroom learning facilities of TAFE SA. At the end of the course, a number of students continued with the program to study a Certificate III in Horticulture, others have continued with the SEE program at TAFE SA.

The Civil Pathways Project (Certificate II in Resource and Infrastructure Work Preparation pilot project) involved a partnership between Regional Development Australia, Boystown, TAFE SA Mining, Engineering and Transport and TAFE SA Foundation Skills at Port Pirie. The course provided a pathway for students into a range of construction services courses, as well as employment in the construction and infrastructure services sector. Students participated in industry visits, in particular Nyrstar, produced resumes and applied for work online. Students were also introduced to the theoretical world of mining, including training in work safety, work health and safety policies and procedures.

TAFE SA delivered a number of visual merchandising and retail short courses in collaboration with the South Australian Museum to develop staff skills and assist with increasing their productivity and revenue.

TAFE SA Management Studies worked closely with Department of Correctional Services to establish a training program that will assist staff transition into management positions; on completion participants will be awarded a Certificate IV in Government.

• Building and Construction student, Tonsley Campus



# Year in review

TAFE SA's Food and Beverage Processing Program commenced delivery of an online assessment tool for kangaroo harvesters around Australia which has been supported by the Kangaroo Industry Association of Australia. All kangaroo harvesters are required to complete the assessment tool every 12-18 months in order for them to maintain the status of being a licenced harvester.

In collaboration between the Chinese and South Australian Governments, Cleland Wildlife Park sent two koalas to a zoo in China. TAFE SA Lecturer, Dr Ian Hough accompanied the animals on their flight to ensure their wellbeing during transit and settling in period. Dr Hough is recognised as one of South Australia's leading experts in koala and native animal care and health.

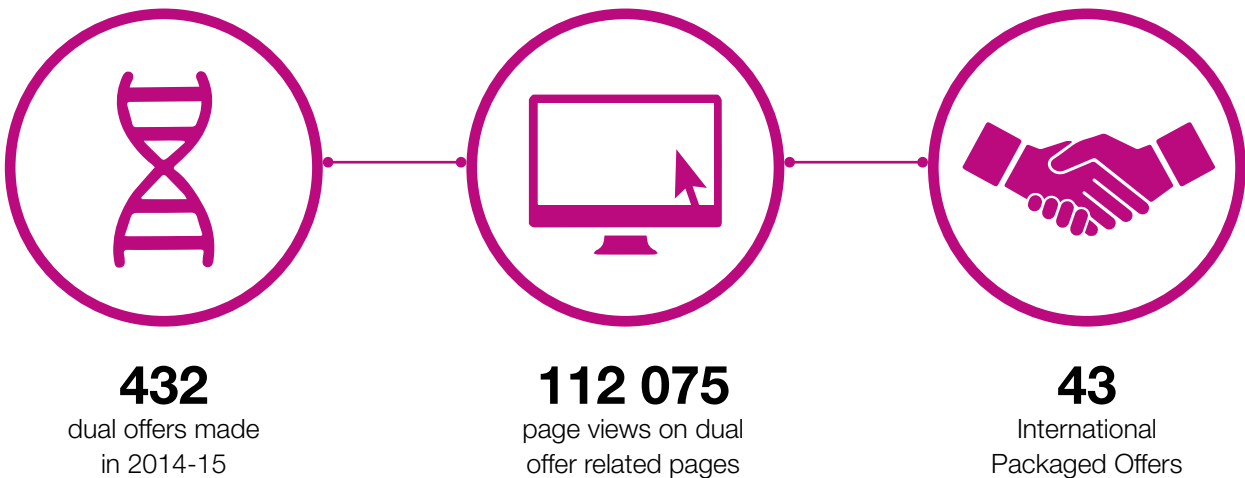
TAFE SA's Veterinary and Applied Science Centre (VASC) is enjoying its third year in partnership with the Department of Environment, Water and Natural Resources in providing high quality veterinary care and treatment to a diverse collection of Australian native fauna in a captive environment at the Cleland Wildlife Park. TAFE SA's veterinarians were sought based on their high level of skill and expertise dealing with native wildlife with a strong focus on koalas. VASC has been able to value add to the partnership by providing additional nursing support and off-site hospitalisation for animals given its modern contemporary practicing Veterinary clinic situated at the Gilles Plains Campus.

VASC also played a major role in pre-planning and coordinating the successful export of koalas from South Australia to the world renowned 'Ocean Park' in Hong Kong. VASC Veterinarians continue to provide veterinary services to the program as required.

The TAFE SA Agriculture program run by the Primary Industries, Animal and Laboratory Sciences Business Unit is partnering with Dairy Australia to form part of the National Centre of Dairy Education to deliver identified training to dairy farmers in SA. TAFE SA also collaborates with Dairy SA to achieve a similar outcome for farmers.

The Agriculture program also collaborates with Australian Wool Innovations to deliver regional training in Shearing and Wool Handling to increase the quality of Australian wool and its products. Training is delivered in over 20 privately owned actual working sheds across SA by industry recognised world class professionals.

Providing individuals with the opportunity to study the Certificate II in Horticulture at 'live sites' throughout South Australia, has created the perfect opportunity for partners to collaborate. In 2014-15, three such programs were delivered in the Salisbury and Elizabeth areas. Each of these programs was a culmination of the efforts between partners, Housing SA, ART Employment, Northern Futures and TAFE SA. Importantly many of the participants received employment within the horticulture industry following on from this partnership.



## Partnerships with Universities

TAFE SA has a Head Collaboration Agreement with each of the three South Australian public universities. These agreements provide a framework within which TAFE SA and the universities develop specific agreements.

TAFE SA's extensive tertiary education pathways are a differentiating feature among VET providers and are a key element in attracting domestic and international students.

TAFE SA's diverse university linkages include:

- credit transfer agreements
- dual offers
- dual awards
- TAFE SA delivery of specific university subjects.

TAFE SA also maintains its own Higher Education Provider Registration.

## Credit Transfer Agreements

As at 30 June 2015, TAFE SA had 577 specific credit transfer agreements from current qualifications into university programs. Of the 195 TAFE SA qualifications at Diploma and above, 64 per cent of these had at least one specific credit agreement into a university program. Many qualifications have more than one pathway available to graduates.

## Dual Offers

Dual offers have become an established connected offering with Flinders University and the University of Adelaide. Dual offers enable applicants to receive an offer to both a TAFE SA Diploma/Advanced Diploma, and a university degree. As at 30 June 2015 there were 60 dual offer courses available.

- 432 dual offers were made to applicants during 2014-15
- 112 075 page views were recorded on dual offer related pages on the TAFE SA website during 2014-15, further demonstrating strong interest in these connected TAFE SA and university offerings.

TAFE SA was gazetted as an Education Business Partner of each of the South Australian public universities during the 2014-15 financial year. This gazetting has enabled packaged dual offers to be made available to international students through Streamlined Visa Processing (SVP). TAFE SA currently has developed 43 International Packaged Offers with University of South Australia and The University of Adelaide.

## TAFE SA Delivery of Specific University Subjects

Universities continue to contract TAFE SA to deliver courses/ subjects within degree programs to utilise specialist infrastructure and expertise available within TAFE SA. During the 2014 academic year, 681 students studied university subjects at TAFE SA across the following disciplines:

- Foundation Skills/Tertiary Enabling Programs
- Food and Nutrition Science
- Digital Media Production
- Dance Performance
- Visual Arts and Design
- Human Services (Counselling).

TAFE SA is also contracted to deliver applied workshops that contribute to university students meeting course requirements. During the 2014 academic year, 406 students undertook applied workshops related to Veterinary Public Health and Engineering Practice.

## HIGHLIGHTS

### Dual Award Partnership Degrees

TAFE SA and Flinders University introduced Dual Award Partnership Degrees last year. Dual awards provide an integrated TAFE SA and university offering with students studying both VET and higher education components concurrently through most of the degree.

Five dual award partnership degrees were available at the start of the 2015 academic year:

- Bachelor of Creative Arts (Dance)
- Bachelor of Creative Arts (Visual Arts)
- Bachelor of Creative Arts (Fashion)
- Bachelor of Tourism Management
- Bachelor of Community Services.

The degrees integrate practical, studio-based learning with the theory of university study to give students the highest standard of training in dance, fashion and visual arts.

# Year in review

## International Business Activity

TAFE SA continued to build a strong foundation to grow its international student enrolments during 2014-15.

TAFE SA has successfully implemented its Streamlined Visa Processing (SVP) arrangements through Business Partnerships with the University of South Australia and the University of Adelaide. With these partnerships TAFE SA offers packaged programs with guaranteed entry, on the same visa conditions as apply to universities. As a result, TAFE SA has seen steady increase in the number of applications for this type of pathway program.

Since the launch of TAFE SA and University of South Australia packaged offers under the SVP arrangement, the number of applications for those programs has grown steadily. More than 200 applications have been received to-date.

TAFE SA has also intensified its efforts in promoting English Language Intensive Courses for Overseas Students. The product portfolio has increased and includes General English, International English Language Testing System (IELTS) preparation, English for Academic Purposes 20, and English for Academic Purposes Advanced. TAFE SA can now cater for students who are planning to undertake university study at undergraduate or postgraduate level and need an IELTS score of 6.0 or 6.5.

TAFE SA's international marketing strategies continued to focus on a structured approach to enquiry and enrolment services, and ensure successful management of international student enquires from initial contact through to enrolments.

With ever increasing worldwide internet connectivity and exponential growth in student participation in social media, TAFE SA continued to invest in the effective use of digital, social media and web activities.

As part of this year's marketing strategies, TAFE SA implemented the first phase of a self-service reporting system, related to international student application and enrolment data, which allows greater monitoring and evaluation of student statistics.

To further international student recruitment marketing efforts, TAFE SA is engaging more closely with training and educating recruitment agents from target countries.

TAFE SA International also partnered with Indian student recruitment agency, Export Inspection Council (EIC), to host a group of local international high school students at Regency Campus.

The class and a campus tour familiarised students with the facilities, study choices available and TAFE SA staff. Students also took part in a cooking class, learning how to prepare the perfect steak. The EIC and students were very impressed with the quality of the facilities and the teaching style offered by TAFE SA.

As part of welcoming new international students to TAFE SA, the International Office organises orientation sessions for each term intake. These sessions include campus tours, walking tours of Adelaide, including lunch at the Adelaide Central Markets, and introduction to their course areas and support services.

TAFE SA has begun to significantly increase its engagement with educational institutions and employers in India, China and South East Asia, and to position TAFE SA to export educational products to expected high demand markets.

TAFE SA has seen growing demand for a range of study tour offerings to students, as well as VET practitioners and managers. In particular, we have hosted students on paid study tours for Dental Technology, Nursing, Bakery, Food Safety and Hospitality. We are also hosting increasing numbers of VET practitioners keen to learn how the vocational training system operates in Australia, with a number of them being mentored by TAFE SA lecturers. Study tour participants and mentees have come from a variety of countries including China, Indonesia, Malaysia, Japan, Kiribati and the United Arab Emirates.

TAFE SA has continued to refine its export products to enhance customer experience and meet needs. Export products include: licences to use existing TAFE SA learning materials and curriculum; tailor-made curriculum and learning materials; online courses; consulting advice for the set-up of vocational training schools; teacher and professional training; educational practice reviews; short-term study tours to upskill students and staff; and joint programs.

TAFE SA also provided learning materials under licence to overseas education providers in the Tourism, Hospitality, Building and Construction, Health Administration, Automotive and Retail program areas.

In order to boost cooperation and increase revenue from transnational business opportunities, TAFE SA entered into Memoranda of Understanding (MOUs) and contractual agreements with educational institutions and organisations in Indonesia, Malaysia, India, China, Kiribati and Japan. These agreements cover a range of program areas including Health and Community Services, Automotive, Building and Construction and Training and Assessment.

## HIGHLIGHTS

### International Agent Tours

During the 2014-15 financial year, several successful international agent familiarisation tours were conducted in Adelaide to provide recruitment agents with an opportunity to attend guided tours to a range of TAFE SA campuses. The first tour included the Barossa Valley and Regency campuses, where agents were treated to a winemaking class, tastings and a tour of a local winery, as well as presentations from international and domestic students. Agents also visited the MET Centre at Regency campus, and toured the geoscience and electronics facilities.

Other agent tours have included Community and Children's Services, Animal Technology and Laboratory Science facilities and product familiarisation at Gilles Plains Campus, and Graphic Design, Game Art, Photo Imaging and Visual Effects facilities and product familiarisation at Tea Tree Gully Campus.

### New wellbeing course

Twenty staff from Mount Barker campus participated in the trial delivery of a new accredited course in Wellbeing and Resilience.

The course was developed by Community Services, Health and Lifestyle Business Unit staff and industry partners, and is currently going through development and audit processes with delivery planned for Semester 2, 2015.



Foundation Skills student and lecturer, Adelaide City Campus



# Year in review

## 3.2 Marketing

### Brand positioning

In December 2014, TAFE SA implemented its strategic brand positioning and recruitment campaign, 'Be Yourself'.

The campaign was well received and resulted in an increase in course enquiries for Semester 1, 2015.

Key measures included:

- five per cent increase in unprompted awareness of the TAFE SA brand in only five months
- 46 per cent of all visitors to the website being new visitors
- 47 per cent of the target audience reporting they were likely to contact TAFE SA after seeing the campaign in market.

As a result of this success, the campaign's running time will be extended into 2015-16.

### Building the TAFE SA Brand Online

TAFE SA also implemented a digital marketing strategy, designed to improve the effectiveness of the organisation's online presence particularly in regard to prospective students. The strategy involved a targeted GoogleAd words campaign, a remarketing digital campaign, and a dedicated resource to manage and monitor TAFE SA's social media platforms.

Key measures included:

- 2 000 per cent increase in website visitors to program specific pages
- 9 per cent conversion rate from clicking on an ad to emailing an enquiry (the industry conversion rate is just 2 per cent)
- 24 per cent increase in audience and engagement since January 2015.

### Events

The TAFE SA Marketing Unit assisted and/or coordinated over 50 events across the State in the 2014-15 financial year.

Highlights included:

- launch of the MET Centre at Regency Campus
- WorldSkills Australia National Competition in Perth, which saw two TAFE SA students win gold medals. These students will compete at the International WorldSkills Competition in Brazil in August 2015
- Adelaide College of the Arts Open day, attracting more than 350 prospective students
- Careers and Employment Expo
- Tertiary Studies Expo
- Regency Gastronomic Short Courses Program launch
- Murraylands Fields Day
- high school visits.

### HIGHLIGHTS

#### HIRA BIRA

The Hair Industry Reference Associates (HIRA) and the Beauty Industry Reference Associates (BIRA), sponsored by TAFE SA, were launched at the Adelaide College of the Arts in September 2014. Over 300 people attended to launch the reference groups who will promote a united voice and sustainable hair and beauty culture in South Australia.

HIRA BIRA generates opportunities for TAFE SA to work closely with leading experts in the hair and beauty sector and ensures up-to-date information about industry needs.

#### AC Arts Open Day

Live bronze sculpture-pouring, dance performances, acting classes, fashion shows, computer-generated imagery and game art design were among the attractions in August 2014 when TAFE SA Adelaide College of Arts opened its doors to showcase its diverse artistic program.

#### Mining, Engineering and Transport Centre

The \$38.3 million Mining, Engineering and Transport (MET) Centre project was completed in July 2014. The state-of-the-art training hub at TAFE SA Regency Campus supports growth in the mining, civil and mechanical engineering, advanced manufacturing, transport and defence industries.

With space for up to 3 000 students, training at the MET Centre ranges from entry level through to apprenticeships, providing up-skilling for existing workers through to advanced courses for para-professionals with pathways to university.

The MET Centre is home to the latest technologies including the latest hi-tech dyno facilities for light and heavy vehicles, automotive spray painting and spot repair booths, mining training, practice drill rig and drill pad, land information systems survey equipment and computer software, advanced manufacturing 3D scanning and printing facilities and CNC controlled mills, guillotines and plasma cutters.



# Year in review

## 3.3 Leadership in Teaching and Learning

### Sharing and Developing Innovative Practice

Extensive work was undertaken across the Business Services, Justice and IT Business Unit during 2014-15 on the redevelopment of online teaching resources. The Training and Education resources have also been redesigned to enable the qualifications to be broken up into a number of short courses where students or industry are able to target the specific skills and knowledge they need. The Finance team has also negotiated with the Australian Tax Board to become the first national provider which is able to offer facilitated exams online using Skype.

The Business Services, Justice and IT team also took an innovative approach in the development of its resources and assessment tools to meet the new requirements of Nationally Accredited Training Packages, which are now broken up into training and assessment requirements separately. While the One TAE (Training and Education) Resource project meets new Training Package and Australian Skills Quality Authority requirements, it also ensures consistency in delivery and resources right across TAFE SA, and has been designed to be able to be easily adapted for any teaching methodology, such as from a workshop, to blended and fully external online.

The One TAE Resource has been developed using the latest innovative Moodle online platform and tools, and has been developed in-house by highly competent and trained TAE staff, with the latest up to date Moodle technology enhancements and options. It is a model of excellence in resource development which we plan to promote to other work units across TAFE SA into the future.

*The Finance team have also negotiated with the Australian Tax Board to become the first national provider which is able to offer facilitated exams online using Skype.*

### Industry Conferences

In the 2014-15 financial year, TAFE SA continued to participate or coordinate significant industry conferences, which are essential to staff development and industry engagement:

- TAFE SA organised the National Training Providers for Agriculture, Horticulture and Conservation Land Management Conference. This provides our education staff with the platform to access strategic professional development, share national innovative practice and provide opportunities to explore partnerships with private and public training providers
- TAFE SA participated in the World Aquaculture 2014 conference and workshops
- TAFE SA presented on flexible delivery options for regionally based nurses at the National Nurse Education Conference in Adelaide
- over a six month period, TAFE SA participated on the Australian Nursing and Midwifery Accreditation Council for the assessment of the Diploma of Nursing. The skills and knowledge our lecturers have gained of contemporary practice throughout Australia has proven to be excellent benchmarking for TAFE SA delivery
- the TAFE SA Horticulture, Conservation and Land Management Program managed the National VET Providers Conference for the Agriculture, Horticulture, Conservation and Land Management Training Package which was held at TAFE SA Urrbrae campus and the University of Adelaide – Waite campus. The event attracted educators from around Australia and provided our lecturing staff with the opportunity to network and develop new innovative ideas for delivery
- the Foundation Skills Business Unit delivered a national project on further development of the National Foundation Skills Strategies for Adults. Elements of the project have been to coordinate the national network of foundation skills practitioners to grow the awareness of Foundation Skills across Australia

- in April 2015, the Flourishing Babies and Toddlers Children's Services program commenced its inaugural Conference for South Australian educators. The conference is run over four months, with four seminars held using Video-Conferencing. The first seminar linked very special guest speaker Janet Lansbury from California, who through an online presence delivered to 20 sites across SA, involving 112 educators and about 80 staff from the Children's Services program. Ms Lansbury provided an insightful, inspiring overview of respectful relationships with babies and toddlers based on the four tenets of Respect, Observation, Trust and Honesty. Her inspiring talk was complemented by four short videos, and followed by facilitated discussions amongst the educators at each site.

### Incorporating Sustainability into Teaching

TAFE SA continues to have representation on the Nationwide House Energy Rating Scheme. The scheme supports efforts of Australian governments to reduce the energy and greenhouse gas impact of residential buildings.

*TAFE SA students were invited by Rundle Place management to undertake a large mannequin installation as part of their stylist promotion.*

### Holistic Learning Experiences

TAFE SA has joined forces with Renewal SA, the Department of State Development (DSD), Mitcham City Council, Northern Communities of Hope, Playford Alive, Northern Futures, Catholic Church and Calvary Hospital to deliver Certificate II in Construction Pathways and Certificate II in Civil Construction in an onsite environment at various locations throughout Adelaide metro area.

TAFE SA students were invited by Rundle Place management to undertake a large mannequin installation as part of their stylist promotion. TAFE SA students painted approximately 30 mannequins as well as dressed others in clothes from retailers in the Rundle Place complex as part of an assessment activity.

#### HIGHLIGHTS

##### Sampson Flat Bushfire Recovery

The devastating Sampson Flat bushfire area became a unique 'classroom' for TAFE SA students in 2015. A total of 35 students undertaking Certificate II in Horticulture began working in fire-affected areas of Forestry SA's Kersbrook Forest in March.

As part of the course, students were able to contribute to community fire recovery efforts, while learning practical skills such as chainsaw operation, erosion control, tree felling, rural fence construction and maintenance and garden revival.

TAFE SA's successful collaboration with Forestry SA spans over 12 years.

##### Building English Language Proficiency – Brazil

In 2015, TAFE SA expanded its collaboration with the University of South Australia, and was awarded the contract to deliver the English language training component to Brazilian Government 'Science Without Borders' Scholarship students. TAFE SA predicts strong student numbers from Brazil in Semester 2, 2015, preparing students to progress to the university in February 2016.



# Year in review

## High Level Teaching Resources

As a world recognised and leading provider of VET training, TAFE SA was visited by representatives from Aarhus University, Denmark to explore student/teacher exchange possibilities and international benchmarking for TAFE SA's dental hygiene, dental technology and dental assisting programs.

The TAFE SA Dental Program continues to work collaboratively with both industry and higher education providers on the establishment of the Adelaide Dental Hospital. TAFE SA lecturers were also engaged during 2015 as specialist examiners for the Australian Dental Council for the assessment of overseas trained professionals seeking Australian Dental Board registration.

TAFE SA's patisserie staff participated in up-skilling in preparation for the release of the Tourism, Travel and Hospitality Training Package updates. This involved industry visits and attending specialist workshops conducted by Savour Baking and Patisserie School Melbourne, over a 6-8 month period.

TAFE SA negotiated with a top artisan baker, to conduct an industry and professional development session for TAFE SA staff and students in October 2014.

TAFE SA successfully delivered clinical facilitation workshops to Country Health SA nursing staff funded by ClinEd SA in a number of regional centres covering relevant topics from Certificate IV Cannulation and Certificate IV Medication.

A TAFE SA Automotive Lecturer, has been funded to participate in a study tour to Cologne, Germany to understand and learn new technologies in the European automotive industry.



Dental students, Gilles Plains Campus

### HIGHLIGHTS

#### Onshore Petroleum Centre of Excellence

Workers in the oil and gas industry are now able to earn formal qualifications off-site with the opening of the Onshore Petroleum Centre of Excellence (OPCE) training facility at TAFE SA Tonsley Campus in February 2015.

The OPCE is a partnership between the Santos, Beach Energy, Senex Energy, the State Government and TAFE SA.

The centre will train hundreds of industry workers in a fully immersive, simulated oil and gas production environment, without the need for costly fly-in, fly-out arrangements.

#### Fashion students put their soles into the SALA Festival

TAFE SA footwear students and graduates showcased custom-made shoes as part of the 2014 South Australian Living Artists (SALA) Festival.

Emerging Adelaide shoemakers from the Certificate IV in Custom Made Footwear designs varied with vintage and avant-garde concepts, comfort and sturdy styles to intricate and glamorous shoes.

## 3.4 Learner Access, Participation and Success

TAFE SA Foundation Skills and Management Studies delivered the Certificate II in Skills for Work and Vocational Pathways including units from the Certificate III in Micro Business Operations in Naracoorte. The course involved participants developing their foundation skills, while in the process of investigating, developing and planning a micro business.

Through the Small Regional Communities initiative, eight unemployed women from regional South Australia were able to improve their Language, Literacy and Numeracy (LLN) Skills while developing practical skills in Home Maintenance. The program was delivered for five hours a week, over eight weeks at the Health Centre in Peterborough. Participants received a Certificate I in Skills for Vocational Pathways.

The Skills for Education and Employment (SEE) Program at a number of TAFE SA campuses continued to provide students with the English required for success in applying for employment and in the TAFE SA award courses they progress to. In particular, Certificate III in Early Childhood Development and Care delivered at the Adelaide City Campus, has had excellent employment outcomes and is a feeder for the Diploma of Early Childhood Development and Care.

TAFE SA is working with Renewal SA and the St Therese Catholic Parish in Colonel Light Gardens to re-build their Parish garden. The project encompasses two groups over six months, and so far they have cleared and levelled the area, and built a pergola and garden beds. Current participants will graduate with a Certificate II in Construction Pathways at the end of July. The next stage of the project will be laying pavers and building a BBQ area.

Three community members worked with the Aboriginal Access Centre (AAC) to landscape two gardens at Koonibba near Ceduna. The two neglected front yards were converted into simple, neat landscaped gardens. Paths were edged with treated timber and covered with sandstone gravel. Gardens were mulched with black bark chip and planted out with local, drought-tolerant, native trees and shrubs.

## E-Learning Strategy and Blended Delivery

The success of the development and ongoing improvement of the TAFE SA partnership with PestLearn has provided TAFE SA with the opportunity to expand its customer base beyond the classroom.

This fluid learning environment used in PastLearn provides individuals from across the nation with the ability to enrol and complete training entirely online. The course, Certificate III in Pest Management, is broken down into accredited licence skill sets providing individuals and companies with the opportunity to meet industry regulatory license requirements. The success of this program has provided the opportunity for TAFE SA to apply similar E-Learning models in other licenced skills sets within the Horticulture, Conservation and Land Management area.

TAFE SA's Primary Industries, Animal and Laboratory Sciences Wine Operations program is delivering internationally recognised Wine Spirit Education Trust Level 2 Wine Education course to Angove's Wines. Twenty-five staff from the company located across Australia studied the course online using Moodle platform and attended an intensive workshop to complete the wine tasting and examination component.

### HIGHLIGHTS

#### Simulation in Nursing Program

An innovative simulation education program using real people as patients to train health students is being extended to the Enrolled Nursing program in regional TAFE SA.

Simulation workshops have been delivered to Diploma of Nursing (Enrolled/Division 2) students at TAFE SA Mount Gambier Campus.

The simulation training uses real people trained to portray patients in life-like scenarios. It received such promising feedback from students that it is now being extended to other TAFE SA campuses across South Australia.

The simulation training, funded by the Australian Government, is being offered to undergraduate students throughout regional South Australia and south west Victoria.

# Year in review

## Lower Level Entry Points

TAFE SA continues to offer qualifications at lower levels to provide entry points for students with low levels of existing skill. More than 140 Certificate I and II level qualifications are on scope of registration for delivery across a wide variety of industry fields.

Around 70 of these qualifications are actively marketed through the TAFE SA website.

Foundation Skills programs also provide entry points to vocational training for disadvantaged clients by integrating Language, Literacy and Numeracy (LLN) development with vocational contexts. Examples of this are the various Certificate I pathway programs that are offered like Trade Pathways at Regency and Elizabeth campuses, Community Services Pathways at Adelaide, Noarlunga and Salisbury campuses, and Business pathways at Gawler and Kadina campuses. These pathway programs enable disadvantaged clients to develop the knowledge and skills required to enter higher qualification levels.

## Foundation Skills

TAFE SA is embedding foundation skills across all teaching areas, with the Foundation Skills Program providing contextualised learning support in all TAFE SA business units. This ensures students are able to access literacy and numeracy support without having to leave their core vocational program. With the Foundation Skills lecturer working alongside the vocational teacher, this model provides developmental opportunities for vocational lecturers and aims to increase the percentage of successful student completions.

*TAFE SA is embedding foundation skills across all teaching areas, with the Foundation Skills Program providing contextualised learning support in all TAFE SA business units.*

## Student Support

Prior to commencing study, students have access to student counsellors who assist with career and course planning and can help students through the application process. Students are provided with information on available support by their lecturers during student inductions, and Student Services provides targeted orientations for most program areas.

*Prior to commencing study, students have access to student counsellors who assist with career and course planning and can help students through the application process.*

Students have continued access to student counsellors who can support ongoing course and career development, as well as provide personal support, educational counselling, financial guidance and advocacy. Personal support and educational counselling is provided to assist with difficulties experienced while studying as this improves student participation and course completion. Student counsellors facilitate engagement in learning support, such as providing one-on-one tutorial support for course specific information as well as accessing targeted literacy and numeracy support through Foundation Skills.

Student Services provide assistance to students in disciplinary and complaint resolution issues with the target of increasing participation and retention. Student Services also support TAFE SA staff by providing guidance and support in the implementation of policies and procedures.

In 2014-15 TAFE SA undertook significant work, which is ongoing, with the Informed Choices Project. This seeks to provide prospective students, including those with a disability, with more detailed information regarding the course and future employment requirements and expectations of a career pathway. All program areas have been encouraged to work with Disability Officers to look at the requirements of their courses as well as the industry expectations in developing these documents

## Disability Support

TAFE SA has a Disability Access and Inclusion Plan which has been submitted for registration with the Australian Human Rights Commission. Disability Action Plans have been instituted by TAFE SA since 2005. The current plan has been reviewed and redeveloped in line with new requirements. This has involved consultation with all vocational programs and business units to ensure that the principles and processes to ensure appropriate disability management for students are adopted across the organisation.

*Disability Action Plans have been instituted by TAFE SA since 2005.*

TAFE SA released its Employee Access and Inclusion Plan 2013–15 and in 2013 also developed a Social Sustainability Policy which superseded the Access and Equity Policy.

Under the TAFE SA Disability Support Program, 541 students enrolled in TAFE SA courses had Access Plans lodged to accommodate disability, mental health, learning difficulties or chronic health conditions. In the first half of 2015, new individual student Access Plans were developed with students being supported through provision of Auslan interpreting, specific software, equipment, disability-specific tutor support and adjustments to teaching and assessment procedures.

Disability Officers have been appointed to support lecturing staff in meeting the educational requirements of students with disabilities. In addition, the work of the Disability Support Program contributed significantly to ensuring compliance with the building code of Australia's Disability Standards in-campus works at Adelaide City Campus as well as for Regency Campus and the Sustainable Industries Education Centre (SIEC) at Tonsley.

*Under the TAFE SA Disability Support Program, 541 students enrolled in TAFE SA courses had Access Plans lodged to accommodate disability, mental health, learning difficulties or chronic health conditions.*

In 2014-15 TAFE SA supported over 1000 students under the *Skills for All* Learner Support Scheme which provides case management support of students with complex needs undertaking *Skills for All* funded courses. This includes students with disabilities and offers more significant and life enhancing supports in addition to the normal disability support program. This has proven to be very successful in supporting retention and completions for these students. The scheme is expected to continue under Work Ready.

*In 2014-15 TAFE SA supported over 1000 students under the Skills for All Learner Support Scheme which provides case management support of students with complex needs undertaking Skills for All funded courses.*

TAFE SA held a number of Transition Information sessions at Adelaide Campus. These sessions provided comprehensive information for students, parents and teachers in a range of areas, including:

- orientation to course information
- SATAC applications
- registration and studying at TAFE SA and
- considerations for students with a disability

These sessions enable informed decisions to be made about VET pathways and transition preparations. The sessions were facilitated by the Disability Officers in collaboration with the National Disability Coordination Officer and helped ensure many students with disability transitioned more confidently and effectively from school to TAFE SA.

TAFE SA Student Services has also established a number of Memoranda of Administrative Agreements with job service agencies to aid in the transition from study to work for students with disabilities.



# Year in review

## Working with Schools

In the 2014-15 financial year, TAFE SA continued with its commitment to strengthening and enhancing vocational, education and training opportunities for young people in South Australian secondary schools.

TAFE SA delivered its Secondary Schools Engagement Strategy 2014-2016. The engagement strategy outlines all activities where TAFE SA engages with VET in Schools programs with the secondary sector in South Australia. A Secondary Schools Engagement Team has been established to provide greater connectivity and improved practices within the organisation.

TAFE SA has actively engaged in establishing partnerships with Catholic Education South Australia, St Patricks Technical College and many Trade Training Centres. Agreements in place are examples of these collaborative partnerships where TAFE SA is delivering training in custom built for purpose skills labs across South Australia. TAFE SA will be seeking to expand on use of Trade Training Centres across South Australia during 2015-16.

The Hair and Beauty program expanded its delivery to school students across South Australia, and now delivers at a range of school and industry locations such as Rosewater Trade Training Centre, Murray Bridge, Mount Barker, Waikerie and the APY Lands through its flexible model.

The TAFE SA Bakery and Patisserie Program delivered three inaugural workshops at the Royal Adelaide Show in September 2014 for Year 11-12 students through a customised training program entitled 'let us teach you how to make more dough' that contributed to SACE attainment.

TAFE SA's Veterinary and Applied Science Centre (VASO), including Horse Racing is working closely with a number of metropolitan and regional schools. On offer are the Certificate I and II in Animal Studies (VET in Schools) and Certificate III Animal Studies under the Training Guarantee for SACE Students. These programs provide students with valuable information about available career paths while familiarising them with the facilities available at Gilles Plains. The Applied Laboratory and Science Centre offers VET in Schools Agreement (VISA) programs to a number of metropolitan schools.

TAFE SA Agriculture program and St Marks College at Port Pirie work together to deliver the Certificate II in Agriculture from their Trade Training Centre.

*In 2014-15, a 'one-stop-shop' web presence was created to enable secondary schools and their students to access a range of information on TAFE SA activities and products designed specifically for secondary school students.*

## Innovative Learning Technologies

TAFE SA's Wine and Viticulture Program travelled to many locations across South Australia during 2014-15 to deliver 'Responsible Service of Alcohol' training to small regional communities in a mobile training delivery methodology. Delivery of face to face training in venues such as the Ceduna Blues Football Club, local community halls and recreational clubs across South Australia has allowed TAFE SA to reach a wider group of participants.

TAFE SA, in collaboration with the Gawler and Barossa Racing Club, established a training program for delivery of the Certificate II Racing Stable Hand and Certificate III Track Riding which is being delivered from the Gawler Racecourse. TAFE SA rents out the stables, and students go on to complete work experience with local racehorse trainers to further develop their skills. This training has proven to lead to jobs, with a number of students gaining employment in the industry so far.

Apart from a blend of high quality face-to-face delivery and on-line learning, Certificate IV Nursing students benefit tremendously from TAFE SA's practicing Veterinary clinic situated at the Gilles Plains Campus. Here students are exposed to a fully functional veterinary clinic and grooming parlour. They can practice real 'hands on' workplace requirements including; reception work (animal admission and discharge) merchandising, through to assisting in actual consulting, anaesthesia and surgical procedures. The clinic is fully supervised by qualified veterinarians and veterinary nurses, part of our highly qualified lecturing team.

Farriery student, Horse Skills Centre, Morphettville Campus





# Year in review

## Aboriginal Access Centre

In June 2014 the Aboriginal Access Centre (AAC) underwent structural change designed to improve Aboriginal engagement. The restructure saw the business unit developing training programs and partnerships with agencies and businesses to deliver training to Aboriginal people within wider TAFE SA, and across the State. Under the new structure most training is now delivered by the Education Units in TAFE SA.

A key improvement and benefit of the restructure has been that the range of programs available to AAC enrolled students has broadened. A further 24 programs have been delivered to Aboriginal people, particularly in rural and remote areas. For example, the Certificate II in Hair and Beauty has now been delivered in three remote Aboriginal communities, and salons have been built to provide opportunity for Aboriginal women to establish small businesses.

*A further 24 programs have been delivered to Aboriginal people, particularly in rural and remote areas.*

This model has also allowed TAFE SA to better meet the training needs of clients by working alongside wider program areas to develop and deliver training across South Australia. Indeed, under this model, the Aboriginal Lands Trust and the Remote Jobs and Communities Program (RJCP) nominated the AAC as their preferred training provider. Staff regularly travel across the State to service the communities with the RJCP footprints.

Additionally, the AAC has been integral in enabling the participation of Anangu tutors in the University of South Australia's Pitjantjatjara Language Summer School in 2014 and 2015. This initiative saw the delivery of the Certificate III in Learning an Endangered Aboriginal Language and the Certificate IV in Teaching an Endangered Aboriginal Language. The ability to embed the training with the role and responsibilities of the tutor saw the completion of many units by ten students in the Certificate III and six in the Certificate IV.

The AAC also delivers the Certificate II in Family Wellbeing as part of the Rekindling Indigenous Relationship Project,

funded for the financial year 2014-15 by the Department of Prime Minister and Cabinet under the Indigenous Advancement Strategy. This program was designed by Aboriginal people for Aboriginal and Torres Strait Islander people and is an education and counselling skills program focussed on relationship skills, coping with grief and loss, and understanding the issues of family violence. The program provides participants with the skills for effective communication and conflict resolution.

*This program was designed by Aboriginal people for Aboriginal and Torres Strait Islander people, and is an education and counselling skills program focussed on relationship skills, coping with grief and loss, and understanding the issues of family violence.*

The program, or specific skill sets from it, has been successfully offered across metropolitan and regional South Australia. This delivery has occurred not just from TAFE SA's metropolitan and regional campuses, but in a range of other community-based organisations, such as:

- Maringga Turtpandi Aboriginal Health Service, Gilles Plains
- Aboriginal Sobriety Group, Berri
- Burrandies Aboriginal Corporation, Mount Gambier
- Pika Wiya Aboriginal Health Service, Port Augusta
- Port Augusta Secondary School.

This community-based delivery has greatly improved access to the program and is one of the hallmarks of our success in the provision of training.

## APY Lands

TAFE SA delivers training across six community sites in Indulkana, Ernabella, Amata, Mimili, Pipalyatjara/Kalka and Fregon. Training is also delivered at the APY Trade Training Centre in Umuwa, building upon established relationships between community-based lecturers, Anangu learning support workers, and community members.

The training model uses six community-based lecturers to deliver literacy, numeracy and preparing for work skills. This is augmented with visiting lecturers who provide a range of demand-driven accredited and short course vocational training across the APY Lands.

A training needs analysis was undertaken by TAFE SA in November 2014 to assist with planning and prioritising training effort on the APY Lands. The analysis was an initiative to obtain an overall picture of the training needs of organisations and/or employers in and around the APY Lands. All employers and students consulted throughout the analysis gave 'relevance to job' as the most important aspect of training. This, plus literacy support the fundamental 'must haves' when undertaking a training program.

From the training needs analysis the clear directive was to build on the existing training programs and learning support activities. Delivery of the following priority skills sets and qualifications to improve outcomes is underway:

- literacy and numeracy support, work skills and skills for applying for a job
- Business Administration skill sets with employees from varying places of employment

- Driver Education, in collaboration with the Department of Planning Transport and Infrastructure's 'On the Right Track' program
- Certificate III in Aged Care, Certificate III in Home and Community Care, and Certificate III in Disability, with employees from Nganampa Health and Department of Community and Social Inclusion
- Certificate III in Children's Services with Aboriginal Education Workers
- training for secondary students with the Certificate I in Hospitality, Certificate II in Kitchen Operations, Certificate II in Creative Media, Certificate III in Children's Services, and units with an automotive focus
- Certificate I in Conservation and Land Management in partnership with APY Land Management.

Additionally TAFE SA is meeting the growing demand for short courses, including White Card, First Aid, Load Shifting, Tag and Test, Child Safe Environment and Working in Teams.

## Other Aboriginal Programs

In September 2014, approximately 100 South Australian Aboriginal Sports Training Academy (SAASTA) students completed a Certificate III in Sport and Recreation. This is another highly successful year for the SAASTA program which sees Aboriginal School students from across the state complete the pathway qualification.



Children's Services student and client, Regency Campus





# Year in review

## 3.5 Business Systems, Processes and Practices

### Legislation and Delegations

The Legislation and Delegations Unit continued to support new opportunities and mitigate risk as the main point of contact and advice for TAFE SA on legal, insurance, regulatory, compliance and legislative matters.

### Achieving Cost Efficiencies through the Procurement Cycle

Under the procedural requirements of the State Procurement Board (SPB), TAFE SA Procurement Services embraced the opportunity to have its procurement function independently assessed.

The outcome of the assessment resulted in TAFE SA being awarded a Procurement Accreditation of \$4.4m in July 2014.

TAFE SA has confirmed with the SPB its commitment to:

- forward procurement planning
- leveraging opportunities in both low value/high volume and high value/low volume procurement
- a more disciplined approach to contract management and operational administration
- increased focus on managing supplier/vendor performance and relationships
- organisational restructure, job profile review and staff training to continuously improve the Procurement function

As a consequence, the following value-for-money opportunities exist:

- transitioned in property services and initiated internal contract management and operational administration processes
- reduce budgeted Shared Services SA transaction costs through expanded use of purchase cards
- leveraging and consolidating the procurement of like items over multiple vendors

Other opportunities include:

- transferring ICT procurement into Procurement Services
- leveraging other SA Government agency contracts (for example, SAH Gasses contract and Office for Digital Government contracts)
- salvaging surplus capital equipment.

### Effective Data Collection, Analysis and Reporting Systems

TAFE SA commenced a Business Intelligence project to improve data needed to make timely and accurate operational decisions. This project has laid the foundations in place to deliver quality financial data in a single repository with a single reporting and analytical tool set. As a result, it has provided an insight into performance and operational drivers and assisted in streamlining existing reporting and analysis across the organisation.

### Student Information System

The Student Information System (SIS) is core to TAFE SA's management of the student lifecycle including admission, enrolment, payment of fees, allocation of classes, recording of results and progression to completion and graduation.

In the 2014-15 financial year a number of initiatives successfully enabled TAFE SA to meet ever-changing compliance requirements. These included a 365 Census Date Model for VET FEE HELP, enablement of the Unique Student Identifier and system changes allowing TAFE SA to act as a single Registered Training Organisation.

Additional enhancements to deliver improved student and staff experience included the first SIS upgrade in over three years and a migration to a significantly more stable payment gateway.

The teams responsible for SIS support and enhancement were successfully realigned from Educational Services (May 2015) and DSD (June 2015) to ICT Services. The newly formed team is already seeing improved collaboration from working together as a single unit.



# Year in review

## HIGHLIGHTS

### Training for APY Lands Aged Care Needs

Since 2011 TAFE SA has been delivering aged care training to Aboriginal and Torres Strait Islanders in remote South Australian communities in the west coast and mid and upper north-west regions and in the APY lands.

In that time, more than 90 parchments have been issued (ranging from Certificate II to Diploma level qualifications), along with nearly 250 Statements of Attainment for short courses between 2011 and 30 June 2015.

TAFE SA is the only South Australian Registered Training Organisation (RTO), and one of only three national providers, which provides the Commonwealth-funded aged care training specifically to Aboriginal and Torres Strait Islander groups.

### Simulated Environment for Business Learning

In 2014, TAFE SA developed Simbus, a national e-commerce trading site. The site allows buying, selling and online banking between Simbus and other simulated businesses, including those based at colleges and universities across the country.

There are 47 simulated businesses trading in Australian schools, universities, TAFE institutes and private RTOs.

Simulated businesses operate like 'real world' businesses, with products and brands developed and goods and services marketed and sold in a no-risk virtual platform. The simulated environment enables students to gain business and marketing experience regardless of their physical locations.

### TAFE SA Learning Management System

The TAFE SA Learning Management System was successfully migrated to a cloud based platform in May 2015 to provide scale for future growth and to improve responsiveness for existing students and staff.

### ICT Governance Framework

An ICT Governance Framework has been implemented for all 2015-16 financial year ICT Capital Projects to ensure technology investment decisions are strategically aligned following the transfer of ICT Capital Program delivery from DSD.

### Contemporary Technology

ICT Services has provided contemporary technology solutions to meet new business needs. These included developing a Mobile Computing Teaching kit to enable delivery of teaching in remote and non-campus locations and a teaching environment with Windows 10 workstations.



## HIGHLIGHTS

### Tonsley TAFE earns industry recognition

TAFE SA's spectacular Tonsley Campus won a number of state, national and international architecture awards in 2014-15.

The \$120 million campus structure, opened last year, earned state honours in the 'Best Sustainable Development – Existing Buildings' and 'Best Public Building' categories of the 2015 Property Council of Australia and Rider Levett Bucknall Innovation and Excellence Awards.

The awards celebrate leading practice within Australia's property development and investment industries.

The Tonsley TAFE building, designed by MPH Architects and Architectus, also won the Graphics Design Annual Awards 2015 Gold medal, the World Festival of Interiors Creative Re-Use Award, the Design Institute Australia Interior 'Way Finding' Award 2015, and the Australian Institute of Building's Professional Excellence Award in the 'Commercial Construction \$100 million plus' category.

The widespread recognition demonstrates the building's success in addressing TAFE SA's requirement for a structure that is responsive, up-to-date and environmentally sustainable, providing inviting and inspiring spaces to learn, teach and work.

Electrical students, Tonsley Campus





# Management of Human Resources

## Workforce Data

The following data is based on records from the Human Resource Information System, Empower, for persons identified as being employed on 30 June 2015.

All data has been sourced from employer records. Unless otherwise stated, data relates to 30 June 2015.

Hourly Paid Instructors (HPIs) are excluded from data tables as they are employed under different conditions and reported accordingly. To combine HPI data with regular staff information would result in data distortion.

During the 2014-15 year 202.4 (233 headcount) FTE were recruited to TAFE SA, including 73 staff who relocated from the Department for State Development and 175.73 (242 headcount) FTE separated from the organisation.

Further human resource information is available from the Commissioner for Public Employment on the Office of Public Sector website <http://publicsector.sa.gov.au/>

## Executives

| Number of Executives by Classification, Gender and Contract Status |         |        |                    |        |                      |        |
|--|---------|--------|--------------------|--------|----------------------|--------|
| Classification   | Ongoing |        | Contract (Tenured) |        | Contract (Untenured) |        |
|  | Male    | Female | Male               | Female | Male                 | Female |
| EXEC ULE   | 0       | 0      | 0                  | 0      | 1                    | 0      |
| SAES-1   | 0       | 0      | 0                  | 0      | 6                    | 6      |
| SAES-2   | 0       | 0      | 0                  | 0      | 1                    | 2      |
| Total  |         |        |                    |        | 16                   |        |

## Workplace Health and Safety

TAFE SA has seen continued improvement in WHS and Injury Management (WHS&IM) performance during 2014-15; with another year of reducing workplace injuries.

Workers Compensation costs also reduced in 2014-15, while TAFE SA's outstanding liability (actuarial assessment) in workers compensation fell by 26%.

TAFE SA's improvement processes in WHS&IM continued to be implemented. This has been positively received by managers and staff. The new model has a higher focus on 'direct' service delivery; this being supported by geographically based WHS professionals.

The WHS&IM review reported in the last Annual Report has informed the development of a new WHS&IM management system that is being developed and systematically implemented over the next two years. On completion this will allow TAFE SA accreditation to Australia/New Zealand 4801 and International Standard 18001.

Interior Design student and lecturer, Tonsley Campus



# Management of Human Resources

| Workplace Health and Safety  |                               |                |
|--|-------------------------------|----------------|
|  | 2014-15                       | 2013-14        |
| 1. WHS (previously OHS) Legislative Requirements (includes incidents involving students, contractors and visitors)         |                               |                |
| Number of notifiable incidents (previously occurrences or injuries) pursuant to the WHS Act Part 3 - Incident notification | 6<br>(1 from external agency) | 5              |
| Number of notices served pursuant to the WHS Act Sections 90, 191 and 195  | 3<br>(2 from external agency) | 4              |
| Number of prosecutions pursuant to WHS Act Part 2, Division 5 <sup>1</sup>   | 0                             | -              |
| Number of enforceable undertakings pursuant to WHS Act, Part 11 <sup>2</sup>   | 0                             | -              |
| 2. Injury Management Legislative Requirements  |                               |                |
| Total number of new claimants who participated in the rehabilitation program   | 21                            | 24             |
| Total number of employees rehabilitated and reassigned to alternative duties   | 0                             | 1              |
| Total number of employees rehabilitated back to their original work  | 4                             | 9              |
| 3. WorkCover Action Limits   |                               |                |
| Number of open claims as at 30 June 2014   | 76                            | 88             |
| Percentage of workers compensation expenditure over gross annual remuneration  | 0.0116                        | 0.0129         |
| 4. Number of Injuries  |                               |                |
| Number of new workers compensation claims in the financial year  | 49                            | 58             |
| Number of fatalities (F), lost time injuries (LTI), medical treatment only (MTO)   |                               |                |
| (F)  | 0                             | 0              |
| (LTI)  | 22                            | 24             |
| (MTO)  | 27                            | 34             |
| *Total number of whole working days lost   | 2 762                         | 4 009          |
| 5. Cost of Workers Compensation  |                               |                |
| Cost of new claims for the financial year  | \$337 047                     | \$566 539      |
| Cost of all claims excluding lump sum payments   | \$1 229 709                   | \$1 827 702    |
| Amount paid for lump sum payments (s42, s43, s44)  | \$879 696                     | \$1 146 217    |
| Total claims expenditure   | \$2 109 405                   | \$2 973 919    |
| Total amount recovered from external sources (s54)   | \$8 995                       | \$0            |
| 6. Trends  |                               |                |
| Injury frequency rate for new lost-time injury/disease for each million hours worked                                       | 6.09                          | 6.24           |
| Most frequent cause (mechanism) of injury  | Body Stressing                | Body Stressing |
| Most expensive cause (mechanism) of injury   | Mental Stress                 | Mental Stress  |

WH&S Reporting is based on financial year as determined by the Australian Standard. \* Based on Lost Time Flag (i.e. ≥ 1 day or shift).

<sup>1</sup> No comparative data available as this is a new reporting requirement in 2014/15

<sup>2</sup> No comparative data available as this is a new reporting requirement in 2014/15

International students, Adelaide City Campus

| Work Injury Analysis – Claim Expenditure |                     |                     |                    |               |
|--|---------------------|---------------------|--------------------|---------------|
| Expenditure                              | 2014-15 (\$)        | 2013-14 (\$)        | Variation \$       | Variation %   |
| Hospital                                 | 51 580.84           | 93 715.52           | -42 134.68         | -44.96%       |
| Income Maintenance                       | 618 078.91          | 982 342.68          | -364 263.77        | -37.08        |
| Investigations                           | 24 724.18           | 21 197.63           | 3 526.55           | 16.64         |
| Legal Expenses                           | 52 261.82           | 162 775.60          | -110 513.78        | -67.89        |
| Lump Sum                                 | 879 695.63          | 1 157 587.00        | -277 891.37        | -24.01        |
| Other                                    | 41 648.39           | 56 276.71           | -14 628.32         | -25.99        |
| Registered Medical                       | 442 580.06          | 517 979.59          | -75 399.53         | -14.56        |
| Travel                                   | 7 830.46            | 18 458.81           | -10 628.35         | -57.58        |
| <b>Total</b>                             | <b>2 118 400.29</b> | <b>3 010 333.54</b> | <b>-891 933.35</b> | <b>-29.63</b> |





# Management of Human Resources

## Leave Management

The following table depicts the average days taken per Full-Time Equivalent (FTE) (excluding HPIs and casuals) over the 2014-15 financial year. Family Carer's Leave has been separated from sick leave.

| Leave management                |       |       |       |       |       |
|---------------------------------|-------|-------|-------|-------|-------|
| Average Leave Days <sup>3</sup> | 10-11 | 11-12 | 12-13 | 13-14 | 14-15 |
| Sick Leave                      | 8.36  | 8.18  | 7.78  | 7.48  | 5.87  |
| Special Leave with Pay          | 3.22  | 2.28  | 2.72  | 1.64  | 2.16  |

For the 2014-15 financial year, TAFE SA employees are recorded as taking 59.28 days as Family Carer's Leave.

The types of leave contained within Special Leave with Pay include Paid Maternity Leave, Adoption Leave, Miscellaneous Special Leave and Workers Compensation related leave.

| Number of persons on leave without pay |    |
|--|----|
| On Leave Without Pay                   | 92 |

## Workforce Diversity

| Number of Employees by Age Bracket and Gender |      |        |       |            |                                       |
|---|------|--------|-------|------------|---------------------------------------|
| Age Bracket                                   | Male | Female | Total | % of Total | 2015 Workforce Benchmark <sup>4</sup> |
| 15 - 19 years                                 | 1    | 1      | 2     | 0.08%      | 5.5%                                  |
| 20 - 24 years                                 | 9    | 16     | 25    | 1.04%      | 9.7%                                  |
| 25 - 29 years                                 | 16   | 54     | 70    | 2.92%      | 11.2%                                 |
| 30 - 34 years                                 | 40   | 116    | 156   | 6.50%      | 10.7%                                 |
| 35 - 39 years                                 | 83   | 161    | 244   | 10.17%     | 9.6%                                  |
| 40 - 44 years                                 | 96   | 229    | 325   | 13.55%     | 11.4%                                 |
| 45 - 49 years                                 | 130  | 229    | 359   | 14.96%     | 11.1%                                 |
| 50 - 54 years                                 | 168  | 253    | 421   | 17.55%     | 11.4%                                 |
| 55 - 59 years                                 | 170  | 259    | 429   | 17.88%     | 9.1%                                  |
| 60 - 64 years                                 | 126  | 172    | 298   | 12.42%     | 6.7%                                  |
| Over 65 Years                                 | 32   | 38     | 70    | 2.92%      | 3.6%                                  |
| Total   | 871  | 1528   | 2399  | 100        | 100                                   |

<sup>3</sup> Average leave days taken per FTE over each financial year.

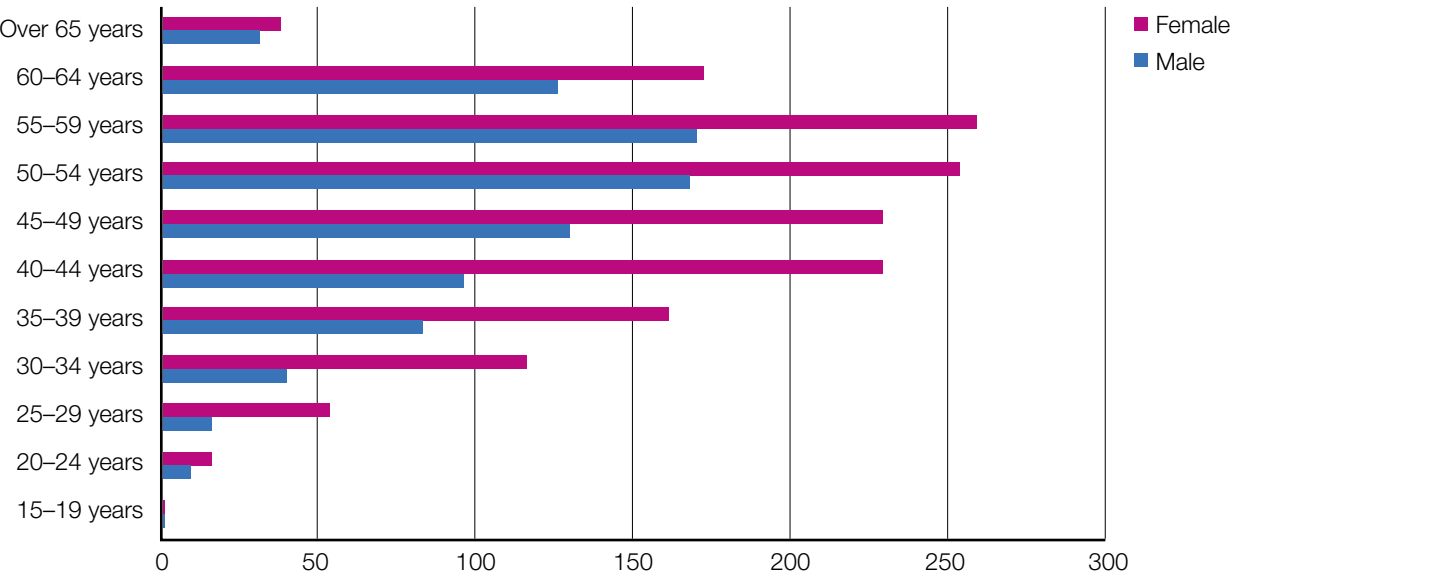
<sup>4</sup> Workforce Benchmark Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001 Labour Force Status (ST LM8) total from Supertable, SA at as November 2013

### HIGHLIGHTS

#### Racism. It stops with me

TAFE SA is proud to have joined forces with some of Australia's leading businesses, sporting bodies, non-government organisations and the state's three public universities to help combat racism through the 'Racism. It stops with me' campaign.

### Number of Employees by Age Bracket and Gender



| Number of Employees Identified as having a Disability |        |       |             |
|---|--------|-------|-------------|
| Male  | Female | Total | % of Agency |
| 15  | 22     | 37    | 1.54%       |

| Number of Employees with Disabilities Requiring Workplace Adaption |      |        |       |             |
|--|------|--------|-------|-------------|
| Disability <sup>5</sup>  | Male | Female | Total | % of Agency |
| Disability Requiring Workplace Adaption                            | 3    | 8      | 11    | 0.46        |
| Physical   | 3    | 7      | 10    | 0.46        |
| Intellectual   | 0    | 2      | 2     | 0.08        |
| Sensory  | 7    | 3      | 10    | 0.46        |
| Psychological/ Psychiatric   | 0    | 0      | 0     | 0.00        |

<sup>5</sup> staff have reported an 'unspecified' disability

# Management of Human Resources

## Performance Management

The Performance Coaching Framework encourages two-way conversations and aligns employees' understanding of their duties and responsibilities to South Australia's Strategic Plan (SASP) and TAFE SA Strategic Plans and Agency Business Plans.

| Documented Review of Individual Performance Management <sup>6</sup> |        |                   |
|---|--------|-------------------|
| Employees with...   | Number | % Total Workforce |
| A review within the past 12 months                                  | 291    | 12.13             |
| A review older than 12 months                                       | 754    | 31.43             |
| No review   | 1354   | 56.44             |

The Performance Coaching Framework and the Performance Coaching Training Program assist TAFE SA in: achieving a culture of ongoing and continued performance coaching; planned performance development to meet organisational needs, and career planning with employees participating in performance coaching meetings with their managers.

## Leadership and Management Development

Leadership and management development is funded across TAFE SA by Organisational Capability. Formal Leadership programs are negotiated annually based on the business needs and future directions of the organisation.

Leadership and management development encompasses formal training programs and attendance by staff at intra and interstate leadership conferences, workshops, and reimbursement of course fees.

| Training and Development Expenditure       |             |                               |
|--|-------------|-------------------------------|
| Training and Development                   | Total Cost  | % of Total Salary Expenditure |
| Total training and development expenditure | \$1 555 072 | 1.5%                          |

| Leadership Development Activities   |                   |
|-------------------------------------|-------------------|
| Program                             | # of participants |
| TAFE SA Leadership Program          | 24                |
| TAFE SA Aspiring Leadership Program | 21                |
| Attendance at workshops/conferences | 175               |
| Payment of course fees              | 24                |
| PSM Program                         | 2                 |
| <b>Total</b>                        | <b>246</b>        |

<sup>6</sup> Data is obtained from the Performance Coaching System which was implemented from November 2012.

### HIGHLIGHTS

#### EDAYZ for E-Learning

EDAYZ is an annual training event that helps staff become more proficient in E-Learning.

This year's EDAYZ training was held on 26 and 27 March 2015. It was the first time the program had been offered over two days, with video conference and webinar platforms enabling staff at all sites to participate and interact with speakers and colleagues across the state.

A program of more than 30 sessions including keynote speakers, discussion forums and workshops that explored topics such as cyber safety, increasing engagement with online delivery, using Moodle and compliance was offered.

#### White Ribbon Campaign

TAFE SA's White Ribbon campaign was launched at Adelaide Campus in November 2014.

The campaign raised awareness about men's violence against women in Australia and sought to engage staff and students in creating positive change around this issue.

TAFE SA Board Member John Branson AM and CE Robin Murt, 2014 Governor's Multicultural Award

TAFE SA is committed to developing future leaders with the philosophy of our Leadership programs being built on our TAFE SA Management Leadership statement 'Our Purpose is to unite, inspire and lead TAFE SA'.

## TAFE SA Leadership Program

The Leadership Program provides participants with the opportunity to meet and work with other colleagues; be exposed to inspiring leaders, facilitators and guest speakers and develop specific leadership qualities and skills including:

- contribute to improved team performance, empowering others and taking the lead in creating a positive environment
- relate effectively with a diverse range of individuals
- develop outstanding attributes including; effective communication techniques, problem solving, critical/reflective and emotional intelligence
- develop an understanding of character strengths and how to use these strengths in your work environment
- persist through challenges and maintain motivation in difficult times
- manage uncertainty in a rapidly changing environment
- gain an understanding of the TAFE SA business model and revenue sources.



## TAFE SA Aspiring Leadership Program

The Aspiring Leadership Program has been designed to give participants skills and strategies to explore 'multiple intelligences' as an understanding of leadership.

- TAFE SA 'learning environment'
- leadership and decision making
- leadership and people performance
- delegating and allocating work as a leader
- setting Key Performance Indicators and monitoring staff and own performance
- understanding important and urgent

### HIGHLIGHTS

#### Public Sector Award – 2014 Governor's Multicultural Awards

TAFE SA was recognised for providing outstanding services that recognise cultural diversity, as the joint winner of the Public Sector Award in the 2014 Governor's Multicultural Awards announced in March.

TAFE SA was acknowledged for activities fostering productivity, prosperity and social inclusion through quality training and skills development.

TAFE SA's access and equity policy aims to achieve equal educational and vocational outcomes for students from 145 countries, and to improve the position of particular groups in society, including people from non-English speaking backgrounds.

Twelve per cent of staff come from culturally and linguistically diverse backgrounds.



# Management of Human Resources

## Employment Opportunity Programs

| Employment Opportunity Programs                                      |      |        |       |
|--|------|--------|-------|
|  | Male | Female | Total |
| Aboriginal Traineeship Programs –<br>Jobs4Youths Traineeship Program | 1    | 5      | 6     |

## Jobs4Youths Traineeship Program

TAFE SA has made a commitment to support the Jobs4Youth SA program. The Jobs4Youth SA program aims to offer young people the opportunity to start a career in the public sector. The aim is to create long term success in creating job opportunities for young people in areas of disadvantage and in reinvigorating the public sector.

In 2014-2015 TAFE SA employed six Aboriginal trainees under this program. The trainees completed a dual qualification in Certificate III Business and Certificate III Government; with training completed on and off the job. The program was successful. All of the trainees completed their qualifications and three trainees received ongoing employment with TAFE SA. One participant, Ms Emma Clothier won the Jobs4Youth Trainee of the Year.

*The Jobs4Youth SA program aims to offer young people the opportunity to start a career in the public sector.*



Small engines lecturer and student, Regency Campus

## HIGHLIGHTS

### Excellence Awards

The annual TAFE SA Excellence Awards recognise and acknowledge excellence in the provision of quality education and training service by TAFE SA staff.

‘Excellent’ or ‘Outstanding’ service includes that above and beyond the normal requirements of a position or sustained high performance by an individual or team, with a focus on outcomes and recognisable benefits to TAFE SA clients and workplaces.

The awards were presented in May 2015 at the Graduates Restaurant, Regency Campus.

A People's Choice Award was introduced this year which enabled TAFE SA staff to vote for their winner from among finalists. The category was immediately popular, with nearly 700 votes received.

### New Staff Online Induction

New TAFE SA staff now complete their induction through a new TAFE SA Staff Online Induction and on-boarding process.

Induction and on-boarding is vital in ensuring new staff at TAFE SA can move into their roles and workgroup safely and productively.

Successful induction processes ensure staff are engaged and provided with the relevant information, support and feedback for the first few days, weeks and months of employment.



Nursing students, Gilles Plains Campus



# Management of Human Resources

## Reconciliation

*TAFE SA's vision for reconciliation is for Aboriginal and Torres Strait Islander people to enjoy the same benefits of employment security, and economic and social inclusion, as is afforded all other Australians. TAFE SA believes in creating greater opportunities for Aboriginal and Torres Strait Islander people in vocational education and training in an environment that engages, supports and encourages Aboriginal and Torres Strait Islander people in achieving their full potential.*

- To work toward achieving this vision TAFE SA is:
- finalising its 2015 to 2017 TAFE SA Reconciliation Action Plan.
  - developing an Aboriginal and Torres Strait Islander Retention and Employment strategy designed to employ and engage with the Aboriginal community and achieve the SA State Government's target to increase the participation of Aboriginal people in the South Australian public sector, spread across all classifications and agencies, to 2% and to maintain or better those levels through to 2020.
  - continuing to be an active supporter with the National "Racism. It Stops With Me!" Campaign.
  - continuing to recognise the importance of our Aboriginal Access Centres which facilitates education, training and support for Aboriginal or Torres Strait Islander students across 17 sites including regional and remote and acknowledging approximately 3 100 Aboriginal or Torres Strait Islander students enrolled in courses across TAFE SA.
  - continuing to celebrate reconciliation events and milestones throughout the year including, Sorry Day, National Reconciliation Week and NAIDOC week so that Aboriginal and non-Aboriginal staff can jointly celebrate and build relationships.

Nursing student, Whyalla Campus





# Financial Performance

## Statement of Comprehensive Income for the year ended 30 June 2015

|   | Note | 2015<br>\$'000 | 2014<br>\$'000  |
|---|------|----------------|-----------------|
| <b>EXPENSES</b>                                   |      |                |                 |
| Employee benefits                                 | 5    | 220,366        | 274,673         |
| Supplies and services                             | 6    | 109,330        | 121,335         |
| Grants and subsidies                              | 7    | 6              | 84              |
| Depreciation and amortisation                     | 8    | 4,076          | 5,027           |
| Net loss from disposal of non-current assets      | 16   | 644            | 207             |
| Other expenses                                    | 9    | 1,504          | 1,290           |
| <b>Total expenses</b>                             |      | <b>335,926</b> | <b>402,616</b>  |
| <b>INCOME</b>                                     |      |                |                 |
| VET funding from DSD                              | 11   | 161,188        | 192,545         |
| Commonwealth grants                               | 12   | 8,239          | 8,660           |
| Student and other fees and charges                | 13   | 85,405         | 82,799          |
| Other grants and contributions                    | 14   | 72,303         | 75,742          |
| Investment income                                 | 15   | 3              | 8               |
| Other income                                      | 17   | 5,085          | 30,925          |
| <b>Total income</b>                               |      | <b>332,223</b> | <b>390,679</b>  |
| <b>Net cost of providing service</b>              |      | <b>(3,703)</b> | <b>(11,937)</b> |
| <b>OTHER COMPREHENSIVE INCOME</b>                 |      |                |                 |
| Items that will not be reclassified to net result |      |                |                 |
| Changes in revaluation surplus                    | 20   | -              | 1,352           |
| <b>Total other comprehensive income</b>           |      | <b>-</b>       | <b>1,352</b>    |
| <b>Total comprehensive result</b>                 |      | <b>(3,703)</b> | <b>(10,585)</b> |

The net result and total comprehensive result are attributable to the SA Government as owner  
The above statement should be read in conjunction with the accompanying notes

# Financial Performance

## Statement of Financial Position as at 30 June 2015

|   | Note | 2015<br>\$'000 | 2014<br>\$'000 |
|---|------|----------------|----------------|
| <b>CURRENT ASSETS</b>   |      |                |                |
| Cash and cash equivalents   | 18   | 13,846         | 59,115         |
| Receivables   | 19   | 96,106         | 41,051         |
| Inventories   | 23   | 1,404          | 742            |
| <b>Total current assets</b>   |      | <b>111,356</b> | <b>100,908</b> |
| <b>NON-CURRENT ASSETS</b>   |      |                |                |
| Receivables   | 19   | 174            | 203            |
| Property, plant and equipment   | 20   | 17,272         | 17,191         |
| Intangibles   | 21   | 12,565         | 11,911         |
| <b>Total non-current assets</b>   |      | <b>30,011</b>  | <b>29,305</b>  |
| <b>Total assets</b>   |      | <b>141,367</b> | <b>130,213</b> |
| <b>CURRENT LIABILITIES</b>  |      |                |                |
| Payables  | 24   | 37,794         | 28,365         |
| Employee benefits   | 25   | 21,427         | 19,484         |
| Provisions  | 26   | 1,654          | 1,832          |
| Unearned revenue  | 27   | 3,589          | 2,644          |
| Other current liabilities   | 28   | 6              | 6              |
| <b>Total current liabilities</b>  |      | <b>64,470</b>  | <b>52,331</b>  |
| <b>NON-CURRENT LIABILITIES</b>  |      |                |                |
| Payables  | 24   | 6,838          | 4,944          |
| Employee benefits   | 25   | 45,337         | 40,971         |
| Provisions  | 26   | 5,093          | 6,915          |
| <b>Total non-current liabilities</b>  |      | <b>57,268</b>  | <b>52,830</b>  |
| <b>Total liabilities</b>  |      | <b>121,738</b> | <b>105,161</b> |
| <b>Net Assets</b>   |      | <b>19,629</b>  | <b>25,052</b>  |
| <b>EQUITY</b>   |      |                |                |
| Retained earnings   | 29   | (2,175)        | 3,248          |
| Revaluation surplus   | 29   | 1,352          | 1,352          |
| Contributed capital   | 29   | 20,452         | 20,452         |
| <b>Total equity</b>   |      | <b>19,629</b>  | <b>25,052</b>  |
| Total equity is attributable to the SA Government as owner.                   |      |                |                |
| Unrecognised contractual commitments  | 30   |                |                |
| Contingent assets and liabilities   | 31   |                |                |
| The above statement should be read in conjunction with the accompanying notes |      |                |                |

## Statement of Changes in Equity for the year ended 30 June 2015

|  | Note | Revaluation<br>Surplus<br>\$'000 | Retained<br>Earnings<br>\$'000 | Contributed<br>Capital<br>\$'000 | Total<br>\$'000 |
|--|------|----------------------------------|--------------------------------|----------------------------------|-----------------|
| <b>Balance at 30 June 2013</b>   |      | <b>-</b>                         | <b>19,255</b>                  | <b>20,452</b>                    | <b>39,707</b>   |
| Error Correction   |      | -                                | (217)                          | -                                | (217)           |
| Restated balance at 30 June 2013   |      | -                                | 19,038                         | 20,452                           | 39,490          |
| Net result for 2013-14   | 29   | -                                | (11,937)                       | -                                | (11,937)        |
| Gain on revaluation of property assets during 2013-14  | 29   | 1,352                            | -                              | -                                | 1,352           |
| Net assets transferred as a result of administrative restructure                             | 32   | -                                | (3,708)                        | -                                | (3,708)         |
| Total comprehensive result for 2013-14   |      | 1,352                            | (15,645)                       | -                                | (14,293)        |
| <b>Balance at 30 June 2014</b>   |      | <b>1,352</b>                     | <b>3,393</b>                   | <b>20,452</b>                    | <b>25,197</b>   |
| Error correction   |      |                                  | (145)                          |                                  | (145)           |
| <b>Restated balance at 30 June 2014</b>  |      | <b>1,352</b>                     | <b>3,248</b>                   | <b>20,452</b>                    | <b>25,052</b>   |
| Net result for 2014-15   | 29   | -                                | (3,703)                        | -                                | (3,703)         |
| Net assets transferred as a result of administrative restructure                             | 32   | -                                | (1,720)                        | -                                | (1,720)         |
| Total comprehensive result for 2014-15   |      | -                                | (5,423)                        | -                                | (5,423)         |
| <b>Balance at 30 June 2015</b>   |      | <b>1,352</b>                     | <b>(2,175)</b>                 | <b>20,452</b>                    | <b>19,629</b>   |
| The net result and total comprehensive result are attributable to the SA Government as owner |      |                                  |                                |                                  |                 |
| The above statement should be read in conjunction with the accompanying notes                |      |                                  |                                |                                  |                 |



# Financial Performance

## Statement of Cash Flows for the year ended 30 June 2015

|  | Note | 2015 Inflows<br>(Outflows)<br>\$'000 | 2014 Inflows<br>(Outflows)<br>\$'000 |
|--|------|--------------------------------------|--------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |      |                                      |                                      |
| <b>Cash outflows</b>                                       |      |                                      |                                      |
| Employee benefit payments                                  |      | (217,690)                            | (282,222)                            |
| Payments for supplies and services                         |      | (121,604)                            | (132,157)                            |
| Payments of grants and subsidies                           |      | (6)                                  | (84)                                 |
| Payments for paid parental leave scheme                    |      | (1)                                  | (181)                                |
| Other payments   |      | (446)                                | (308)                                |
| <b>Cash used in operations</b>                             |      | <b>(339,747)</b>                     | <b>(414,952)</b>                     |
| <b>Cash inflows</b>  |      |                                      |                                      |
| Commonwealth grants  |      | 8,239                                | 8,660                                |
| VET funding from DSD                                       |      | 135,815                              | 228,696                              |
| Student and other fees and charges                         |      | 82,966                               | 103,466                              |
| Other grants and contributions                             |      | 60,152                               | 75,741                               |
| Interest received  |      | 3                                    | 8                                    |
| GST recovered from the ATO                                 |      | 6,255                                | 8,127                                |
| Receipts for paid parental leave scheme                    |      | -                                    | 141                                  |
| Other receipts   |      | 4,040                                | 12,007                               |
| <b>Cash generated from operations</b>                      |      | <b>297,470</b>                       | <b>436,846</b>                       |
| <b>Net cash provided by (used in) operating activities</b> | 35   | <b>(42,277)</b>                      | <b>21,894</b>                        |
| Cash flows from investing activities                       |      |                                      |                                      |
| <b>Cash Outflows</b>                                       |      |                                      |                                      |
| Purchase of property, plant and equipment                  |      | (816)                                | (3,921)                              |
| Purchase of intangibles                                    |      | (2,273)                              | (19)                                 |
| <b>Cash used in investing activities</b>                   |      | <b>(3,089)</b>                       | <b>(3,940)</b>                       |
| <b>Cash Inflows</b>  |      |                                      |                                      |
| Proceeds from sale of property, plant and equipment        |      | 97                                   | 74                                   |
| <b>Cash generated from investing activities</b>            |      | <b>97</b>                            | <b>74</b>                            |
| <b>Net cash used in investing activities</b>               |      | <b>(2,992)</b>                       | <b>(3,866)</b>                       |
| Net increase/(decrease) in cash and cash equivalents       |      | (45,269)                             | 18,028                               |
| Cash and cash equivalents at 1 July                        |      | 59,115                               | 41,087                               |
| <b>Cash and cash equivalents at 30 June</b>                | 18   | <b>13,846</b>                        | <b>59,115</b>                        |

English as a Second Language students, Adelaide City Campus



# Financial Performance

## Disaggregated Disclosures

### Expense and Income for the year ended 30 June 2015

|  | Employment and Skills Formation          |   |                   |
|--|--|---|-------------------|
|  | Vocational Education and Training \$'000 | International and Higher Education \$'000 | Total 2015 \$'000 |
| <b>EXPENSES</b>                              |  |   |                   |
| Employee benefits                            | 218,970                                  | 1,396                                     | 220,366           |
| Supplies and services                        | 108,450                                  | 880                                       | 109,330           |
| Grants and subsidies                         | 6  | -   | 6                 |
| Depreciation and amortisation                | 4,076                                    | -   | 4,076             |
| Net loss from disposal of non-current assets | 644                                      | -   | 644               |
| Other expenses                               | 1,504                                    | -   | 1,504             |
| <b>Total expenses</b>                        | <b>333,650</b>                           | <b>2,276</b>                              | <b>335,926</b>    |
| <b>REVENUES</b>                              |  |   |                   |
| VET funding from DSD                         | 161,188                                  | -   | 161,188           |
| Commonwealth grants                          | 8,239                                    | -   | 8,239             |
| Student and other fees and charges           | 84,895                                   | 510                                       | 85,405            |
| Other grants and contributions               | 72,303                                   | -   | 72,303            |
| Investment income                            | 3  | -   | 3                 |
| Other income                                 | 3,185                                    | 1,900                                     | 5,085             |
| <b>Total revenues</b>                        | <b>329,813</b>                           | <b>2,410</b>                              | <b>332,223</b>    |
| <b>Net cost of providing services</b>        | <b>(3,837)</b>                           | <b>134</b>                                | <b>(3,703)</b>    |

## Disaggregated Disclosures

### Expense and Income for the year ended 30 June 2014

|  | Employment and Skills Formation          |   |                   |
|--|--|---|-------------------|
|  | Vocational Education and Training \$'000 | International and Higher Education \$'000 | Total 2014 \$'000 |
| <b>EXPENSES</b>                              |  |   |                   |
| Employee benefits                            | 273,447                                  | 1,226                                     | 274,673           |
| Supplies and services                        | 120,677                                  | 658                                       | 121,335           |
| Grants and subsidies                         | 84                                       | -   | 84                |
| Depreciation and amortisation                | 5,027                                    | -   | 5,027             |
| Net loss from disposal of non-current assets | 207                                      | -   | 207               |
| Other expenses                               | 1,290                                    | -   | 1,290             |
| <b>Total expenses</b>                        | <b>400,732</b>                           | <b>1,884</b>                              | <b>402,616</b>    |
| <b>REVENUES</b>                              |  |   |                   |
| VET funding from DSD                         | 192,545                                  | -   | 192,545           |
| Commonwealth grants                          | 8,660                                    | -   | 8,660             |
| Student and other fees and charges           | 82,095                                   | 704                                       | 82,799            |
| Other grants and contributions               | 75,742                                   | -   | 75,742            |
| Investment income                            | 8  | -   | 8                 |
| Other income                                 | 29,133                                   | 1,792                                     | 30,925            |
| <b>Total revenues</b>                        | <b>388,183</b>                           | <b>2,496</b>                              | <b>390,679</b>    |
| <b>Net cost of providing services</b>        | <b>(12,549)</b>                          | <b>612</b>                                | <b>(11,937)</b>   |



# Financial Performance

## Disaggregated Disclosures

### Assets and Liabilities as at 30 June 2015

|                               | Employment and Skills Formation          |   |                   |
|-------------------------------|--|---|-------------------|
|                               | Vocational Education and Training \$'000 | International and Higher Education \$'000 | Total 2015 \$'000 |
| <b>ASSETS</b>                 |  |   |                   |
| Cash and cash equivalents     | 13,846                                   | -   | 13,846            |
| Receivables                   | 96,280                                   | -   | 96,280            |
| Inventories                   | 1,404                                    | -   | 1,404             |
| Property, plant and equipment | 17,272                                   | -   | 17,272            |
| Intangibles                   | 12,565                                   | -   | 12,565            |
| <b>Total assets</b>           | <b>141,367</b>                           | -   | <b>141,367</b>    |
| <b>LIABILITIES</b>            |  |   |                   |
| Payables                      | 44,632                                   | -   | 44,632            |
| Employee benefits             | 66,764                                   | -   | 66,764            |
| Provisions                    | 6,747                                    | -   | 6,747             |
| Unearned revenue              | 3,589                                    | -   | 3,589             |
| Other liabilities             | 6  | -   | 6                 |
| <b>Total liabilities</b>      | <b>121,738</b>                           | -   | <b>121,738</b>    |
| <b>Net Assets</b>             | <b>19,629</b>                            | -   | <b>19,629</b>     |

## Disaggregated Disclosures

### Assets and Liabilities as at 30 June 2014

|                               | Employment and Skills Formation          |   |                   |
|-------------------------------|--|---|-------------------|
|                               | Vocational Education and Training \$'000 | International and Higher Education \$'000 | Total 2014 \$'000 |
| <b>ASSETS</b>                 |  |   |                   |
| Cash and cash equivalents     | 59,115                                   | -   | 59,115            |
| Receivables                   | 41,254                                   | -   | 41,254            |
| Inventories                   | 742                                      | -   | 742               |
| Property, plant and equipment | 17,191                                   | -   | 17,191            |
| Intangibles                   | 11,911                                   | -   | 11,911            |
| <b>Total assets</b>           | <b>130,213</b>                           | -   | <b>130,213</b>    |
| <b>LIABILITIES</b>            |  |   |                   |
| Payables                      | 33,309                                   | -   | 33,309            |
| Employee benefits             | 60,455                                   | -   | 60,455            |
| Provisions                    | 8,747                                    | -   | 8,747             |
| Unearned revenue              | 2,644                                    | -   | 2,644             |
| Other liabilities             | 6  | -   | 6                 |
| <b>Total liabilities</b>      | <b>105,161</b>                           | -   | <b>105,161</b>    |
| <b>Net Assets</b>             | <b>25,052</b>                            | -   | <b>25,052</b>     |

# Financial Performance

## Notes to and forming part of the financial statements

### Note Index

|    |   |    |  |
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## 1. Corporation objectives and funding

### (a) Objectives

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

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;
- Undertake or facilitate research that relates to technical and further education;
- 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 incidentally to, the provision of technical and further education;
- 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.

*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 and Treasurer after consultation with TAFE SA.

### (b) Funding

The Corporation is predominantly funded by the Department of State Development (DSD) through the *Skills for All* Program.

In addition income is generated from sales and fee for service. These include:

- Student fees and charges;
- Training for various organisations;
- Sale of curriculum material;
- Hire of facilities and equipment.

The financial activities of the Corporation are primarily conducted through a Special Deposit Account with the Department of Treasury and Finance pursuant to Section 8 of the *Public Finance and Audit Act 1987*. The Special Deposit

Account is used for funds provided by *Skills for All* from DSD, Commonwealth grants and revenues from fees and charges.

### (c) Principles of consolidation

#### Entities in which TAFE SA have a significant influence

*South Australian Tertiary Admissions Centre (SATAC)*

The South Australian Tertiary Admissions Centre (SATAC) is an arrangement between the three South Australian universities and the Minister for Employment, Higher Education and Skills. SATAC receives and processes undergraduate and postgraduate applications for admission to TAFE SA, Charles Darwin University and the three universities in South Australia.

TAFE SA has a 25% interest in SATAC. The interests in this associate are not considered material to the Corporation's core activities. Consequently as per AASB 128, they have not been taken up in the accounts on an equity basis.

#### Other Related Entities

*Onshore Petroleum Centre of Excellence*

Under a Deed of Arrangement TAFE SA has established the Onshore Petroleum Centre of Excellence (OPCE) with the Minister for Mineral Resources and Energy, SANTOS Limited, Beach Energy Limited and SENEX Energy Limited in May 2014.

Each of the parties to the arrangement provide cash and/or in-kind capital contributions to the OPCE. These contributions assist the OPCE in developing courses and delivering training that will increase the skills of people who are, or wish to be employed in the petroleum industry.

As the administering party, TAFE SA holds the funds in a separate interest bearing account on behalf of the Parties and must ensure that no deduction or expenditure is made from that account unless it is in accordance with a decision of the OPCE Board and terms of the Deed.

Decisions made by the Board must be a unanimous decision of all voting Members and cannot be inconsistent with the terms and conditions of this Deed. Note that the representative member from TAFE SA has an advisory role and is not entitled to vote.

As TAFE SA does not have control of these funds they are excluded from TAFE SA's financial statements, however, details of the funds held by TAFE SA for the OPCE are presented in Note 38.



# Financial Performance

## 2. Significant accounting policies

### (a) Statement of compliance

The financial statements are general purpose financial statements.

TAFE SA as a Corporation has prepared these financial statements in compliance with Section 23 of the *Public Finance and Audit Act 1987 (PFAA)*. The accounts for these statements have been prepared in accordance with relevant Australian Accounting Standards (AAS) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *PFAA*.

The Corporation has applied Australian Accounting Standards that are applicable to not-for-profit entities as the Corporation is a not-for-profit entity.

Except for AASB 2015-7 which the Corporation has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Corporation for the reporting period ending 30 June 2015 (refer note 3).

### (b) Basis of preparation

The preparation of the financial statements requires:

- The use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable Notes;
- Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported;
- Compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following Note disclosures, that have been included in these financial statements:
  - a) Revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items applies;

- b) Expenses incurred as a result of engaging consultants;
- c) Employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees;
- d) Board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement; and
- e) Employee targeted voluntary separation package information.

The Corporation's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that have been valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on the period 1 July 2014 to 30 June 2015 and presented in Australian currency.

### (c) Reporting entity

The Corporation is a Statutory Corporation of the State of South Australia, established pursuant to the *TAFE SA Act 2012*.

The financial statements and accompanying Notes reflect the use of assets, liabilities, revenues and expenses controlled or incurred by the Corporation in its own right.

### (d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

### (e) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

### (f) Income and expenses

Income and expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

### Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Corporation will occur and can be reliably measured.

The following are specific recognition criteria:

- Income from fees and charges is derived from the provision of goods and services to other SA government agencies and to other clients and is recognised upon delivery of the service to the clients or by reference to the stage of completion.
- Income from disposal of non-current assets is recognised when control of the asset has passed to the buyer and determined by comparing proceeds with carrying amount.
- Interest income is recognised upon receipt.
- Contribution income is recognised when control of the contribution or the right to receive the contribution and the income recognition criteria are met.
- Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value. 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 donated.

### Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Corporation will occur and can be reliably measured.

The following are specific recognition criteria:

#### *Employee benefits expense*

Employee benefits expense includes all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

In regards to superannuation expenses, the amount charged to the Statement of Comprehensive Income represents the contributions made by the Corporation to the superannuation plan in respect of current services of current Corporation staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements.

### (g) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within twelve months and more than twelve months, the Corporation has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

### (h) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years (refer to Note 33).

### (i) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position include cash at bank and on hand.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank and cash on hand.

Cash is measured at nominal value.

### (j) Receivables

Receivables include amounts receivable from trade, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public.

# Financial Performance

Receivables are generally receivable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

The recoverability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Corporation will not be able to collect the debt.

### (k) Inventories

Inventories include goods and other property held either for sale or distribution at no or nominal cost in the ordinary course of business.

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.

Inventories comprise of learning modules, food and wine, wine making equipment, books, stationery, hair and beauty products and building supplies.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses is recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction.

Bases used in assessing loss of service potential for inventory held for distribution at no or minimal cost include current replacement cost and technological or functional obsolescence.

### (l) Property, plant and equipment

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value less accumulated depreciation. Where assets are acquired for no consideration, or minimal value, they are recorded at their 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, i.e. the amount recorded by the transferor public authority immediately prior to the

restructure.

### Revaluation of non-current assets

All non-current assets are valued at either market value or written down current cost (a proxy for 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.

Every three years, the Corporation revalues its library collection. However, 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. Non-current assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

Any revaluation increment is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrement of the same asset class previously recognised as an expense, in which case the increase is recognised as income in the Statement of Comprehensive Income.

Any revaluation decrement is recognised in the Statement of Comprehensive Income as an expense, except to the extent that it offsets a previous revaluation increment for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in the revaluation surplus for that asset class.

The valuation methodology applied to specific classes of non-current assets under revaluations is as follows:

- Library collection  
The library collection is recorded at replacement value. The most recent valuation was carried out as at 30 June 2014 by AON Risk Solutions, an independent valuer, on the basis of depreciated replacement cost (a proxy for fair value).
- Plant and equipment  
Items of plant and equipment are recorded at fair value less accumulated depreciation.  
All Plant and Equipment assets with a value of \$10,000 or greater are capitalised.  
Items under \$10,000 are recorded in the Statement of Comprehensive Income as an expense in the accounting period in which they are acquired.

- Leasehold Improvements  
Following initial recognition, leasehold improvements are carried at cost less any accumulated amortisation and any accumulated impairment losses.  
All leasehold Improvement assets with a value of \$10,000 or greater are capitalised.  
Items under \$10,000 are recorded in the Statement of Comprehensive Income as an expense in the accounting period in which they are acquired.
- Intangibles  
An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost.  
Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.  
The useful lives of intangible assets are assessed to be either finite or indefinite. The Corporation only has intangible assets with finite lives. The amortisation period for the intangible assets is reviewed on an annual basis.  
The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10,000.  
All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed.

### Fair value measurement

AASB 13 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.

The Corporation 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.

The valuation processes and fair value changes are reviewed by the Chief Financial Officer and Audit and Risk Committee at each reporting date.

### Non-financial assets

In determining fair value, the Corporation has taken into account the characteristic of the asset (eg condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The Corporation's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible within the next five years. As the Corporation did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a 'fair value' at the time of acquisition that was less than \$1million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to Notes 20 and 22 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

### (m) Impairment

All non-current assets are tested for indications of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets an impairment loss is offset against the revaluation surplus.



# Financial Performance

## (n) Depreciation and amortisation

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as library collections and plant and equipment.

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful 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, which is a change in accounting estimate.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

| Class of Asset         | Depreciation/<br>Amortisation<br>Method | Useful Life<br>(Years) |
|------------------------|---|------------------------|
| Plant and Equipment    | Straight Line                           | 1–45                   |
| Library Collection     | Straight Line                           | 3–15                   |
| Leasehold Improvements | Straight Line                           | 10                     |
| Intangibles            | Straight Line                           | 10                     |

## (o) Payables

Payables include creditors, accrued expenses and employment on-costs and Paid Parental Leave Scheme Payable.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Corporation.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

The Paid Parental Leave Scheme payable represents amounts which the Corporation has received from the Commonwealth Government to forward onto eligible employees via the Corporation's standard payroll processes. That is, the Corporation is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefits on-costs include superannuation contributions, workers compensation and payroll tax with respect of outstanding liabilities for salaries and wages, long service leave and annual leave, non-attendance days, and skills and experience retention leave.

The Corporation makes contributions 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 balance date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed schemes.

## (p) Employee benefits and employment related liabilities

Liabilities have been established for various employee benefits arising from services rendered by employees to balance date. Employee benefits include entitlements to wages and salaries, long service leave, annual leave and non-attendance days. Long-term benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Employment related expenses include on-costs such as employer superannuation and payroll tax on employee entitlements together with the workers' compensation insurance premium. These are reported under Payables as on-costs on employee benefits (refer Note 24).

## Salaries, 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 liability and the SERL liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages, annual leave and skills and experience retention leave liability are payable later than twelve months, the liability will be measured at present value.

Non-attendance days are accrued annually for employees

engaged under the TAFE SA Act 2012 but are non-cumulative.

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.

The estimated liability for long service leave is based on actuarial assumptions over 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. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

## (q) Provisions

Provisions are recognised when the Corporation has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Corporation expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office of the Public Sector within the Department of the Premier and Cabinet. The provision is for the

estimated cost of ongoing payments to employees as required under current legislation.

## (r) Leases

The Corporation has entered into a number of operating lease agreements, as lessee, for buildings and other facilities where the lessor effectively retains all risks and benefits incidental to ownership of the items held under the operating leases.

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Details of commitments of current non-cancellable operating leases are disclosed at Note 30.

## (s) Taxation

The Corporation is not subject to income tax. The Corporation is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy and local government rate equivalents.

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, 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 Australian Taxation Office 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 Australian Taxation Office is classified as part of operating cash flows.

Unrecognised Contractual Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

# Financial Performance

### (t) Unrecognised contractual commitments and contingent assets and liabilities

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

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

### 3. New and revised accounting standards and policies

The Corporation has determined that the new AASB 1055 Budgetary Reporting, which became effective for the first time in 2014-15, does not apply as this standard only applies to entities where there are separate budget financial statements presented to parliament. The budget for the Corporation is included in the Budget Paper 4 as part of the portfolio of the Department of State Development. A budgeted financial statement is not presented in the budget papers for the Corporation.

In accordance with the new AASB 10 Consolidated Financial Statements and AASB 11 Joint Arrangements, which became effective for the first time in 2014-15, the Corporation has reviewed its control assessments (that is, the Corporation's involvement with the entity; protective and substantive rights; ability to direct major relevant activities and so on) in accordance with AASB 10 and its classification assessments in accordance with AASB 11 and has concluded that there is no impact. The Corporation does not currently control another entity and does not have any joint arrangements within the scope of AASB 11. The Corporation will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and 11 for future years.

Except for AASB 2015-7 which the Corporation has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Corporation for the period ending 30 June 2015. The Corporation has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Corporation.

### 4. Activities of the Corporation

#### Activities – Employment and Skills Formation

To strengthen the economic prosperity and social well-being of South Australians through strategic employment, skills formation and workforce development.

#### Sub-activities – Vocational Education and Training

TAFE SA provides post-secondary vocational education and training (VET) including:

- The investment of public funds to support individuals and employers to develop workforce skills;
- Funding apprenticeships and traineeships;
- Supporting post-secondary training and education; and
- Providing state and national policy advice.

#### Sub-activities – International and Higher Education

TAFE SA:

- Supports the development of Adelaide as a centre for education, international education and South Australian education exports including providing marketing services, analysis and student and community support;
- Provides high level strategic policy advice to the Minister on higher education policy and planning; and

As a public provider, TAFE SA will operate effectively and efficiently in a competitive market for vocational education and training to:

- Deliver technical and further education efficiently and cost effectively at high standards of quality, while at all times ensuring the financial viability of TAFE SA;
- Build alliances and cooperation with other service providers to ensure quality and relevant course availability and delivery in the most efficient manner;
- Strengthen TAFE SA's position in technical and further education through the provision of fee for service activities, including quality training for overseas students and targeted international activity; and
- Ensure a safe work and learning environment for staff, students and the community.

### 5. Employee benefits

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| Salaries and wages (including annual leave) | 178,482        | 187,179        |
| Superannuation                              | 18,505         | 19,994         |
| Payroll tax                                 | 10,095         | 13,070         |
| Long service leave                          | 7,806          | 2,812          |
| Skills and experience retention leave       | 893            | 354            |
| Board and committee fees                    | 456            | 487            |
| Workers' compensation                       | 232            | 4,319          |
| Targeted voluntary separation payments      | 3,332          | 45,853         |
| Other employee related costs                | 565            | 605            |
|   | <b>220,366</b> | <b>274,673</b> |

Salaries and wages on termination are included in salaries and wages.

#### Targeted Voluntary Separation Packages (TVSPs)

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| Amounts paid to these employees:  |                |                |
| TVSPs   | 3,332          | 45,853         |
| Leave paid to those employees   | 848            | 12,017         |
|   | <b>4,180</b>   | <b>57,870</b>  |
| Funding from the Department of Treasury and Finance (through Department of State Development) | 3,445          | 29,712         |
| Net cost to TAFE SA   | <b>735</b>     | <b>28,158</b>  |
| The number of employees who were paid TVSPs during the reporting period                       | 31             | 370            |



# Financial Performance

### Remuneration of employees

The number of employees whose remuneration received or receivable is \$141,500 or more falls within the following bands.

|                                  | 2015<br>Number of<br>Employees<br>(including<br>TVSP) | 2014<br>Number of<br>Employees<br>(including<br>TVSP) |
|----------------------------------|---|---|
| \$141,500 to \$151,499           | 2   | 3   |
| \$151,500 to \$161,499           | 2   | 2   |
| \$161,500 to \$171,499           | 4   | 3   |
| \$171,500 to \$181,499           | 1   | 4   |
| \$181,500 to \$191,499           | 2   | 3   |
| \$191,500 to \$201,499           | 1   | -   |
| \$201,500 to \$211,499           | 1   | 2   |
| \$231,500 to \$241,499 O         | 1   | 2   |
| \$241,500 to \$251,499 O         | -   | 1   |
| \$251,500 to \$261,499           | -   | 1   |
| \$261,500 to \$271,499 O         | 2   | 1   |
| \$281,500 to \$291,499 O         | 1   | 2   |
| \$291,500 to \$301,499 O         | -   | 2   |
| \$301,500 to \$311,499           | 1   | -   |
| \$311,500 to \$321,499 O         | -   | 2   |
| \$321,500 to \$331,499 O         | -   | 4   |
| \$331,500 to \$341,499 O         | -   | 4   |
| \$341,500 to \$351,499 O         | -   | 4   |
| \$351,500 to \$361,499 O         | -   | 5   |
| \$361,500 to \$371,499 O         | -   | 2   |
| \$371,500 to \$381,499 O         | -   | 4   |
| \$381,500 to \$391,499 O         | -   | 2   |
| \$391,500 to \$401,499 O         | -   | 1   |
| \$401,500 to \$411,499 O         | -   | 3   |
| \$421,500 to \$431,499 O         | -   | 1   |
| \$451,500 to \$461,499 O         | -   | 2   |
| \$461,500 to \$471,499 Δ         | 1   | -   |
| \$481,500 to \$491,499 Δ         | 1   | -   |
| <b>Total number of employees</b> | <b>20</b>   | <b>60</b>   |

Δ This bandwidth includes employees that have received non TVSP termination payments in 2014-15.

O This bandwidth includes employees that have received TVSP's during 2013-14.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration for 2014-15 is the same as 2013-14 rate (ie there has been no increase in executive remuneration since 1 July 2013).

Remuneration of employees reflects all costs of employment including salaries and wages (including termination payments), superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$4.5 million (\$17.8 million).

For 2014-15, the above figures include nil non-executive employees (44 in 2013-14) who took Targeted Voluntary Separation Packages (TVSP's) during the year. The total remuneration received by non-executive employees in 2014-15 was \$0.6 million (\$14.2 million).

### 6. Supplies and services

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| Corporate services recharges paid to DSD                        | 2,341          | 13,188         |
| Infrastructure recharges paid to DSD                            | 23,753         | 23,023         |
| Funding to external vocational education and training providers | 139            | 229            |
| Printing and consumables  | 7,089          | 8,767          |
| Minor works, maintenance and equipment                          | 12,991         | 16,372         |
| Information technology infrastructure and communication         | 9,740          | 4,055          |
| Fees - contracted services (including consultants)              | 18,564         | 20,074         |
| Trainee & apprenticeship reimbursements                         | -              | 16             |
| Utilities   | 8,358          | 9,386          |
| Cleaning  | 7,870          | 8,811          |
| Vehicle and travelling expenses                                 | 4,320          | 4,129          |
| Rentals and leases  | 1,823          | 1,973          |
| Books, materials and copyright                                  | 12,062         | 11,018         |
| Other   | 280            | 294            |
| <b>Total supplies and services</b>                              | <b>109,330</b> | <b>121,335</b> |

The total supplies and services amount disclosed included GST amounts not recoverable from the ATO due to TAFE SA not holding a valid tax invoice or payments relating to third party arrangements.

#### Consultancy

The number and dollar amount of Consultancies paid/payable (included in supplies and services) fell within the following bands:

|  | Note     | 2015<br>\$'000 | Note     | 2014<br>\$'000 |
|--|----------|----------------|----------|----------------|
| Below \$10,000   | 2        | 9              | -        | -              |
| Above \$10,000   | 4        | 256            | 4        | 601            |
| <b>Total paid/payable to the consultants engaged (GST exclusive)</b> | <b>6</b> | <b>265</b>     | <b>4</b> | <b>601</b>     |

### 7. Grants and subsidies

|                                   | 2015<br>\$'000 | 2014<br>\$'000 |
|-----------------------------------|----------------|----------------|
| Employment programs               | 6              | 84             |
| <b>Total grants and subsidies</b> | <b>6</b>       | <b>84</b>      |

### 8. Depreciation and amortisation

|  | 2015<br>\$'000 | 2014<br>\$'000 |
|--|----------------|----------------|
| <b>DEPRECIATION</b>                        |                |                |
| Plant and equipment                        | 1,579          | 1,455          |
| Library collection                         | 877            | 2,083          |
| Leasehold Improvements                     | 1              | -              |
| <b>Total depreciation</b>                  | <b>2,457</b>   | <b>3,538</b>   |
| <b>AMORTISATION</b>                        |                |                |
| Intangibles                                | 1,619          | 1,489          |
| <b>Total amortisation</b>                  | <b>1,619</b>   | <b>1,489</b>   |
| <b>Total depreciation and amortisation</b> | <b>4,076</b>   | <b>5,027</b>   |

### 9. Other expenses

|  | 2015<br>\$'000 | 2014<br>\$'000 |
|--|----------------|----------------|
| Audit fees (refer note 10)                                       | 454            | 468            |
| Allowance for doubtful debts and debt write-offs (refer note 19) | 1,045          | 817            |
| Other  | 5              | 5              |
| <b>Total other expenses</b>                                      | <b>1,504</b>   | <b>1,290</b>   |

### 10. Auditor's remuneration

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| Audit fees paid/payable to the Auditor-General's department relating to the audit of financial statements | 289            | 302            |
| Other audit fees  | 165            | 166            |
| <b>Total auditor's remuneration paid/payable</b>  | <b>454</b>     | <b>468</b>     |

No other services were provided by the Auditor-General's Department.

# Financial Performance

## 11. VET funding from DSD

|                                   | 2015<br>\$'000 | 2014<br>\$'000 |
|-----------------------------------|----------------|----------------|
| VET funding from DSD              | 161,188        | 192,545        |
| <b>Total VET funding from DSD</b> | <b>161,188</b> | <b>192,545</b> |

## 12. Commonwealth grants

|  | 2015<br>\$'000 | 2014<br>\$'000 |
|--|----------------|----------------|
| Language Literacy & Numeracy Delivery Statewide          | 5,924          | 5,950          |
| Aged Care Workforce                                      | 1,123          | 1,202          |
| Aboriginal Projects                                      | 458            | 947            |
| Community Development Employment Projects (CDEP) program | 194            | 170            |
| Other specific Commonwealth revenue                      | 540            | 391            |
| <b>Total Commonwealth grants</b>                         | <b>8,239</b>   | <b>8,660</b>   |

## 13. Student and other fees and charges

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| Sales/fee for service revenue                                       | 48,064         | 47,515         |
| Student enrolment fees and charges                                  | 28,092         | 32,113         |
| Other user fees and charges   | 9,249          | 3,171          |
| <b>Total student and other fees and charges received/receivable</b> | <b>85,405</b>  | <b>82,799</b>  |

## 2014–15 Commitments

\$6.0 million (2014: \$6.0 million) in Commonwealth revenue was received for the Language, Literacy and Numeracy Delivery Statewide Program in 2014-15 with all commitments being met.

\$1.1 million was received for the Aged Care Workforce Program in 2014-15 (2014: \$1.2 million), with all commitments being met.

Aboriginal projects including the Aboriginal Torres Strait Islander Rural and Remote Aged Care Training Project contributed \$0.5 million in grants revenue during 2014-15 (2014: \$0.9 million); \$0.1 million of which was carried forward from 2013-14; \$0.05 million of which is committed to be spent in 2015-16.

\$0.2 million (2014: \$0.2 million) was received for the Commonwealth Development Employment Project Program in 2014-15, with all commitments being met.

\$0.5 million in Other Specific Commonwealth Grants were received in 2014-15 (2014: \$0.4 million).

## 14. Other grants and contributions

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| Grants from DSD                                     | 67,677         | 73,580         |
| Grants and subsidies revenue                        | 1,824          | 2,005          |
| Grants from other entities within the SA Government | 251            | 129            |
| Contributed assets                                  | 2,463          | -              |
| Miscellaneous contributions                         | 87             | 19             |
| Donations   | 1              | 9              |
| <b>Total other grants and contributions</b>         | <b>72,303</b>  | <b>75,742</b>  |

## 15. Investment income

|                                | 2015<br>\$'000 | 2014<br>\$'000 |
|--------------------------------|----------------|----------------|
| Interest                       | 3              | 8              |
| <b>Total investment income</b> | <b>3</b>       | <b>8</b>       |

## 16. Net (gain)/loss from the disposal of non-current assets

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| <b>Plant and equipment</b>                                    |                |                |
| Proceeds from disposals                                       | (97)           | (74)           |
| Less: net book value of assets disposed                       | 741            | 281            |
| <b>Total net loss from the disposal of non-current assets</b> | <b>644</b>     | <b>207</b>     |

## 17. Other income

|                           | 2015<br>\$'000 | 2014<br>\$'000 |
|---------------------------|----------------|----------------|
| TVSP recovery from DSD    | 3,445          | 29,712         |
| Recoup of salaries        | 120            | 199            |
| Sundry income             | 1,520          | 1,014          |
| <b>Total other income</b> | <b>5,085</b>   | <b>30,925</b>  |

## 18. Cash and cash equivalents

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| Special deposit account with the Department of Treasury and Finance | 13,805         | 59,074         |
| Cash on hand  | 41             | 41             |
| <b>Total cash and cash equivalents</b>                              | <b>13,846</b>  | <b>59,115</b>  |

## 19. Receivables

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| <b>Current</b>                                |                |                |
| <i>Skills for All</i> receivable from DSD     | 48,441         | 10,145         |
| Student and other fees and charges receivable | 47,950         | 28,513         |
| Less: allowance for doubtful debts            | (2,279)        | (2,334)        |
| Prepayments                                   | 1,613          | 1,436          |
| GST recoverable from ATO                      | 274            | 2,383          |
| Other receivables                             | 107            | 908            |
| <b>Total current receivables</b>              | <b>96,106</b>  | <b>41,051</b>  |
| <b>Non-current</b>                            |                |                |
| Workers compensation receivable               | 174            | 203            |
| <b>Total non-current receivables</b>          | <b>174</b>     | <b>203</b>     |
| <b>Total receivables</b>                      | <b>96,280</b>  | <b>41,254</b>  |

### Correction of error

The comparatives have been adjusted for a \$0.198 million correction of error for receivables between TAFE SA and the former DFEEST.

### Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (i.e. calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired.

An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.



# Financial Performance

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| <b>Carrying amount at the beginning of the period</b> | 2,334          | 1,612          |
| Increase/(decrease) in the allowance                  | 1,051          | 823            |
| Amounts written off                                   | (1,106)        | (101)          |
| <b>Carrying amount at the end of the period</b>       | <b>2,279</b>   | <b>2,334</b>   |

## Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables and accrued revenues are non-interest bearing.

Other than as recognised in the allowance for doubtful debts, 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.

(a) Categorisation and maturity analysis of financial instruments – Refer Note 37

(b) Risk exposure information – Refer Note 37

## 20. Property, plant and equipment

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| <b>Plant and equipment</b>                              |                |                |
| Plant and equipment at cost (deemed fair value)         | 27,726         | 27,628         |
| Accumulated depreciation                                | (14,585)       | (13,827)       |
|   | <b>13,141</b>  | <b>13,801</b>  |
| <b>Library collection</b>                               |                |                |
| Library collection at valuation                         | 15,722         | 15,381         |
| Accumulated depreciation                                | (12,868)       | (11,991)       |
|   | <b>2,854</b>   | <b>3,390</b>   |
| <b>Leasehold improvements</b>                           |                |                |
| Leasehold improvements at cost (deemed fair value)      | 149            | -              |
| Accumulated amortisation                                | (1)            | -              |
|   | <b>148</b>     | <b>-</b>       |
| <b>Work in Progress</b>                                 |                |                |
| Capital work in progress                                | 1,129          | -              |
|   | <b>1,129</b>   | <b>-</b>       |
| Total property, plant and equipment                     | 44,726         | 43,009         |
| Total accumulated depreciation at the end of the period | (27,454)       | (25,818)       |
| <b>Total property, plant and equipment</b>              | <b>17,272</b>  | <b>17,191</b>  |

## Correction of error

The comparatives have been adjusted for a \$0.053 million correction for an asset recognised for the first time.

## Valuation of property

All items of plant and equipment had a fair value at the time of acquisition that was less than \$1 million, or had an estimated useful life that was less than three years', and have not been revalued in accordance with APFIII. The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustment to their value, except for management assumptions about the asset's condition and remaining useful life.

The library collection was valued at depreciated replacement cost (a proxy for fair value) as at 30 June 2014 by AON Risk Solutions.

Leasehold improvements are valued at cost.

## Impairment

There were no indications of impairment of property and plant and equipment assets at 30 June 2015.

## Reconciliation of property, plant and equipment assets

The following table shows the movement of property, plant and equipment assets during 2014-15:

| 2015  | Plant and equipment<br>\$'000 | Library collection<br>\$'000 | Leasehold improvements<br>\$'000 | Work in progress<br>\$'000 | Total<br>\$'000 |
|---|-------------------------------|------------------------------|----------------------------------|----------------------------|-----------------|
| <b>Carrying amount at the beginning of the period</b> | 13,801                        | 3,390                        | -                                | -                          | 17,191          |
| Additions   | 325                           | 341                          | -                                | 150                        | 816             |
| Disposals   | (741)                         | -                            | -                                | -                          | (741)           |
| Contributed assets                                    | 1,335                         | -                            | -                                | 1,128                      | 2,463           |
| Transfers   | -                             | -                            | 149                              | (149)                      | -               |
| Depreciation  | (1,579)                       | (877)                        | (1)                              | -                          | (2,457)         |
| <b>Carrying amount at the end of period</b>           | <b>13,141</b>                 | <b>2,854</b>                 | <b>148</b>                       | <b>1,129</b>               | <b>17,272</b>   |

The following table shows the movement of property, plant and equipment assets during 2013-14:

| 2014  | Plant and equipment<br>\$'000 | Library collection<br>\$'000 | Leasehold improvements<br>\$'000 | Work in progress<br>\$'000 | Total<br>\$'000 |
|---|-------------------------------|------------------------------|----------------------------------|----------------------------|-----------------|
| <b>Carrying amount at the beginning of the period</b> | 11,171                        | 3,740                        | -                                | -                          | 14,911          |
| Additions   | 4,366                         | 381                          | -                                | -                          | 4,747           |
| Disposals   | (281)                         | -                            | -                                | -                          | (281)           |
| Net revaluation/Increment (decrement)                 | -                             | 1,352                        | -                                | -                          | 1,352           |
| Depreciation  | (1,455)                       | (2,083)                      | -                                | -                          | (3,538)         |
| <b>Carrying amount at the end of period</b>           | <b>13,801</b>                 | <b>3,390</b>                 | <b>-</b>                         | <b>-</b>                   | <b>17,191</b>   |

# Financial Performance

## 21. Intangible assets

|                             | 2015<br>\$'000 | 2014<br>\$'000 |
|-----------------------------|----------------|----------------|
| <b>Computer software</b>    |                |                |
| Computer software           | 18,321         | 16,191         |
| Accumulated amortisation    | (5,899)        | (4,280)        |
| Intangible work in progress | 143            | -              |
| <b>Total intangibles</b>    | <b>12,565</b>  | <b>11,911</b>  |

The computer software predominantly relates to TAFE SA's Student Information System (SIS).

TAFE SA has no contractual commitments for the acquisition of intangibles assets.

### Impairment

There were no indications of impairment of intangible assets at 30 June 2015.

### Reconciliation of intangible assets

The following table shows the movement of intangible assets during 2014-15:

|   | Intangibles<br>\$'000 | Intangibles<br>work in<br>progress<br>\$'000 | Total<br>\$'000 |
|---|-----------------------|--|-----------------|
| 2015  |                       |  |                 |
| <b>Carrying amount at the beginning of the period</b> | 11,911                | -  | 11,911          |
| Additions   | 2,130                 | 143  | 2,273           |
| Amortisation  | (1,619)               | -  | (1,619)         |
| <b>Carrying amount at end of period</b>               | <b>12,422</b>         | <b>143</b>                                   | <b>12,565</b>   |

The following table shows the movement of intangible assets during 2013-14:

|   | Intangibles<br>\$'000 | Intangibles<br>work in<br>progress<br>\$'000 | Total<br>\$'000 |
|---|-----------------------|--|-----------------|
| 2014  |                       |  |                 |
| <b>Carrying amount at the beginning of the period</b> | 11,338                | -  | 11,338          |
| Additions   | 2,063                 | -  | 2,063           |
| Amortisation  | (1,490)               | -  | (1,490)         |
| <b>Carrying amount at end of period</b>               | <b>11,911</b>         | <b>-</b>                                     | <b>11,911</b>   |

## 22. Fair value measurement

### Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Corporation categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

The Corporation had no valuations categorised into level 1 and level 2.

### Fair value Measurements at 30 June 2015

|  | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|--|-------------------|-------------------|-----------------|
| <b>Recurring fair value measurements</b>       |                   |                   |                 |
| Plant & Equipment (note 20)                    | -                 | 13,141            | 13,141          |
| Library Collection (note 20)                   | -                 | 2,854             | 2,854           |
| Leasehold Improvements (note 20)               | -                 | 148               | 148             |
| <b>Total recurring fair value measurements</b> | <b>-</b>          | <b>16,143</b>     | <b>16,143</b>   |
| <b>Total</b>                                   | <b>-</b>          | <b>16,143</b>     | <b>16,143</b>   |

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2014-15. The Corporation's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

### Fair value Measurements at 30 June 2014

|  | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|--|-------------------|-------------------|-----------------|
| <b>Recurring fair value measurements</b>       |                   |                   |                 |
| Plant & Equipment (note 20)                    | -                 | 13,801            | 13,801          |
| Library Collection (note 20)                   | -                 | 3,390             | 3,390           |
| <b>Total recurring fair value measurements</b> | <b>-</b>          | <b>17,191</b>     | <b>17,191</b>   |
| <b>Total</b>                                   | <b>-</b>          | <b>17,191</b>     | <b>17,191</b>   |

Reconciliation of fair value measurements – Level 3  
The reconciliation of movements for the level 3 assets is provided in note 20.

## 23. Inventories

|                                   | 2015<br>\$'000 | 2014<br>\$'000 |
|-----------------------------------|----------------|----------------|
| <b>Current</b>                    |                |                |
| Inventories held for sale         | 147            | 85             |
| Inventories held for distribution | 1,257          | 657            |
| <b>Total inventories</b>          | <b>1,404</b>   | <b>742</b>     |

## 24. Payables

|                                   | 2015<br>\$'000 | 2014<br>\$'000 |
|-----------------------------------|----------------|----------------|
| <b>Current</b>                    |                |                |
| Creditors                         | 8,347          | 14,731         |
| Accrued expenses                  | 26,022         | 9,349          |
| Employment on-costs               | 3,376          | 4,248          |
| Paid parental leave scheme        | 14             | 15             |
| Other                             | 35             | 22             |
| <b>Total current payables</b>     | <b>37,794</b>  | <b>28,365</b>  |
| <b>Non-current</b>                |                |                |
| Creditors                         | 1,492          | 64             |
| Employment on-costs               | 5,346          | 4,880          |
| <b>Total non-current payables</b> | <b>6,838</b>   | <b>4,944</b>   |
| <b>Total payables</b>             | <b>44,632</b>  | <b>33,309</b>  |

An actuarial assessment performed by the Department of Treasury and Finance determines that the percentage of the proportion of long service leave taken as leave is 63% (64%). The average factor used in the calculation of employer superannuation on-cost is 10.3% (10.3%). These rates are used in the employment oncost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$0.052 million.

### Interest rate and credit risk

Creditors are raised for all amounts billed but unpaid and accruals are raised where goods and services are received but an invoice has not yet been received. Sundry Creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

(a) Categorisation and maturity analysis of financial instruments – Refer Note 37.

(b) Risk exposure information – Refer Note 37.



# Financial Performance

## 25. Employee benefits

|  | 2015<br>\$'000 | 2014<br>\$'000 |
|--|----------------|----------------|
| <b>Current</b>                             |                |                |
| Annual leave                               | 6,462          | 6,121          |
| Long service leave                         | 2,685          | 2,570          |
| Skills and experience retention leave      | 1,484          | 1,045          |
| Accrued salaries and wages                 | 6,451          | 5,446          |
| Non-attendance days                        | 4,345          | 4,302          |
| <b>Total current employee benefits</b>     | <b>21,427</b>  | <b>19,484</b>  |
| <b>Non-current employee benefits</b>       |                |                |
| Long service leave                         | 45,337         | 40,971         |
| <b>Total non-current employee benefits</b> | <b>45,337</b>  | <b>40,971</b>  |
| <b>Total employee benefits</b>             | <b>66,764</b>  | <b>60,455</b>  |

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a set level of liability for the measurement of long service leave.

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 decreased from 2014 (3.25%) to 2015 (3.00%).

This decrease in the bond yield, which is used to discount future long service leave cash flows, results in an increase in the reported long service leave liability. The net financial effect of the changes in the current financial year is an increase in the long service leave liability of \$1.799 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave, non-attendance days, and skills, experience and retention leave liability.

The net financial effect of the changes in the current financial year is a decrease in the annual leave, non-attendance days, and skills, experience and retention leave liability of \$0.070 million.

Long service leave entitlements for Hourly Paid instructors (HPIs) have been excluded from these statements due to the complexities and impracticability of retrieving accurate information in a timely manner from the TAFE SA Empower payroll system. Long service leave entitlement data for HPIs is only updated in Empower once actual leave requests have been manually verified against Human Resource records on a case by case basis.

## 26. Provisions

|  | 2015<br>\$'000 | 2014<br>\$'000 |
|--|----------------|----------------|
| <b>Current</b>                             |                |                |
| Workers compensation                       | 1,654          | 1,832          |
| <b>Total current provisions</b>            | <b>1,654</b>   | <b>1,832</b>   |
| <b>Non-current</b>                         |                |                |
| Workers compensation                       | 5,093          | 6,915          |
| <b>Total non-current provisions</b>        | <b>5,093</b>   | <b>6,915</b>   |
| <b>Total provisions</b>                    | <b>6,747</b>   | <b>8,747</b>   |
| <b>Carrying amount as at 1 July</b>        | <b>8,747</b>   | <b>7,706</b>   |
| Increase/decrease in provisions recognised | (2,000)        | 1,041          |
| <b>Carrying amount at 30 June</b>          | <b>6,747</b>   | <b>8,747</b>   |

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office of the Public Sector within the Department of the Premier and Cabinet.

## 27. Unearned revenue

|                                       | 2015<br>\$'000 | 2014<br>\$'000 |
|---------------------------------------|----------------|----------------|
| Unearned revenue SA Govt entities     | -              | 15             |
| Unearned revenue Non-SA Govt entities | 3,589          | 2,629          |
| <b>Total unearned revenue</b>         | <b>3,589</b>   | <b>2,644</b>   |

## 28. Other liabilities

|                                | 2015<br>\$'000 | 2014<br>\$'000 |
|--------------------------------|----------------|----------------|
| <b>Current</b>                 |                |                |
| Other liabilities              | 6              | 6              |
| <b>Total other liabilities</b> | <b>6</b>       | <b>6</b>       |

## 29. Equity

|                     | 2015<br>\$'000 | 2014<br>\$'000 |
|---------------------|----------------|----------------|
| Retained earnings   | (2,175)        | 3,248          |
| Revaluation surplus | 1,352          | 1,352          |
| Contributed capital | 20,452         | 20,452         |
| <b>Total equity</b> | <b>19,629</b>  | <b>25,052</b>  |

## 30. Unrecognised contractual commitments

### Remuneration commitments

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| Within one year                                   | 8,471          | 9,084          |
| Later than one year and not later than five years | 2,118          | 2,746          |
| <b>Total Remuneration Commitments</b>             | <b>10,589</b>  | <b>11,830</b>  |

Amounts disclosed include commitments arising from executive contracts and hourly paid instructors.

TAFE SA does not offer remuneration contracts greater than five years.

### Other commitments

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| Within one year                                   | 5,551          | 12,159         |
| Later than one year and not later than five years | 1,696          | 4,251          |
| Later than five years                             | -              | 1,160          |
| <b>Total Other Commitments</b>                    | <b>7,247</b>   | <b>17,570</b>  |

TAFE SA's other commitments relate to agreements for Productivity Places Programs contracts, cleaning contracts, and other procurement commitments.

## Operating leases commitments

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

|   | 2015<br>\$'000 | 2014<br>\$'000 |
|---|----------------|----------------|
| Within one year                                   | 25,903         | 26,418         |
| Later than one year and not later than five years | 72,259         | 72,744         |
| <b>Total Operating Lease Commitments</b>          | <b>98,162</b>  | <b>99,162</b>  |

TAFE SA's operating leases are for office accommodation, campuses, equipment and motor vehicles. Office accommodation is leased from the Department for Planning, Transport and Infrastructure, but paid through an infrastructure recharge with DSD under a Memorandum of Administrative Arrangement (MAA). The leases are non-cancellable with some leases having the right of renewal. TAFE SA campuses are leased from DSD under the MAA. Rent is payable in arrears. Motor Vehicles are leased from SAFA through their agent LeasePlan Australia.

## 31. Contingent assets and liabilities

TAFE SA is not aware of any contingent assets or liabilities in existence at 30 June 2015.

## 32. Transferred functions

### 2015 Transferred In

In September 2014, the Chief Executives of DSD and TAFE SA authorised the transfer of approximately 80 staff from DSD to TAFE SA pursuant to Section 9 of the Public Sector Act 2009. These transfers were in accordance with a decision taken by the TAFE SA Board to establish autonomous information technology services within TAFE SA. The transfer became effective from 8 September 2014.

On transfer, TAFE SA recognised the following net assets and liabilities:

|                                     | \$'000         |
|-------------------------------------|----------------|
| Payables                            | 170            |
| Employee benefits liability         | 1,550          |
| <b>Total Liabilities</b>            | <b>1,720</b>   |
| <b>Total net assets transferred</b> | <b>(1,720)</b> |

# Financial Performance

## 2014 Transferred In

In June 2013, the Chief Executives of DFEEST and TAFE SA authorised the transfer of approximately 100 staff from DFEEST to TAFE SA pursuant to Section 9 of the Public Sector Act 2009. These transfers were in accordance with a decision taken by the TAFE SA Board to establish autonomous corporate services within TAFE SA. The transfer became effective from 1 July 2013.

On transfer, TAFE SA recognised the following net assets and liabilities:

|                                     | \$'000         |
|-------------------------------------|----------------|
| Payables                            | 220            |
| Employee benefits liability         | 3,488          |
| <b>Total Liabilities</b>            | <b>3,708</b>   |
| <b>Total net assets transferred</b> | <b>(3,708)</b> |

## 33. After balance dates events

TAFE SA is not aware of any events occurring after the reporting period that would have a significant impact on the Corporation's operations, or materially affect the numbers as presented.

## 34. Remuneration of board and committee members

Members that were entitled to receive remuneration for membership during the 2014-15 financial year were

### TAFE SA Board

P Vaughan (Chair)  
J Branson AM  
N Buddle  
R Chapman  
J Denley  
A Hurley  
S Mitchell (from February 2015)  
M Silva (resigned July 2014, reappointed February 2015)  
V Simmons AO

### Audit and Risk Committee

J Branson AM (Chair)  
N Buddle  
A Hurley  
M Silva (resigned July 2014, reappointed February 2015)

### Finance Committee

N Buddle (Chair)  
J Branson AM  
M Silva (resigned July 2014, reappointed February 2015)  
V Simmons AO

### Human Resources Committee

J Denley (Chair)  
R Chapman  
A Hurley  
S Mitchell (from February 2015)  
P Vaughan

### Strategy Committee

P Vaughan (Chair)  
R Chapman  
J Denley  
S Mitchell (from February 2015)  
V Simmons AO

### Adelaide College of the Arts Advisory Committee (abolished September 2014)

R Archer (Chair)  
S Bowers  
J Covernton  
A Ford  
F Ford ^  
S Grieve ^  
A Hann  
M Hill-Smith ^  
A Hurley  
J MacDonnell ^

^ Indicates a member who is entitled to receive remuneration but did not receive remuneration during the period 1 July 2014 to 30 June 2015.

The number of members whose remuneration from the entity falls within the following bands is:

|                       | 2015 No. of members | 2014 No. of members |
|-----------------------|---------------------|---------------------|
| \$1 - \$9,999         | 7                   | 5                   |
| \$10,000 - \$19,999   | 1                   | 1                   |
| \$20,000 - \$29,999   | 1                   | -                   |
| \$40,000 - \$49,999   | -                   | 1                   |
| \$50,000 - \$59,999   | 6                   | 6                   |
| \$100,000 - \$109,999 | 1                   | 1                   |
|                       | <b>16</b>           | <b>14</b>           |

Remuneration of board members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$0.5 million (\$0.5 million).

Amounts paid to a superannuation plan for board/committee members was \$42,769 (\$43,680).

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 in the same circumstances.

## 35. Reconciliation of cash and cash Equivalents – cash at year end as per:

|  | 2015<br>\$'000 | 2014<br>\$'000  |
|--|----------------|-----------------|
| Cash and cash equivalents disclosed in the Statement of Financial Position   | 13,846         | 59,115          |
| <b>Balance as per the Statement of Cash Flows</b>  | <b>13,846</b>  | <b>59,115</b>   |
| <b>Reconciliation of net cash provided by (used in) operating activities to net revenue (cost) of providing services</b> |                |                 |
| Net cash provided by (used in) operating activities  | (42,277)       | 21,894          |
| Depreciation and amortisation  | (4,076)        | (5,027)         |
| Gain/loss on sale of assets  | (644)          | (207)           |
| Donated assets   | 2,463          | -               |
| (Increase) / Decrease in employee benefits   | (6,309)        | 8,470           |
| Increase / (Decrease) in receivables   | 55,026         | (37,588)        |
| Increase / (Decrease) in inventories   | 662            | (190)           |
| Transfer in for administrative restructure   | 1,720          | 3,708           |
| (Increase) / Decrease in payables  | (11,323)       | (4,801)         |
| (Increase) / Decrease in unearned revenue  | (945)          | 2,845           |
| (Increase) / Decrease in provisions  | 2,000          | (1,041)         |
| <b>Net revenue (cost) of providing services</b>  | <b>(3,703)</b> | <b>(11,937)</b> |



# Financial Performance

## 36. Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

|      |   | SA Government  |                | Non-SA Government |                | Total          |                |
|------|---|----------------|----------------|-------------------|----------------|----------------|----------------|
| Note |   | 2015<br>\$'000 | 2014<br>\$'000 | 2015<br>\$'000    | 2014<br>\$'000 | 2015<br>\$'000 | 2014<br>\$'000 |
|      | <b>EXPENSES</b>   |                |                |                   |                |                |                |
| 5    | Employee benefits   | 10,095         | 13,070         | 210,271           | 261,603        | 220,366        | 274,673        |
| 6    | Supplies and services   |                |                |                   |                |                |                |
|      | Corporate Services recharges to DSD                             | 2,341          | 13,188         | -                 | -              | 2,341          | 13,188         |
|      | Infrastructure recharges to DSD                                 | 23,753         | 23,023         | -                 | -              | 23,753         | 23,023         |
|      | Funding to external vocational education and training providers | -              | -              | 139               | 229            | 139            | 229            |
|      | Printing and consumables  | -              | -              | 7,089             | 8,767          | 7,089          | 8,767          |
|      | Minor works, maintenance and equipment                          | 10,229         | 8,813          | 2,762             | 7,559          | 12,991         | 16,372         |
|      | Information technology infrastructure and communication         | 2,401          | 1,196          | 7,339             | 2,859          | 9,740          | 4,055          |
|      | Fees – contracted services                                      | 10,983         | 12,098         | 7,581             | 7,976          | 18,564         | 20,074         |
|      | Trainee & apprenticeship reimbursements                         | -              | -              | -                 | 16             | -              | 16             |
|      | Utilities   | 1,345          | 1,552          | 7,013             | 7,834          | 8,358          | 9,386          |
|      | Cleaning  | 6,441          | 7,404          | 1,429             | 1,407          | 7,870          | 8,811          |
|      | Vehicle and travelling expenses                                 | 1,712          | 1,910          | 2,608             | 2,219          | 4,320          | 4,129          |
|      | Rentals and leases  | 11             | 12             | 1,812             | 1,961          | 1,823          | 1,973          |
|      | Books, materials and copyright                                  | -              | -              | 12,062            | 11,018         | 12,062         | 11,018         |
|      | Other   | 288            | 294            | (8)               | -              | 280            | 294            |
| 7    | Grants  | 10             | -              | (4)               | 84             | 6              | 84             |
| 8    | Depreciation and amortisation expense                           | -              | -              | 4,076             | 5,027          | 4,076          | 5,027          |
| 16   | Net loss from disposal of non-current assets                    | -              | -              | 644               | 207            | 644            | 207            |
| 9    | Other expenses  |                |                |                   |                |                |                |
|      | Audit fees (refer note 10)                                      | 289            | 302            | 165               | 166            | 454            | 468            |
|      | Allowance for doubtful debts and debt write-offs                | -              | -              | 1,045             | 817            | 1,045          | 817            |
|      | Other   | -              | -              | 5                 | 5              | 5              | 5              |
|      | <b>TOTAL EXPENSES</b>   | <b>69,898</b>  | <b>82,862</b>  | <b>266,028</b>    | <b>319,754</b> | <b>335,926</b> | <b>402,616</b> |

|      |   | SA Government  |                | Non-SA Government |                | Total          |                |
|------|---|----------------|----------------|-------------------|----------------|----------------|----------------|
| Note |   | 2015<br>\$'000 | 2014<br>\$'000 | 2015<br>\$'000    | 2014<br>\$'000 | 2015<br>\$'000 | 2014<br>\$'000 |
|      | <b>INCOME</b>                                 |                |                |                   |                |                |                |
| 11   | VET funding from DSD                          | 161,188        | 192,545        | -                 | -              | 161,188        | 192,545        |
| 12   | Commonwealth grants                           | -              | -              | 8,239             | 8,660          | 8,239          | 8,660          |
| 13   | Student and other fees and charges            |                |                |                   |                |                |                |
|      | Sales/fee for service revenue                 | 2,060          | 1,271          | 46,004            | 46,244         | 48,064         | 47,515         |
|      | Student enrolment fees and charges            | 2,753          | 741            | 25,339            | 31,372         | 28,092         | 32,113         |
|      | Other user fees and charges                   | 489            | 779            | 8,760             | 2,392          | 9,249          | 3,171          |
| 14   | Other grants and contributions                | 67,928         | 73,709         | 4,375             | 2,033          | 72,303         | 75,742         |
| 15   | Investment income                             | -              | -              | 3                 | 8              | 3              | 8              |
| 16   | Net gain from disposal of non-current assets  | -              | -              | -                 | -              | -              | -              |
| 17   | Other income                                  |                |                |                   |                |                |                |
|      | TVSP recovery from DSD                        | 3,445          | 29,712         | -                 | -              | 3,445          | 29,712         |
|      | Recoup of salaries                            | 120            | 199            | -                 | -              | 120            | 199            |
|      | Sundry Income                                 | -              | -              | 1,520             | 1,014          | 1,520          | 1,014          |
|      | <b>TOTAL INCOME</b>                           | <b>237,983</b> | <b>298,956</b> | <b>94,240</b>     | <b>91,723</b>  | <b>332,223</b> | <b>390,679</b> |
|      | <b>FINANCIAL ASSETS</b>                       |                |                |                   |                |                |                |
| 19   | Receivables                                   |                |                |                   |                |                |                |
|      | <i>Skills for All</i> receivable from DSD     | 48,441         | 10,145         | -                 | -              | 48,441         | 10,145         |
|      | Student and other fees and charges receivable | 27,852         | 14,871         | 20,098            | 13,642         | 47,950         | 28,513         |
|      | less: allowance for doubtful debts            | -              | -              | (2,279)           | (2,334)        | (2,279)        | (2,334)        |
|      | Prepayments                                   | 233            | 1,080          | 1,380             | 356            | 1,613          | 1,436          |
|      | GST recoverable from ATO                      | -              | -              | 274               | 2,384          | 274            | 2,384          |
|      | Workers compensation receivable               | -              | -              | 174               | 203            | 174            | 203            |
|      | Other receivables                             | 8              | 809            | 99                | 98             | 107            | 907            |
|      | <b>TOTAL FINANCIAL ASSETS</b>                 | <b>76,534</b>  | <b>26,905</b>  | <b>19,746</b>     | <b>14,349</b>  | <b>96,280</b>  | <b>41,254</b>  |
|      | <b>FINANCIAL LIABILITIES</b>                  |                |                |                   |                |                |                |
| 24   | Payables                                      |                |                |                   |                |                |                |
|      | Creditors                                     | 4,114          | 11,915         | 5,725             | 2,880          | 9,839          | 14,795         |
|      | Accrued expenses                              | 22,139         | 6,722          | 3,883             | 2,627          | 26,022         | 9,349          |
|      | Employment on-costs                           | 4,295          | 4,369          | 4,427             | 4,759          | 8,722          | 9,128          |
|      | Paid parental leave scheme payable            | -              | -              | 14                | 15             | 14             | 15             |
|      | Other   | -              | -              | 35                | 22             | 35             | 22             |
|      | <b>TOTAL FINANCIAL LIABILITIES</b>            | <b>30,548</b>  | <b>23,006</b>  | <b>14,084</b>     | <b>10,303</b>  | <b>44,632</b>  | <b>33,309</b>  |

# Financial Performance

## 37. Financial risk management / Financial instruments

### Financial risk management

Risk management is managed by the TAFE SA's corporate services section and TAFE SA 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 is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

### Categorisation and maturity analysis of financial assets and liabilities

Details of 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 Note 2 Summary of Significant Accounting Policies.

|   |       | 2015 Contractual maturities                   |                   |                            |                     |                                |
|---|-------|---|-------------------|----------------------------|---------------------|--------------------------------|
| Category of financial asset and financial liability | Notes | 2015<br>Carrying amount/<br>Fair value \$'000 | Current<br>\$'000 | Within 1<br>year<br>\$'000 | 1-5 years<br>\$'000 | More than<br>5 years<br>\$'000 |
| <b>Financial assets</b>                             |       |   |                   |                            |                     |                                |
| Cash and cash equivalents                           | 18    | 13,846  | 13,846            | -                          | -                   | -                              |
| Receivables <sup>(1) (2)</sup>                      | 19    | 94,162  | 94,162            | -                          | -                   | -                              |
| <b>Total financial assets</b>                       |       | <b>108,008</b>                                | <b>108,008</b>    | <b>-</b>                   | <b>-</b>            | <b>-</b>                       |
| <b>Financial Liabilities</b>                        |       |   |                   |                            |                     |                                |
| Financial Liabilities at cost <sup>(1)</sup>        | 24    | 35,609  | 35,609            | -                          | -                   | -                              |
| <b>Total financial liabilities</b>                  |       | <b>35,609</b>                                 | <b>35,609</b>     | <b>-</b>                   | <b>-</b>            | <b>-</b>                       |

|   |       | 2014 Contractual maturities                   |                   |                            |                     |                                |
|---|-------|---|-------------------|----------------------------|---------------------|--------------------------------|
| Category of financial asset and financial liability | Notes | 2015<br>Carrying amount/<br>Fair value \$'000 | Current<br>\$'000 | Within 1<br>year<br>\$'000 | 1-5 years<br>\$'000 | More than<br>5 years<br>\$'000 |
| <b>Financial assets</b>                             |       |   |                   |                            |                     |                                |
| Cash and cash equivalents                           | 18    | 59,115  | 59,115            | -                          | -                   | -                              |
| Receivables <sup>(1) (2)</sup>                      | 19    | 37,168  | 37,168            | -                          | -                   | -                              |
| <b>Total financial assets</b>                       |       | <b>96,283</b>                                 | <b>96,283</b>     | <b>-</b>                   | <b>-</b>            | <b>-</b>                       |
| <b>Financial Liabilities at cost <sup>(1)</sup></b> | 24    | 23,835  | 23,835            | -                          | -                   | -                              |
| Total financial liabilities                         |       | 23,835  | 23,835            | -                          | -                   | -                              |
| <b>Total financial liabilities</b>                  |       | <b>35,609</b>                                 | <b>35,609</b>     | <b>-</b>                   | <b>-</b>            | <b>-</b>                       |

(1) Receivables and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights and obligations have their source legislation such as levy receivables/payables, tax equivalents, commonwealth tax etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 19 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.  
All amounts recorded are carried at cost (not materially different from amortised cost).

### Liquidity risk

Liquidity risk arises from the possibility that TAFE SA is unable to meet its financial obligations as they fall due. TAFE SA is funded principally from *Skills for All* funding provided by the Department of State Development.

TAFE SA settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

TAFE SA's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount of financial liabilities recorded in the tables to the left represents TAFE SA's maximum exposure to financial liabilities.

### Credit Risk

Credit risk arises when there is the possibility of TAFE SA's debtors defaulting on their contractual obligations resulting in financial loss to TAFE SA. TAFE SA measures credit risk on a fair value basis and monitors risk on a regular basis.

The carrying amount of financial assets as detailed in the tables to the left represents the Corporation's maximum exposure to credit risk.

TAFE SA has minimal concentration of credit risk. TAFE SA has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. TAFE SA does not engage in high risk hedging for its financial assets. No collateral is held as security and credit enhancements relate to financial assets held by TAFE SA.

Allowances for impairment of financial assets is calculated on past experience and current and expected changes in client credit rating. Currently TAFE SA does not hold any collateral as security to any of its financial assets. Other than receivables, there is no evidence to indicate that the financial assets are impaired. Refer to Note 19 for information on the allowance for impairment in relation to receivables.

The following table discloses the ageing of financial assets, past due, including impaired assets past due.

### Ageing analysis of financial assets

|                            |                           |   | Past due but not impaired               |                                    |   |  |
|----------------------------|---------------------------|---|---|------------------------------------|---|--|
|                            | Carrying amount<br>\$'000 | Not past due and not impaired<br>\$'000 | Overdue for less than 30<br>\$'000 days | Overdue for 30 – 60<br>days \$'000 | Overdue for more than<br>60 \$'000 days | Impaired financial<br>assets<br>\$'000 |
| 2015                       |                           |   |   |                                    |   |  |
| <b>Not impaired</b>        |                           |   |   |                                    |   |  |
| Receivables <sup>(1)</sup> | 94,162                    | 78,440                                  | 2,563                                   | 747                                | 10,133                                  | 2,279                                  |
| <b>2014</b>                |                           |   |   |                                    |   |  |
| <b>Not impaired</b>        |                           |   |   |                                    |   |  |
| Receivables                | 37,168                    | 26,246                                  | 2,924                                   | 2,570                              | 3,094                                   | 2,334                                  |

(1) Receivables overdue for more than 60 days as at 30 June 2015 include Vet Fee Help amounts owed by the Commonwealth to TAFE SA of \$5.9 million. No Vet Fee Help amounts were overdue for more than 60 days as at 30 June 2014.



# Financial Performance

### 38. External funds held by TAFE SA

TAFE SA established the Onshore Petroleum Centre of Excellence (OPCE) with the Minister for Mineral Resources and Energy, SANTOS Limited, Beach Energy Limited and SENEX Energy Limited in May 2014.

Each of the external parties to this arrangement have provided cash and/or in-kind capital contributions for the establishment of the OPCE. These contributions will assist the OPCE in developing courses and delivering training that will increase the skills of people who are, or wish to be employed in the petroleum industry.

As the administering party, TAFE SA holds the funds in a separate interest bearing account on behalf of the Parties and will ensure that no deduction or expenditure is made from that account unless it is in accordance with a decision of the OPCE Board and terms of the Deed.

Decisions made by the Board must be a unanimous decision of all voting Members and cannot be inconsistent with the terms and conditions of this Deed. Note that the representative member from TAFE SA has an advisory role and is not entitled to vote.

As TAFE SA does not have control of these funds they are excluded from TAFE SA's financial statements.

The following is a summary of the transactions on these monies for the year:

|                                    | 2015<br>\$'000 | 2014<br>\$'000 |
|------------------------------------|----------------|----------------|
| Opening balance of funds at 1 July | 800            | -              |
| Member Contributions               | -              | 880            |
| Interest revenue                   | 17             | -              |
| Payments                           | (99)           | -              |
| Less GST paid to ATO               | -              | (80)           |
| <b>Balance at 30 June</b>          | <b>718</b>     | <b>800</b>     |

### TAFE SA Certification of the financial statements for the year ended 30 June 2015

We certify that the attached general purpose financial statements for TAFE SA:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Corporation; and
- present a true and fair view of the financial position of TAFE SA as at 30 June 2015 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by TAFE SA for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Robin Murt  
Chief Executive

17 September 2015



John O'Dea  
Chief Financial Officer

17 September 2015



Peter Vaughan  
Chair, TAFE SA Board

17 September 2015



Our ref: A15/465

18 September 2015

Mr P Vaughan  
Chair  
TAFE SA Board  
GPO Box 1872  
ADELAIDE SA 5001

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Dear Mr Vaughan

**Audit of TAFE SA for the year ended 30 June 2015**

The audit of the accounts of TAFE SA for the year ended 30 June 2015 has been completed.

The scope of the audit covered the principal areas of the financial operations of TAFE SA and included the test review of systems and processes and internal controls and financial transactions.

The notable areas of audit coverage included:

- operating expenditure and accounts payable
- employee benefits
- revenue, including funding under Skills for All, student fees and receivables
- cash management, including bank reconciliations
- fixed assets
- general ledger processing
- governance arrangements
- information technology controls for the Student Information System (SIS).

The audit coverage and its conduct is directed to meeting statutory audit responsibilities under the *Public Finance and Audit Act 1987* and also the requirements of Australian Auditing Standards.

In essence, two important outcomes result from the annual audit process, notably:

- the issue of the Independent Auditor's Report (IAR) on the integrity of TAFE SA's financial statements
- the issue during the year or at the time of financial statement preparation and audit or close thereto, of audit management letters advising of deficiencies/weaknesses in areas of governance, financial system and process and control and financial reporting, together with recommendations for improvement in controls.

In this regard, returned herewith are the financial statements of TAFE SA together with the IAR, which is unmodified.

My Annual Report to Parliament indicates that an unmodified IAR has been issued on TAFE SA's financial statements.

In addition, during the year audit management letters were forwarded to TAFE SA, detailing findings and recommendations from the audits of the areas reviewed. The findings and recommendations relate to deficiencies/weaknesses noted by us and improvements needed in the areas reviewed. Our recommendations provided in the letter are directed to achieving a sufficient standard of governance, financial management, financial reporting and control. Responses to the matters raised were received and will be followed up in the 2015-16 annual audit.

My Annual Report to Parliament includes a controls opinion and summary commentary for TAFE SA with reference to the matters raised and responses received.

Finally, I would like to express my appreciation to the management and staff of TAFE SA in providing assistance during the year to my officers in the conduct of the annual audit.

Yours sincerely

Andrew Richardson  
Auditor-General

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**To the Chair  
TAFE SA Board**

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 accompanying financial report of TAFE SA for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- Disaggregated Disclosures - Expense and Income for the year ended 30 June 2015
- Disaggregated Disclosures - Assets and Liabilities as at 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chair, TAFE SA Board, Chief Executive and the Chief Financial Officer.

**The Board of Directors' Responsibility for the Financial Report**

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

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors of the TAFE SA Board, as well as the overall presentation of the financial report.

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

**Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of TAFE SA as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

Andrew Richardson  
**Auditor-General**  
18 September 2015



# Financial Performance

## Contractual Arrangements

TAFE SA is mandated to use across government goods and services contracts established by Department of the Premier and Cabinet Strategic Procurement and Shared Business Services.

In addition, TAFE SA has established agency specific strategic contracts that support goods and services procurement across the state. All such contracts are tendered in full compliance with the requirements of the State Procurement Board and are brought to the attention of the marketplace via the SA Tenders and Contracts website (refer <https://www.tenders.sa.gov.au/tenders/index.do>).

## Fraud

As part of its risk management framework, TAFE SA has implemented processes for identifying and responding to the risk of fraud. One investigation was completed during the 2014-15 financial year with the outcome detailed below. It is not currently expected, regardless of the outcome of these investigations, that this matter will have a material impact on the accuracy of the Financial Statements.

| Instances of fraud (or potential fraud) identified in the reporting period |                     |  |
|--|---------------------|--|
| Nature of Fraud  | Number of Instances | Strategies to Implement and Control Fraud                      |
| Theft of food items  | One                 | Employee resigned prior to disciplinary action being finalised |

## Consultants

During the 2014-15 Financial Year, TAFE SA engaged the services of six consultants as follows:

| Consultant engagement    |                            |   |        |            |
|--------------------------|----------------------------|---|--------|------------|
|                          | Consultant                 | Purpose of Consultancy                  | Number | Total – \$ |
| Value below \$10,000     |                            |   |        |            |
|                          | Various                    | Various                                 | 2      |            |
| Subtotal                 |                            |   | 2      | 8 775      |
| Value \$10,000 and above |                            |   |        |            |
|                          | Tribal Group Pty Ltd       | VET Sector Benchmarking Exercises       |        |            |
|                          | Advanced Manufacturing     | Audit at Tonsley Campus                 |        |            |
|                          | BDO Administration         | Website redevelopment consultancy       |        |            |
|                          | Perks & Associates Pty Ltd | External review of Financial Accounting |        |            |
| Subtotal                 |                            |   | 4      | 255 827    |
| Total                    |                            |   | 6      | 264 602    |

Teaching English to Speakers of Other Languages (TESOL) student, Adelaide City Campus





# Financial Performance

## Overseas Travel

In the 2014-15 financial year, 36 TAFE SA staff travelled overseas for purposes including:

- attending and presenting at conferences/ seminars
- undertaking quality assurance audits of ‘Transnational’ (offshore licensed and delivered TAFE SA courses)
- pursuing new business opportunities, such as licensing of TAFE SA learning resources
- marketing and international student recruitment.

The ‘Cost to TAFE SA’ figures below include instances where travel is either:

- an actual cost to TAFE SA
- a cost to TAFE SA as an upfront investment in winning new business or
- where TAFE SA initially pays for the travel and later recoups this from a client based on the terms of an existing contract of service.

| Employees Overseas Travel             |   |                 |                 |
|---------------------------------------|---|-----------------|-----------------|
| Destination                           | Reasons for Travel  | Number of trips | Cost to TAFE SA |
| Brazil/ Chile                         | <ul style="list-style-type: none"><li>• International Student Recruitment</li></ul>   | 1               | \$10,203.10     |
| Brazil/ Chile/ Colombia               | <ul style="list-style-type: none"><li>• International Student Recruitment</li></ul>   | 1               | \$14,839.36     |
| China                                 | <ul style="list-style-type: none"><li>• International Student Recruitment</li><li>• Transnational Business Development</li><li>• Attend the Australian and Sichuan Aged Care and Health VET Forum</li><li>• Signing of MOU with educational institution</li><li>• Explore partnership opportunities</li><li>• Attending Premier’s Shandong South Australian Cooperation and Development Forum</li><li>• Attend Roundtable Discussions</li><li>• Accompany Minister to establish contact with local government authorities</li></ul> | 12              | \$64,649.23     |
| China/Hong Kong/ Taiwan               | <ul style="list-style-type: none"><li>• International Student Recruitment</li></ul>   | 1               | \$4,221.09      |
| Germany                               | <ul style="list-style-type: none"><li>• Automotive Study Tour (mostly funded)</li></ul>   | 1               | \$170.00        |
| Hong Kong/ India/ Sri Lanka/ Malaysia | <ul style="list-style-type: none"><li>• Negotiations for contracts and study tours with educational institutions in Sri Lanka and Malaysia</li><li>• Student Recruitment/ attend exhibitions</li><li>• Visiting potential clients</li></ul>   | 1               | \$6,223.28      |
| India                                 | <ul style="list-style-type: none"><li>• Accompany Premier on delegation to India</li><li>• Attend roundtable to discuss potential opportunities and collaborations between India and South Australia</li><li>• Meet with international student agents and visiting potential clients</li><li>• Attend the India-Australia Skills Conference</li><li>• Meet to further develop relationships and explore potential opportunities for TAFE SA</li></ul>   | 3               | \$32,381.77     |

|                                       |   |    |              |
|---------------------------------------|---|----|--------------|
| India/ Malaysia                       | <ul style="list-style-type: none"><li>• Global Exhibition on Services and Education with Heraud Training and Education</li><li>• Visit key Student Recruitment Agents</li><li>• Attend IDP Student Recruitment exhibitions</li><li>• Meet transnational clients to discuss collaborations including licencing agreements</li></ul>  |    | \$6,048.62   |
| India/ Malaysia/ United Arab Emirates | <ul style="list-style-type: none"><li>• Attend signing of 3 MOUs with educational institutions</li></ul>  | 1  | \$17,185.31  |
| India/ United Arab Emirates           | <ul style="list-style-type: none"><li>• Global Exhibition on Services and Education with Heraud Training and Education in India</li><li>• Meet with Indian partners</li><li>• Present to government officials regarding tender opportunities</li></ul>  | 2  | \$17,198.60  |
| Japan                                 | <ul style="list-style-type: none"><li>• International Student Recruitment</li></ul>   | 1  | \$4,665.35   |
| Kiribati                              | <ul style="list-style-type: none"><li>• A variety of activities relating to the AusAid funded Kiribati TVETSSP strengthening project (funded)</li><li>• Scoping for future delivery of training</li><li>• Delivery of training</li></ul>  | 14 | \$13,313.94  |
| New Zealand                           | <ul style="list-style-type: none"><li>• Diploma of Outdoor Recreation/ Diploma of Travel and Tourism Student Field Trip</li><li>• Australian and New Zealand Council for the Care of Animals in Teaching and Research Conference</li><li>• Participate in Worldskills competition (funded)</li><li>• Deliver training for Pacific Judicial Development Programme (funded)</li></ul> | 6  | \$16,425.00  |
| Papua New Guinea                      | <ul style="list-style-type: none"><li>• Conducting training for the Centre for Judicial Excellence on behalf of Pacific Judicial Development Programme (funded)</li></ul>   | 1  | \$0.00       |
| Philippines                           | <ul style="list-style-type: none"><li>• Attend Austrade Consulting Services Mission to Asian Development Bank</li><li>• International Student Recruitment</li></ul>   | 2  | \$4,993.00   |
| Philippines/ South Korea              | <ul style="list-style-type: none"><li>• International Student Recruitment</li></ul>   | 1  | \$5,758.00   |
| Taiwan                                | <ul style="list-style-type: none"><li>• Participate in the Taiwan National Selection for 5th Mondial Du Pain World Bread Contest (funded)</li></ul>   | 2  | \$0.00       |
| Vietnam                               | <ul style="list-style-type: none"><li>• International Student Recruitment</li></ul>   | 2  | \$9,574.54   |
| United Arab Emirates                  | <ul style="list-style-type: none"><li>• Present to government officials regarding tender opportunity</li></ul>  | 3  | \$18,178.10  |
| Total                                 |   | 56 | \$246,028.29 |



# Other reporting items

## Sustainability

### Energy efficiency

Until 2012-13 TAFE SA reported energy usage as part of the former DFEEST, now DSD.

The commissioning of the COGEN Plant at Regency Campus and the commissioning of radiant gas heaters in workshops has resulted in an overall increase in gas consumption compared to 2013-14.

The table below shows the overall footprint M2 of TAFE SA has decreased by 9% reflecting the net reduction from the

new Tonsley Campus and closure of four other campuses. This increased efficiency in our utilisation of space has inevitably resulted in an increase from 299 to 347 MJ/m2

The energy consumed on TAFE SA campuses has shifted towards a greater reliance on gas because it is cleaner and generally cheaper than off the grid electricity. Consequently the annual spend on energy has reduced by almost \$0.8m, or 11%.

TAFE SA sustainability reporting commits to the whole of government energy efficiency action plans. Results provided in table below:

| Energy use reporting    |             |             |                         |
|-------------------------|-------------|-------------|-------------------------|
| Energy Usage Reporting  | Energy (GJ) | \$ (ex GST) | Business Measure MJ/ m2 |
| Base Year 2000/01       | 156 222     | \$4 419 137 | 376                     |
| 2013/14                 | 131 424     | \$7 056 645 | 299                     |
| 2014/15                 | 138 889     | \$6 290 702 | 347                     |
| Target for 2014/15      |             |             | 293                     |
| Final Target (for 2016) |             |             | 340                     |
| Business Measure m2     |             |             | 400 147                 |

Disclaimer: TAFE SA has endeavoured to provide the most accurate information from all possible sources. Any unintentional inconsistencies are beyond the Corporation's control. Estimations are applied where information is unavailable for any period.

## Waste Management

TAFE SA has had a waste management contract with Veolia since 2012. Where possible Veolia assists TAFE SA in tracking progress and working towards targets to support TAFE SA and state waste reduction targets.

Whilst there has been a reduction in total waste in 2014 compared with 2013, due to a number of major refurbishments and closure of campuses there has been an increase in overall waste to landfill. It is expected that the amount of waste will decrease as a result of the decommissioning of the closed campuses.

Waste for TAFE SA sites has been measured on the basis of calendar years as follows:

| Waste reporting           |                 |                        |                 |                             |
|---------------------------|-----------------|------------------------|-----------------|-----------------------------|
| Waste Reporting (cal yrs) | Weight (Tonnes) | Size m3 (Cubic Metres) | Amount Recycled | Amount to Landfill (Tonnes) |
| 2012                      | 1 105.00 Tonnes | 25 226.84 m3           | 47.87%          | 576.04 Tonnes               |
| 2013                      | 1 204.84 Tonnes | 26 042.96 m3           | 49.70%          | 606.03 Tonnes               |
| 2014                      | 1 154.66 Tonnes | 22 626.77 m3           | 44.42%          | 641.76 Tonnes               |

● Patisserie students and lecturer, Regency Campus



# Other reporting items

## Water Usage

The opening of the new Tonsley Campus, with its 660 000 litres of harvested rainwater and the subsequent closure of Campuses (Croydon, Marleston, O’Halloran Hill and Panorama) has assisted in reducing water use. The ongoing strategy of consolidating facilities will continue to save water for TAFE SA and contribute to meeting targets as part of TAFE SA and state targets. Results are provided below.

A long term strategy to invest in water capture and reuse is being prepared by the Facilities and Procurement Services directorate. This is expected to result in significant reductions in water consumption over time.

| Total water consumption 2014-15        |   |                |
|--|---|----------------|
| Year being reported                    | Water consumption (Kilolitres – 1 KL = 1000 Litres) | Expenditure \$ |
| Base year 2002-03 Total                | 271 501 KL  | \$ 829 426     |
| 2013-14 Total                          | 164 468 KL  | \$1 387 358    |
| 2014-15 Total                          | 148 711 KL  | \$1 197 152    |
| TAFE SA target for year being reported | 241 636 KL  |                |
| TAFE SA target for year 2016           | 238 921 KL  |                |

## Fleet

At 30 June 2015, TAFE SA had a total of 143 vehicles which is a reduction of 17 vehicles compared with the corresponding period last year.

In 2014-15 TAFE SA vehicles travelled an average of 4 000 kilometres per vehicle per quarter with a total 2 400 000 kilometres across the fleet for the period. This is a reduction of 500 000 kilometres compared to 2013-14.

During 2014-15 TAFE SA’s combined fleet used a total of 167 477 litres of diesel fuel, 22 410 litres of LPG and 66 561 litres of unleaded fuel, which represents a 1.4% decrease in the total amount of diesel, LPG and unleaded fuels compared with the same period for the previous financial year. However, fuel savings for 2014-15 compared to 2013-14 were approximately \$50 000 (14%).

The annual savings are consistent with the reduced kilometres travelled.

## Carers Recognition Act 2005

TAFE SA supports and encourages staff with carer responsibilities to discuss their circumstances and working arrangements needs with their manager. As well, TAFE SA promotes the Carers Charter and the Carers Recognition Act 2005 on its website to help raise awareness of carers’ needs across the organisation.

## Whistleblowers Act 1993

Pursuant to section 7 of the Public Sector Act 2009, the Chief Executive, TAFE SA has appointed Responsible Officers for the purposes of the Whistleblowers Protection Act 1993. TAFE SA did not receive any new whistleblower-related allegations during 2014–15.

*TAFE SA treats all complaints with the greatest of importance and in each instance assigns officers to investigate issues raised and assist in the development of a response to the matters raised. All feedback received from the public is welcomed by TAFE SA as it assists in the continuous improvement of services and processes.*

## Public Complaints

In 2014-15 financial year, TAFE SA received 37 public complaints. A public complaint has been defined whereby a complaint has been sent formally in writing to at least one of the following:

- Minister for Employment, Higher Education and Skills
- TAFE SA Board
- Chief Executive, TAFE SA
- Executive Directors, TAFE SA

| Category of complaints by subject 2014-15 | Number |
|---|--------|
| Service Quality/ Delivery                 | 16     |
| Behaviour of Staff                        | 3      |
| Fee Dispute                               | 5      |
| Policies/ Processes                       | 6      |
| Systems                                   | 3      |
| Facilities                                | 2      |
| Other                                     | 2      |
| Total                                     | 37     |

Of the matters raised:

- 97.3% have been responded to/ resolved
- 2.7% have been referred to another agency.

# Glossary

|         |  |
|---------|--|
| AAC     | Aboriginal Access Centre   |
| APY     | Anangu Pitjantjatjara Yankunytjatjara Lands                                  |
| BIRA    | Beauty Industry Reference Associates   |
| CRMS    | Customer Relationship Management System                                      |
| DFEEST  | Department of Further Education, Employment, Science and Technology          |
| DSD     | Department of State Development  |
| EIC     | Export Inspection Council  |
| FTE     | Full Time Equivalent   |
| GJ      | Gigajoules   |
| HIRA    | Hair Industry Reference Associated   |
| HPIs    | Hourly Paid Instructors  |
| IELTS   | International English Language Testing System                                |
| LLN     | Language, Literacy and Numeracy  |
| LTI     | Lost Time Injuries   |
| METC    | Mining, Engineering and Transport Centre                                     |
| MTO     | Medical Treatment Only   |
| MOU     | Memorandum of Understanding  |
| OPCE    | Onshore Petroleum Centre of Excellence                                       |
| PSM     | Public Sector Management   |
| RJCP    | Remote Jobs and Communities Program  |
| RTO     | Registered Training Organisation   |
| SAASTA  | South Australian Aboriginal Sports Training Academy                          |
| SACE    | South Australian Certificate of Education                                    |
| SALA    | South Australian Living Artists  |
| SAPOL   | South Australia Police   |
| SATAC   | South Australian Tertiary Admissions Centre                                  |
| SASP    | South Australia's Strategic Plan   |
| SEE     | Skills for Education and Employment  |
| SIEC    | Sustainable Industries Education Centre                                      |
| SIS     | Student Information System   |
| SPB     | State Procurement Board  |
| SVP     | Streamlined Visa Process   |
| TAE     | Training and Assessment  |
| TVETSSP | Technical and Vocational Education and Training Sector Strengthening Program |
| VASC    | Veterinary and Applied Science Centre  |
| VET     | Vocational Education and Training  |
| VISA    | VET in Schools Agreement   |
| WHS&IM  | Workplace Health Safety and Injury Management                                |

Students and lecturer, Adelaide City Campus





## TAFE SA MINISTERIAL CHARTER

### PART 1: Preliminary

#### 1. PURPOSE

- 1.1. This Charter sets out the Government's strategic objectives, priorities and requirements for the Corporation.

#### 2. PREPARATION

- 2.1. This Charter has been prepared by the Minister and the Treasurer, following consultation with the Board of the Corporation in accordance with section 12 of the *Public Corporations Act 1993*.

#### 3. STATUTORY CONTEXT

- 3.1. TAFE SA was established under the *TAFE SA Act 2012*.
- 3.2. This Charter is a requirement under section 12 of the *Public Corporations Act 1993*. It should be read in conjunction with:
- 3.2.1. The *Public Corporations Act 1993*
  - 3.2.2. The *TAFE SA Act 2012*
  - 3.2.3. The *Public Finance and Audit Act 1987*
  - 3.2.4. The *Public Sector Act 2009*
  - 3.2.5. The *Public Sector (Honesty and Accountability) Act 1995*
  - 3.2.6. Treasurer's Instructions

#### 4. DEFINITIONS

- 4.1. In this Charter, unless the context indicates otherwise, references to:

**"Annual Report"** means the annual report required to be delivered to the Minister under section 33 of the *Public Corporations Act 1993*

**"Board"** means the Board of Directors of the Corporation established as its governing body under section 7 of the *TAFE SA Act 2012*

**"Business Plan"** means a plan that sets out the actions of the Corporation to achieve the strategies set by the Strategic Plan. The Business Plan can cover any defined period, however must at minimum include the defined major strategic initiatives (as well as outlining financial implications) to be pursued over the following twelve months by the Corporation. A revised Business Plan must be provided to the Minister each financial year.

**"Capital Projects"** means major capital works to the Premises

**"Corporation"** is TAFE SA, a body corporate established by the *TAFE SA Act 2012*

**"Customer Service Standards"** means the customer service standards referred to in section 14 of this Charter

**"Department"** means the Department of State Development or any successor

**"Facilities Management"** in relation to the Premises includes break down and preventative maintenance, cleaning, air-conditioning, security and minor works

**"Minister"** means the Minister for Employment, Higher Education and Skills of the South Australian Government

**“Performance Statement”** means the statement of performance targets and other matters that the Corporation must pursue in accordance with section 13 of the *Public Corporations Act 1993*

**“Prescribed Employee”** is a prescribed employee as defined in section 4 of the *TAFE SA Regulations 2012*.

**“Premises”** means land and or buildings which are owned by the Minister and which are occupied by, or under the care, control or management of the Corporation from time to time.

**“Publicly Subsidised Training”** includes State (*Skills for All*) and Commonwealth funding programs.

**“Strategic Plan”** means a three-year plan that determines the key strategies of the Corporation

**“Technical and Further Education”** is technical and further education as defined in section 3 of the *TAFE SA Act 2012*

## **Part 2: Strategic Directions of the Corporation**

### **5. STRATEGIC DIRECTIONS**

- 5.1. In fulfilling its statutory functions as set out in section 6 of the *TAFE SA Act 2012*, the Corporation shall aspire to be a leading Government-owned provider of Technical and Further Education and assist the Government in meeting its strategic objectives for Technical and Further Education by actively:
  - 5.1.1. Contributing to the delivery of Further Education and Training that meets the skills needs of South Australia;
  - 5.1.2. Ensuring a flexible approach to delivery by using contemporary practices, such as workplace delivery, e-learning and recognition of prior learning;
  - 5.1.3. Ensuring the maintenance of quality training, including by meeting and exceeding, where practicable, all relevant regulatory compliance requirements;
  - 5.1.4. Being customer-focussed and responsive to the needs of students and industry;
  - 5.1.5. Contributing to the development of the South Australian economy, industry and local communities across South Australia through the delivery of Technical and Further Education, particularly engaging individuals and employers in regional and remote areas, and where the Corporation is the only local provider of training;
  - 5.1.6. Developing and strengthening links with industry to ensure that programs and services meet the needs of industry, students and the community;
  - 5.1.7. Valuing and recognising the diversity of learners to improve their participation in Technical and Further Education including by attracting and retaining learners from disadvantaged groups including (but not limited to) Aboriginal people and others who may experience disadvantage through age, gender, race, ethnicity, lack of community support, health, disability and physical isolation;
  - 5.1.8. Promoting equality of opportunity in undertaking Technical and Further Education; and
  - 5.1.9. Undertaking such further or other functions conferred on the Corporation by the *TAFE SA Act 2012*.

- 5.2. The Corporation, as a public provider, shall operate effectively and efficiently in a competitive market for vocational education and training and aim to:

- 5.2.1. Deliver Technical and Further Education efficiently and cost effectively at high standards of quality, while at all times ensuring the financial viability of the Corporation;
- 5.2.2. Build the TAFE SA brand and grow the Corporation's reputation for quality, including strategic relationships with both the school and higher education sectors through rigorous attention to stakeholder demands and innovative delivery;
- 5.2.3. Where and when appropriate, build alliances and cooperation with other service providers to ensure quality and relevant course availability and delivery in the most efficient manner;
- 5.2.4. Further strengthen the Corporation's position in Technical and Further Education through the provision of fee for service activities, including quality training for overseas students and targeted international activity; and
- 5.2.5. Ensure a safe work and learning environment for staff, students and the community.

### **6. GOVERNMENT POLICY CONSIDERATIONS**

- 6.1. In pursuing the strategic directions and undertaking its functions and exercising its powers under the *TAFE SA Act 2012*, the Corporation shall:
  - 6.1.1. Contribute to the achievement of State Government policy and service priorities consistent with TAFE SA's role as a public provider and as advised by the Minister;
  - 6.1.2. Be guided by the Government's vision and strategic directions for the ongoing development of the South Australian workforce, economy and vocational education and training sector;
  - 6.1.3. Act in accordance with any legislative and regulatory instruments relevant to the Corporation's operations, activities and services;
  - 6.1.4. Consult with the Minister prior to any proposed material changes the Corporation's business, in particular where such change may be considered to conflict with Government policy or priorities.
  - 6.1.5. Aim to align its strategic plan with the South Australian Strategic Plan targets and other relevant Government strategic directions.

### **7. INTERACTION BETWEEN THE DEPARTMENT AND THE CORPORATION**

- 7.1. The Corporation and the Department will implement and act in accordance with the Asset Management Framework including in relation to dealings with Capital Projects and Facilities Management. The Asset Management Framework is attached to this Charter.
- 7.2. The Corporation shall:
  - 7.2.1. Negotiate for the provision of corporate services from the Department or through other arrangements;
  - 7.2.2. Co-operate with the Department in any investigation carried out by the Department or the Minister and provide any information required as requested by the Minister; and



- 7.2.3. Play an active role to manage the relationship between the Government and TAFE SA by meeting with the Department on a regular basis (no less frequently than quarterly) to discuss financial and non-financial performance.

## **8. FUNCTIONS OF THE BOARD**

- 8.1. In accordance with the *TAFE SA Act 2012* and the *Public Corporations Act 1993*, the Board is accountable to the Minister for the activities of the Corporation in relation to:
  - 8.1.1. Providing Technical and Further Education in accordance with requirements of the Minister in this Charter, or as otherwise directed;
  - 8.1.2. The stewardship and sound financial and risk management of the Corporation;
  - 8.1.3. The attainment of targets and outcomes specified in the Performance Statement.
- 8.2. The Board will ensure that its Strategic Plans are established in accordance with the *Public Corporations Act 1993* and submit these for the Minister's approval.
- 8.3. The Board will ensure that its Business Plans are established in accordance with the *Public Corporations Act 1993* and submitted for the Minister's approval. The Business Plan must outline the financial and operational impact of the material strategic initiatives proposed over the defined period.

## **9. REPORTING**

- 9.1. The Board shall keep the Minister informed of the operations and financial performance of the Corporation and any of its subsidiaries.
- 9.2. The Board shall provide to the Minister:
  - 9.2.1. Any reports and information requested in relation to the operations of the Corporation;
  - 9.2.2. Monthly reports on the operations of the Corporation covering both training activities and financials, within one month after month end;
  - 9.2.3. Detailed quarterly reports covering performance against the Performance Statement, within one month after the end of each quarter; and
  - 9.2.4. Annual Reports which include reports on the Corporation's performance against targets specified in the Performance Statement and Customer Service Standards.
- 9.3. The Board shall provide:
  - 9.3.1. To the Treasurer, any reports and information as requested by the Department of Treasury and Finance; and
  - 9.3.2. To the Minister, copies of any reports and information requested by the Department of Treasury and Finance.

## **10. POWERS OF DIRECTION**

- 10.1. The Board shall comply with any direction issued by the Minister in accordance with section 6 of the *Public Corporations Act 1993*.
- 10.2. Before a direction is formalised, upon being given notice in writing of the proposed direction, the Board must advise the Minister whether, in its opinion, carrying out the proposed direction might detrimentally affect the Corporation's commercial interests or that the direction should not be published for any reason set out in section 6 (6) of the *Public Corporations Act 1993*.

## **Part 3: The Corporation's Operations**

### **11. SCOPE OF COMMERCIAL OPERATIONS**

- 11.1. For the purposes of the *Public Corporations Act 1993*, all operations of the Corporation carried out in fulfilment of its statutory functions are commercial operations, except for those operations referenced as "Non-commercial Operations" in section 13 of this Charter.
- 11.2. The Corporation may undertake the following commercial activities in fulfilling its statutory functions in accordance with this Charter:
  - 11.2.1. The provision of Technical and Further Education products and services within South Australia in accordance with any Publicly Subsidised Training service agreements with a Minister or on a fee for service basis;
  - 11.2.2. The provision of Technical and Further Education products and services within Australia in accordance with prudent commercial practices and risk management policies;
  - 11.2.3. The provision of Technical and Further Education products and services outside of Australia in accordance with the Business Plan and Strategic Plan or as otherwise approved by the Minister
  - 11.2.4. Entering into such alliances and partnerships as considered necessary and appropriate in accordance with the Business Plan and Strategic Plan unless otherwise approved by the Minister;
  - 11.2.5. Protection and where appropriate, exploitation, of its intellectual and other property; and
  - 11.2.6. Undertaking activities as determined by the Board in fulfilling the functions set out in section 6 of the *TAFE SA Act 2012* and in accordance with this Charter.

## 12. SUBSIDIARIES, JOINT VENTURES AND OTHER ARRANGEMENTS

- 12.1. The Corporation may not pursue or commit to the formation of a subsidiary within the meaning of the *Public Corporations Act 1993* or any other arrangement under which the Corporation participates as a joint venturer without the written approval of the Treasurer and the Minister.
- 12.2. The Corporation may not pursue, or commit to, the acquisition of an equity interest in another education or training provider or other legal entity, without the written approval of the Treasurer and the Minister.

## 13. NON-COMMERCIAL OPERATIONS

- 13.1. The Corporation's non-commercial operations are those operations that are the subject of an agreement and funded through a purchasing arrangement with the Minister or the Treasurer, and pursuant to requirements of clause 6 of the Charter.

## Part 4: Financial and Commercial Management

### 14. CUSTOMER SERVICE STANDARDS

- 14.1. The Corporation shall develop and regularly review, in consultation with industry, students and the community, Customer Service Standards that shall be provided to the Minister.

### 15. FORM AND CONTENT OF ACCOUNTS AND FINANCIAL STATEMENTS

- 15.1. The Corporation must cause proper accounts to be kept of its financial affairs and prepare financial statements based on generally accepted accounting principles and practices under Australian accounting standards in accordance with the *Public Corporations Act 1993*.

### 16. ASSET MANAGEMENT

- 16.1. The Corporation shall implement and act in accordance with arrangements with the Minister for use of the Minister's assets in accordance with the Asset Management Framework (as attached to this Charter).
- 16.2. To this end the Corporation shall:
- 16.2.1. Identify under-utilised and/or severable land and buildings and may enter into sub-leases with other parties;
  - 16.2.2. Establish processes through the Department to identify surplus land and buildings for the purposes of disposal or alternative use with the prior consent of the Minister;
  - 16.2.3. Maintain an appropriate register of tangible assets.
- 16.3. The Corporation may only acquire real property with the approval of the Minister.

### 17. INTANGIBLE ASSETS

- 17.1. The Corporation shall maintain appropriate register of intangible assets, including protection of all branding.

## 18. MANAGEMENT OF THE CORPORATION

- 18.1. The Corporation shall determine its own organisational structures for the provision of Technical and Further Education;
- 18.2. The Minister shall be consulted on any significant proposed changes to organisational structures, registrations and governance arrangements;
- 18.3. The Corporation shall direct and control all of its employees within existing legislation, industrial awards and Enterprise Bargaining agreements;
- 18.4. The Corporation shall lead its own enterprise bargaining negotiations for prescribed employees subject to the Industrial Claims Coordinating Committee processes and general Public Sector Workforce Relations oversight.

## 19. PRICING

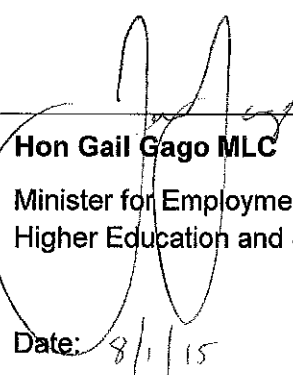
- 19.1. The Corporation shall comply with any requirements for course fees under a Publicly Subsidised Training agreement;
- 19.2. The Corporation shall otherwise determine the appropriate commercial rates and charges for all fees. Where proposed fees and charges are not in line with existing Government policies, then the Board is required to brief the Minister prior to publication.

## 20. BORROWING

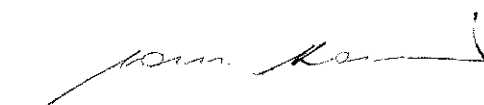
- 20.1. The Corporation may borrow funds with the approval of the Treasurer.

## 21. DATE OF CHARTER

- 21.1. This Charter comes into operation upon the signature of the Minister and the Treasurer, and is binding on the Corporation.
- 21.2. The Charter shall be reviewed on an annual basis and may be amended at any time as agreed by the parties.

  
Hon Gail Gago MLC  
Minister for Employment,  
Higher Education and Skills

Date: 8/1/15

  
Hon Tom Koutsantonis MP  
Treasurer

Date: 29/1/15



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