

TAFE SA Ministerial Charter

Part 1: Preliminary

1. Purpose

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

2. Governance context

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

3. Definitions

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

- 3.6. **'the Government'** means the Government of South Australia.
- 3.7. **'the State'** means the state of South Australia.
- 3.8. **'Treasurer'** means the Treasurer for the Government of South Australia.
- 3.9. **'VET'** means vocational education and training.

Part 2: Purpose and Direction

4. Establishment

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

5. Functions of TAFE SA

- 5.1. The 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.
- 5.2. The TAFE SA Act 2012 outlines the Corporation's functions, TAFE SA operates within these functions to achieve the performance indicators and deliverables in the Performance Statement.

6. Government Direction

- 6.1. In November 2022 the Government appointed Associate Professor Jeannie Rea, to lead a public conversation on the future of TAFE SA, supported by an expert panel, to develop a Roadmap for the Future report for the Minister. The report supports the rebuilding of TAFE SA and its role as the public provider of VET.
- 6.2. TAFE SA has developed a ten-year Strategic Plan aligned to the goals in the Roadmap for TAFE SA.
- 6.3. The Government is committed to strengthening and rebuilding TAFE SA and the Performance Statement provides the immediate government priorities, aligned to the Roadmap and the TAFE SA Strategic Plan 2023-2033.
- 6.4. In October 2023, the Government signed the National Skills Agreement (NSA), in which TAFE SA plays a central role. Skilled. Thriving. Connected. - Our Policy Direction for Skills in South Australia was released in March 2024. It further outlines the Government's direction for skills in South Australia including the role for TAFE SA at the centre of the skills system.

Part 3: Governance and Operations

7. Governance arrangements

- 7.1. As a separate business activity, the Corporation owns assets for and on behalf of the Government for the benefit of the Corporation and the State and has the powers of a natural person and any other powers conferred on it by legislation.
- 7.2. The Government, represented by the Minister and the Treasurer, is the owner of the

Corporation, acting for and on behalf of the people of South Australia.

- 7.3. The Board is empowered under the TAFE SA Act 2012 to make binding decisions for the implementation of that Act.
- 7.4. The Board is accountable to the Minister and the Treasurer for the sound management and stewardship of the Corporation and its assets, for and on behalf of its owners, in accordance with the law, and for the attainment of performance and financial targets specified in the Performance Statement.
- 7.5. The Board's key responsibility is to govern the Corporation in line with the Government's policy, achieving continued performance and managing the Corporation to protect the Government's financial interests.
- 7.6. The Corporation has developed a Strategic Plan which has been approved by the Minister and noted by Cabinet. The Board is responsible for ensuring the effective implementation of the TAFE SA Strategic Plan 2023-2033.
- 7.7. The Corporation shall comply with all relevant Government policy and legislation including items outlined in section 2.1 of this Charter.

8. Non-commercial operations

- 8.1. Pursuant to section 12 of the Public Corporations Act 1993, the Corporation's non-commercial operations are:
 - 8.1.1 Training and associated support services that are identified in arrangements between the Skills SA and the Corporation.
 - 8.1.2 Services directed by the Treasurer under a formal Community Services Obligation instruction.
 - 8.1.3 Agreed by the Minister and the Treasurer to be non-commercial.

9. Commercial operations

- 9.1. For the purposes of section 12 of the Public Corporations Act 1993, commercial operations are those services not stipulated in section 8.

Part 4: Financial standards and reporting

10. Fees and charges

- 10.1 The Corporation has developed a Fee's Charges Framework which has been approved by the Minister. All future fees and charges shall be established in accordance with this Framework.

11. Asset management

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

12. Borrowing and investment activities

- 12.1 The Corporation may borrow funds from the South Australian Government Financing Authority, subject to approval by the Treasurer.

12.2 All funds or retained earnings shall be invested with the South Australian Government Financing Authority.

13. Dividend and tax equivalent payments

13.1. The Corporation shall comply with Government policies and relevant Treasurer's Instructions on dividend and tax equivalent payments.

13.2. In accordance with section 29 of the Public Corporations Act 1993, the Corporation shall pay to the Treasurer all rates, duties and taxes as requested by the Treasurer.

13.3. In accordance with section 30 of the Public Corporations Act 1993, before the end of each financial year the Corporation shall recommend to the Treasurer that the Corporation pay a specified dividend or not pay any dividend, for that financial year.

14. Financial reports, systems and practices

14.1. Form and content of accounts and financial statements:

14.1.1 The Corporation shall maintain financial and accounting processes, practices and systems, and prepare financial statements in accordance with:

- a. Applicable Australian Accounting Standards
- b. Generally accepted accounting principles and practice, and
- c. All relevant Government policies including Treasurer's Instructions and Accounting Policy Statements (unless specifically exempted) issued under the *Public Finance and Audit Act 1987*.

14.2. Accounting and internal auditing systems and practices:

14.2.1 The Corporation shall establish and maintain effective records of all asset acquisitions and disposals.

14.2.2 The Corporation shall establish an Audit and Risk Committee chaired by a Board Director and reporting through to the Board.

14.2.3 The Corporation shall establish and maintain effective internal auditing of its operations in accordance with appropriate standards of practice and as required by its Audit and Risk Committee.

14.2.4 In addition to statutory reporting, the Corporation shall provide the following reports to the Minister, and/or the Treasurer, or Department of Treasury and Finance (as appropriate):

- a. Monthly and quarterly reports including actual and forecast information on financial and non-financial performance, its financial position, contributions to and from the Government, capital expenditure, borrowings, financial and operational performance targets and cash flow.
- b. Annually for the budget planning process, a forward estimates report covering the Budget year and the four forward estimate years.
- c. Regular reports on performance as outlined in the Performance Statement.

d. Other information as requested from time-to-time by the Minister or the Treasurer.

14.3. The Corporation shall:

- 14.3.1 Work in collaboration with Department for State Development (Skills SA) to ensure consistency and alignment on the financial and non-financial implications of delivery of non-commercial operations, enabling Skills SA stewardship of the VET sector, including through establishment of operational arrangements for government funded activity and reporting and submissions via relevant planning processes to Minister, Treasury and Cabinet.
- 14.3.2 Advise the Minister, as soon as practicable, of any development that materially affects the financial or operating capacity of the Corporation or any of its subsidiaries or gives rise to an expectation that the Corporation or any of its subsidiaries may not be able to operate within approved budgets and /or savings targets and/or meet its debts as and when they fall due.
- 14.3.3 Ensure that all information furnished to the Minister by the Corporation or any of its subsidiaries is accurate and comprehensive.
- 14.3.4 Provide advice on dividends to the Government and dividend returns to the Government as approved by the Minister and the Treasurer.

Part 5: Date of operation

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



Hon Blair Boyer MP
Minister for Education Training and Skills
Date: 28/02/2024



Hon Stephen Mullighan MP
Treasurer
Date: 19/12/2024