



Annual Report 2021-22

Notes on the data presented in this report

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

Vocational Education and Training enrolment data is collected by calendar year. The enrolment, completion and learner outcomes data provided in the 2021-22 annual report are for the 2021 calendar year.

The data within this report covers all vocational education and training and higher education courses and qualifications delivered by TAFE NSW, including course and qualifications that are government funded, fee-for-service, delivered offshore and delivered on behalf of other Registered Training Organisations.

Some previous annual report data may not be comparable, due to the use of different business rules in prior years.

Letter to the Minister

The Hon. Alister Henskens SC MP
Minister for Skills and Training
Minister for Science, Technology and Innovation
Minister for Enterprise, Investment and Trade
Minister for Sport
52 Martin Place
SYDNEY NSW 2000

Dear Minister

On behalf of the Technical and Further Education Commission, I am pleased to submit the TAFE NSW 2021-22 Annual Report to you for presentation to Parliament in your capacity as Minister for Skills and Training.

The annual report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*. The 2021-22 TAFE Commission and TETF Financial Reports have been prepared under the *Government Sector Finance Act 2018*.

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

Yours sincerely



**Managing Director
TAFE NSW**

28 October 2022

Managing Director's Message

I am pleased to report on the operational and financial performance of TAFE NSW in 2021–22.

As Australia's leading vocational education and training provider, TAFE NSW has a lot to celebrate. Every year, we support the learning of nearly half a million people, through short courses, national-accredited qualifications, higher education programs, and commercial training partnerships.

Our people are deeply committed to supporting the aspirations of learners, and ensuring all people, including those experiencing disadvantage, have access to the training they need to participate fully in their local communities and the economy.

This year, demand for TAFE NSW training was driven in part by the tight labour market conditions that led to critical skills shortages. TAFE NSW has responded by upskilling and reskilling more than 76,000 school leavers and job seekers via fee free courses in critical skills areas such as aged care, construction, disability support, retail and hospitality, and manufacturing.

We also supported the NSW Government's highly successful fee-free apprenticeship and traineeship schemes, delivering skills training to more than 70 per cent of the state's apprentices.

TAFE NSW plays an important role in responding to the needs of local communities. In February, our Murwillumbah and Kingscliff campuses became emergency evacuation centres for the flood-affected communities across the Far North Coast. I am particularly proud of our staff, many of whom were personally affected by the floods, for their tireless efforts to support the operations of these centres with hot meals and emergency supplies.

Although the Lismore campus is out of commission for the time being, classes have been relocated to our nearby Wollongbar and Ballina campuses and the Southern Cross University campus at Lismore. I would like to express my thanks to the University, as well as local businesses and community groups that have enabled us to quickly re-establish training for the people of Lismore.

In 2021-22, TAFE NSW continued to invest in modern, adaptable, and digitally enabled training facilities. We opened four new Connected Learning Centres at Hay, Nambucca Heads, Tomaree, and Cobar, and began construction on new sites at Byron Bay and Jindabyne. These facilities create important opportunities to study closer to home, expand access to courses available in regional communities, and support jobs growth and the local economy.

During the year, TAFE NSW also delivered two new multi-trades hubs at Bega and Meadowbank and commenced work on the Institutes of Applied Technology at Meadowbank and Kingswood. TAFE NSW also undertook a significant capital investment program, investing millions of dollars in modernising teaching facilities, refurbishing campuses, and upgrading technology in learning spaces across the state.

I am particularly proud that 2022 saw the development of a new three-year strategic plan. The strategy has been developed with input from hundreds of stakeholders including employees, local communities, Government agencies, the TAFE NSW Commission Advisory Board, and most importantly industry and learners.

The plan provides a clear direction for how TAFE NSW will align its operations to support the skills needs of industry, and the aspirations of learners over the next three years. It ensures the people of NSW, regardless



of their circumstances, background, or location, can benefit from a skills-based education which leads to personal success and participation in the economy.

I want to acknowledge the extraordinary efforts of TAFE NSW employees to support learners, employers, and their local communities throughout the COVID-19 pandemic. I want to also acknowledge the TAFE NSW Advisory Board, particularly the Chair of the Board, who have supported me in stepping into the role of Managing Director of TAFE NSW.

This is an exciting time for TAFE NSW as we look to the future and plan to meet the important challenges which lay before us.

A handwritten signature in black ink, appearing to read 'Stephen Brady', followed by a period.

Stephen Brady
Managing Director
TAFE NSW
28 October 2022

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1. About TAFE NSW

1.1 Our Legislation

TAFE NSW is the NSW Government's public provider of vocational education and training (VET).

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

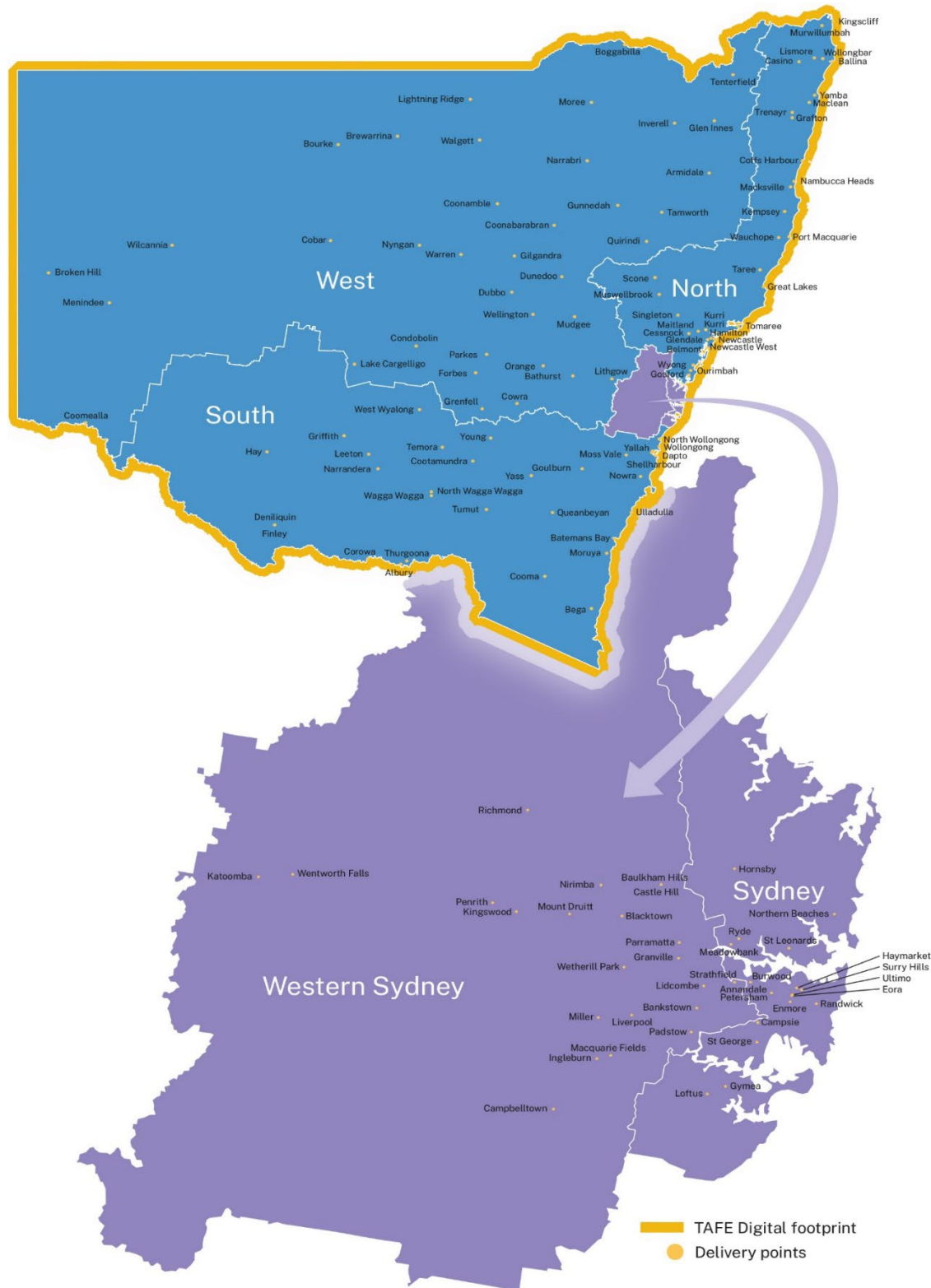
Under this legislation, TAFE NSW performs a number of functions, including:

- Providing technical and further education services to meet the skills needs of individuals and the workforce, in ways that recognise the changing nature of workplaces and the need for new skills and retraining
- Consulting with industry and the community to ensure technical and further education services are relevant to industry, business, students and other groups
- Providing educationally or vocationally disadvantaged groups with access to technical and further education and other specialised services
- Providing students with the maximum opportunity to progress to further education and training by linking their studies to further TAFE NSW courses or those of other education and training providers.

1.2 Our Footprint

TAFE NSW delivers VET and higher education in metropolitan, regional and remote areas of NSW, interstate and overseas, including online by distance education and delivery in the workplace.

In 2021-22, TAFE NSW delivered education and training at the following locations across NSW.



1.3 Our Commitment to Industry

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

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

1.4 Our Business Environment

External Environment

TAFE NSW operates in an evolving environment where digital innovation, economic and societal disruptions, and shifting learner, industry and community expectations are transforming the way we live, learn and work. These trends are reshaping the jobs and the education landscape and continue to drive the demand for skills and for training services that are responsive and flexible in meeting customer needs.

During 2021-22, TAFE NSW learners and staff, as well as our industry and community partners, continued to experience a number of challenges with the ongoing response to COVID-19, floods affecting a number of campuses in addition to the ongoing recovery from drought and bushfires. TAFE NSW continues to respond to these challenges and our staff continue to show their resilience and determination to support learners and communities in NSW. Despite these challenges, we continue to adapt our training delivery to new ways of working, learning and responding to training demand.

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

TAFE NSW adapted its learning environment to the new reality by implementing safety measures aligned to evolving NSW Public Health Orders, introducing innovative learning approaches and increasing flexible delivery, where appropriate. TAFE NSW prioritised cleaning and personal hygiene by supplying hand sanitiser and anti bacterial wipes to all staff and learners.

The NSW Government's expectations of TAFE NSW

The NSW Government's expectations for TAFE NSW is to be the State's comprehensive, adaptable and sustainable public provider of skills and training. TAFE NSW must continue to maintain its distinctive strengths (e.g. its scale and reach across NSW) and contributions (e.g. support services for learners experiencing disadvantage), while also enhancing the flexibility and efficiency of its service delivery and generating greater value for NSW communities.

Through its critical role in the provision of skills and training, TAFE NSW contributes to the following NSW Premier's Priorities:

- a strong economy
- highest quality education
- well connected communities with quality local environments
- putting customer at the centre of everything we do
- breaking the cycle of disadvantage.

TAFE NSW Strategic Plan 2022-25

In 2021-22 TAFE NSW developed a new TAFE NSW Strategic Plan 2022-25. The Plan builds on the last five years which embedded the One TAFE approach, reflecting the current and future needs of our learners, industry and the communities we serve. The new Strategic Plan commenced on 1 July 2022 with a vision for TAFE NSW to be the leading provider of lifelong learning, meeting the evolving needs of industry and learners in communities across NSW. The Strategic Plan articulates TAFE NSW's commitment to delivering future-focused, responsive and flexible skills education and training to the people of NSW, regardless of who they are and where they live.

To support in achieving the vision, the Strategic Plan establishes four strategic goals and two strategic enablers that underpin our success and support in achieving the goals:

- **Goal 1:** Accelerate skills in priority areas
- **Goal 2:** Ensuring educational quality
- **Goal 3:** Delivering exceptional learner experiences
- **Goal 4:** Partnering to drive agile, innovative solutions
- **Enabler:** Cultivating an empowered, adaptive workforce
- **Enabler:** Adopting digital technologies for service enhancements

2020-22 Operational Plan

The two-year TAFE NSW Operational Plan drew to a close in July 2022 with the finalisation of the previous 2016-22 TAFE NSW Strategic Plan. A series of performance measures were identified in the Operational Plan to support tracking progress against the commitments.

Achievements against the previous 2016-22 TAFE NSW Strategic Plan and the 2020-22 Operational Plan are set out under the heading titled "Achievements against the Strategic Plan 2016-22". Final reporting on the outcomes of the Operational Plan will also inform the implementation of the new TAFE NSW Strategic Plan.

Smart and Skilled

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

The NSW Government pays a fixed price for each qualification on the NSW Skills List. Learners pay the same fee for government-subsidised training, regardless of whether they study at TAFE NSW or another approved training provider. Fee-free training is available for apprenticeships, foundation skills qualifications and traineeship qualifications. Fee-free training is also made available to Aboriginal and/or Torres Strait Islander learners, learners with disability, and for other categories of learners experiencing disadvantage.

In October 2020, the JobTrainer program was introduced, funded under the Commonwealth JobTrainer initiative and the NSW Government's Skilling for Recovery initiative. TAFE NSW was able to offer training to school leavers, young people and job seekers as part of this initiative. Eligibility was extended from 31 May 2021 to include veterans and their recognised partners. Eligibility was further extended in November 2021 to include learners in the priority skills areas of aged care, digital skills, childcare and disability care; and was further extended in December 2021 to include training and assessment. The program duration was extended until 31 December 2022. As of June 2022, over 76,600 people had enrolled in TAFE NSW JobTrainer courses across a range of in demand areas. This fee-free training supported the people of NSW to reskill, retrain and redeploy in a post COVID-19 economy.

2. Performance and Achievements

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

During 2021-22, TAFE NSW has continued to adapt to our operating environment and the changing world of work and skills. TAFE NSW must continue to proactively embrace change to continue to deliver contemporary learning experiences and future-focused skills training. The Strategic Plan 2016-22 enabled us to build on our deep expertise, industry and community connections, and position TAFE NSW for continued future success. These achievements include:

- Invested \$233 million in capital expenditure initiatives across infrastructure and technology to build new and improve existing learning environments, including \$100m in stimulus funding for the Asset Renewal Program.
- Delivered increased connectivity for learners to access skills training in more locations, with 19 Connected Learning Centres and 200 Connected Learning Points across the State. These new facilities enable TAFE NSW to expand its flexible delivery model connecting learners to courses they may not otherwise access.
- Expanded the utilisation of mobile training units to further support practical delivery in regional NSW in conjunction with Connected Learning Centres.
- Enhanced security through delivery of new systems and tools across TAFE NSW through a robust cyber security program.
- Initiated education model experiments to gain insights, leveraging state-wide expertise to grow and enhance the learner experience.
- Provided inclusive learning environments that foster self-learning and strengthen networks and promoted face-to-face options for learners to participate in social and cultural experiences.
- Delivered TAFE NSW Schools Launchpad courses digitally to high school students to improve the breadth and quality of vocational education made available in NSW high schools. Launchpad enables learners to:
 - have a smoother transition from school to TAFE NSW
 - enter the workforce up to 12 months earlier than traditionally possible, in a career where industries are currently experiencing skills shortages
- Enhanced understanding, value, and recognition of Aboriginal and Torres Strait Islander cultures, histories, knowledge, and rights through cultural learning, with the establishment of the Aboriginal Cultural Capability Framework. This will be used as a blueprint to support the development of the Diversity and Inclusion Capability Framework, which will form a part of the Diversity and Inclusion road map for the future.
- Enhanced Aboriginal and Torres Strait Islander learner enrolments, completions, and opportunities, by ensuring Aboriginal and Torres Strait Islander knowledge and perspectives are embedded in all TAFE NSW teaching offerings, including building teacher capability in Aboriginal Cultural Education.
- Positioned TAFE NSW as the VET provider of choice for NSW people with disability, by continuously improving learning environments through infrastructure and product development utilising universal design perspectives to increase accessibility for peoples with disabilities. This includes equipping staff to support reasonable adjustments where required through clear processes, and providing inclusive teaching practices through teacher capability training.
- Implemented the TAFE NSW Multicultural Plan 2020-2022 across TAFE NSW to meet the needs of culturally and linguistically diverse learners, employees, and communities.

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

Area	Outcome
Course enrolments	411,500 +
Course completions	126,700 +
TAFE Digital (online) enrolments	113,700 +
VET graduates satisfied with training	89.9%
VET graduates employed or in further study	84.1%
TAFE NSW apprenticeship commencements (% of NSW) - sourced from NSW Training Services database	75%
TAFE NSW apprenticeship completions (sourced from TAFE data)	8,200 +
Higher Education course enrolments	2,500 +
Higher Education graduates satisfied	79.0%

2.2 Skilling the Workforce of the Future

Service Delivery Planning Mechanisms in 2021-22

TAFE NSW remains focused on developing and offering qualifications that deliver improved job outcomes for learners and ensuring that training remains relevant to learners and employers.

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

TAFE NSW is developing a portfolio approach aligned to industry clusters to set itself up to be more responsive to rapidly evolving industry and learner needs. TAFE NSW undertakes comprehensive research and analysis of the demand for skills and training as part of developing its Training Portfolio Strategy and Service Delivery Plan. TAFE NSW also works closely with community organisations and groups to support learners experiencing disadvantage to undertake training and move into jobs and higher level training. This allows TAFE NSW to identify current, emerging and future skills and training demand.

As part of this planning process, TAFE NSW consults with industry bodies, communities and government agencies to ensure the identified skill requirements and government priorities are met.

2.3 Product Development – Resources and Engagement to Meet Industry Needs

SkillsPoint product teams worked collaboratively in cross-functional teams to develop a comprehensive suite of innovative, high-quality, and digitally-enabled products.

Teaching and product teams working together ensures quality in learning product design, development and assessment and consistency across training products so that learners have the same learning experience regardless of the mode of delivery or their location. Ongoing access to market analysis and industry consultation ensures TAFE NSW adapts its education and training offerings to meet new and emerging industry and employer needs.

The majority of products are developed for nationally recognised qualifications, to ensure TAFE NSW adheres to national training package specifications and satisfies regulatory and licensing requirements.

Other products include higher education products, emerging industry needs for non-accredited short courses and micro credentials and the ongoing refinement of existing TAFE NSW products.

Consistent, High-Quality Training Products across NSW

Five principles underpin the development of all TAFE NSW products:

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

Innovation is essential to ensure that TAFE NSW products maintain currency in a rapidly changing digital environment. Engaging digital learning materials will continue to be embedded into product development and shared across all TAFE NSW training delivery points, including the use of advanced simulation, virtual and augmented reality.

Industry Engagement

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

2.4 Training that Leads to Jobs

Addressing Emerging Industry Skills Needs

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

For example, in partnership with industry, TAFE NSW launched its Micro Skills training solution to address emerging needs including Zero Emission Electric Vehicles, construction and cyber security. TAFE NSW is also working closely with industry partners as part of the Institutes of Applied Technology pilots to co-design innovative education models and training programs.

2.5 National Disability Insurance Scheme

In 2021, TAFE NSW had 26,300 enrolments in qualifications that contribute to the National Disability Insurance Scheme workforce, including:

- Certificate III in Individual Support - Disability
- Certificate IV in Disability
- Diploma of Community Services
- Advanced Diploma of Community Sector Management
- Graduate Certificate in Client Assessment and Case Management
- Certificate III in Allied Health Assistance
- Certificate IV in Allied Health Assistance
- Certificate III in Fitness
- Certificate IV in Fitness
- Certificate III in Aquatics and Community Recreation
- Bachelor of Community Services
- Certificate III in Community Services
- Certificate IV in Community Services
- Certificate IV in Leisure and Health
- Certificate IV in Mental Health
- Certificate IV in Mental Health Peer Work
- Diploma of Mental Health
- Certificate III in Individual Support - Ageing
- Certificate III in Individual Support - Ageing, Home and Community Care¹

¹ TAFE NSW data.

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2.6 Pre-employment Programs

Prevocational and Part Qualifications

TAFE NSW delivers prevocational and part qualifications to help learners develop early foundation and vocational skills, so that they can transition successfully into full qualifications or employment. Learners include school leavers, the unemployed and other people facing disadvantage.

In 2021 over 30% of enrolments were in part qualifications (Australian Qualifications Framework - AQF) Statements of Attainment or non-AQF level courses), the majority of which were government subsidised. Part qualifications include national training package and Registered Training Organisation skill sets.

TAFE NSW also delivers pre-apprenticeship and pre-employment programs in partnership with government and non-government agencies, including delivery of workplace-based training.

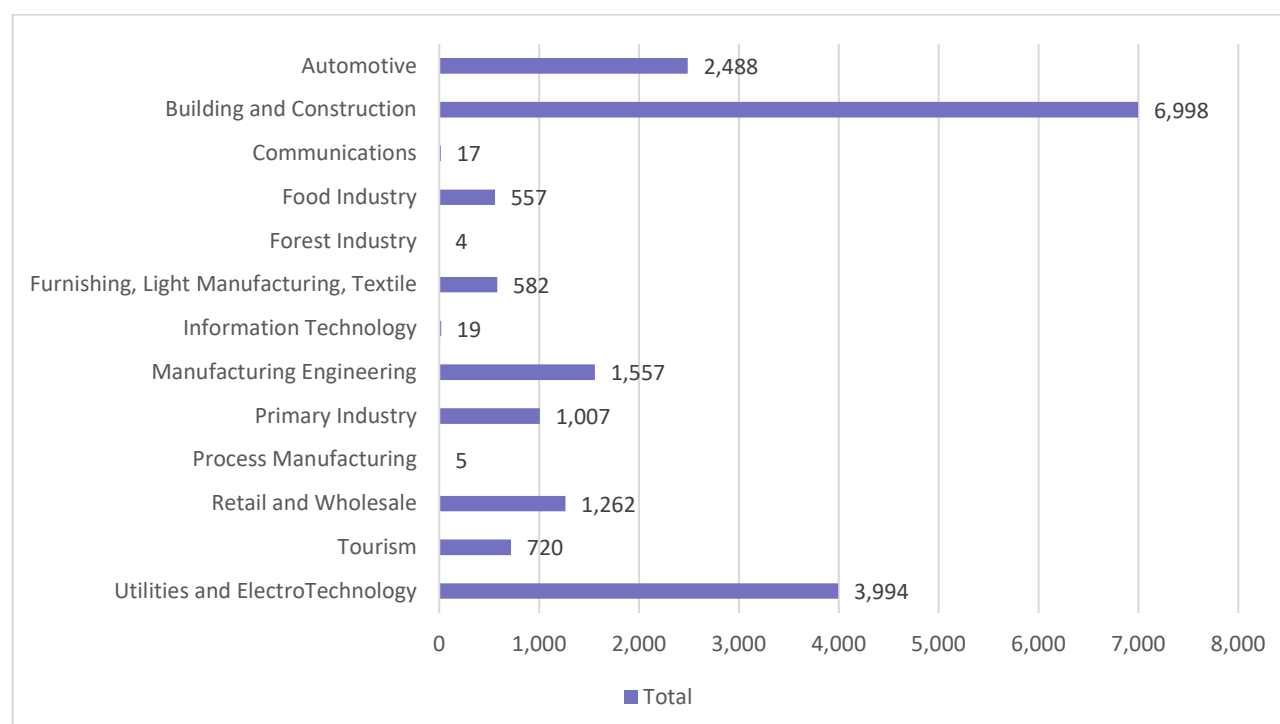
There were also approximately 11,500 commencing enrolments in Smart and Skilled AQF foundation skills qualifications in 2021. Foundation skills include learning, reading, writing, numeracy, oral communication, study skills and employability skills such as communication, teamwork and problem solving.

2.7 Apprenticeship Commencements

In 2021, TAFE NSW had more than 19,200 apprenticeship approvals, 75% of the total for NSW.²

Building and Construction had the highest number of commencements, followed by Utilities and ElectroTechnology.

Figure 1: TAFE NSW 2021 number of apprenticeship commencements by industry



Source: TAFE NSW, based on Training Services NSW figures (December 2021)

² Training Services NSW (December 2021)

Certificate IV Level and above Enrolments

In 2021, there were over 105,500 enrolments in qualifications at Certificate IV level and above. These figures include qualifications that were subsidised under Smart and Skilled (including Skilling for Recovery program), supported by the Commonwealth VET Student Loan (VSL) scheme or delivered as fee-for-service commercial enrolments to domestic and international learners.

Completions

Overall enrolments and completions were impacted in 2021 by the closure of campuses and reduced face-to-face training caused by the pandemic. Completions for all TAFE NSW learners in Certificate IV and above qualifications increased from 22,500 in 2020 to 23,100 in 2021³.

Completions measure where learners have met all the requirements for the completion of the qualification, course or skill set, including on-the-job requirements. Completions for AQF qualifications and courses are achieved when the learner becomes eligible for the award to be conferred. Completions are dependent on the duration of the course; learners may take more than a year to complete a course.

2.8 VET Student Loans

Commonwealth Government VET Student Loans allow eligible learners to use an income-contingent loan to pay their tuition fees for VET qualifications at the diploma level and above. Learners are only required to repay a loan when their income exceeds a minimum threshold.

There were 5,200 unique TAFE NSW learners who accessed a loan through VET Student Loans to pay for their studies in 2021. Of the learners, 4,400 used the loan to pay the learner fee for a course subsidised by the NSW Government and 800 for a commercial course.⁴

VET Student Loans predominantly supported learners in the following courses:

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

VET Student Loan fee exemption for COVID-19

The Commonwealth Government VET Student Loan fee exemption ceased on 30 June 2021. The 20 per cent loan fee was re-instated for commercial loan assisted learners with census days from 1 July 2021 onwards.

³ Course completions from TAFE NSW Data.

⁴ TAFE NSW data.

With the introduction of Job Trainer and other fee free programs, there was a significant reduction in the uptake of VET Student Loans for eligible Diplomas in NSW for Semester 2, 2021 which is expected to continue throughout 2022.

2.9 Higher Education

Industry needs

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

TAFE NSW designs its degree programs to align to industry workforce standards and requirements and respond to industry needs and identified gaps in training. TAFE NSW degrees, where appropriate, are accredited with the relevant professional associations. For example, Bachelor of Early Childhood Education and Care (Birth-5) is accredited by TEQSA and registered by the Australian Early Childhood and Care Quality Authority to ensure graduates are able to work in the industry upon graduation. Another example is the Bachelor of Property Valuation, recognised by the Australian Property Institute, which is one of the few courses in Australia specifically designed to meet the requirements of the property valuation market.

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

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

Enrolments

In 2021, 2,594 domestic and international learners enrolled in TAFE NSW Higher Education qualifications.⁵ This was a small decrease of 0.23% in learner numbers as compared to 2020, largely due to the reduction in intake of international learners as a result of the pandemic visa restrictions, which was largely offset by an increase of 13% in domestic learner numbers.

Growth

At the end of 2021, TAFE NSW Higher Education had a total of 43 courses listed on the **Tertiary Education Quality and Standards Agency** National Register.

During 2021, TAFE NSW Higher Education accredited one new Higher Education Diploma of Renewable Energy Engineering in response to the industry needs for workers to be retrained to help grow the renewable energy sector in the state and particularly in the Hunter region, this course includes elements accredited by the Clean Energy Council of Australia.

For the first time TAFE NSW Higher Education learners were eligible to access HECS (Commonwealth Higher Education Contribution Scheme) to pay tuition fees for six of the Undergraduate Certificates which greatly reduced the Fee Help loans required for learners accessing these courses.

Higher Education Compliance

TAFE NSW Higher Education, PRV12049, has been registered to operate as a Higher Education provider to 30 March 2023. Registration allows higher education providers to deliver accredited higher education

⁵ TAFE NSW - Commonwealth Tertiary Collection of Student Information System. Please note that the higher education data presented in this section is a subset of all TAFE NSW data.

programs (AQF 5 – 10), pursuant to *Tertiary Education Quality and Standards Agency Act 2011 (TEQSA ACT)* and comply with the 'Higher Education Standards Framework (Threshold Standards) 2021', regulated by the national higher education regulator, the Tertiary Education and Quality Standards Agency (TEQSA). TEQSA regulates higher education providers and accredits and reaccredits courses of study and conducts compliance and quality assessments annually.

Quality Assurance

TAFE NSW Higher Education employed quality assurance practices and mechanisms to improve the quality, relevance and delivery of TAFE NSW Higher Education courses.

Governance Model

The TAFE NSW Higher Education Academic Council and the TAFE NSW Higher Education Governing Body work together to provide comprehensive governance of higher education at TAFE NSW with an appropriate emphasis on the academic while ensuring that higher education has clear input and influence within the broader organisation's governance and executive management.

The TAFE NSW Higher Education Governing Body, established in 2022, is the corporate governance committee with specific responsibility for TAFE NSW Higher Education business. Its responsibilities include ensuring that the requirements of the Tertiary Education Quality Standards Agency Higher Education Standards Framework are met.

The TAFE NSW Higher Education Academic Council oversees curriculum development and quality assurance processes, academic course approval, policy making, academic administration and overseeing the educational process to ensure the educational objectives of TAFE NSW Higher Education are achieved.

Review and Benchmarking

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

Learner transitions to employment or further study

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

In 2021, 548 learners completed their studies and graduated with a TAFE NSW Higher Education qualification, a 27% increase in completions. The overall TAFE NSW Higher Education data showed an improvement across every area of the Quality Indicators of Learning and Teaching (QILT) Student Experience Survey (SES) compared to 2020.

Higher Education Research

As part of embedding scholarship into learning and teaching, TAFE NSW Higher Education learners engage with industry on applied research projects where possible.

Four applied research projects (refer to section 4.6 Research and Development, Table 8) were completed in Semester 1 2022 by learners enrolled in the Bachelor of Information Technology (Cyber & Network Security), some of which have a real-world application.

2.10 Customer Satisfaction and Improvements

The satisfaction rate of TAFE NSW VET graduates was higher than the averages for NSW and national VET providers.

The NCVER Student Outcomes Survey⁶ found that 89.9 % of 2021 TAFE VET graduates in NSW were satisfied with the overall quality of training. The TAFE NSW graduate satisfaction rate was higher than the national average for all TAFEs across Australia and all VET providers across Australia (89.1 %).

The 2021 NCVER survey of employers' use and views of the VET system⁷ found that 83.7 % of employers were satisfied with the overall quality of TAFE NSW nationally recognised training. The TAFE NSW employer satisfaction rate was higher than the national average for all TAFE Institutes in Australia (80.8 %).

Respondents commented positively regarding the quality of teaching and practical nature of courses, and that this contributed to graduates feeling prepared for employment.

In the national Student Experience Survey, 81.0 % of current TAFE NSW Higher Education learners were positive about their skills development compared to the national average of 79.7%⁸.

⁶ Survey conducted in December 2020, on the outcomes of government-funded students.

⁷ Most recent data available.

⁸ 137 TAFE NSW Higher Education graduates from 14 courses responded to the survey.

2.11 Awards

Our learners receive recognition from employers and the community for their job-ready skills and knowledge. They are also consistently awarded for their levels of skills and dedication to their learning and their careers. Equally, TAFE NSW staff and the organisation as a whole are acknowledged and recognised for excellence in delivering vocational education and training.

In 2021, TAFE NSW learners, staff and TAFE NSW (the organisation) combined to win over 25 external awards, helping to confirm our reputation as a leader in the industry.

A selection of these awards is detailed below.

NSW Training Awards and Australian Training Awards

The NSW Training Awards are the peak state awards for vocational education and training, recognising and celebrating achievement, excellence and innovation in the nation's largest training sector. TAFE NSW learners featured strongly in the 2021 NSW Training Awards, winning nine awards at the state level.

Table 2: 2021 NSW Training Awards Winners

Category	Winner
2021 NSW Apprentice of the Year	Troy Harris
2021 NSW Trainee of the Year	Megan Cox
2021 NSW Aboriginal and Torres Strait Islander Student of the Year	Adam Hansen
2021 NSW Vocational Student of the Year	Gabriella Adeline
2021 People's Choice Award for Apprentice of the Year	Benjamin Lye
2021 NSW People's Choice Award for School Based Apprentice/Trainee of the Year	Tyler Pockran
2021 NSW People's Choice Award for Aboriginal and Torres Strait Islander Student of the Year	Maddison Peisley
2021 NSW Special Award for a Woman in a Non-Traditional Trade/Vocation	Althea Kruizinga
2021 NSW Encouragement Award	Rhiannan McDonald

The TAFE NSW winners of the Trainee, Apprentice, Aboriginal and Torres Strait Islander Student and Vocational Student categories in the 2021 NSW Training Awards progressed to competing as finalists in the 2021 Australian Training Awards, with Megan Cox winning the Australian Trainee of the Year Award.

Table 3: 2021 Australian Training Award Finalists

Category	Finalist
Trainee of the Year	Megan Cox - Winner
Apprentice of the Year	Troy Harris - Finalist
Aboriginal and Torres Strait Islander Student of the Year	Adam Hansen - Finalist
Vocational Student of the Year	Gabriella Adeline - Finalist

In 2022 TAFE NSW learners and staff have continued to achieve outstanding results with 14 further regional award finalists across NSW for the 2022 NSW Training Awards.

Other State / National / International Awards

Award	Award winner	Course	Location
2022 Apprentice of the Year (Southern and South Western Sydney)	Liam Barber	Certificate III in Electrotechnology	TAFE NSW Miller
2022 Apprentice of the Year (Western Sydney)	Ashton Arnott-Webb	Certificate III in Electrotechnology	TAFE NSW Miller
2022 Aboriginal and Torres Strait Islander Student of the Year (New England)	Kelly O’Gorman	Certificate III in Health Services Assistant	TAFE NSW Tamworth
2022 School Based Apprentice/ Trainee of the Year (New England)	Tara Vickery	Certificate III in Early Childhood Education and Care	TAFE NSW Armidale
2022 Trainee of the Year (New England)	Shaun Tobin	Certificate IV in Horticulture	TAFE NSW Tamworth
2022 VET in Schools Student of the Year (New England)	Sophie Hobden	Certificate III in Health Services Assistant	TAFE NSW Tamworth
2022 Vocational Student of the Year (New England)	Emma Pearson	Certificate IV in Wool Classing	TAFE NSW Armidale
2022 Trainee of the Year (Western)	Emily Reynolds	Certificate IV in Business	TAFE NSW Western Connect
2022 Apprentice of the Year (Western)	Shane Martin	Certificate III in Electrotechnology Electrician	TAFE NSW Mudgee
2022 VET Trainer/Teacher of the Year (Riverina/Murray)	Naomi Zadow	Head Teacher Beauty Therapy	TAFE NSW Wagga Wagga
2022 Aboriginal and Torres Strait Islander Student of the Year (Riverina/Murray)	William Camp	Certificate III in Carpentry	TAFE NSW Goulburn
2022 Trainee of the Year (Riverina/Murray)	Casey Polsen	Certificate III in Events,	TAFE NSW Wollongong
2022 Vocational Student of the Year (Riverina/Murray)	Natalie Yilmaz	Certificate IV in Permaculture	TAFE NSW National Environment Centre
2022 Apprentice of the Year (Illawarra and South East)	Daniel Arroyo	Certificate III in Electrotechnology Electrician	
2022 Excellence in Baking - National Apprentice Pastry Cook of the Year	Sally Fitzsimmons	Certificate III in Cake and Pastry	TAFE NSW Ryde
2021 Boating Industry Association (BIA) Apprentice of the Year (National)	Douglas Allen	Certificate III in Marine Craft Construction	TAFE NSW Ultimo
2021 Australian Glass and Window Association (AGWA) National Apprentice of the Year	Michael O’Rourke	Certificate III in Glass and Glazing	TAFE NSW Lidcombe

2021 Masonry Contractors Australia Apprentice of the Year	Noah Simpson	Certificate III in Bricklaying/Blocklaying	TAFE NSW Newcastle
2022 William Galvin Scholarship (State Award)	Thomas Hawthorne	Diploma in Hospitality	TAFE NSW Newcastle
2022 Excellence in Baking (North) Apprentice of the Year	Daniel Blackburn	Certificate III in Bakery	TAFE NSW Newcastle
2022 Australian Supply Chain & Logistics Training, Education & Development Award	Supply Chain and eCommerce Skills Team		TAFE NSW Sydney Region
2021 The Design Institute of Australia's NSW / ACT Textile Design Graduate of the Year	David Ward	Diploma of Advanced Fashion Design and Merchandising	TAFE NSW Design Centre Enmore
2021 The Design Institute of Australia's NSW / ACT Interior Decoration Graduate of the Year	Ike Sonder	Diploma of Interior Design	TAFE NSW Design Centre Enmore
National Award for Training Innovation from the Australian Signs and Graphics Association for its delivery of Certificate III in Signs and Graphics	TAFE NSW Wollongong		
HIA Jim Brookes Australian Apprentice Award at the 2022 HIA-CSR Australian Housing Awards (This is the highest national honour for an apprentice within the residential building industry.)	Brayden Burgess	Certificate IV in Building and Construction	TAFE NSW Belmont

TAFE NSW Head Teacher Community Services (North Region), Dr Deidre Anderson AM was recognised on the 2022 Queen's Honours List.

TAFE NSW Reconciliation Action Plan

TAFE NSW is committed to making reconciliation real and actionable for the communities we serve. TAFE NSW has been focusing on developing and strengthening relationships with Aboriginal and Torres Strait Islander peoples, engaging staff and stakeholders in reconciliation, developing innovative strategies to empower Aboriginal and Torres Strait Islander peoples and responding to change and growth. TAFE NSW launched its Innovate Reconciliation Action Plan (RAP) in 2020 and has seen tremendous progress throughout the organisation with initiatives and deliverables identified through consultation being embedded in all functional areas.

All staff within TAFE NSW have been invited to lead and be change makers in our reconciliation journey. TAFE NSW has ensured that there is effective engagement with the Aboriginal communities we serve, including representatives from Aboriginal peak bodies and community members sitting on our Aboriginal Community Reference Groups throughout NSW.

Within the RAP, TAFE NSW has made commitments under four pillars - Relationships, Respect, Opportunities and Governance. TAFE NSW is committed to developing, refining, and implementing

governance documents, structures, plans, and protocols to embed reconciliation into the TAFE NSW culture.

Under the Relationships Pillar, TAFE NSW has seen significant growth in building and strengthening relationships through the implementation of innovative strategies to promote cultural safety, self-determination, and economic independence for Aboriginal and Torres Strait Islander peoples. TAFE NSW celebrated National Reconciliation and NAIDOC Weeks with state, regional and local events being held across TAFE NSW in 2022 led by both Aboriginal and non-Aboriginal staff. Staff continue to deliver Acknowledgment of Country at meetings and relationships are built through story sharing. TAFE NSW has maintained and built 369 informal and formal partnerships with Aboriginal communities across NSW.

Under the Opportunities Pillar, TAFE NSW is striving to become the vocational training provider of choice for Aboriginal and Torres Strait Islander peoples, by removing barriers and ensuring that Aboriginal visual identity is prominent throughout every campus. In June 2022 TAFE NSW worked with Aboriginal communities to procure Acknowledgment of Country signage for every campus. These will be positioned in our front facing Customer Service areas to show respect to the Aboriginal nations our campuses are located on.

Deliverables under the Governance Pillar include the development and official endorsement of the formal Aboriginal Governance model, with the final piece of the framework being established in June 2022. The inaugural TAFE NSW Aboriginal Advisory Committee held their first meeting to establish the vision and actions our Aboriginal communities want to see from TAFE NSW. The Committee has representation from each of the regional Aboriginal Community Reference Groups and are a direct link to the Aboriginal communities we serve and will ensure their voice is heard within every strategic decision that is made relating to Aboriginal and Torres Strait Islander peoples.

The TAFE NSW Reconciliation Implementation Coordination Committees now have a strategic lead for state working groups that are driving initiatives by setting targets, strategies and deliverables in Customer Experience, Aboriginal Partnerships, Aboriginal Student Retention, Aboriginal Procurement, Professional Development and Building Cultural Capability.

Achievements under the Respect Pillar include the implementation of the Aboriginal Cultural Capability Framework to improve cultural safety for staff and learners across TAFE NSW. This Framework has resulted in many deliverables, including incorporating cultural safety training in the annual Mandatory Training all staff must complete.

Between October 2021 and June 2022 TAFE NSW has provided many opportunities for all staff to undertake learning for cultural awareness and appreciation, including delivering the 10655NAT Course in Aboriginal and Torres Strait Islander Cultural Education for TAFE NSW staff in Sydney, Newcastle, Dubbo, Wyong and Bathurst. This provides opportunities for all TAFE NSW staff to participate in formal, accredited, and structured face-to-face and On-Country Aboriginal Cultural Competency training and contributed to the process of reaccreditation through the Australian Skills Quality Authority (ASQA).

Staff have also been able to participate in an immersive On-Country experience with successful programs conducted with Aboriginal Community Organisations in Sydney, Dubbo, Wyong, and Nowra.

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

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

3. Serving Our Learners and Local Community

3.1 Our Learners

TAFE NSW is committed to our learners and the role we play in changing lives and opening up opportunities through learning.

TAFE NSW caters to a range of learners from school students starting a VET course whilst still at school, to those choosing their first career and seeking technical, trade and specialist skills development, through to career upgraders or mature learners who want to update their skills or change careers.

In 2021, TAFE NSW continued to enrol learners in more nationally recognised VET qualifications and offered learners customised courses, TEQSA accredited Higher Education programs and university programs delivered on behalf of partner universities.⁹

TAFE NSW also delivers enterprise solutions for customised training for employers, seeking to upskill their workforce at times and places that suit their business needs.

3.2 Our Products

TAFE NSW products, services and delivery methods are continually evolving to meet the changing needs of learners, industry and the community.

TAFE NSW products range from short courses and skill sets through to Australian Qualifications Framework Certificate I, to Graduate Diploma level qualifications, including apprenticeships, traineeships and higher education programs.

TAFE NSW offers the best of campus-based delivery as well as flexible online delivery and work-based learning and is continuing to expand the use of advanced digital courseware such as virtual reality, animation, simulations and augmented reality. Courses are available full-time or part-time, or learners can access flexible learning to progress at their own pace.

This year, TAFE NSW offered qualifications and courses in the following fields of education:

- Agriculture, environmental and related studies
- Architecture and building
- Creative arts
- Education
- Engineering and related technologies
- Food, hospitality and personal services
- Health
- Information technology
- Management and commerce
- Natural and physical sciences
- Society and culture.¹⁰

⁹ TAFE NSW data.

¹⁰ TAFE NSW data.

TAFE NSW Vocational Education Training (VET) courses are generally but not exclusively based on nationally recognised training packages. Training packages and higher education programs are developed to meet the identified training needs of specific industry sectors.

We support our learners through personalised learning solutions, flexible education and training options, and also through a range of learner support services. Those include career counselling, disability services, library services, Aboriginal support services, International Student support, Student Associations, Children's Centres, language, literacy and numeracy services and many more, to help learners engage successfully with education and training. We are committed to supporting our learners through to course completion and achieving their goals.

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

3.3 Enrolments by Learners

TAFE NSW continues to improve access for our rural and regional learners through improved learning platforms and innovative facilities.

In 2021, there were over 118,600 enrolments by learners living in regional or remote areas, comprising 28.8 % of total enrolments.¹¹

TAFE NSW continues to expand regional and remote access to education and training by establishing Connected Learning Centres (CLCs) across regional NSW. These centres provide multi-purpose, digitally enabled learning spaces in accessible locations to provide regional areas with skills critical to the NSW economy.

Table 4: 2021 TAFE NSW Enrolment Breakdown

36,500 + enrolments by Aboriginal Learners	106,200 + enrolments by unemployed learners
100,800 + enrolments by learners from a language background other than English	118,600 + enrolments by learners in regional and remote areas
167,000 + enrolments by learners aged 15-24 years old	45,000 + enrolments by learners with a disability
80,600 + enrolments by mature aged learners	228,200 + enrolments by female learners

Source: TAFE NSW data (2021). Note: 'Mature aged' is defined as being 45 years and older.

¹¹ TAFE NSW data.

3.4 Community Service Obligation

TAFE NSW plays a critical role in promoting equity and access to education in NSW. As a public VET provider, TAFE NSW has an obligation to the NSW Government to serve the people and communities of NSW including those who face significant barriers to education and employment.

TAFE NSW provides additional support to Aboriginal and Torres Strait Islander learners, learners with disability and other learners experiencing disadvantage, and services all areas of New South Wales to ensure the benefits of VET are available to all.

Community Service Obligation (CSO) funding is provided to TAFE NSW in recognition of the organisation's legislated obligations to provide those experiencing disadvantage with access to "technical and further education services, including a range of appropriate specialised services" as outlined in the *Technical and Further Education Commission Act 1990* (NSW).

3.5 Categories of Learners Facing Disadvantage

TAFE NSW uses CSO funding to support individuals facing disadvantage including:

- Aboriginal and Torres Strait Islander people
- People with disability, short term injury/disability or long-term condition
- People who are from culturally and linguistically diverse backgrounds experiencing cultural barriers
- People living in a regional or remote area
- Language, literacy, numeracy, digital (LLND) barriers
- Commonwealth welfare recipients
- Youth at Risk of not completing secondary school and not making a successful transition to further education and/or work
- Socio economic disadvantage
- Second Chance learners including people with lower than Year 12 or equivalent education, returning to work after long absence, reskilling after recovering from injuries or health issues.

Table 5 below shows TAFE NSW enrolments in some of the most common categories of disadvantage:

Category	2021 course enrolments
Aboriginal learners ¹²	36,500 +
Learners with disability ¹³	45,000 +
Unemployed learners ¹⁴	106,200 +
Regional / remote learners ¹⁵	118,600 +
Learners from Language Backgrounds other than English ¹⁶	100,800 +

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

Types of Support Provided

In 2021, TAFE NSW continued to provide support services to learners facing barriers to education and employment under CSO funding. This included:

- Aboriginal Community Engagement and Student Support to improve access, participation and provide culturally safe learning spaces and support
- Counselling and Career Development services supporting learners with course selection, progression and transitions to further education and/or employment and assisting learners with challenges that affect their ability to participate in training
- Accessibility and Disability support including providing assistive and adaptive technologies, note taking, interpreters and adjustment of learning and assessment materials
- Engagement with disadvantaged groups to access and improve participation by providing support in navigating learning systems, developing partnerships and programs with community agencies to support learners to enrol and/or gain employment
- Access to on campus and online Library resources and provision of study facilities including computers with specific software packages
- Foundation skills development through language, literacy, numeracy and digital literacy (LLND) support
- Engagement and Pathway training to prepare for the vocational learning environment including targeted programs for Youth at Risk and other cohorts facing disadvantage.

¹² Aboriginal students are students who self-identified on their enrolment form as Aboriginal, Torres Strait Islander or both.

¹³ Students with disability are students who asked for help with their disability or who specified a type of disability on their enrolment form.

¹⁴ Unemployed students are students who self-identified on their enrolment form as being unemployed and seeking part-time or full-time work.

¹⁵ Regional/Remote students are based on Accessibility/Remoteness Index of Australia (ARIA), 2011. (Latest data available.)

¹⁶ Language Background other than English students stated on their enrolment form that the main language they speak at home is not English.

Aboriginal Learners

TAFE NSW is committed to improving the educational and employment outcomes of Aboriginal learners through our commitment to supporting the Close the Gap targets 5, 6, 7, 9 and 17. Initiatives are being developed across the organisation to support these outcomes.

In 2021, there were 36,500 enrolments by Aboriginal learners.¹⁷

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

In the past five years:

- Enrolments by Aboriginal learners in Certificate III qualifications increased from 10,500 in 2017 to 11,800 in 2021, an increase of 12%
- Enrolment by Aboriginal learners in Certificate IV and above qualifications increased from 9,000 in 2017 to 10,000 in 2021, an increase of 11%
- An increase in TAFE NSW's proportion of overall NSW Aboriginal learner enrolments from 23 per cent in 2017 to 27% of Aboriginal learner enrolments in 2021.

A trend towards enrolling in higher-level qualifications was evident in the 25 to 29-year learner age group. Over the five-year period to 2021, TAFE NSW enrolments by Aboriginal learners in the 25 to 29-year age group in Certificate IV and above qualifications increased by 15 % with increases mainly in Certificate IV (880 in 2017 to 1,390 in 2021).

In 2021, there were over 10,600 enrolments by Aboriginal learners in part qualifications (Statements of Attainment or non-AQF level courses) a decrease of 5% from the previous year (over 11,200).

Aboriginal completions declined by 31% over the five year period from 2017 to 2021. This is consistent with a decline in overall completion rates for TAFE NSW over the same period, which is predominantly due to a sharp rise of prevocational and part qualifications enrolments and completions in 2017. Prevocational and part qualifications were introduced to provide more enrolment opportunities, support learner success and progression into higher qualifications.

Implementation of recommendations from the Aboriginal Support Structure Review was completed in June 2022 which provides improved cultural safety and ways TAFE NSW supports both Aboriginal learners and Aboriginal staff to achieve:

- Increased learner completions for Aboriginal learners through an improved Aboriginal Student Support Structure; and
- Improved engagement with Aboriginal communities across NSW, with systems and processes to support delivery of education and learner support, to meet the training needs of Aboriginal communities.

Notable achievements from the Review include:

- The development of an Aboriginal Student Support Model which takes into account previous and existing regional and digital models to capture the provision of culturally appropriate and culturally safe services that meet community and internal expectations;
- The Student Discipline and History of Violence Guidelines were reviewed and amended to better reflect the needs of Aboriginal learners, incorporating services and support from Aboriginal Student Support Officers or any of the 75 Aboriginal staff who have been trained in Aboriginal Mental Health First Aid; and

¹⁷ TAFE NSW data.

- Dr Catherine Burrows provided a strategic overview for considerations for Aboriginal Learning Spaces that highlighted the importance the spaces hold for learners and outcomes. An operational guide will be developed to ensure this model is implemented across the state and is incorporated into other RAP Guiding Principles. The establishment of culturally appropriate learning spaces across the state will provide Aboriginal learners improved access to Aboriginal Student Support Officers, Education Support Officers, Aboriginal Mentors and/or Aboriginal Engagement Staff to provide additional training in job seeking skills including resume writing and interview skills.

The TAFE NSW Aboriginal Education and Engagement teams have successfully raised the profile of TAFE NSW through regular and ongoing engagement about Aboriginal Education and Training with local Aboriginal communities and business across the region.

The team have paved the way for Aboriginal learners to feel culturally safe at TAFE NSW by:

- Supporting the Aboriginal Student Support Officers being transferred into the Aboriginal Education and Training Teams
- Allocation of the Senior Managers Aboriginal Education and Engagement to each of the Skills Excellence Networks to support Aboriginal education and cultural safety in course delivery
- Developing Aboriginal engagement plans at a local, regional and state level to support community, including targeting and tailoring courses for local communities
- Running and attending community events, particularly through National Reconciliation week and NAIDOC week
- Supporting the Aboriginal Education and Engagement Coordinators to advise community training needs to the business through the Skills Excellence Networks and Teacher Engagement Networks.

Showcase

North Region ¹⁸

In December 2021 TAFE NSW in partnership with Darkinjung local Aboriginal Lands Council provided 48 TAFE NSW staff with an on-country experience and Aboriginal education session. Uncle Gavin Duncan took the TAFE NSW staff to a site at Warre Warren where there is Aboriginal rock art still intact. This is very much a sacred special site for Aboriginal peoples around that area and specifically to the Darkinjung people. Forty of those staff have gone on to complete the ACEP - 10655NAT Course in Aboriginal and Torres Strait Islander Cultural Education training, giving them vital skills around working with Aboriginal peoples, Aboriginal teams and Aboriginal staff members, not only within TAFE NSW but in their lives more broadly.

South Region

TAFE NSW Nowra Campus customised a Cultural Art Micro Skills engagement course in partnership with a local organisation, Oolong House (Aboriginal community-owned and managed residential rehabilitation facility), to supplement their therapeutic rehabilitation program with an educational experience. This enhances their clients cultural connections and increases the aspirational outcomes of their clients through learning about cultural arts and allows them to develop a positive relationship with Vocational Level Education with TAFE NSW. Fifty-five participants have completed the program since 2021.

The relationships between TAFE NSW and Oolong House, its clients and the wider Aboriginal and Torres Strait Islander community has been greatly enhanced.

¹⁸ Refer to regional map under 1.2 Our Footprint (Page 2), also applied to all other regions.

West Region

TAFE NSW Wellington Campus partnered with Yilabara Solutions, to deliver a Statement of Attainment in Mentoring Aboriginal People. TAFE NSW, in partnership with Yilabara Solutions, completed 12 participants in the program, consisting of administration staff, the A/CEO and other managers. This partnership allowed staff from Yilabara Solutions to utilise their newfound skills by working more proactively in their roles as mentors in their organisation.

Sydney Region

TAFE NSW Redfern campus delivered a successful IPROWD (Indigenous Police Recruitment Our Way Delivery) program. In 2021-22, 22 participants completed the program, with many either gaining employment or going onto further study. Three participants joined the Policy Academy and seven participants followed on with meaningful employment, including as Probationary Constables, others going into Disability Care, the Australian Federal Police, Department of Defence and NSW Transport while others went into further study at university or other programs.

All 2021 learner outcomes were outstanding, especially considering the challenges they faced during the COVID period. Remote learners had the opportunity to create connection with learners living in the city for the first time, while learning online. Many of the learners lacked digital skills and had limited resources that were critical to their learning. The learners were supported by the Aboriginal Student Support Officers and the Aboriginal Education and Engagement Teams, including the provision of laptops and technical support. The learners were also supported by community activities at the National Indigenous Centre of Excellence, such as boxing, Redfern Aboriginal community activities, Redfern Local Command visits and learning experiences.

Western Sydney

TAFE NSW Western Sydney region has had a partnership with Australia Post since 2018 to deliver their Indigenous Emerging Leadership program and improve the representation of Aboriginal and Torres Strait Islander staff in Australia Post. As part of the program the Certificate IV Leadership and Management is delivered to participants. This program supported leadership capabilities, coaching, mentoring and confidence building, all of which were supported by Cbeyond coaching, key leaders and guest speakers. The program targeted the 700 Aboriginal staff in Australia Post to provide the knowledge and skills to support their career path into leadership.

Learners with a Disability

Learners with a disability present with a wide range of complex issues. Teacher Consultants ensure that adjustments support these ongoing conditions and assist learners to connect with Counselling and Career Development Services where appropriate. Some learners have two or more disabilities and this requires close liaison between Teacher Consultants to enable the learner to receive support across a range of disability areas.

TAFE Disabilities Services ensures that learners with a disability have access, support and equal opportunities while studying at TAFE NSW. These may be either prospective or current learners who require some reasonable adjustment which may include tutorial support, assistive and adaptive technology, in class support such as notetakers, Auslan interpreters and/or class notes in alternative form, examination modifications.

A Reasonable Adjustment Plan is developed in consultation with the learner with a disability that records the negotiated types of reasonable adjustment based on the individual needs of each learner.

There were 45,000 enrolments by learners with disability in 2021.¹⁹

Developing and implementing a TAFE NSW Disability Inclusion Action Plan 2020-2022

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

TAFE NSW is committed to supporting these rights and to driving the mutually beneficial partnerships and programs that work towards closing the prosperity, education, and employment gaps. The TAFE NSW Disability Inclusion Action Plan (DIAP) 2020-2022 was developed in 2020, with the implementation phase commencing in 2021.

The TAFE NSW DIAP is focused on aligning the TAFE NSW values of Customer First, Collaboration, Integrity and Excellence, with four key focus areas:

- Policy and planning
- Accessible physical and digital environment
- Training and employment
- Best practices of inclusion and accessibility

Achievements have included the development of a suite of marketing assets highlighting learners with disability. Some of these assets were used in our successful DIAP celebration held on 3 December 2021 where TAFE NSW had:

- Over 1000 individual registrations prior to the event
- 650 live registrations, many in clusters where teams or groups of people watched together
- Three survey questions with over 220 comments/feedback which were overwhelmingly positive.

To support learners who are blind or vision impaired, a state-wide approach to assistive software was developed. In conjunction with Teacher Consultants, the Technology Access Advisory Group and Systems Group procurement teams consolidated existing licenses into a new enterprise agreement for 'Fusion' to ensure efficient and timely access for learners.

¹⁹ TAFE NSW data.

More than 100 staff have undertaken training in developing accessible information. This has resulted in several staff being identified as accessibility champions in the Product and Quality Group, which will assist in improving the level of compliance and usability of our learning resources for learners with disability.

An Access Technology Microsoft Teams site has been developed to share resources on how to use assistive technology with the TAFE NSW digital environment, and is where questions can be answered by staff with expertise in assistive technology.

Implementing a TAFE NSW Multicultural Plan

TAFE NSW is committed to improving training and employment outcomes of learners from multicultural backgrounds. Over 31% of all enrolments at TAFE NSW are from learners born overseas and 25% of all enrolments are from learners speaking a language other than English at home. Around 32% of all completions are from learners born overseas.

Our delivery of the Commonwealth funded Adult Migrant English Program (AMEP) continues to grow,. AMEP enrolments increased by 23% in 2021-22. The progressive reopening of our international borders has seen an increase in new arrivals registering for the program, including humanitarian arrivals from Ukraine (approx. 400) and Afghanistan (approx. 380).

Under the TAFE NSW Multicultural Plan 2020-2022 this year TAFE NSW has:

- Established the TAFE NSW multicultural governance structure – The Multicultural Action Steering Committee (MASC), responsible for overseeing the planning, implementation, tracking, reporting and evaluation of the TAFE NSW Multicultural Plan.
- Established the Multicultural Staff Network (MSN) which aims to provide a safe space for staff from culturally and linguistically diverse (CALD) backgrounds to meet, discuss, collaborate and support each other in areas of skills-building, career advancement and leadership development to enable enhanced representation in overall organisational decision-making, greater multicultural visibility and career progression:
- Established an integrated Multicultural Capability Training Program. The program aims to build staff multicultural capability and enhance knowledge and practice of cultural safety and inclusion. The program consists of training in anti-discrimination, and working with refugee learners and multicultural masterclasses in overseas qualification recognition and cultural safety. In Semester 1 2022 targeted training sessions were conducted for approximately 100 staff in anti-discrimination and working with refugees.
- Updated and promoted the existing Cultural Diversity and Inclusion Moodle, and incorporated this Moodle into the staff onboarding program.

Case study

#RacismNOTwelcome

TAFE NSW Sydney region launched the #RacismNOTwelcome project on 21 March 2022, the International Day for the Elimination of Racial Discrimination. The project's aim is to promote anti-racism culture on campuses and online so that all learners, staff and communities are able to participate in public education and the workplace in a culturally safe environment. This project directly supported TAFE NSW's commitment to countering all forms of racism in the work and learning environments.

The project was launched online with over 500 attendances from learners, staff and community members. #RacismNOTwelcome campaign ambassador Craig Foster launched the project and participated in an online panel, including a Board Member of Anti-Discrimination NSW and Senior Manager, TAFE NSW Diversity and Inclusion. The panel spoke to the critical role public education plays in countering racism and encouraged all participants at the launch to play their part.

As part of the project, #RacismNotWelcome signage was installed across Sydney regions campuses in locations with maximum visibility. The feedback from staff, contractors, learners and community members was overwhelmingly positive. As a great outcome of this project and, in response to the feedback, a further 424 signs were purchased to be installed at every campus across the state.

4. Becoming Contemporary, Commercial and Sustainable

TAFE NSW is distinguishing itself as a public education and training provider that delivers flexible and integrated courses teaching transferable skills. In 2021-2022 a series of initiatives continued to transition the organisation into a learner centric public provider. TAFE NSW has:

- Embedded automated assessment into product build processes. Where appropriate, automation is being used to create better learner experiences with immediate feedback provided to learners to guide learning and reduced administration for teachers freeing them to spend more time assisting learners.
- Streamlined and expedited product development processes to enable us to meet the demands of an unprecedented number of transitioning qualifications to ensure our learners are receiving resources that teach to the highest quality standards across NSW.
- Delivered a number of successful MicroSkills programs that deliver short sharp Industry driven content across multiple sectors. This approach has been taken to uplift specific in demand skills including in sectors linked to Industry currency and legislation. This approach has positioned TAFE NSW to grow capability for the future focused demand driven training Industry and Government need to deliver change.
- Rolled out a new consolidated telephony platform, implementing modern and fit-for-purpose contact centres and soft phones across the organisation. This reduces maintenance and administrative overheads, improving TAFE NSW's ability to address customer enquiries.
- Partnered with other NSW Government Agencies to build the NSW Education Wallet. This enables the provision of conveyancing licences, Digital Trade licences including high risk work licences and individual property licences direct to learners, fast tracking entry to the workforce.
- Reimagined the way we learn and connect with a \$157.2m budgeted investment in the completed construction of the Institute of Applied Technology in Digital Technology and Multi-Trades Hub at Meadowbank, with fit-out underway to make the facility operational in 2023.

- Commenced construction of the Institute of Applied Technology in Construction at Kingswood with a budget of \$80.4m. This will deliver state-of-the-art simulated workplace environments and maker spaces equipping the next generation of trades workers with the skills fundamental to building the smart cities of the future.

4.1 Commercial Delivery

TAFE NSW is seeking opportunities to grow commercial revenue, focusing on areas that deliver economic and social value to NSW communities. This includes:

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

Domestic Commercial Delivery

In 2021, there were 43,800 domestic commercial enrolments in TAFE NSW qualifications.²⁰

TAFE NSW secured commercial contracts, approximately 87% of which were with private sector clients. In the public sector, TAFE NSW secured contracts with over 179 government departments and agencies, including 103 councils.

International Education

The number of international learners enrolled at TAFE NSW for 2021²¹ were:

- 1,199 in Higher Education qualifications
- 1,578 in VET qualifications
- 149 in English Language Intensive Courses for Overseas Students (ELICOS)

The international education sector is subject to significant external influences, including changes in Commonwealth government policy regarding visas, skilled migration and border policy. International enrolments in 2021 were significantly impacted by closure of the border due to the pandemic.

In 2021-22, TAFE NSW promoted its educational offerings to new international learners through virtual education exhibitions in Australia, Nepal, China, the Philippines, Vietnam, Colombia, Brazil, Indonesia, South Korea, Japan and India. Some of the most popular courses for international learners continue to include Information Technology, Early Childhood Education and Care, Hospitality Management, Nursing, Building and Construction, and Business.

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

²⁰ TAFE NSW data.

²¹ Australian Education International is the source of all data in this section.

Offshore Education Projects

TAFE NSW works with foreign governments, industry or educational partners to deliver programs overseas. Programs include accredited courses and non-accredited programs, with a delivery focus on Asia.

Table 6: Partnerships maintained in 2021-22

Overseas Partner Organisation	Location
Association of Education & Training Pty Ltd (AET)	China
Beijing College of Politics and Law	China
Chengdu Industrial Vocational Technical College	China
Guangdong Industry and Technical College	China
Guangdong Mechanical and Engineering College	China
Jiangsu Agri-animal Husbandry Vocational College	China
Ningbo City College of Vocational Technology	China
Ningbo Foreign Affairs School	China
Shenzhen Polytechnic	China
Shunde Polytechnic	China
Zhangjiagang Vocational Education Centre	China
Fiji National University	Fiji
Edventures Technology Solutions Pvt Ltd (India)	India
Odisha Rural Development and Marketing Society (ORMAS) India	India
Sannam S4 Pty Ltd	India
INTI International College Penang	Malaysia
Global Academy of Tourism and Hospitality Education	Nepal
Taiwan Workforce Development Agency	Taiwan

Infrastructure

TAFE NSW recognises that improving educational and employment outcomes rests, in part, on our willingness to embrace change and evolve how we provide our services. This means adapting our infrastructure, building flexibility into our assets and adopting new technologies - technologies that will improve the productivity of our infrastructure to improve outcomes for learners and improve access to industry and to the community.

The *TAFE NSW 20 Year Infrastructure Strategy 2022-2042 (20YIS)* was approved in May 2022. The 20YIS was a recommendation of the *NSW State Infrastructure Strategy (SIS) 2018-2038: Building Momentum*. The 20YIS responds to the current and future needs and expectations of our learners, the community and industry, and sets a vision for TAFE NSW's asset portfolio over 20 years and the actions required to revitalise and transform the portfolio from its current state to its future aspirational state. Additionally, it sets the direction of TAFE NSW's long-term infrastructure planning to progressively build its asset capabilities so that it is best equipped to support evolving education and training requirements, and new delivery models as they emerge.

TAFE NSW is committed to the full implementation of the NSW Government Asset Management Policy TPP19-07 and adherence to the International Asset Management Standard ISO 55001. An Asset Management Policy Statement, a Strategic Asset Management Plan (Nov 2021) and four discreet Asset Class Management Plans were developed in 2021-22 to ensure effective and best practice Asset Management principles are embedded in TAFE NSW Ways of Working.

TAFE NSW is also committed to the development of an Asset Management Framework (AMF) that is aligned to the 20YIS and the Strategic Plan 2022-25. TAFE NSW's AMF is a business approach for translating the organisation's objectives into risk-based, value-based sustainable asset and non-asset solutions, to meet the needs of our current and future learners as well as our teaching community.

Throughout 2021-22, TAFE NSW continued to invest in its infrastructure network across NSW by investing in:

- Campus facilities in areas of high demand and in accessible locations
- Dedicated specialist training facilities, developed in consultation with industry
- Learner centred, digitally enabled Connected Learning Centres (CLCs)
- Dedicated, purpose built Mobile Training Units (MTUs) to bring equipment and tools to learners to provide hands-on, practical training
- Digital and mobile platforms to improve connectivity and accessibility
- A replacement program for infrastructure assets and teaching equipment that are at the end of their life, through the \$100 million stimulus package provided by the NSW Government.

In 2021-22, TAFE NSW continued to expand the types of courses available across regional and rural NSW through digitally enabled facilities including CLCs and Centres of Excellence (CoE).

Connected Learning Centres

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

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

TAFE NSW has so far delivered 20 CLCs in three tranches across regional NSW in:

- Coonabarabran, Glen Innes, Quirindi and Tenterfield (Tranche 1 completed in 2017-18)
- Corowa, Deniliquin, Bega, Narrandera, Bourke, Grenfell, Murwillumbah, Scone, Singleton and Yamba (Tranche 2 completed in 2018-19)
- West Wyalong, Cobar, Tomaree, Nambucca Heads, Hay (Tranche 3 – completed February 2021 – 22)

There were nineteen CLCs in operation as at 30 June 2022. An additional CLC was opened in Batemans Bay in July 2022, with a further two CLCs in Byron Bay and Jindabyne to be completed in 2023.

Institutes of Applied Technology

TAFE NSW had developed concepts for Centres of Excellence across a number of areas including Digital Technology and Construction. In March 2021, the NSW Government announced that the Digital Technology and Construction Centre of Excellence concept would evolve into the Institutes of Applied Technology (IAT) as a key deliverable of the Gonski-Shergold VET Sector Review. The IAT pilots will see industry and universities partner with TAFE NSW at Meadowbank and Kingswood campuses to position the NSW economy, employers and individuals to adapt to future skill requirements.

The pilot sites include the IAT for Digital Tech at Meadowbank due to open in February 2023 and the IAT for Construction in Kingswood, which will be operational in May 2023. The IAT model will build on existing collaborations and partnerships between TAFE NSW, the NSW Department of Education and universities to develop integrated vocational and higher education programs, combine practical and theoretical curriculum for emerging industries and enhance pathways to higher education.

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

Information and Communications Technology (ICT) Services

During 2021-22, TAFE NSW continued to implement and improve the digital tools essential for digital delivery and collaboration, enhance its statewide network and move ICT services to public cloud technology.

TAFE NSW also prioritised cybersecurity in response to increasing risks presented by cyber threats, and in alignment with the NSW Government Cyber Security Policy (CSP). Along with a focus on data loss prevention and digital rights management, TAFE NSW received globally recognized security ISO27001 certification for technology services in April 2022.

The following key initiatives have enabled the ongoing digital transformation of TAFE NSW:

- Implementation of multi-factor authentication (MFA) for learners to further strengthen TAFE NSW's cybersecurity posture
- The first release of the Student Management Solution (SMS) Program's PeopleSoft Campus for Higher Education was successfully implemented on 1 July 2022. This means that tertiary learners are able to self-serve to enrol in Higher Education courses online without intervention
- Implementation of a new contemporary telephony system using soft phone technology across all campuses resulting in improved services for customers. The new platform allows staff to use their TAFE NSW phone number via their computer at any location without being restricted to a physical phone at a desk
- Decommissioning and consolidation of our statewide data centres resulting in significant savings of ~\$1.38 million per year and reduction in CO2 emissions
- Enhancement of the reliability and supportability of the TAFE NSW campus network with the replacement and upgrade of core network elements which are vital to the delivery of all networking and telephony services.

4.2 Risk Management and Internal Audit

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

Enterprise Risk Management

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

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

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

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

Audit and Risk Committee

The Audit and Risk Committee (ARC) oversees and monitors TAFE NSW's governance, risk and control frameworks and external accountability requirements. Between 1 July 2021 and 30 June 2022, the ARC undertook its duties and responsibilities as prescribed by *Internal Audit and Risk Management Policy for the General Government Sector* (TPP20-08).

The ARC comprises one independent chair and three independent members. During 2021-2022, the Audit and Risk Committee met on six occasions. Attendance details are contained in the Table below.

Name	Position	Eligible Meetings Attended	Membership during 2021-22
Allan Cook	Independent Chair	5 of 6	Current
Carolyn Burlew	Independent Member	6 of 6	Current
Gregory Fletcher	Independent Member	6 of 6	Current
Loretta Di Mento	Independent Member	6 of 6	Current

Internal Audit

An internal audit capability is established within TAFE NSW to undertake internal audits of TAFE NSW operational systems and controls.

TAFE NSW resources its internal audit function using a co-sourced model, led by a Chief Audit Executive and a small internal audit team. The organisation uses various third-party internal audit service providers to provide access to specialised skills as needed.

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

TAFE NSW completed the majority of the audits within the 2021-22 Internal Audit Plan (the Plan). This Plan was developed through consultation, consideration of TAFE NSW risk registers, resources and prior internal audit coverage and findings.

TAFE NSW developed a strategic three-year plan (2022–2025) and tactical annual audit plan (2022-2023). These plans were endorsed by the ARC in June 2022 and recommended to the Managing Director.

4.3 Vocational Education and Training Compliance and Quality Audits

Registration and Compliance Audits

TAFE NSW RTO 90003 is registered to operate as a Registered Training Organisation (RTO) until 1 September 2025. Registration allows RTOs to provide vocational education and training (VET), pursuant to the *National Vocational and Education and Training Regulator Act 2011* (Commonwealth), regulated by the national VET regulator, the Australian Skills Quality Authority (ASQA). ASQA can conduct regular compliance audits on a proactive basis to assess an RTO's ongoing compliance with the Standards for RTOs. No audits of this nature occurred across TAFE NSW in 2021-22 with ASQA having shifted to a self-assurance regulatory model.

Overseas Students Service Compliance

TAFE NSW is a registered Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) provider to deliver education services to learners on a learner visa in NSW, including English Language Intensive Courses for Overseas Students (ELICOS), VET and higher education programs. TAFE NSW is registered as the Technical and Further Education Commission, trading as TAFE NSW Technical and Further Education Commission and TAFE NSW Higher Education, CRICOS provider code 00591E.

TAFE NSW successfully underwent a re-registration process as a vocational education and training, higher education and English Language CRICOS provider and was re-registered by ASQA to 1 September 2025, respectively.

Australian Nursing and Midwifery Accreditation Council

TAFE NSW was granted accreditation by the Australian Nursing and Midwifery Accreditation Council (ANMAC) for the Diploma of Nursing program for a period of 5 years without conditions. ANMAC is responsible for monitoring education providers and programs of study that provide a qualification for the purposes of registration in nursing and midwifery.

4.4 Insurance

TAFE NSW is part of the NSW Treasury Managed Fund Scheme that provides a range of cover for many NSW government agencies. The Fund provides broad protection for asset and liability exposures including:

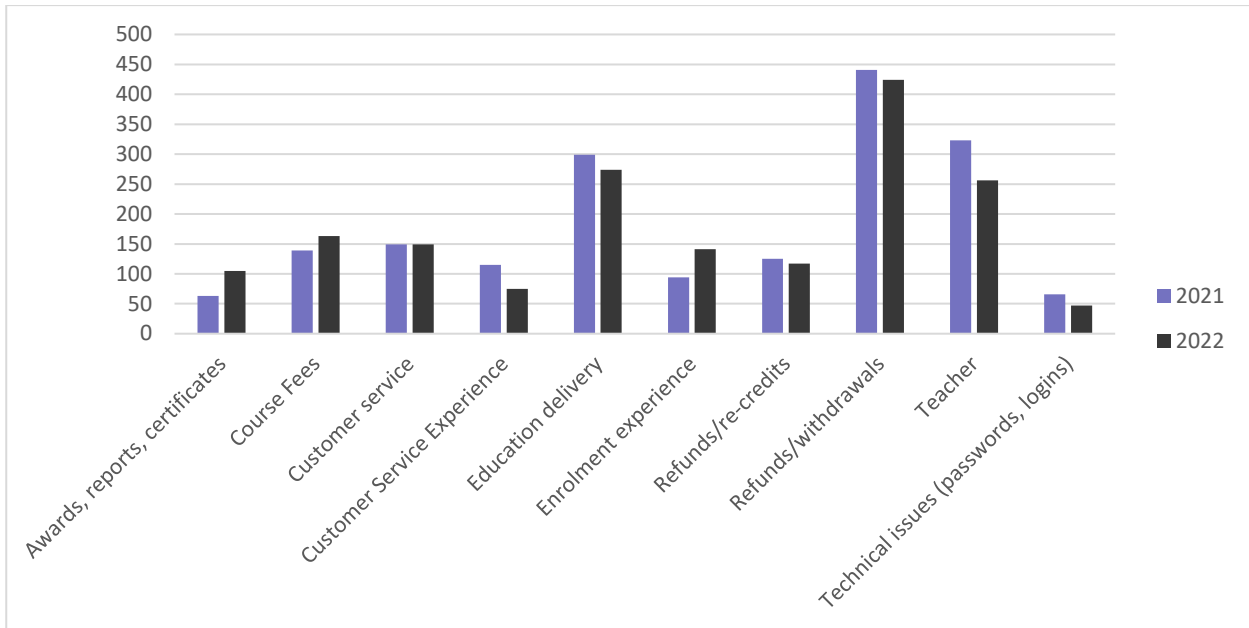
- Workers' compensation cover according to NSW statute for TAFE NSW employees
- Property and motor vehicle cover for loss or damage to buildings, contents, equipment and motor vehicles
- Liability cover including public liability, product liability and professional indemnity, and
- Miscellaneous cover which includes voluntary workers, learners on work experience, and international travel.

4.5 Complaints and Improvements

Total Complaints

1 July 2021 to 30 June 2022	2,092
1 July 2020 to 30 June 2021	2,230
1 July 2019 to 30 June 2020	1,825

Top Issues – 2020/21 and 2021/22



Examples of improvements as a result of complaints include:

- TAFE NSW implemented a new state-wide telephony platform to more effectively manage and respond to high-volume customer enquiries across the State. Average wait time for the Student Services Customer Inbound Enquiry Line (131601) improved from an average of 30-80 minutes during November 2020 to February 2021, to an average seven minutes and fifty-two seconds during November 2021 to February 2022.

4.6 Research and Development

Table 8: TAFE NSW conducted the following research projects to develop new products and/or inform future delivery:

Name of project	Conducted by	Nature and purpose of project	Total cost over life of project (\$ excluding GST)	Completion date
Supermarket Trolley Guard	TAFE NSW Higher Education for TrollGuard	TrollGuard is designed as a web-based asset monitoring and management system for physical retailers to keep track of their shopping trolleys with the aim of reducing the number of abandoned trolleys which cause environmental issues and cost retailers millions each year to recover or replace. The system sends an email notification to the nominated authority or person if a trolley is not in its designated area. The project is based on front-end and back-end web servers and also AWS Web Services technology.	N/A	Completed December 2021
Automated Network Design Configuration and Testing	TAFE NSW Higher Education for ANDCaT	ANDCaT is designed for automation of switch configuration with the aim of automating a skilled yet menial task done by network engineers. The system gathers key information about switches, their port configurations and the endpoints plugged into them. This task when carried out manually can take valuable time away from more creative work by network engineers such as design and implementation. In preparing for any major network deployment, having all relevant information taken as a point in time snapshot can aid in troubleshooting or assist in rollback if issues arise during implementation. In general operation, the system provides end users with access to the relevant configuration information which helps to streamline the support process.	N/A	Completed December 2021
Sydney Trains Elevated Solar Cycleway Feasibility Study and Proposal	TAFE NSW Higher Education for Sydney Trains (Transport for NSW)	Concept overview, comparative technical analysis, financial-environmental-social analysis, future opportunities and potential Australian based businesses capable of constructing and maintaining Sydney Trains Elevated Solar Cycleway (STESC) solution	N/A	Completed December 2021
Identification and Ranking of Wind Energy Opportunities for Small Wind Turbines	TAFE NSW Higher Education for Diffuse Energy	Identification and Ranking of Wind Energy Opportunities for Small Wind Turbines for Diffuse Energy	N/A	Completed in December 2021

5. Senior Executives

5.1 Management Structure

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

5.2 NSW TAFE Commission Advisory Board

The functions of the NSW TAFE Commission Advisory Board (TAFE NSW Board) are set out in section 12 of the TAFE Act. The TAFE NSW Board reviews and makes recommendations to the Minister on:

- Policies related to the technical and further education services provided by TAFE NSW
- The efficiency and effectiveness of the operation and management of the technical and further education services provided by TAFE NSW
- The corporate plans prepared by TAFE NSW
- The relationship between TAFE NSW and other education sectors, including schools, higher education and adult and community education.

The Minister appoints members of the TAFE NSW Board under section 11 of the TAFE Act. Appointed members hold office for a period (as specified in their respective instrument of appointment) of up to four years and are eligible for re-appointment.

5.3 Current Board Member Qualifications and Terms of Appointment

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

Board member	Term of appointment	Positions held	Qualifications and professional development
Danny O'Connor (Chairperson from 1 June 2021)	1 April 2021 to 31 March 2025	Danny O'Connor Consulting Advisory Board Member, Energesse Digital Health Technology Board Member, Healthy North Coast Primary Health Network Board Member, Wilhelm Integrated Solutions Healthscope Northern Beaches Hospital	Graduate, Australian Institute of Company Directors, GAICD Global Health Leadership Graduate, University of California, Berkeley Master of Social Policy, University of New South Wales Pharmacology, Post Graduate studies, University of Sydney Bachelor of Social Studies (Hons), University of Sydney
Steffen Faurby (Former Ex officio Member of the Board)	13 January 2020 to 2 December 2021	Managing Director, TAFE NSW	Graduate Diploma in Business Administration (International Business), Copenhagen Business School (CBS) Bachelor of Science, (Mechanical Engineering), Aarhus College of Engineering Graduate, Australian Institute of Company Directors, GAICD Graduate Diploma, Organisational Psychology, Macquarie University
Stephen Brady (Ex officio Member of the Board)	13 December 2021	Managing Director, TAFE NSW	Bachelor of Laws with honours, University of Queensland Bachelor of Commerce with honours, University of Queensland IMD Breakthrough Program for Senior Executives
Georgina Harrison	28 June 2021 to 27 June 2025	Secretary, Department of Education	Creating Collaborative Solutions, Harvard Executive Education Leadership Across Borders Program, UK, Canada and Australia Public Service Commissions Civil Service Faststream, UK Civil Service College Bachelor of Science Biological Sciences, University of Birmingham, UK
Hilary Jessie Borthwick	14 October 2019 to 29 August 2023	Mr Davies & HJ Borthwick Partners	Bachelor of Arts (Asian Studies) Australian National University Diploma of Arts and Design, Prahran CAE

Kirsty Hosea (Senior Management)	1 January 2021 to 31 December 2022 Resigned 27 May 2022	Chief Delivery Officer, TAFE NSW	Masters of Business Administration, Charles Sturt University Bachelor of Arts in Communications, Canberra University Certification, Design Thinking, Austin Centre for Design
John Borghetti AO	1 June 2021 to 31 May 2025 Resigned 8 November 2021	Director, Art Gallery of NSW Director, Brisbane Airport Corporation Pty Ltd (BAC) Director, John Sample Group (JSG) Pty Ltd Director, Alinta Energy Director, Balmoral Pastoral Investments Pty Ltd Director, Charlie Teo Foundation Director, O'Connell Street Partners Advisor, IFM Investors (Global) Advisory Board Member, Marprop Real Estate Investors	Breakthrough Program for Executives, IMD Lausanne, Switzerland Marketing Strategy Program III, Australian Graduate School of Management, University of Sydney Air Transport Course, Manila University, Philippines Manager Development, Mitchell College, NSW
Isaiah Dawe	1 June 2021 to 31 May 2025	CEO, ID. Know Yourself	Communication and Leadership, Dale Carnegie Course Leadership in Business, Tony Robbins Business Mastery Course Life Coaching, Tony Robbins Personal Development Course Blue Knot, National Centre of Excellence of Complex Trauma IPROWD, Redfern Local Area Command (NSW Police – TAFE NSW) Workforce Essentials, Charles Sturt University Preparation Program (Science), University of New South Wales
Alison Mirams	1 June 2021 to 31 May 2025	Director, Roberts Co. Management Services Director, Roberts Co. (Australia) and Subsidiary Companies Division Councillor for PRA (NSW) Director, UNSW Foundation Chair Advisory Board, Faculty of Arts, Design & Architecture, University of NSW Advisory Board member, AeroPM	Graduate, Australian Institute of Company Directors, GAICD Engineering Executive, Engineers Australia, COMPIEAUST Engineering Executive, Engineers Australia, ENGEXEC Graduate Diploma in Urban Estate Management, University of Technology, Sydney Bachelor of Building (Construction Economics), University of Technology, Sydney
Katrina Troughton	1 April 2021 to 31 March 2025	Managing Director, IBM Australia and New Zealand Board Member, Australian Information Industry Association (AIIA)	Graduate, Australian Institute of Company Directors GAICD BSC/BComm Physiology, Pharmacology and Economics, Auckland University, New Zealand Diploma in Health Economics, Tomson University, Norway Diploma in Direct Marketing, NZ Direct Marketing Association

5.4 Meeting Attendance

The TAFE NSW Board convened four meetings during the period from 1 July 2021 to 30 June 2022.

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

Board Member	Eligible to attend	Attended
Steffen Faurby (Ex-officio, Former Managing Director)	2	2
Stephen Brady	2	2
Georgina Harrisson	4	2
Hilary Jessie Borthwick	4	4
Kirsty Hosea	3	3
John Borghetti	1	1
Isaiah Dawe	4	4
Alison Mirams	4	4
Danny O'Connor (Chairperson)	4	4
Katrina Troughton	4	4

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

5.5 TAFE NSW Commission (Senior Executive) Staff Agency

The TAFE NSW Commission (Senior Executives) Staff Agency (the Staff Agency) is a controlled entity of the NSW Technical and Further Education Commission.

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

5.6 Number of Senior Executive Breakdown by Band

TAFE NSW employed the following senior executives in 2020-21 and 2021-22. As stated above, in 2020-21 TAFE NSW commenced employing senior executives under section 39 of the GSE Act. Numbers in this respect are shown in Table 12a and 12b.

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

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

Table 11b: The Managing Director and senior executives directly reporting to the Managing Director as at 30 June 2022.

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

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

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

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

Table 12b: Senior executives reported in Table 11b above and all senior executives employed under section 39 of the GSE Act as at 30 June 2022.

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

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

5.7 Average Remuneration by Band

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

Band	GSE Act remuneration range (\$) ²²	TAFE NSW average remuneration (\$) ²³
Band 4 or equivalent	487,051 - 562,650	-
Band 3 or equivalent	345,551 - 487,050	456,500
Band 2 or equivalent	274,701 - 345,550	345,318
Band 1 or equivalent	192,600 - 274,700	218,418

Source: NSW Public Sector Workforce Profile

Table 13b: Average remuneration by Band, including the TAFE NSW Managing Director and senior executives directly reporting to the TAFE NSW Managing Director, as at 30 June 2022.

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

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

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

Table 14b: Average remuneration by Band, for those senior executives reported in Table 13b above and all senior executives employed under section 39 of the GSE Act as at 30 June 2022.

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

0.25% of employee-related expenditure was related to the TAFE NSW Managing Director and employees in

²² Remuneration ranges are set by the Statutory and Other Offices Remuneration Tribunal (SOORT).

²³ TAFE NSW senior executives are employed under the Government Sector Employment Act 2013 or the Technical and Further Education Commission Act 1990 (NSW). Remuneration under the GSE Act and the TAFE Commission Act do not directly align.

a substantive, relieving or acting roles who were reporting directly to the TAFE NSW Managing Director as at 30 June 2022. This compares to 0.20 per cent as at 30 June 2021.

0.89 % of employee-related expenditure was related to the above group as well as all other senior executives employed under section 39 of the GSE Act as at 30 June 2022. This compares to 0.42% as at 30 June 2021.

5.8 Senior Executive Positions and Qualifications

TAFE NSW employed the following senior executives in 2021-2022. This includes the Managing Director and senior executives reporting directly to the Managing Director during that time (see Table 15 below).

Table 15:

Senior executive	Position title	Qualifications and professional development
Steffen Faurby	Managing Director (to 2 December 2021)	Graduate Diploma in Business Administration (International Business) Bachelor of Science (Mechanical Engineering) Graduate, Australian Institute of Company Directors, GAICD Graduate Diploma, Organisational Psychology
Stephen Brady	A/Managing Director (from 13 December to 10 May 2022) Managing Director (from 11 May 2022)	Bachelor of Law (with Honours) Bachelor of Commerce (with Honours) IMD Breakthrough Program for Senior Executives
Kirsty Hosea	Chief Delivery Officer (to 27 May 2022)	Master of Business Administration Bachelor of Arts (Communication) Certification in Design Thinking
Belinda Mackinnon	A/Chief Delivery Officer (from 28 March 2022)	Graduate Diploma of Adult Education Diploma of Training and Assessment Coaching, Institute of Executive Coaching and Leadership
Catherine Grummer	Chief Corporate Services Officer (to 15 April 2022)	Bachelor of Science (Biology) Master of Business Administration (Strategy, Analytical Consulting, Technology Management) Advanced Human Resource Executive Program
Daniel Bowes	A/Chief Corporate Services Officer (from 4 April 2022)	Bachelor of Politics, Philosophy and Economics (with Honours)
Margot McNeill	Chief Product and Quality Officer	PhD in Assessment with Technologies Master of Arts (English Literature) Master of Education (Online learning) Bachelor of Arts Diploma of Education Principal Fellow of the UK Higher Education Academy

David Backley	Chief Information Officer A/Managing Director (from 3 December 2021 to 12 December 2021)	Master of Professional Practice (Information Technology)
Vik Naidoo	Chief Strategy and Commercial Officer	Doctor of Philosophy Master of Commerce (with Honours) Bachelor of Commerce Certificate IV Training and Assessment
Julie Tickle	Chief People and Culture Officer	Master of Education, Adult Education and Training Bachelor of Arts Diploma of Education Diploma of Business & Management Diploma of Sustainability Graduate Diploma Leadership Certificate IV Project Management Certificate IV Training and Assessment
Michael Alacqua	Chief Transformation Officer	Master of Business Administration Bachelor of Science (Information Technology)
Ben Turner	Chief of Staff	Bachelor of Business (with Distinction) Bachelor of Laws Chartered Accountant Solicitor admitted to the Supreme Court of New South Wales
Gabrielle Crittenden	Director Media and Communications	Bachelor of Arts Graduate Diploma of Human Resource Management
Elise Comans	Director Strategic Projects (from 14 June 2022)	Bachelor of Taxation Law Graduate Certificate in Public Sector Management

5.9 Functional Responsibilities

Managing Director

It is the statutory responsibility of the Managing Director to manage and control the affairs of TAFE NSW, subject to the direction of the Minister responsible for administering the Technical and Further Education Commission Act 1990 (NSW), (the Minister for Skills and Training).

The Managing Director shapes, leads and drives the implementation of the TAFE NSW strategic direction to ensure the effective delivery of the Government's strategic objectives, including implementation of government policy and its strategic agenda for VET in NSW.

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

The following senior executive positions reported to the Managing Director for all or part of FY2021-22.

Chief Delivery Officer

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

Chief Corporate Services Officer

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

Chief Product and Quality Officer

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

Chief Information Officer

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

Chief Strategy and Commercial Officer

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

Chief People and Culture Officer

The Chief People and Culture Officer provides executive leadership and strategic direction for TAFE NSW's People and Culture function. People and Culture enables the achievement of TAFE NSW's vision and objectives by providing efficient, value-add services and advice regarding strategic workforce planning and sourcing, training and development, performance and engagement, organisational culture and values, leadership and succession, work health, safety and wellbeing, workplace relations, payroll and benefits, organisation design, and diversity and inclusion.

Chief Transformation Officer

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

Chief of Staff

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

Director of Corporate Communications

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

Director Strategic Projects

The Director Strategic Projects develops, implements and reviews major projects that support the achievement of TAFE NSW's strategic objectives and drive significant operational efficiencies and process improvements.

5.10 Organisational Chart

As at 30 June 2022, the following senior executive positions reported to the Managing Director.



6. Human Resources

6.1 Number of Employees

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

Service Group	June 2017	June 2018	June 2019	June 2020	June 2021	June 2022
Teachers	5,670	5,730	5,914	5,919	5,964	5,730
Support Services including educational support	4,226	4,587	4,623	4,505	4,635	4,592
Total	9,896	10,317	10,537	10,424	10,599	10,322

Source: TAFE NSW Payroll Report (average for June)

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

Category	June 2017	June 2018	June 2019	June 2020	June 2021	June 2022
Permanent full-time	2,832	2,750	2,753	2,725	2,920	2,806
Permanent part-time	56	58	59	68	92	102
Temporary full-time	393	317	460	453	241	332
Temporary part-time	81	64	86	87	46	47
Part-time casual	2,308	2,542	2,555	2,586	2,666	2,444
Total	5,670	5,730	5,914	5,919	5,964	5,730

Source: TAFE NSW Payroll Report (average for June)

Service group categories shown include the following:

- Teachers – Head teachers, teachers, assessors, education support officers, disability consultants
- Support Services – specialised disabilities support, class support, librarians, learner and customer services, educational compliance, security, project resources for the One TAFE Organisation Design Program and support functions such as finance, human resources, IT, legal and marketing.

Notes:

- Full-time equivalent includes all permanent, temporary and casual employees active on census period, which occurs in the last month in the financial year (June month average of hours worked and paid).
- Due to rounding, the figures may not add up to the totals shown.
- The number of full-time equivalent teachers will fluctuate, from month to month as part-time and casual teachers may not have been working during the census period, which can be impacted by 'non-attendance' weeks.
- The total number of employees reported above is different to the NSW Budget papers. The budget figure calculation is based on an average number of employees for the year, whereas the annual report figure is based on workforce data collected during a particular census period (June month average of hours worked and paid).

6.2 TAFE NSW People Strategy

TAFE NSW has met the objectives of the One TAFE People and Safety Strategy 2017-22. The TAFE NSW People Strategy 2022-2025 was developed to replace the current strategy and to enable the TAFE NSW Strategy over the next three years.

The TAFE NSW People Strategy is a key enabler of the TAFE NSW Strategic Plan and defines the future workforce required by TAFE NSW to achieve its strategic goals over the next three years and beyond. It outlines a practical program of work that prioritises workforce initiatives and activities. This will ensure TAFE NSW has an aligned, accountable, responsive, equipped and optimised workforce that delivers the outcomes of the TAFE NSW Strategic Plan.

6.3 Developing a Quality Education Workforce

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

Strategic workforce planning activities were undertaken during 2021-22 for the Metal Fabrication and Welding teaching sections statewide, and to support the detailed design, planning and construction of the Kingswood Multi-Trades Hub.

After the successful pilot of the Operational Workforce Planning Tool across different Skills Teams based on skills demand, this tool has now been made available for use by all teaching sections.

The TAE (Training and Assessment) Scholarship Program, aimed at attracting industry professionals in critical skills into teaching by paying for the cost of obtaining the required Certificate IV in Training and Assessment (TAE40116 or equivalent), was initiated in FY2019/20. This financial year, 219 further scholarships were offered. As of 30 June 2022, outcomes from the program include:

- 149 scholars completed their studies and are now teaching
- 160 are teaching under supervision whilst completing studies
- 54 are employed as Education Support Officers while completing studies
- 53 scholars identify as Aboriginal or Torres Strait Islander

TAFE NSW has seen great success with this program, with new teachers coming to TAFE NSW in skills areas such as carpentry, electrical trades, plumbing, nursing and aged care. Additionally, in 2021, TAFE NSW launched state-wide recruitment drives for teachers in high-demand areas of Aged Care, Plumbing, Electrotechnology and Early Childhood. This state-wide program yielded over 200 new teachers.

In 2022, TAFE NSW initiated further state-wide recruitment campaigns for Teachers of IT, Fitting and Turning/Welding, and Nursing. A further 31 new teachers of IT were identified, with another 26 for Fitting and Turning/Welding and another 160 new Nursing teachers selected for employment.

The “TAE To Teaching – Aboriginal and Torres Strait Islander” campaign was an extensive recruitment strategy that connected with a variety of Aboriginal and Torres Strait Islander professionals, who then undertook a merit-based recruitment process prior to being enrolled into the Teacher Scholarship program. When these professionals graduate with the TAE, they will be able to be employed as knowledgeable and experienced TAFE NSW teachers.

This campaign enrolled 32 successful candidates into a TAE Scholarship connected classrooms group specifically for an Aboriginal cohort, that includes delivering the course via the eight ways of learning

pedagogy, with specific teaching support resources dedicated to ensuring the success of each candidate. All successful candidates are assigned a mentor.

Acknowledging the challenges completing the Certificate IV in TAE, in 2022 TAFE NSW piloted a new method of delivering the Certificate IV TAE to tradespeople wanting to become TAFE NSW teachers. This pilot involved creating a cohort of tradespeople to study together. This is aimed at creating a collegiate approach to learning and problem solving by participants. This pilot also utilises connected classroom delivery in which learners enjoy the convenience of online "attendance", with the benefit of having a teacher to interact with.

TAFE NSW Academy

The TAFE Academy continues to provide leadership development opportunities through its various activities and programs.

In December 2021 a Leadership Digital Playbook was released to ensure principles of transformational and adaptive leadership are fostered and practiced across TAFE NSW. Resources include modules on the TAFE NSW leadership behaviours, and People Manager Fundamentals (delivered by the Public Service Commission). Content predominantly targets leaders who currently manage or aspire to manage a team. Since its implementation over 500 staff have engaged in these resources.

Since July 2021 the virtual Leadership Essentials and Development (LeAD) program, a four-week program with both theoretical and practical elements, has upskilled more than 300 current and emerging leaders across five cohorts. Feedback has been overwhelmingly positive, with participants reporting an increase in their leadership confidence, networking and engagement with senior leaders.

The Academy has also delivered 12 Masterclasses for the Academy Alumni with a range of topics such as Cultural Safety, Neurodiversity and Emotional Intelligence. Approximately 100 Academy Alumni attended each Masterclass.

The second tranche of the Senior Leadership Pipeline was implemented with another 45 candidates assessed by a panel as having appropriate skills and knowledge to relieve in senior and or executive leadership roles as a development opportunities. This brings the total to 134 aspiring senior leaders in the Pipeline. Pipeline employees have access to Academy masterclasses and are also offered other capability opportunities to continue to grow their leadership talent.

Senior and regional leadership forums were conducted in September 2021, May 2022 and June 2022 to cascade strategic direction and priorities. 200 senior leaders participated in the Senior Leaders Forums and over 700 registered for the June Regional Leadership Forum. The forum provided opportunities to create action and accountability across TAFE NSW, therefore creating consistent messaging and direction.

Mandatory Training

It is essential that all employees are aware of their responsibilities, roles and rights and that they are enabled to adhere to legislative and organisational requirements. In January 2022, eight online mandatory training modules were made available to all TAFE NSW employees:

- Child Protection
- Code of Conduct
- Workplace Health and Safety
- Fraud and Corruption
- Workplace Behaviour
- Cyber Security Awareness

- Working in Education and Training
- Introduction to Aboriginal and Torres Strait Islander Policy and Accountability

Mandatory training is reviewed annually for accuracy and currency. All employees are required to complete the training annually by 31 May. New TAFE NSW employees must complete mandatory training within four weeks of commencement.

Performance Development and People@TAFE

The Performance Development and Review Plan (PDRP) process continues to support growth and development of TAFE NSW employees. Various resources have also been developed, including the Let's Chat series which are conversation guides to support regular, quality performance conversations.

TAFE NSW invested in our own people to be certified to deliver various programs including the Crucial Conversations course which develops capability in leaders navigating difficult conversations. The course was delivered to 184 participants over 15 sessions.

As part of embedding a coaching culture, the Coaching Champions Network expanded with six employees undertaking level 2 training in Organisational Coaching and another 32 individuals undertaking level 1 training. The certified coaches run regular workshops for leaders and have conducted leadership development coaching with more than 50 individuals.

People@TAFE is the online capability and performance development system which supports the embedding of TAFE NSW's performance development framework. This year People@TAFE had enabled over 2,700 capability uplift activities with over 34,000 employee attendances.

Quality Teaching and Learning

The 2021-2022 year saw further development and implementation of consistent processes and practices for quality teaching and learning, including the embedding of the Professional Standards for Teachers across capability programs and resources.

The Spotlight Series provided opportunities for teachers to update their industry currency and skills by attending a series of 'live' virtual sessions targeted for specific industry areas and aligned to units of competence. There were 69 separate industry-led Spotlight sessions delivered with 1,899 total attendees. As a result of these programs, a comprehensive library of resources and recordings continues to evolve and is available for teachers to access anytime.

As part of the Head Teacher development pathway, a Head Teacher Essentials program was rolled out to support new and aspiring Head Teachers to develop their skills in delivery planning and managing an educational team. Since the program commenced, 247 new or aspiring Head Teachers have participated in the training.

A Head Teacher Uplift series was launched to provide consistent information and skill updates for Head Teachers. The sessions are well attended with over 715 Head Teachers attending the 35 sessions delivered.

An Education Administration Support (EAS) Uplift program was also launched to provide current information and skills uplift to EAS staff supporting teaching sections. There are two sessions scheduled each week with over 300 EAS staff regularly attending.

A Teaching Essentials program was launched to support staff who have moved into a teaching role within the previous twelve months to understand the role and build their skills in delivering an engaging and contemporary learning experience for learners.

Building digital capability in teachers remained a capability development focus. This included the delivery of a series of uplift sessions to support head teachers, teachers and course administrators managing and delivering learning products via the TAFE NSW Digital Campus (TDC). Sessions were supported by a comprehensive Intranet page that provides a one stop shop, linking teachers to the most current information and resources available.

A range of synchronous and asynchronous learning options were made available to support teachers using a variety of digital tools, such as Microsoft Teams, as well as other educational technology applications to engage learners in an interactive learning experience.

The Learning Express program continued to provide targeted capability development for teachers on a range of topics related to quality teaching and contemporary learning.

Employee Recognition

The TAFE NSW Employee Recognition awards includes eight team and individual award categories. In 2021 there were 401 nominations received. This included 258 individual nominations and 143 team nominations, resulting in 2182 total nominees being acknowledged.

Judging occurs at both regional and state levels, with region winners progressing to state judging. 728 employees were recognised as region level winners, with 166 of those acknowledged as state winners. Due to COVID-19 restrictions, both region and state celebrations were again held virtually.

There were another 2,999 employees acknowledged in the past year through the peer-to-peer Reward and Recognition program which includes Peer to Peer e-cards.

Professional Development

TAFE NSW provided a range of staff professional development options, face-to-face and virtually across the organisation to build capability.

Capability Central is a central repository for all professional development resources. The repository links to the Learning Management System (Staff Moodle) which can track completion of e-learning programs. Additions to Capability Central during the year included a comprehensive suite of resources for educational employees, various tools and content to support diversity and inclusion, as well as change capability and corruption prevention courses.

Work Health and Safety training for staff continues to be supported with sessions across the state for Chief Wardens and access to First Aid for TVET teachers, designated First Aid Officers and teachers of high-risk courses. There is continued interest in Crucial Conversations, Productivity Ninja, Team Cohesion workshops and resources, as well as LunchBytes, Learning Dives and Learning Express, which are interactive online sessions to build capability for employees around specific topics.

The annual Engage Conference provides professional development targeted to all educational teams with interactive workshops, inspiring speakers and an opportunity to connect with colleagues state-wide. The theme for Engage 2021 was Innovate, Integrate, Inspire for Tomorrow and there were 1941 registrations. A key objective for the event was for educational teams' teaching and assessment currency. Over 75% of respondents rated Engage of 'high' value.

Employee Feedback Surveys

In August 2021 TAFE NSW resumed participating in the People Matter Employee Survey (PMES) run by the Public Service Commission. The PMES compares TAFE NSW employee sentiment against the broader NSW public sector.

Thirty-nine per cent (6,094) of employees participated. The survey focused on four key outcomes: Employee Engagement, Job Satisfaction, Wellbeing, and Customer Service. The overall Employee Engagement score for TAFE NSW was 60%.

Results showed positive achievement in the areas of flexible work, supporting diversity and inclusion in the workplace, and demonstrating commitment to health and safety. Results also identified areas for improvement including recruitment, grievance handling and action on survey results.

In response, TAFE NSW implemented several actions:

- Senior leaders developed localised action plans, targeting priority areas in their respective teams, and reported progress to their Chief
- The complaints handling process was reviewed, with several key recommendations being included in an implementation plan
- Improvements were made to the recruitment process including increased controls, transparency, and efficiencies across reference checks and the higher duties process
- A PMES Action Planning Guide and a tool to support managers with leading a productive survey discussion was implemented
- A Respectful Workplace program of initiatives was implemented, with the aim of nurturing a workplace culture characterised by civility, inclusion and psychological safety
- Change management capability was enhanced with new and revised learning resources, with change leadership also featuring in the Leadership Essentials and Development program
- A range of leadership development resources was designed and implemented

To measure progress, TAFE NSW conducted a Pulse Survey from 27 April to 13 May 2022, with 4,802 employees (31%) participating. While the overall result remained steady, including the engagement score of 60%, there were noteworthy improvements in:

- Employees having confidence in recruitment decisions (up 6%)
- Senior managers listening to staff (up 5%) and keeping them informed (up 6%)
- Employees understanding what is expected of them to do well in their job (up 5%).

Sixty four per cent of employees also said that they felt a strong personal attachment to the organisation and 60% were proud to tell others they work for TAFE NSW.

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

6.4 Workforce Diversity and Achievements

Representation of Equal Employment Opportunity Groups in the Workforce

The following equal employment opportunity groups were employed as a proportion of the total headcount of employees as at 30 June 2022 (Table 18):

Workforce Diversity Group	Target	2020-21	2021-22
Female employees	50.0%	63.3%	63.0%
Aboriginal and Torres Strait Islander peoples	3.3%	2.1%	2.1%
People whose first language spoken as a child was not English	23.2%	11.1%	10.6%

People with disability	5.6%	2.1%	2.4%
People with disability requiring work-related adjustment	N/A	0.7%	0.8%

Notes:

- Representation of Equal Employment Opportunity (EEO) groups is calculated as the actual number of staff in each group divided by the total headcount of staff as at June.
- The benchmark of 50 per cent for representation of females across the sector is intended to reflect the gender composition of the NSW community.
- The NSW Public Sector Aboriginal Employment Strategy 2014–17 introduced an aspirational target of 1.8 per cent by 2021 for each of the sector's salary bands. If the aspirational target of 1.8 per cent is achieved in salary bands not currently at or above 1.8 per cent, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3 per cent.
- A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language but does provide information about country of birth. The benchmark of 23.2 per cent is the percentage of the NSW general population born in a country where English is not the predominant language.
- The target of 5.6 per cent representation of staff with a disability by 2025 is intended to reflect the NSW community. This target is included in the NSW Premier Priorities under the World Class Public Service section. TAFE NSW is progressing towards this target through a Disability Inclusion Action Plan and fostering a psychological safe environment to promote disclosure. There is no target provided for people with a disability requiring workplace adjustments.

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

Workforce Diversity Group	Target	2020	2021
Females	100	92	92
Aboriginal and Torres Strait Islander peoples	100	98	97
People whose first language spoken as a child was not English	100	92	92
People with disability	100	98	98
People with disability requiring work-related adjustment	100	98	98

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

Note: Data on the reported numbers of staff who are Aboriginal, staff whose first language spoken as a child was not English or staff with disability was obtained by self-disclosure, therefore may be an underrepresentation of the actual number.

Notes:

- A distribution index score of 100 indicates that the distribution of members of the workforce diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the workforce diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the workforce diversity group tend to be more concentrated at higher salary bands than is the case for other staff.
- The distribution index is not calculated when the number of employees in the workforce diversity group is less than 20 or when the number of other employees is less than 20.
- 2022 data becomes available in late 2022.

Identified Workforce Diversity Strategies for 2021–22

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

Aboriginal Employment Strategy

Be Empowered: Empowering Aboriginal People Through Employment

TAFE NSW released a three-year Aboriginal Employment Strategy, “Be Empowered: Empowering Aboriginal Peoples Through Employment” in January 2019. The strategy progresses TAFE NSW’s commitment to be a diverse, inclusive and culturally safe employer of choice. The strategy has six targets:

- Double Aboriginal employee headcount
- Diversify Aboriginal employment across functional areas, grades and roles, with an aim to exceed the NSW target at each grade
- A workplace that values Aboriginal culture, skills and perspectives of Aboriginal employees and communities
- Create understanding of the elements required to retain Aboriginal employees and ensure retention rates equal or better the retention rates reported by the NSW Public Service Commission
- Increase applications from Aboriginal peoples for roles at TAFE NSW year on year over the next three years
- Ensure all Aboriginal employees complete the PDRP and have a capability development plan through People@TAFE

Progress towards these targets is being achieved through four key action areas:

- Attraction and recruitment
- Retention, engagement, career development and progression
- Cultural capability and accountability
- Community engagement

Reporting to the TAFE NSW Manager Aboriginal Employment are Aboriginal Employment Specialists (x4), Aboriginal Employment Advocates (x2) and an Aboriginal Talent Specialist working across Talent Acquisition and Aboriginal employment teams. The team has commenced case management of all identified roles and implemented new processes to build an agile structure, including the building of an Aboriginal talent database. The work of the team is focused on a project management methodology and supporting our Aboriginal and Torres Strait Islander staff members from induction.

The Aboriginal staff network has been developed, including the concept of yarning circles, to ensure the participation of all staff in a culturally safe setting. There are 12 yarning circles in operation and, as of the end of June 2022, 86 staff were members. Advisor roles in each region support the retention and career development of Aboriginal employees as well as increasing the capability of the recruitment team to support Aboriginal applicants through the recruitment process. TAFE NSW will build cultural awareness across TAFE NSW through the provision of a Cultural Competency Framework supported by Aboriginal Cultural Awareness training.

The Aboriginal Cultural Inclusion online resource for internal staff training continues to serve as an important program to inform and enhance Aboriginal engagement and inclusion in the workforce. The resource remains available to all staff and an additional 472 employees engaged with the resource this financial year.

The Aboriginal Employment and Talent Design teams implemented a program that identifies a range of Aboriginal professionals to undertake the Certificate IV in Training and Assessment (TAE) qualification, via the Teacher Scholarship program, within their sector and discipline. The campaign, known as TAE To Teaching, was an extensive recruitment strategy that connected with a variety of Aboriginal and Torres Strait Islander professionals, who then undertook a merit-based recruitment process prior to being enrolled

into the Teacher Scholarship program. Once graduated with a TAE, these professionals will be able to be employed as knowledgeable and experienced TAFE NSW teachers.

The “TAE To Teaching – Aboriginal and Torres Strait Islander” campaign included:

- Developing a sourcing strategy to specifically target Aboriginal and Torres Strait Islander industry professionals including marketing campaigns, advertising in Supply Nation’s newsletter, advertising in the Koori Mail and connecting with experts in key Aboriginal groups across the state
- Interview questions and assessment tasks that were culturally relevant and with specific branding, and conducting an information night for candidates to attend to meet Aboriginal teachers and learn about becoming a teacher at TAFE NSW
- Enrolling 32 successful candidates into a TAE scholarship connected classroom group specifically for an Aboriginal cohort, that includes delivering the course via the eight ways of learning pedagogy with specific teaching support resources dedicated to ensuring the success of each candidate. This includes a dedicated TAE teacher, Education Support Officer and Aboriginal Support Officers provided throughout their study
- Assigning mentors. Mentors are invited to attend a mentor information session, where they are informed on the schedule of the course and provided with a guide on how to support their learner at different stages of the course
- Regular project team meetings between the Aboriginal Employment team and Talent Design team are held and continue as candidates study the TAE course until onboarding as a teacher.

Increase Employment of Aboriginal People

The One TAFE People and Safety Strategy 2017–2022, approved in June 2017, included commitments to double the number of Aboriginal peoples employed by TAFE NSW by 2022. As of 2017, TAFE NSW employed 178 Aboriginal peoples and as of June 2022 the number of Aboriginal peoples employed is 316, a percentage increase of 78% or 138 people.

Aboriginal staff currently employed by TAFE NSW:

Aboriginal Employees	30 June 2021	30 June 2022
Headcount of Aboriginal employees	307	316
Percentage of total headcount ²⁴	2.1%	2.1 %

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

Disability

Disability Inclusion Action Plan

In 2021-22 TAFE NSW commenced the implementation of its first Disability Inclusion Action Plan (DIAP). This plan seeks to embed a culture of inclusion for people with disability, implementing strategies and actions that will identify and address barriers. TAFE NSW seeks to embed diversity and inclusion in all policy, planning and strategy to support and reflect the diversity of the NSW communities and TAFE NSW learner population.

Other Disability Initiatives

²⁴ Percentage based on total headcount using TAFE NSW Payroll Report (average for June).

A Technology Access Advisory Group has been established to work with stakeholders across TAFE NSW, NSW Government and Industry to develop and promote awareness and strategies to help with the assessment, adoption and implementation of technologies and services within TAFE NSW that support people with disability.

TAFE NSW has also established a Physical Access Advisory Group (PAAG), led by TAFE Infrastructure NSW, consisting of staff with disability and teacher consultants with expertise in physical access. Members are involved with minor and capital work projects ensuring that access and functionality are front of mind. PAAG members have also been involved with the development of design standards for future building projects.

The TAFE NSW recruitment team participated in bespoke training on inclusive recruitment practices delivered by Get Skilled Access.

Several capability initiatives were held to support inclusive leadership including immersive Q & A sessions of leaders with a panel of staff with disability, neurodiversity in the workplace training delivered by Xceptional, how to hold inclusive virtual meetings and how to respond when your staff member shares that they have a disability.

The TAFE NSW Staff with Disability Community has grown by 400% in the past 12 months. Members have been direct stakeholders in DIAP deliverables. Staff with disability have participated in fireside chats, a two-day well-being event, and been involved as subject matter experts on disability in learning dives on inclusive virtual meetings, a “Let’s Chat” resource presentation and in leadership immersive sessions.

Staff with disability were also involved in the virtual DIAP celebration held on 3 December 2021. A hybrid day event was held with staff coming together face to face and joining virtually. A workshop was delivered on developing disability confidence and an accessible On Country experience on Sydney Harbour was the highlight of the event.

Other Diversity Initiatives

Diversity and Inclusion / Diversity and Inclusion Council

TAFE NSW set up a substantive Diversity and Inclusion team within the Capability Group to support TAFE NSW as a Diversity and Inclusion Centre of Excellence. TAFE NSW invested additional resources during the financial year to implement the RAP, DIAP and Multicultural Plan.

As part of TAFE NSW’s commitment to diversity and inclusion, a new Diversity and Inclusion council was established. This Council brings together representatives from TAFE NSW’s employment reference groups who meet with the Managing Director and members of the Executive Leadership Team on a quarterly basis to discuss and develop solutions on how to build a more diverse and inclusive workplace. TAFE NSW have established a number of Employee Reference Groups (ERGs): Aboriginal Employee Network, Staff with a Disability Network, Multicultural Staff Network, Young Professionals Network, Women in IT Network, and the Pride Network. These groups support the representation of communities TAFE NSW serves.

Equity and Diversity Awareness Activities

To raise diversity awareness and to encourage inclusive practices, TAFE NSW promoted and celebrated events through a Diversity and Inclusion calendar of events. These events included Reconciliation Week, NAIDOC week, World Refugee Week, Mardi Gras, Harmony Day, Ramadan and International Women’s Day. Technology was utilised to continue to celebrate and raise awareness in a COVID-19 safe environment. Planning is underway to develop a diversity and inclusion growth plan that will support diversity and inclusion priorities.

Young Professionals Network

TAFE NSW created a Young Professionals Network (YPN) in 2021 to recognise and connect employees aged under 35. There is a peer-elected committee to oversee the network's governance, membership, activities, and events, sponsored by the Chief Information Officer and endorsed by the TAFE NSW Culture and Engagement Committee.

The YPN exists to support individuals professional growth and develop their potential as future leaders. By connecting with the YPN, leaders can better understand the opinions, needs, and cultural shifts across various teams, skill sets, and business functions.

The network has over 260 members across the state. Services provided to the YPN community include virtual capability events, social activities, and introductions through various face-to-face and online networking opportunities.

Notable YPN highlights throughout 2021-22 included:

- The creation of a young parent's space
- Career development sessions and opportunities
- Working Out Loud circles
- FOCUS Journey sessions
- Coffee Connectors
- Ideas Incubators
- Attendance at the Institute of Public Administration (IPAA) annual CEO and Young Professionals Breakfast
- The formation of valuable partnerships with other State Government YPNs

Pride Network

Established in October 2021, the TAFE NSW Pride Network's vision is "to foster a culture of diversity and inclusivity where TAFE NSW LGBTQIA+ staff and learners feel connected and supported to thrive and reach their potential, and all staff have awareness of issues experienced by LGBTQIA+ people in the workplace and broader society". This employee-led network brings together LGBTQIA+ staff and allies to inform, drive and participate in LGBTQIA+ diversity and inclusion initiatives, and promote sexual and gender diversity and inclusivity at TAFE NSW.

The Pride Network is led by a diverse committee of employee volunteers, who lead the Network to accomplish three key goals:

- Connect LGBTQIA+ staff to increase a sense of inclusion, enhance wellbeing and reduce social isolation
- Support LGBTQIA+ staff and allies through TAFE NSW policy advocacy, influencing strategy and culture, sharing resources and information
- Build awareness of LGBTQIA+ diversity and inclusion among all staff.

Since its establishment, the TAFE NSW Pride Network has grown to nearly 200 members across the state, with diverse representation from teachers, librarians, learner support and corporate teams. This growth is attributed to the Network's passion for driving inclusivity across TAFE NSW and participation in state-wide, virtual events including International Day Against Homophobia, Biphobia and Transphobia, Pride Month and Wear It Purple Day. Other notable achievements include the increased uptake of pronoun use across TAFE NSW, the stand-up of a Student Services systems LGBTQIA+ inclusivity project team, the sharing of

resources to support learner inclusivity and the introduction of LGBTQ ally training for Student Services and People and Culture teams.

NSW Carers (Recognition) Act 2010

The *NSW Carers (Recognition) Act 2010* (NSW) requires public sector agencies to:

- Ensure that staff and agents have an awareness and understanding of the *NSW Carers' Charter*
- Ensure that staff reflect the *NSW Carers' Charter* principles in their daily work
- Consult with bodies representing carers when developing policies that impact upon carers
- Develop internal human resources policies with due regard to the *NSW Carers Charter*.

Carers are defined as providing ongoing help to someone who needs it because of their disability, long-term or life-limiting illness, mental illness, dementia or ageing.

Implementation of the Carers' Charter

As a human services and public sector agency under the *Carers (Recognition) Act 2010* (NSW), TAFE NSW provides flexible delivery and assessment options to allow learners to study and undertake assessment at a time and place to suit their personal circumstances.

TAFE NSW makes personal, career and study counselling services available to learners, including those with carers and those who are carers. TAFE NSW employs specialist staff where required, to identify and provide for the needs of learners including referral to TAFE NSW and external services and resources.

TAFE NSW promoted the availability of the Commonwealth Government's Young Carer Bursary Program on websites, the intranet and social media. The aim of the bursary program is to support young carers to remain in or return to education or training, leading to improved employment opportunities.

TAFE NSW offers flexible work arrangements to help staff balance work and carer responsibilities. Flexible work options include permanent and temporary part-time work, job sharing, leave without pay, flexible working hours, personal carers leave and short-term leave to attend to family and community responsibilities. TAFE NSW provides information to carers about the flexible arrangements available in response to inquiries.

During 2021–22 up to 7,675 TAFE NSW staff, 67% of whom were female staff, accessed leave for flexible work reasons. These include up to 2,273 staff taking short-term absences to meet family and community responsibilities. This is in addition to employees who had approved flexible work arrangements such as working from home, compressed working week, reduced working hours, as well as other informal flexible working arrangements.

All staff, including those with carer responsibilities, were able to access the TAFE NSW Employee Assistance Program, an independent, confidential and free professional counselling service to support the health and wellbeing of employees, and flexible and family-friendly work practices.

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

Working flexibly offers all employees the opportunity to request a flexible working arrangement that suits them and maintains service delivery. In the 2021 PMES 69% of employees responded positively about being able to access the flexibility they needed, an increase of 14% from the previous year. The most popular flexible working options for staff according to the PMES were working from home, working from another campus and varying start and finish times.

6.6 Workplace Relations

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

Enterprise Agreements

TAFE NSW completed enterprise bargaining with the Australian Education Union NSW Teachers Federation and self-nominated bargaining representatives under the *Fair Work Act 2009* (Cth) for its largest enterprise agreement that covers approximately two-thirds of its workforce. A new *TAFE NSW Teachers and Related Employees Enterprise Agreement 2021* received approval from the Fair Work Commission on 15 October 2021. The confidential ballot was endorsed by 98 per cent of employees that cast a vote.

TAFE NSW also completed enterprise bargaining with the Australian Education Union NSW Teachers Federation under the *Fair Work Act 2009* (Cth) for a new *TAFE NSW Teachers in TAFE Children's Centres Enterprise Agreement 2021* that covers approximately 20 employees. That new enterprise agreement received approval from the Fair Work Commission on 7 October 2021.

TAFE NSW enterprise agreements secure the terms and conditions of employment for staff to enable them to continue to support the organisation be the leading vocational education training provider to promote and foster learning and develop NSW and Australia's workforce of the future.

Consultation with Trade Unions

TAFE NSW and representatives from the two major trade union (the Australian Education Union NSW, Teachers Federation and the Community and Public Sector Union), regularly met throughout the year to discuss strategic and operational issues affecting TAFE NSW and its employees. During those regular meetings there was a particular focus on the impact of the COVID-19 pandemic, Unions were consulted on the introduction of a TAFE NSW COVID-19 Vaccination Policy which required employees and contractors to have received two doses of an approved COVID-19 vaccine by 31 January 2022. TAFE NSW continued to work constructively with trade unions to foster and promote conciliatory workplace relations to achieve the common goal of maintaining TAFE NSW as the leading vocational education training provider in NSW and Australia for the benefit of learners.

Alternative Dispute Resolution

Since 2018 alternative dispute resolution (ADR) has been an effective way for TAFE NSW to resolve interpersonal conflict and issues in the workplace in a collaborative and efficient way that avoids a lasting negative impact on employees. ADR also provides the opportunity for employees to undergo coaching to support them in the workplace and harness their interpersonal skills to empower them to successfully address issues and disputes that arise in the workplace in a timely manner. In the four years since its inception, the organisational benefits of ADR that have been realised include positively contributing to maintaining or improving staff engagement levels, discretionary effort and productivity, as well as reducing the need for conducting workplace investigations and TAFE NSW to become engaged in employment and industrial litigation.

6.7 Work Health and Safety

The purpose of the TAFE NSW Work Health and Safety (WHS) Strategic Plan 2019-2022 is to provide a safe working and learning environment for all that aligns with the NSW Government WHS Sector Plan. It outlined key safety objectives, deliverables and targets for WHS performance. The below details how TAFE NSW has performed against the WHS Strategic Plan for the financial year 2021-22 and its final year of implementation.

WHS performance improved in 2021-22 with a 20% reduction in Lost Time Injuries (LTI) from 92 in 2020-21 to 73. This resulted in an 18% reduction in the Lost Time Injury Frequency Rate (LTIFR) from 5.6 down to 4.6. The target for 2021-22 was 4.9 and this is the first year TAFE NSW has achieved and exceeded the annual 5% reduction to LTIFR outlined in the WHS Strategic Plan.

Over the lifetime of the WHS Strategic Plan, TAFE NSW has improved its LTIFR by 45% reducing it from the 2017-18 rate of 8.4 to 4.6. TAFE NSW's Serious Claims rate has also improved, decreasing by 39% to 3.7 in 2021-22 from 6.1 in 2017-18 achieving the 30% reduction target outlined in the WHS Strategic plan including the NSW Government WHS Sector Plan.

Other key deliverables from the WHS Strategic Plan include the stand up of Regional WHS Governance Committees, implementation of a Safety Week Program, delivery of wellbeing programs and implementation of monthly WHS performance reporting.

Monthly Safety Toolbox Talks are now delivered as part of business as usual and each worker at TAFE NSW has a safety responsibility outlined in the TAFE NSW WHS Policy.

TAFE NSW also participated for a second year in a self-assessment program as a member of the NSW Government WHS Interdepartmental Committee. The self-assessment was conducted against the NSW Government WHS Sector Plan and peer reviewed by the Department of Education. TAFE NSW performed similarly to its cluster partner, the Department of Education.

Our Focus on Wellbeing

The Employee Wellbeing Plan, "Be Well", was refined in 2021-22 to continue to deliver on TAFE NSW's 2019 strategic commitment to improve the health and wellbeing of employees. The program was aligned to recommendations and insights from the wellbeing analysis and report. Mental health and employee resilience was a particular focus, with several targeted initiatives offered to employees including:

- Wellbeing Support Days – a dedicated two day event to support all employees during the challenges of the pandemic, hosted by external speakers and inspirational internal employees sharing their expertise. 59 wellbeing sessions were delivered with 1,600 unique participants, 74% from Student Experience Group, attending 5,357 sessions with a Very Successful event rating of 9.22 out of 10
- Launch of 'Wellbeing Wednesday' - a virtual wellbeing session every Wednesday aligned to TAFE NSW themes of Mind, Body, Serenity and Spirit. High impact and engagement with a Net Promotor Score of 79%, and 92% of employees stating they could apply the learnings to enhance their wellbeing and performance

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

- Leadership psychoeducation sessions, a campaign to encourage and equip leaders to have open and productive conversations about wellbeing with their team members
- Wellbeing engagement sessions to selected cohorts covering psychological safety, team effectiveness, self-care, motivation and morale during change

- Inclusion of wellbeing conversation guides in the CD4Me and Let's Chat programs, as well as Are You Really Okay? guide. Employees can access these resources at any time on how to have an effective wellbeing conversation with peers and leaders
- Holistic wellbeing services including the Be Well fitness program, designed by our inhouse Fitness Teachers; wellbeing while working from home support; various webinars; flu vaccinations and gaining access to online tools to support improvement in personal and workplace wellbeing to achieve a healthy and happier life.

Significant crisis management support was provided to assist employees through the flood crises in North Region. This included critical incident onsite support at impacted campuses through EAP, as well as additional group psychoeducation sessions, vicarious trauma training for our regional leaders and several wellbeing sessions, such as supporting teams through a crisis and building mental fitness delivered to impacted teams.

Workers Compensation Performance

Claim frequency remains on a relatively downward trend with 209 total claims being received in 2021-22 compared to 238 claims in 2020-21. This is due to a change in workplace participation post-covid, inhouse management of superficial low impacting employee injuries by the injury management team, teaching/education changing to virtual delivery and lower employee traffic across TAFE NSW campuses.

TAFE NSW's Serious Claims rate (LTIFR \geq 5 days) has improved with 3.7 in FY2021-22 compared to 4.7 in FY2020-21.

TAFE NSW's exposure has increased based on declared wages, increasing by 8.5% this year.

TAFE NSW has seen a significant uplift in the workers compensation contribution from FY20/21 to FY21/22, represented by a 35% increase, and largely due to strong average claim size pressures, with more claims remaining on longer term benefits than in the past.

The increase in the contribution is driven by the following factors:

- Increased exposure demonstrated by a steady increase in the number of staff and declared wages year on year.
- COVID-19 and the associated lockdown impact on injured employees across the Workers Compensation scheme, due to injured employees having limited access to undergo treatment for injuries significantly slowing down the recovery timeframes. This is resulting in injured employees remaining on the workers compensation scheme for a longer period. This shared risk and increase in contribution has been reflective on all NSW Government agencies across the scheme.
- Physical Injuries with lost time. Average claims are of a higher severity due to the nature of the injury and TAFE NSW's aging workforce (90% of injured employees were over the age of 40). Employees with physical injuries are taking longer to recover resulting in longer time off work.
- Psychological Injuries with lost time. Increasing number of psychological claims which are complex to manage and return to work, with employees staying on the worker compensation scheme longer, and moving into TAFE NSW long term claim portfolio increasing the ongoing long-term risk and cost for the agency to manage these claims.

TAFE NSW's agency performance adjustments (APA), which measure performance at set times in a financial year, demonstrates that FY20-21 and FY21-22 are on track to receive refunds estimated at \$1.7 million based on current assessment of performance. However formal assessments won't take place until after 31 December 2022.

Workers Compensation Performance

	2017–18	2018–19	2019–20	2020–21	2021–22
Total claims	309	277	218	238	209
Total hours paid (time loss wages)	93,541	148,278	84,757	57,048	25,015
Lost time claims ¹	141	141	103	106	68
Serious claims rate (LTIFR ≥ 5 days)	6.7	5.8	4.7	4.7	3.7
Total wages paid to date⁽ⁱⁱ⁾	4,057,792	5,356,016	3,380,233	2,476,516	1,206,171
Total cost paid to date (medical & wage payments)	5,875,069	7,417,274	4,623,365	3,528,312	1,752,368
Average cost per claim	19,013	26,777	21,208	14,825	8,425
Deposit contributions (excl GST)	\$8,894,865	\$9,984,390	\$11,163,902	\$12,161,310	\$16,406,333
Declared Wages	\$937,586,000	\$901,005,000	\$1,045,054,000	\$1,218,377,000	\$1,322,426,000
Contribution Rate	0.95%	1.11%	1.07%	1.00%	1.24%
APA 2019/20	N/A	N/A	N/A	Pricing Basis: \$11.2 million 18 month assessment: \$11.1 million 30 month Assessment \$11.6million Owing: \$0.5M	Pricing Basis: \$11.2 million 18 month assessment: \$11.1 million 30 month Assessment \$11.6million Owing: \$0.5M
APA 2020/21	N/A	N/A	N/A	Pricing Basis: \$12.2million 18 month assessment: \$11.1million 30 month assessment TBC 31/12/22 Refund: \$1.7M	Pricing Basis: \$12.2million 18 month assessment: \$11.1million 30 month assessment TBC 31/12/22 Refund: \$1.7M

APA 2021/22	N/A	N/A	N/A	Pricing Basis: \$16.4million 18 & 30 month assessment: TBC 31/12/22	Pricing Basis: \$16.4million 18 & 30 month assessment: TBC 31/12/22
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Note: the annual claims data for each financial year will continue to change as active ongoing claims grow and develop in each measure listed in the table below.

Notes:

- Allianz and iCare data take several months to mature as claims are processed. These results may reflect a shortfall in 2021-22 data.
- The Agency Performance Adjustment (APA) is a discretionary arrangement where claim costs are tracked for 2.5 years (30 months) after the start of each fund year and adjustments are made to the agency's initial contribution amount where claims experience is different to the pricing basis. An agency whose claims experience has improved from the initial contribution calculation will receive a refund of some of their contribution. However, where an agency's experience has deteriorated, that agency is required to make an additional payment. This came into to effect in 1 July 2020.

7. Budget and Expenditure

7.1 Funds Granted to Non-Government Community Organisations

TAFE NSW did not grant any funds to non-government community organisations in 2021-22.

7.2 Technical and Further Education Commission Independent Auditors Report



INDEPENDENT AUDITOR'S REPORT

Technical and Further Education Commission

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying consolidated financial statements of Technical and Further Education Commission (the Commission), which comprises the Statement by the Managing Director, the Consolidated Statement of Comprehensive Income for the year ended 30 June 2022, the Consolidated Statement of Financial Position as at 30 June 2022, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended, notes comprising a Summary of Significant Accounting Policies, and other explanatory information. The consolidated entity comprises the Commission and the entities it controlled as at the year's end or from time to time during the financial year.

In my opinion, the consolidated financial statements:

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

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Commission in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

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

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Matter

As part of my audit procedures I found that the Commission does not have a delegation or sub delegation from the Minister to incur expenditure from cluster grants, which are monies appropriated out of the Consolidated Fund through the *Appropriations Act 2021*. The Commission's expenditure of monies appropriated out of the Consolidated Fund through the *Annual Appropriation Act 2021* is contrary to section 5.5 and section 4.6(1) of the GSF Act, which states 'Money must not be paid out of the Consolidated Fund except under the authority of an Act'.

My opinion is not modified in respect of this matter.

Managing Director's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

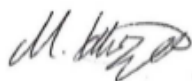
- obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the consolidated financial statements.

A description of my responsibilities for the audit of the consolidated financial statements is located at the Auditing and Assurance Standards Board website at www.auasb.gov.au/auditorsresponsibilities/ar4.pdf. The description forms part of my auditor's report.

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

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



Michael Kharzoo
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

27 October 2022
SYDNEY

7.3 Technical and Further Education Commission Consolidated Annual Financial Statements



Technical and Further Education Commission

Consolidated Annual Financial Statements

for the year ended 30 June 2022

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Technical and Further Education Commission
Statement by the Managing Director of the Technical and Further Education
Commission
for the year ended 30 June 2022

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

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



Managing Director

Date: 26 October 2022

Technical and Further Education Commission
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2022

	Notes	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000
Expenses excluding losses				
Operating expenses				
Employee related expenses	2(a)	1,248,841	1,325,287	1,284,207
Personnel services expenses	2(b)	12,005	-	4,224
Other operating expenses	2(c)	454,328	460,003	398,237
Depreciation and amortisation	2(d)	171,067	175,930	168,589
Finance costs	2(e)	265	320	274
Total expenses excluding losses		1,886,506	1,961,540	1,855,531
Revenue				
Sale of goods and services from contracts with customers	3(a)	254,637	357,577	321,986
Investment revenue	3(b)	3,467	1,902	4,672
Grants and other contributions	3(c)	1,622,497	1,601,188	1,600,195
Acceptance by the Crown of employee benefits and other liabilities	3(d)	(9,523)	45,110	26,810
Other income	3(e)	5,570	4,395	2,223
Total revenue		1,876,648	2,010,172	1,955,886
Operating Result		(9,858)	48,632	100,355
Gains / (losses) on disposal	4	(3,019)	-	12,982
Other gains / (losses)	5	3,107	(2,360)	5,100
Net result	21	(9,770)	46,272	118,437
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Changes in revaluation surplus of property, plant and equipment	10	413,541	-	375,798
<i>Items that may be reclassified to net result in subsequent periods</i>				
Net change in revaluation surplus for assets disposed	10	(10,525)	-	(8,345)
Net change in revaluation surplus for assets-held-for-sale	13	-	-	(440)
Total other comprehensive income / (expense)		403,016	-	367,013
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		393,246	46,272	485,450

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Financial Position
as at 30 June 2022

		Actual	Budget	Actual
		2022	2022	2021
	Notes	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	6	301,156	394,570	433,158
Receivables	7	170,382	68,508	159,368
Contract assets	8	63,807	37,831	59,722
Restricted assets	9	158	144	144
		535,503	501,053	652,392
Non-current assets held-for-sale	13	-	-	2,711
Total Current Assets		535,503	501,053	655,103
Non-Current Assets				
Receivables	7	3,406	221	2,219
Property, plant and equipment				
Land	10	1,601,877	1,475,994	1,492,818
Buildings	10	2,864,741	2,637,261	2,543,292
Plant and Equipment	10	80,801	52,372	57,917
Total property, plant and equipment		4,547,419	4,165,627	4,094,027
Right-of-use assets	11	19,979	13,033	19,428
Intangible assets	12	142,771	125,673	134,594
Other financial assets	14	175	175	175
Total Non-Current Assets		4,713,750	4,304,729	4,250,443
Total Assets		5,249,253	4,805,782	4,905,546
LIABILITIES				
Current Liabilities				
Payables	16	170,955	109,749	139,499
Provisions	17	123,823	131,356	130,482
Contract liabilities	8	128,337	113,585	201,161
Lease liabilities	18	5,606	4,070	5,616
Total Current Liabilities		428,721	358,760	476,758
Non-Current Liabilities				
Provisions	17	6,692	11,813	8,607
Lease liabilities	18	10,756	6,455	10,343
Total Non-Current Liabilities		17,448	18,268	18,950
Total Liabilities		446,169	377,028	495,708
Net Assets		4,803,084	4,428,754	4,409,838
EQUITY				
Reserves		3,121,694	2,724,472	2,734,982
Accumulated funds		1,681,390	1,704,282	1,674,856
Total equity		4,803,084	4,428,754	4,409,838

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Changes in Equity
for the year ended 30 June 2022

		Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
	Notes			
Balance at 1 July 2021		1,674,856	2,734,982	4,409,838
Net result for the year		(9,770)	-	(9,770)
Other comprehensive income / (expense)				
Changes in revaluation surplus of property, plant and equipment	10	-	413,541	413,541
Reclassification of revaluation surplus of property, plant and equipment for retired assets		16,304	(16,304)	-
Amounts recognised in equity relating to non-current assets disposed	10	-	(10,525)	(10,525)
Amounts recognised in equity relating to non-current assets held-for-sale	13	-	-	-
Total other comprehensive income / (expense)		16,304	386,712	403,016
Total comprehensive income / (expense) for the year		6,534	386,712	393,246
Balance at 30 June 2022		1,681,390	3,121,694	4,803,084
Balance at 1 July 2020		1,544,900	2,379,488	3,924,388
Net result for the year		118,437	-	118,437
Other comprehensive income				
Changes in revaluation surplus of property, plant and equipment for land revaluation	10	-	375,798	375,798
Reclassification of revaluation surplus of property, plant and equipment for retired assets		11,519	(11,519)	-
Amounts recognised in equity relating to non-current assets disposed	10	-	(8,345)	(8,345)
Amounts recognised in equity relating to non-current assets held-for-sale	13	-	(440)	(440)
Total other comprehensive income		11,519	355,494	367,013
Total comprehensive income for the year		129,956	355,494	485,450
Balance at 30 June 2021		1,674,856	2,734,982	4,409,838

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Cash Flows
for the year 30 June 2022

		Actual	Budget	Actual
		2022	2022	2021
	Notes	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(1,269,586)	(1,280,177)	(1,234,572)
Personnel services		(10,372)	-	(3,135)
Other operating expenses		(496,457)	(454,634)	(437,500)
Finance costs		(265)	(320)	(274)
Total Payments		(1,776,680)	(1,735,131)	(1,675,481)
Receipts				
Sale of goods and services		265,392	352,209	311,593
Interest received		502	1,902	467
Grants and contributions		1,544,283	1,601,188	1,675,266
Other operating receipts		72,229	4,395	35,163
Total Receipts		1,882,406	1,959,694	2,022,489
NET CASH FLOWS FROM OPERATING ACTIVITIES	21	105,726	224,563	347,008
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		2,808	2,181	23,568
Purchases of property, plant and equipment		(221,132)	(225,116)	(204,362)
Purchases of intangible assets		(17,247)	(26,563)	(24,839)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(235,571)	(249,498)	(205,633)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings and advances		(2,157)	(4,870)	(5,782)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(2,157)	(4,870)	(5,782)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(132,002)	(29,805)	135,593
Opening cash and cash equivalents		433,158	424,375	297,565
CLOSING CASH AND CASH EQUIVALENTS	6	301,156	394,570	433,158

The accompanying notes form part of these financial statements.

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

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2022

1. Summary of Significant Accounting Policies

(a) Reporting entity

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

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

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

The Commission is comprised of a single service group.

These financial statements for the year ended 30 June 2022 have been authorised for issue by the Managing Director on 26 October 2022.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Government Sector Finance Act 2018* (GSF Act); and
- Treasurer's Directions issued under the GSF Act.

The financial statements have been prepared on a going concern basis which assumes that payment of liabilities will be met, as and when they fall due, without any intention or necessity to liquidate assets or otherwise wind-up operations. In preparing the financial statements, the Managing Director has assessed the ability of the Commission to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting except where operations will be dissolved by an act of parliament or otherwise cease.

Property, plant and equipment, assets (or disposal groups) held-for-sale and financial assets at 'fair value through profit or loss' are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

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

(c) Statement of compliance

The financial statements and notes comply with AAS.

The responsible Minister for the Commission did not receive an appropriation under the *Appropriations Act 2021*.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2022

1. Summary of Significant Accounting Policies (continued)

(c) *Statement of compliance (continued)*

The responsible Minister for the Commission is taken to have been given an appropriation out of the Consolidated Fund under the authority of s4.7 of the *Government Sector Finance Act 2018*, at the time the entity receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the entity. The spending authority of the responsible Minister from deemed appropriation money has been delegated or sub-delegated to officers of the entity that receives or recovers the deemed appropriation money for its own services.

(d) *Accounting for the Goods and Services Tax (GST)*

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

- amount of GST incurred by the Commission as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

(e) *Foreign currency translation*

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

All Commission monetary assets and liabilities are held in Australian dollars. Exchange rate differences arising on settlement of foreign currency transactions are recognised in the net result.

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

(f) *Comparative information*

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

(g) *Superannuation on Annual Leave Loading*

The Commission has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: *Finance Sector Union of Australia v Commonwealth Bank of Australia* [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future reporting periods as new information comes to light on this matter.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2022

1. Summary of Significant Accounting Policies (continued)

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

(i) Effective for the first time in FY2021-2022

There were no new AAS applied for the first time in 2021-22. The accounting policies applied in 2021-22 are consistent with those of the previous financial year.

(ii) Issued but not yet effective

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

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2021-7a *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2021-7b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2021-7c *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

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

(i) *Impact of COVID-19 on Financial Reporting for 2021-22*

The outbreak of the Novel Coronavirus (COVID-19) was declared as a 'Global Pandemic' by the World Health Organisation on 11 March 2020. The pandemic has created economic uncertainty in global and domestic markets, causing interruptions in the operations of most organisations to date. While the Commission successfully fast tracked a vast programme of hybrid course delivery strategies to minimise disruptions to its operations, the pandemic continues to have an impact in 2021-22.

The Commission continues to closely monitor the COVID-19 outbreak after implementing regular communication mechanisms to staff members and students to manage COVID-19 impacts between 2020 and 2022. This includes regular interaction with government and public health officials at the highest levels. The Commission continues to implement mitigating actions to ensure there is minimal disruption to its normal operations.

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

Fair value of property, plant and equipment

The Commission has conducted an assessment of the fair value of its property, plant and equipment as at 30 June 2022. The Commissions' independent valuers, Jones Lang LaSalle, reported that COVID-19, amongst other macroeconomic influences, has led to "significant valuation uncertainty" due to the continued impact on the Sydney and greater NSW construction market with supply chains, material shortages, shipping movements and price rises having an effect on building materials. Further commentary on recognition and measurement is provided in Note 10 and 15.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2022

1. Summary of Significant Accounting Policies (continued)

(i) *Impact of COVID-19 on Financial Reporting for 2021-22 (continued)*

Grants and contributions

The Commission received additional funding in 2020 and 2021 to assist in its ability to continue delivering educational services in a COVID-19 safe manner for staff and students. No additional funding was received in financial year 2022 with the Commission funding the continued impact of COVID-19 through the existing budget. Further commentary on recognition and measurement is provided in Note 3.

Allowance for expected credit losses

The Commission implemented a moratorium on debt collection activities in periods throughout 2020 to 2022. The pause in collection activities was due to the ongoing developments of COVID-19 and was implemented by the Commission to alleviate any unnecessary financial hardship and emotional distress on studying students.

As COVID-19 continues to have an impact on the community, considerations to the impacts and uncertainty of COVID-19 have been factored into the Expected Credit Losses methodology which has been reviewed at each reporting date. Further commentary on recognition and measurement is provided in Note 7 and 26.

Leasing arrangements

Continuing from the prior financial years rent relief period of 11-months, NSW Treasury advised agencies that the *Retail and Other Commercial Leases (COVID-19) Regulation 2022* (the Regulation) was passed on 13 January 2022. Amendments to the legislation required landlords to negotiate rent relief up until 13 March 2022 in the absence of ongoing JobSaver and Micro-business Grant payments. The financial impact of the rent relief is immaterial in comparison to gross rent received during the financial year. Further commentary on recognition and measurement is provided in Note 3(b).

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2022

2. Expenses Excluding Losses

(a) *Employee related expenses*

	2022	2021
	\$'000	\$'000
Salaries and wages (including annual leave) ^a	1,063,144	1,064,585
Superannuation - defined benefit plans	6,258	7,571
Superannuation - defined contribution plans	102,251	100,693
Long service leave	(16,318)	18,965
Workers' compensation insurance	16,039	12,027
Payroll tax and fringe benefit tax	56,651	57,103
Redundancy / Other	20,816	23,263
Total employee related expenses	1,248,841	1,284,207

^a. An amount of \$5.2m of employee-related expenses were capitalised during the year (2021: \$3.6m) and are therefore excluded from the balances above.

(b) *Personnel services expenses*

	2022	2021
	\$'000	\$'000
Salaries and wages (including annual leave)	10,427	3,661
Superannuation - defined contribution plans	55	43
Long service leave	534	274
Workers' compensation insurance	98	33
Payroll tax and fringe benefit tax	512	180
Redundancy / Other	379	33
Total personnel services expenses	12,005	4,224

Recognition and Measurement

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

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2022

2. Expenses Excluding Losses (continued)

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

	2022	2021
	\$'000	\$'000
Auditor's remuneration - audit of the financial statements ^a	985	985
Expense relating to short-term leases	-	9
Variable lease payments, not included in lease liabilities	3,542	4,917
Maintenance	98,190	68,100
Insurance	9,396	7,796
Consultants	1,051	391
Contractors	39,608	50,414
Cleaning	58,242	69,007
Agents' fees	728	822
Shared Services	2,162	2,547
Service expenses	120,365	71,794
Minor stores, provisions, plant and computing	53,467	52,849
Travel and motor vehicle expenses	5,097	5,691
Postage and telephone	4,271	4,909
Utilities	17,721	19,777
Printing	5,852	6,813
Advertising	17,232	17,466
Other operating expenses	16,419	13,950
Total other operating expenses	454,328	398,237

^a. Total audit fees for the year per the Annual Engagement Plan are \$0.985m (2021: \$0.985m) excluding GST. NSW Audit Office has not provided any non-audit services for 2022 and 2021.

Recognition and Measurement

Maintenance

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

Insurance

The Commission's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

Lease expense

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

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

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

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2022

2. Expenses Excluding Losses (continued)

(d) Depreciation and amortisation expense

	2022	2021
	\$'000	\$'000
Depreciation		
Buildings and improvements	143,169	147,087
Plant and equipment	17,947	11,686
Right of use assets - buildings	2,899	1,803
Right of use assets - plant and equipment	3,671	4,154
	167,686	164,730
Amortisation		
Intangibles	3,381	3,859
	3,381	3,859
Total depreciation and amortisation expense	171,067	168,589

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

(e) Finance Costs

	2022	2021
	\$'000	\$'000
Interest expense from lease liabilities	265	274
Total finance costs	265	274

Recognition and Measurement

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

3. Revenue

Recognition and measurement

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

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

	2022	2021
	\$'000	\$'000
Sale of goods		
Course projects and materials	3,829	5,858
	3,829	5,858
Rendering of services		
Student fees	240,294	300,975
Other	10,514	15,153
	250,808	316,128
Total sale of goods and rendering of services	254,637	321,986

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2022

3. Revenue (continued)

Recognition and measurement

Sale of goods

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

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

Rendering of service

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

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

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

(b) *Investment revenue*

	2022	2021
	\$'000	\$'000
Interest revenue	502	467
Rental income	2,965	4,205
Total investment revenue	<u>3,467</u>	<u>4,672</u>

Recognition and measurement

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial assets (i.e., after deducting the loss allowance for expected credit losses).

Rental Income

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

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2022

3. Revenue (continued)

(c) Grants and other contributions

	2022 \$'000	2021 \$'000
Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity		
Asset contributions	152,734	118,375
	152,734	118,375
Other grants with sufficiently specific performance obligations		
Entitlement subsidy	411,608	441,492
Targeted priority	377,249	349,764
Other public sector agencies	30,726	75,604
	819,583	866,860
Grants without sufficiently specific performance obligations		
Operational based funding	474,211	425,260
Community service obligation	151,486	164,449
Commonwealth government	3,957	2,885
Other public sector agencies	20,280	22,366
	649,934	614,960
Donations		
Donations and industry contributions	246	-
	246	-
Total grants and other contributions	1,622,497	1,600,195

Recognition and measurement

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

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

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

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

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

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2022

3. Revenue (continued)

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

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

	2022	2021
	\$'000	\$'000
Superannuation - defined benefit	5,904	7,176
Superannuation on annual leave – defined benefit	70	27
Long service leave	(15,782)	19,239
Payroll tax - defined benefit	285	368
Total acceptance by the Crown of employee benefits and other liabilities	(9,523)	26,810

(e) *Other Income*

	2022	2021
	\$'000	\$'000
Insurance recovery	5,521	2,223
Other income	49	-
Total other income	5,570	2,223

4. Gains / (losses) on disposal

	2022	2021
	\$'000	\$'000
Gains / (losses) on disposal of property, plant and equipment		
Proceeds from disposal	2,808	23,568
Written down value of assets disposed ^a	(5,827)	(10,586)
Net gains / (losses) on disposal of property, plant and equipment	(3,019)	12,982

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

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2022

5. Other gains / (losses)

	2022	2021
	\$'000	\$'000
(Increase) / decrease in expected credit losses	2,332	(4,518)
Recovered receivables previously impaired	8,427	10,744
Write-off buildings	(1,731)	(1,015)
Write-off plant and equipment	(243)	(111)
Gain on termination of lease liability	11	-
Write-off intangibles	(5,689)	-
Total other gains / (losses)	3,107	5,100

Recognition and measurement

Impairment losses on non-financial assets

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

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

6. Cash and Cash Equivalents

	2022	2021
	\$'000	\$'000
Cash at bank and on hand	301,156	433,158
Total cash and cash equivalents	301,156	433,158

For the purposes of the statement of cash flows, cash and cash equivalents includes cash at bank, cash on hand and subject to an insignificant risk of changes in value, and net of outstanding bank overdraft. Cash at bank and on hand is exclusive of any restricted cash held by the Commission for student prize awards for 2022, however cash at bank included \$14k of interest for restricted prize funds in 2021, refer to Note 9 for disclosure on restricted assets.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

	2022	2021
	\$'000	\$'000
Cash and cash equivalents (per statement of financial position)	301,156	433,158
Closing cash and cash equivalents (per statement of cash flows)	301,156	433,158

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

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2022

7. Current / Non-Current Assets - Receivables

	2022	2021
	\$'000	\$'000
Current:		
Trade receivables from contracts with customers	66,166	58,839
Student receivables	36,966	58,721
Other receivables	51,320	44,235
Prepayments	23,096	13,878
	177,548	175,673
Less: Allowance for expected credit losses:		
- Trade receivables from contracts with customers	(7,166)	(16,305)
Total expected credit losses	(7,166)	(16,305)
Total current receivables	170,382	159,368
	2022	2021
	\$'000	\$'000
Movements in Allowance for expected credit losses:		
Balance at 1 July	(16,305)	(19,959)
Amounts written off during the year	6,888	9,562
Amounts recovered during the year	(8,427)	(10,744)
(Increase) / decrease in allowance recognised in net result	10,678	4,836
Balance at 30 June	(7,166)	(16,305)
	2022	2021
	\$'000	\$'000
Non-Current		
Prepayments	3,406	2,219
Total non-current receivables	3,406	2,219

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

Recognition and measurement

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

The Commission holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2022

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

Impairment

The Commission recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Commission expects to receive, discounted at the original effective interest rate.

For trade receivables from contracts with customers, the Commission applies a simplified approach in calculating ECLs. The Commission recognises a loss allowance based on lifetime ECLs at each reporting date. The Commission has established a provision matrix based on its historical credit loss experience for trade receivables from contracts with customers, adjusted for forward-looking factors specific to the receivable.

8. Contract Assets and Liabilities

	2022	2021
	\$'000	\$'000
Contract assets - current	141,539	131,825
Less: impairment allowance	<u>(77,732)</u>	<u>(72,103)</u>
	<u>63,807</u>	<u>59,722</u>
 Contract liabilities - current	 128,337	 201,161
	<u>128,337</u>	<u>201,161</u>
 Contract receivables (included in Note 7)	 <u>84,340</u>	 <u>101,093</u>

Recognition and measurement

Contract assets relate to the Commission's right to consideration in exchange for courses delivered, but not billed at the reporting date in respect of Entitlement Revenue. The balance of contract assets at 30 June 2022 was impacted by the Commission's eligibility for Entitlement revenue following a student's satisfactory achievement of set milestones within the subsidised course, held to a yearly predetermined funding cap. On satisfaction of student's meeting specified milestones in subsidised courses, performance obligations are reported to Department of Education and typical timing of payment is made immediately.

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

As of 30 June 2022, the transaction price allocated to the remaining performance obligations from contracts with customers is \$369.5m (2021: \$381.3m). The Transaction price allocated to the remaining performance obligations relates to Smart and Skilled Entitlement Revenue, of which 66% is expected to be recognised as revenue in the 2022-23 financial year, 29% in the 2023-24 financial year and 5% beyond the 2023-24 financial year.

Contract liabilities relate to the Commission's consideration received in advance from customers in respect of sale of goods and services from contracts with customers and capital funding received in advance of capital expenditure.

The balance of contract liabilities for the sale of goods and services from contracts with customers at 30 June 2022 was impacted by the variable consideration of student fees. The Commission performed an analysis of historical information to ensure a sound basis for estimating the future variations in student fees 'expected value'. Historical refund rates have been used to comply with AASB 15 para 55 requirements to recognise a provision for 'refund liability' or 'contract liability'. The provision for expected variation or contract liability is recognised as a liability at the inception of a student's enrolment and recognises the amount of revenue that is expected not to be realised over the period of delivery, based on past experience. The contract liability has remained at a consistent balance as a proportion to student fee revenue during the financial year.

Revenue recognised in 2021-22 financial year that was included in the contract liability balance at the beginning of the year was \$106.7m. No revenue was recognised in the current reporting period that related to performance obligations in a prior year.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2022

9. Restricted Assets

	2022	2021
	\$'000	\$'000
Prize funds	158	144
Total restricted assets	158	144

Recognition and measurement

Restricted Assets are held in a high interest bank account. The Restricted Assets represent donations held by the Commission for student prize awards with interest earned used to fund awards. Donations are recognised upon receipt of cash. Interest on Restricted Assets, to the value of \$14k, was disclosed as part of Cash at bank and on hand balance for 2021 (refer Note 6).

10. Property, Plant and Equipment

(a) Total property, plant and equipment

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

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2022

10. Property, Plant and Equipment (continued)

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

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
At 1 July 2021 - fair value				
Gross carrying amount	1,492,818	6,459,365	211,276	8,163,459
Accumulated depreciation and impairment	-	(3,916,073)	(153,359)	(4,069,432)
Net carrying amount	1,492,818	2,543,292	57,917	4,094,027
Year ended 30 June 2022				
Net carrying amount at beginning of year	1,492,818	2,543,292	57,917	4,094,027
Purchase of assets	-	175,489	41,135	216,624
Disposals	-	(3,097)	(19)	(3,116)
Write-offs	-	(1,731)	(285)	(2,016)
Net change in revaluation surplus for assets disposed	-	(10,525)	-	(10,525)
Net revaluation increments less revaluations decrements	109,059	304,482	-	413,541
Depreciation expense	-	(143,169)	(17,947)	(161,116)
Net carrying amount at end of year	1,601,877	2,864,741	80,801	4,547,419
At 30 June 2022 - fair value				
Gross carrying amount	1,601,877	6,890,570	246,723	8,739,170
Accumulated depreciation and impairment	-	(4,025,829)	(165,922)	(4,191,751)
Net carrying amount	1,601,877	2,864,741	80,801	4,547,419

Buildings at Meadowbank to the net book value of \$3.1m were demolished as part of the upgrade of the site to the new Connected Learning Centre (CLC) model.

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

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

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

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2022

10. Property, Plant and Equipment (continued)

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

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
At 1 July 2021 - fair value				
Gross carrying amount	1,488,733	6,363,511	211,276	8,063,520
Accumulated depreciation and impairment	-	(3,841,063)	(153,359)	(3,994,422)
Net carrying amount	1,488,733	2,522,448	57,917	4,069,098
Year ended 30 June 2022				
Net carrying amount at beginning of year	1,488,733	2,522,448	57,917	4,069,098
Purchase of assets	-	175,301	41,135	216,436
Disposals	-	(3,097)	(19)	(3,116)
Write-offs	-	(1,731)	(285)	(2,016)
Assets transferred from an operating lease arrangement used by the Commission	-	3,262	-	3,262
Assets transferred to an operating lease arrangement	(37,815)	(31,034)	-	(68,849)
Net change in revaluation surplus for assets disposed	-	(10,525)	-	(10,525)
Net revaluation increments	105,998	298,514		404,512
Depreciation expense	-	(140,105)	(17,947)	(158,052)
Net carrying amount at end of year	1,556,916	2,813,033	80,801	4,450,750
At 30 June 2022 - fair value				
Gross carrying amount	1,556,916	6,727,512	246,723	8,531,151
Accumulated depreciation and impairment	-	(3,914,479)	(165,922)	(4,080,401)
Net carrying amount	1,556,916	2,813,033	80,801	4,450,750

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

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

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2022

10. Property, Plant and Equipment (continued)

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

	Land \$'000	Buildings \$'000	Total \$'000
At 1 July 2021 - fair value			
Gross carrying amount	4,085	95,854	99,939
Accumulated depreciation and impairment	-	(75,010)	(75,010)
Net carrying amount	4,085	20,844	24,929
Year ended 30 June 2022			
Net carrying amount at beginning of year	4,085	20,844	24,929
Purchase of assets	-	188	188
Assets transferred to an operating lease arrangement	37,815	31,034	68,849
Assets transferred from an operating lease arrangement to used by the Commission	-	(3,262)	(3,262)
Net revaluation increments	3,061	5,968	9,029
Depreciation expense	-	(3,064)	(3,064)
Net carrying amount at end of year	44,961	51,708	96,669
At 30 June 2022 - fair value			
Gross carrying amount	44,961	163,058	208,019
Accumulated depreciation and impairment	-	(111,350)	(111,350)
Net carrying amount	44,961	51,708	96,669

Recognition and measurement

Acquisition of property, plant and equipment

Property, plant and equipment acquired are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e., the deferred payment amount is effectively discounted over the period of credit.

Capitalisation threshold

Property, plant and equipment costing \$10,000 and above individually (or forming part of a network costing more than \$10,000) are capitalised. The threshold for intangibles is \$50,000. Capitalisation thresholds remain unchanged from prior year.

Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with NSW Treasury Policy and Guidelines TPP21-09 *Valuation of Physical Non-Current Assets at Fair Value* (TPP21-09). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* (AASB 13) and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and takes into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government such as zoning and heritage restrictions. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2022

10. Property, Plant and Equipment (continued)

Recognition and measurement (continued)

Revaluation of property, plant and equipment (continued)

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Refer Note 15 for further information regarding fair value.

Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date. The Commission conducts a comprehensive revaluation at least every three years for its land where the market approach is the most appropriate valuation technique and at least every five years for other classes including buildings and property, plant and equipment. The Commission's revaluation cycle is designed to maximise professional valuer's site visits whereby land is comprehensively revalued on each occasion of building comprehensive revaluation. The last comprehensive revaluation for land was completed for the year ended 30 June 2021 and the last comprehensive revaluation for buildings was completed for the year ended 30 June 2018. In both instances revaluation was based on independent valuation experts, Jones Lang La Salle (JLL).

Interim revaluations are conducted between comprehensive revaluations to determine whether cumulative changes to indicators suggest fair value may differ materially from carrying value. In the current year an interim revaluation was completed for land and buildings, to determine indexation values for the year ended 30 June 2022. JLL gave consideration to a wide range of factors and market changes in their determination of indexation factors. Management has recognised the fair value uplift for land and buildings for the year ended 30 June 2022.

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

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

Revaluation increments are recognised in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as a gain in the net result.

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

As a not-for-profit entity, revaluation increments, and decrements are only offset within a class of non-current assets. The Commission has two classes related to the asset revaluation reserves being land and buildings.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation surplus in respect of that asset is transferred to accumulated funds.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2022

10. Property, Plant and Equipment (continued)

Recognition and measurement (continued)

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment arises in the circumstances such as where the costs of disposal are material.

The Commission assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Commission estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the asset revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life by the Commission. Land is not a depreciable asset.

All material identifiable components of assets are depreciated separately over their useful lives and have not changed since 2021. These are listed below.

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

Right-of-Use Assets acquired by lessees

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

Further information on leases is contained at Note 11.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2022

11. Leases

(a) The Commission as a Lessee

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

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Commission and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of \$0.6m.

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

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

Right-of-use assets under leases

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

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

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

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2022

11. Leases (continued)

(a) The Commission as a Lessee (continued)

Lease liabilities

The following table presents liabilities under leases

	2022	2021
	\$'000	\$'000
Balance at 1 July	15,959	20,088
Additions	7,255	1,653
Retirements	(1,431)	-
Interest expenses	265	274
Payments	(5,686)	(6,056)
Balance at 30 June	16,362	15,959

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

	2022	2021
	\$'000	\$'000
Depreciation expense of right-of-use assets	6,570	5,957
Interest expense on lease liabilities	265	274
Expense relating to short-term leases	-	9
Variable lease payments, not included in the measurement of lease liabilities	3,542	4,917
Total amount recognised in the statement of comprehensive income	10,377	11,157

The Commission had total cash outflows for leases of \$5.69m during the year (2021: \$6.06m).

Recognition and measurement

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

i. Right-of-use assets

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

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

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

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

11. Leases (continued)

(a) The Commission as a Lessee (continued)

Recognition and measurement (continued)

i. Right-of-use assets (continued)

The right-of-use assets are also subject to impairment. The Commission assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Commission estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

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

ii. Lease liabilities

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

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

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

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

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

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

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2022

11. Leases (continued)

(b) The Commission as a Lessee (continued)

Recognition and measurement (continued)

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

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

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

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

(b) The Commission as a Lessor

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

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

Lessor for operating leases

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

	2022	2021
	\$'000	\$'000
Within one year	1,718	3,964
One to two years	1,518	568
Two to three years	1,406	446
Three to four years	1,440	54
Four to five years	573	42
Later than five years	26	77
Total (excluding GST)	6,681	5,151

Recognition and measurement – lessor for operating leases

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

Technical and Further Education Commission
Notes to the Financial Statements
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12. Intangible Assets

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

Year ended 30 June 2021

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

	Software \$'000	Total \$'000
At 1 July 2021		
Cost (gross carrying amount)	247,620	247,620
Accumulated amortisation and impairment	(113,026)	(113,026)
Net carrying amount	134,594	134,594

Year ended 30 June 2022

Net carrying amount at beginning of year	134,594	134,594
Additions (from internal development)	17,247	17,247
Write-offs	(5,689)	(5,689)
Amortisation (recognised in "depreciation and amortisation")	(3,381)	(3,381)
Net carrying amount at end of year	142,771	142,771

At 30 June 2022

Cost (gross carrying amount)	259,178	259,178
Accumulated amortisation and impairment	(116,407)	(116,407)
Net carrying amount	142,771	142,771

Recognition and measurement

The Commission recognises intangible assets only if it is probable that future economic benefits will flow to the Commission and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Commission's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite and the expected useful lives for the below categories of intangible assets have not changed since 2021. These are listed below.

Asset	Useful life range
Software	3 to 10 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The Commission's intangible assets are amortised using the straight-line method.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

Technical and Further Education Commission

Notes to the Financial Statements

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13. Non-Current Assets Held-For-Sale

	2022	2021
Assets held-for-sale	\$'000	\$'000
Land	-	2,494
Buildings	-	217
Total assets held for sale	-	2,711

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

	2022	2021
	\$'000	\$'000
Net change in revaluation surplus equity investments measured at FVOCI	-	(440)
	-	(440)

Properties at Castle Hill were recognised as Assets Held for Sale in 2021 and divested in 2022.

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

Recognition and measurement

The Commission classifies non-current assets as held-for-sale, where the carrying amounts will be recovered principally through a sale transaction, not through continuing use. Non-current assets held-for-sale are recognised at the lower of their carrying amount and fair value less costs of disposal.

These assets are not depreciated / amortised while they are classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are continued to be recognised.

14. Other Financial Assets

	2022	2021
	\$'000	\$'000
Shares	175	175
Total financial assets at fair value	175	175

Recognition and measurement

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

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2022

15. Fair Value Measurement of Non-Financial Assets

Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. These inputs are categorised under AASB 13 as follows:

- Level 1 – quoted prices in active markets for identical assets/liabilities that the Commission can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Commission recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(a) Fair value hierarchy

		Level 1 Fair Value \$'000	Level 2 Fair Value \$'000	Level 3 Fair Value \$'000	Total Fair Value \$'000
30 June 2022	Note				
Land	10	-	538,523	1,063,354	1,601,877
Buildings	10	-	-	2,864,741	2,864,741
Non-current assets held for sale	13	-	-	-	-
Carrying value as at 30 June 2022		-	538,523	3,928,095	4,466,618
30 June 2021	Note				
Land	10	-	501,859	990,959	1,492,818
Buildings	10	-	-	2,543,292	2,543,292
Non-current assets held for sale	13	-	-	2,711	2,711
Carrying value as at 30 June 2021		-	501,859	3,536,962	4,038,821

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Notes to the Financial Statements
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15. Fair Value Measurement of Non-Financial Assets (continued)

(b) Reconciliation of recurring Level 3 fair value measurements

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Land	Buildings	Non-current Assets Held- for-Sale	Total Recurring Level 3 Fair Value
	\$'000	\$'000	\$'000	\$'000
Fair value as at 1 July 2021	990,959	2,543,292	2,711	3,536,962
Additions	-	175,489	-	175,489
Disposals	-	(3,097)	(2,711)	(5,808)
Write-offs	-	(1,731)	-	(1,731)
Net change in revaluation surplus for assets disposed	-	(10,525)	-	(10,525)
Revaluation increments recognised in Other comprehensive income	72,395	304,482	-	376,877
Depreciation	-	(143,169)	-	(143,169)
Fair value as at 30 June 2022	1,063,354	2,864,741	-	3,928,095

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

Technical and Further Education Commission
Notes to the Financial Statements
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15. Fair Value Measurement of Non-Financial Assets (continued)

(c) Valuation techniques

i. Land

Land valuations are stated at fair value using a Comparative Market Value basis, adjusted for restrictions and applied to each site area. In the current year, the Commission's fair value was estimated by an asset materiality review. Due consideration was given to the inclusion in the valuation or otherwise, of land and buildings that are "shared" (i.e., where the legal title is in another entity's name, but the Commission wholly or partially utilises the asset in the ordinary course of business). In 2021, a comprehensive land valuation was completed by independent valuation experts, JLL, which included full site inspections as part of their assessment in determining fair value. Management has recognised the fair value uplift for land for the year ended 30 June 2022.

ii. Buildings

All building assets are stated at fair value using the Current Replacement Cost method. In 2018, a comprehensive valuation of building assets was carried out by independent valuation experts, JLL. JLL conducted full site inspections, condition assessments and building re-componentisation to determine fair value. In the current year, the Commission engaged JLL to conduct an interim asset materiality review by applying the relevant indexation factors to the Commission's building assets to determine the fair value, which management has recognised for the year ended 30 June 2022.

iii. Plant and equipment

TPP21-09 requires the revaluation of plant and equipment to be undertaken at least every five years. Given plant and equipment is primarily made up of furniture and fixtures and IT equipment, the Commission has deemed the fair value of plant and equipment to approximate the written down value. Plant and equipment are examples of recurring fair value measurements. Plant and equipment measured using depreciated historical cost as an approximation of fair value do not require fair value hierarchy disclosures.

16. Current Liabilities – Payables

	2022	2021
	\$'000	\$'000
Accrued salaries, wages and on-costs	35,424	31,733
Creditors	104,355	79,270
Group, payroll and fringe benefits tax	4,784	4,855
Other	26,392	23,641
Total current payables	170,955	139,499

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

Recognition and measurement

Payables represent liabilities for goods and services provided to the entity and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

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

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17. Current / Non-Current Liabilities – Provisions

	2022	2021
	\$'000	\$'000
Current		
Employee benefits and related on-costs: ^(a)		
Annual leave ^a	64,411	55,581
On-costs annual leave	16,610	17,504
On-costs long service leave	33,857	41,024
	114,878	114,109
Other Provisions:		
Provisions for refunds and related commitments	2,798	3,310
Provisions for restructure	6,147	13,063
	8,945	16,373
Total current provisions	123,823	130,482
Non-current		
Employee benefits and related on-costs: ^(a)		
On-costs long service leave	3,349	4,056
	3,349	4,056
Other Provisions:		
Provisions for refunds	2,099	4,551
Provision for make good	1,244	-
	3,343	4,551
Total non-current provisions	6,692	8,607
Total provisions	130,515	139,089

^a. It is estimated that the provision for annual leave and on-costs for annual leave and long service leave of \$118.2m (2021: \$118.1m) includes an amount of \$102.9m expected to be settled within 12 months (2021: \$103.3m) and an amount of \$15.3m is expected to be settled in more than 12 months (2021: \$14.8m).

	Note	2022	2021
		\$'000	\$'000
Aggregate employee benefits and related on-costs			
Provisions - current		114,878	114,109
Provisions - non-current		3,349	4,056
Accrued salaries, wages and on-costs	16	35,424	31,733
Total aggregate employee benefits and related on-costs		153,651	149,898

Technical and Further Education Commission
Notes to the Financial Statements
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17. Current / Non-Current Liabilities – Provisions (continued)

Movements in provisions (other than employee benefits)

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

	Provisions for Refunds \$'000	Provisions for Restructure \$'000	Provisions for Make good \$'000	Total \$'000
Balance at 1 July	7,861	13,063	-	20,924
Additional provisions recognised	-	17,734	1,244	18,978
Amount used	(2,964)	(24,650)	-	(27,614)
Balance at 30 June	4,897	6,147	1,244	12,288

Recognition and measurement

Employee benefits and related on-costs

i. Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% (2021: 7.9%) of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Commission has assessed the actuarial advice based on the Commission's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the Commission does not expect to settle the liability within 12 months as the Commission does not have an unconditional right to defer settlement.

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

ii. Long service leave and superannuation

The Commission's liabilities for long service leave and defined benefit superannuation are assumed by the Crown. The Commission accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown of employee benefits and other liabilities".

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

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

iii. Consequential on-costs

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

Technical and Further Education Commission

Notes to the Financial Statements

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

Other provisions

Provisions are recognised when: the Commission has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Commission expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income. Students are eligible to apply for refunds under special circumstances. The Commission has recognised a provision of \$4.9m (2021: \$7.9m) to remit funds to the Commonwealth Department of Education based on actuarial assessment of historical remissions. The timing of the outflow is uncertain. There are no reimbursements associated with the provision.

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

18. Current / Non-Current Liabilities – Lease Liabilities

	2022 \$'000	2021 \$'000
Current		
Lease liability (see Note 11)	5,606	5,616
Total current lease liability	5,606	5,616
Non-Current		
Lease liability (see Note 11)	10,756	10,343
Total non-current lease liability	10,756	10,343
Total lease liabilities	16,362	15,959

19. Commitments

	2022 \$'000	2021 \$'000
Capital Commitments		
Aggregate capital expenditure contracted for at balance date and not provided for:		
Within one year	88,003	130,525
Later than one year and not later than five years	-	11,017
Total (including GST)	88,003	141,542

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20. Contingent Liabilities and Contingent Assets

(a) Contingent liabilities

Legal matters

There are no known cases where the Commission could be liable for material compensation payments relating to matters, which are the subject of litigation that are not covered by the NSW Treasury Managed Fund and icare Treasury Managed Fund.

(b) Contingent assets

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

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

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

	2022 \$'000	2021 \$'000
Net cash used on operating activities	105,726	347,008
Depreciation and amortisation	(171,067)	(168,589)
Allowance for impairment and write-offs	(7,652)	(1,126)
(Increase) / decrease in provisions	8,574	(15,656)
Increase in receivables	12,201	40,635
Increase / (decrease) in contract assets	4,085	(61,151)
(Increase) / decrease in contract liabilities	72,824	(2,806)
Increase in other financial assets	14	-
(Increase) in payables	(31,456)	(32,860)
Net gain/(loss) on sale of property, plant and equipment	(3,019)	12,982
Net result	(9,770)	118,437

22. Non-Cash Financing and Investing Activities

	2022 \$'000	2021 \$'000
Liabilities and expenses assumed by the Crown ^a	9,523	(26,810)
	9,523	(26,810)

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

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23. Related Party Disclosures

(a) Key Management Personnel

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

	2022	2021
	\$'000	\$'000
Short-term employee benefits	2,985	2,576
Post-employment benefits	163	171
Separation benefits	429	61
Total remuneration	3,577	2,808

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Commission, directly or indirectly, including any director (whether executive or otherwise) of the Commission.

Compensation is aggregated by the following categories:

- short-term employee benefits;
- post-employment benefits;
- other long-term benefits; and
- separation benefits.

Compensation includes:

- Short-term employee benefits including wages, salaries, paid annual leave and paid sick leave, allowances, bonuses (if payable within twelve months of the end of the financial year) and non-monetary benefits (such as, cars and free or subsidised goods or services);
- Post-employment benefits include compulsory superannuation contributions; and
- Other long-term employee benefits (benefits other than short-term, separation or post-employment benefits), such as long service leave or sabbatical leave, jubilee or other long service benefits, long-term disability benefits and, if not payable wholly within twelve months of the end of the financial year, profit-sharing, bonuses and deferred compensation.

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

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

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

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

- Corporate services fees of \$2.2m (2021: \$2.5m) were incurred to the DoE in respect of IT and other services of which, \$0.3m (2021: \$2.2m) is accrued at year end.
- TAFE Delivered Vocational Education and Training (TVET) course fee revenue totalling \$37.0m (2021: \$36.7m) and recurrent grant and entitlement revenue of \$1.6bn (2021: \$1.6bn) from the Department of Education, of which \$22.5m (2021: \$71.9m) is the net contract liability and \$59.5m (2021: \$42.6m) was accrued revenue at year end.

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2022

23. Related Party Disclosures (continued)

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

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

24. Budget Review

The Commission's net result of \$9.7m loss is a \$56m unfavourable variation against the budgeted net result of \$46m. The major factors contributing to this variation are outlined below:

- Total revenue was \$134m (or 5%) less than budget. Reductions were a result of a decrease in training revenues as a result of the impact of Australian border closures on international student enrolments, general softening of the commercial market and general change in trends in the domestic education market.
- Employee related expenses were \$76m (or 6%) favourable to budget primarily due to actuarial adjustments to employee benefits assumed by the Crown Entity.
- Other Operating expenses were \$6m (or 1%) favourable to budget primarily due to savings relating to reduced on-site campus activity, partially offset by higher course development fees as a result of changes to the national training packages. The savings were redirected in part to provide additional teaching resources and accelerate repairs and maintenance projects.

The Commission's total net assets were \$374m higher than the budget. The major factor contributing to this movement was the increase in the carrying value for land and buildings as a result of an interim valuation completed for FY2021-22.

The Commission's net cash flows from operating activities is a net inflow of \$106m compared to a budgeted cash inflow of \$225m. This is mainly driven by the impact of Australian border closures on international student enrolments, general softening of the commercial market and general change in trends in the domestic education market.

Technical and Further Education Commission

Notes to the Financial Statements

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25. Trust Funds

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

	2022 \$'000	2021 \$'000
(a) Barry Raymund Roberts Memorial		
Cash / investment at the beginning of the financial year	117	116
Add: Receipts	-	1
Cash / investment at the end of the financial year	117	117
(b) Coachbuilders War Memorial Bursary Trust		
Cash / investment at the beginning of the financial year	30	30
Cash / investment at the end of the financial year	30	30
(c) Mary Ellen Roberts Memorial		
Cash / investment at the beginning of the financial year	9	9
Cash / investment at the end of the financial year	9	9
(d) Noel Chettle Memorial Art Prize		
Cash / investment at the beginning of the financial year	41	42
Add: Receipts	1	-
Less: Expenditure	-	(1)
Cash / investment at the end of the financial year	42	41
(e) Oliver Shaul Scholarship Trust		
Cash / investment at the beginning of the financial year	298	296
Add: Receipts	1	2
Cash / investment at the end of the financial year	299	298
(f) William and Elizabeth Cuthbertson Memorial		
Cash / investment at the beginning of the financial year	18	17
Add: Receipts	-	1
Cash / investment at the end of the financial year	18	18

Technical and Further Education Commission

Notes to the Financial Statements

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26. Financial Instruments

The Commission's main risks arising from financial instruments are outlined below, together with the Commission's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements. These financial instruments arise directly from the Commission's operations or are required to finance the Commission's operations. The Commission does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Commission does not use financial derivatives.

The Managing Director has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Commission, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee and internal auditors on a regular basis.

(a) Financial instrument categories

			Carrying Amount 2022 \$'000	Carrying Amount 2021 \$'000
Financial Assets	Note	Category		
Class:				
Cash and cash equivalents	6	N/A	301,156	433,158
Receivables ^a	7	Amortised Cost	65,683	61,897
Other financial assets	9 & 14	Amortised Cost	333	319
Financial Liabilities				
Class:				
Payables ^b	16	Financial liabilities measured at amortised cost	130,775	102,652
Lease liabilities	18	Financial liabilities measured at amortised cost	16,362	15,959

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

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

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

(b) Derecognition of financial assets and financial liabilities

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

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

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

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

Technical and Further Education Commission

Notes to the Financial Statements

for the year ended 30 June 2022

26. Financial Instruments (continued)

(c) *Offsetting financial instruments*

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

(d) *Financial risks*

i. **Credit risk**

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

Credit risk arises from the financial assets of the Commission, including cash, receivables and authority deposits. No collateral is held by the Commission. The Commission has not granted any financial guarantees.

Credit risk associated with the Commission's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Accounting policy for impairment of trade receivables and other financial assets

Receivables – trade receivables

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

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

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Commission has identified historical collectability rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors. Expected credit losses is applied to each past due commercial receivable, where as expected credit losses is increased to incorporate the risk that debts 60 - 180 days past due as also uncollectible for student receivables, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 180 days past due.

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Notes to the Financial Statements
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26. Financial Instruments (continued)

(d) Financial risks (continued)

i. Credit risk (continued)

Receivables – trade receivables (continued)

The loss allowance for trade receivables as at 30 June 2022 and 2021 was determined as follows:

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

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

Note: The analysis excludes statutory receivables and prepayments as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 7 and the contract assets total in Note 8.

The Commission is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2022 and 2021. Most of the Commission's trade debtors have a good credit rating.

ii. Liquidity risk

Liquidity risk is the risk that the Commission will be unable to meet its payment obligations when they fall due. The Commission continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of an operating bank account and a credit card facility. The Commission is bound by NSW Treasury banking requirements.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW Treasury Circular 11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest is paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Managing Director of the Commission (or a person appointed as delegate) may automatically pay the supplier simple interest. No interest was applied during the year.

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Notes to the Financial Statements

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26. Financial Instruments (continued)

(d) Financial risks (continued)

ii. Liquidity risk (continued)

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted average effective Int. Rate \$'000	Nominal Amount ^a \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed	Variable	Non-	< 1 yr	1 - 5 yrs	> 5 yrs
			Interest	Interest	interest			
			Rate	Rate	bearing			
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022								
Payables:								
Creditors	-	130,775	-	-	130,775	130,775	-	-
Lease Liabilities	1.73%	16,362	16,362	-	-	5,606	8,165	2,591
2021								
Payables:								
Creditors	-	102,652	-	-	102,652	102,652	-	-
Lease Liabilities	1.57%	15,960	15,960	-	-	5,616	10,162	182

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

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Commission has no exposure to market risk.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Commission operates and the time frame for the assessment (i.e., until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2021. The analysis assumes that all other variables remain constant.

Technical and Further Education Commission
Notes to the Financial Statements
for the year ended 30 June 2022

26. Financial Instruments (continued)

(d) *Financial risks (continued)*

iv. Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission holds basic financial instruments that have minimal exposure to interest rate risk or other price risk. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official Reserve Bank of Australia interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Commission's exposure to interest rate risk is set out below.

	2022		2021	
	-1%	+1%	-1%	+1%
Financial Assets	\$'000	\$'000	\$'000	\$'000
Net Result	(3,013)	3,013	(4,333)	4,333
Equity	-	-	-	-

(e) *Fair value compared to carrying amount*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

27. Events after the Reporting Period

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Commission, the results of those operations or the state of affairs of the Commission in subsequent financial years.

End of audited financial statements

7.4 Technical Education Trust Funds Annual Report 2021-22



Technical Education Trust Funds

Annual Report

for the year ended 30 June 2022

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Note: Apart from the Financial Statements for the year ended 30 June 2022, all other financial information in this report is unaudited

Technical Education Trust Funds Annual Report for the year ended 30 June 2022

Brief History and Charter

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

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

The Funds are:

Barrington Raymund Roberts Memorial Fund

Coachbuilders 1914-1919 War Memorial Bursary Fund

Institute of Mechanical Engineering Craftsmen Prize Fund

J. P. Franki Memorial Fund

Mary Ellen Roberts Memorial Fund

Noel Chettle Memorial Art Prize Fund

TAFE NSW Bicentenary Oliver Shaul Scholarship Fund

William and Elizabeth Cuthbertson Memorial Fund

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

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

Aims and Objectives

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

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

Access

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

Principal office address: Building A Mary Ann Street
 Ultimo NSW 2007

Telephone: 131 601

Technical Education Trust Funds Annual Report for the year ended 30 June 2022

Management and Structure

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

- Steffen Faurby, Managing Director from 1 July 2021 until 3 December 2021;
- David Backley, Acting Managing Director from 4 December 2021 until 12 December 2021; and
- Stephen Brady, Managing Director from 13 December 2021.

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

Summary Review of Operations

During the year, interest revenue on investments and the operating bank account totalled \$1,364. There were no prize awards made during the year.

Legal Changes

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

Budget Estimates and Financial Results

	2022 Budget Estimate \$	2022 Actual \$
Revenue	1,009	1,364
Total revenue	1,009	1,364
Expenses	5,538	-
Total expenses	5,538	-
Net result	(4,529)	1,364
Total Comprehensive (Loss) / Income	(4,529)	1,364

Whilst an amount has been nominated for prize awards in the budget estimate for the year ended 30 June 2022, the actual value of awards to be made will be determined at the time by the Trustee in terms of the provisions of the Act. There is no commitment by the Trustee to make awards to the value nominated or to treat the unexpended income as accrued income for purposes of making future awards. Hence the 2022 budget was produced based on the expected income for the period.

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Technical Education Trust Funds

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Technical Education Trust Funds (the Trust), which comprises the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Trust in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

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

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Statutory Trustee's Responsibilities for the Financial Statements

The Statutory Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Statutory Trustee's responsibility also includes such internal control as the

Statutory Trustee determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

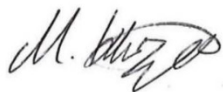
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

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

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



Michael Kharzoo
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

27 October 2022
SYDNEY

Start of Audited Financial Statements

Technical Education Trust Funds **Statement by the Statutory Trustee of the Technical Education Trust Funds** for the year ended 30 June 2022

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

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



Stephen Brady

Statutory Trustee

Date: 26 October 2022

Technical Education Trust Funds
Statement of Comprehensive Income
for the year ended 30 June 2022

	Notes	12 months to 30 June 2022 \$	18 months to 30 June 2021 \$
Revenue	2(a)	1,364	6,923
Total revenue		1,364	6,923
Expenses	2(b)	-	690
Total expenses		-	690
Net result		1,364	6,233
Total Comprehensive income		1,364	6,233

The accompanying notes form part of these financial statements.

Technical Education Trust Funds
Statement of Financial Position
as at 30 June 2022

		30 June 2022 \$	30 June 2021 \$
	Notes		
ASSETS			
Current Assets			
Cash and cash equivalents	3	20,120	18,756
Other financial assets	4	494,710	494,710
Total Current Assets		514,830	513,466
Total Assets		514,830	513,466
Net Assets		514,830	513,466
EQUITY			
Accumulated funds	5	514,830	513,466
Total equity		514,830	513,466

The accompanying notes form part of these financial statements.

Technical Education Trust Funds
Statement of Changes in Equity
as at 30 June 2022

	Notes	Accumulated Funds \$	Total \$
Balance at 1 July 2021		513,466	513,466
Net result for the year		1,364	1,364
Total comprehensive income		1,364	1,364
Balance at 30 June 2022		514,830	514,830
Balance at 1 January 2020		507,233	507,233
Net result for the period of 18 months		6,233	6,233
Total comprehensive income		6,233	6,233
Balance at 30 June 2021		513,466	513,466

The accompanying notes form part of these financial statements.

Technical Education Trust Funds
Statement of Cash Flows
for the year ended 30 June 2022

		12 months to 30 June 2022	18 months to 30 June 2021
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Prize awards		-	(690)
Total Payments		-	(690)
Receipts			
Interest received		1,364	6,923
Total Receipts		1,364	6,923
NET CASH FLOWS FROM OPERATING ACTIVITIES	6	1,364	6,233
NET INCREASE IN CASH		1,364	6,233
Opening cash and cash equivalents		18,756	12,523
CLOSING CASH AND CASH EQUIVALENTS	3	20,120	18,756

The accompanying notes form part of these financial statements.

Technical Education Trust Funds

Notes to the Financial Statements

for the year ended 30 June 2022

1. Summary of Significant Accounting Policies

(a) Reporting entity

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

The Entity changed its financial year-end from 31 December to 30 June and this is the second financial reporting period adopting the new year-end date. The financial statements are therefore for the 12-month period ended 30 June 2022 with prior year comparatives for the 18-month period ended 30 June 2021.

These financial statements for the year ended 30 June 2022 were authorised for issue by the Statutory Trustee (including the comparatives for the 18-month period ended 30 June 2021) on 26 October 2022.

(b) Basis of preparation

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

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

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

The outbreak of the Novel Coronavirus (COVID-19) was declared as a 'Global Pandemic' by the World Health Organisation on 11 March 2020. Developments throughout 2020 to 2022 have caused uncertainty for the global and Australian economy. As a result, management has continually assessed and considered likely impacts of COVID-19 on the financial statements arising from this major global event.

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

(c) Statement of compliance

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

(d) Statutory reporting period

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

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

(e) Income Tax Recognition

The Entity is exempt from income tax.

Technical Education Trust Funds
Notes to the Financial Statements
for the year ended 30 June 2022

1. Summary of Significant Accounting Policies (continued)

(f) Comparative information

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

The Entity has changed its financial year-end from 31 December to 30 June and this is the second financial reporting period adopting the new year-end date. The financial statements are therefore for the year ended 30 June 2022. The comparatives are for the 18-month period ended 30 June 2021.

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

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

- the amount of GST incurred by the Entity as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the Australian Taxation Office are classified as operating cash flows.

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

(i) Effective for the first time in the year ended 30 June 2022

There were no new AAS applied for the first time in 2021-22. The accounting policies applied in 2021-22 are consistent with those of the previous financial year.

(ii) Issued but not yet effective

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

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

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

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

Technical Education Trust Funds
Notes to the Financial Statements
for the year ended 30 June 2022

1. Summary of Significant Accounting Policies (continued)

(i) Common trust fund

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

(j) Trust fund assets

Apart from funds invested as cash deposits, the Entity held no fixed assets, nor owned or occupied land as at 30 June 2022.

(k) Entity financial reports

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

Technical Education Trust Funds
Notes to the Financial Statements
for the year ended 30 June 2022

2. Revenue and Expenses

(a) Revenue

Income is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for the recognition of income are discussed below.

	12 months to 30 June 2022	18 months to 30 June 2021
	\$	\$
Interest revenue	1,364	6,923
Total revenue	1,364	6,923

Recognition and measurement

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial assets (i.e., after deducting the loss allowance for expected credit losses).

(b) Expenses

	12 months to 30 June 2022	18 months to 30 June 2021
	\$	\$
Prize awards	-	690
Total expenses	-	690

(c) Revenue and expenses attributed to individual funds

	12 months to 30 June 2022		18 months to 30 June 2021	
Trust Fund	Income \$	Expenditure \$	Income \$	Expenditure \$
Barrington Raymund Roberts Memorial	307	-	1,541	-
Coachbuilders 1914-1919 War Memorial Bursary	77	-	378	-
Mary Ellen Roberts Memorial	23	-	109	-
Noel Chettle Memorial Art Prize	112	-	575	690
TAFE Bicentenary Oliver Shaul Scholarship	800	-	4,099	-
William and Elizabeth Cuthbertson Memorial	45	-	221	-
Total	1,364	-	6,923	690

Technical Education Trust Funds
Notes to the Financial Statements
for the year ended 30 June 2022

3. Cash and Cash Equivalents

	30 June 2022	30 June 2021
	\$	\$
Cash at bank and on hand	20,120	18,756
Closing cash and cash equivalents (per statement of cash flows)	20,120	18,756

Recognition and measurement

Cash and cash equivalents

Cash and cash equivalents is cash held at bank.

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

4. Current Assets – Other Financial Assets

	30 June 2022	30 June 2021
	\$	\$
Current assets ^a	494,710	494,710
Total Other Financial Assets	494,710	494,710

^a. Current asset of \$494,710 (30 June 2021: \$494,710) relates to deposits held in an investment bank account.

Recognition and measurement

Other financial assets

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

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

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

Technical Education Trust Funds
Notes to the Financial Statements
for the year ended 30 June 2022

5. Accumulated Funds by Trust Fund

Trust Fund	Initial Fund Capital \$	30 June 2022 Fund Balance \$	30 June 2021 Fund Balance \$
Barrington Raymund Roberts Memorial	34,000	117,339	117,032
Coachbuilders 1914-1919 War Memorial Bursary	6,100	29,882	29,805
J. P. Franki Memorial	-	36	36
Mary Ellen Roberts Memorial	3,400	9,324	9,301
Noel Chettle Memorial Art Prize	8,000	41,869	41,757
TAFE Bicentenary Oliver Shaul Scholarship	150,000	298,638	297,838
William and Elizabeth Cuthbertson Memorial	5,300	17,742	17,697
Total	206,800	514,830	513,466

Recognition and measurement

Accumulated funds

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

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

	12 months to 30 June 2022 \$	18 months to 30 June 2021 \$
Net cash used on operating activities	1,364	6,233
Net Result	1,364	6,233

7. Commitments

There are \$nil commitments as at 30 June 2022 (30 June 2021: \$nil).

8. Contingent Liabilities and Contingent Assets

There are \$nil contingent liabilities as at 30 June 2022 (30 June 2021: \$nil).

There are \$nil contingent assets as at 30 June 2022 (30 June 2021: \$nil).

9. Related Party Disclosures

(a) Key management personnel

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

The Statutory Trustee is the Managing Director of the Commission.

Technical Education Trust Funds
Notes to the Financial Statements
for the year ended 30 June 2022

9. Related Party Disclosures (continued)

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

There were no transactions with Government Related Entities during the year ended 30 June 2022 (30 June 2021: \$nil).

10. Financial Instruments

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

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

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

(a) Financial Instrument categories

			Carrying amount 30 June 2022 \$	Carrying amount 30 June 2021 \$
Financial Assets	Note	Category		
Class:				
Cash and cash ^a				
equivalents	3	N/A	20,120	18,756
Other financial assets ^b	4	Amortised Cost	494,710	494,710

a. Cash and cash equivalents comprise of bank balance with interest earned on daily bank balance at Corporate Cheque Account rate.

b. Other financial assets include deposits held in an investment bank account.

Technical Education Trust Funds
Notes to the Financial Statements
for the year ended 30 June 2022

10. Financial Instruments (continued)

(b) De-recognition of financial assets and liabilities

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

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

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

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

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

(c) Credit Risk

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

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

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

Impact of credit risk to the Entity is minimal.

(d) Liquidity risk

Liquidity risk is the risk that the Entity will be unable to meet its payment obligations when they fall due. The Entity continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility. Payables balance as at 30 June 2022 is \$nil (30 June 2021: \$nil).

Exposure to liquidity risk is considered minimal.

Technical Education Trust Funds
Notes to the Financial Statements
for the year ended 30 June 2022

10. Financial Instruments (continued)

(e) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Entity has no exposure to market risk.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Entity operates and the time frame for the assessment (i.e., until the end of the next reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2021. The analysis assumes that all other variables remain constant.

(f) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the Entity's cash at bank and deposits held in an investment account. Interest on the bank balance and investment account are subject to fluctuations in market rates.

A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

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

	30 June 2022		30 June 2021	
	-1%	+1%	-1%	+1%
	\$	\$	\$	\$
Net Result	(5,148)	5,148	(5,134)	5,134
Equity	-	-	-	-

11. Events after the Reporting Period

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

End of audited financial statements

7.5 Approved Land Disposals

The Minister, in the capacity as the Minister administering the *TAFE Commission Act 1990*, approves the divestment of TAFE NSW's real property.

No sites were approved for sale in the 2021-22 period.

The sale of part of the TAFE NSW Castle Hill site to the Trustees for the Museum of Applied Arts and Sciences to enable the expansion of the adjacent Powerhouse Castle Hill Museum was approved by the Minister on 18 May 2021. The total sales value at 30 June 2022 was \$2.71 million (excl. GST), which settled on 23 June 2022. All sale proceeds will be reinvested into modernising and improving TAFE NSW's facilities and learning platforms to benefit learners.

7.6 Major Works

The tables below list new, continuing and completed major works, including their cost as at 30 June 2022 and estimated dates of completion.

Table 20: New Major Works in 2021-22

TAFE NSW project name and location	Total expenditure to 30 June 2022 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start ²⁵	Completion date (actual or estimated)	Details of any significant: ²⁶ cost overruns delays amendments deferments cancellations
Asset Management Solution	\$0	\$8,000	2022	Jun-23	
ICT Asset Refresh Program to Enhance Student Experience	\$8,728	\$19,000	2021	Jun-23	
Institute of Applied Technology Pilot Program	\$904	\$13,200	2021	Jun-23	
Scone Multi Trades Hub	\$488	\$3,000	2021	Dec-22	
Shared Service Centre	\$3,692	\$4,010	2021	Dec-22	
Undercover Areas for Training at Heights	\$1,515	\$5,900	2021	Jan-23	15 out of 16 facilities completed and in use. Tamworth delayed due to delay in Council Development Application process, now expected to

²⁵ Calendar year.

²⁶ A significant delay is defined as a delay of more than 12 months. A significant cost overrun is defined as being more than 10 percent of the total expenditure.

					be completed and ready for use for Term 1 2023
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Table 21: Continuing Major Works

TAFE NSW, project name and location	Total expenditure to 30 June 2022 (\$'000 excl GST)	Estimated total cost (\$'000 excl GST)	Start	Completion date (actual or estimated)	Details of any significant: cost overruns delays amendments deferments cancellations
Bega Specialist Centre (Stage 2)	\$17,004	\$17,004	2020	February 2022	-
Budgeting, Forecasting and Reporting System	\$7	\$7	2020	March 2022	Project budget reduced under accounting changes for Software as a Service (SaaS)
Connected Learning Centers Stage 3	\$43,635	\$57,100	2019	July 2023	Delay in commencement of Jindabyne and Byron Bay due to lease negotiations has delayed completion.
Institute of Applied Technology for Construction, Kingswood	\$30,177	\$80,357	2019	March 2023	
TAFE NSW Digital Course Migration and Centralisation	\$2,076	\$2,000	2020	June 2022	
IT Network Asset Refresh	\$4,026	\$4,045	2020	March 2022	Rollout of upgrades delayed due to 2021-22 COVID restrictions
IT Security Enhancement Project	\$381	\$1,619	2020	June 2023	
Institute of Applied Technology for Digital Tech, Meadowbank	\$126,349	\$128,900	2019	July 2022	Minor external works, not impacting operations, ongoing and to be completed by June 2023
Revitalising TAFE Campuses	\$20,014	\$20,000	2021	June 2022	
Staff Integrated Systems Portal	\$448	\$1,000	2020	March 2022	
Student Management Services	\$126,456	\$134,437	2016	March 2023	Ongoing labour market shortages delaying completion

TAFE Asset Renewal Program - Buildings	\$60,020	\$60,776	2020	June 2022	Various site works delayed due to 2021-22 COVID restrictions
TAFE Asset Renewal Program – Plant & Equipment	\$23,094	\$22,300	2020	June 2022	Supply and installation delays due to 2021-22 COVID restrictions

7.7 Consultants Costing \$50,000 or more

Table 22: Consultants > \$50,000

Name of consultant	Title of project	Purpose of consultancy	Spend in FY22
Deloitte Consulting Pty Ltd	Business Case for Asset Renewal Program	Development of a Detailed Business Case for the Asset Renewal Program to seek CapEx and OpEx funding as part of the FY22/23 budget submission.	\$255,046

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

7.8 Consultants Costing less than \$50,000

Table 23: Consultants < \$50,000

Supplier Name	Description	Spend in FY22
Nous Group Pty Ltd	Corporate Services Operating Model	\$48,700
Hofmeyr Consulting Pty Ltd	Operating Model re-calibration	\$16,150

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

7.9 Timely Payment of Accounts

Quarter	Not yet due \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 61 and 90 days overdue \$'000	More than 90 days overdue \$'000	Total \$'000
All suppliers						
Sep-21	\$18,742	\$14,477	\$46,030	\$3,678	\$3,343	\$86,270
Dec-21	\$35,063	\$4,452	\$286	\$166	\$63	\$40,030
Mar-22	\$35,376	\$2,323	\$201	\$245	\$33	\$38,178
Jun-22	\$44,139	\$3,941	\$246	\$96	\$142	\$48,564
Small business suppliers						
Sep-21	\$431	\$2,635	\$496	\$191	\$1,195	\$4,948
Dec-21	\$813	\$14	\$3	\$ -	\$0	\$830
Mar-22	\$938	\$154	\$100	\$ -	\$ -	\$1,192
Jun-22	\$2,365	\$46	\$15	\$2	\$8	\$2,434

All suppliers	Sep-21	Dec-21	Mar-22	Jun-22
Invoices due for payment (#)	2,471	3,590	2,620	3,864
Invoices paid on time (#)	2,296	3,321	2,452	3,453
Actual percentage of invoices paid on time (based on number of invoices)	93%	93%	94%	89%
Amount due for payment (\$'000)	61,246	28,682	25,246	38,259
Amount paid on time (\$'000)	60,687	27,157	24,428	36,877
Actual percentage of invoices paid on time (based on \$)	99%	95%	97%	96%
Number of payments for interest on overdue invoices (#)	0	0	0	0
Interest paid on late invoices (\$)	0	0	0	0

Small business suppliers	Sep-21	Dec-21	Mar-22	Jun-22
Invoices due for payment received from small businesses (#)	179	115	98	181
Invoices from small businesses paid on time (#)	171	114	98	178
Actual percentage of small business invoices paid on time (based on number of invoices)	96%	99%	100%	98%
Amount due for payment to small businesses (\$'000)	1,184	815	460	1,827
Amount due to small businesses paid on time (\$'000)	1,170	809	460	1,804
Actual percentage of small business invoices paid on time (based on \$)	99%	99%	100%	99%
Number of payments to small business for interest on overdue invoices (#)	0	0	0	0
Interest paid to small businesses on late invoices (\$)	0	0	0	0

During the year, TAFE NSW focused on an education and awareness campaign targeted at promoting the timely payment of supplier invoices. This included training employees to process purchase orders and good receipts on time as well as supporting suppliers to submit invoices in a timely manner. In addition to the education campaign, initiatives such as the increase in the number of P-Cards provided to employees were implemented to promote faster payment for invoices less than \$10,000; thereby reducing payment timelines.

7.10 Work Related Overseas Travel

There were no overseas visits by TAFE NSW staff in 2021-22.

7.11 Budget Outline for 2022-23

TAFE Commission

Operating Statement

	2021-22		2022-23
	Budget	Revised	Budget
	\$000	\$000	\$000
Expenses Excluding Losses			
Employee Related	1,325,287	1,342,775	1,400,351
Personnel Services Expenses	...	...	...
Other Operating Expenses	460,003	430,270	415,358
Grants and Subsidies	...	...	...
Appropriation Expense	...	...	...
Depreciation and Amortisation	175,930	169,396	179,931
Finance Costs	320	541	361
Other Expenses	...	...	...
Total Expenses Excluding Losses	1,961,540	1,942,982	1,996,001
Revenue			
Appropriation Revenue	...	...	...
Cluster Grant Revenue	0	...	0
Acceptance by Crown Entity of Employee Benefits and Other Liabilities	45,110	43,841	48,013
Transfers to the Crown Entity	...	...	...
Sales of Goods and Services	357,578	264,961	348,310
Grants and Contributions	1,601,188	1,658,507	1,651,651
Investment Revenue	1,902	462	1,673
Retained Taxes, Fees and Fines	...	...	...
Other Revenue	4,395	13,020	4,533
Total Revenue	2,010,172	1,980,792	2,054,179
Gain/(Loss) on Disposal of Non Current Assets	...	22	...
Other Gains/(Losses)	(2,360)	(17,938)	(2,360)
Net Result	46,272	19,894	55,818

Balance Sheet

	2021-22		2022-23
	Budget	Revised	Budget
	\$000	\$000	\$000
Assets			
Current Assets			
Cash Assets	394,570	294,559	215,880
Taxes Receivable	...	...	...
Receivables	68,509	172,881	169,210
Contract Assets	37,831	44,345	44,345
Inventories	...	...	...
Financial Assets at Fair Value	...	...	...
Other Financial Assets	144	159	159
Other	...	...	...
Assets Held For Sale	...	2,711	2,711
Total Current Assets	501,054	514,656	432,305
Non Current Assets			
Taxes Receivable	...	...	...
Contract Assets	...	...	...
Receivables	221	2,036	2,036
Inventories	...	...	...
Financial Assets at Fair Value	175	175	175
Equity Investments	...	...	...
Property, Plant and Equipment -			
Land and Building	4,113,255	4,007,308	4,134,159
Plant and Equipment	52,372	93,080	92,514
Infrastructure Systems	...	...	...
Investment Properties	...	...	...
Right of Use Assets	13,033	16,612	13,053
Intangibles	125,673	154,999	168,638
Other Assets	...	...	...
Total Non Current Assets	4,304,729	4,274,210	4,410,575
Total Assets	4,805,783	4,788,865	4,842,880
Liabilities			
Current Liabilities			
Taxes Payable	...	...	...
Payables	109,749	178,869	178,869
Contract Liabilities	113,585	28,140	28,140
Other Financial Liabilities at Fair Value	...	...	...
Borrowings	4,070	5,702	6,425
Provisions	131,356	128,678	128,678
Other	...	330	330
Liabilities Associated with Assets Held for Sale	...	...	...
Total Current Liabilities	358,760	341,720	342,443
Non Current Liabilities			
Taxes Payable	...	...	...
Payables	...	...	...
Contract Liabilities	...	...	...
Other Financial Liabilities at Fair Value	...	...	...
Borrowings	6,455	7,760	5,233
Provisions	11,813	10,081	10,081
Other	...	...	...
Total Non Current Liabilities	18,268	17,841	15,314
Total Liabilities	377,028	359,561	357,757
Net Assets	4,428,754	4,429,305	4,485,123
Equity			
Accumulated Funds	1,704,282	1,699,772	1,755,590
Reserves	2,724,472	2,729,533	2,729,533
Capital Equity	...	...	...
Total Equity	4,428,754	4,429,305	4,485,123

Cash Flow Statement

	2021-22		2022-23
	Budget	Revised	Budget
	\$000	\$000	\$000
Cash Flows From Operating Activities			
Payments			
Employee Related	1,280,177	1,290,793	1,352,338
Personnel Services	...	...	...
Grants and Subsidies	...	...	...
Finance Costs	320	541	361
Equivalent Income Tax	...	...	...
Other Payments	454,634	401,636	409,080
Total Payments	1,735,131	1,692,970	1,761,779
Receipts			
Appropriation	...	...	...
Cluster Grant Revenue	0	...	0
Cash reimbursements from the Crown Entity	...	...	...
Sale Proceeds Transfers to the Crown Entity	...	...	...
Cash transfers to the Crown Entity	...	...	...
Sale of Goods and Services	352,209	177,559	343,343
Retained Taxes, Fees and Fines	...	...	...
Interest Received	1,902	462	1,673
Grants and Contributions	1,601,188	1,563,214	1,651,651
Other Receipts	4,395	28,817	4,533
Total Receipts	1,959,693	1,770,053	2,001,200
Net Cash Flows From Operating Activities	224,562	77,082	239,420
Cash Flows From Investing Activities			
Proceeds from Sale of Property, Plant and Equipment	2,181	2,203	2,622
Purchases of Property, Plant and Equipment	(225,116)	(183,588)	(292,380)
Proceeds from Sale of Investments	...	...	...
Purchases of Investments	...	(15)	...
Advances Repayments Received	...	...	...
Advances made	...	...	...
Other Investing	(26,563)	(28,647)	(23,978)
Net Cash Flows From Investing Activities	(249,498)	(210,047)	(313,736)
Cash Flows From Financing Activities			
Proceeds from Borrowings and Advances	...	...	...
Repayment of Borrowings and Advances	(4,870)	(5,634)	(4,364)
Dividends Paid	...	...	...
Other Financing	...	...	...
Capital Appropriation - Equity Appropriation	...	...	...
Cash Equity Injection to For-Profit Entities	...	...	...
Net Cash Flows From Financing Activities	(4,870)	(5,634)	(4,364)
Net Increase/(Decrease) in Cash	(29,806)	(138,599)	(78,680)
Opening Cash and Cash Equivalents	424,375	433,158	294,559
Reclassification of Cash Equivalents	...	...	...
Cash transferred in (out) as a Result of Administrative Restructuring	...	...	...
Closing Cash and Cash Equivalents	394,570	294,559	215,880

8. Appendices

8.1 Changes in Legislation and Significant Judicial Decisions

The Minister for Skills and Training administers the following legislation relating directly to TAFE NSW:

- *Technical and Further Education Commission Act 1990* (NSW)
- *Technical Education Trust Funds Act 1967* (NSW).

There were no judicial decisions involving TAFE NSW during 2021-22 that had a significant new impact on the organisation's operations.

8.2 Government Information (Public Access) Act 2009

Access applications received and completed

The total number of access applications received by TAFE NSW during 2021-22 (including withdrawn applications but not including invalid applications) was 116. Provision of this information complies with clause 8(b) of the *Government Information (Public Access) Regulation 2018* (NSW) (GIPA Regulation).

Detailed statistical data about access applications under the *Government Information (Public Access) Act 2009* (NSW) (GIPA Act) completed by TAFE NSW during the reporting period 2021-22 is provided in the tables below. Provision of this information complies with clauses 8(b) to (d) and Schedule 2 of the GIPA Regulation.

Proactive release of agency information

Under section 7(3) of the GIPA Act and clause 8(a) of the GIPA Regulation, an agency must report on details of its review of its program for the release of government information at intervals of not more than 12 months, and details of any information made publicly available as a result. The review is intended to identify the kinds of government information held by the agency that should in the public interest be made publicly available without imposing unreasonable additional costs on the agency.

During 2021-22 updated policies and guidelines were made publicly available at no cost on the TAFE NSW website. A policy review resulted in the issue of an updated Public Interest Disclosure Internal Reporting Policy, which covers reasons for making a Public Interest Disclosure (PID), how to make a PID and protection against reprisals and legal action.

Following the introduction of the NSW Government's Cyber Security Policy, TAFE NSW updated its Information Security Policy, to advise on the new 'security culture' and TAFE NSW responsibilities for the Information Security Management System and Controls.

TAFE NSW also updated its Enterprise Risk Management Policy that explains the agency's Enterprise Risk Management Framework and Risk Management Plan.

TAFE NSW learners were assisted with updated guidance on the full range of TAFE NSW courses as well as the annual online Student Guide 2022, updated with more information about online courses offered by TAFE Digital. The Guide also include updates to address impacts of the continuing COVID-19 pandemic, notably for vaccination requires for learner undertaking an industry placement. Notably, the section for learner with disabilities was expanded with more inform about support available. Learners were also advised of the increased use of the Unique Student Identifier (USI).

Table 24: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm or deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	1	1	0	0	0	0	0
Private sector business	27	1	0	1	0	1	0	2
Not for profit organisations or community groups	0	0	0	0	0	1	0	0
Members of the public (application by legal representative)	57	8	2~	12	0	3	0	3
Members of the public (other)	0	0	3~	0	0	2	0	0

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table 25.

~Four (4) 'Access refused in full' decisions related to applications seeking sensitive confidential personal or health information which could not be released due to the effect of the principle at GIPA Act section 15(e), that disclosure cannot be made subject to any conditions on the use or disclosure of information. Nevertheless the personal or health information was disclosed to the four applicants via the *Privacy and Personal Information Protection Act 1998* or the *Health Records and Information Privacy Act 2022*.

Notes:

The total number of access applications received by TAFE NSW during 2021-22 (including withdrawn applications but not including invalid applications) was 116.

- Nine applications received in the previous 2020-21 period that remained invalid at the end of that financial year were carried forward to the 2021-22 reporting year. Of those nine applications, five became valid and proceeded to decision making, three remained invalid and one was withdrawn by the applicant.
- Three applications received in the 2021-22 period that remained invalid at the end of that financial year were carried forward to the 2022-23 reporting year.

Table 25: Number of applications received by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm or deny whether information is held	Application withdrawn
Personal information applications *	84	9	2~	13	0	2	0	5
Access applications (other than personal information applications)	0	1	3	0	0	1	0	0
Access applications that are partly personal information applications and partly other	0	0	1~	0	0	4	0	0

* A “personal information application” is an access application for the applicant’s own personal information, the applicant being an individual (as defined in clause 4 of Schedule 4 to the GIPA Act).

More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision.

~Four (4) ‘Access refused in full’ decisions related to applications seeking sensitive confidential personal or health information which could not be released due to the effect of the principle at GIPA Act section 15(e), that disclosure cannot be made subject to any conditions on the use or disclosure of information. Nevertheless the personal or health information was disclosed to the four applicants via the Privacy and Personal Information Protection Act 1998 or the Health Records and Information Privacy Act 2022.

Table 26: Invalid applications

Reason for invalidity	No. of applications
Application does not comply with formal requirements (section 41 of the GIPA Act)	64
Application is for excluded information of the agency (section 43 of the GIPA Act)	0
Application contravenes restraint order (section 110 of the GIPA Act)	0
Total number of invalid applications received	64*
Invalid applications that subsequently became valid applications	44

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

*Five (5) invalid applications were subsequently withdrawn by the applicants.

As at 30 June 2022, the agency was assisting three applicants to make three invalid applications valid, as required by section 52(3) of the GIPA Act. If these invalid applications become valid applications during 2022–23, the decisions subsequently made will be reported in the TAFE NSW 2022-23 Annual Report.

Table 27: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act

There was one (1) access applications completed in the 2021-22 reporting period which were refused, either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the GIPA Act (information for which there is conclusive presumption of overriding public interest against disclosure). This reporting is required by clause 8(c) of the GIPA Regulation.

Table 27

	No. of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	1
Documents affecting law enforcement and public safety	0
Transport safety	0
Excluded information	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	0

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

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

Table 28: Other public interest considerations against disclosure: matters listed in table to section 14 of the GIPA Act

Access was refused in part for three (3) access applications and in full for five (5) access applications, for one or more public interest considerations against disclosure listed in section 14 of the GIPA Act because, on the balance, there was an overriding balance of public interest against disclosing the information.

Table 28:

	No. of occasions applicant not successful
Responsible and effective government	3
Law enforcement and security	0
Individual rights, judicial processes and natural justice	17~
Business interests of agencies and other persons	3
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Note: More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration was recorded (but only once per application).

Reporting on public interest considerations against disclosure is required by Schedule 2 of the GIPA Regulation.

~Four (4) 'Access refused in full' decisions related to applications seeking sensitive confidential personal or health information which could not be released due to the effect of the principle at GIPA Act section 15(e), that disclosure cannot be made subject to any conditions on the use or disclosure of information. Nevertheless, the personal or health information was disclosed to the four applicants via the Privacy and Personal Information Protection Act 1998 or the Health Records and Information Privacy Act 2022.

Table 29: Timeliness

	No. of applications
Decided within the statutory timeframe (20 days plus any extensions)	115
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	1
Total	116*

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

* The total of 116 applications decided in 2021-22 includes five applications which were invalid at the end of the previous 2020-21 financial year and which were carried forward into the 2021-22 financial year and decided in 2021-22.

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

Table 30: Number of applications reviewed under part 5 of the GIPA Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal Review	1	0	1
Review by Information Commissioner *	1	0	1
Internal review following recommendation under section 93 of GIPA Act	0	1	1
Review by NSW Civil and Administrative Tribunal ~+	N/A	N/A	1
Total	~+	~+	~+

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

~+ Note: One application for external review was submitted to the NSW Civil and Administrative Tribunal before the end of financial year 2021-22 but will not be decided until 2022-23.

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

Table 31: Applications for review under Part 5 of the GIPA Act (by type of applicant)

	No. of applications for review
Applications by access applicants	4
Applications by persons to whom information the subject of access application relates (see section 54 of the GIPA Act)	0
Total	4

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

Table 32: Applications transferred to other agencies under Division 2 of Part 4 of the GIPA Act (by type of transfer)

	No. of applications transferred
Agency-initiated transfers	1
Applicant-initiated transfers	0
Total	1

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

8.3 Privacy and Personal Information Protection Act 1998

TAFE NSW is committed to protecting the personal information of people it deals with, including TAFE NSW staff, learners, customers and service providers. TAFE NSW manages personal and health information in accordance with the *Privacy and Personal Information Protection Act 1998* (NSW) (PPIP Act), *Health Records and Information Privacy Act 2002* (NSW) (HRIP Act) and the *Privacy Act 1988* (Cth) where applicable. The TAFE NSW Privacy Management Plan sets out how TAFE NSW manages personal and health information in accordance with the requirements of the PPIP Act and HRIP Act. TAFE NSW's Privacy Policy also sets out how TAFE NSW collects, stores, uses and discloses personal information.

8.4 Public Interest Disclosures

Under the TAFE NSW Public Interest Disclosures Internal Reporting Policy and the Guidelines for the Management of Public Interest Disclosures, all staff have a responsibility to report suspected unlawful, corrupt, negligent or improper conduct, serious maladministration or serious and substantial waste of public money. These TAFE NSW policy documents establish the organisation's commitment to support and protect staff who report wrongdoing.

The Policy sets out the manner in which TAFE NSW meets its obligations under the *Public Interest Disclosures Act 1994* (NSW), and the Guidelines set out the roles and responsibilities of staff in making and receiving public interest disclosures. Both the Policy and Guidelines are available to all staff via TAFE NSW intranet site.

TAFE NSW undertakes several activities to raise and maintain staff awareness of the public interest disclosure reporting process; it is included in TAFE NSW's suite of annual mandatory training as well regularly highlighted in communications with staff.

During the reporting period, TAFE NSW met the NSW Ombudsman's reporting requirements via its online reporting tool.

The following Table 33 shows the total number of employees who made a public interest disclosure and the total number of public interest disclosures received and finalised by TAFE NSW in 2020-21. During this period, TAFE NSW focussed on awareness raising and capability uplift in public interest disclosure identification and reporting processes which may have contributed to an increase in reports.

	Corrupt Conduct	Maladministration	Serious Substantial Waste of Public Money	Government Information (GIPA) contravention	Local Government contravention	Total
Disclosures received ²⁷	41	8	-	-	n/a	49
Employees making a disclosure	50	8	-	-	n/a	58
Disclosures finalised	10	2	-	-	n/a	12

²⁷ All disclosures were made by public officials in performing their functions as public officials or were forwarded to TAFE NSW by the Independent Commission Against Corruption of NSW and advised to include the disclosure as a Public Interest Disclosure for reporting purposes.

8.5 Internal Audit and Risk Management Attestation for 2021-22

I, Stephen Brady, am of the opinion that the NSW Technical and Further Education Commission has internal audit and risk management processes in operation that are, excluding the exceptions below, compliant with the seven (7) core requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements		Compliant or Non-Compliant
Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee		
3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.2	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Membership

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

- Independent Chair, Allan Cook, 24 September 2019 - 30 September 2024 (Chair 1 July 2021 - 30 June 2023)
- Independent Member, Carolyn Burlew, 30 September 2014 - 31 August 2022
- Independent Member, Gregory Fletcher, 20 May 2016 - 31 July 2023
- Independent Member, Loretta Di Mento, 1 July 2021 – 30 June 2025



Stephen Brady

Managing Director

NSW Technical and Further Education Commission

11 October 2022

8.6 Digital Information Security Attestation



PO Box 707
Broadway NSW 2007

Cyber Security Annual Attestation Statement for the 2021-2022 Financial Year for TAFE NSW

I, Stephen Brady, Managing Director of TAFE NSW, am of the opinion that TAFE NSW has managed Cyber Security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy (CSP).

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

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

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

Yours sincerely,

Stephen Brady
Managing Director
TAFE NSW
17 October 2022

OFFICIAL

tofensw.edu.au

8.7 Contact Details

TAFE NSW website: www.tafensw.edu.au

Make an inquiry

Website: <https://www.tafensw.edu.au/contact>

Telephone: 131 601

Principal office address: Building A, Mary Ann Street
Ultimo NSW 2007

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Broadway NSW 2007

Find the address, telephone number and email of your nearest TAFE NSW location:

<https://www.tafensw.edu.au/find-campus>

Business and service hours

TAFE NSW business and service hours are generally 8:30am to 5:00pm.

tafensw.edu.au

TAFE NSW ABN 89 755 348 137

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