

ANNUAL REPORT

2018-19



MAKE
GREAT
HAPPEN





5 September 2019

The Honourable Shannon Fentiman MP
Minister for Employment and Small Business and
Minister for Training and Skills Development
PO Box 15483
CITY EAST QLD 4002

Dear Minister Fentiman

I am pleased to submit for presentation to the Parliament the Annual Report 2018–19 and financial statements for TAFE Queensland.

I certify that this report complies with the:

- prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*
- detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found at page 69 of this annual report.

Yours sincerely

A handwritten signature in black ink, appearing to read "Annabel Dolphin".

Annabel Dolphin
Chairperson
TAFE Queensland

About our annual report

The TAFE Queensland Annual Report 2018–19 is an integral part of our corporate governance framework. It aligns with the TAFE Queensland Strategic Plan 2018–22, summarising our key achievements, performance and financial position for 2018–19.

The annual report plays an important role in fulfilling TAFE Queensland's commitment to accountability, transparency and continuous improvement.

It also provides information on our future direction, people management and corporate governance.

View our report online

This and earlier annual reports (including information on TAFE Queensland as a government body) is available online at tafeqld.edu.au.

For enquiries about this annual report, please contact TAFE Queensland by phone on +61 7 3514 3600 or via email at tafe.queensland@tafeqld.edu.au.

Interpreter services

TAFE Queensland is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have any difficulty in understanding the annual report, please call TAFE Queensland on +61 7 3514 3600 and we will arrange an interpreter to effectively communicate the report to you.



More information – open data

Several annual reporting requirements for this year are addressed through publishing information on the Queensland Government Open Data Portal. These are:

- consultancies
- overseas travel
- Queensland Language Services Policy.

For further information, please visit data.qld.gov.au.

Providing feedback

We continually strive to meet best practice reporting standards and value the views of our readers. We invite you to provide feedback on this report by completing the whole-of-government feedback survey available at www.qld.gov.au/annualreportfeedback.

Cover hero bio

After 10 years running her own music school, Rachael Turner decided to pursue her childhood passion for construction. She now runs her own design and construction business, Front Porch Properties. Rachael realised her childhood dream of becoming a qualified builder by completing her Certificate IV in Building and Construction (CPC40110) at TAFE Queensland, and still uses the knowledge and skills from her qualification in her current role.

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INTRODUCTION

I MESSAGE FROM THE CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

As the state's premier provider of quality vocational education and training (VET), TAFE Queensland made a critical contribution this year to the Queensland Government's objectives for *Our Future State: Advancing Queensland's Priorities*, to create jobs in a strong economy.

Through our commitment to delivering industry-relevant and future-focused training, TAFE Queensland supported over 112,000 students throughout the year to gain the skills needed to enter the workforce or to further their career or study ambitions.

This year, we again demonstrated that we have a broader remit than the delivery of training alone, with an irreplaceable role in providing substantial services to the public and local communities.

Our achievements included responding to over 16,494 referrals to connect disadvantaged jobseekers with training and skills development—linked to real jobs in local communities—under the Queensland Government's Back to Work employment programs. As at 30 June 2019, TAFE Queensland provided career and training advice to more than 2,342 individuals who were at risk of losing their job or impacted by significant company closures (across the state).

We worked with these individuals to give them the confidence to promote their existing skills or upskill, re-train or diversify their skills to transition into local employment opportunities under the Queensland Government's 2017–19 Regional Skills Adjustment Strategy (RSAS).

Throughout the year, we awarded over \$320,000 in merit and access, and equity scholarships to assist TAFE Queensland students to achieve their study and career goals.

This year we launched our inaugural *Reconciliation Action Plan*. As one of the largest training providers to Aboriginal and Torres Strait Islander people this plan further cements our commitment to closing the gap, and will ensure our first Australians are afforded the same opportunities for learning and prosperity that everyone enjoys in Australia.

TAFE Queensland also received a 93.6 per cent employer satisfaction rating and 87.5 per cent student satisfaction rating demonstrating TAFE Queensland's commitment to delivering quality education and training to the industries and communities we serve.

This year we also celebrated being recognised for our contribution to the VET sector by winning the:

- Large Training Provider of the Year at the 2018 Queensland Training Awards
- Best Achievement in Event Education and Training at the 2018 Australian Event Awards
- ABA100 Service Excellence Award at the Australian Business Awards 2018
- Gold Award of Excellence - Access to Learning and Employment for the Australia Pacific Training Coalition at the World Federation of Colleges and Polytechnics Congress 2018 Awards of Excellence.

The significance and impact of our work was quantified by KPMG in their report, *The importance of TAFE Queensland to Queensland's prosperity*.¹ Commissioned by TAFE Queensland, the report found that our organisation delivered an economic benefit of \$1.8 billion to Queensland's Gross State Product in 2017, with every dollar spent by TAFE Queensland adding \$2.55 to the Queensland economy.

KPMG also found that TAFE Queensland supports the Queensland Government's strategy to grow the international education and training sector, with our inbound and outbound students contributing over \$125 million to the Queensland economy.

A renewed focus on compliance within the sector has seen a growing focus on quality controls and outcomes. These changes impacted several high-profile private training providers who lost their registration or access to government contracts as a consequence of not meeting industry and legislative standards.

These instances of market failure resulted in over 550 displaced students. TAFE Queensland continues to step in as the trusted and reliable agent for the recovery of the reputation of the VET sector.

TAFE Queensland's operating environment continued to change in line with Australia's tertiary education and training sector. This includes reducing numbers of students accessing Commonwealth VET Student Loans and a range of factors such as net population migration, demographic changes, and growth in the working age population means that there is pressure on investment in training.

In response, TAFE Queensland has worked with the Queensland Government to deliver targeted skills programs to encourage participation, including upskilling and re-skilling, as well as to support workers and industries impacted by occupational and structural economic changes.

We are pleased with TAFE Queensland's continued growth in the international education and training market and TAFE Queensland is performing above the national average in terms of increases in international student numbers. There continues to be increasing competition and changing markets in the international education and training sector but TAFE Queensland is well placed to respond through ongoing attention to strategy and student recruitment.

With increasing occupational change and adoption of new technologies, there is increasing recognition of the vital role that TAFE Queensland and the broader VET sector play in maintaining and building the skills of the existing workforce.

This has seen the establishment of new products in market by TAFE Queensland including programs in cyber security,

digital literacy and data analysis, and the implementation of new technologies, such as augmented reality training simulators. TAFE Queensland has also worked closely with industry and the Queensland Government through programs such as the Training in Emerging and Innovative Industries Fund to respond to changes and support upskilling and re-skilling of Queensland's workforce to improve productivity.

Through the achievements above, with such a large and diverse student population, and an overwhelmingly passionate body of staff, we have so many stories to tell. The following pages highlight just some of our key achievements in 2018–19 against TAFE Queensland's key strategic pillars:

- industry, employer and student focus
- our people Make Great Happen
- exceptional learning experiences for our students
- a strong and sustainable TAFE Queensland.

In the year ahead, we will be working towards establishing a charitable company and scholarship fund for TAFE Queensland, re-engineering our student admissions processes and continuing to integrate our services and programs— as one TAFE Queensland—to provide a seamless service to our students, employers and stakeholders.

We look forward to continuing our efforts in 2019–20 to ensure that all Queenslanders have the skills and opportunities to participate and prosper in the economy.



Annabel Dolphin
Chairperson
TAFE Queensland

A handwritten signature in black ink, appearing to read 'Annabel Dolphin', written in a cursive style.



Mary Campbell
Chief Executive Officer
TAFE Queensland

A handwritten signature in black ink, appearing to read 'Mary Campbell', written in a cursive style.

OUR ORGANISATION

| 2018–19

TAFE Queensland was established by the *TAFE Queensland Act 2013* (TQ Act) as a statutory body under the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982* on 1 July 2014.

This legislation prescribes our objectives and functions—noting our primary role is to provide VET services in a way that is efficient, effective and responsive to the needs of industry, students and the general community.

TAFE Queensland is the state's largest and most experienced further education and training provider, delivering practical, industry-relevant courses. This year, we saw over 112,000 students come through our doors to study one or more of our 528 qualifications that range from foundation skills to degree level.

Operating as one network of over 50 campuses across Queensland, online, at employer workplaces and in markets offshore, we provide individuals with training options at every stage of their career and employers with skilling solutions that respond to complex and ever-changing workforce needs.

Our statewide delivery model supports our commitment to working with students from a wide-range of socio-economic and cultural backgrounds, in regional and remote locations and with students with diverse needs. Our responsive approach allows us to adapt our offerings to meet the needs of local industries and strengthens local communities. Our training results in contemporary skills that prepare graduates for the jobs of today, and the required upskilling and re-skilling for the jobs of tomorrow.

Though our form has changed many times throughout our proud 137-year history, our vision has stayed the same: to be the leading provider of vocational education and training that is at the heart of community success.

By holding true to our values: safety first, working together, focusing on our customers, taking responsibility and showing initiative, we continue to strengthen our reputation as a leading provider of high-quality education and training. TAFE Queensland's values support the Queensland Government's public service values.

OUR VISION

At TAFE Queensland, our vision is to be the leading provider of vocational education and training that is at the heart of community success.

OUR MISSION

At TAFE Queensland, we deliver quality education and training that enables the careers of our students and the development of the industries and communities we serve.

OUR VALUES



**SAFETY
FIRST**



**WORKING
TOGETHER**



**FOCUSING ON
OUR CUSTOMER**



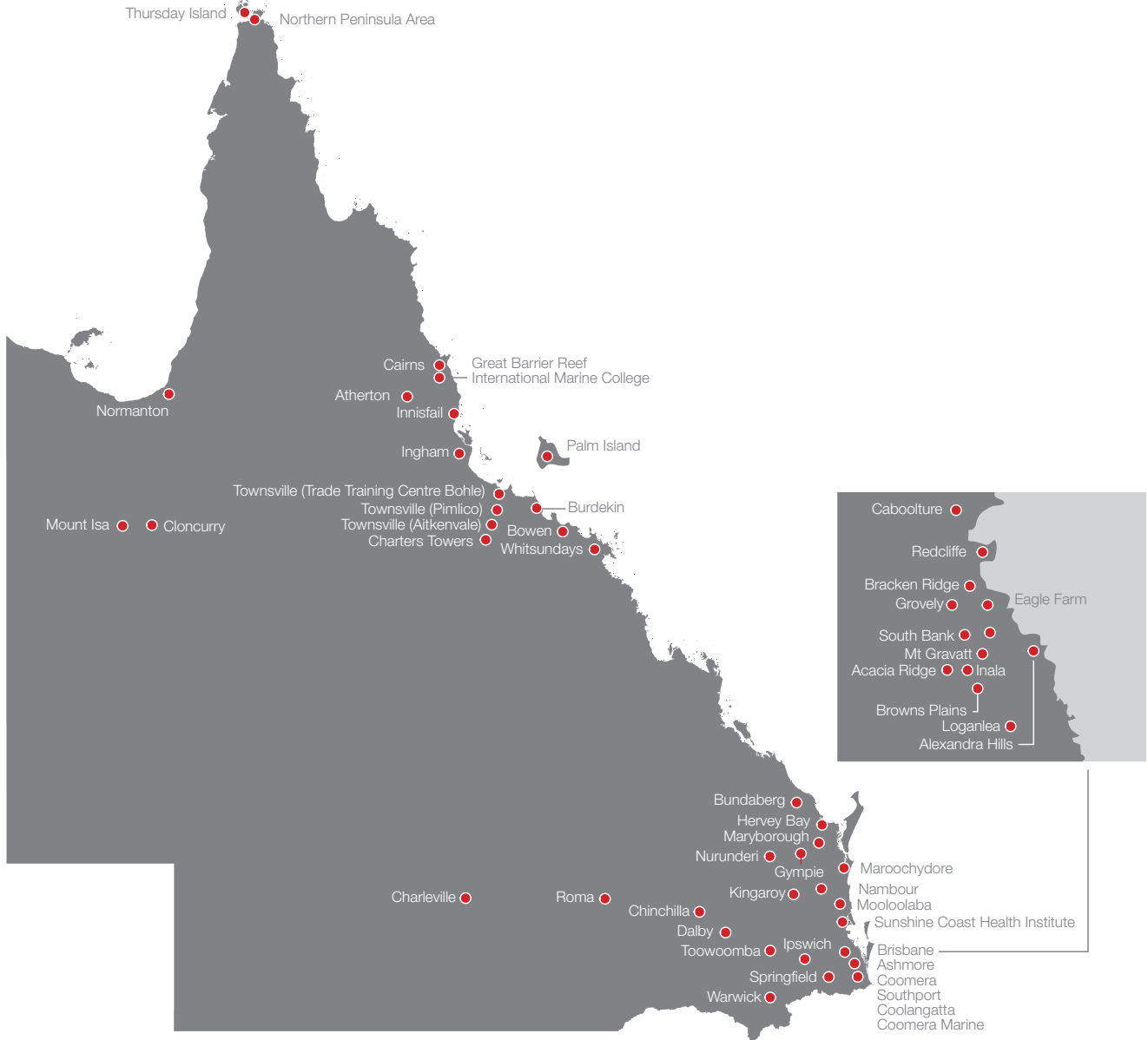
**TAKING
RESPONSIBILITY**



**SHOWING
INITIATIVE**

OUR ORGANISATION

| 2018–19



OUR ORGANISATION

I OUR PERFORMANCE



112,161¹

UNIQUE STUDENTS



91.3%⁷

OF TAFE QUEENSLAND GRADUATES **WOULD RECOMMEND US** TO OTHERS (ABOVE ALL VET PROVIDERS IN QUEENSLAND AT 88.9%)



87%¹

COMPETENCY COMPLETION



77%⁷

PERCEIVE TAFE QUEENSLAND AS A TRUSTED BRAND



93.6%³

EMPLOYER SATISFACTION



84.7%²

GRADUATES EMPLOYED OR IN FURTHER STUDY



87.5%²

STUDENT SATISFACTION



3.79⁶

STAFF SATISFACTION (SCALE OF 1 TO 5)



EVERY \$1 SPENT BY TAFE QUEENSLAND SUPPORTS⁸

\$2.55

OF **ADDED-VALUE** IN THE **QLD ECONOMY**



TAFE QUEENSLAND'S INTERNATIONAL STUDENTS CONTRIBUTE OVER⁸

\$125 MILLION

TO QUEENSLAND'S GROSS STATE PRODUCT

GREAT RECOGNITION:

- 2018 Large Training Provider of the Year | Queensland Training Awards 2018
- ABA100 Service Excellence Award | The Australian Business Awards 2018
- Gold Award of Excellence – Access to Learning and Employment (APTEC) | World Federation of Colleges and Polytechnics Congress 2018 Awards of Excellence
- Best Achievement in Event Education and Training | 2018 Australian Event Awards
- Finalist | International Training Provider of the Year | 2018 Australian Training Awards
- Nominee | 2018 Premier's Award for Excellence Innovation

OUR ORGANISATION

I 2018–19

Executive management

TAFE Queensland's executive team function under the authority of the TAFE Queensland board and report to the board through the Chief Executive Officer (CEO). The executive team (led by the CEO) provides the leadership and direction to achieve our strategic goals and draws on the expertise of other staff when required.

Organisational structure as at 30 June 2019



OUR ORGANISATION

I OUR EXECUTIVE TEAM



Mary Campbell Chief Executive Officer

Mary Campbell has more than 30 years of experience working in the VET sector. She is passionate about all aspects of TAFE Queensland, but most importantly about creating real outcomes for students, communities, employers, and industry. She is a Graduate of the Australian Institute of Company Directors and Committee for Economic Development of Australia trustee and a member of TAFE Directors Australia Board and the Queensland Overseas Foundation Board. Mary holds a Diploma of Teaching (TAFE), Bachelor of Arts, Graduate Certificate in Open and Distance Learning, Graduate Certificate in Education and a Masters of Learning Innovation.



Joann Pyne A/Chief Academic Officer

Joann Pyne has over 20 years of experience in both local and federal government across a variety of senior executive roles. Joann has been instrumental in developing a range of programs that have received awards for their innovative approach, unique and successful partnerships, and their responsiveness to business, industry and community. Joann is passionate about ensuring TAFE Queensland is seen as the premier training provider and an advocate of indigenous vocational education in Queensland that students, employers, industry and employees are proud to be associated with. Joann is a Graduate of the Australian Institute of Company Directors.



Sue Davis Chief Financial and Operations Officer

Sue Davis has 20 years of senior executive experience, during which she has undertaken successful financial, commercial and operational business management roles across a range of industry sectors, including education. Sue is resourceful, results orientated, and driven to achieve challenging objectives that render value-added change and favourable win-win outcomes. Sue holds a Masters of Professional Accounting and is a board member of Life Education Queensland, where she advises on financial, commercial and governance matters.



Alan Chapman Chief Information Officer

Alan Chapman has over 10 years' experience in the higher education and VET sectors and over 30 years in information and communications technology (ICT). He has a strong focus on getting the best from ICT for TAFE Queensland, driving a rich technology-enabled experience for students and a seamless working environment for staff. Alan is a Graduate of the Australian Institute of Company Directors.



Vanessa Kissane A/Chief Human Resources Officer

Vanessa Kissane has 16 years' experience working in a number of key senior management roles across TAFE Queensland, with a focus on strategic human resources and employee relations. With an innovative approach to all facets of workforce development, Vanessa brings a strong operational understanding to drive organisational performance. Vanessa holds a Masters of Business and Graduate Certificate in Human Resource Development.



Dr Paul Wilson General Manager, Brisbane region

Dr Paul Wilson has almost 24 years of experience in tertiary education in roles from lecturer to head of school and faculty dean through to CEO roles. During his time in leadership roles he has been responsible for all aspects of educational delivery and organisational change management. Paul holds a Doctorate of Business Administration and Bachelor of Engineering, Electrical and Electronics, First Class Honours. Paul is a member of the International Practitioners Board of the Chair Academy, USA, a Fellow of Engineering New Zealand and a Fellow of the Institute of Managers and Leaders.



Ana Rodger General Manager, East Coast region

Ana Rodger has more than 28 years' of wide-ranging experience in the VET sector with a particular focus on skill development of emerging leaders and the implementation of innovative teaching practices and new technologies. Ana holds a Bachelor of Commerce, Graduate Certificate of Public Sector Management, is a member of the Australian Institute of Company Directors and an Associate Member of Certified Practising Accountants, Australia.



Karen Dickinson General Manager, Gold Coast region

Karen Dickinson has extensive executive level experience in public sector management across health, employment services, and vocational education and training. She has a range of qualifications from bachelor to masters level, and is also a Graduate of the Australian Institute of Company Directors.



Tim Campbell A/General Manager, North region

Tim Campbell has 18 years' experience in the vocational education and training sector as a teacher, senior manager, faculty head, and in executive director roles. Tim also spent two years living remotely leading an Aboriginal and Torres Strait Islander training and construction organisation. Tim is passionate about developing staff to realise their full potential to achieve the desired outcomes for students and the community. Tim has a Masters in Business Administration (Human Resource Major) and a Certificate of Education (Post Compulsory Education Training) from Teesside University in the UK.



John Tucker General Manager, SkillsTech

John Tucker has more than 25 years' experience in vocational education as a teacher, senior manager, faculty head, and executive director. John is a recognised leader in innovative teaching and learning practices, and is passionate about achieving the best training outcomes for students, industry, and TAFE Queensland. John is a Graduate of the Australian Institute of Company Directors and the Chair of the WorldSkills Queensland Steering Committee.



Brent Kinnane General Manager, South West region

Brent Kinnane has 15 years' of experience in strategic and operational management, business development and finance across a range of industries and sectors. Brent is the Chair of the TAFE at School Steering Committee, tasked with reinforcing TAFE Queensland as the provider of choice for schools in Queensland. He holds a Bachelor of Business Management (Distinction) and is a member of the Australian Institute of Company Directors. Brent is also a board member of the Toowoomba Chamber of Commerce and is a Director of the Board of Brothers Leagues Club, Ipswich.



Gareth Hewson Executive Director, Legal Services and General Counsel

Gareth Hewson holds Law and Business Degrees and a Graduate Diploma of Applied Corporate Governance. He is a qualified Queensland Legal Practitioner and an experienced law professional having held roles with large organisations in Australia and overseas. Gareth has several years' experience advising registered training organisations and specialises in commercial and government contracting, international projects, dispute resolution and multi-party ventures.



Robert Petherbridge Executive Director, Business Development

Robert Petherbridge has nearly 20 years' experience working in the tertiary education and training sector across public and private organisations. He is passionate about skills and workforce development and working with businesses and government to ensure Australia's workforce has the skills needed for tomorrow's world of work. Robert is a Trustee of the Committee for Economic Development of Australia and recognised for contributions to public policy and reform in education and VET.



Denise O'Brien Executive Director, International Development

Denise O'Brien's 30 years' experience in VET includes teaching, management and CEO positions in Victoria and the Australia-Pacific Technical College (APTC). Denise holds a number of post graduate qualifications in education including a Masters in Educational Leadership and has held positions on various government and non-government boards. Denise is committed to the role VET plays in assisting people of all ages to improve their economic, social, and cultural prospects.

FINANCIAL PERFORMANCE

TAFE Queensland is reporting a consolidated operating loss before taxes of \$4.4m for 2018-19.

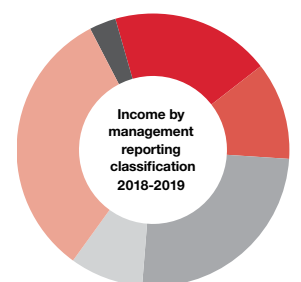
Overall revenue decreased by 1.8 per cent, with expenditure decreasing by 0.9 per cent. The decrease in revenue is largely attributed to a continued reduction in students accessing Commonwealth VET Student Loans following the introduction of the new scheme in 2017.

TAFE Queensland has continued our prudent management of expenditure, ensuring operating expenses were

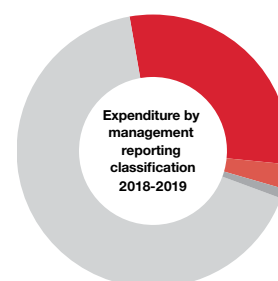
managed in line with the level of training demand from our customers.

TAFE Queensland has managed its resources effectively in a difficult operating environment, continuing to maintain a strong balance sheet underpinned by considerable holdings of liquid assets. TAFE Queensland holds minimal debt through its subsidiary company, with all current initiatives funded through working capital.

Snapshots from the 2018-19 year are provided below. Further details are contained in the financial statements.



- Domestic Training
- International Training
- Government Subsidised Training
- Commonwealth Training Programs
- Grants & Contributions
- Other Revenue



- Supplies and Services
- Depreciation and Amortisation
- Other Expenses
- Employee Expenses

Operating performance: financial highlights	2017-18 \$'000	2018-19 \$'000
Income	627,613	616,214
Expenses	626,195	620,576
Operating Surplus	1,418	(4,362)
Cash and cash equivalents	220,375	185,231
Total Assets	400,330	386,235
Total Equity	303,028	302,962

Service delivery standards

Performance measures	2018-19 target/estimate	2018-19 actual
<i>Effectiveness measures</i>		
Proportion of attempted competencies successfully completed ¹	91.0%	87.0%
Student post training outcomes (employed or in further study after training) ²	88.0%	84.7%
Proportion of graduates satisfied with the overall quality of training ²	89.0%	87.5%
Proportion of employers satisfied with the overall quality of training ³	89.0%	93.6%
<i>Effectiveness measures</i>		
Average cost per competency successfully completed ^{4,5}	\$805	\$885

Notes:

1. This result is sourced from the TAFE Queensland student management system.
2. This result is sourced from the National Centre for Vocational Education Research (NCVER) National Student Outcomes Survey, for student activity from 2017 calendar year.
3. This result is sourced from the TAFE Queensland Annual Quality Indicator Learner Engagement and Employer Satisfaction (AQILEES) Survey 2018.
4. This result is calculated by dividing the total operating expenses by the total units of competency successfully completed in 2018-19, excluding expenses and units of competency related to the Australia Pacific Training Coalition and Aviation Australia.
5. Average cost per competency successfully completed is impacted by a number of variables, including completion rates, volume of training activity, type and duration of competencies delivered, class sizes and general cost increases (wage and Consumer Price Index increases). Lower levels of training have contributed to the variance from the 2018-19 target/estimate.
6. This result is sourced from the TAFE Queensland 2019 Employee Engagement Survey.
7. This result is sourced from Kantar Brand Tracking April 2019.
8. This result is sourced from the KPMG 2018, The importance of TAFE Queensland to Queensland's prosperity, Final Report, November 2018, TAFE Queensland.

YEAR IN REVIEW 2018–19

I INDUSTRY, EMPLOYER AND STUDENT FOCUS

HIGHLIGHTS

- Delivered job-focused training to more than 112,000 students
- Launched TAFE Queensland's inaugural Reconciliation Action Plan
- Announced as the training partner for the Australia Pacific Training Coalition Phase 3
- Engaged with industry to deliver innovative industry programs by industry experts
- Supported disadvantaged and marginalised cohorts, opening access to training through the delivery of a range of program initiatives

TAFE Queensland is a leader in stimulating economic growth and innovation, providing responsive and integrated services, achieving first-class education and training outcomes, and creating pathways to employment for all Queenslanders.

Sustaining Digital Futures

In separate partnerships with the Queensland Farmers Federation and Queensland Resources Council, TAFE Queensland developed and delivered workshops on Embracing Digital Innovation and Sustaining Digital Futures to prepare both sectors for the industry 4.0 environment and to embrace the opportunities that innovative technologies provide.

The suite of programs (funded by Training in the Emerging and Innovative Industries Fund) covered the digital technologies transforming their respective sectors including topics on data management, cyber security, digital literacy, communication, and collaboration technologies that have the potential to increase competitiveness, efficiency and sustainability in their productions.

Regional Skills Adjustment Strategy

This year, TAFE Queensland continued to support employers and workers in the resources, manufacturing, infrastructure, and food processing and agriculture sectors under the 2017–2019 RSAS.

Since its commencement in late 2017, TAFE Queensland Industry Liaison Officers have provided career and training advice to approximately 2,342 individuals at risk of losing their job or impacted by significant company closures.

Of the 2,342 displaced workers, approximately 1,207 individuals have been referred to training to gain new skills required by their current employer, or to develop skills to support a transition to new job opportunities.

In addition to supporting impacted workers, TAFE Queensland provided proactive support to 14 employers/industry sectors to build workforce resilience and attract/train suitably qualified workers to address skills or labour shortages.

Strengthening the residential care workforce

TAFE Queensland is also working to support Queensland's most vulnerable young people.

Endorsed as the Queensland Government and PeakCare's preferred training provider, TAFE Queensland

is delivering the Certificate IV in Child, Youth and Family Intervention (CHC40313) to existing residential care staff so they can meet the new minimum qualification expectation for the sector.

As at 30 June 2019, over 224 workers have taken advantage of subsidies provided under both RSAS and the VET Investment Plan to complete the qualification by 31 December 2019.

Rural support

The Rural Support Training Program is a TAFE Queensland initiative to help our drought-affected communities to diversify and build employability skills during this time. The RSAS funded program offers a range of short courses to enable local farmers and residents (in areas affected by drought) to upskill or re-train to increase their opportunities for off-farm income.

Since its commencement in February 2019, over 294 individuals across Esk, Gatton, Warwick, Dalby, Kingaroy, Charleville, Cunnamulla, Talwood, Goondiwindi, Roma, Toowoomba and St George have participated in the program—with participants expressing appreciation for the ability to receive training without having to travel long distances to Toowoomba or Ipswich.

Back to Work

Since the commencement of these programs, TAFE Queensland has responded to over 16,494 disadvantaged jobseeker referrals as part of our role in the Queensland Government's Back to Work employment programs—with regional Queensland and South East Queensland referrals accounting for 59 per cent and 41 per cent respectively.

As at 30 June 2019, a total of 10,304 jobseekers have been referred to training, of which 9,084 were referred with Certificate 3 Guarantee Boost funding.

A total of 1,864 formerly unemployed, under-employed or at-risk individuals have achieved positive employment outcomes as a result of TAFE Queensland's career and training advice and ongoing support for disadvantaged Queenslanders.

Transition 2 Success

In 2017, TAFE Queensland entered into a collaborative partnership with the Department of Justice and Attorney-General to create a bespoke suite of programs as part of the Transition 2 Success (T2S) program.

T2S helps young people lower their risk of offending by engaging with education, training and employment.

This year, TAFE Queensland delivered 14 vocational and foundation programs to 235 young people across the state. A high level of whom (approximately 95 per cent) progressed into employment or further study as a direct result of participating in these programs.

TAFE priority training

Commencing on 1 July 2018, TAFE Queensland successfully launched the \$15 million TAFE Priority Training Program (TPTP)—reducing the upfront costs for Queenslanders to access training in selected qualifications under the Certificate 3 Guarantee and Higher Level Skills programs, as well as to provide second chance training for students seeking additional opportunities.

As a result, a total of 11,865 students have commenced training in a TPTP subsidised course this financial year, with the largest uptake in Certificate IV in Adult Tertiary Preparation (10765NAT), Certificate III in Education Support (CHC30213) and Certificate III in Business Administration (BSB30415).

The TPTP agreement has provided 3,424 students a second chance training opportunity with the largest uptake in Certificate III in Education Support (CHC30213), Diploma of Nursing (HLT54115), and Certificate III in Individual Support (CHC33015).

Free TAFE

Following the launch of the Queensland Government's Free TAFE campaign for Year 12 graduates on 31 August 2018, 5,443 students are participating in free programs. The largest uptake of TAFE Queensland course offerings have been the Certificate III in Electrotechnology Electrician (JEE30811), Certificate III in Carpentry (CPC30211), Certificate III in Plumbing (CPC32413), Certificate III in Engineering—Mechanical Trade (MEM30205) and Certificate III in Engineering—Fabrication Trade (MEM30305).

Industry sector panels

Ongoing engagement with industry and participating in formal industry networks remained critical to TAFE Queensland this year to enable the identification and prioritisation of new skills and product development, and to validate and innovate our existing products and services.

In partnership with educators, students and industry, we hosted 14 industry sector panels across the year, to gather insights on industry trends and seek feedback on the effectiveness and suitability of our training and product offerings.

TAFE Queensland Reconciliation Action Plan

On 18 September 2018, we officially launched the *TAFE Queensland Reconciliation Action Plan*, demonstrating our commitment to closing the gap to ensure our first Australians are afforded the same opportunities for learning and prosperity that everyone enjoys in Australia.

TAFE QUEENSLAND RECONCILIATION ACTION PLAN

DOWNLOAD AVAILABLE

<https://tafeqld.edu.au/about-us/who-we-are/reconciliation-action-plan.html>



Large number of aeroskills graduates gain apprenticeships

Exemplifying the employment outcome success of the Certificate IV in Aeroskills (Avionics) (MEA40618), Certificate IV in Aeroskills (Mechanical) (MEA40718), and the Certificate IV in Aeroskills (Structures) (MEA41318), many students who have graduated from Aviation Australia in the last six months have already secured apprenticeships with highly regarded companies such as Qantas, Airbus, Northrop Grumman, QG Air, Air Gold Coast, Aeropower, Skytrans, Ansett Aviation Training, Asia Pacific Aerospace and McDermott Aviation.

Employers looking for apprentices often seek Aviation Australia graduates as their initial aviation maintenance training education has already been completed thanks to the Queensland Government funded Institutional Aeroskills program.

This allows the students to be full-time employees and further block release training is not required. Students completing this program attend all the theory classes and also complete basic hand skills training to equip them for successful entry into the workforce.

Currently managing over 260 apprentices in Queensland and more than 100 others across Australia, Aviation Australia is supporting this exponential growth.

APTC stage 3 launch

On 9 August 2018, TAFE Queensland was officially announced as the training partner for the third phase of the Australia Pacific Training Coalition (APTC) — formerly known as the Australia-Pacific Technical College.

As managing contractor, TAFE Queensland is responsible for continuing APTC's role to deliver on the Australian Government's vision of enhancing Pacific prosperity through a more skilled, inclusive and productive workforce.

Through the provision of demand-driven, Australian-standard training, APTC supported 1,314 Pacific men and women this financial year (and 13,800 since its commencement in 2007) to develop real job-ready skills across the Pacific Island region.

Equally, TAFE Queensland's continued presence in the South Pacific provides ongoing opportunities for our staff to build their capabilities through project and delivery opportunities available at Australia's flagship Pacific vocational training facility.

National VET review

In response for submissions into the Commonwealth's independent review of Australia's VET sector, TAFE Queensland advocated for: the tightening of sector regulation, a simplified and streamlined AQF, an increase to funding investment, greater cross-jurisdictional consistency of both policy and funding settings.

To re-state this position, TAFE Queensland attended the expert review panel held in Brisbane in February 2019—taking the opportunity to further highlight the need for parity of student loans between the VET and higher educator sectors.

Skills for Queensland

TAFE Queensland welcomed the opportunity to respond to the *Skills for Queensland* discussion paper released by DESBT on 18 September 2018. TAFE Queensland reiterated that it has the capacity, expertise, experience, and statewide training infrastructure to deliver the transformational responses needed to meet the impacts of disruption throughout the economy.

Review of higher education provider category standards

In response to the Commonwealth's review of the Higher Education Provider Category Standards (PCS) in March 2019, TAFE Queensland also made recommendations for:

- a broader definition of a higher education provider in the PCS
- TAFE access to Commonwealth supported places for higher education delivery, highlighting the socio-economic status of many TAFE higher education students
- TAFE access to other Commonwealth funding available to universities, e.g. Higher Education Participation and Partnerships Program.

TAFE Queensland also participated in targeted consultations held in Brisbane on 13 March 2019, to provide further feedback on the PCS.

CASE STUDY

Delivering sustainable and responsive services that build partnerships and maximise training outcomes



TAFE Queensland's Great Barrier Reef International Marine College (GBRIMC) has been providing quality maritime training to the Torres region for many years.

TAFE Queensland has developed strong relationships with Education Queensland, the Torres Strait Regional Authority (TSRA), Marine Safety Queensland, the Australian Maritime Safety Authority, and other government entities integral in providing quality maritime training programs to this region.

Through the GBRIMC, TAFE Queensland is currently delivering training in Tagai State College for the Growing Our Own program, an initiative of TSRA and Tagai. The program has provided skills and knowledge in the maritime sector in a format that ensures students are job-ready in the industry.

TAFE Queensland has also been delivering coxswain training as part of the Torres Strait Marine Pathways Program. This training, delivered through the GBRIMC, is an essential requirement for the commercial cray fishermen of the Torres Strait region. The GBRIMC has also worked with third party contractors to deliver effective training in a variety of locations in the Northern Peninsula Area.

The GBRIMC provides training in safety and fire to the Australian Border Force (ABF) that is tailored specifically for the recently launched "Cape Class" vessel, and industry standard support for the Royal Australian Navy (RAN) to conduct their pre-workup training for the "Armidale" Patrol Boat crews.

These offerings represent a genuine partnership with both organisations contributing their relative expertise, knowledge, and enthusiasm to deliver training programs that meets the needs of an ever-changing ABF and RAN.

Through its extensive footprint, TAFE Queensland is positioned as a significant contributor to the maritime training in Northern Australia and the Pacific region, and is able to provide industry-focused training, which can be deployed in local industries and organisations leading to positive economic growth for communities.

YEAR IN REVIEW 2018–19

OUR PEOPLE MAKE GREAT HAPPEN

HIGHLIGHTS

- Congratulated educator Leanne Morgan, named as the Queensland 2018 Teacher or Trainer of the Year
- Recognised the outstanding contribution to VET by key staff at the AUSTAFE awards
- Committed to the organisational-wide implementation of our Safety First culture
- Supported our educators' skills currency through return to industry, professional development and TAE upgrade
- Engaged a workforce of 3894.76 full-time equivalent staff

In 2018, TAFE Queensland was recognised for the fourth year in a row as Queensland's Large Training Provider of the Year—an acknowledgement of the dedication of our staff who encourage and mentor our students to help them succeed in their chosen industry.

2018 Large Training Provider of the Year

A total of 14 categories were contested at the 2018 Queensland Training Awards, with TAFE Queensland represented in eight of these.

Of the 85 finalists, 12 were TAFE Queensland student, teacher and organisation-category entries, of which, we took out a total of four awards including the 2018 Large Training Provider of the Year for the fourth year in a row.

2018 Teacher of the Year

Congratulations to TAFE Queensland teacher, Leanne Morgan, who was named the 2018 Teacher or Trainer of the Year at the 2018 Queensland Training Awards in September 2018. Leanne received the award for her

commitment to providing health care education to the communities in the Darling Downs region and her innovative approach of using storytelling as an effective teaching strategy.

Connected Leaders and AUSTAFE awards

This year, the Connected Leaders forum was held on 16 August 2018, following the AUSTAFE Awards dinner, at our South Bank campus—bringing together over 100 TAFE Queensland senior leaders across the state to celebrate, network and continue building leadership capabilities.

The forum started with sessions on culture and safety leadership—with the afternoon consisting of breakout sessions on turning strategy into reality, developing resilience, and customer service.

The night before, the following staff were recognised for their outstanding contribution to TAFE Queensland and the VET sector:

Israel Vogel

Emerging Leader | Education and Training Award

Highly Commended | Ryan Arthurson

Chontelle Bailey

Emerging Leader | Support Services Award

Highly Commended | Nathan Nielsen

Tessa Brown

Educational Leadership Award

AUSTAFE Legends

Beverly Charnley
Anthony Kruger
Robert Jones
Basil Harvey

Recognition at the 2018 Australian Event Awards

TAFE Queensland was awarded the Best Achievement in Event Education and Training category at the 2018 Australian Event Awards held on the Sunshine Coast on 19–21 November 2018.

TAFE Queensland was recognised for the two-year commitment made to create a Games-first volunteer training program to equip over 15,000 volunteers with the skills needed to bring the GC2018 to life. The award is a significant achievement and showcases TAFE Queensland's commitment and capability to deliver training on a global stage.

Professional development

Each TAFE Queensland region holds annual educator professional development days led by the regional educator capability development team and supported by TAFE Queensland's Centre for Learning and Teaching.

The Centre also provides educators with ongoing professional development activities including inclusive practice, digital literacy, micro-credentialing, induction, and mentoring.

A strong focus this year has been on the capability and competency of the workforce with staff supported to upgrade their teaching skills and seek opportunities for industry experience.

Aviation Australia's instructor featured in Australian Aviation magazine

Cairns-based instructor, Emma Mahoney, was one of several women profiled in the May 2019 edition of the Australian Aviation magazine. This publication is a popular aviation-related magazine sold across Australia and New Zealand.

The four-page article on Emma focused on her career, including reasons for joining the industry, pre-vocational studies, apprenticeship and the pathway to gaining her licence. The article highlights the challenges of being a woman in the aircraft maintenance field and Emma's transition to becoming an instructor and assessor with Aviation Australia.

Emma has recently taken on the responsibility of training Aviation Australia's Certificate II in Aircraft Line Maintenance (MEA20515) students in Alice Springs and Darwin.

myProfile

In January 2019, TAFE Queensland launched a new organisation-wide solution for managing educator profiles, individual plans and overarching educator competency and currency compliance.

The solution, myProfile, provides TAFE Queensland with a system to create and maintain staff profiles for all educators, including third parties, and stores evidence of compliance against the Australian Skills Quality Authority (ASQA) standards in relation to industry and VET competency and currency.

Electronic training and assessment strategy

As we continue to build on our reputation as the leading provider of VET, we are committed to ensuring that our systems and processes meet the needs of our business.

To deliver increased consistency and transparency against ASQA compliance requirements, TAFE Queensland invested in the development and implementation of a statewide online Training and Assessment Strategy platform (eTAS) in September 2018. The implementation of this solution will:

- create a single-source repository of TAS's that can be easily shared between faculties and regions
- enable the creation of master TAS's to be replicated for regional offerings
- enhance version control, workflow and approval processes.

Leading teams

TAFE Queensland invests heavily to develop senior leaders through its Connected Leaders program, creating a network of over 100 senior leaders from across the state.

As part of this program, Leading Teams (an external provider) worked with the Connected Leaders group this year on teamwork and strengthening relationships to unlock high performance teams across the organisations.

Safety first

The first Leading Safety First Culture workshop was run at the Connected Leaders session in 2018. Since then, the CEO and executive have provided their personal commitment for its implementation across the organisation. This gives staff a clear understanding of how to identify, assess, control and review risk and continue to improve the safety culture within their own teams.

2019 annual HR refresher training

As part of our commitment to providing a safe, healthy and productive working environment and in compliance with the *Work Health and Safety Act 2011*, TAFE Queensland delivered its annual HR refresher training program to all staff again this year.

Serving as an important reminder to all staff of the obligations that TAFE Queensland has as an employer and the responsibilities employees have to TAFE

Queensland, the mandatory program covered four key areas: work health and safety, code of conduct, information security, and data privacy.

WHS incident reporting

From 1 August 2018, all work health and safety (WHS) incidents and near misses were reportable online through the TAFE Assistance Portal.

In contrast to prior processes, the online form is designed to provide a consistent, user-friendly and easy-to-access process for all staff. For the first time, everyone across the organisation can access the same online form to communicate about and report on WHS issues.

Approved provider of HSR training







On 14 January 2019, TAFE Queensland received notification from the Office of Industrial Relations that its application to be a registered provider of Health and Safety Representative (HSR) training was approved.

This enables us to deliver the mandatory training to TAFE Queensland HSR's as required under the *Work Health and Safety Act 2011*, while also providing a commercial opportunity for TAFE Queensland to deliver HSR training to external stakeholders and organisations.

Smoke free campuses

During the year, TAFE Queensland worked closely with Queensland Health to introduce a smoke-free campus initiative. As part of the initiative, TAFE Queensland employees and students had access to a free quit smoking support program with many staff and students signing up to quit.

TAFE Queensland workforce

 Total staff (FTE)	3894.76
 Permanent staff	2613.26
 Temporary staff	972.69
 Casual staff	196.31
 Contract staff	112.5
 Permanent separation rate	6.88%

CASE STUDY

Teaching through storytelling



Working in the health care industry since 1984, Leanne Morgan values sharing her knowledge and skills with the next generation of health professionals.

Health care and nursing is a career that has always been interesting and challenging for Leanne. The 2018 Queensland Training Award winner has worked in a variety of roles including as a registered nurse in Victoria, New South Wales and Queensland, within a variety of units from acute surgical to orthopaedic and even neurosurgical.

‘The health care industry is constantly developing and changing which is engaging, and the associated research that supports this development of best practice is always interesting and challenging,’ said Leanne.

‘I have always been interested in education as nurses are constantly providing education informally to patients and clients. In a previous role I was also providing clinical education for health care professionals within our facility.’

Leanne Morgan joined TAFE Queensland in 2003 and is a great asset to the organisation. One of her most effective teaching tools is the use of storytelling. Leanne will always use and encourage others to incorporate methods that work for them and their students.

‘The use of storytelling is part of sharing knowledge and skills and supports the links between and through the theory to practice,’ she explained.

‘Storytelling allows students to better understand the “why” behind changes within regulatory requirements, procedures, policies and guidelines.’

‘Most importantly this also supports a culturally supportive environment for Aboriginal and/or Torres Strait Islander students within our health care and nursing programs.’

‘Within an educator’s role, the sharing of knowledge and skills is important, however I believe the most valuable aspect of teaching is observing student development and their personal and professional growth.’

YEAR IN REVIEW 2018–19

I EXCEPTIONAL LEARNING EXPERIENCES FOR OUR STUDENTS

HIGHLIGHTS

- Offered over 500 nationally-recognised qualifications, across more than 50 locations across the state
- Trained our students on site, online, in the workplace and on campus through flexible and tailored training solutions
- Awarded TAFE Queensland scholarships to recipients across the state
- Implemented future focused learning technologies including augmented reality welding simulators
- Delivered the Study Abroad Program experience for TAFE Queensland students

TAFE Queensland provides training focused on job outcomes—we partner with industry, communities and government to ensure all our training, from entry-level certificates through to bachelor degrees, are industry-relevant and future-focused.

Augmented reality becomes a reality

TAFE Queensland, along with the Queensland Government and Weld Australia are revolutionising welder training in Queensland by offering a new ISO 9606 Course in Fusion Welding that uses state-of-the-art augmented reality (AR) technology.

The ISO 9606 qualification is the required international standard for welding of materials undertaken in industries across defence and advanced manufacturing sectors.

An \$800,000 investment from the Queensland Government enabled TAFE Queensland to purchase 15 new 3D AR welding simulators for training in the specialised program.

The program will support upskilling the manufacturing workforce to fulfil over 450 jobs required by Rheinmetall as part of the Australian military's LAND 400 program.

First to deliver a diploma in Brunei

The collaborative efforts of Brunei's Mahakarya Institute of the Arts Asia and TAFE Queensland since September 2017 were realised this year with the institute opening its doors to Brunei's first filmmaking college.

The institute was set up in partnership with TAFE Queensland to bring Australian film studies qualifications to Brunei to foster a strong local film and television industry. This is the first time an Australian registered training provider will deliver a diploma program in the country.

The partnership between TAFE Queensland and the Mahakarya Institute will include teacher and student exchanges as well as offering future pathways for Bruneian students to further articulate their studies in Australia.

Study abroad programs

TAFE Queensland's Study Abroad program took over 90 students overseas as part of their studies in 2018–19. Destinations included:

- Canada | Community Services, Graphic Design and Photography
- Denmark | Building Design
- China | Film and TV

- Fiji | Building and Construction
- Vanuatu | Travel and Tourism
- Italy | Early Childhood
- China | International Business and Entrepreneurship
- United Kingdom | Fashion
- Thailand | Cookery
- China | Nursing.

The programs are an exceptional learning experience for our students. It increases engagement in academic study, promotes the development of leadership skills including self-confidence, decision making and communication skills. Many returning students describe the tours as a once-in-a-life-time opportunity.

Most notable of the tours included a group of 10 students and one educator in building and construction and civil engineering who visited Fiji to work with APTC's first-ever women's construction class—helping to build houses for low income and disabled residents, and rebuild a kindergarten at a women and children's refuge that was destroyed by Cyclone Wilson in 2016.

TAFE Queensland scholarships

On 4 October 2018, the TAFE Queensland Scholarships Selection Committee met to select a total of 82 recipients from across the state to receive a scholarship of up to \$5,000 to support their study costs in Semester 1, 2019.

Scholarship offers were split evenly across the two available types—41 in the merit category recognising students who display outstanding academic achievement or strong work performance, and a further 41 in the access and equity category supporting equitable access to study at TAFE Queensland.

Of the 41 academic scholarships, 19 were offered as part of the Advance Queensland – TAFE Queensland Pathways Scholarships for students wishing to embark on a STEM-related career including nursing, engineering, science, and technology.

In addition, one merit scholarship of \$5,000 was awarded as a Professor Jimmy Choo Fashion Scholarship using funds raised during a charity auction as part of last year's fashion education event series.

LLN services to apprentices

TAFE Queensland continued to provide LLN services to eligible apprentices and trainees under the 2018–19 Language, Literacy and Numeracy (LLN) Agreement with DESBT. As at 30 June 2019, 2,945 students across the state had engaged in LLN training and assessment to provide the skills and support necessary to successfully undertake their apprenticeship or traineeship qualification.

Trade skills assessment and gap training

This year, TAFE Queensland has provided industry-led recognition of prior learning and associated gap training to 217 skilled individuals. In total, 1,200 students have accessed a trade skills assessment and gap training funded program since it commenced in 2015.

Registered trade skills pathways

This year, 60 individuals have accessed training and work-based skill formation programs funded under the 2018–19 Registered Trade Skills Pathway Manufacturing Program. Since the commencement of this program in 2015, over 500 existing workers have accessed training and assessment services across Queensland.

Aviation training in schools

Since 2001, Aviation Australia has been providing world-class aviation training that has created partnerships with over 150 industry organisations comprising airlines, aerospace companies, governments, defence forces and regulatory authorities.

The Northern Territory Government launched Aviation Australia's Certificate II in Aircraft Line Maintenance (MEA20515) in Alice Springs and Darwin in April 2019.

This is the first time that a VET aviation training product has been offered to high school students in the Northern Territory. The nationally accredited qualification will provide pathways to employment or further study, while also providing credit towards the attainment of the Northern Territory Certificate of Education and Training (NTCET).

The Certificate II in Aircraft Line Maintenance (MEA20515) provides basic knowledge and skills to enable students to perform a range of maintenance tasks on aircraft on a flight line or at the departure gate.

Quality review framework

In 2018, TAFE Queensland launched its Quality Review Framework (QRF) to guide the review and evaluation of training, assessment and support services.

With our students front of mind, the QRF builds on TAFE Queensland's Learner Experience and Engagement Plan and the key phases of their experience— attraction and initial connection, integration into organisation, transition to learning, engagement and completion, student success and re-engagement.

Undertaken by TAFE Queensland educators, the review promotes continuous improvement on educational practices and uses student enrolment and outcomes data to evaluate the effectiveness of TAFE Queensland's provision of VET to meet student and industry needs.

Plagiarism detection solution

TAFE Queensland's new plagiarism detection solution 'URKUND' went live in October 2018. The service is integrated with Connect (TAFE Queensland's learning management system) to enable educators and students to check the authenticity of assessment submissions for diploma and above qualifications via the Connect assignment Dropbox.

New training space

The refurbishment of the electrotechnology training spaces at TAFE Queensland's Ashmore Trade Training Centre was completed on 28 February 2019.

The newly transformed state-of-the-art facility will be used by students studying across the air conditioning, refrigeration and electrical streams which will in turn improve the quality of the teaching and learning experiences.

Le Cordon Bleu kitchens

On 14 March 2019, TAFE Queensland officially opened the new Le Cordon Bleu kitchens at TAFE Queensland's South Bank campus.

The Queensland Government has supported the TAFE Queensland and Le Cordon Bleu partnership with funding of \$3.7 million toward the upgrade and modernisation of the training facilities for future master chefs.

Le Cordon Bleu's expertise, paired with TAFE Queensland's hands-on training, will greatly bolster the state's hospitality industry with 74 students currently enrolled in commercial cookery patisserie and hospitality management courses.

Stop Bullying Now 2018 campaign launch

Gold Coast production company, Glass Media Group, partnered with TAFE Queensland and four Gold Coast high schools to create another series of

anti-bullying advertisements for 2018, highlighting the affects this epidemic has on Australian children and to inspire change.

The commercials have once again been conceptualised and co-produced by TAFE Queensland Diploma of Screen and Media students and feature scholars from Pimpama and Robina State High Schools, Coomera Anglican College and Varsity College.

The *Stop Bullying Now* red carpet launch and exclusive premier screening took place on 21 November 2018.

2018 Queensland Training Awards

Special congratulations to the following students on their respective wins at the 2018 Queensland training awards on September 2018:

- Christopher Knight, Certificate III in Heavy Commercial Vehicle Mechanical Technology (AUR31116), took home the Harry Hauenschild Apprentice of the Year award.
- Odin Lowsley, Diploma of Graphic Design (CUA50715), received the Vocational Student of the Year award.

Excellence for access to learning and employment

Over the past 11 years, TAFE Queensland, as managing partner of APTC (Australia Pacific Training Coalition, previously known as the Australia-Pacific Technical College) has successfully delivered the largest Australian Government education aid and development project—training over 13,800 students across 48 programs—to contribute to the growth and prosperity of the South Pacific.

On 9 October 2018, this work was acknowledged at the World Federation of Colleges and Polytechnics' Congress Awards of Excellence with APTC receiving the prestigious 2018 Gold Award of Excellence for Access to Learning and Employment—ahead of other institutions from Canada, the United States of America and China.

Recipients of the 2018 Awards of Excellence are also featured in the Federation's second volume of the World's Best Practice Guide available at wfcp.org.

Global skills challenge

TAFE Queensland's refrigeration and air conditioning apprentice Patrick Brennan has excelled at the WorldSkills Global Skills Challenge by taking the gold medal at the event held in April 2019.

The event saw 500 competitors from 16 countries take part as a final selection process for the chance to represent their country and compete for the title of world champion at the 45th WorldSkills International Competition in Russia in August 2019.

Patrick was awarded the Best in Nation Award for receiving the highest individual score among all the Skillaroos competing at the event.

By selected invitation only, Patrick also attended the 7th National Competition Young Professionals held in Russia on 18–25 May 2019, along with TAFE Queensland's trainer and international expert Carl Balke.

VET myths busted

The *Perceptions are Not Reality* report released by the Skilling Australia Foundation in 2017, discovered that despite the great outcomes and results VET delivers, many common misconceptions still linger.

In response to this, TAFE Queensland published news blogs (tafeqld.edu.au) focused on busting the myth that:

- VET is outdated
- VET graduates earn lower wages than uni grads
- Uni graduates are more employable than VET graduates.

CASE STUDY

Supporting remote Aboriginal and Torres Strait Islander communities through education



TAFE Queensland offers a community based program supporting Aboriginal and Torres Strait Islanders to be trained and employed as teachers within their communities. The Remote Area Teacher Education Program (RATEP) is a partnership between TAFE Queensland, James Cook University, and the Queensland Department of Education.

Successful completion of a Certificate or Diploma course in Education or Child Care with TAFE Queensland provides pathways for students to a Bachelor of Education qualification at James Cook University.

‘I believe that Indigenous teachers can play a vital part in helping young people see the value of school and stay motivated to learn,’ said Marshall Winkle, a TAFE Queensland graduate of RATEP.

In 2018, TAFE Queensland expanded the program to include Certificate III in Early Childhood Education and Care (CHC30113) and Diploma of Early Childhood and Care (CHC50113) to its offerings as part of the workforce development strategy to ensure adequate future numbers of local Aboriginal and Torres Strait Islander teachers in school that are located

within Aboriginal and Torres Strait Islander communities.

TAFE Queensland recognises its importance and benefits of offering inclusive education. The RATEP has successfully supported hundreds of students to transition and graduate from Certificate IV in Aboriginal and Torres Strait Islander Education (10752NAT) and Bachelor of Education (Primary) (109310).

The program has focused on offering education to participants in their home region – something of great importance to individuals living in remote

communities, ‘the program allowed me to pursue being a teacher without having to leave my family and community,’ said Cass Ahern a graduate of the program.

Through investment in RATEP, TAFE Queensland is actively playing a role in improving social equity within communities through their tangible encouragement of access to training opportunities for individuals from diverse education and socio-economic backgrounds.

YEAR IN REVIEW 2018–19

I A STRONG AND SUSTAINABLE TAFE QUEENSLAND

HIGHLIGHTS

- Created the TAFE Queensland's Strategic Vision to 2025
- Released the KPMG report *The importance of TAFE Queensland to Queensland's prosperity*
- Progressed the operational transition of Aviation Australia to TAFE Queensland
- Contributed to the Queensland Government Skills for Queensland discussion paper
- Implemented the new student management system

TAFE Queensland continues to work in partnership with leading research and analysis organisations, including KPMG, CSIRO and Jobs Queensland, to understand evolving skilling needs and to inform new product and service developments.

The importance of TAFE Queensland

To strengthen our strategic and operational planning, and our focus on sustainability, TAFE Queensland worked with KPMG during 2018—the outcome of which documented the vital contribution TAFE Queensland makes to the Queensland economy.

Through productivity benefits, employment opportunities and the provision of a higher skilled workforce, the analysis confirmed that we have a broader remit than the delivery of VET alone—with an irreplaceable role in providing substantial service to the public and in supporting local communities.

The key findings were wrapped up into key themes:

Future-focused training

Education and training provided by TAFE Queensland underpins the success of the Queensland Government's investments through skilling for the future and ensuring young Queenslanders will thrive in the changing world of work.

Regionally engaged and supporting growth

TAFE Queensland has an extensive footprint across the state, providing industry-focused training and graduates with the appropriate work-ready skills essential for meeting the needs of business and industry.

Responsive to industry needs

TAFE Queensland has a range of partnerships and linkages with industry that support innovation and help businesses transform and grow.

These relationships are critical, particularly to align with training delivery in areas of emerging need and to meet the demand for new skills as rapid industry transformation occurs.

Building, upskilling and re-skilling Queensland

TAFE Queensland has a focus on building the skills of new graduates, upskilling existing employees, and re-skilling those transitioning into new sectors or roles.

This translates to high student employment outcomes and supporting the Queensland economy through meeting skills needs across the state.

Inclusive training environment

TAFE Queensland provides access to training for students from diverse educational and socio-economic backgrounds, improving the economic prospects for some of Australia's most disadvantaged people by providing training that leads to employment or pathways to further education.

International focus

TAFE Queensland attracts students to Queensland to undertake training at TAFE Queensland, as well as encouraging its students to train overseas through our Study Abroad program.

This global focus contributes to a greater sense of multiculturalism in Queensland and significantly contributes to Queensland's economy, and also provides global context to the experiences of our students.

Strategic vision 2025

In October 2018, the TAFE Queensland board came together with the executive team to develop TAFE Queensland's *Strategic Vision to 2025* and beyond that begins to map the journey required to keep pace with the changing expectations of training and skills, especially as digital transformation evolves and is more prevalent.

The board are committed to ensuring long-term strategies are in place to meet evolving skilling needs and are working to ensure the organisation is best placed to implement new training and re-skilling programs as the jobs of the future emerge.

Advancing our infrastructure

The Queensland Government committed to invest up to \$85 million in the Advancing our Training Infrastructure (AOTI), focused on facilities at Pimlico, Toowoomba, Mount Gravatt, Cairns, Gold Coast and Redlands regions.

Master planning is almost complete for all AOTI commitments, with construction underway at Pimlico and Toowoomba.

In addition to the AOTI commitments, TAFE Queensland and DESBT as the asset owners, have worked collaboratively this year to ensure that the annual capital and maintenance programs for training infrastructure were successfully delivered during 2018–19.

Rural Centre of Excellence

During September 2018, we welcomed the announcement of the Queensland Government's \$7 million investment at our Toowoomba campus, including a new Rural Centre of Excellence.

The funding will be used to upgrade both agriculture and healthcare training at the Toowoomba campus.

Following the announcement in 2018, TAFE Queensland has met with agricultural industry leaders regarding the facilities required to meet the pace and scale of change across the sector.

Industry representatives have expressed a strong desire to be engaged and to help shape the centre to ensure the facilities and training offerings are fit-for-purpose.

Pimlico campus redevelopment

The \$35 million redevelopment of TAFE Queensland's Pimlico campus in Townsville also commenced this financial year.

This major redevelopment is set to modernise nursing, visual arts, hospitality and hair and beauty facilities, as well as general teaching spaces.

Manufacturing hubs launched

TAFE Queensland was represented at the launch of the Cairns and Townsville manufacturing hubs on 19 December 2018.

The hubs are part of the Queensland Government's \$10 million boost for the manufacturing industry to access training and skills through a partnership with TAFE Queensland.

New co-working space

In response to growing calls for a community co-working space, TAFE Queensland unveiled a new shared space, the Fish Tank, at our Gympie campus. Designed to be a meeting room, shared office or collaborative working environment, the room is equipped with wi-fi, a data projector, a conference table, four work stations, a large TV screen, and a tea and coffee station.

It is our aim to support entrepreneurial activities across the region to build local business capacity, create more jobs and boost the local economy.

Student management system

TAFE Queensland worked with Technology One to build a new student management system (SMS) that was successfully implemented on 26 August 2018.

The new SMS will, for the first time, provide TAFE Queensland staff and students access to a comprehensive student management system that is available anywhere, anytime on any device 24/7.

Ancillary systems

The implementation of the SMS allowed the decommissioning of 78 other smaller IT systems, known within TAFE Queensland as ancillary systems. 57 ancillary systems remain in place to deliver business functionality related to students that is not covered by the SMS.

A program is now underway to rationalise and standardise the 57 remaining ancillary systems. This will reduce duplication across TAFE Queensland, standardise business processes, and potentially further reduce expenditure.

Power BI and data warehouse

To improve our analysis of data for purposes such as monthly reporting, marketing strategies and daily activity reporting, we have implemented the industry leading Power BI platform.

This business intelligence (BI) tool provides insights into various data sets through reports that can be accessed anywhere, anytime including on mobile devices. The application provides connectivity to our student, finance and HR systems, as well as our learning management system—Connect.

Learning technology innovation

A new Desire2Learn (D2L) contract for the supply of TAFE Queensland's learning management system (LMS) was executed on 18 December 2018.

The new arrangement provides TAFE Queensland with new learning technologies including a Portfolio/ePortfolio solution that will be piloted and implemented in 2019.

Hosting of the mediasite service for storing and streaming video content was moved from Amazon Web Services to TAFE Queensland's data centre resulting in a more reliable service at lower cost.

An upgrade to ResourceBank (TAFE Queensland's learning content management system) was completed in December 2018, providing improvements to the solution capability and user experience.

Functional realignment

This year TAFE Queensland commenced the transition of a number of core functional areas to a statewide shared services model to achieve economies of scale, efficiencies, and improve governance and compliance through greater consistency and uniformity. This will enable regions to focus on growing and enhancing core business and delivering quality teaching and learning outcomes.

Operational transition of Aviation Australia

The operational transition of Aviation Australia has progressed well since the transfer of its ownership to TAFE Queensland in October 2017.

The two organisations have worked to align efforts across international sales and recruitment, agent management, marketing and business development, product and e-learning services and governance processes.

Leveraging TAFE Queensland's existing contracts, Aviation Australia has established their own instance of our learning management content system, with negotiations still in train with the vendor to do the same within our learning management system.

Work has commenced to scope the requirements to transition Aviation Australia to TAFE Queensland's finance system, while reviews are also underway to align human resources policies, financial governance and risk frameworks as appropriate.

CASE STUDY

The importance of TAFE Queensland to Queensland's prosperity

As the state's largest and most experienced provider of vocational education and training (VET), TAFE Queensland is playing a critical role in Queensland's prosperity into the future, creating jobs and enhancing the social wellbeing of communities across the state.

In 2018, TAFE Queensland commissioned KPMG to develop a report to calculate the organisation's impact to the Queensland economy and evaluate how it supported industries and communities throughout the state.

[The report](#) found TAFE Queensland delivered an economic benefit of \$1.8 billion to Gross State Product (GSP) in 2017, with every \$1.00 spent supporting \$2.55 of value-added in the Queensland economy.

KPMG National Education Lead Partner Professor Stephen Parker and his education team wrote the report which includes analysis and modelling by KPMG Economics.

'More than ever before, Queensland's and Australia's current and future workforce needs to prepare for the changing requirements of employment,' Professor Parker said.

'These changes will happen to jobs themselves, and the skill profiles within jobs.

A healthy and vibrant TAFE system will be a non-negotiable and vital part of ensuring that Queensland has an education system that can meet the skills needs of the future,' he said.

The report identifies that as Queensland faces skill shortages in key growth sectors, the growing need for workforce upskilling and ongoing industry transformation, and that TAFE Queensland has a critical role to play in sustaining and growing Queensland's prosperity long into the future.

The report also found that through its inbound and outbound students, TAFE Queensland supports Queensland's strategies to grow the state's international education and training sector with international students contributing \$125 million of value-added in the Queensland economy.

The KPMG report confirms the vital role of TAFE Queensland to the social and economic wellbeing of all Queenslanders. Working alongside Government and local business, TAFE Queensland is playing a critical role in providing the skilled workforce needed to drive economic growth and future prosperity.

KPMG REPORT

DOWNLOAD AVAILABLE

<https://tafeqld.edu.au/news-events/news-blogs/2019/kpmg-find-major-contributions-to-state-from-tafe-queensland.html>



GOVERNANCE

I MANAGEMENT AND STRUCTURE

Our governing body

TAFE Queensland's governing body is the TAFE Queensland Board. The board was established in August 2013 under section 12 of the TQ Act, with the mandate to: ensure it operates in accordance with TAFE Queensland's operational plan and, as far as possible, achieves the performance targets and objectives stated in the plan; account to the Minister for Training and Skills (minister) for its performance (as required under the Act); and to ensure it otherwise performs its functions in a proper and efficient way. Through the TQ Act, the minister provides the board with a statement of expectations, outlining the Queensland Government's expectations and priorities for TAFE Queensland for that financial year.

The board is made up of seven members, one of which is the nominee of the minister. Board members have varied backgrounds and experience and are eligible for appointment under the TQ Act if they have direct industry experience and/or experience in the employment, education or training sector, and/or possess skills, experience or expertise in commerce, corporate governance, economics, finance, law or management.

Two committees assist the board in meeting its responsibilities: the Audit, Finance and Risk Management Committee and the People, Culture and Safety Committee. The membership of each committee is made up of a minimum of three members of the board and the board chair. The CEO and senior executives attend meetings as required.

Board business 2018–19

The board is committed to the highest standards of governance ensuring that it performs its functions in a proper, effective and efficient way. During 2018–19, the board met their legislated requirements through the development of the TAFE Queensland Strategic Plan 2018–22 and the submission of the TAFE Queensland Operational Plan 2018–19 to the minister. Through the plans, the board reinforced their commitment to delivering on the Queensland Government's objectives for the community, ensuring the delivery of sustainable and responsive training services for Queenslanders.

The board was delighted to appoint Ms Mary Campbell as the CEO of TAFE Queensland from 1 July 2018 and have worked with the CEO over the last year to maintain oversight of key projects including the implementation of the new SMS and TAFE Queensland's ASQA re-registration process.

The board also worked with DESBT to confirm the appointments of Mr Peter Dowling, Ms Karen White and Ms Deborah Wilson to the Aviation Australia Board. Over the past year, the board has worked with the Aviation Australia Board to further streamline governance processes and will continue to work together to leverage opportunities.

This year, the board held 10 ordinary meetings, five special meetings and seven committee meetings. The board travelled to the Acacia Ridge, Cairns, Mt Gravatt and South Bank campuses and the Aviation Australia Eagle Farm campus for regular meetings. While travelling, the board took the opportunity to meet with industry representatives, employers, staff, students and the wider community.

More information on the board can be found on page 26 or online at tafeqld.edu.au.

Financial reporting arrangements

TAFE Queensland is audited by the Auditor-General and transactions are accounted for in the financial statements approved by the board each year. TAFE Queensland's financial statements for the 2018–19 financial year can be found at page 32 of this annual report.

GOVERNANCE

I TAFE QUEENSLAND BOARD



Ms Annabel Dolphin Chairperson, 1 December 2016 – 30 November 2020

Ms Annabel Dolphin has held several independent non-executive board roles and leadership positions across the private, government and resources sectors. With a unique blend of experience, Annabel has extensive business strategy, human resource management and leadership expertise.



Mr Peter Dowling AM Member, 15 August 2013 – 30 November 2020

Mr Peter Dowling is an accountant and company director. He has served on government and private sector boards for more than 20 years. Peter was a member of the inaugural TAFE Queensland Board.



Ms Noela L'Estrange Member, 1 December 2016 – 30 November 2020

Ms Noela L'Estrange is a highly experienced director in both the public and private sectors. She has expertise in corporate governance and leadership, ethics, professional services, marketing and learning and development. She is a Fellow of the Australian Institute of Company Directors, member of the Queensland Law Society and founding member of the Women Lawyers Association of Queensland.



Ms Deborah Wilson Member, 1 December 2016 – 30 November 2020

Ms Deborah Wilson is an experienced company director and innovative leader. She has worked across a range of listed, private and non-for-profit organisations and boards. She has held executive roles for more than 20 years, as well as a range of non-executive roles for over 10 years.



Ms Trina Hockley Member, 1 December 2018 – 30 November 2022

Ms Trina Hockley is a successful business owner and experienced non-executive director. She has experience in mentoring and employment services for young people, as well as strong private sector experience. She is also the former Chair of the Australian Institute of Company Directors (Gold Coast).



Ms Kay Giles Member, 1 December 2018 – 30 November 2022

Ms Kay Giles is a vocational education and training expert with experience in Australia and more recently New Zealand. She is a passionate advocate for VET and the role that it plays in contributing to economic, industry, community, and individual development.



Mr Andrew Dettmer Member, 1 December 2018 – 30 November 2022

Mr Andrew Dettmer has extensive knowledge of workplace policy and vocational education and training, as well as experience in managing economic change. He has extensive corporate governance experience having served on a number of boards in the trades and union sectors.

Outgoing board members

On 30 November 2018, Mr Shaun Coffey, Ms Louise Cox and Mr Peter Price completed their term with the TAFE Queensland Board. Mr Coffey, Ms Cox and Mr Price are avid supporters of TAFE Queensland and the VET sector and we would like to thank them for their valued contribution to the organisation and the sector as a whole. We would especially like to thank Ms Louise Cox who has been associated with TAFE Queensland since 2008 and Mr Peter Price who has also been associated with TAFE Queensland since 2008 and appointed as deputy chair of the inaugural TAFE Queensland Board in 2013.



Mr Peter Price

15 August 2013 – 30 November 2018



Ms Louise Cox

1 December 2016 – 30 November 2018



Mr Shaun Coffey

1 December 2016 – 30 November 2018

GOVERNANCE

I RISK MANAGEMENT AND ACCOUNTABILITY

Audit, Finance and Risk Management Committee

The Audit, Finance and Risk Management Committee (AFRC) advises the board in relation to the operation of the financial control, the implementation of systems and processes to identify and manage risks, the maintenance of regulatory and other compliance requirements and the integrity of the financial statements and reports.

The AFRC engaged PricewaterhouseCoopers (PwC) to administer the internal audit program and is subject to an annual external audit conducted by the Queensland Audit Office (QAO). The AFRC maintain oversight of these audits and the Chief Finance and Operations Officer coordinate the audits. Both internal and external auditors are invited to participate in every AFRC meeting. Their attendance supports the effectiveness of the audit function and provides opportunities for continual improvement of the management of risks.

TAFE Queensland conducts risk management activities in accordance with the international standard for risk management. The board maintains a Risk Appetite Statement that guides the decision making frameworks across the organisation and manages quarterly reviews of known and emerging risks via the TAFE Queensland executive, this committee and the board, including the establishment and monitoring of mitigation strategies.

The members of the AFRC for 2018–19 were Peter Dowling (Chair), Shaun Coffey (term concluded 30 November 2018), Louise Cox (term concluded 30 November 2018), Annabel Dolphin, Kay Giles (term commenced 1 December 2018), and Trina Hockley (term commenced 1 December 2018).

Internal audit

Our compliance obligations also remained in focus for the committee, aided by the involvement of internal auditors—PwC—in conjunction with the QAO to deliver a program of audit work for 2018–19.

The audit function is managed through this committee and is used to determine whether TAFE Queensland's risk management controls and governance processes are adequate and functioning in a manner to ensure that:

- risks are appropriately identified and managed
- interaction with the various groups involved with governance occurs as needed
- significant financial, managerial, and operating information is accurate, reliable, and timely
- employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations
- resources are acquired economically, used efficiently, and are adequately protected
- programs, plans and objectives are achieved
- quality and continuous improvement are fostered in TAFE Queensland's governance and internal control process
- significant legislative or regulatory issues impacting TAFE Queensland are recognised and addressed properly.

The specific scope of work is set by the annual audit plan that for 2018–19 included the review of:

- key financial policies and processes for the end-to-end payroll cycle
- employee relations processes for staff grievances and performance management
- work health and safety in line with the implementation of legislative changes.

TAFE Queensland's risk management and internal audit activities are cognisant of key legislative requirements, such as the TQ Act and the *Financial Accountability Act 2009*. The activities were also undertaken with due regard to the *Queensland Treasury Audit Committee Guidelines 2012*.

External scrutiny

TAFE Queensland was not subject to external scrutiny for this reporting period.

Information systems and recordkeeping

TAFE Queensland, as a public authority under the *Public Records Act 2002*, must make and keep full and accurate records of its activities and have regard to any relevant policy, standards and guidelines made by the State Archivist about the making and keeping of public records.

In 2018–19, TAFE Queensland has taken a proactive approach to meeting its regulatory obligations and demonstrating its commitment to compliant recordkeeping practices.

TAFE Queensland continued to improve and mature its recordkeeping practices with an electronic document records management system (eDRMS) that stores in excess of 303,000 business related records in a range of disciplines. The eDRMS has allowed us to transition to work flows, as part of our digitisation procedures, for all executive correspondence, reducing printing and handling of physical records reducing lead times and creating efficiencies. In addition to this, a number of human resource records have been digitised with appropriate security controls applied.

TAFE Queensland maintains a central recordkeeping team to support the organisation's management of the eDRMS system (HPECM) including level one helpdesk support, user account management, user training in recordkeeping practices and HPECM usage. The central recordkeeping team continue to enhance organisation-wide recordkeeping maturity and discipline by promoting good recordkeeping practices to all staff and encouraging uptake of HPECM for managing business records.

All records created or received by TAFE Queensland are retained in accordance with the Queensland State Archives General Retention and Disposal Schedule (GRDS) and the TAFE Queensland Education and Training Retention and Disposal (ETRAD) Schedule Implementation Version. The ETRAD administers training records and the GRDS administers non-training records.

Prior to publishing the TAFE ETRAD Schedule Implementation Version in May 2019, we used the Education and Training Sector Retention and Disposal Schedule.

TAFE Queensland works with the Corporate Administration Agency (CAA) to ensure the reliability and security of its recordkeeping system.

During the 2018–19 period, TAFE Queensland's Records Management Policy and Procedure was revised, published and communicated to staff.

TAFE Queensland also developed a Digitisation Policy for the disposal of physical records, aimed at reducing physical storage costs and increasing greater access to information.

GOVERNANCE

I HUMAN RESOURCES

People, Culture and Safety Committee

The People, Culture and Safety Committee (PCSC) advises the board on matters involving work, health and safety, human resources, board performance and executive management including the performance of the CEO.

During the year, the PCSC focused on improving safety culture across the organisation which included oversight of the implementation of the Codes of Practice, review of WHS policies and procedures and improvement of the safety culture across the organisation. In addition, the committee took an active role in appointing general managers at SkillsTech and the East Coast region.

The committee also undertook an annual board evaluation in order to monitor board performance and worked with the CEO to understand areas for improvement in relation to organisational culture as indicated through the employee engagement survey.

The members of the PCSC for 2018–19 were Deborah Wilson (Chair), Andrew Dettmer (term commenced 1 December 2018) Annabel Dolphin, Noela L'Estrange, and Peter Price (term concluded 30 November 2018).

Strategic workforce planning and performance

To support the corporate strategic plan, the board and CEO have approved the following functional plans:

- Human Resources Strategic Plan 2018–2022
- Workplace Health and Safety Strategic Plan 2018–2022.

These plans, as well as operational planning activities that underpin the overarching strategies, outline key people and safety initiatives to enable our people to make great happen.

Sourcing new talent, engaging, developing and rewarding existing staff as well as offering career progression opportunities remains a priority for

TAFE Queensland. Our workforce comprises of TAFE Services and Educational staff. Our value proposition to staff includes access to contemporary and flexible work options, opportunities for career advancement, professional development and capability building exposure as well as study and assistance programs.

TAFE Queensland values the highest standards for educators and at times we have experienced difficulty attracting and retaining staff in key industry sectors, especially in rural and remote areas of our business. To address this TAFE Queensland has piloted a “Cadetship Program” that enables vocational experts to utilise their current industry skills and be mentored by an experienced educator to develop and acquire the necessary skills in educational practice. This program has been well received by new staff to TAFE Queensland, launching a career opportunity that combines their industry knowledge and ability to pass on their “hands on” experience through education.

TAFE Queensland has a strong culture of developing our staff and has an established Performance Planning and Development (PPD) framework. The purpose of the PPD is to develop and motivate staff to foster a culture of high performance, and know the value of their work and how it contributes to organisational success. All employees of TAFE Queensland are required to complete all components of the annual PPD cycle.

Through the re-registration audit process significant staff development in vocational competency and currency was undertaken to ensure our educators were recognised for their high level of skills and knowledge in their industry sectors as well as first class educational practice. TAFE Queensland also offers industry release and professional development for our educators to enable them to remain current in their industry and bring this currency of vocational practice into the educational experience for their students. These activities are linked to individual and team development plans.

The development of our leaders is a key priority for our CEO and board at TAFE Queensland. Identifying and building leadership capability and behaviours has been critical to shaping an inclusive and performing culture. TAFE Queensland has created a “Connected Leaders” leadership program for selected emerging, high-potential and existing staff in leadership roles across the state. The aim of the program is to inspire, focus, connect and reflect on the way in which we engage and act in the workplace with each other and our staff in our local teams. This year the focus has been on building teamwork and strengthening relationships across the Connected Leaders group to promote and influence the One TAFE Queensland philosophy.

Integral to our performance, planning and development framework is reward and recognition. The cornerstone of the recognition program is the TAFE Queensland Staff Awards. The fifth annual awards were a great success and celebrated the contributions and achievements of our people across the state. The state award nominations comprise of corporate and regional winners judged and awarded earlier in the year, in categories aligned to TAFE Queensland and public sector values.

TAFE Queensland has established workforce management policies and procedures that enable all levels of the business to engage in contemporary human resource and employee relations practices. TAFE Queensland continues to support the safe return to work of all staff who are injured or sick at work or home. The Rehabilitation and Return to Work reference group are very active and are continuously updating and improving our policies and procedures as well as their own skills and knowledge by their attendance at the Injury Prevention Conference and a statewide continuous improvement professional development workshop. TAFE Queensland's work related compensation claim rates have been outperforming industry averages and we continue to report a downward

trend since 2015 on accepted WorkCover claims.

Added to our commitment to support staff who are ill or injured is TAFE Queensland's investment in workplace health safety and wellbeing. Safety First is one of TAFE Queensland's values and is highly visible across the many workplaces across the state. The health safety and wellbeing of our staff and students is paramount and there have been a number of proactive initiatives undertaken to drive a safety culture.

Focus has continued in response to the *Workplace Health and Safety and Other Legislation Amendment Act (Queensland) 2017*, including the commencement of the Codes of Practice project to strengthen TAFE Queensland's safety practices through increased rigour in risk management, operational controls and monitoring and continuously building leadership due diligence. The TAFE Queensland wellbeing activities and initiatives have included Mental Health First Aid accredited training, Domestic and Family Violence awareness training, Safe Work Month, 'R U OK Day?', flu vaccinations, Smoke Free Workplace and QSuper financial wellbeing sessions.

TAFE Queensland fosters an inclusive and flexible work environment, as outlined in the TAFE Queensland's workforce management policies and procedures with particular reference to staff equity and diversity, telecommuting, purchased leave, work-life balance arrangements and reasonable adjustment for people with disabilities.

In order to engage and listen to our staff TAFE Queensland undertakes an annual Employee Engagement Survey and this year the survey included a number of additional questions aligned to our values and culture. 88 per cent of our staff completed the survey, the results of which will be used to develop strategies and initiatives to continue supporting our staff achieve their best for our students and community.

Employee relations framework

TAFE Queensland is committed to consulting with staff and unions and there are a number of ongoing and regular consultative mechanisms that enhance the consultation processes to support delivery of change and improvement. TAFE Queensland has established two tiers of consultation.

The first tier is the TAFE Queensland Consultative Committee that meets quarterly and is attended by executive members and includes the CEO.

The second is the Local Consultative Committees that meet within each of the regions and have both management and union representation. The Local Consultative Committees can escalate matters for consideration or clarification to the TAFE Queensland Consultative Committee in order to resolve issues internally with key stakeholders in all employment related matters.

During 2018–19 TAFE Queensland in consultation with the unions and employees continued to jointly develop and implement agreed actions from the previous Enterprise Bargaining Agreement negotiations.

TAFE Queensland's workforce operates under a number of industrial instruments, including:

- TAFE Queensland Award–State 2016
- TAFE Queensland (TAFE Services Employee) Certified Agreement 2016
- TAFE Queensland Educators Certified Agreement 2016.

Public Sector Ethics Act 1994

TAFE Queensland is defined as a Queensland public service agency for the purposes of the *Public Sector Ethics Act 1994*. For this reason, there is an obligation for TAFE Queensland to comply with the *Code of Conduct for the Queensland Public Service (the Code)*.

TAFE Queensland's Working with TAFE: Conduct, Ethics and Performance Policy sets out the expectations of workplace behaviours and values working within a statutory body and part of the public sector. TAFE Queensland's policy and procedures cover all aspects of compliance with the public service ethics principles and incorporates the Code in its workforce management policy and procedure framework.

At commencement of employment all staff undertake a corporate and business unit induction. The induction provides information and support to employees within TAFE Queensland and includes a comprehensive case scenario application of both the public sector ethics principles and values and the Code.

In February 2019, an online code of conduct refresher program was launched for all TAFE Queensland staff with mandatory completion across the state.

The four public sector ethics principles and the Code are embedded in all relevant TAFE Queensland human resources policies and procedures. This includes clear instruction and advice to staff to report possible wrongdoing and the processes for managing and reviewing breaches to the Code.

The public sector ethics principles which are fundamental to good public administration are aligned to TAFE Queensland's vision, mission and values. This is consistent with our purpose as an organisation and public sector entity.

FINANCIAL STATEMENTS

For the year ended 30 June 2019

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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Consolidated		Parent	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Income					
Sales of goods and services	4	244,733	260,391	232,668	251,503
Grants and contributions	5	358,691	350,229	350,236	344,298
Share of profits of joint ventures accounted for using the equity method		4,338	3,179	-	-
Interest		3,736	4,351	3,644	4,307
Other income		4,715	9,463	3,674	8,626
Total income		616,214	627,613	590,223	608,734
Expenses					
Employee expenses	6	414,356	406,065	403,698	398,346
Supplies and services	7	180,863	202,680	173,322	197,048
Grants and subsidies		13	13	13	13
Depreciation and amortisation		17,913	13,530	17,064	12,849
Finance/borrowing costs		70	69	-	-
Other expenses	8	7,360	3,838	6,707	3,295
Total expenses		620,576	626,195	600,804	611,551
Operating result		(4,362)	1,418	(10,581)	(2,816)
Income tax expense		137	-	137	-
Operating result after income tax expense		(4,499)	1,418	(10,718)	(2,816)
Other Comprehensive Income					
<i>Items that will not be reclassified to operating result</i>					
Increase in asset revaluation surplus	11	2,275	54	2,275	54
Total items that will not be reclassified to operating result		2,275	54	2,275	54
Total Other Comprehensive Income		2,275	54	2,275	54
Total comprehensive income for the year		(2,224)	1,472	(8,443)	(2,763)

The accompanying notes form part of these statements.

STATEMENT OF FINANCIAL POSITION

I AS AT 30 JUNE 2019

	Notes	Consolidated		Parent	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current assets					
Cash and cash equivalents	9	185,231	220,375	178,304	214,036
Receivables	10	103,054	85,273	98,482	82,577
Inventories		801	1,138	682	1,013
Other current assets		7,156	5,657	6,527	5,028
Total current assets		296,242	312,443	283,995	302,653
Non-current assets					
Property, plant and equipment	11	49,853	48,533	41,185	40,140
Intangible assets	12	33,918	36,453	33,295	36,031
Other non-current assets		6,222	2,901	-	-
Total non-current assets		89,993	87,887	74,481	76,171
Total assets		386,235	400,330	358,475	378,824
Current liabilities					
Payables	13	32,600	31,898	31,087	30,721
Accrued employee benefits	14	20,600	20,053	19,692	19,183
Interest-bearing liabilities		432	452	-	-
Other current liabilities	15	28,889	43,828	26,537	41,475
Total current liabilities		82,522	96,231	77,316	91,380
Non-current liabilities					
Accrued employee benefits	14	289	223	-	-
Interest-bearing liabilities		462	847	-	-
Total non-current liabilities		751	1,070	-	-
Total liabilities		83,273	97,301	77,316	91,380
Net assets		302,962	303,028	281,159	287,444
Equity					
Contributed equity		181,445	181,445	170,096	170,096
Retained earnings		119,063	121,404	108,609	117,169
Asset revaluation surplus		2,454	179	2,454	179
Total equity		302,962	303,028	281,159	287,444

The accompanying notes form part of these statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Retained Earnings		Asset Revaluation Surplus		Contributed Equity		TOTAL	
	Consolidated	Parent	Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2017	119,986	119,986	125	125	170,096	170,096	290,207	290,207
Operating result	1,418	(2,816)	-	-	-	-	1,418	(2,816)
Increase in asset revaluation surplus	-	-	54	54	-	-	54	54
Net transfers in/(out) from other Queensland Government entities	-	-	-	-	11,350	-	11,350	-
Balance at 30 June 2018	121,404	117,169	179	179	181,445	170,096	303,028	287,444
Adjustment relating to application of new accounting standard (Note 23)	2,158	2,158	-	-	-	-	2,158	2,158
Opening balance as 1 July 2018	123,562	119,327	179	179	181,445	170,096	305,186	289,602
Operating result	(4,499)	(10,718)	-	-	-	-	(4,499)	(10,718)
Increase in asset revaluation surplus	-	-	2,275	2,275	-	-	2,275	2,275
Balance at 30 June 2019	119,063	108,609	2,454	2,454	181,445	170,096	302,962	281,159

The accompanying notes form part of these statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Consolidated		Parent		
	Notes	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash flows from operating activities					
Sales of goods and services		240,317	277,081	227,918	267,883
Grants and contributions		336,856	353,823	328,403	348,999
GST input tax credits from ATO		20,195	20,586	20,196	20,286
Interest received		4,044	4,420	3,952	4,376
Other receipts		4,291	5,732	3,586	5,731
Employee expenses		(402,262)	(406,520)	(402,262)	(398,869)
Supplies and services		(211,780)	(226,804)	(192,745)	(221,088)
Grants and subsidies		-	(13)	-	(13)
GST remitted to ATO		(8,991)	(7,254)	(8,991)	(7,254)
Finance / borrowing costs		(70)	(69)	-	-
Other payments		(2,375)	(3,062)	(2,375)	(3,062)
Net cash (used in) / provided by operating activities		(19,774)	17,921	(22,319)	16,990
Cash flows from investing activities					
Dividends received		678	707	-	-
Sales of property, plant and equipment		99	62	99	67
Payments for property, plant and equipment		(7,532)	(5,510)	(6,745)	(5,268)
Payments for intangible assets		(7,109)	(14,001)	(6,766)	(13,938)
Net cash used in investing activities		(13,865)	(18,741)	(13,413)	(19,139)
Cash flows from financing activities					
Transfer to restricted deposit		(1,102)	-	-	-
Borrowing redemptions		(404)	(287)	-	-
Net cash used in financing activities		(1,506)	(287)	-	-
Net decrease in cash and cash equivalents		(35,144)	(1,107)	(35,731)	(2,149)
Increase in cash and cash equivalents from restructuring		-	5,297	-	-
Cash and cash equivalents at beginning of financial year		220,375	216,185	214,036	216,185
Cash and cash equivalents at end of financial year	9	185,231	220,375	178,304	214,036

The accompanying notes form part of these statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Statement
of Cash Flows

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Reconciliation of cash flows from operating activities				
Operating result	(4,499)	1,418	(10,718)	(2,816)
Non-cash items included in operating result				
Depreciation and amortisation	17,913	13,530	17,064	12,849
Loss on sale of property, plant and equipment	369	440	313	363
Share of profits of joint ventures – equity method	(4,338)	(3,179)	-	-
Change in assets and liabilities:				
(Increase)/decrease in receivables	(14,287)	15,721	(13,892)	15,760
(Increase)/decrease in GST input tax credits receivable	3,215	2,863	3,256	2,860
Increase/(decrease) in GST payable	(3,111)	(459)	(3,111)	(459)
(Increase)/decrease in inventories	337	(102)	331	(161)
(Increase)/decrease in other current assets	(1,499)	3,177	(1,499)	3,011
Increase/(decrease) in accounts payable	496	(11,842)	410	(11,830)
Increase/(decrease) in accrued employee benefits	612	337	508	216
Increase/(decrease) in other liabilities	(14,984)	(3,983)	(14,983)	(2,803)
Net cash (used in) / provided by operating activities	(19,774)	17,921	(22,319)	16,990

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1. Basis of Financial Statement preparation

(a) General Information

TAFE Queensland is a statutory body established under the *TAFE Queensland Act 2013* and governed by an independent board.

TAFE Queensland is the largest and most experienced provider of vocational education and training in the state, with a history of serving Queensland's communities for over 130 years. Each year TAFE Queensland enrolls over 100,000 students across a network of over 50 campuses in Queensland, in employers' workplaces, online and in markets offshore. Our offering spans foundation skills and entry level qualifications to higher education degrees across more than 500 programs.

The corporate office and principal place of business is 1030 Cavendish Road, Mount Gravatt Qld 4122.

(b) Compliance with prescribed requirements

TAFE Queensland has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2018.

TAFE Queensland is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Notes 23 and 24.

(c) Currency and Rounding

Amounts included in the financial statements are presented in Australian dollars, which is the Group's functional currency and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Foreign currency income and expenses are translated to the functional currency using the average exchange rates prevailing each month in which the transactions occur, assets and liabilities are translated at the closing rate at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in the foreign currencies at year end are generally recognised in the profit or loss.

(d) Comparatives

Comparative information reflects the audited 2017-18 financial statements which has been restated where necessary to be consistent with disclosures in the current reporting period.

(e) Current / Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or TAFE Queensland does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

(f) Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Chairperson, TAFE Queensland Board, the Chief Executive Officer, and Chief Financial and Operations Officer at the date of signing the Management Certificate.

(g) Basis of Measurement

Historical cost is used as the measurement basis in this financial report except for the following:

- Buildings which are measured at fair value;
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value;
- Debt and equity financial assets that have been measured at fair value; and
- Inventories which are measured at the lower of cost and net realisable value.

Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

I FOR THE YEAR ENDED 30 JUNE 2019

1. Basis of Financial Statement preparation (continued)

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The cost approach reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The income approach converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

All assets and liabilities for which fair value is measured or disclosed in the

financial statements are categories within the following fair value hierarchy based on the data and assumptions used in the most recent specific appraisals:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, directly or indirectly
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Where fair value is used, the fair value approach is disclosed.

Present Value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

(h) The Reporting Entity

The consolidated financial statements include all income, expenses, assets, liabilities and equity of the 'economic entity' comprising TAFE Queensland and the entities it controls where these entities are material (refer to Note 2). All transactions and balances internal to the economic entity have been eliminated in full.

The parent entity financial statements include all income, expenses, assets, liabilities and equity of the parent only.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

2. Controlled entities

The following entities are controlled by TAFE Queensland:

Directly Controlled

Name	Purpose and Principal Activities	% Interest in Entity & Basis for Control	Total Assets \$'000		Total Liabilities \$'000		Total Revenue \$'000		Operating Result \$'000s	
			2019	2018	2019	2018	2019	2018	2019	2018
TAFE Queensland International Education Pty Ltd	Deliver training services and provide international development assistance	100% interest in ordinary share capital enabling control of majority voting rights	1,423	1,116	631	440	5,280	6,887	117	446
Aviation Australia Pty Ltd.	Support the development and growth of aviation and aerospace industries both in Australian and international markets	100% interest in ordinary share capital enabling control of majority voting rights	27,759	21,506	5,956	5,921	25,991	23,056	6,220	3,777

Note: the amounts provided for Aviation Australia Pty Ltd. in the above table are based on full year results and balances. Amounts included for the consolidated entity in the 2017-2018 financial statements reflect the asset and liabilities balances as at 30 June 2018, and revenues and expenses from 1 October 2017.

Disclosure about Wholly-Owned Controlled Entities

TAFE Queensland International Education Pty Ltd

TAFE Queensland International Education Pty Ltd (TQIE) was established in July 2016 as a company limited by shares. TQIE's registered office is in Brisbane, Queensland, and its purpose is delivering training services and providing international development assistance and support to the Commonwealth Department of Foreign Affairs and Trade (DFAT) and to any other entity engaged in the provision of such services from time to time.

The predominant source of revenue for TQIE is earned through sub-contracting from TAFE Queensland for the delivery of services under the Australia Pacific Technical College (APTC) contract with DFAT. In 2018-19 TQIE recognised revenues totalling \$5.269 million (2018: \$6.870 million) in relation to services provided to TAFE Queensland.

TAFE Queensland controls 100% of the share capital and voting rights in the company. The transactions and balances of TQIE are immaterial to TAFE Queensland and the economic entity and therefore have not been consolidated in financial statements.

Aviation Australia Pty Ltd

Aviation Australia Pty Ltd was formed in October 2001 to provide aviation training. Aviation Australia Pty Ltd prepares and publishes separated financial statements, which are audited by the Auditor-General of Queensland. All shares in Aviation Australia were transferred to TAFE Queensland effective from 1 October 2017.

Given the activities of the company, no dividends or other financial returns are received by TAFE Queensland. Apart from the restricted cash balance of \$1.102 million classified as other non-current assets, there are no significant restrictions on TAFE Queensland's ability

to access the company's assets or settle its liabilities.

The assets, liabilities, revenues and expenses of Aviation Australia have been consolidated in these financial statements effective from 1 October 2017.

Aviation Australia Pty Ltd (AA) has a 51% shareholding in Aviation Australia Riyadh College of Excellence LLC (AARCOE), with Shamal Commercial Investment LLC (SCI), a Saudi Arabian limited liability company holding the remaining 49% of the shares.

In accordance with an agreement between the shareholders, Aviation Australia is entitled to a 20% share of the profits or liable for 20% of the losses in that company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

3. Joint arrangements

Joint arrangements exist when two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Since 2016-17 TAFE Queensland has partnered with Sunshine Coast Hospital and Health Service (SCHHS),

University of the Sunshine Coast (USC) and Griffith University for the operation of the Sunshine Coast Health Institute (SCHH). SCHH operates as a joint operation under an unincorporated joint venture agreement, based at the new Sunshine Coast University Hospital. The primary aims of SCHH are to advance the education of trainee medical officers, nurses, midwives, and other health care professionals, while providing outstanding patient care and extending

research knowledge. Each partner has rights and obligations to the assets, liabilities, revenue and expenses of SCHH.

TAFE Queensland has accounted for its interest in the joint arrangement, including recognising its share of assets, liabilities and expenses jointly held/incurred, in accordance with AASB 11 *Joint Arrangements*.

TAFE Queensland's share of the joint operation is 23.7% (2018: 23.7%)

4. Sales of goods and services

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Student fees and charges	129,688	150,793	127,613	149,528
Fees for training services	109,247	105,268	101,448	99,000
Sales of goods and ancillary services	5,798	4,330	3,607	2,975
Total	244,733	260,391	232,668	251,503

Sales of goods and services are recognised as revenues when it has been earned and can be measured reliably with a sufficient degree of certainty. Accrued revenue is recognised if the revenue has been earned but not yet invoiced.

5. Grants and contributions

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Queensland Government grants and contributions				
- Queensland Government subsidised training	154,768	141,399	151,530	139,168
- State Contribution grant	175,197	174,147	170,519	170,638
- Other grants and contributions	23,139	27,059	22,632	26,895
Australian government grants and contributions	4,046	4,001	4,046	4,001
Other donations, sponsorships, and contributions	1,541	3,623	1,510	3,596
Total	358,691	350,229	350,236	344,298

Grants, contributions, donations and gifts received that are non-reciprocal in nature are recognised as revenue on receipt or when it is probable that the economic benefits will flow to TAFE Queensland, TAFE Queensland has a right to receive the contribution, and the value of that

benefit can be reliably measured. Grants received that are reciprocal in nature are recognised over the term of the arrangements.

Queensland Government subsidised training relates to the component of course fees that is received for eligible students from the Queensland Government.

The State Contribution grant is aimed at supporting quality training and skills delivery by subsidising public providers in areas of competitive disadvantage in comparison to private providers.

During the financial period, TAFE utilised assets under the control of the Department of Employment,

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

5. Grants and contributions (continued)

Small Business and Training to deliver vocational education and training services. Access to the facilities is provided without charge or for a cost that may not be fair value. AASB 1004 *Contributions* requires that contributions

of goods and services be recognised where they would have been purchased if they had not been donated, and the fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and expense. TAFE Queensland would not in all cases otherwise purchase the goods and

services, and costs relating to the sites due to location, condition and caveats pertaining to them are not able to be reliably measured. Therefore no notional value has been estimated.

6. Employee expenses

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Salaries and wages	292,274	284,654	283,170	278,120
Annual leave	29,176	28,796	29,188	28,783
Long service leave	7,021	6,946	6,924	6,841
Employer superannuation contributions	39,834	39,008	38,999	38,396
Other employee benefits	22,927	23,577	22,927	23,577
Payroll tax and fringe benefits tax	17,964	17,893	17,532	17,558
Other employee-related expenses	5,158	5,190	4,958	5,072
Total	414,356	406,065	403,698	398,346

The number of employees as at 30 June 2019, including both full-time employees and part-time employees measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI) is 3,895 (2018: 3,978).

Salaries, wages and sick leave

Salaries and wages due but unpaid at reporting date are recognised as a liability at current salary and wage rates. Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. As sick leave is non-vesting, a liability for unused sick leave entitlements is not recognised. An expense is recognised for this leave when taken.

Annual leave and long service leave

TAFE Queensland employs people in Australia under state-based awards and it also employs people overseas in connection with APTC in accordance with the laws of the local jurisdictions in which APTC operates – Fiji, Vanuatu, Papua New Guinea, and Solomon Islands.

For employees of the parent engaged on Queensland-based conditions of employment, TAFE Queensland is a member of the Queensland Government's Annual Leave Central and Long Service Leave Central Schemes. A levy is payable to these schemes to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. These levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed back from the schemes quarterly in arrears. TAFE Queensland does not recognise a provision for annual leave or long service leave in the financial statements as these liabilities are held, and reported, on a whole-of-government basis.

For employees employed by subsidiaries or employed under foreign conditions of employment, a liability for annual leave accrued up to the end of the reporting period is recognised based on current salary and wage rates, and includes employer related on-costs. The liability for long service leave is recognised in the provision for long service leave and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using marked yields at the reporting date on government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

6. Employee expenses (continued)

Superannuation schemes

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

Defined Contribution Plans -

Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined Benefit Plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the department at the specified rate following completion of the employee's service each pay period. The department's obligations are limited to those contributions paid.

Workers Compensation

TAFE Queensland pays premiums to WorkCover Queensland in respect of its obligation for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employment benefits and is recognised separately as employee related expenses.

Key management personnel and disclosures are detailed in Note 21.

7. Supplies and services

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Contractors	26,063	26,006	24,734	24,989
Property rental	23,353	23,967	20,695	22,004
Property, information technology support services, and transport	65,755	75,756	64,138	74,584
Travel and accommodation	6,833	6,565	6,486	6,380
Agents commissions	4,888	4,876	4,434	4,536
Advertising and promotions	9,377	10,935	9,012	10,649
Training materials	8,427	8,121	8,245	7,990
Printing and stationery	4,234	4,427	4,155	4,381
Minor equipment purchases	7,209	8,038	7,180	8,033
Subscriptions, books, and publications	3,756	4,404	3,631	4,232
Finance, human resources, and support services	716	3,373	716	3,373
Other supplies and services	20,252	26,213	19,896	25,895
Total	180,863	202,680	173,322	197,048

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

8. Other expenses

Audit Fees

Other expenses includes remuneration to auditors. Total audit fees quoted by the Queensland Audit Office relating to the 2019 financial statements are \$205,000 (2018: \$163,000).

Special Payments

Special payments represent ex gratia expenditure and other expenditure that TAFE Queensland is not contractually or legally obligated to make to other parties. Special payments during 2018-19 included one payment over \$5,000 being an out-of-court settlement paid to a private individual involved in a legal dispute (\$10,000 was paid relating to this dispute).

9. Cash and cash equivalents

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash at bank	185,231	108,484	178,304	102,145
Queensland Treasury Corporation Capital Guaranteed Cash Fund	-	111,891	-	111,891
Total	185,231	220,375	178,304	214,036

Cash and cash equivalents comprise cash on hand, cheques receipted but not yet banked, and other short term highly liquid investments.

10. Receivables

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Trade debtors	28,663	35,192	26,747	33,721
Less: Allowance for impairment loss	(3,362)	(3,259)	(3,325)	(3,223)
	25,302	31,933	23,422	30,498
GST receivable	1,431	1,536	1,363	1,509
Accrued revenue	68,009	43,732	67,504	43,223
Other receivables	8,313	8,072	6,193	7,347
Total	103,054	85,273	98,482	82,577

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Trade debtors are recognised at amounts due at the time of sale or service delivery. Trade debtors are generally due for settlement 30 days from invoice date. Other receivables are due in accordance with their contractual terms.

Collectability of trade debtors is reviewed on an ongoing basis. Individual debts that are uncollectable are written off

when identified. All known bad debts were written-off at 30 June 2019.

Allowance for impairment are made in accordance with AASB 9 *Financial Instruments* (refer Note 23) which was applied from 1 July 2018. The portion of trade debtors that do not relate to inter-government debt has been impaired using a provision matrix approach.

The allowance for impairment in 2018 was calculated where there is objective evidence that the organisation will not be

able to collect all amounts due according to the original terms of the receivable.

The most readily identifiable indicator of impairment is where a debtor is overdue in paying a debt, according to the due date. Movements in the allowance for impairment are recognised as an expense in that period.

Receivables and payables are stated with GST included. The net amount of GST recoverable from the Australian Taxation Officer is included as a current asset.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

10. Receivables (continued)

Impairment Group – receivables from sales of goods and services	2019		
	Gross Receivables	Loss Rate ¹	Expected Credit Losses
	\$'000	%	\$'000
Consolidated			
Less than 30 days	20,322	3%	(479)
30 to 60 days	1,346	18%	(145)
60 to 90 days	1,155	35%	(403)
Greater than 90 days	5,841	65%	(2,334)
Total	28,663		(3,362)
Parent			
Less than 30 days	19,105	3%	(455)
30 to 60 days	1,221	21%	(143)
60 to 90 days	996	40%	(400)
Greater than 90 days	5,425	73%	(2,327)
Total	26,747		(3,325)

1. Notes:

2. ¹Loss rate is not applied to amounts expected from the Queensland State Government. Loss rate quoted for consolidated receivables is weighted average of parent and controlled entities.

Ageing of past due but not impaired receivables

This disclosure relates only to comparative balances at 30 June 2018. Under AASB 9, effective 1 July 2018, a loss allowance is assessed for all receivables.

	Consolidated	Parent
	2018 \$'000	2018 \$'000
Less than 30 days	5,450	4,500
30 to 60 days	1,001	666
60 to 90 days	577	460
Greater than 90 days	730	698
Total	7,759	6,324

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

11. Property, plant and equipment

Closing balances and reconciliation of carrying amount

	Buildings at Cost	Buildings at Valuation	Plant & Equipment	Work in Progress	Total
Consolidated	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
Gross	4,727	6,653	118,176	1,676	131,231
Less: Accumulated depreciation	(2,245)	(3,193)	(75,941)	-	(81,379)
Carrying amount at 30 June 2019	2,482	3,459	42,236	1,676	49,853

Represented by movements in carrying amount:

Carrying amount at 1 July 2018	2,586	1,412	42,630	1,906	48,533
Acquisitions (including upgrades)	-	-	6,039	1,776	7,815
Disposals	-	(100)	(292)	-	(392)
Transfers between asset classes	-	-	2,026	(2,006)	19
Net revaluation increments	-	2,275	-	-	2,275
Impairment losses recognised in operating deficit	(9)	-	(43)	-	(52)
Depreciation expense	(95)	(128)	(8,124)	-	(8,347)
Carrying amount at 30 June 2019	2,482	3,459	42,236	1,676	49,853

Consolidated	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000
Gross	4,740	5,266	124,111	1,906	136,023
Less: Accumulated depreciation	(2,154)	(3,854)	(81,481)	-	(87,489)
Carrying amount at 30 June 2018	2,586	1,412	42,630	1,906	48,533

Represented by movements in carrying amount:

Carrying amount at 1 July 2017	-	1,506	32,361	8,223	42,089
Acquisitions (including upgrades)	-	-	1,737	3,675	5,412
Transfers in	2,729	-	6,176	8	8,913
Disposals	(71)	-	(201)	(8)	(280)
Transfers between asset classes	-	(23)	10,015	(9,992)	-
Net revaluation increments	-	54	-	-	54
Depreciation expense	(72)	(124)	(7,458)	-	(7,654)
Carrying amount at 30 June 2018	2,586	1,412	42,630	1,906	48,533

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

11. Property, plant and equipment (continued)

	Buildings at Cost	Buildings at Valuation	Plant & Equipment	Work in Progress	Total
Parent	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
Gross	-	6,653	112,335	1,332	120,319
Less: Accumulated depreciation	-	(3,193)	(75,941)	-	(79,134)
Carrying amount at 30 June 2019	-	3,459	36,394	1,332	41,185

Represented by movements in carrying amount:

Carrying amount at 1 July 2018	-	1,412	36,822	1,906	40,140
Acquisitions (including upgrades)	-	-	5,337	1,408	6,745
Disposals	-	(100)	(292)	-	(392)
Transfers between asset classes	-	-	2,002	(1,982)	19
Net revaluation increments	-	2,275	-	-	2,275
Depreciation expense	-	(128)	(7,474)	-	(7,602)
Carrying amount at 30 June 2019	-	3,459	36,394	1,332	41,185

Parent	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000
Gross	-	5,266	110,600	1,906	117,772
Less: Accumulated depreciation	-	(3,854)	(73,778)	-	(77,632)
Carrying amount at 30 June 2018	-	1,412	36,822	1,906	40,140

Represented by movements in carrying amount:

Carrying amount at 1 July 2017	-	1,506	32,361	8,223	42,089
Acquisitions (including upgrades)	-	-	1,593	3,675	5,268
Disposals	-	-	(195)	-	(195)
Transfers between asset classes	-	(23)	10,015	(9,992)	-
Net revaluation increments	-	54	-	-	54
Depreciation expense	-	(124)	(6,952)	-	(7,076)
Carrying amount at 30 June 2018	-	1,412	36,822	1,906	40,140

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

11. Property, plant and equipment (continued)

Basis of capitalisation and recognition thresholds

Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds in the year of acquisition are reported as property, plant and equipment in the following classes:

Class of fixed asset	Threshold
Buildings	\$10,000
Plant and equipment	\$5,000

Items with a lesser value are expensed in the year of acquisition.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for TAFE Queensland. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Acquisition of property, plant and equipment

Acquisitions of property, plant and equipment are initially recorded at historical cost. Historical cost is determined as the fair value of consideration given to acquire the asset plus costs incidental to the acquisition, including design fees and all other establishment costs.

Measurement

Plant and equipment is measured at historical cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. Buildings are measured at fair value and reported at the revalued amounts, being the fair value at the date of valuation less any subsequent accumulated depreciation.

Buildings measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent professional valuer, or by the use of appropriate and relevant indices.

Revaluations using independent professional valuer appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

The fair values reported are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

The fair value measurement for buildings of \$3.459 million (2018: \$1.412 million) has been categorised as a Level 3 in the fair value hierarchy (refer to Note 1(g)). TAFE Queensland's parent entity buildings were independently valued by quantity surveyor firm Gray, Robinson & Cotterell (GRC) as at 30 June 2019. All purpose-

built facilities are valued using a current replacement cost approach, as there is no active market for these facilities. The independent quantity surveyor conducted physical inspection at Cherbourg and not at Palm Island due to travel risks associated with localised weather events and identified emergent health warnings.

The replacement cost estimate was prepared from plans and elevations together with available schedules and specifications. Where this standard of supplied information was not available, GRC determined appropriate information from site surveys that were conducted. GRC applied a combination of pricing methodologies all of which were adjusted to reflect the anticipated construction market as at the effective reporting date. Detailed estimates were also used to determine the cost of replacing the existing assets with a modern equivalent asset.

Where assets have not been specifically appraised in the reporting period, their previous valuation are materially kept up-to-date via the application of relevant indices. TAFE Queensland ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

I FOR THE YEAR ENDED 30 JUNE 2019

11. Property, plant and equipment (continued)

Depreciation Expense

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset progressively over its estimated useful life to TAFE Queensland.

Straight line depreciation is used as that is consistent with the consumption of service potential of these assets over their useful life to TAFE Queensland.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the life of the asset.

Assets under construction (work-in-progress) are not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is earlier. These assets are then reclassified to the relevant class within property, plant, and equipment.

For TAFE Queensland's depreciable

assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment are reviewed annually and adjusted if appropriate. The estimated useful lives for each class of depreciable assets are:

Class of fixed asset	Useful life (years)
Buildings	25 - 89
Plant and equipment	3 - 50

Impairment

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, TAFE Queensland determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

An impairment loss is recognised immediately in the statement of comprehensive income.

Accounting for Changes in Fair Value

Any revaluation increment arising on the revaluation of an asset is credited to the revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

For assets revalued using a cost valuation approach (e.g. current replacement cost) – accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'.

For asset revalued using a market of income-based valuation approach – accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

12. Intangible assets

Closing balances and reconciliation of carrying amount

	Intellectual Property	Software Purchased	Software Internally Generated	Other Intangible Assets	Work in Progress	TOTAL
Consolidated	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
Gross	19,687	36,035	25,298	1,475	981	83,476
Less: Accumulated amortisation	(13,859)	(12,647)	(22,378)	(675)	-	(49,557)
Carrying amount at 30 June 2019	5,828	23,388	2,921	800	981	33,918

Represented by movements in carrying amount:

Carrying amount at 1 July 2018	10,988	426	157	1,228	23,654	36,453
Acquisitions (including upgrades)	67	3,161	15	-	3,831	7,075
Transfers between asset classes	1,154	22,399	2,934	-	(26,506)	(19)
Amortisation expense	(6,356)	(2,598)	(185)	(428)	-	(9,567)
Impairment losses recognised in the operating deficit	(4)	-	-	-	-	(4)
Disposal/Write Off	(21)	-	-	-	-	(21)
Carrying amount at 30 June 2019	5,828	23,388	2,921	800	981	33,918

	Intellectual Property	Software Purchased	Software Internally Generated	Other Intangible Assets	Work in Progress	TOTAL
Consolidated	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000
Gross	19,573	9,085	25,004	1,475	23,653	78,791
Less: Accumulated amortisation	(8,585)	(8,659)	(24,846)	(248)	-	(42,338)
Carrying amount at 30 June 2018	10,988	426	158	1,227	23,653	36,453

Represented by movements in carrying amount:

Carrying amount at 1 July 2017	7,202	1,151	140	387	19,222	28,101
Acquisitions (including upgrades)	476	33	159	991	12,375	14,035
Transfers between asset classes	8,134	-	-	-	(8,134)	-
Transfers in	178	58	-	-	191	427
Amortisation expense	(4,767)	(816)	(142)	(150)	-	(5,875)
Disposal/Write Off	(235)	-	-	-	-	(235)
Carrying amount at 30 June 2018	10,988	426	158	1,227	23,653	36,453

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

I FOR THE YEAR ENDED 30 JUNE 2019

12. Intangible assets (continued)

	Intellectual Property	Software Purchased	Software Internally Generated	Other Intangible Assets	Work in Progress	TOTAL
Parent	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
Gross	19,208	35,293	25,298	1,475	980	82,254
Less: Accumulated amortisation	(13,704)	(12,203)	(22,377)	(675)	-	(48,959)
Carrying amount at 30 June 2019	5,503	23,090	2,922	800	980	33,295

Represented by movements in carrying amount:

Carrying amount at 1 July 2018	10,677	367	158	1,227	23,601	36,031
Acquisitions (including upgrades)	-	2,894	15	-	3,857	6,766
Transfers between asset classes	1,138	22,388	2,934	-	(26,479)	(19)
Amortisation expense	(6,291)	(2,559)	(185)	(427)	-	(9,462)
Disposal/Write Off	(21)	-	-	-	-	(21)
Carrying amount at 30 June 2019	5,503	23,090	2,922	800	980	33,295

	Intellectual Property	Software Purchased	Software Internally Generated	Other Intangible Assets	Work in Progress	TOTAL
Parent	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2017 \$'000	2018 \$'000
Gross	18,809	8,612	25,004	1,475	23,601	77,502
Less: Accumulated amortisation	(8,132)	(8,245)	(24,846)	(248)	-	(41,471)
Carrying amount at 30 June 2018	10,677	367	158	1,227	23,601	36,031

Represented by movements in carrying amount:

Carrying amount at 1 July 2017	7,202	1,151	140	387	19,222	28,101
Acquisitions (including upgrades)	464	-	159	991	12,323	13,938
Transfers between asset classes	7,943	-	-	-	(7,943)	-
Amortisation expense	(4,697)	(784)	(142)	(150)	-	(5,773)
Disposal/Write Off	(235)	-	-	-	-	(235)
Carrying amount at 30 June 2018	10,677	367	158	1,227	23,601	36,031

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

12. Intangible assets (continued)

Intangible assets with a cost greater than \$100,000 are capitalised. Intangible assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Costs associated with the development of intangible assets are capitalised and amortised on a straight-line basis over its estimated useful life. The cost of intangible assets includes the cost of all materials, direct labour, other directly attributable costs, and an appropriate proportion of overheads attributable during development.

Amortisation

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets from the date that they were available for use. The useful lives of intangible assets are reviewed annually and adjusted if appropriate.

The estimated useful lives of intangible assets are:

Class of intangible asset	Useful life (years)
Intellectual property	3
Software purchased	3 - 10
Software internally generated	5 - 7
Other intangibles	3 - 5

Impairment

The carrying amounts of TAFE Queensland's non-current assets are reviewed annually to determine whether there is any indication of impairment. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by TAFE Queensland. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and amortised replacement cost.

13. Payables

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Trade creditors	30,192	29,383	29,375	28,965
Other creditors	2,408	2,515	1,712	1,756
Total	32,600	31,898	31,087	30,721

Trade and other payables represent the value of goods and services provided to TAFE Queensland prior to the end of the financial year that remain unpaid. Trade and other payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase price less any applicable discounts. Amounts owing are unsecured.

14. Employee benefits

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Accrued salaries and wages	9,823	9,393	9,823	9,393
Annual leave levy/provision	8,721	8,645	8,106	8,035
Long service leave levy/provision	2,056	2,016	1,764	1,755
Total	20,600	20,053	19,692	19,183
Non-Current				
Long service leave provision	289	223	-	-
Total	289	223	-	-

No provision for annual leave or long service leave is recognised in the parent's financial statements for staff employed in Australia on state-based awards as the liability is held on a whole of government basis and reported in those financial statements pursuant to AASB 1049 *Whole-of-government and General Government Sector Financial Reporting*. A provision is recognised for annual leave and long service leave relating to non-Australian based employees and subsidiary employees (refer also to Note 6).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

15. Other current liabilities

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Unearned revenue	27,931	38,821	25,578	36,468
Payments received in advance	-	4,349	-	4,349
Other current liabilities	958	658	958	658
Total	28,889	43,828	26,537	41,475

Unearned revenue is recognised where payments for goods and services are received in advance of TAFE Queensland delivering the related goods and/or services.

16. Commitments for expenditure

Commitments are inclusive of GST which is not recoverable from the Australian Tax Office.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases and are not recognised in TAFE Queensland's Statement of Financial Position. Operating lease payments are expensed in the period incurred and are representative of the pattern of benefits derived over the lease term.

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000

Non-cancellable operating lease commitments

Payable:

Not later than one year	7,325	6,047	5,154	3,960
Later than one year and not later than five years	12,993	17,787	7,134	8,567
Later than five years	107,160	116,749	10,946	17,995
Total	127,479	140,584	23,235	30,522

Capital Expenditure

Payable:

Not later than one year	2,635	1,529	2,635	1,529
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total	2,635	1,529	2,635	1,529

Operating leases are entered into as a means of acquiring access to office accommodation, training facilities, and office equipment. Lease payments are generally fixed, but with inflation escalation clauses upon which future years rentals are determined.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

17. Contingencies

At 30 June 2019, TAFE Queensland has 39 active claims with WorkCover Queensland and 3 claims with the Queensland Government Insurance Fund (2017-2018: 26 claims with WorkCover Queensland and 8 claims with the Queensland Government Insurance Fund). These claims are not considered to be material in value.

18. Financial risk disclosures

Categorisation of financial instruments

Financial instruments are recognised in the Statement of Financial Position when TAFE Queensland becomes part to the contractual provisions of the financial instrument. TAFE Queensland has the following categories of financial assets and liabilities:

Category	Notes	Consolidated		Parent	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial Assets					
Total cash and cash equivalents	9	185,231	220,375	178,304	214,036
Receivables at amortised costs	10	103,054	85,273	98,482	82,577
Total Financial Assets		288,285	305,648	276,786	296,613
Financial Liabilities					
Financial liabilities measured at amortised cost - comprising:					
Payables	13	32,600	31,898	31,087	30,721
QTC borrowings		758	806	-	-
Lease liability		136	493	-	-
Total Financial Liabilities at Amortised Cost		33,494	33,196	31,087	30,721

No financial assets and financial liabilities have been offset and presented in the Statement of Financial Position.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

18. Financial risk disclosures (continued)

Financial risk management

The TAFE Queensland Board has the overall responsibility for the establishment and oversight of the risk management framework. The Board established the Audit, Finance and Risk Management Committee, which is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board on its activities.

TAFE Queensland's activities expose it to a variety of financial risks as set out in the following table:

Risk Exposure	Definition	Exposure	Measurement Method	Risk Management Strategy
<i>Credit Risk</i>	Credit Risk exposure refers to the situation where TAFE Queensland may incur a financial loss as a result of another party to a financial instrument failing to discharge their obligation.	TAFE Queensland is exposed to credit risk in respect of its receivables (Note 10). The maximum exposure at balance date is the gross carrying amount of receivables inclusive of any allowance for impairment.	Ageing analysis, earnings at risk.	TAFE Queensland manages credit risk through its credit and debt management policies. These policies aim to reduce the exposure to credit default by ensuring that the TAFE Queensland invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
<i>Liquidity Risk</i>	Liquidity risk refers to the situation where TAFE Queensland may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset.	TAFE Queensland is exposed to credit risk in respect of its payables (Notes 13 and 18).	Sensitivity analysis	TAFE Queensland ensures that minimal, but sufficient, levels of cash are held within various bank accounts so as to match the expected duration of the various employee and supplier liabilities.
<i>Market Risk</i>	The risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	TAFE Queensland has limited exposure to interest rate risk.	Interest rate sensitivity analysis	TAFE Queensland does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy.

19. Events occurring after balance date

There were no events or transactions that arose between the end of the financial year and the date of this report that were of a material or unusual nature that would significantly affect the operations of TAFE Queensland.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

20. Budget vs actual comparison

Statement of Comprehensive Income

	Budget ¹ 2019	Actual 2019	Variance 2019
	\$'000	\$'000	\$'000
Income			
Sales of goods and services	255,279	244,733	(10, 546)
Grants and contributions	339,799	358,691	18,892
Share of profits of joint ventures accounted for using the equity method	-	4,338	4,338
Interest	3,911	3,736	(175)
Other income	5,169	4,715	(454)
Total income	604,158	616,214	12,056
Expenses			
Employee expenses	403,940	414,356	10,416
Supplies and services	187,190	180,863	(6,327)
Grants and subsidies	250	13	(237)
Depreciation and amortisation	18,356	17,913	(443)
Finance/borrowing costs	-	70	70
Other expenses	5,620	7,360	1,740
Total expenses	615,356	620,576	5,220
Operating result	(11,198)	(4,362)	6,836
Income tax expense	-	137	137
Operating result after income tax expense	(11,198)	(4,499)	6,699
Other Comprehensive Income			
<i>Items that will not be reclassified to operating result</i>			
Increase (decrease) in asset revaluation surplus	-	2,275	2,275
Total items that will not be reclassified to operating result	-	2,275	2,275
Total Other Comprehensive Income	-	2,275	2,275
Total comprehensive income for the year	(11,198)	(2,224)	8,974

1. Notes:

2. ¹The TAFE Queensland 2019 published budget related to the parent entity only.

Explanation of major variances:

<i>Sales of goods and services</i>	This variance mainly relates to reduced training revenue due to fewer than targeted students accessing the VET Student Loan program (\$20.4m), offset by the consolidation of Aviation Australia sales of goods and services (\$12.1m).
<i>Grants and contributions</i>	This variance mainly relates to an additional contribution from the Department of Employment, Small Business and Training relating to expenses that support delivery (\$13.8m) and the consolidation of Aviation Australia grants and contributions (\$8.5m).
<i>Share of profits of joint ventures accounted for using the equity method</i>	The variance between the budget and actual relates to the consolidation of Aviation Australia which receives share or profit from Aviation Australia Riyadh College of Excellence (\$4.3m).
<i>Employee expenses</i>	This variances primarily relates to the consolidation of Aviation Australia employee expenses (\$10.7m).
<i>Increase in asset revaluation surplus</i>	This variance arises from an unanticipated and unbudgeted revaluation increase during the year for TAFE Queensland's buildings.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

20. Budget vs actual comparison (continued)

Statement of Financial Position

	Budget ¹ 2019	Actual 2019	Variance 2019
	\$'000	\$'000	\$'000
Current assets			
Cash and cash equivalents	195,982	185,231	(10,751)
Receivables	90,852	103,054	12,202
Inventories	895	801	(94)
Other current assets	8,446	7,156	(1,290)
Total current assets	296,175	296,242	67
Non-current assets			
Property, plant and equipment	41,016	49,853	8,837
Intangible assets	31,467	33,918	2,451
Other non-current assets	-	6,222	6,222
Total non-current assets	72,483	89,993	17,509
Total assets	368,658	386,235	17,577
Current liabilities			
Payables	33,427	32,600	(827)
Employee benefits	19,314	20,600	1,286
Interest bearing liabilities	-	432	432
Other current liabilities	41,327	28,889	(12,438)
Total current liabilities	94,068	82,522	(11,546)
Non-Current liabilities			
Employee benefits	-	289	289
Interest bearing liabilities	-	462	462
Total non-current liabilities	-	751	751
Total liabilities	94,068	83,273	(11,546)
Net assets	274,590	302,962	28,372
Total equity	274,590	302,962	28,372

1. Notes:

2. ¹The TAFE Queensland 2019 published budget related to the parent entity only.

Explanation of major variances:

<i>Receivables</i>	The variance between budget and actual mainly relates to the incentive component of the State Contribution grant (\$11.4m) which is expected to be received after the submission of the final report for 2018-19.
<i>Other current assets</i>	This variance mainly relates to the consolidation of Aviation Australia other current assets (\$0.6m), and a lower than budgeted level of prepaid expenses as at 30 June 2019 (\$1.8m).
<i>Property, plant and equipment</i>	The variance between the budget and actual mainly relates to the consolidation of Aviation Australia property, plant and equipment (\$8.7m).
<i>Other non-current assets</i>	This variance relates to the consolidation of Aviation Australia other current assets (\$6.2m).
<i>Other current liabilities</i>	This variance mainly relates to a reduction in the level of unearned revenue. The amount of unearned revenue recognised at year end is impacted of the timing of training start and completion dates, as well as payments options for the course (e.g. upfront payment, payment plans).
<i>Equity</i>	This variance mainly relates to the consolidation of Aviation Australia (\$21.9m) and revaluation increases (\$2.3m)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

20. Budget vs actual comparison (continued)

Statement of Cash Flows

	Budget ¹ 2019	Actual 2019	Variance 2019
	\$'000	\$'000	\$'000
Cash flows from operating activities			
Sales of goods and services	264,416	240,317	(24,099)
Grants and contributions	353,887	336,856	(17,031)
GST input tax credits received	21,451	20,195	(1,256)
Interest received	3,911	4,044	133
Other receipts	5,169	4,291	(878)
Employee expenses	(403,748)	(402,262)	1,486
Supplies and services	(208,040)	(211,780)	(3,740)
Grants and subsidies	(250)	-	250
GST remitted to ATO	(10,485)	(8,991)	1,494
Finance / borrowing costs	-	(70)	(70)
Other payments	(4,850)	(2,375)	2,475
Net cash provided by operating activities	21,461	(19,774)	(41,235)
Cash flows from investing activities			
Dividends received	-	678	678
Sales of property, plant and equipment	-	99	99
Payments for non-financial assets	(9,900)	(14,641)	(4,741)
Net cash used in investing activities	(9,900)	(13,865)	(3,965)
Cash flows from financing activities			
Transfer to restricted deposit	-	(1,102)	(1,102)
Payments for non-financial assets	-	(404)	(404)
Net cash used in investing activities	-	(1,506)	(1,506)
Net increase/decrease in cash and cash equivalents	11,561	(35,144)	(46,705)
Cash and cash equivalents at beginning of financial year	184,421	220,375	35,954
Cash and cash equivalents at end of financial year	195,982	185,231	(10,752)

1. Notes:

2. ¹The TAFE Queensland 2019 published budget related to the parent entity only.

Explanation of major variances:

<i>Sale of goods and services</i>	This variance mainly relates to lower budgeted training revenues and a reduction in the level of unearned revenue as at 30 June 2019.
<i>Grants and contributions</i>	This variance mainly relates to a payment budgeted to be received in 2018-19 actually being received in 2017-18 (\$14.7m) and payment for the incentive component of the 2018-19 State Contribution Grant not being received by 30 June 2019 (\$11.5m), offset by the consolidation of Aviation Australia grant and contribution cash flows.
<i>Payments for non-financial assets</i>	This variance mainly relates to the consolidation of Aviation Australia (\$1.1m) and payments for perpetual system licences originally expected to be paid in 2017-18.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

21. Key management personnel disclosures

(a) Ministerial remuneration

TAFE Queensland's responsible Minister is identified as part of TAFE Queensland's key management personnel, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Honourable Shannon Fentiman Minister for Employment and Small Business and Minister for Training and Skills Development.

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Member's Remuneration Handbook. TAFE Queensland does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements as from 2018-19, which are published as part of Queensland Treasury's Report on State Finances.

(b) Board members

TAFE Queensland is governed by an independent board.

Board Members' fees include fees paid for membership of TAFE Queensland's Board and relevant Board committees. Details of the appointment and remuneration for each Board Member are:

	2019 \$'000	2018 \$'000
Annabel Dolphin	60	60
Shaun Coffey ¹	17	38
Louise Cox ¹	17	38
Andrew Dettmer ²	21	-
Peter Dowling	38	38
Kay Giles ²	21	-
Trina Hockley ²	22	-
Noela L'Estrange	41	39
Peter Price ¹	17	38
Deborah Wilson	38	38
Total	293	291

1. ¹ Ceased 2 December 2018

2. ² Appointed 2 December 2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

21. Key management personnel disclosures (continued)

(c) Key executive management personnel

The following details for KMP reflect those positions that had authority and responsibility for planning, directing and controlling the activities of TAFE Queensland during 2018-19 and 2017-18.

Position	Position Responsibility
Chief Executive Officer	Strategic and operational management of TAFE Queensland.
Chief Financial and Operations Officer	Financial strategy and planning, financial systems and reporting functions, financial policies and procedures, procurement functions, and the evaluation of investment decisions. Operational performance and the translation of organisational strategy into operational plans. The former CFO and COO roles were merged into the CFOO role in June 2018.
Chief Information Officer	Information and communications technology (ICT) strategy development, ICT contract management and procurement functions and ICT operational services.
Chief Academic Officer	Academic strategy, teaching governance, learning and quality, and digital product services.
Chief Human Resources Officer	Strategic Human Resources direction and delivery of Human Resources services.
Director, Legal Services and General Counsel	Legal advice to the Board, Executive and operating regions on contract, risk, compliance, right to information and governance matters.
Executive Director Business Development	Lead the development of innovative and sustainable business development strategies.
Regional General Managers	Directing the activities at TAFE Queensland campuses in each region in alignment with TAFE Queensland's commercial and strategic direction.

Remuneration for key executive management personnel

Key executive management personnel of TAFE Queensland are appointed under the *TAFE Queensland Act 2013*. Remuneration and other terms of employment are formalised in individual contracts of employment. These contracts of employment make a provision for an appropriate combination of competitive fixed and variable remuneration components. Remuneration expenses for key management personnel comprise the following components:

- Short term employee expenses which include:
 1. Salaries, allowances and leave entitlements earned for the year or for that part of the year during which the employee occupied the specified position.
 2. Performance payments recognised as an expense during the year.
 3. Non-monetary benefits including fringe benefits tax applicable to that benefit.

- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits include payments in lieu of notice on termination and other lump sum entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

Performance payments

The variable component of remuneration is provided to executive managers through an annual incentive performance scheme. The scheme is designed to effectively reward a combination of key outcomes in excess of meeting business goals and targets, and networked leadership behaviours. The performance payment is contingent upon

TAFE Queensland achieving the Board-approved operating margin result, and the individual satisfying the performance expected in their role. Performance payments may not exceed a maximum of twenty per cent of the CEO's total remuneration package and fifteen per cent of all other key management personnel's total remuneration package.

Performance assessments occur after the end of the financial year and consist of:

- Assessment against both TAFE Queensland and business unit measures and targets; and
- Assessment of the individual's network leadership behaviours.

These assessments include both peer assessment and CEO assessments. Payment of performance bonuses occurs in the year following actual performance.

The TAFE Queensland Board declared that annual incentive performance scheme for 2018-19 will not be activated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

I FOR THE YEAR ENDED 30 JUNE 2019

21. Key management personnel disclosures (continued)

Remuneration expenses

The following disclosure focus on the expenses incurred by TAFE Queensland attributable to KMP during the respective reporting periods. The amounts disclosed below are determined on the same basis as expenses recognised in the Statement of Comprehensive Income, with the exception of performance payments

2018-19

Role	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses	Maximum Potential Performance Payment ¹
	Monetary	Non-monetary					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	364	-	8	46	-	417	-
Chief Financial and Operations Officer	332	-	7	21	-	360	-
Chief Information Officer	261	-	6	34	-	300	-
Chief Academic Officer	244	-	5	32	-	282	-
Chief Human Resources Officer (to 28/02/19)	166	-	4	20	56	245	-
Chief Human Resources Officer (from 16/03/19)	63	-	1	6	-	70	-
Director, Legal Services and General Counsel	217	-	4	20	-	242	-
Executive Director Business Development (from 1/07/18)	193	-	4	27	-	224	-
							-
General Managers							-
Brisbane	273	-	6	35	-	313	-
East Coast	230	-	5	30	-	265	-
Gold Coast	222	-	5	29	-	256	-
North (from 1/02/19)	100	-	2	11	-	113	-
North (to 31/01/19)	128	-	2	14	-	145	-
SkillsTech	228	-	5	30	-	263	-
South West	238	-	5	24	-	267	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

21. Key management personnel disclosures (continued)

Remuneration expenses

2017-18

Role	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses	Maximum Potential Performance Payment ¹
	Monetary	Non-monetary					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer (to 15/12/17)	189	-	4	12	390	596	-
Chief Executive Officer (from 18/09/17)	251	-	5	24	-	279	-
Chief Operating Officer (to 1/12/17)	129	-	3	15	-	146	-
Chief Financial Officer (from 6/11/17)	184	-	4	13	-	200	-
Chief Information Officer (to 25/09/2017)	85	-	1	10	-	96	-
Chief Information Officer (from 25/09/17)	203	-	4	24	-	231	-
Chief Academic Officer (to 11/01/18)	151	-	4	20	-	175	-
Chief Academic Officer (from 26/03/18)	52	-	1	6	-	59	-
Chief Human Resources Officer	207	-	4	26	-	237	-
Director, Legal Services and General Counsel (from 13/11/2017)	120	-	2	13	-	136	-
General Managers							
Brisbane	294	-	6	35	-	335	-
East Coast	214	-	5	27	-	245	-
Gold Coast	244	-	5	29	-	278	-
North	210	-	5	26	-	240	-
SkillsTech (to 19/09/2017)	78	-	2	9	-	89	-
SkillsTech (from 19/09/2017)	156	-	3	17	-	176	-
South West	254	-	5	26	-	285	-

¹Payment of performance bonuses occurs in the year following actual performance (refer to Note 21 (c)). In 2017-18, performance payments relating to 2016-17 totalling \$155,168 were recognised. Payments were made on the 26 September 2017 to the CEO and on the 12 September 2017 for all other key management personnel (included in Short Term Monetary Employee Expenses above).

22. Related party transactions

Transactions with people / entities related to KMP

Related Party Declarations have been received from KMP with no material amounts required to be reported.

Transactions with other Queensland Government – controlled entities

TAFE Queensland's primary ongoing sources of funding from Queensland Government for its services are grants and contributions via the Department of Employment, Training and Small Business as disclosed in Note 5.

Transactions with TQIE (controlled entity) and SCHI (joint arrangement) are disclosed in Notes 2 and 3 respectively.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

23. Change in accounting policy

AASB 9 *Financial Instruments* was applied for the first time in 2018-19. Comparative information for 2017-18 has not been restated and continue to be reported under AASB 139 *Financial Instruments: Recognition and Measurement*. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Classification and measurement

Under AASB 9, debt instruments are categorised into one of three measurement bases – amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification is based on two criteria:

- whether the financial asset's contractual cash flows represent solely payments of principal and interest, and
- the consolidated entity's business model for managing assets.

The consolidated entity's debt instruments comprise of receivables disclosed in Note 10. They were classified as Receivables as at 30 June 2018 (under AASB 139) and were measured at amortised cost. These receivables are held for collection of contractual cash flows that are solely payments of principal. As such, they continue to be measured at amortised cost for the period beginning 1 July 2018.

Impairment

AASB 9 requires the loss allowance to be measured using a forward-looking expected credit loss approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at fair value through profit or loss.

AASB 139 measurement category	AASB9 Measurement Category	Impairment allowance 30 June 2018 \$'000	Remeasurement \$'000	Loss Allowance 1 July 2018 \$'000
Parent				
Receivables	Amortised cost	(3,223)	2,158	(1,065)
		(3,223)	2,158	(1,065)
Consolidated				
Receivables	Amortised cost	(3,259)	2,158	(1,101)
		(3,259)	2,158	(1,101)

24. New accounting standards and interpretations

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below.

AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*

These standards first apply to TAFE Queensland's financial statements for 2019-20. TAFE Queensland intends to apply the modified retrospective approach on application meaning financial statements balances as at 30 June 2019 will not be restated and all opening adjustments will be via retained earnings (refer table next page).

TAFE Queensland has analysed the new revenue recognition requirements under these standards and has concluded that other grants presently recognised as revenue upfront will be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. TAFE Queensland has evaluated the existing grant arrangements and has determined that revenue from those grants should be deferred under the new requirements.

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled.

Depending on the respective contractual terms, the new requirements of AASB 15 has resulted in a change to the timing of revenue such that some revenue should be deferred to a later reporting period to the extent that TAFE Queensland has received cash but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). TAFE Queensland has estimated the impact of existing arrangements for sale of its goods and services and the impact, on revenue recognition is outlined on the next page.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

24. New accounting standards and interpretations (continued)

	Consolidated 1 July 2019 \$'000	Parent 1 July 2019 \$'000
Accrued Revenue		
Government Subsidies	698	698
Total impact to Accrued Revenue	698	698
Income received in advance (Liability)		
Government Grants	5,292	5,292
Total impact to income received in advance	5,292	5,292
Retained Earnings	4,594	4,594

A range of new disclosures will also be required by the new standards in respect of TAFE Queensland's revenue.

AASB 16 Leases

This standard will first apply to TAFE Queensland's financial statement for 2019-20.

AASB 16 introduces a single lease accounting model for lessees. Lessees are required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value. In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. TAFE Queensland has chosen to apply the 'cumulative approach', it will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

TAFE Queensland will recognise new assets and liabilities for its operating leases. The nature of the expenses related to those leases will now change because a depreciation charge will be recognised in relation to the right-of-use assets, and finance costs will be recognised in relation to the lease liabilities. Previously lease payments were expensed in the period which they related to and assets and liabilities were recognised only to the extent that there was a timing difference between the actual lease payment and the expense incurred. Based on the information currently available, TAFE Queensland has estimated the following additional assets and liabilities will be recognised as at 1 July 2019.

	Consolidated 1 July 2019 \$'000	Parent 1 July 2019 \$'000
Right of use asset	70,136	17,908
Right of use asset – accumulated depreciation	-	-
Carrying amount as at 1 July 2019	70,136	17,908
Lease liability	78,884	18,799
Lease liability	78,884	18,799
Retained Earnings	(8,748)	(891)

In applying AASB 16 the following transitional arrangements have been applied to existing contracts:

- Existing contracts have not been reassessed to determine whether a lease exists in accordance with AASB16, rather the assessment made to contracts in applying AASB 117 has been applied to existing leases.
- Existing contracts that end before 1 July 2020 (i.e. within 12 months of the application date) will be accounted for as a short term lease.

MANAGEMENT CERTIFICATE

FOR THE YEAR ENDED 30 JUNE 2019



Management Certificate for the year ended 30 June 2019

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of TAFE Queensland for the financial year ended 30 June 2019, and of the financial position of TAFE Queensland at the end of that year; and

We acknowledge responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

Handwritten signature of Annabel Dolphin in black ink.

Annabel Dolphin
Chairperson
TAFE Queensland

Date: 23 August 2019

Handwritten signature of Mary Campbell in black ink.

Mary Campbell
Chief Executive Officer
TAFE Queensland

Date: 23 August 2019

Handwritten signature of Susan Davis in black ink.

Susan Davis
Chief Financial and Operations Officer
TAFE Queensland

Date: 23 August 2019

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2019



INDEPENDENT AUDITOR'S REPORT

To the Board of TAFE Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of TAFE Queensland (the parent) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2019, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2019, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the 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 the parent and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in the group's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the Board for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the parent's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the parent or group or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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 the 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 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 the 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 expressing an opinion on the effectiveness of the parent's and group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the parent's and group'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 parent's or group'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 my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent or group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the Board regarding, 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 my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



26 August 2019

Michelle Reardon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

APPENDIX A: COMPLIANCE CHECKLIST

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	page i
Accessibility	Table of contents	ARRs – section 9.1	page iii
	Glossary		page 70
	Public availability	ARRs – section 9.2	page ii
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	page ii
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	Page ii
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	n/a
General information	Introductory Information	ARRs – section 10.1	page ii & pages 1–2
	Machinery of Government changes	ARRs – section 10.2, 31 and 32	n/a
	Agency role and main functions	ARRs – section 10.2	page 3
	Operating environment	ARRs – section 10.3	pages 1–2
Non-financial performance	Government's objectives for the community	ARRs – section 11.1	page 3
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	pages 10–11
	Agency objectives and performance indicators	ARRs – section 11.3	pages 3–24
	Agency service areas and service standards	ARRs – section 11.4	page 9
Financial performance	Summary of financial performance	ARRs – section 12.1	page 9
Governance – management and structure	Organisational structure	ARRs – section 13.1	page 6
	Executive management	ARRs – section 13.2	pages 7–8
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	pages 25–27 and www.tafeqld.edu.au/annualreports
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	page 30
	Queensland public service values	ARRs – section 13.5	pages 1–3 & page 30
	Governance – risk management and accountability	Risk management	ARRs – section 14.1
Audit committee		ARRs – section 14.2	page 27
Internal audit		ARRs – section 14.3	page 27
External scrutiny		ARRs – section 14.4	page 27
Information systems and recordkeeping		ARRs – section 14.5	page 28
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	pages 29–30
	Early retirement, redundancy and retrenchment	<i>Directive No.04/18 Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	n/a
Open Data	Statement advising publication of information	ARRs – section 16	Page ii
	Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	page 65
	Independent Auditor's Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	page 66–68

FAA *Financial Accountability Act 2009*
 FPMS *Financial and Performance Management Standard 2019*
 ARRAs *Annual report requirements for Queensland Government agencies*

GLOSSARY OF TERMS

Advancing Our Training Infrastructure (AOTI)

A comprehensive Queensland Government strategy aimed at modernising TAFE facilities across Queensland making them competitive in a contestable market while providing high-quality facilities for students to carry out.

Apprenticeship

A system of training, regulated by law or custom, which combines on-the job training and work experience with formal off-the-job training, while in paid employment.

Annual Quality Indicator Learner Engagement and Employer Satisfaction (AQILEES)

AQILEES is a set of national questionnaires prescribed by the Australian Skills Quality Authority (ASQA), that registered training organisations must conduct annually as a condition of registration to report on quality indicators of learner engagement and employer satisfaction.

Australian Skills Quality Authority (ASQA)

ASQA is the national regulator for Australia's vocational education and training sector. ASQA regulates courses and training providers to ensure nationally approved quality standards are met.

Aviation Australia Pty Ltd (AA)

AA was formed in October 2001 to support the development and growth of aviation and aerospace industries both in Australian and international markets. AA became a subsidiary of TAFE Queensland effective from 1 October 2017.

Certificate 3 Guarantee (C3G)

The Queensland Government funding program designed to assist Queensland students to complete their first post school certificate 3 level qualification to gain a job or improve their employment status.

Corporate Administration Agency (CAA)

CAA is a state government entity established in 1997 to provide a range of corporate support services to statutory bodies.

Free TAFE

To support Year 12 graduates into work, the Queensland Government offers free TAFE training in high priority areas. To be eligible for free TAFE, Year 12 graduates need to start an apprenticeship, traineeship or training in a high priority qualification with a pre-qualified supplier within the calendar year after leaving school.

Key performance indicator (KPI)

Tracking indicator used to measure the achievement of outputs against goals.

KPMG

A global network of professional firms providing a full range of audit, tax and advisory services to organisations across a wide range of industries, government, and not-for-profit sectors.

National Centre for Vocational Education Research (NCVER)

Australia's principal provider of VET research and statistics.

Operational plan

Identifies the operational priorities and key activities to be undertaken during the financial year to contribute to the achievement of TAFE Queensland's vision and strategic objectives.

Queensland Audit Office (QAO)

The Queensland Audit Office is the independent auditor of the Queensland public sector.

Remote Area Teacher

Education Program (RATEP)

A community based Aboriginal and Torres Strait Islander Teacher Education Program, in partnership with TAFE Queensland, James Cook University and Queensland Department of Education. The RATEP program helps increase the number of registered Indigenous teachers and paraprofessionals in Queensland by offering programs in the home communities of the student teachers.

Regional Skills Adjustment Strategy (RSAS)

RSAS is a \$10 million two-year Queensland Government funded initiative delivered by TAFE Queensland to support regional workforces to navigate economic change. Through the strategy, identified workers and workforces will be offered support to gain foundation, employability and technical skills to transition to the jobs of the future.

Service Delivery Statement (SDS)

Budget papers prepared on a portfolio basis by agencies reporting to each minister and the Speaker. The document comprises a section for each departmental portfolio and one for the Legislative Assembly of Queensland. It is produced annually and provides budgeted financial and non-financial information for the budget year. The SDS sets out the priorities, plans and financial statements of agencies.

Strategic plan

The document which provides TAFE Queensland's purpose and direction. It outlines overall objectives (including contributions to whole-of-government objectives, ambitions and targets) and how it will know if it has achieved those agency objectives (performance indicators).

TAFE Queensland Reconciliation

Action Plan (RAP) 2018-20

RAP demonstrates our commitment to closing the gap to ensure our first Australians are afforded the same opportunities for learning and prosperity that everyone enjoys in Australia.

STEM

STEM is a curriculum based on the idea of educating students in four specific disciplines—science, technology, engineering and mathematics—in an interdisciplinary and applied approach.

Vocational education and training (VET)

Post-compulsory education and training that provides people with occupational or work-related knowledge and skills.

Providing feedback

We continually strive to meet best practice reporting standards and value the views of our readers.

We invite your comments via the whole-of-government feedback survey available at:
www.qld.gov.au/annualreportfeedback

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