



**Government
of South Australia**

TAFE SA
2023-24 Annual Report

TAFE SA

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To:

The Hon Blair Boyer MP

Minister for Education, Training and Skills

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

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

Submitted on behalf of the TAFE SA by:

David Coltman

Chief Executive

Date: 30 September 2024

Signature



From the Chief Executive

Last year TAFE SA increased training volumes by 14% from the previous year, delivering over 13.4 million hours of training to over 49,000 students at 30 sites across the state.

This growth in training volumes reflects the South Australian Government's commitment to rebuilding and strengthening TAFE SA, as well as TAFE SA's intention to grow training delivery, aligned to our ambitious new strategic direction.

In 2023, the State Government published the *Roadmap for the Future of TAFE SA*, which informed TAFE SA's Strategic Plan 2023-2033. This Plan established a new vision and ten-year strategic direction for TAFE SA, recognising TAFE SA's unique role at the centre of VET delivery in South Australia.

The new National Skills Agreement, signed by the South Australian and Commonwealth Governments in 2023, will further support work to strengthen and rebuild TAFE SA, with the biggest increase in funding for skills in South Australia's history. The new investment in TAFE SA over the next five years provides the opportunity to rebuild a modern and responsive TAFE SA, equipped to deliver essential education and training to grow our economy and support more South Australians into secure well-paid work.

Already, TAFE SA has seen the benefits of the Fee Free TAFE initiative, funded through the National Skills Agreement since 2023, which is reducing barriers to VET and allowing more students to gain skills in priority sectors of the state's economy.

In the past year, aligned to our Strategic Plan, we've also progressed essential work to strengthen relationships with local employers, businesses and communities by developing new programs aimed at addressing critical skills gaps.

We commenced development of learning materials and industry engagement for the Defence Industry Pathways Program, which will establish a new 12-month traineeship for school leavers and play an essential role in growing South Australia's defence workforce. This Program is also being funded through the National Skills Agreement.

We commenced delivery of the Certificate III in Outside School Hours Care, an essential new qualification to strengthen the skills of those wanting to work in the education sector, which responds to recommendations from the Royal Commission into Early Childhood Education and Care.

We launched the Essential Eight Assessment Course, a partnership with the Australian Cyber Security Centre and TAFEcyber, which focuses on cyber security for ICT professionals and counters the escalating threat of cybercrime.

In 2023, we continued to demonstrate our leadership in the provision of accessible and inclusive training. We increased application of Universal Design for Learning (UDL) across our teaching and learning. The UDL approach requires course design

to consider the broadest possible range of needs and preferences of all learners, ensuring students are able to choose how they learn.

In 2023-24 TAFE SA demonstrated our commitment to supporting regional communities with a 13% increase in regional enrolments compared to the previous year. This has been supported by campus upgrades and increased accessibility of education and training, online access, and increased course delivery. The TAFE SA Regional Skills Advisory Committees across the state continue to provide a local lens that informs our direction. In addition, the new Regional Skills Development Fund supports course delivery to smaller regional class sizes, enabling more people to learn where they live, while a refreshed series of regional campus open days has been welcomed by local communities.

With a strong commitment to reconciliation, our Innovate Reconciliation Action Plan is in its final stages and has been informed by our Elders Advisory Group, First Nations staff and students and the TAFE SA Aboriginal Access Centre. Our four-step Aboriginal Cultural Respect Footprint Training is currently in step three, which promotes inclusivity, cultural safety, and reconciliation across TAFE SA. We look forward to strongly progressing our commitment to reconciliation.

As the state's public provider of education and training we play an essential role in building the state's capability and economic future through accessible, and inclusive vocational education and training. This is our priority and our purpose.

It is with my greatest thanks to our Board, Executive and staff across our organisation for the outcomes and positive impact we have achieved for our students, stakeholders and the state. Having a skilled workforce is critical for our state and our future. It is with passion and pride that we will continue to deliver lifelong learning and skills development opportunities for all South Australians.



David Coltman
Chief Executive
TAFE SA

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Overview: about the agency

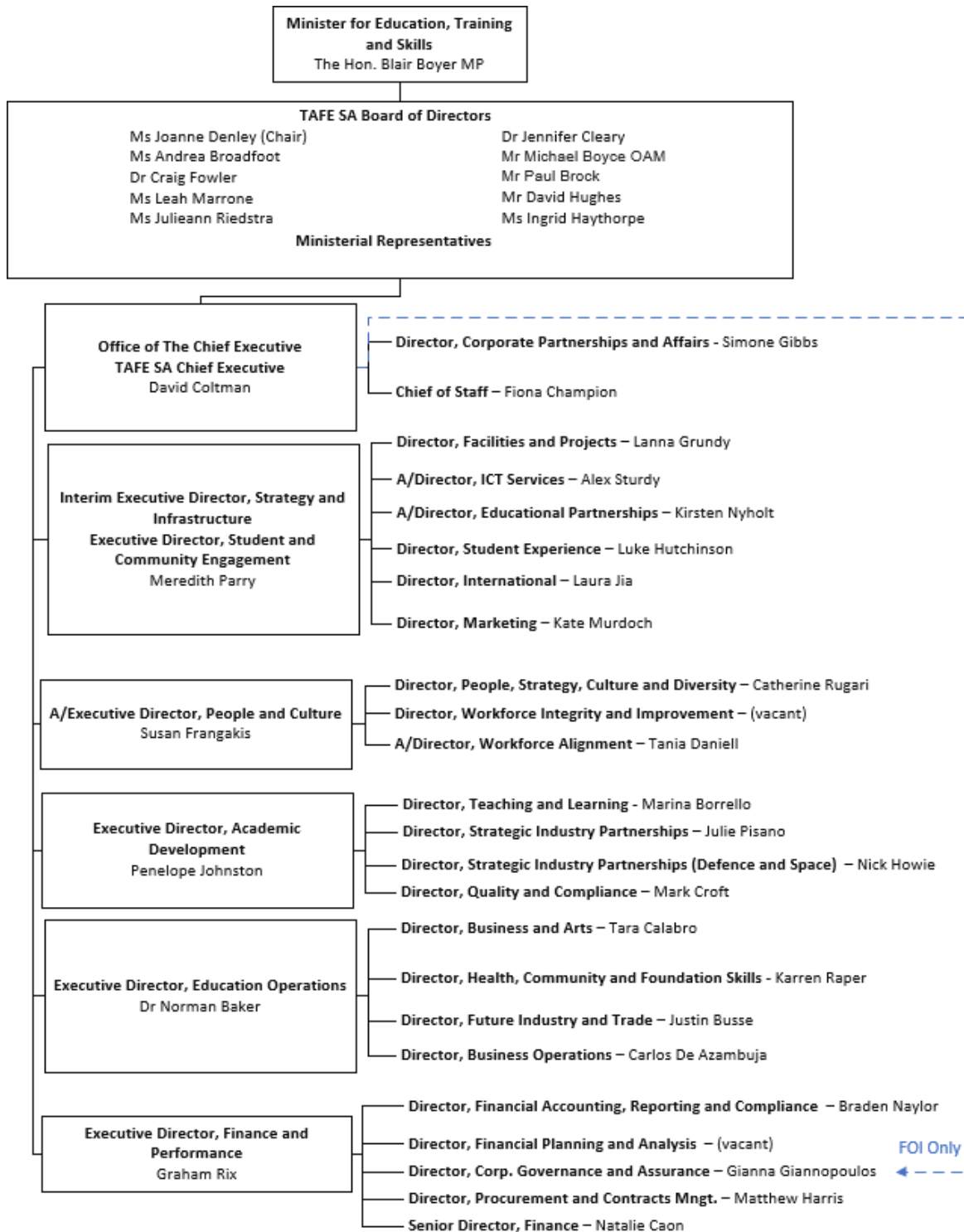
TAFE SA is a statutory corporation of the Government of South Australia, established under the *TAFE SA Act 2012*. TAFE SA is the public provider of VET in South Australia.

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

Our strategic focus

Our Purpose	Enabling South Australians, local industries and communities to prosper through the delivery of sector leading accessible vocational education, training and support both locally and nationally.
Our Vision	A skilled and thriving South Australia where communities have access to quality education, training and support, employers have access to the skilled workforce they need, and people are able to gain skills and capabilities to succeed.
Our Values	TAFE SA behaviours and practices are guided by the Public Sector Code of Ethics and the Public Sector Values shared across government, encompassing service, professionalism, trust, respect, collaboration and engagement, honesty and integrity, courage and tenacity and sustainability.
Our functions, objectives and deliverables	<p>The South Australian Government is committed to supporting and strengthening TAFE SA as the public provider of high-quality vocational education and training (VET) to support the economic and social needs of South Australia.</p> <p>The TAFE SA Act 2012 outlines the Corporation's functions. TAFE SA operates within these functions to achieve the performance indicators and deliverables established in the Ministerial Charter and Performance Statement.</p>

Our organisational structure as at 30 June 2024



Changes to the agency

During 2023-24 the following changes were made to the agency's structure and objectives as a result of internal reviews.

Individual workgroup reviews were conducted in the areas of:

- Student Experience

Organisational reviews of corporate functions:

- Finance
- Information Technology

Board members

For the financial year 2023/24, the TAFE SA Board of Directors comprised:

Board member name	Position	Current term dates
Ms Joanne Denley	TAFE SA Board Chair Academic and Quality Committee Audit and Risk Committee People and Culture Committee (Chair)	15/10/2021 - 14/10/2024
Mr Michael Boyce OAM	TAFE SA Board Academic and Quality Committee	15/10/2021 - 14/10/2024
Mr Paul Brock	TAFE SA Board People and Culture Committee	15/10/2021 - 14/10/2024
Dr Jennifer Cleary	TAFE SA Board Academic and Quality Committee	15/10/2021 - 30/06/2024
Dr Craig Fowler	TAFE SA Board Academic and Quality Committee (Chair) Higher Education Academic Board (Chair)	15/10/2021 - 14/10/2024
Mr David Hughes	TAFE SA Board Audit and Risk Committee (Chair)	15/10/2021 - 14/10/2024
Ms Julieann Riedstra	TAFE SA Board Audit and Risk Committee	16/01/2023 - 14/10/2024
Ms Leah Marrone	TAFE SA Board People and Culture Committee	15/10/2023 – 14/10/2026
Ms Andrea Broadfoot	TAFE SA Board Academic and Quality Committee	15/10/2023 – 14/10/2026
Ms Ingrid Haythorpe	TAFE SA Board Audit and Risk Committee	01/03/2024 – 14/10/2026
Ms Judy Curran	TAFE SA Board Academic and Quality Committee People and Culture Committee	15/10/2021 – 14/10/2023

Mr Sam Scammell	TAFE SA Board Audit and Risk Committee People and Culture Committee	15/10/2021 – 14/10/2023
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Our Minister (s)

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

Our Executive team



Office of the Chief Executive

David Coltman
TAFE SA Chief Executive



Academic Development

Penny Johnston
Executive Director, Academic Development



Education Operations

Dr Norman Baker
Executive Director, Education Operations



Finance and Performance

Graham Rix
Executive Director, Finance and Performance



People and Culture

Susan Frangakis
A/Executive Director, People and Culture



**Student and Community Engagement
Strategy and Infrastructure**

Meredith Parry
Executive Director, Student and Community Engagement

I/Executive Director, Strategy and Infrastructure



Chief of Staff

Fiona Champion

Legislation administered by the agency

TAFE SA Act 2012

TAFE SA Regulations 2012

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

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

The agency's performance

Performance at a glance

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

Highlights for 2023-24 include the following:

- Recognised for excellence in industry collaboration at the 2023 South Australian Training Awards, confirming TAFE SA's commitment to delivering sector leading contemporary qualifications in partnership with industry.
- Delivered the new Strategic Plan 2023-2033, which responds to the TAFE SA Roadmap for the Future and establishes a ten-year strategic direction to strengthen and rebuild TAFE SA at the heart of the state's VET sector.
- Delivered more than 13,000 Fee Free TAFE training places as part of the interim National Skills Agreement between the Commonwealth and the Government of South Australia, increasing the accessibility of training in areas of critical skills need, and with 40% of students enrolled from priority cohorts, and 20% of enrolments accessed by regional students
- Launched the Regional Skills Development Fund, which is delivering an essential increase in training in regional and remote South Australia. Through TAFESA's Regional Skills Advisory Committees, TAFE SA is also working with local communities to further increase training opportunities, aligned to the needs of each region.
- Delivered a significant uplift in training volumes, while reducing the cost of training per hour, demonstrating TAFE SA's continued commitment to sustainability and efficiency.
- Demonstrated nation-leading student outcomes in graduate satisfaction in the 2023 data release from the National Centre for Vocational Education Research (NCVER). The latest data shows 90% of TAFE SA graduates are satisfied with the overall quality of their training and 88% of students secured jobs or went on to further study upon training completion. Both of these indicators were above national TAFE and VET averages.
- Renewal of TAFE SA's higher education provider registration for the maximum period of seven years by the TEQSA. Achieving the maximum registration from both ASQA in 2019 and TEQSA in 2024 is evidence of the significant improvements that TAFE SA has implemented over the past six years to provide quality outcomes for students.
- Continued to successfully implement the largest curriculum refresh in TAFE SA's history. A significant undertaking, with a total of 261 programs requiring

the content, assessment and delivery methods and materials renewed to align with industry demands.

In the 2023-24 financial year, the TAFE SA Board and its committees met a total of 26 times, comprising of:

- 11 scheduled Board meetings
- 12 committee meetings:
 - 4 Audit and Risk Committee
 - 2 People and Culture Committee
 - 4 Academic and Quality Committee
 - 2 Higher Education and Academic Board
- 3 extraordinary meetings:
 - 1 planned (Financial Statements – Audit and Risk Committee)
 - 2 unplanned in the forward schedule (Board)

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

Board member name	Position	No. of meetings attended
Ms Joanne Denley	TAFE SA Board Chair	13
	Academic and Quality Committee	4
	Audit and Risk Committee	5
	People and Culture Committee (Chair)	2
Mr Michael Boyce OAM	TAFE SA Board	12
	Academic and Quality Committee	3
Mr Paul Brock	TAFE SA Board	12
	People and Culture Committee	2
Dr Jennifer Cleary	TAFE SA Board	9
	Academic and Quality Committee	2
Dr Craig Fowler	TAFE SA Board	13
	Academic and Quality Committee (Chair)	4
	Higher Education Academic Board (Chair)	1
Mr David Hughes	TAFE SA Board	13
	Audit and Risk Committee (Chair)	5
Ms Julieann Riedstra	TAFE SA Board	11
	Audit and Risk Committee	5

Board member name	Position	No. of meetings attended
Ms Leah Marrone	TAFE SA Board People and Culture Committee	9 1
Ms Andrea Broadfoot	TAFE SA Board Academic and Quality Committee	8 3
Ms Ingrid Haythorpe	TAFE SA Board Audit and Risk Committee	5 1
Ms Judy Curran	TAFE SA Board Academic and Quality Committee People and Culture Committee	3 1 1
Mr Sam Scammell	TAFE SA Board Audit and Risk Committee People and Culture Committee	3 2 1

Performance indicators and deliverables

TAFE SA objectives and deliverables 2023-24	Performance reporting frequency
<p>12-month National Skills Agreement</p> <ul style="list-style-type: none"> In partnership with Skills SA and the Commonwealth delivered Fee Free TAFE to enable more South Australians to study and gain the skills they need for their future in priority sectors of the state's economy. Commenced development of learning materials and industry engagement for the Defence Industry Pathways Program, which will establish a new 12-month traineeship for school leavers and play an essential role in growing South Australia's defence workforce. 	<p>Monthly</p>
<p>Election commitments</p> <ul style="list-style-type: none"> Continued to collaborate with stakeholders and community to progress planning for the upgrade of facilities and equipment at TAFE SA's Mt Gambier Campus. 	<p>July, October</p>
<p>Responding to economic and community needs</p> <ul style="list-style-type: none"> Grew total regional delivery with a 13% increase in regional enrolments supported by campus upgrades and increased accessibility of education and training, online access, and increased course delivery. Identified and strengthened partnerships with industry, the VET sector and higher education to respond to current and emerging needs. 	<p>Monthly</p>
<p>Supporting students to succeed</p> <ul style="list-style-type: none"> Increased course completions to 41.9% from 34.8% in the previous period. The proportion of graduates who improved their employment circumstances continues to be significantly higher than the target. Grew the total number of training hours provided by TAFE SA by 14% to 13.4 million and the number of students to 49,000, with a focus on identified priority cohorts. 	<p>October, November</p>
<p>Sector leading teaching and learning</p> <ul style="list-style-type: none"> Successfully implemented a curriculum refresh of 261 programs to align with industry demands. 	<p>July, August, October, December</p>

<ul style="list-style-type: none"> Implemented models of digitally enabled delivery, including poly-synchronous delivery with 7 synchronous labs now available across 6 campuses. 	
<p>Build the brand of TAFE SA</p> <ul style="list-style-type: none"> Developed a renewed state-wide marketing campaign for 2024, with a focus on TAFE SA’s critical role at the heart of VET in South Australia delivering the priority workforce needs of the state. 	September
<p>Valuing the TAFE SA workforce</p> <ul style="list-style-type: none"> TAFE SA Diversity and Inclusion Advisory Group established to inform the development of the year-3 TAFE SA Inclusion and Equity Framework Worked with the TAFE SA Aboriginal Engagement Network to improve outcomes for First Nation’s students 	October
<p>Maximizing TAFE SA’s assets as the public provider</p> <ul style="list-style-type: none"> Delivery of over 13.4 million hours of training to over 49,000 students at 30 sites across the state. Identified opportunities to facilitate access to TAFE SA’s assets by industry and stakeholders 	August, October, December
<p>Sustainable and efficient delivery</p> <ul style="list-style-type: none"> Ensured strong and effective financial and resources management 	Monthly

Corporate performance summary

Agency specific non-financial objectives and performance (2023 calendar year) as outlined in the TAFE SA Performance Statement (1 July 2023 to 30 June 2024).

Indicators	Actual (numbers rounded)	Target
% of TAFE SA VET graduates who improved their employment circumstances after training	69.6%	55.0%
% of TAFE SA VET graduates employed or in further study after training	88.0%	85.0%
% of TAFE SA VET graduates satisfied with the overall quality of training	90.3%	90.0%

TAFE SA load pass rate (a measurement of the number of students who pass their assessment)	82.3%	84.0%
TAFE SA qualification completion rates (%)	41.9%	45.0%

- TAFE SA has achieved all non-financial objectives and performance results within the target threshold of 5% for all indicators. Notably, each indicator has shown improved performance in actuals from 2022-23, except for the proportion of graduates satisfied with the overall quality of training which has remained stable at 90.3% for both years.
- The proportion of graduates who improved their employment circumstances continues to be significantly higher than the target.
- NCVER data shows that TAFE SA course completion rates have improved from the 2017 to 2020 course commencement year (from 34.8% to 41.9%). The NCVER completion rate data has four years of lag to allow for courses to be completed and also for a reduction in error rate as part of its statistical application.
- Strategies for improving completion rates and the development of measure(s) that allow for more timely visibility over course completions will be developed as part of the National Skills Agreement.

Employment opportunity programs

Program name	Performance
Aboriginal Traineeship Program	In 2023, TAFE SA partnered with Tauondi College to actively support the Aboriginal Traineeship program. TAFE SA hired two First Nations trainees to start a Certificate III Business Administration qualification. The trainees were supported through a mentoring program facilitated by TAFE SA staff.

Agency performance management and development systems

Performance management and development system	Performance
TAFE SA Performance and Development System	88.6% of all TAFE SA staff had an approved Performance and Development plan during this reporting cycle.

Work health, safety and return to work programs

Program name	Performance
<p>Injury Prevention and Improvement – Work Health, Safety, Wellbeing and Injury Management System</p>	<p>The TAFE SA Workplace Health and Safety, Wellbeing and Injury Management System (WHSW&IMS) is based on the requirements of the international Safety Management standard ISO45001 and consists of Strategic Planning, an overarching policy, procedures, operational instructions, training platforms, reporting and recording systems. The WHSW&IMS is updated based on business needs, legislative changes, identification of best practice and audit outcomes to ensure the highest level of protection is achieved for our staff, students and visitors.</p> <p>Consultation of the WHSW&IMS includes several consultative forums including the Management Review Committee, WHS Peak Committee, Strategic Plant Safety Committee, Workgroup WHS committees and elected Health and Safety Representative forums.</p> <p>TAFE SA utilises a proactive approach to managing work health and safety in the workplace with the promotion of reporting using the cross-government digital platform Gov Safety.</p> <p>Early intervention strategies are implemented at TAFE SA to ensure staff are supported to remain at or return to work following a workplace injury. These strategies are guided by the South Australian Public Sector Injury Management standards, the Return-to-Work Act 2014 and the Return-to-Work Regulations 2014.</p>

<p>Injury Prevention – Plant Safety Continuous Improvement</p>	<p>The TAFE SA Plant Safety Program continues to provide TAFE SA with assurance regarding the suitability of our plant and equipment.</p> <p>The Strategic Plant Safety Committee meet regularly to discuss and evaluate hazards associated with plant and equipment to ensure the risk of injury is eliminated or reduced to as low as is reasonably practicable for our staff and students.</p> <p>Teaching Plant and Equipment Safety is collaboratively managed between Educational Operations, Facilities and Projects and WHS workgroups.</p>
<p>Well-being Continuous Improvement</p>	<p>The TAFE SA Wellbeing program focuses on supporting staff by creating a workplace and learning environment that supports and nurtures the wellbeing of our staff and students so that they can thrive and perform at their best, personally and professionally.</p> <p>The TAFE SA Wellbeing Working Group regularly reviews Employee Assistance Program (EAP) trends and patterns to identify opportunities for improvement.</p> <p>TAFE SA continues to invest in Mental Health First Aid training for staff, including refresher training.</p>
<p>Continuous Improvement – WHS Internal Audit</p>	<p>The TAFE SA WHS&IM internal audit program is based on the requirements of the International Safety Management Standard ISO45001 and uses a methodical, independent, and documented assessments to gather evidence to objectively evaluate and continuously improve TAFE SA’s WHS&IM System.</p> <p>The program measures compliance in accordance with TAFE SA’s WHS procedures, operating instructions, standards, legislative requirements, known risks, injury and incident statistics and remains practical through its application.</p>

Workplace injury claims	Current year 2023-24	Past year 2022-23	% Change (+ / -)
Total new workplace injury claims*	45	32	+40.6%
Fatalities	0	0	0%
Seriously injured workers**	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	6.1	5.8	+5.2%

* Increase in new workplace injury claims is due to a change in reporting systems from previous years. Data now includes claims that are identified as undetermined or rejected.

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

Work health and safety regulations	Current year 2023-24	Past year 2022-23	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	2	2	0%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)*	25	0	+100%

* Increase in improvement notices is attributed to a SafeWork SA enforcement campaign. TAFE SA has completed all corrective actions as advised.

Return to work costs**	Current year 2023-24	Past year 2022-23	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$1,735,369	\$1,953,478	-11.2%
Income support payments – gross (\$)	\$229,042	\$475,001	-51.8%

**before third-party recovery

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

Executive employment in the agency

Executive classification	Number of executives
SAES1	24
SAES2	5
CHIEF EXEC	1

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

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

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2023-2024 are attached to this report.

Statement of Comprehensive Income	2023-24 Budget \$000s	2023-24 Actual \$000s	Variation \$000s	2022-23 Actual \$000s
Total Income	311 073	342 852	31 779	312 312
Total Expenses	317 334	348 682	31 348	320 885
Net Result	(6 261)	(5 830)	(430)	(8 573)
Changes to Revaluation Surplus	-	316 093	316 093	-
Total Comprehensive Result	(6 261)	310 263	316 524	(8 573)

Statement of Financial Position	2023-24 Budget \$000s	2023-24 Actual \$000s	Variation \$000s	2022-23 Actual \$000s
Current assets	111 915	110 230	(1 685)	94 468
Non-current assets	587 150	892 246	305 096	590 852
Total assets	699 065	1 002 476	303 411	685 320
Current liabilities	44 607	45 099	492	40 714
Non-current liabilities	57 530	44 835	(12 695)	42 327
Total liabilities	102 137	89 934	(12 203)	83 041
Net assets	596 928	912 542	315 614	602 279
Equity	596 928	912 542	315 614	602 279

An independent valuation of TAFE SA's land and building assets was undertaken during the 2023-24 financial year, which resulted in an upwards revaluation adjustment of \$316.1 million.

TAFE SA experienced higher operating costs in 2023-24 than budgeted due to increased training activity funded by higher student and other fees, additional expenditure as part of the National Skills Agreement that was announced during the financial year, higher maintenance, cleaning and utility costs, as well as the reclassification of information technology project costs from investing to operating expenditure.

Consultants disclosure

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

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

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	41,423

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

Consultancies	Purpose	\$ Actual payment
6 DEGREES CONSULTING	Develop a Short Course and Micro Credentials business case	47,943
6 DEGREES CONSULTING	Fast Track – Vocational Education & Training for Secondary Schools - Process Review	26,188
ALANA GIRVIN EDUCATION	Review of Critical Incident Reporting	28,350
BEYOND KATHLEEN STACEY & ASS	Cultural Safety Audit	56,802
BROWN FALCONER GROUP PTY LTD	Infrastructure planning	131,000
CARTHEW ADVISORY	Scoping Exemption Pilot Evaluation and Core Skills Profile	22,500
COMUNET UNIT TRUST	SharePoint data governance and security enhancements	45,969
DAVIDSON EXECUTIVE AND BOARDS	Strategy and Operating Model for the TAFE SA Strategic Plan	32,519
DIGITAL RESILIENCE	Implementation of Ready Skills Solution	19,800
ESCIENT PTY LTD	Change, Innovation and Business Improvement Support	45,000
FRAGILE TO AGILE (ASIA PAC) P/L	Enterprise Architecture for Business Capability Model	277,120
GALPINS	Privacy Policy review	15,000
ISD CYBER	Business Continuity Planning	28,700

Consultancies	Purpose	\$ Actual payment
IT ASSET SENSE P/L AS TRUSTEES	Software Asset Management health check project	22,500
JOBREADY TECH PTY LTD	Implementation of Ready Skills Solution	80,331
KINDLING SOLUTIONS PTY LTD	Complaints Management Framework	20,455
LOBSTERPOT SOLUTIONS PTY LTD	Assist with process automation	13,590
M3PROPERTY AUSTRALIA PTY LTD	Valuation Report for TAFE SA Property Holding	112,000
MERCER CONSULTING (AUST)P/L	Workforce analysis and role evaluations	34,350
NEW FOCUS PTY LTD	Brand research	29,000
NIK&CO CONSULTANCY	Reconciliation Action Plan Community Engagement Framework	30,000
PRONTO SOFTWARE LIMITED	Software implementation, training, service and project management	76,875
RESILIENCE PLANNING PTY LTD	Framework development - Critical Incident and Emergency	41,200
SERVICEQ	Service Culture Training Program - Embedding Service Habits	53,246
THOMPSON ORGANISATIONS	Facilitation of future operating model program	40,000
Subtotal		1,330,438
Total Consultants		1,371,861

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

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

Contractors disclosure

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

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	441,566

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

Contractors	Purpose	\$ Actual payment
2M LANGUAGE SERVICES	Design and delivery of Interpreter Training Boost Program	20,000
6 DEGREES CONSULTING	Fast Track – Vocational Education & Training for Secondary Schools - Office Support	13,860
AKKODIS AUSTRALIA TALENT	Bolder Future Project - Profitability Analytics Phase 2 implementation	41,887
AKKODIS AUSTRALIA TALENT	Bolder Future Project - Transforming the Trades	237,727
AKKODIS AUSTRALIA TALENT	Bolder Future Project - Human Capital Management System	156,177
AKKODIS AUSTRALIA TALENT	Bolder Future Project - Tech Enhanced Learning (TEL) training	27,639
AKKODIS AUSTRALIA TALENT	Bolder Future Project - Finance & Performance Digital Modernisation	87,700
AKKODIS AUSTRALIA TALENT	Bolder Future Project - Electronic Customer Relationship Management	462,065
AKKODIS AUSTRALIA TALENT	Bolder Future Project - Program Management - Dashboard Reporting and Program Tracking	18,037

Contractors	Purpose	\$ Actual payment
AKKODIS AUSTRALIA TALENT	Fee Free TAFE - Learning Designer	50,269
AKKODIS AUSTRALIA TALENT	Enrolment Improvement Program	102,409
AKTIS PERFORMANCE MANAGEMENT	Assess Position Information and Classify Role Description	10,413
AUSLAN SERVICES PTY LIMITED	Interpreting and translation services	102,804
AUSTRALIAN RED CROSS	Provision of First Aid Blended Course	30,940
CHAMONIX IT MANAGEMENT	Bolder Future Project - Electronic Customer Relationship Management	18,909
CLOCKWORKS DIGITAL	Signage for Marketing, Branding & Advertising	24,580
CORPORATE HEALTH GROUP P/L	Work health services	10,291
DANIEL JABER	Choreographic services	18,000
DATA 3 LTD	Assist in reviewing and enhancing Information Technology environment	17,159
DELOITTE RISK ADVISORY PTY LTD	Right Fit for Risk documentation development support	49,700
DEPT OF HOME AFFAIRS	Interpreting and translation services	16,262
ENABLE PROFESSIONAL SERVICES	Bolder Future Project - Parchment Form Automation for My Service	43,969
ENABLE PROFESSIONAL SERVICES	Enterprise Asset Management System	42,000
E-OZ ENERGY SKILLS AUSTRALIA	eProfiling for electrical apprentices	48,290

Contractors	Purpose	\$ Actual payment
EXEMPLAR LEARNING	eProfiling for electrical apprentices	23,130
FINESSE MODEL AGENCY	Modelling service for various events	25,742
HARRISON MCMILLAN PTY LTD	Human Resources Onboarding system implementation	12,721
HAYS SPECIALIST RECRUITMENT	Bolder Future Project - Student experience process review and mapping	30,403
HAYS SPECIALIST RECRUITMENT	Bolder Future Project - Tech Enhanced Learning training	12,591
HAYS SPECIALIST RECRUITMENT	Bolder Future Project - Electronic Customer Relationship Management	254,803
HAYS SPECIALIST RECRUITMENT	Developing a system to perform proactive learner analytics	14,692
HAYS SPECIALIST RECRUITMENT	Enrolment Improvement Program	135,916
HUDSON GLOBAL RESOURCES (AUST)	Bolder Future Project - Government Risk Management & Compliance Platform	20,537
HUDSON GLOBAL RESOURCES (AUST)	Bolder Future Project - Electronic Customer Relationship Management	240,889
HUDSON GLOBAL RESOURCES (AUST)	Bolder Future Project - Data governance framework, operating model & charter	188,637
IDP EDUCATION PTY LTD	International Institution Content Hub	20,000
INSYNC SOLUTIONS PTY LTD	Informed Decision Making server migration	15,300
IOCANE PTY LTD	Improvement of TAFE SA Information Technology infrastructure	11,075

Contractors	Purpose	\$ Actual payment
JENNIFER KING	General Stage Manager for dance production	10,600
JUAN PHOTOGRAPHY	Photography for TAFE SA photoshoots at various events	31,150
KJEX PTY LTD	Adelaide Carers and Employment Expo 2025	17,900
KPMG AUSTRALIA TECHNOLOGY	Integration and configuration of Financial Planning and Analysis capability	409,491
LEARNING INFORMATION SYSTEMS	Management of the international admission application services	47,029
MOTIV BRAND DESIGN	Design services for various marketing campaigns	11,658
NAATI	Interpreting and translation services	14,204
NEW FOCUS PTY LTD	Market Research for Short Course Branding	20,000
NEW LEARNING ENVIRONMENTS	Northern Metro Assessment Learning Environment	37,624
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Profitability Analytics Phase 2 implementation	105,568
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Transforming the Trades	196,406
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Human Capital Management System	299,240
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Strategic Business Initiative automation program	27,204
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Tech Enhanced Learning training	62,166
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Finance & Performance Digital Modernisation	238,017

Contractors	Purpose	\$ Actual payment
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Electronic Customer Relationship Management	860,591
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Program Management - Dashboard Reporting and Program Tracking	21,982
PAXUS AUSTRALIA PTY LTD	Findon Technical College Project - Learning Designers	186,814
PAXUS AUSTRALIA PTY LTD	Bolder Future Project - Data governance framework, operating model & charter	99,679
PAXUS AUSTRALIA PTY LTD	Apprentice and trainee billing transformation	105,370
PAXUS AUSTRALIA PTY LTD	Right for Risk Project management	61,903
PAXUS AUSTRALIA PTY LTD	Enrolment Improvement Program	551,538
PAXUS AUSTRALIA PTY LTD	Digital Badges Project	10,593
PERKS & ASSOCIATES PTY LTD	Update Training profile and develop Power BI Data set and reports	12,500
PHILIP REEDMAN MASTER OF WINE	Course teaching fee - Wine and Spirits	15,313
QS ENROLMENT SOLUTIONS (AUST)	Student Enquiry and Offer management fees	186,364
RANDSTAD PTY LTD	Bolder Future Project - Transforming the Trades	47,757
READINOW CORPORATION PTY LTD	Bolder Future Project - Government Risk Management & Compliance Platform	120,680
SENUELO ADVERTISING	Video production and filming services	11,800
SHOWPONY ADVERTISING	Produce testimonial videos	21,765

Contractors	Purpose	\$ Actual payment
SHOWPONY ADVERTISING	Produce social and digital material	25,000
SHOWPONY ADVERTISING	Produce style guide	10,020
SHOWPONY ADVERTISING	Photography for Adelaide College of the Arts	11,040
SHOWPONY ADVERTISING	Produce launch video	13,140
SHOWPONY ADVERTISING	Produce outdoor material	15,430
SHOWPONY ADVERTISING	Adelaide College of the Arts refresh rollout	11,270
SHOWPONY ADVERTISING	Development of creative strategy for Short Courses	10,000
SHOWPONY ADVERTISING	Production of commercials	58,526
SHOWPONY ADVERTISING	Short Courses Visual ID refinement	10,975
SOCIAL POWER PTY LTD	Marketing and advertising of Chinese social media	11,880
SQUARE HOLES	Brand campaign concept testing	31,380
TALENT INTERNATIONAL (SA) P/L	Bolder Future Project - Profitability Analytics Phase 2 implementation	28,514
TALENT INTERNATIONAL (SA) P/L	Bolder Future Project - Transforming the Trades	32,248
TALENT INTERNATIONAL (SA) P/L	Bolder Future Project - Strategic Business Initiative automation program	47,845
TALENT INTERNATIONAL (SA) P/L	Bolder Future Project - Finance & Performance Digital Modernisation	28,947

Contractors	Purpose	\$ Actual payment
TALENT INTERNATIONAL (SA) P/L	Bolder Future Project - Electronic Customer Relationship Management	573,872
TALENT INTERNATIONAL (SA) P/L	Digital Badges Project	30,988
THE COO ADVANTAGE	Assistance with Financial Management Compliance Program	29,813
VECTRA CORPORATION LTD	Coordinate, undertake and review the IT Disaster Recovery Plan	29,700
YUJA INC	Video relink of active Learning Management System course data	14,500
ZOE GAY	Choreographic services	10,000
Sub Total		7,535,517
Total Contractors		7,977,083

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

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

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

Risk management

Risk and audit at a glance

The Audit and Risk Committee (ARC) assists the TAFE SA Board in fulfilling its corporate governance responsibilities in relation to financial reporting and control, risk management, the internal control framework and audit processes. The ARC comprises three members of the TAFE SA Board, with regular attendees including the Chief Executive, Executive Director, Finance and Performance, Internal Audit, and representatives from the Auditor-General's Department. The Committee met on 5 occasions during 2023-24.

During 2023-24, the ARC focused on the following matters:

- Corporate governance, including:
 - embedding of risk practices across the organisation and related reporting
 - assurance TAFE SA has over its key risk mitigation strategies
 - oversight of risk management related policies and procedures, including fraud and corruption, conflicts of interest, and gifts and benefits
 - TAFE SA's performance, including review of the annual financial statements and related financial management compliance.
- Internal audit coverage including:
 - approving the annual internal audit plan
 - considering internal control weaknesses identified within internal audit reports
 - managing actions to be taken to address findings.
- External audit including consideration of internal control weaknesses identified by the Auditor-General and managing actions to be taken to address the findings.

Fraud detected in the agency

For the financial year 2023-24, no instances of fraud have been reported.

Strategies implemented to control and prevent fraud

TAFE SA is committed to maintaining a work environment free of fraud and corrupt behaviour and promotes this behaviour in accordance with the organisation's fraud and corruption policy. Fraud control risks are reviewed as part of operational risk profiles to ensure that processes are in place to adequately manage potential fraud risks. In addition, TAFE SA undertook a fraud risk assessment during 2023-24 to ensure related risks were adequately captured. Any instances of fraud are treated seriously by the organisation, and where these occur, prompt action is taken to ensure that they are thoroughly investigated, and that those responsible, are held to account.

TAFE SA has enhanced its internal controls to mitigate the risk of fraud in the following areas:

- ethical conduct awareness training
- conflict of interest training
- delegations
- segregation of duties
- screening processes
- policies and procedures
- access controls
- monthly general ledger reconciliations
- stocktakes of fixed assets and key inventories
- key supplier probity checks.

These strategies collectively strengthen our resilience against fraud risks.

In addition to the above, TAFE SA has implemented the recommendations from an ICAC evaluation, which will further strengthen the overall fraud control environment.

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

Public interest disclosure

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

Zero

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

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

Reporting required under any other act or regulation

Reporting required under the *Carers’ Recognition Act 2005*

TAFE SA supports and encourages staff with carer responsibilities to discuss their circumstances and working arrangement needs with their manager or director.

Information on support for working carers, can be found on the TAFE SA’s intranet [here](#).

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

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

Reporting under the Public Corporations Act 1993 (SA)

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

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

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

As at June 30, 2024, 51 disclosures were made by Board Directors and retained on the standing register of Board Director's declaration of interests during the reporting period.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2023-24
Professional behaviour	Staff attitude	Lack of empathy, respect, fairness, courtesy, and cultural competency.	59
Professional behaviour	Staff competency	Concerns about the lecturer providing all the answers to students and insufficient practical supervision.	14
Professional behaviour	Staff knowledge	Staff training-staff need additional training to better support students with disabilities.	5
Communication	Communication quality	Inadequate, delayed, or absent communication with customer	106
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design.	13
Service delivery	Access to services	Lack of scheduled classes impacting the completion of course.	45
Service delivery	Process	Processing error: incorrect process used; delay in processing application; process not customer responsive	24
Policy	Policy application	Student not understanding the withdrawal processes	87
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	1
Service quality	Information	Incorrect, incomplete, out-dated or inadequate information; not fit for purpose	11

Complaint categories	Sub-categories	Example	Number of Complaints 2023-24
Service quality	Access to information	Changes to course structure, lack of transparency in communication	30
Service quality	Timeliness	Staff not responsive impacting students offers and enrolment; timelines not met	8
Service quality	Safety	Concerns with disability access at a campus	5
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	12
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	125
		Total	545

Additional Metrics	Total
Number of positive feedback comments	33
Number of negative feedback comments	134
Total number of feedback comments	167
% complaints resolved within policy timeframes	<ul style="list-style-type: none"> • 60.5% (less than 14 days) • 24.0% (between 14 – 30 days) • 15.4% (over 30 days)

In the 2023-24 financial year there as a decrease in the number of complaints overall compared to the 2022-23 financial year, from 555 to 545.

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

Service Improvements

The TAFE SA complaint management system has undergone a comprehensive review in the last twelve months, resulting in enhancements aimed at improving transparency. These upgrades help us better identify areas for improvement in staff performance, processes, system efficiency, and accessibility, ensuring a higher standard of service for all stakeholders.

We are currently undertaking a thorough review of our complaint policy and procedure to ensure clarity, efficiency, and effectiveness in addressing grievances, whilst also meeting legislative requirements.

Service improvements include upskilling our frontline staff and enhancing staff scalability to effectively manage increased service demands, along with a continued implementation of system and process enhancements to improve the customer experience.

Staff within the TAFE SA Customer Management Team have undertaken further professional development to ensure they maintain their skills with best practice.

Compliance Statement

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

Appendix: Audited financial statements 2023-24



Our ref: A24/465

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State Administration Centre
200 Victoria Square
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Ms J Denley
Chair, TAFE SA Board
TAFE SA
120 Currie Street
ADELAIDE SA 5000
email: denleymanagement@bigpond.com
david.coltman@tafesa.edu.au
TAFESABoard@tafesa.edu.au

Dear Ms Denley

Audit of TAFE SA for the year to 30 June 2024

We have completed the audit of your accounts for the year ended 30 June 2024. Two key outcomes from the audit are the:

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

1 Independent Auditor's Report

We are returning the financial report for TAFE SA, with the Independent Auditor's Report. This report is unmodified. The *Public Finance and Audit Act 1987* allows me to publish documents on the Audit Office of South Australia website. The enclosed Independent Auditor's Report and accompanying financial report will be published on that website on Tuesday 15 October 2024.

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

2 Audit management letters

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

Significant matters related to asset management and controls over payroll processing.

We have received responses to our letters and will follow these up in the 2024-25 audit.

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

What the audit covered

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

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

- asset management
- property, plant and equipment, including the revaluation of land and buildings
- expenditure and accounts payable
- payroll processing
- revenue, including funding from the Department of Education
- accounts receivable
- cash
- general ledger processing.

Particular attention was given to the revaluation of land and buildings and funding arrangements with the Department for Education.

3 Opportunities for improvement

We experienced significant delays in accessing supporting payroll documentation from TAFE SA, particularly in relation to payroll employee information. When planning our 2024-25 audit we will liaise with management to discuss agreed protocols for the timely provision of documentation.

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

Yours sincerely



Andrew Blaskett
Auditor-General

23 September 2024

enc

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
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enquiries@audit.sa.gov.au
www.audit.sa.gov.au

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

Opinion

I have audited the financial report of TAFE SA for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of TAFE SA as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, TAFE SA Board, the Chief Executive and the Executive Director, Finance and Performance.

Basis for opinion

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 32 of the *Public Corporations Act 1993*, I have audited the financial report of TAFE SA for the financial year ended 30 June 2024.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TAFE SA's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Blaskett
Auditor-General

23 September 2024

TAFE SA

Financial Statements

For the year ended 30 June 2024

TAFE SA
Certification of Financial Statements
for the year ended 30 June 2024

We certify that:

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

- Internal controls employed by TAFE SA for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Joanne Denley
Chair, TAFE SA Board

12 September 2024



David Colman
Chief Executive

12 September 2024



Graham Rix
Executive Director, Finance and Performance

12 September 2024

TAFE SA
Statement of Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
SA Government subsidy funding	2.1	242 686	218 898
Student and other fees and charges	2.2	90 715	82 314
Commonwealth-sourced grants and funding	2.3	4 244	6 328
Resources received free of charge	2.5	2 864	2 881
Other SA Government grants, subsidies and transfers	2.4	791	567
Net gain/loss from disposal of non-current assets	2.6	196	-
Other grants and contributions		30	34
Other income		1 326	1 290
Total Income		342 852	312 312
Expenses			
Employee related expenses	3.3	229 269	213 256
Supplies and services	4.1	92 184	80 939
Depreciation and amortisation	5.1, 5.2	26 571	26 506
Grants and subsidies		75	275
Borrowing costs	7.2	25	12
Net loss from disposal of non-current assets	2.6	-	62
Other expenses	4.3	558	(165)
Total expenses		348 682	320 885
Net result		(5 830)	(8 573)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus	5.1	316 093	-
Total other comprehensive income		316 093	-
Total comprehensive result		310 263	(8 573)

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

TAFE SA
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.1	87 215	73 096
Receivables	6.2	13 840	12 620
Inventories	5.3	1 765	1 687
Contract assets	2.2	7 269	6 646
Non-current assets classified as held for sale	5.4	141	419
Total current assets		110 230	94 468
Non-current assets			
Property, plant and equipment	5.1	883 907	582 883
Intangible assets	5.2	8 339	7 969
Total non-current assets		892 246	590 852
Total assets		1 002 476	685 320
Current liabilities			
Employee related liabilities	3.4	22 056	20 413
Payables	7.1	15 932	14 836
Provisions	7.3	1 739	1 505
Contract liabilities	2.2	4 662	3 460
Financial liabilities	7.2	427	290
Other liabilities		283	210
Total current liabilities		45 099	40 714
Non-current liabilities			
Employee related liabilities	3.4	38 607	37 015
Payables	7.1	70	70
Financial liabilities	7.2	430	297
Provisions	7.3	5 728	4 945
Total non-current liabilities		44 835	42 327
Total liabilities		89 934	83 041
Net assets		912 542	602 279
Equity			
Contributed capital		552 802	552 802
Retained earnings		42 295	48 125
Asset revaluation surplus		317 445	1 352
Total equity		912 542	602 279

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

TAFE SA
Statement of Changes in Equity
for the year ended 30 June 2024

	Asset revaluation surplus	Retained Earnings	Contributed capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	1 352	56 698	591 074	649 124
Adjusted balance at 1 July 2022	1 352	56 698	591 074	649 124
Net result for 2022-23	-	(8 573)	-	(8 573)
Total comprehensive result for 2022-23	-	(8 573)	-	(8 573)
Contributed capital*	-	-	(38 272)	(38 272)
Balance at 30 June 2023	1 352	48 125	552 802	602 279
Net result for 2023-24	-	(5 830)	-	(5 830)
Gain on revaluation of land during 2023-24	85 309	-	-	85 309
Gain on revaluation of building during 2023-24	230 784	-	-	230 784
Total comprehensive result for 2023-2024	316 093	(5 830)	-	310 263
Balance at 30 June 2024	317 445	42 295	552 802	912 542

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

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

TAFE SA
Statement of Cash Flows
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash inflows			
SA Government subsidy funding		242 686	218 898
Student and other fees and charges		85 722	82 007
GST recovered from the ATO		7 091	6 140
Commonwealth sourced grants and funding		4 250	6 097
Other SA Government grants, subsidies and transfers		791	567
Other grants and contributions		24	34
Interest received		9	6
Other income		1 312	1 972
Cash generated from operations		341 885	315 721
Cash outflows			
Employee related liabilities		(224 947)	(211 364)
Supplies and services		(91 118)	(88 261)
Interest paid		(25)	(12)
Grants and subsidies		(75)	(275)
Other payments		(456)	(556)
Cash used in operations		(316 621)	(300 468)
Net cash provided by operating activities	8.1	25 264	15 253
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment	2.6	106	36
Proceeds from the sale of land held for sale		550	-
Cash generated from investing activities		656	36
Cash outflows			
Purchase of property, plant and equipment		(8 695)	(10 958)
Purchase of intangibles		(2 726)	(3 386)
Cash used in investing activities		(11 421)	(14 344)
Net cash used in investing activities		(10 765)	(14 308)
Cash flows from financing activities			
Cash outflows			
Return of equity		-	(38 272)
Repayment of leases		(380)	(350)
Cash used by financing activities		(380)	(38 622)
Net cash provided by financing activities		(380)	(38 622)
Net (decrease) / increase in cash and cash equivalents		14 119	(37 677)
Cash and cash equivalents at the beginning of the reporting period		73 096	110 773
Cash and cash equivalents at the end of the reporting period	6.1	87 215	73 096

The accompanying notes form part of these financial statements.

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

1. About TAFE SA

TAFE SA is a not-for-profit statutory corporation of the state of South Australia, established pursuant to the *TAFE SA Act 2012*. TAFE SA is responsible to the Minister for Education, Training and Skills.

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

TAFE SA was partially funded by the Department for Education during the 2022-23 and 2023-24 financial years.

SA Government subsidy funding includes financial support to contribute towards foregone student fees, ancillary costs and student support associated with implementation of Fee Free TAFE.

1.1. Objectives and functions

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

The primary objectives of TAFE SA are to:

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

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

- TAFE SA is a member of SATAC who provides admission services to TAFE SA under a service agreement. SATAC became established as an incorporated association on 1 July 2017.
- SATAC is an arrangement between the three public South Australian universities, the Minister for Education, Training and Skills and Charles Darwin University in the Northern Territory.
- The interests in this associate are not considered material to TAFE SA's core activities. Consequently, as per AASB 128 Investments in Associates and Joint Ventures, they have not been taken up in the accounts on an equity basis.

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

1.2. Basis of preparation

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

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

No Australian Accounting Standards have been early adopted.

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

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

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

Significant accounting policies are set out throughout the notes.

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

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

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

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

TAFE SA was not required to pay a dividend or make an Income Tax Equivalent payment for the 2022-23 financial year or the 2023-24 financial year.

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

1.3. Budget performance

The budget performance table compares TAFE SA's outcomes against budget information presented to Parliament (2023-24 Budget Paper 4). The budget amounts have not been adjusted to reflect subsequent budget revisions or administrative restructures. The budget process is not subject to audit.

	Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Statement of Comprehensive Income			
Income			
SA Government subsidy funding	229 182	242 686	13 504
Student and other fees and charges	78 203	90 715	12 512
Commonwealth sourced grants and funding	2 531	4 244	1 713
Resources received free of charge	-	2 864	2 864
Other SA Government grants, subsidies and transfers	332	791	459
Other grants and contributions	34	30	(4)
Net gain from disposal of non-current assets	-	196	196
Other income	791	1 326	535
Total Income	311 073	342 852	31 779
Expenses			
Employee related expenses	226 007	229 269	3 262
Supplies and services	(a) 63 289	92 184	28 895
Depreciation and amortisation expense	26 232	26 571	339
Grants and subsidies	75	75	-
Borrowing costs	15	25	10
Other expenses	1 716	558	(1 158)
Total expenses	317 334	348 682	31 348
Net result	(6 261)	(5 830)	431
Other comprehensive income			
<i>Items that will not be reclassified to net results</i>			
Changes in revaluation surplus	(b) -	316 093	316 093
Total other comprehensive income	-	316 093	316 093
Total comprehensive result	(6 261)	310 263	316 524

- (a) Higher supplies and services expenditure compared to the original budget relates primarily to increased training activity funded by higher student and other fees, additional expenditure as part of the National Skills Agreement that was announced during the financial year, higher maintenance cleaning and utility costs, as well the reclassification of information technology project costs from investing to operating expenditure.
- (b) The change to revaluation surplus resulted from the independent valuation of land and building assets that was undertaken during the 2023-24 financial year.

TAFE SA

Notes to and forming part of the financial statements.

For the year ended 30 June 2024

1.3 Budget performance (continued)

		Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Investing expenditure summary				
Total new and existing projects	(c)	7 490	347	(7 143)
Total annual programs		12 042	11 075	(967)
Total Right of Use leases		350	610	260
Total investing expenditure		19 882	12 032	(7 850)

(c) New and existing project investing expenditure was lower than the original budget principally due to the Mount Gambier Refurbishment Project and Student Engagement Hub project being deferred until 2024-25 financial year, as well as the reclassification of information technology project costs from investing to operating expenditure.

There were no other variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted amount for total expenses.

1.4. Significant transactions with government related entities

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

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

2. Income

2.1. SA Government subsidy funding

	2024	2023
	\$'000	\$'000
Funding for delivery of VET training	207 020	195 427
Funding for Fee Free TAFE	14 727	3 362
Funding for VET capital projects	20 939	20 109
Total SA Government subsidy funding	242 686	218 898

Grant and subsidy revenue from the Department for Education is recognised on receipt as the Funding Agreement allows for the allocation of funding without any withholding of funds associated with student numbers or non-achievement of performance criteria.

2.2. Student and other fees and charges

	2024	2023
	\$'000	\$'000
Sales/fee for service revenue	58 577	52 355
Student enrolment fees and charges	22 861	21 517
Other user fees and charges	9 277	8 442
Total student and other fees and charges	90 715	82 314

Contract balances

	2024	2023
	\$'000	\$'000
Contract assets	7 269	6 646
Total Contract Assets	7 269	6 646

	2024	2023
	\$'000	\$'000
Contract liabilities	4 662	3 460
Total Contract Liabilities	4 662	3 460

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

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

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

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

TAFE SA

Notes to and forming part of the financial statements.

For the year ended 30 June 2024

2.3. Commonwealth-sourced grants and funding

	2024	2023
	\$'000	\$'000
Child Care Fee Relief	3 633	2 966
Destination Australia	560	302
Other specific commonwealth revenue	51	230
Revitalising TAFE campuses project across Australia project	-	1 830
Mt Barker and Victor Harbor upgrades	-	1 000
Total Commonwealth-sourced grants and funding	4 244	6 328

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

2.4. Other SA Government grants, subsidies and transfers

	2024	2023
	\$'000	\$'000
Grants from other entities within SA government	791	136
TVSP reimbursement from Department of Treasury and Finance	-	431
Total Other SA Government grants, subsidies and transfers	791	567

Revenue is recognised upon receipt.

2.5. Resources received free of charge

	2024	2023
	\$'000	\$'000
Services received free of charge - Shared Services SA	2 220	2 234
Services received free of charge - Department of the Premier and Cabinet (DPC)	644	647
Total resources received free of charge	2 864	2 881

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

TAFE SA receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge. Information and communications technology services are received free of charge from DPC. A corresponding expense is recognised in the financial statements (see note 4).

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

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

	2024	2023
	\$'000	\$'000
Land held for sale		
Proceeds from disposal	550	-
Less net book value of assets disposed	(422)	-
Net gain/loss from disposal of land held for sale	128	-
Plant and equipment		
Proceeds from disposal	106	36
Less carrying amount of assets disposed	(38)	(98)
Net gain/loss from disposal of plant and equipment	68	(62)
Total property, plant and equipment		
Total proceeds from disposal	656	36
Less total carrying amount of assets disposed	(460)	(98)
Net gain/loss from disposal of assets	196	(62)

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

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

3. Board, committees and employees

3.1. Key management personnel

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

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

	2024	2023
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	2 049	1 676
Post-employment benefits	777	815
Total compensation	2 826	2 491

Transactions with key management personnel and other related parties

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

3.2. Board and committee members

Members during the 2023-24 financial year were:

TAFE SA Board

Joanne Denley (Chair)
 Dr Jennifer Cleary
 Judith Curran (until 14 October 2023)
 David Hughes
 Dr Craig Fowler
 Sam Scammell (until 14 October 2023)
 Paul Brock
 Michael Boyce OAM
 Julieann Riedstra
 Andrea Broadfoot (appointed 15 October 2023)
 Leah Marrone (appointed 15 October 2023)
 Ingrid Haythorpe (appointed 1 March 2024)

People and Culture Committee

Joanne Denley (Chair)
 Paul Brock
 Dr. Jennifer Cleary
 Leah Marrone (appointed 19 October 2023)
 Judith Curran (until 14 October 2023)

Academic & Quality Committee

Dr Craig Fowler (Chair)
 Joanne Denley
 Andrea Broadfoot (appointed 19 October 2023)
 Michael Boyce OAM
 Dr Jennifer Cleary
 Judith Curran (until 14 October 2023)

Audit & Risk Committee

David Hughes (Chair)
 Joanne Denley
 Julieann Riedstra
 Sam Scammell (until 14 October 2023)
 Ingrid Haythorpe (appointed 8 March 2024)

Higher Education Academic Board

Dr Craig Fowler (Chair)

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

3.2. Board and committee members (continued)

Board and committee remuneration

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

	2024	2023
\$0 - \$19 999	3	1
\$20 000 - \$39 999	3	-
\$40 000 - \$59 999	5	7
\$80 000 - \$99 999	1	1
Total number of members	12	9

The total remuneration received or receivable by members was \$470 289 (2023: \$433 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax. The number of members includes members who commenced or ceased during the financial year.

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

3.3. Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	159 356	149 626
Annual leave	26 359	25 266
Employment on-costs - superannuation	21 077	18 635
Employment on-costs - other	10 449	9 915
Long service leave	6 881	4 441
Workers' compensation	2 913	2 549
Skills and experience retention leave	1 135	1 124
Board and committee fees	424	393
Targeted voluntary separation payments	-	587
Other employee related costs	675	720
Total employee related expenses	229 269	213 256

Employment Expenses

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

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

3.3. Employee related expenses (continued)

Employee remuneration

	2024 Number	2023 Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$160 001 to \$166 000*	n/a	5
\$166 001 to \$186 000**	7	9
\$186 001 to \$206 000**	12	6
\$206 001 to \$226 000	3	7
\$226 001 to \$246 000	3	-
\$246 001 to \$266 000	3	-
\$266 001 to \$286 000	-	2
\$286 001 to \$306 000	3	3
\$306 001 to \$326 000	1	-
\$446 001 to \$466 000	1	1
\$486 001 to \$506 000	1	-
Total	34	33

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2022-23.

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

The total remuneration received by these employees for the year was \$7.83 million (2023: \$7 million).

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

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

Targeted voluntary separation packages.

No employees accepted a Targeted Voluntary Separation Package during the reporting period (2023: 6).

	2024 \$'000	2023 \$'000
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	-	587
Leave paid to separated employees	-	182
Recovery from the Department of Treasury and Finance	-	(431)
Net cost to TAFE SA	-	338

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

3.4. Employee related liabilities

	2024	2023
	\$'000	\$'000
Current		
Annual leave	7 476	7 333
Non-attendance days	4 788	4 430
Long service leave	3 578	2 427
Employment on-costs	3 682	3 862
Skills and experience retention leave	1 962	1 869
Accrued salaries and wages	570	492
Total current employee related	22 056	20 413
Non-current		
Long service leave	34 118	32 896
Employment on-costs	4 489	4 119
Total non-current employee related	38 607	37 015
Total employee related	60 663	57 428

Employee related liabilities accrue as a result of services provided up to the reporting date that remain unpaid. Non-current employee related liabilities are measured at present value and current employee related liabilities are measured at nominal amounts.

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

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

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

Salary inflation rate for annual leave and skills, experience and retention leave liability changed to 2.4% (2023:2%).

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

Long service leave

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

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

The expected timing and amount of long service payments is determined through whole-of-government actuarial calculations, which based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the education sector across government.

The discount rate used in measuring the liability is reflective of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds changed to 4.25% (2023: 4%).

The actuarial assessment performed by the DTF has the salary inflation rate 3.5% (2023: 2.5%) for long service leave liability.

TAFE SA

Notes to and forming part of the financial statements.

For the year ended 30 June 2024

3.4. Employee related liabilities (continued)

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$1.5 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using several demographic and financial assumptions – including the long-term discount rate.

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

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

Employment on-costs

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

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has changed from the 2023 rate (65%) to 68% and the average factor for the calculation of employer superannuation on-costs changed from the 2023 rate (11.1%) to 11.5%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year on employment on-costs and employee benefit expense is impracticable to estimate.

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

4 Expenses

4.1. Supplies and services

	2024	2023
	\$'000	\$'000
General administration and consumables	26 326	23 726
Fees - contracted services	12 435	12 047
Minor works, maintenance and equipment	16 542	13 551
Information technology and communication	12 750	10 581
Books materials and copyright	10 200	9 664
Temp agency costs	5 216	3 785
Shared Services SA	2 220	2 234
Consultants	1 372	992
Accommodation	808	994
DPC Communication and computing	644	647
Short term leases	645	602
Legal costs	295	297
Funding to external vocational education and training providers	294	81
Other	2 437	1 738
Total supplies and services	92 184	80 939

4.2. Expenditure – SA Business and Non-SA Business

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instruction 18 – Procurement (TI 18). Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST

	2024	Proportion SA and non-SA businesses
	\$'000	
Total expenditure with South Australian businesses	61 845	81%
Total expenditure with non- South Australian businesses	14 528	19%
	76 373	100%

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to TAFE SA, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

4.3. Other expenses

	2024	2023
	\$'000	\$'000
Other*	553	523
Bad debts written off/ (recovered)	(36)	280
Impairment loss on receivables	41	(968)
Total other expenses	558	(165)

*Includes audit fees paid / payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* of \$254 000 (2023: \$282 000). No other services were provided by the Audit Office of South Australia.

5 Non-financial assets

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

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

Plant and equipment include \$49.43 million of fully depreciated plant and equipment still in use.

An independent valuation of TAFE SA's land and building assets was undertaken during the 2023-24 financial year, which resulted in an increase in fair value of \$316.09 million.

Depreciation and Amortisation

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

Useful life

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

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

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

Review of accounting estimates

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

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

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

Reconciliation 2023-24

The following table shows movement in property, plant and equipment during 2023-24

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Library Collection \$'000	Work in progress \$'000	ROU Vehicles \$'000	Total \$'000
Carrying amount at the beginning of the period	135 641	428 952	8 637	564	8 506	563	582 883
Additions	-	-	1 849	-	6 846	610	9 305
Disposals	-	(3)	(38)	-	-	-	(41)
Revaluation increment/(decrement)	85 309	230 784	-	-	-	-	316 093
Asset reclassified to asset held for sale	-	-	(141)	-	-	-	(141)
Transfers to/(from) work in progress	-	9 652	13	-	(9 665)	-	-
Other	-	(21)	1	-	-	43	23
Subtotal:	220 950	669 364	10 321	564	5 687	1 236	908 122

Gains/(losses) for the period recognised in net result:

Depreciation	-	(22 062)	(1 698)	(66)	-	(389)	(24 215)
Subtotal:	-	(22 062)	(1 698)	(66)	-	(389)	(24 215)
Carrying amount at the end of the period	220 950	647 302	8 623	498	5 687	847	883 907

Gross carrying amount

Gross carrying amount	220 950	648 487	32 811	16 549	5 687	1 603	926 087
Accumulated depreciation	-	(1 185)	(24 188)	(16 051)	-	(756)	(42 180)
Carrying amount at the end of the period	220 950	647 302	8 623	498	5 687	847	883 907

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

5.1. Property, plant and equipment owned and leased by TAFE SA (continued)
Reconciliation 2022-23

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

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

TAFE SA
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Property, plant and equipment leased by TAFE SA

Property, plant and equipment leased by TAFE SA as lessee is measured at cost. Additions to leased vehicles during 2023-24 were \$610 000 (2023: \$567 000).

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

TAFE SA has a limited number of leases, namely 78 (2023: 66) motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

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

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

TAFE SA**Notes to and forming part of the financial statements.***For the year ended 30 June 2024***5.2. Intangible assets**

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

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

Reconciliation of intangible assets 2023-24

	Intangibles	Intangibles work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	4 724	3 245	7 969
Additions	-	2 726	2 726
Amortisation	(2 356)	-	(2 356)
Carrying amount at the end of the period	<u>2 368</u>	<u>5 971</u>	<u>8 339</u>
Gross carrying amount			
Gross carrying amount	28 625	5 971	34 596
Accumulated amortisation	(26 257)	-	(26 257)
Carrying amount at the end of the period	<u>2 368</u>	<u>5 971</u>	<u>8 339</u>

Reconciliation of intangible assets 2022-2023

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

TAFE SA
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5.3. Inventories

	2024	2023
	\$'000	\$'000
Current		
Held for sale	34	33
Current - held for distribution at no or nominal amount		
Held for distribution at no or nominal amount	1 731	1 654
Total current inventories	1 765	1 687

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

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

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

5.4. Non-current assets classified as held for sale

	2024	2023
	\$'000	\$'000
Plant and equipment	141	-
Land	-	419
Total non-current assets classified as held for sale	141	419

Reconciliation for assets held for sale

	2024	2023
	\$'000	\$'000
Opening balance 2022-23	419	-
Additions	141	419
Disposals	(419)	-
Closing balance 2023-24	141	419

Two adjoining portions of land along the eastern boundary of Regency campus, adjacent to South Road, were compulsorily acquired by the Commissioner for the North-South Corridor project and were transferred to the Department for Infrastructure and Transport (DIT) during the 2023-24 financial year.

TAFE SA is currently in the process of selling a number of plant and equipment items which are the offshore mining equipment at Tonsley Campus that have been idle. These plant and equipment are available for sale in its present condition and the sale is expected to be completed in 2024-25 financial year

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6 Financial assets

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

All deposits are with the Treasurer.

6.1. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Deposits with the Treasurer	87 215	73 096
Total cash and cash equivalents in the Statement of Financial Position	87 215	73 096

6.2. Receivables

	2024	2023
	\$'000	\$'000
Current		
Receivables	8 819	8 469
Less ECL impairment loss on receivables	(2 131)	(2 090)
Total trade receivables	6 688	6 379
GST input tax recoverable	2 045	1 818
Prepayments	5 107	4 423
Total current receivables	13 840	12 620
 Total receivables	 13 840	 12 620

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

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

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

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

Impairment loss on contractual receivable

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	2 090	3 058
Increase / (decrease) in the allowance recognised in Profit or loss	41	(968)
Carrying amount at end of the period	2 131	2 090

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

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

7 Liabilities

7.1. Payables

	2024	2023
	\$'000	\$'000
Current		
Accrued expenses	12 907	12 395
Trade payables	2 924	2 399
Paid parental leave scheme payable	36	17
Other	65	25
Total current payables	15 932	14 836
Non-current		
Creditors	70	70
Total non-current payables	70	70
Total payables	16 002	14 906

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

7.2. Financial Liabilities

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

The borrowing costs associated with these lease liabilities was \$25 000 (2023: \$12 000).

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

	2024	2023
	\$'000	\$'000
Lease liabilities		
Repayable in less than 1 year	427	290
Repayable in more than 1 year and less than 2 years	430	297
Total lease liabilities - undiscounted	857	587

Refer to note 10.2 for information on risk management.

TAFE SA
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7.3. Provisions

	2024	2023
	\$'000	\$'000
Movement in provision for workers compensation		
Carrying amount at the beginning of the period	6 301	5 937
Additions	1 740	1 248
Revaluations of prior year accidents	(717)	(884)
Carrying amount at the end of the period	7 324	6 301
Movement in provision for additional compensation		
Carrying amount at the beginning of the period	149	100
Additions	31	30
Revaluation of prior year accidents	(37)	19
Carrying amount at the end of the period	143	149

All provisions relate to work cover compensation.

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

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes). The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

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

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

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

TAFE SA
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8 Other disclosures

8.1. Cash flow

Cash Flow Reconciliation	2024	2023
	\$'000	\$'000
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	25 264	15 253
Add / (less) non-cash items		
Depreciation and amortisation	(26 571)	(26 506)
Net gain/(loss) from disposal of non-current and other assets	196	(62)
Other expenses	-	(2)
Movement in assets and liabilities		
Increase in receivables	1 180	3 309
Increase in inventories	78	244
Increase in contract asset	623	135
(Increase) in payables	(976)	(613)
(Increase) / decrease in employee related liability	(3 340)	295
(Increase)/ decrease in other liabilities	(65)	120
(Increase) in provisions	(1 017)	(413)
(Increase) in contract liabilities	(1 202)	(333)
Net result	(5 830)	(8 573)

The cash outflows for leases are \$380 000 (2023: \$350 000).

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

9 Outlook

9.1. Unrecognised contractual commitments

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

Contractual commitments to acquire property, plant and equipment.

	2024	2023
	\$'000	\$'000
Within one year	899	3 069
Later than one year but not later than five years	246	336
Total capital commitments	1 145	3 405

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

Other contractual commitments

	2024	2023
	\$'000	\$'000
Within one year	22 414	25 738
Later than one year but not later than five years	14 752	3 619
Total other commitments	37 166	29 357

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

9.2. Contingent assets and liabilities

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

TAFE SA is not aware of any contingent assets.

Future liabilities may arise in relation to rectification and remediation training of Aviation Engineering Maintenance students impacted by the Civil Aviation Safety Authority audit in 2017 and potential claims from students affected by the release of personal information as notified to students in early 2023. These liabilities are contingent on student claims being lodged. Further, an injury compensation claim is contingent upon legal advice.

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

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

9.3. Impact of standards and statements not yet effective

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

9.4. Events after the reporting period

As part of machinery of government changes, during the 2024-25 financial year responsibility for provision of TAFE SA's funding will transfer from the Department for Education to the Department for State Development.

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2024

10 Measurement and risk

10.1. Fair value

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

Initial recognition

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

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

Revaluation

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

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

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

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

Certified Practising Valuer m3 Property were engaged to undertake an independent valuation of TAFE SA's land and building assets as at 30 June 2024.

Fair value hierarchy

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

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

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

During 2022-23 and 2023-24, TAFE SA had no valuations categorised into level 1, and there were no transfers of assets between level 1 and 2 fair value hierarchy levels.

TAFE SA held all assets as recurring and level 3, except for land (\$221 million) which is measured at level 2 following an independent revaluation performed as at 30 June 2024.

TAFE SA
Notes to and forming part of the financial statements.
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10.1. Fair value (continued)

Land and buildings

An independent valuation of land and buildings was undertaken by the Certified Practising Valuer m3 Property as at 30 June 2024.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size, zoning and location.

The fair value of buildings was determined using current replacement cost less accumulated depreciation. The current replacement cost considered the need for ongoing provision of services/utility, specialised nature and restricted use of the assets, their size, age, condition and location.

Plant and equipment

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

10.2. Financial instruments

Financial risk management

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

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

Liquidity risk

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

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

Credit risk

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

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

Impairment of financial assets

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

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

TAFE SA
Notes to and forming part of the financial statements.
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10.2. Financial instruments (continued)

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

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

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

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

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

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

	Debtor gross carrying amount	Loss	Lifetime expected losses
	\$'000	%	\$'000
Current (not past due)	1 563	23.5%	367
1 to 30 days past due	1 078	21.3%	230
31 to 60 days past due	230	27.8%	64
61 to 90 days past due	251	33.4%	84
More than 90 days past due	<u>3 634</u>	38.1%	<u>1 386</u>
Loss Allowance	<u>6 756</u>		<u>2 131</u>

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

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

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

Market risk

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

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

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note. Financial assets and financial liabilities are measured at amortised cost.

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