TasTAFE Annual Report 2019-2020







TasTAFE BOARD

Level 1, 75 Campbell Street, Hobart Tas 7000 GPO Box 2015, Hobart, Tas 7001 Australia Phone: (03) 6165 5671

Web: www.tastafe.tas.edu.au Email: info@tastafe.tas.edu.au



The Honourable Jeremy Rockliff MP Minister for Education and Training Parliament House Hobart

Dear Minister

I am pleased to submit for your information and presentation to Parliament the TasTAFE Annual Report for the year ended 30 June 2020, in accordance with the requirements of Sections 83 and 84 of the *Training and Workforce Development Act 2013*.

The Financial Statements of TasTAFE and the Auditor-General's report are included.

Yours sincerely

Mike Blake

Chair, TasTAFE Board

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Message from the CEO and the Chair of the Board

It is with great pleasure we present TasTAFE's 2019-20 Annual Report.

This report highlights TasTAFE's achievements and performance over the past financial year. We thank our Minister, the Honourable Jeremy Rockliff MP, and the State Government for their support and for providing policy direction that enables TasTAFE to continue to lead in the provision of vocational education and training (VET) and the development of Tasmania's skilled workforce.

In an eventful year we make particular mention of the following:

ASQA Registration: On 15 July 2019, the Australian Skills Quality Authority (ASQA) renewed TasTAFE's VET and Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) registrations for seven years, until 29 June 2026. This is the maximum re-registration term and is an extremely positive result for Tasmania.

ANMAC Accreditation: Running concurrently with the ASQA audit was TasTAFE's five-yearly Australian Nursing and Midwifery Accreditation Council (ANMAC) accreditation process for its Diploma of Nursing. On 22 October 2019 we received ANMAC accreditation of our Diploma of Nursing for a period of five years.

COVID-19: As with every other organisation and person worldwide, TasTAFE, its students, and their employers, were impacted by the global COVID-19 pandemic. In responding to the pandemic, TasTAFE complied with Australian and Tasmanian Government health advice and had two main considerations: to minimise the risk to students, staff, and the public; and to continue to deliver training to our students. Details are in the COVID-19 Response section of this report. During the recovery period TasTAFE is working actively with industry to design training to meet their needs for skilled workers, an example is the Agricultural Skills Entry Program.

Prior to COVID-19: Before the COVID-19 pandemic TasTAFE's student enrolment numbers were on track to match or exceed those of 2018-19. This is no longer the case although apprenticeship numbers are still higher than in 2018-19. TasTAFE's financial position prior to COVID-19 was the strongest it had been since the organisation started in 2013.

Centres of Excellence: During 2019-20 TasTAFE invested in several Centres of Excellence, working with industry stakeholders and employers to ensure these Centres reflect their needs and will provide training that is contemporary and high-quality. Details are in the Performance and Operations section of this report.

Financial Performance: In the past few years TasTAFE has taken steps to stabilise its finances and invested in Centres of Excellence. Operating costs have declined in real terms and movement in staff

numbers have reflected the need to recruit in support of demand growth. Our business model envisages that 20-25% of our revenue is from competitive sources including international students. COVID-19 placed these sources of revenue under significant stress resulting in a reduction in revenue of \$3.2 million for the 2019-20 financial year. Our projections are that further impacts of COVID-19 will be felt in the 2020-21 financial year and steps have been taken to address both the immediate and short-term impacts.

Thank you to TasTAFE staff and students: 2019-20 has been a challenging year for TasTAFE, underpinned by significant achievements, organisational change and leadership development. These developments placed TasTAFE in a sound position to respond promptly to COVID-19. In closing we acknowledge the efforts of both TasTAFE staff and students in rising to meet the challenges of this year and in adapting to the very different COVID-19 and COVID-19 recovery environments. Thank you for your hard work and your resilience.

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Mike Blake Chair, TasTAFE Board



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Jenny Dodd CEO, TasTAFE



About this report

The TasTAFE Annual Report 2019–20 is a report to the Minister for Education and Training, the Honourable Jeremy Rockliff MP, required under Sections 83 and 84, of the *Training and Workforce Development Act 2013*.

This is a report on the operations of TasTAFE during the period 1 July 2019 to 30 June 2020, and includes the audited financial statements and other information required under Section 83 (a) of the *Training and Workforce Development Act 2013*.

All financial information presented in this report is consistent with the audited financial report for TasTAFE.

Queries in relation to this report should be addressed to:

The Chief Executive Officer, TasTAFE GPO Box 2015
Hobart TAS 7001

or

communications@tastafe.tas.edu.au

Further information about TasTAFE can be obtained from: www.tastafe.tas.edu.au

About TasTAFE

TasTAFE is Tasmania's largest provider of vocational education and training, and puts students at the centre of its operations. With a focus on practical, real-life learning, we work closely with industry to produce job-ready and highly valued graduates. TasTAFE has over 250 training products in its approved scope as well as more than 90 nationally or locally recognised skill sets. In the 2019 calendar year, TasTAFE had 26,719 enrolments, 21,189 students, delivered over 4.6 million hours of training and issued 7,212 individual qualifications. These figures attest to the value TasTAFE adds to the Tasmanian economy.

In 2019-20, training was conducted at TasTAFE campuses in Hobart, Clarence, Launceston, Devonport, and Burnie, TasTAFE specialist training facilities in Hobart, Launceston, Claremont, Devonport, and Burnie as well as workplace-based training for businesses and Trade Training Centres state-wide.

The functions of TasTAFE in legislation are to:

- provide vocational education and training that benefits the Tasmanian economy and builds the productivity of the Tasmanian workforce, is of a high quality and results in those persons obtaining nationally recognised skills and qualifications;
- provide foundation skills training that may lead, by itself or in conjunction with other training, to obtaining a qualification;
- develop, in consultation with relevant industry associations, models for the provision of vocational education and training to industry employees to develop skills needed to alleviate or prevent skill shortages in the Tasmanian workforce;
- collaborate with employers in relation to the development of the skills of their employee;
- provide vocational education and training in accordance with the Minister's priorities in relation to training and workforce development for communities in Tasmania, including rural and isolated communities and other communities where other providers of vocational education and training cannot, or are not, effectively meeting the demand for it;
- consult with, and where practicable and appropriate enter into partnerships with, other education providers in relation to vocational education and training or other education or training; and
- collaborate with the principals of schools, other providers of vocational education and training, providers of higher education and employers, in relation to the support of persons as they move through school, vocational education and training, higher education and other education or training and into the Tasmanian workforce.



The TasTAFE logo symbolises TasTAFE's position as a contemporary vocational education and training provider.

Composed of a series of interlocking arcs arranged in a form that represents growth, development and progress, the TasTAFE 'ripple' also reflects the idea that the core operations of TasTAFE have an effect on the broader social community and, in turn, the Tasmanian economy, a 'ripple effect'.

Corporate Plan 2019-2022

TasTAFE: Leading the development of Tasmania's skilled workforce

Endorsed by the Minister for Education and Training, the TasTAFE Corporate Plan (July 2019) identified four key goals:

Student-Focused

TasTAFE will deliver quality vocational education and training, and provide consistent and contemporary experiences, so that students achieve employment and have the ability to pursue lifelong education.

Demand-Driven

TasTAFE will provide vocational education and training that is responsive to Tasmanian industry needs and that benefits students.

People and Culture

TasTAFE will attract and retain staff that deliver quality vocational education and training, and demonstrate responsiveness to industry stakeholders.

Operating Environment

TasTAFE will meet the financial expectations of its Board and the Tasmanian Government, and provide efficient, effective and contemporary environments and experiences for our students.

Our Values

At TasTAFE, staff care about the achievements and successes of individual students, employers and industry, and know the benefits of a community rich with skills and knowledge.

Our values and behaviours reflect our commitment to working with our partners to provide high level vocational education and training that meets the needs of the individual, industry, and the broader Tasmanian community.

Connected

We are connected with our students, partners, industry and the community, and strive to build strong relationships and collaborate with others to open up new possibilities.

Accountable

We are transparent and objective in our decision-making, and seek to be environmentally, socially and economically responsible and sustainable.

Inspirational

We will make a difference to the vocational education and training experience of our students through being authentic in our words and actions.

Curious

We are interested in new ideas, thinking innovatively and imaginatively, and challenging existing practices.

Positive

We embrace continuous improvement on a journey towards excellence; we grasp opportunities, look for ways to say 'yes' and make positive self, and organisational, changes.

Minister's Policy Expectations

The *Training and Workforce Development Act 2013* requires TasTAFE to comply with the Minister's Policy Expectations.

For 2019, TasTAFE was to focus on delivering the core business of high-quality training in areas of industry and government priority, ensure it continued to meet regulatory requirements, build its internal capacity and improve internal culture. Importantly, the six policy expectations detailed below strongly support an extended period of consolidation and stabilisation for the organisation.

Maintain activity levels and a high quality of service delivery

The Government is committed to TasTAFE, as the public provider, delivering a significant proportion of government-funded vocational education and training in Tasmania. This training should be: contemporary; future focused and take advantage of digital delivery methods; responsive to students, employers and industry; and cost effective.

TasTAFE should maintain the overall level of activity delivered for student numbers, hours and enrolments in 2017 as a minimum:

	Calendar Year 2019	Calendar Year 2017
Students	21,189	23,075
Activity Hours	4,676,969	5,376,612
Enrolments	26,448	30,249

Source: AVETMISS data 2019 and 2017

Enrolments and student numbers have generally remained steady across 2019, with a minor decline in activity hours due to an increase in apprenticeships over pre-vocational courses. Apprentices generally do fewer activity hours with TasTAFE due to the significant on-the-job training component. The decline since 2017 is reflective of the national trend in VET activity.

Learner engagement by TasTAFE students in the 2020 ASQA required quality indicator survey remained high. 90% of learners reported agreement with the statement "Overall, I am satisfied with the training". It was also positive to note that, of the 35 quality indicator statements, 24 of the indicator statements had a combined agreement level of 90% or higher.

Deliver in core industry areas of comparative or differential strength and high Government priority

TasTAFE to focus training delivery activity on foundation skills and qualifications linked to the following core industry areas:

Building and construction (including engineering, plumbing)

- Health services, aged care and disability services
- Agriculture (wool growing, wine, horticulture, conservation and land management, forestry)
- Manufacturing (including food processing, advanced manufacturing)
- Tourism, travel and hospitality
- Automotive
- Information and communications technology
- Hair and beauty
- Arts and recreation (cultural industries, screen).

Excluding commercial activity, in 2017 TasTAFE delivered 76 % of total training hours in these core industry areas. It was expected that TasTAFE would maintain or grow this proportion in 2019. Excluding commercial activity, in 2019 TasTAFE delivered 79.73% of its training hours in the above core industry areas.

Promote and support growth in apprenticeships and traineeships

The Government set a target of a 40% increase in apprentices and trainees by 2025. Tasmania also signed the National Partnership for the Skilling Australians Fund that requires an increase in apprenticeship and traineeship commencements between 2017-18 and 2020-21.

TasTAFE is the largest provider of training for apprentices and trainees in Tasmania and is expected to maintain current activity levels and to actively seek to identify options to support growth in the number of apprentices and trainees (including in pre-apprenticeships and pre-traineeships), where possible, on a cost neutral basis.

TasTAFE has experienced a significant increase in apprentice and trainee numbers.

New apprentice commencements rose from 1,574 in 2017 to 1,967 in 2019.

In 2019, TasTAFE experienced unprecedented demand for apprentice training across a number of technology and trades areas with 5,414 apprentices enrolled compared with 4,912 for 2018. This continued in 2020 with 4,191 apprentices enrolled as at 30 June 2020 compared with 4,060 as at 30 June 2019. Growth has been particularly strong in construction and allied trades, electro-technology, plumbing, and automotive.

Deliver foundation skills

Section 57(2) b. of the *Training and Workforce Development Act 2013* cites a function of TasTAFE as:

'to provide to persons foundation skills training that when successfully completed may lead, or may lead when so completed in conjunction with other training, to those persons obtaining a qualification.'

TasTAFE will continue to focus on providing foundation skills, including language, literacy, numeracy and general education skills, to those facing barriers to participation in education.

TasTAFE has a range of re-engagement and pathway training products available to its students to help them achieve their educational, professional, and personal goals.

TasTAFE offers both specialised learning programs and support to meet the needs of students who are re-engaging with study or developing their language, literacy, and numeracy skills.

These programs include:

- Skills for Education and Employment (SEE) Program
- Vocational Preparation Teams
- Work Pathways Programs
- Literacy and Numeracy Support
- Adult Migrant English Program.

Deliver in rural and regional areas and to disadvantaged student cohorts

TasTAFE provides programs and service delivery models to promote and support participation of disadvantaged groups in training.

Section 57(2)(e) of the *Training and Workforce Development Act 2013* states TasTAFE's function is to provide vocational education and training in (i) rural and isolated communities; and (ii) other communities where other providers of vocational education and training cannot, or are not, effectively meeting demand for it.

This includes:

- Ensuring access to training for students in rural and remote areas. TasTAFE can explore innovative methods of delivery, taking into account student accessibility and access to technology;
- Collaborating and maintaining a strong relationship with the Tasmanian Prison Service and providing a high quality service and relevant training to prisoners;
- Ensuring access to training and support for Aboriginal and Torres Strait Islander learners that will improve participation in training and improved employment outcomes;
- Ensuring access to training and support for new migrants and humanitarian visa holders; and
- Ensuring access to training and support for other individuals of working age experiencing barriers to participation in training.

During 2019, TasTAFE delivered training to the following disadvantaged student cohorts:

Cohort	2019	2018
Aboriginal and Torres Strait Islander students	1,518	1,309
Students with disability	3,066	2.451
Students from low socio-economic status backgrounds	11,968	11,298

Students living in remote areas	464	435
Students from a non-English speaking background	2,635	2,006

TasTAFE has support programs targeting specific disadvantaged student cohorts including:

- Support for Aboriginal students
- Disability Support Officers
- English Language Services Teams
- Adult Migrant English Program (AMEP)
- Young Migrant Education Program (YMEP)
- ELICOS (English Language Intensive Courses for Overseas Students).

During the months of the COVID-19 disruption, TasTAFE ensured students were fully supported while studying at home and moved all student support appointments online or by phone.

Maintain strong community and industrial relationships

Section 57(2)(c) of the *Training and Workforce Development Act 2013* states TasTAFE's function is to develop, in consultation with relevant industry associations, models for the provision of vocational education and training to employed persons for the purposes of developing skills, including developing skills needed to alleviate or prevent skill shortages in the Tasmanian workforce.

TasTAFE is expected to:

- Work collaboratively with communities and regional organisations to deliver appropriate training for members. Consideration should be given to enhancing access to training for particular communities to maximise delivery to students in remote and regional areas;
- Maintain strong relationships with industry, in particular through the implementation of Centres of Excellence (Trades and Water, Agricultural Training, Drysdale Providore Place, and Drysdale Claremont College), in order to deliver responsive training to alleviate or prevent skill shortages in priority Tasmanian industries; and
- Strengthen partnerships with the University of Tasmania (UTAS) and the Department of Education to achieve education and training outcomes for all Tasmanians. Partnerships should focus on meeting the demand for skills in growing labour markets and regions as efficiently as possible for the State.

TasTAFE builds and maintains strong relationships with industry and organisations in the vocational education and training sector. Active industry steering committees drive each of the Centres of Excellence including Trades and Water and Agricultural Training.

TasTAFE is required by the national regulator to report on employers' satisfaction with training. In 2020, as in the previous two years, satisfaction was over 85%. Of particular note were responses to three quality indicator statements:

- Overall, we are satisfied with the training 86%
- We would recommend TasTAFE to others 87%
- We would recommend the training to others 89%.

TasTAFE continues to develop its partnership with UTAS, although the COVID disruption forced both organisations to focus internally. Discussions resume with a planned meeting in September 2020 to embrace wide ranging topics, including articulation.

Ministerial Directives

For the period 1 July 2019 – 30 June 2020, no Ministerial Directives were received.

Performance and Operations

Vocational Education and Training Statistics

	2019	2018
Students	21,189	22,806
Total Enrolments	26,448	29,714
Activity Hours (Deed Funding)	3,705,384	3,851,088
Activity Hours (Non-Deed Funding)	971,585	1,016,385
Unit Completion Rate	82.3%	83.1%
Qualifications Completed (i.e. Certificate issued)	4,391	4,895
Other Accredited Outcomes (i.e. Statements of Attainment where students have not completed a qualification)	2,821	3,408

Source: AVETMISS data collection

Student Outcomes Survey

The annual National Centre for Vocational Education Research (NCVER) Student Outcomes Survey measures student satisfaction levels. The 2019 and 2018 results show TasTAFE students have better outcomes than the Australian average:

Graduates agreement with statements for 2019 and 2018:

	Tasmania 2019	Australia 2019	Tasmania 2018	Australia 2018
Satisfied with teaching	89.1%	86.9%	88.5%	86.9%
Satisfied with assessment	90.2%	89.2%	89.6%	89.0%
Satisfied with the overall quality of training	91.0%	88.1%	88.4%	86.8%
Recommend training	92.7%	90.6%	93.3%	91.0%
Recommend training provider	91.36	88.9%	93.1%	89.6%
Found the training relevant to their current job	81.7%	80.5%	77.1%	79.0%

Learner Engagement Survey 2020

As a Registered Training Organisation TasTAFE measures current learners' satisfaction levels with TasTAFE's training. The results of the 2020 survey of over 3,300 learners enrolled at TasTAFE for the prior year show the high levels of satisfaction with TasTAFE's training have been maintained.

TasTAFE learners agreement with statements for 2020, 2019 and 2018:

	2020	2019	2018
Were satisfied with the training	90%	89%	86%
The training assisted learner to progress in their workplace	74%	73%	69%
The training focused on relevant skills	94%	92%	90%
Would recommend TasTAFE to others	92%	91%	86%
The training provided learner with the confidence to secure employment	80%	77%	72%

Drysdale Centre of Excellence: Providore Place Devonport

In September 2019, Drysdale, TasTAFE's tourism and hospitality division, opened its new training facility at Providore Place, Devonport. This project was delivered on time and on budget.

This project was a Government election commitment of \$1.5 million for a state of the art training facility in Devonport to ensure there are well trained staff to meet the predicted growth in Tasmania's tourism industry in the region.

Providore Place is fully fitted out to train Drysdale North-West Cookery, Bakery Patisserie and Barista students. It includes a dedicated bakery, barista training area, deck ovens, blast chillers, a walk-in freezer and walk in cool room and dry stores.

The open plan space allows Drysdale to provide modern, industry-standard training to more than 200 students, including around 100 Cookery apprentices and 40 Bakery apprentices. It also allows Drysdale North-West to double the number of its Patisserie apprentices.

Drysdale Centre of Excellence: Claremont College

As part of the 2018 state election, the Government committed to the establishment of a Drysdale delivery point in Hobart's northern suburbs at Claremont College.

A working group was established consisting of industry and government representatives. Four coffee machines were set up as mobile units at the college. Electrical outlets to support the coffee machines and grinders were installed in the commercial kitchen and training commenced in the second half of 2019, including:

- Responsible Service of Alcohol (RSA); and
- Drysdale Espresso Essentials for Claremont College.

A dedicated TasTAFE Drysdale Centre of Excellence training space will be established in the second half of 2020 to facilitate the expansion of TasTAFE Drysdale Centre of Excellence tourism and hospitality offerings to both college students and adult learners.

Trades and Water Centre of Excellence

A Project Manager has been employed and the project's architects have been appointed. The project is on course to be completed in 2022.

The project has now received a commitment of \$21 million in State and Federal Government funding.

TasTAFE is working collaboratively with Tasmanian industry partners to plan the development of the Centre of Excellence incorporating contemporary equipment and consolidating TasTAFE's southern-based trade delivery into one location.

Industry representation has been a key element of the project with strong support received from the Master Plumbers Association, the Tasmanian Building and Construction Industry Training Board, the Air Conditioning and Mechanical Contractors' Association and the National Electrical and Communications Association. TasTAFE tanks these key stakeholders for their efforts in providing significant advice and input into training delivery, including the planning and development of the Centre of Excellence.

Agricultural Training Centre of Excellence: Freer Farm

The Government committed \$5 million to establish an Agricultural Training Centre of Excellence centred around TasTAFE's Freer Farm, located at Burnie.

The Agricultural Training Centre of Excellence will provide much needed facility and equipment upgrades at Freer Farm, as well as product development and regional delivery models in conjunction with UTAS and industry.

A steering committee has been appointed, with industry and government representatives making recommendations to the TasTAFE Executive and Board on project direction and expenditure.

The steering committee has set the framework for the activity throughout the 2019-20 financial year, focusing on implementation for 2020 training and development of the longer-term education plan.

The project is on track to be completed in 2021.

ASQA Re-Registration

On 15 July 2019, the Australian Skills Quality Authority (ASQA) renewed TasTAFE's Vocational Education and Training (VET) and Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) registrations for seven years, until 29 June 2026.

Given seven years is the maximum term for re-registration, this is an extremely positive result for Tasmania. This achievement demonstrates the quality of TasTAFE's training and assessment and is testament to the hard work and commitment of more than 800 teachers and support staff who deliver high quality vocational education and training to our students.

We take this opportunity to thank TasTAFE staff for their efforts that resulted in such an excellent outcome.

ANMAC Accreditation

Running concurrently with the ASQA audit was TasTAFE's five-yearly Australian Nursing and Midwifery Accreditation Council (ANMAC) accreditation process for the Diploma of Nursing. ANMAC representatives conducted site visits and commented 'the commitment and dedication of staff and support services has been clearly visible throughout the site visit'.

TasTAFE undertook a substantive review of its nursing program and on 22 October 2019 received ANMAC accreditation of its Diploma of Nursing for a period of five years.

Student Support Services

In 2019–20 TasTAFE provided specialist support to over 3,200 students/prospective students as follows:

- Aboriginal VET Officers provided support to over 700 students/prospective students;
- Disability Liaison Officers provided support to over 690 students/prospective students;
- Student Counsellors provided support to over 1,580 students/prospective students; and
- International Student Advisers provided support to over 300 students.

Drysdale Governance Review

During 2019 the TasTAFE Board completed a governance review of Drysdale resulting in the decision to close its Drysdale Committee. Importantly, the TasTAFE Board confirmed Drysdale is as an essential component of TasTAFE's business with management tasked with leading Drysdale Centres of Excellence and engaging with key stakeholders in doing so.

Diversity and Inclusion

TasTAFE celebrates and values diversity and is committed to providing an inclusive learning and working environment where individuals feel valued, respected and safe. We acknowledge the value of a culture that respects diversity in employment, our students and the community we serve. To this end, during 2019-20 TasTAFE:

- Focused on priority areas identified in TasTAFE's Disability Action Plan 2018–2021, that was developed to support Accessible Island, Tasmania's third Disability Framework for Action (DFA);
- Provided training to teams through the 'From Gumnuts to Buttons' Aboriginal cross-cultural awareness training, along with LGBTI awareness sessions;
- Delivered an eLearning module 'Putting Diversity and Inclusion into Practice' for all employees;
- Facilitated workshops for all recruiting managers covering TAFE's obligations under the *Disability Discrimination Act 1992*,
- Created accessible internal templates, delivered micro-sessions and published resources to support employees to create accessible Word documents;
- Provided ongoing support for the Rainbow Action Group (a self-formed support and action group for LGBTI students and staff);

- Continued to celebrate diversity and encouraged inclusion through facilitating and supporting campus-based events and activities, such as: Harmony Day and NAIDOC Week; and
- Saw a 15% increase in response to a statement regarding positive attitudes towards employees
 who identify as members of the LGBTI community in the 2020 TSS Employee Survey, compared to
 2018.

Facility Improvements

Launceston Campus Consolidation

During this period, TasTAFE commenced the consolidation of its Launceston campuses which involves closing the Launceston City campus and consolidating training at its Alanvale campus. The Launceston City campus is out-dated and no longer fit-for-purpose as a training facility and has no capacity for expansion. The Alanvale campus is already TasTAFE's main Northern campus and will benefit from upgrades and new facilities.

TasTAFE will sell the Launceston City campus to fund improvements at its other facilities, mainly Alanvale.

Alanvale Campus Redevelopment

TasTAFE is investing \$4 million to redevelop its Alanvale campus to create a centralised, modern, northern campus with improved facilities including:

- New nursing, aged care and disability training facilities
- Specialist information technology (IT) labs
- A modern learning hub / library
- Upgraded classrooms
- Additional parking
- New student amenities

Stage one of the redevelopment was completed in 2020. This included the new nursing, aged care and disability training facilities and specialist IT labs.

Clarence Nursing Refurbishment

During 2019-20 TasTAFE committed \$1.4 million to refurbish its Nursing, Aged Care, and Disability training facilities at its Clarence campus to create a contemporary training environment. This project was delivered on time and on budget and will allow for growth in the number nursing students enrolled at TasTAFE.

Student Accommodation Upgrades

TasTAFE received \$1.6 million in State Government COVID-19 stimulus funding to upgrade its student accommodation facilities. This was used to update kitchens and bathrooms and purchase new furniture at Clarence and Alanvale campuses.

Other Highlights from 2019-20

Tasmanian Training Awards 2019

The following TasTAFE students and teachers won awards at the 2019 Tasmanian Training Awards:

Apprentice of the Year: Marek Porter (Certificate III in Electrotechnology - Electrician)

VET Teacher/Trainer of the Year: Darren Scott (Drysdale South – Butchery).

School-based Apprentice/Trainee of the Year: Daniel Ragg, (Certificate III in Electrotechnology – Electrician)

Hobart College, Training provider TasTAFE.

Aboriginal and Torres Strait Islander Student of the Year: Djuker Willis-Hart (Certificate III in Guiding - Drysdale).

Industry Collaboration Award: StLukesHealth with TasTAFE and MEGT.

Trevor Leo Medal: Lyndene Bowen, TasTAFE's Manager Quality, received this award for her outstanding contribution to VET.

Australian Training Awards 2019

Excellence in Language, Literacy and Numeracy Practice Award: Debra Guntrip, TasTAFE Teacher

2019 WorldSkills International Championships, Kazan, Russia

- TasTAFE-trained Cabinetmaker Joshua Boon represented Australia in Cabinet Making, finishing sixth in the world.
- TasTAFE Cabinet making teacher, Jai Maluga went to Russia as an international expert in Cabinet making. He was Joshua's training manager in the lead up to the competitions.

NECA National Excellence Apprentice Awards 2019

Marek Porter (Certificate III in Electrotechnology) won the Apprentice Industrial category.

Master Builders Tasmania Awards for Excellence 2019

Apprentice of the Year: Adam Gelston (Certificate III in Carpentry).

Scholarships, Grants and Bursaries

RH Purden and NP Saunders Metal Industry Tasmania Scholarships 2019

- Jack Woodward (Certificate III in Metal Fabrication)
- Ryan Tatnell (Certificate III in Engineering Mechanical Trade)
- Roydon Featherstone (Certificate III in Metal Fabrication).

These scholarships honour Robert Purden, owner of Purden Engineers Pty Ltd, who passed away in 2007, and Nick Saunders who is chairman of Saunders and Ward Pty Ltd.

Rheem Apprentice Plumber Grant: Lewis Bracey (Certificate III in Plumbing).

Burnie City Council Education Bursary: Jacinta Lang (Certificate III in Conservation and Land Management).

Find Contemporary Jewellery Collective Bursary: Samantha Dennis (Certificate IV in Visual Arts).

Partnership with Glenview

TasTAFE and Glenview Community Services collaborated on an innovative training program that saw Certificate III in Individual Support (Ageing, Home and Community) students complete the course over 19 weeks at Glenview's Windsor Street Glenorchy site. The program was a success with eight of the 14 graduates gaining employment with Glenview.

Board, Executive and Employees

TasTAFE Board

TasTAFE operates under the *Training and Workforce Development Act 2013* and has a board consisting of up to seven members (at the time of preparing this Annual Report, there were six) appointed by the Minister for Education and Training.

The Board is responsible to the Minister for meeting the expectations of the State Government. The Board performs this role by:

- clearly identifying and articulating TasTAFE's strategic direction through its Corporate Plan;
- identifying and addressing TasTAFE's principal risks;
- monitoring TasTAFE's conduct and performance through an integrated framework of controls;
- ensuring all of TasTAFE's business is conducted in an honest, open and ethical manner;
- recommending the appointment of, and monitoring the performance of, the Chief Executive Officer; and
- ensuring adequate succession planning is undertaken.

Board Membership Changes

- On 31 December 2019, Janelle Allison resigned from the TasTAFE Board.
- On 14 February 2020, Aaron Devine resigned from the TasTAFE Board.
- On 8 April 2020, Lee Astheimer was appointed to the TasTAFE Board replacing Janelle Allison.

In April 2019, Aaron Devine temporarily stood down as a member of the Board while chairing the Drysdale Committee's assessment of a corporate model for the operations for Drysdale.

Board Members

Mike Blake: Chair

(Appointed to Board 30 November 2018 – Present)

Mike has over 40 years' experience in the audit and accounting professions in both the public and private sectors, as well as four years as a line manager in the health sector.

In early 2016, after almost 12 years in the role, Mike retired as Tasmania's Auditor General and now focuses on board work. Mike remains active in setting standards through his membership of the Australian Accounting Standards Board and he is Australia's representative on the International Public Sector Accounting Standards Board.

Mike's contribution to his profession included some years as a member of the Board of Chartered Accountants Australia and New Zealand, where he chaired its Audit and Risk Committee. Mike joined the Institute of Chartered Accountants in Australia in 1991, advancing to Fellowship in 1997 and was appointed a Director in January 2011. He has also been an active member of CPA Australia. He also chairs the Tasmanian Electoral Commission.

Michelle Swallow: Chair of the Audit and Risk Management Committee Chair

(Appointed to Board 1 July 2013 – Present)

Michelle's career spans over 30 years in private, government and for-purpose organisations. Michelle is a Fellow of the Australian Institute of Company Directors and holds a Bachelor of Social Work degree. In 2010, she studied Negotiating and Influencing at the London Business School; she also holds leadership and management qualifications. Michelle is also a graduate of the Tasmanian Leaders Program and is currently the Director of Leadership and Change Consultants Pty Ltd.

Michelle's qualifications and experience are demonstrated across a number of non-executive director and executive positions. She has been an active member of a number of not-for-profit boards, holding Vice-Chair and community leadership positions, as well as representing community sector organisations at state and national level. She is currently a committee member of Regional Development Australia Tasmania and a non-executive director of the Tasmanian Community Fund.

Nicola Morris

(Appointed to Board 28 June 2016 – Present)

After 4.5 years in Uruguay and China, Nicola returned to Tasmania to become CEO of Tasmanian Irrigation; a state owned company that develops owns and operates irrigation schemes in Tasmania. She commenced in her role on 1 March 2016 and led Tasmanian Irrigation through its transition to a more operationally focused business. Following acceptance of all proposed changes to the business by the inquiry into water management she left Tasmania Irrigation in November 2018 and is now a self-employed agribusiness executive.

From December 2013 until August 2015, Nicola was Business Head of New Zealand Farming Systems Uruguay (one of the largest global dairying operations) and Vice President Dairy for Olam International. From October 2011 until November 2013, she was Director of Farming Operations for Fonterra based in Beijing, China.

Nicola holds a Bachelor of Agricultural Science, a postgraduate Diploma in Finance and Banking, as well as Master's degrees in Business Administration and Public Policy. She is also a registered valuer and farm management consultant.

Ray Mostogl: Chair of the Health, Safety and Wellbeing Committee

(Appointed to Board 6 October 2015 – Present)

Ray's career spans over 39 years in the minerals processing arm of resource majors BHP and Rio Tinto. He has experienced a full range of disciplines from Maintenance, Engineering, and Project Management to Operations and Finance throughout the peaks and troughs of the resource industry.

Ray was appointed as the General Manager Operations – Bell Bay Aluminium at Pacific Aluminium in 2011. He successfully led the site through a period of significant change in the global aluminium industry. Bell Bay's transformation has been an inspiration to many in the industry as well as within the

Tasmanian business community. In 2014, Ray won The CEO Magazine's Manufacturing Executive of the Year Award, on the back of the smelter's business transformation. Ray left Bell Bay Aluminium in 2018 and he is now CEO of the Tasmanian Minerals, Manufacturing and Energy Council (TMEC) and Executive Director of KEEN Partners. In 2018, Ray was inducted into the Launceston Chamber of Commerce Hall of Fame. Ray has played a key role as a member of the State Government task forces on freight and energy. He is a graduate of the Australian Institute of Company Directors.

Aaron Devine

(Appointed to Board 1 July 2017 – Resigned 14 February 2020)

Aaron Devine is a leading education executive and he is currently CEO of Arcadia College on the Gold Coast. Aaron has nearly twenty years' experience in vocational education and training executive leadership roles embracing TAFE Queensland, Gold Coast Institute of TAFE and Charles Darwin University. Prior to his leadership roles in the vocational sector, Aaron worked as a Solicitor in Victoria. He was a Senior Adviser to the former Premier of Tasmania, the Honourable Jim Bacon AC and Senior Policy Adviser to Paula Wriedt MHA when she was the Tasmanian Minister for Vocational Education and Training. Aaron has his own consulting company providing expert advice to industry, educational providers and Government on skills and training issues.

Janelle Allison

(Appointed to Board 28 November 2017 – Resigned 31 December 2019)

Janelle is Emeritus Professor with UTAS and was the founding Principal of University College, UTAS. She has a background in geography and regional planning. She has worked with regional communities and in regional development in Australia (particularly Queensland), as well as in Africa and Indonesia. Janelle has taught in a range of settings including planning/design studios, rural community development, as well as short courses and training for regional development in provincial governments in Indonesia.

Yvonne Rundle

(Appointed to Board 12 November 2018 – Present)

Yvonne is a Fellow of Chartered Accountants Australia and New Zealand, the Australian Institute of Company Directors and the University of Tasmania. Yvonne is a former owner and director of a statewide Chartered Accounting practice and has over 30 years of experience in public practice, consulting in areas such as: succession planning, strategic planning, corporate governance, risk management, business and taxation advice.

Yvonne has experience in a range of board roles with her current roles including Director of Aurora Energy Pty Ltd and Chair of Aurora Energy Board Audit and Risk Committee; Director of Metro Tasmania Pty Ltd and Chair of Metro's Audit and Risk Committee, Director of Metro Coaches (Tas) Pty Ltd, Fairbrother Foundation Pty Ltd and Action Against Homelessness Limited; Member of the University of Tasmania Foundation Committee and Director of a number of privately owned companies. From 2005-2011, Yvonne served on the University of Tasmania Council and was appointed

Deputy Chancellor in 2008. Yvonne is a former Chair of AGW Funds Management Ltd and Director and Chair of Audit and Risk Committees for both Port of Devonport Corporation Pty Ltd and TOTE Tasmania Pty Ltd.

Lee Astheimer

(Appointed to Board 8 April 2020 – Present)

Lee has a BSc (Biology, Hons) from Lakehead University, Canada and a PhD in Ecology from the University of California, USA and has held research and academic positions at University of Washington in Seattle, USA, Rutgers University USA, the University of Tasmania and the University of Wollongong. Previously, she was Deputy Vice-Chancellor Research at Deakin University (2009-16) where she managed the growth and development of Deakin's research portfolio, including research training, infrastructure, engagement with business and industry, and international research partnerships. Since 2016 she has been a member of the Board of Melbourne Polytechnic TAFE (2016-2020), with a focus on education quality and academic governance.

Committees

The Board meets regularly and is supported by: the Audit and Risk Management Committee; and the Health, Safety and Wellbeing Committee; and, until December 2019, the Drysdale Committee.

Audit and Risk Management Committee

The Audit and Risk Management Committee is appointed as part of the governance structure of TasTAFE and pursuant to the requirements of the *Training and Workforce Development Act 2013*. The Auditor-General of Tasmania is the external auditor of TasTAFE. The committee is chaired by Michelle Swallow, with other members being Yvonne Rundle and Mike Blake.

The Audit and Risk Management Committee's functions are to:

- 1. Recommend to the Board for approval, the appointment of internal auditors and associated matters;
- 2. Oversee Management's approach to risk identification and management including implementing risk-based internal and external audit programs;
- 3. Monitor auditors and management, and advise the Board of the results of that monitoring in relation to:
 - a) financial reporting processes
 - b) systems for internal control and management of risks
 - c) processes for monitoring of compliance with legislation and regulation, and internal controls
 - d) audit scopes, outcomes and actions, and
 - e) performance of auditors; and
- 4. Make recommendations to the Board as appropriate.

Health, Safety and Wellbeing Committee

The Health, Safety and Wellbeing Committee assists the Board in fulfilling its corporate governance responsibilities relating to health, safety and wellbeing, along with any other matters referred to it by the Board. In 2019-20, the committee was chaired by Ray Mostogl, with other members being Nicola Morris, Janelle Allison (until 31 December 2019) and Lee Astheimer (since April 2020).

The TasTAFE Board regards careful management of workplace health and safety as a business imperative. The workplace health and safety of TasTAFE's employees, students, contractors and visitors and the preservation of the environment in which TasTAFE operates, are core values.

Drysdale Committee

The Drysdale Committee was established in December 2018 and included industry representatives to ensure Drysdale was developing products and delivering training that meet industry needs. In 2019-20, it was chaired by Aaron Devine and consisted of the following members: Harvey Lennon and Mark Wilsdon (Tourism Industry Council Tasmania); Paul Jubb and John Dabner (Tasmanian Hospitality

Association); Mark Bowles (Department of State Growth); and Lisa Punshon (General Manager Drysdale).

The Drysdale Committee's functions were to plan, develop, and implement an annual Drysdale operational plan that supported the training and workforce development requirements of the tourism and hospitality sector and to conduct a governance review of Drysdale, with a specific focus on potentially establishing Drysdale as a subsidiary company of TasTAFE. Across 2019 and 2020 the State Government announced a range of tourism and hospitality workforce development and training initiatives and the Drysdale Committee ceased operations.

Meetings of Directors

The table below sets out the number of Directors' meetings (including meetings of Board Committees) held during the financial year and the number of meetings attended by each Director (while they were a Director or Committee Member).

	Board of Director Meetings	Audit and Risk Management Committee	Health, Safety and Wellbeing Committee	Drysdale Committee	Risk Workshop 1 All-Day
	12 Meetings Held	6 Meetings Held	5 Meetings Held	5 Meetings Held	Event
Michelle Swallow	Attended 8	Attended 6	N/A	N/A	Attended
Aaron Devine	(Temporarily stood do 2019, then resigned fro			5	N/A
Yvonne Rundle	Attended 12	Attended 6	N/A	N/A	Attended
Ray Mostogl	Attended 12	N/A	Attended 5	N/A	Attended
Nicola Morris	Attended 12	N/A	Attended 4	N/A	Attended
Mike Blake	Attended 12	Attended 6	N/A	N/A	Attended
Janelle Allison	Attended 3 (Resigned from Board December 2019)	N/A	Attended 1 (Appointment lapsed in December 2019)	N/A	N/A
Lee Astheimer	Attended 3 (Appointed to Board April 2020)	N/A	Attended 1 (Appointed to Committee in April 2020)	N/A	N/A

Executive Team

During 2019-20 TasTAFE's Executives were:

Jenny Dodd: Chief Executive Officer

Jenny has been CEO of TasTAFE since February 2018. Jenny joined TasTAFE at a time when the organisation was in a difficult position. During 2019-2020, TasTAFE achieved both ASQA seven years registration and ANMAC five year accreditation, considerable achievements that were led by Jenny. Jenny is committed to ensuring TasTAFE will be, under her leadership, a quality and innovative vocational education and training provider, respected within Tasmania and in markets beyond.

Jenny has twenty-five years' experience in TAFE embracing both Queensland and the ACT where she held numerous executive positions. These positions included Chief Academic Officer, General Manager and Executive Director of both education and marketing roles. She has led significant reform across TAFE including forming a single RTO and driving digital strategy for TAFE Queensland, leading CIT to be shortlisted three times for the national RTO of the year award, and providing whole of sector change management leadership through her membership of the Australian Flexible Learning Framework.

Jenny has been a marketer, teacher and program manager. Prior to joining TAFE Jenny worked for both private and community RTOs. She also has had a successful industry marketing career. Jenny is currently on the Board of TAFE Directors Australia and is a member of the Australian Institute of Company Directors. She holds degrees in commerce, education and human resource management from the University of Canberra and the University of NSW.

Scott Adams: Chief Financial Officer

Scott joined TasTAFE as Chief Financial Officer in March 2018 and became Chief Operating Officer on 1 July 2020. Scott is responsible for overseeing TasTAFE financial management as well as facilities management, corporate governance, procurement, and Board secretariat. Prior to joining TasTAFE, Scott worked for the Tasmanian Health Service for four years as the Executive Director of Corporate Services covering facilities management, house services, IT and procurement.

Prior to this, Scott was CEO of an IT consultancy company and was associated in various capacities with Aurora Energy. Scott held a number of Board positions for not for-profit entities including the no interest loans scheme, Lady Gowrie Tasmania, and the Cancer Council of Tasmania. Scott is a Certified Practicing Accountant, holds a Bachelor of Commerce from UTAS and an MBA from Deakin University.

Kerryn Meredith-Sotiris: Executive Director Students and Education

Kerryn has an extensive history in vocational education in Tasmania, including leading TasTAFE's Technology and Trade Division. Kerryn has been a vocational education and training teacher which provides a solid basis from which she provides educational leadership in her current position. Kerryn's focus in this Executive Director role is to provide strategic direction and leadership of TasTAFE's delivery of vocational education and training (VET), leading the development and implementation of

strategies, systems and processes that contribute to continuous improvement, innovation and excellent student and employer outcomes.

Anthony Wright: Executive Director Business Growth and Major Projects

Anthony joined TasTAFE in June 2018. Prior to this, he spent seven years as National Operations Manager with MEGT Apprenticeship Network Provider. Anthony was located in Launceston and his presence here ensured TasTAFE had strong representation with business across the State, and particularly in the North and North-West. Anthony resigned in March 2020 and the new Director Business Growth, who will commence the role in September 2020, will be located in Burnie continuing TasTAFE's North and North-West senior executive presence.

Brendan Holland: Division Manager Hairdressing, Human Health and Business Services

Brendan has been with TasTAFE since 2015 and led the Hairdressing, Human, Health and Business Services Division. The division provides training across areas including nursing, aged care and disability, hairdressing, community and children's services and business.

Jon Grant: Division Manager Technology, Trades and Engineering

Jon has been employed with the Tasmanian public VET provider for over 25 years and led the Technology, Trades and Engineering Division. The division provides training across a number of trades areas including construction and allied trades, mining, electro-technology, plumbing, metals, engineering, automotive as well as information technology.

Kate Elliott: Division Manager Primary and Creative Industries, Foundations and Science

Kate led the Primary and Creative Industries, Foundations and Science division. The division provides training a broad range of industries including agriculture, horticulture, science, animal studies, design, art, fashion, music, screen and media, and web design. It also delivers programs in Vocational Preparation and English Language Services, supporting students to improve their language, literacy and numeracy levels, as well as those preparing for return to study or work.

Lisa Punshon: General Manager Drysdale

Lisa led Drysdale until February 2020 when she resigned to return to the Department of State Growth. Drysdale offers training across a range of areas including cookery, butchery, hospitality management, tourism, travel, events and tour guiding.

Employees

During 2019-20, TasTAFE experienced unprecedented demand for training, particularly apprentice training, across most areas of its Technology, Trades and Engineering offerings.

This boom period made it challenging to attract the right qualified tradespeople who also met the rigorous demands of the training and assessment qualification required to teach in a vocational environment. TasTAFE engaged in a successful recruitment strategy which attracted both local and interstate tradespeople to enter careers in Vocational Education.

The 2019-20 budget included an additional \$2.9 million for TasTAFE to employ more teachers and offer more student places in building and construction and health.

New teachers recruited across the Trades areas included Electrotechnology (5 FTE), Construction (2 FTE), Allied Trades (4 FTE), and Plumbing (4 FTE).

Teacher Under Supervision Role

TasTAFE introduced a new teacher role that allowed it to recruit an industry teacher without the full Training and Assessment (TAE) qualification. A Teacher Under Supervision teaches and presents, with a fully qualified teacher conducting the assessment. During their first year of employment they are supported to gain their TAE and can move straight into permanency on the teaching award.

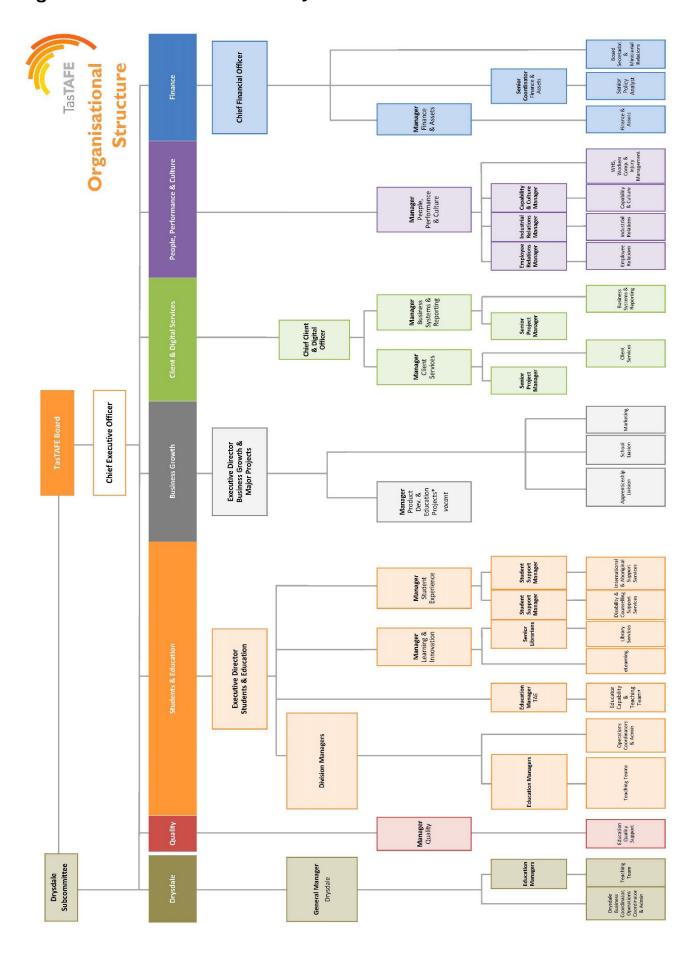
This new Teacher Under Supervision role is allowing TasTAFE to advertise more flexibly and has been well received by managers as an innovative workforce recruitment strategy.

As at 30 June 2020, TasTAFE's workforce consisted of:

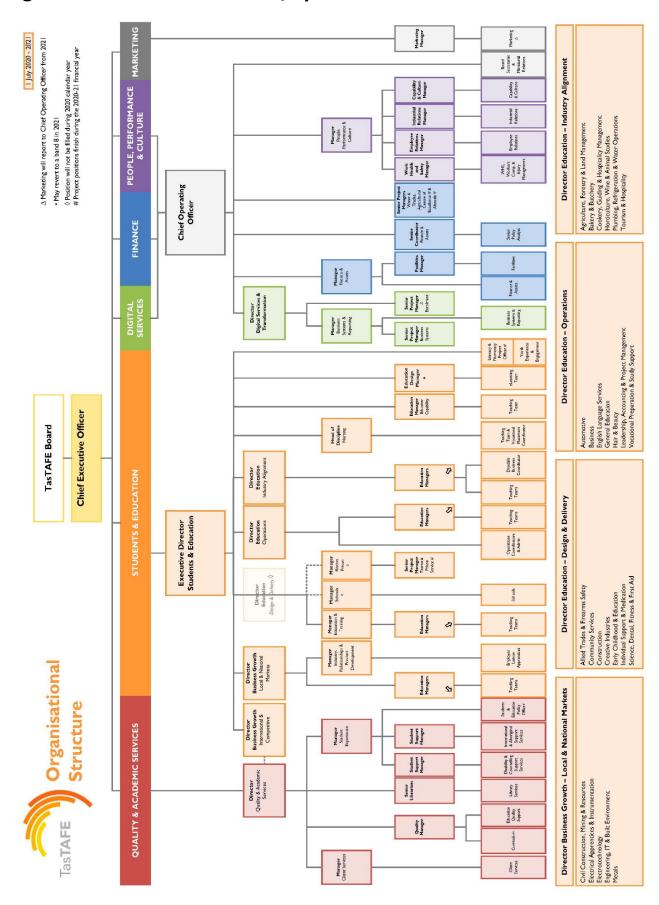
Teaching Staff	Full Time Equivalent	Headcount
Permanent - Full Time	266.00	266
Permanent - Part Time	94.45	145
Fixed Term	47.84	59
Sessional Employee	2.34	12
Teaching Totals	410.63	482
Non-Teaching Staff:	Full Time Equivalent	Headcount
Permanent - Full Time	173.00	173
Permanent - Part Time	87.54	135
Fixed Term	37.83	41
Casual Employee	0.81	7
Non-Teaching Totals	299.18	356
Grand Totals	709.81	838

All staff were retained during the COVID-19 period from March until June 2020.

Organisational structure as at 30 June 2020



Organisational Structure as at 1 July 2020



Health Safety and Wellbeing

At TasTAFE we take our duty of care in ensuring the health, safety and wellbeing of staff, students and other persons attending a TasTAFE campus or training facility, very seriously. TasTAFE strives to ensure that best practice health, safety and wellbeing (HSW) systems are implemented and embedded across all operational and study areas.

TasTAFE's health and safety strategy aims to meet its statutory obligations and create a harmonious, productive learning and working environment by providing a workplace free from risks to safety, health and wellbeing for all staff, students, contractors, and visitors

The TasTAFE Board and Executive regularly monitor and review HSW performance and compliance with a holistic focus on effective safety management which includes review of incident and hazard reporting and hazard management, workers compensation claims management, and analysis of safety performance trends.

As part of our commitment to health and wellbeing, TasTAFE provides comprehensive guidance and support for employees with work and non-work related injuries, illnesses or medical conditions.

TasTAFESAFE: Work, Health and Safety Management System

TasTAFESAFE is our HSW management system. It provides TasTAFE's Board, Executive, management, employees, students, contractors and visitors with tools and processes that support a safe and healthy work environment. TasTAFESAFE is proactively managed through the practice of continuous improvement, as TasTAFE seeks to stay abreast of industry standards and best practice strategies applicable across all operational and study areas.

TasTAFESAFE is compliant with the *Work Health and Safety Act 2012, Work Health and Safety Regulations 2012,* the *Worker's Rehabilitation and Compensation Act 1988* and all relevant work health and safety Codes of Practice and Australian Standards.

Smoke-Free Workplace Strategy

In 2019-20 TasTAFE reviewed its smoke-free workplace (SFW) arrangements and commenced a campaign to reinforce its SFW strategy. The SFW policy and procedures were reviewed, signage on all campuses was updated and improved to address SFW requirements, and an ongoing campaign was commenced to promote TasTAFE as a SFW.

An application made to the Director of Public Health for recognition of TasTAFE as a SFW was approved on 29 May 2020. This approval acknowledges the considerable work TasTAFE has undertaken to make campuses and training facilities smoke-free and the ongoing commitment to providing a safe and healthy learning environment.

Notifiable Incidents

TasTAFE had no notifiable incidents in the period 1 July 2019 to 30 June 2020.

Workers Compensation Claims

In 2019-20 TasTAFE saw an increase in new claims for workers compensation compared to 2018-19 results. While there was an increase in claims, the lost time injury frequency rate was lower due to a reduction in the number of lost time injuries. The increase in the lost time injury severity rate is attributed to the complexity of current claims.

Analysis of claims shows injuries are predominantly related to slips, trips and falls, musculoskeletal/overuse and psychological injuries. The following table provides a summary of workers compensation information for the 2019-20 and 2018-19 financial years:

	2019-20	2018–19
New Claims	25	23
Open Claims (At 30 June)	10	14
Lost Time Injury Frequency Rate	9.58	12.40
Lost Time Injury Severity Rate	61.71	58.85
Workers Compensation Total Lost Work Hours	5,317	5,386
Average Cost Per Claim*	\$9,059	\$13,256

^{*}Total costs paid on all open/closed claims 2019-20 ÷ number of claims at 30 June 2020 Source: Jardine Lloyd Thompson, Tasmanian Risk Management Fund, fund administration agents

Health and Wellbeing Initiatives

During 2019-20, TasTAFE provided a range of health and wellbeing initiatives to employees including:

- Biennial hearing tests and workplace noise assessments. Promotion on the prevention of Noise Induced Hearing Loss and promotion of World Hearing Day;
- Seasonal influenza vaccinations offered to all employees;
- Promotion of the TasTAFE Employee Assistance Program and provision of information sessions on EAP services including; Lifestyle Assist - promoting physical, financial and emotional wellbeing in the workplace and Converge CoronaCare Awareness Sessions and support services;
- Health and wellbeing articles posted in the staff newsletter (TasTAFE Talk) included; Managing
 Wellbeing Following Bushfire Events, Managing Health Safety and Wellbeing Whilst Working from
 Home, Mental Health First Aid Update and COVID-19 Support Tips;
- Active promotion of national and international days such as: RUOK Day, World Suicide Prevention
 Day, National Stroke Week, Mental Health Week, Purple Day for Epilepsy, Dental Health week,
 Australian Red Cross Lifeblood Promotion;
- TasTAFESAFE Work Health and Safety Week activities including a 'Slips, Trips and Falls' campaign, health and wellbeing promotions and 'Walk the Talk' events were promoted in conjunction with WorkSafe Tasmania's Work Safe Month;
- Installation of Defibrillators across all TasTAFE Campuses and provision of defibrillator training for staff; and

• Smoke Free Workplace and Quit Smoking campaign and promotion of World No Tobacco Day.

The TasTAFE Board, Executive and regional HSW Committees receive and consider monthly reports on health, safety and wellbeing, including the latest HSW performance statistics, injury/hazard trends, emerging issues and areas of concern and actions being taken to address these.

COVID-19 Response

TasTAFE commenced an early response to the evolving COVID-19 situation. The response was managed and coordinated by the TasTAFE Executive and was proactively supported by all operational and education functions. This resulted in a cohesive and consistent COVID-19 response being effectively implemented across all areas of TasTAFE and permitted the subsequent development of the TasTAFE COVID-19 Safety Plan and submission of the plan to WorkSafe Tasmania well within the required timeframe.

Throughout COVID-19, TasTAFE complied with the Tasmanian Government's instruction to retain its staffing levels.

TasTAFE's response to COVID-19 was necessarily dynamic due to constantly changing circumstances and included:

Delivery of Training

- Throughout the pandemic TasTAFE continued to provide training to its students, albeit in different ways.
- Training moved to a digital on-line environment and by distance delivery. The move to on-line training accelerated TasTAFE's existing vision and plans for embedding e-learning.
- To achieve the move to on-line TasTAFE teachers received strong support from the e-learning and Educator Capability teams, both relatively new teams formed during the ASQA audit process. Teachers participated in significant professional development during this time.
- All libraries remained open (with the exception of Devonport and Burnie during the North West lockdown) for students to book computers.
- From 11 May 2020, TasTAFE invited small groups of students onto campuses for applied learning and assessment, concentrating initially on third and fourth year apprentices and those closest to completing their qualifications.
- Where appropriate. courses were re-sequenced to enable students to continue with their studies.
- Introduction of a suite of on-line short courses / skill sets, SKILL-UP for Your Future, that were predominantly fee-free.
- The CEO and senior executives engaged regularly (daily at times) in on-line meetings with all levels of staff.
- Unions were kept well informed and the AEU had direct contact with the CEO and CFO during this time.
- The CEO provided regular written updates to staff, employers and students.

Safety of Staff and Students

- TasTAFE campuses and training facilities usually open to the public, such as Drysdale Restaurants and hair and beauty salons, were closed during the height of the pandemic.
- Devonport and Burnie campuses and training facilities were closed to both staff and students during the North West lockdown.

- Prior to students attending a campus or training facility, teaching teams were required to develop
 a detailed Job Safety Analysis to ensure the safety of all.
- Social distancing, classroom limits, and increased hygiene measures were implemented at all training facilities.

Support for Students

- Students without access to personal computers were able to book computers for use in TasTAFE libraries.
- Client Services and Student Support Services moved support services to on-line and by phone.
 Student Support staff also actively contacted known vulnerable students to offer support.
- Introduction of a range of flexible and deferred payment options and paused debt collection activities.
- The CEO provided students with regular COVID-19 updates via direct email and a dedicated website page.

Support for Staff

- Complied with Australian and Tasmanian Government health advice which included excluding vulnerable staff from attending workplaces.
- Facilitated staff to work-from-home by providing IT resources, work equipment, and training (see below).
- Allowed flexible working arrangements for staff who had to work from home so they could balance work, home schooling, and carer responsibilities.
- Flexible in reconsidering leave approvals where holiday travel was cancelled, and considering personal leave for carer responsibilities.
- The Employee Assistance Program was available to all staff to access when feeling stressed or anxious.
- The CEO provided regular written updates to staff.

Staff Training: Teachers Only

TasTAFE's Educator Capability team supported teaching staff to develop skills in on-line facilitation as follows:

- Conducted three educator capability days that were well attended (526 in January, 542 in May, and 166 in June) as well as offering a range of focus sessions under the headings; Digital Literacy; Engaging Learners; Supporting Learners and Teachers; Technology for Teaching and Learning; Re-engaging Learners and Teachers; and Consistency of Information and Practice.
- Conducted a Living with COVID-19 session that was well attended.
- Provided micro sessions (one-hour duration) to upskill staff in areas related to the rapid move into online learning and facilitation. These sessions were attended by 769 staff during April and June.
- Ran five Teacher Development Programs as well as additional workshops.

Staff Training: Teachers and Non-Teachers

- TasTAFE developed and offered a COVID-19 e-learning module that was completed by 703 staff.
- MS Teams training was offered via four one-hour training sessions attended by 209 staff.
- LinkedIn Learning: Training was made available on OneDrive (111 attendees), MS Teams (94 attendees), and ZOOM (69 attendees).

On-going Negative Impacts of COVID-19

- COVID-19 severely impacted on TasTAFE's growth strategy and as a result TasTAFE is likely to, in the short to medium-term, become more reliant on Government funding and support.
- The Australian Government's JobTrainer skills package may lead to people expecting on-going free training which may impact TasTAFE.
- The inability for students to access work placements (e.g. nursing, aged care) will have on-going ramifications for TasTAFE and its students.

Disclosures and Compliance

Right to Information

TasTAFE has implemented policy, which subject to privacy and confidentiality provisions, facilitates all reasonable requests for information from students, staff and the general public without recourse to the *Right to Information Act 2009* (the Act)

TasTAFE may levy a charge for information provided that is subject to a Right to Information request in accordance with the Act.

During the period 1 July 2019 – 30 June 2020, eight requests were received under the Act and were actioned as follows:

- Four requests resulted in the release of all information requested;
- Two requests resulted in the partial release of information, with some information not being released as it was exempt under sections 35(1) and 38(a)(ii) of the Act; and
- Two requests resulted in no information being released as this information was exempt under section 33(1) of the Act.
- Of the four requests where some information or all information was not released two were the subject of internal reviews where the original decision was upheld, with one of these progressing to an external review via the Office of the Ombudsman which is on-going.

 Source: TasTAFE data

Public Interest Disclosures

TasTAFE has implemented a policy and procedural framework to encourage and facilitate the making of protected disclosures of improper conduct by TasTAFE's officers and employees.

TasTAFE's procedure provides protection and support for persons who made a disclosure and establishes a system for matters to be investigated and, where necessary, corrective actions to be taken. A copy of TasTAFE's public interest disclosures procedures is available by phoning the Office of the CEO on 6165 6596 or emailing rti.enquiries@tastafe.tas.edu.au.

During the period 1 July 2019 – 30 June 2020:

- 1. There were no matters raised with TasTAFE under the *Public Interest Disclosures Act 2002.*
- 2. There were no matters referred to TasTAFE for investigation by the Ombudsman.
- 3. There were no matters referred to TasTAFE which we declined to investigate.

Source: TasTAFE data

Compliance

The following table describes the information TasTAFE is required to include in its Annual Report, the legislation that requires this information be included, and the section of the Annual Report in which the information can be found:

What is required	To comply with	Where is this information in the annual report?
Financial Statements	Section 83 (a) of the Training and Workforce Development Act 2013 (TWD Act)	Financial Statements
Auditor-general's report	Section 83 (b) TWD Act	Financial Statements
Directions from Minister	Section 83 (c) TWD Act	Minister's Policy Expectations
Minister's policy expectations	Section 83 (d) TWD Act	Minister's Policy Expectations
Summary of TasTAFE Corporate Plan	Section 83 (e) TWD Act	Corporate Plan 2019-2022
Report on performance of TasTAFE	Section 83 (f) TWD Act	Performance and Operations Minister's Policy Expectations
Report on operation of TasTAFE	Section 83 (g) TWD Act	Performance and Operations Minister's Policy Expectations
Information relating to TasTAFE directors, TasTAFE CEO and TasTAFE staff	Section 83 (h) TWD Act	TasTAFE Board, Executive and Employees
Any other information the Minister requires	Section 83 (i) TWD Act	The Annual Report in its entirety
Any information the TasTAFE Board considers appropriate or necessary to properly inform the Minister and Parliament as to the performance and progress of TasTAFE	Section 83 (j) TWD Act	The Annual Report in its entirety

Public Interest Disclosures Information	Section 86 of the public interest disclosures act 2002	Disclosures and Compliance section
Right to Information Statistics	Section 53 of the right to information act 2009	Disclosures and Compliance section
Information on contracts awarded and procurement processes	Purchasing and Property Treasurer's Instructions	Consultants and Contractors section

Consultants and Contractors

TasTAFE procurement is undertaken in accordance with the mandatory requirements of the Treasurer's Instructions relating to procurement, including that local businesses are given every opportunity to compete for TasTAFE business.

For the period 1 July 2019 to 30 June 2020:

Summary of participation by local businesses for contracts, tenders and/or quotation processes with a value of \$50,000 or over (ex GST)

Total number of contracts awarded/contract extensions	15
Total number of contracts awarded/contract extensions to Tasmanian businesses	13
Total Value of all contracts awarded*	\$7,640,355
Total Value of contracts awarded to Tasmanian businesses*	\$6,944,355
Total number of tenders called and/or quotation processes run	11
Number of bids and/or written quotations received:	
Total bids received	52
Number from local businesses	43

Contracts with a value of \$50,000 or over (ex GST) and excluding consultancy contracts

Name of Contractor	Location of Contractor	Description of Contract	Period of Contract	Total Value of Contract*
ARTAS Architects	Tasmania	Architectural Design Services - Trades and Water Centre of Excellence Training Facility	30/06/2020 to 31/12/2022	\$1,245,571
Fairbrother Pty Ltd	Tasmania	Alanvale Redevelopment Block C2 (Information Technology Computer Labs)	21/04/2020 to 30/07/2020	\$371,802
Tim Penny Architects	Tasmania	Provision of architectural design and project management services for the development of a tourism and hospitality training facility for	27/03/2020 to 30/12/2020	\$67,526

Name of Contractor	Location of Contractor	· ·		Total Value of Contract*
		TasTAFE Drysdale at Claremont College		
Vos Construction and Joinery Pty Ltd	Tasmania	Alanvale Redevelopment Stage 1 (Nursing, Aged care and Disability)	31/03/2020 to 21/07/2020	\$1,306,438
Reward Hospitality; Medhurst Kitchen Equipment; and Quality Equipment Sales and Service Pty Ltd	Tasmania	Panel of Hospitality Equipment Providers	22/03/2020 to 31/12/2025	\$350,000
Fairbrother Pty Ltd	Tasmania	Nursing and Aged Care Redevelopment - Clarence	16/03/2020 to 30/07/2020	\$1,331,933
Tas Gas Retail Pty Ltd	Tasmania	Supply of Reticulated Gas	1/01/2020 to 31/12/2022	\$1,068,446
ReadyTech Bidco Pty Ltd T/A My Profiling	New South Wales	Provision of Web based competency assessment evidence collection program	1/11/2019 to 31/10/2024	\$630,000
Squiz Australia	Tasmania	TasTAFE Web Site Development	2/10/2019 to 31/12/2025	\$266,150
ARTAS Architects	Tasmania	Alanvale Campus Re-development	27/08/2019 to 30/06/2020	\$265,110
BOC Limited	Tasmania	Supply of Industrial and Medical Gases	1/09/2019 to 31/08/2022	\$291,000

^{*}Value is an estimate of the cumulative value over the life of the contracts including extensions.

Consultancy contracts with a value of \$50,000 or over (ex GST)

Nil

Contracts with a value of \$50,000 or over (ex GST) awarded in accordance with Treasurer's Instruction PF-I

Nil

Contracts awarded as a result of a direct/limited submission sourcing process approved in accordance with Treasurer's Instruction PP-2

Name of contractor	Location of contractor	Description of contract	Period of contract	Total value of contract
Zoom	California, USA	Cloud platform for video, voice and content sharing	26/03/2020 to 26/03/2023	\$66,000

Bonorong Wildlife Sanctuary and Wildlife Rescue	Tasmania	Supply of training facility and skilled trainers to support delivery of animal studies qualification.	01/01/2020 to 30/12/2020	\$200,000
T P Lyden	Tasmania	Renovation and refurbishment of automotive training facility at TasTAFE's Campbell Street campus	17/10/2019 to 31/01/2020	\$110,000
Loop Architecture	Tasmania	Architectural services to upgrade nursing facilities at Clarence Campus	30/10/2019 to 30/03/2020	\$70,379

Contracts awarded as a result of a contract extension process approved in accordance with Treasurer's Instruction PP-6

Nil

Discussion of Financial Position

As was the case for many entities, 2019-20 was a difficult year financially for TasTAFE due to the COVID-19 pandemic.

TasTAFE closed its campuses and moved to on-line learning and smaller face-to-face sessions for three months of the year as part of the State's response to the health crisis. This resulted in a significant reduction in commercial revenue as TasTAFE was unable to deliver a range of practical short courses and skillsets. The reduction in revenue as a result of COVID-19 is estimated at \$4 million for the financial year.

The underlying net result (refer Note 2 in the Financial Statements), when excluding capital grants, is a loss of \$16.5 million, an increase of \$5.3 million on the prior year. This includes the impact of COVID-19 together with a book loss of \$1.9 million recorded on the expected sale in the 2020-21 financial year of the Launceston city property. Whilst TasTAFE has recorded a loss on the sale due to the carrying value of this asset, this transaction will be cash positive for TasTAFE.

Adjusting for the COVID-19 and the anticipated book loss on sale of the Launceston city property resulted in a deficit for 2019-20 of \$10.6 million which is primarily explained by unfunded depreciation and amortisation expense of \$8.2 million and increases in employee provisions of \$2.3 million.

Despite the underlying net result, TasTAFE's financial position at 30 June 2020 was sound with net equity totalling \$163.8 million. The only unusual balance on the Statement of Financial Position was borrowings of \$2.5 million which relates to the amount drawn down against an interest free loan facility of \$5 million provided by the Department of Education for the refurbishment of nursing facilities at Alanvale and Clarence campuses, and associated improvements. Proceeds from the sale of the Launceston city property will be used to repay this loan.

The significant improvement in TasTAFE's cash position is due to the receipt of capital grant funding yet to be expended. These projects are well progressed with building approvals and commencements expected in the upcoming financial year. Major projects include the Agricultural Training Centre of Excellence at Freer Farm, and the Trades and Water Centre of Excellence development at Clarence.

The impact of COVID-19 on TasTAFE revenues will continue to be felt through the 2020-21 financial year as border restrictions remain in place for International students and industry demand for commercial training products is impacted by the economic recession.

Financial Statements for the year ended 30 June 2020

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Directors' Statement of Certification

In the opinion of the directors of TasTAFE:

- a) the financial statements are drawn up so as to give a true and fair view of the results and cash flows for the year ended 30 June 2020 and the state of affairs of the Authority at this date;
- b) the financial statements have been made out in accordance with the provisions of the *Training and Workforce Development Act 2013*; and
- c) at the date of this certification there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due on the assumption of continued support from the Tasmanian State Government.

The financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and in accordance with Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016*.

At the date of signing we are not aware of any circumstances, which would render the particulars included in the financial statements misleading or inaccurate.

Signed in accordance with a resolution of the directors:

Mike Blake

Chair TasTAFE Board

Dated 13 August 2020

Michelle Swallow

Chair Audit and Risk Management Committee

Dated: 13 August 2020

Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	2020 Budget \$'000	2020 Actual \$′000	2019 Actual \$'000
Income from continuing operations				
Grants/Deed of Purchasing Agreement	3.1	81,075	81,811	80,005
Capital grants	3.2	11,269	11,269	6,040
Sales of goods and services	3.3	23,703	21,984	25,407
Other revenue	3.4	125	1,171	1,140
Total revenue from continuing operations		116,172	116,235	112,592
Net gain/(loss) on non-financial assets	4.1		(1,989)	(2,312)
Net gain/(loss) on financial instruments and statutory receivables/payables	4.2		(673)	(90)
Total income from continuing operations		116,172	113,573	110,190
Expenses from continuing operations				
Employee benefits	5.1	73,312	74,800	70,892
Depreciation and amortisation	5.2	8,655	8,187	7,776
Supplies and consumables	5.3	30,754	31,334	29,391
Grants/Concessions	5.4		3,551	4,438
Finance costs	5.5		12	
Other expenses	5.6		900	848
Total expenses from continuing operations		112,721	118,784	113,345
Net result from continuing operations		3,451	(5,211)	(3,155)
Other comprehensive income				
Items that will not be reclassified to net result in subsequent periods				
Adjustment to accumulated funds/(deficit) due to an over provision of impairments				305
Changes in property revaluation reserve	9		5,280	4,494
Total other comprehensive income		••••	5,280	4,799
Comprehensive result		3,451	69	1,644

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes. Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in note 1 of the accompanying notes.

Statement of Financial Position as at 30 June 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Assets				
Current assets				
Cash	10.1	7,223	23,541	16,533
Receivables	6.1	5,064	4,730	4,757
Assets held for sale	6.2		7,600	
Right-of-use assets	6.3		83	
Other current assets	6.4		353	286
Total current assets		12,287	36,307	21,576
Non-current assets				
Property, plant and equipment	6.5	171,017	155,939	161,800
Right-of-use assets	6.3		359	
Intangible assets	6.6	1,719	1,717	2,826
Total non-current assets		172,736	158,015	164,626
Total assets		185,023	194,322	186,202
Liabilities				
Current liabilities				
Payables	7.1	3,862	5,559	4,535
Borrowings	7.2		2,469	
Contract liabilities	7.3	2,750	2,298	2,086
Lease liabilities	7.4		77	••••
Employee benefit liabilities	7.5	5,530	6,568	5,709
Other current liabilities	7.7		317	316
Total current liabilities		12,142	17,288	12,646
Non-current liabilities				
Employee benefits	7.5	10,750	12,670	11,188
Lease liabilities	7.4		366	
Other non-current liabilities	7.7		148	139
Total non-current liabilities		10,750	13,184	11,327

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Total liabilities		22,892	30,472	23,973
Net assets		162,131	163,850	162,229
Equity				
Contributed capital		227,033	224,589	227,033
Asset revaluation reserve	9	14,092	23,732	18,452
Accumulated funds/(deficit)		(78,994)	(84,471)	(83,256)
Total equity		162,131	163,850	162,229

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Budget information refers to the Tasmanian Government's original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in note 1 of the accompanying notes.

Statement of Cash Flows for the year ended 30 June 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Cash flows from operating activities				
Cash inflows				
Grants/Deed of Purchasing Agreement		81,075	82,276	80,005
Sales of goods and services		24,278	18,151	19,561
Interest received		125	162	222
GST receipts		3,640	3,105	2,628
Other cash receipts			809	894
Total cash inflows	_	109,118	104,503	103,310
Cash outflows				
Employee benefits		(73,502)	(72,446)	(70,897)
GST payments		(3,568)	(3,165)	(2,634)
Supplies and consumables		(32,254)	(30,465)	(27,075)
Grants			(525)	(423)
Finance costs			(12)	
Other cash payments		••••	(900)	(633)
Total cash outflows		(109,324)	(107,513)	(101,662)
Net cash from/(used by) operating activities	10.2	(206)	(3,010)	1,648
Cash flows from investing activities				
Cash inflows				
Receipts from non-operational capital funding - Grants		11,269	11,269	6,040
Total cash inflows	_	11,269	11,269	6,040
Cash outflows				
Payments for acquisition of non-financial assets		(14,145)	(3,648)	(1,099)
Total cash outflows	_	(14,145)	(3,648)	(1,099)
Net cash from/(used by) investing activities		(2,876)	7,621	4,941
Cash flows from financing activities				
Cash inflows				
Borrowings			2,469	
Total cash inflows		••••	2,469	••••

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$′000
Cash outflows				
Repayment of leases liabilities (excluding interest)			(72)	
Total cash outflows		••••	(72)	••••
Net cash from/(used by) financing activities		••••	2,397	••••
Net increase (decrease) in cash and cash equivalents held		(3,082)	7,008	6,589
Cash and cash equivalents at the beginning of the reporting period		10,305	16,533	9,944
Cash and cash equivalents at the end of the reporting period	10.1	7,223	23,541	16,533

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in note 1 of the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2020

	Notes	Contributed Capital* \$'000	Reserves \$'000	Accumulated Funds/(Deficit) \$'000	Total Equity \$'000
Balance as at 30 June 2019	_	227,033	18,452	(83,256)	162,229
Net Result from continuing operations				(5,211)	(5,211)
Other comprehensive income					
Changes in physical asset revaluation reserve	9		6,832		6,832
Transfer of vacant land at Park Grove to the Department of Education	4.1	(132)		132	
Transfer of 26 Bathurst Street asset to Department of Education at 1 March 2019 as no longer occupied by TasTAFE^	4.1	(2,312)		2,312	
Transfers to accumulated funds from revaluation reserve					
- assets held for sale	9		(1,530)	1,530	••••
- disposed assets	9		(22)	22	
Total comprehensive result	-	(2,444)	5,280	(1,215)	1,621
Balance as at 30 June 2020	-	224,589	23,732	(84,471)	163,850

^{*}Contribution to TasTAFE on behalf of the Tasmanian Government on the formation of TasTAFE under the *Training and Workforce Development Act 2013*.

[^] The transfer was originally included in Accumulated Funds/(Deficit) and has subsequently been reclassified as Contributed Capital.

	Notes	Contributed Capital \$'000	Reserves \$'000	Accumulated Funds/(Deficit) \$'000	Total Equity \$'000
Balance as at 30 June 2018		227,033	14,092	(80,540)	160,585
Adjustment due to an over provision of impairments				305	305
Restated balance as at 1 July 2018	·	227,033	14,092	(80,235)	160,890
Net Result from continuing operations				(3,155)	(3,155)
Other comprehensive income					
Changes in physical asset revaluation reserve	9		4,494		4,494
Transfers to accumulated funds from revaluation reserve disposed assets	9		(134)	134	

Total comprehensive result		4,360	(3,021)	1,339
Balance as at 30 June 2019	227,033	18,452	(83,256)	162,229

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements for the year ended 30 June 2020

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Note I: Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between budget estimates and actual outcomes. Budget information refers to original estimates as disclosed in the 2019-20 Budget Papers and is not subject to audit. Variances are considered material where the variance exceeds 10 per cent of Budget estimate and \$1million.

1.1 Statement of Comprehensive Income

	Note	Budget \$'000	2020 Actual \$'000	2019 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Other revenue	1	125	1,171	1,140	1,046	31
Net gain/(loss) on non-financial assets	2		(1,989)	(2,312)	(1,989)	323
Grants/Concessions	3		3,551	4,438	(3,551)	887

Notes to Statement of Comprehensive Income variances

- 1. The increase in Other revenue is due to revenue associated with reimbursements of mainly Workers' Compensation payments at the time of preparing Budget Estimates.
- 2. Launceston City Campus has been identified as an Asset held for sale and this loss recognises that the proceeds from its intended sale is likely to be less than the current book value.
- 3. Grants/Concessions expenses were not budgeted for due to the timing of the State Budget.

1.2 Statement of Financial Position

Budget estimates for the 2019-20 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2018-19. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2019-20. The following variance analysis therefore includes major movements between the 30 June 2019 and 30 June 2020 actual balances.

	Note	Budget \$'000	2020 Actual \$'000	2019 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash	1	7,223	23,541	16,533	16,318	7,008
Assets held for sale	2		7,600		7,600	7,600
Property, plant and equipment	3	171,017	155,939	161,800	(15,078)	(5,861)
Borrowings	4		2,469		(2,469)	(2,469)
Employee benefits	5	16,280	19,238	16,897	(2,958)	(2,341)
Asset revaluation reserve	6	14,092	23,732	18,452	9,640	5,280

*The 2019-20 Statement of Financial Position budget is set with reference to 2018-19 estimated outcome, whereby 2018-19 year to date actuals at the time of setting the budget are adjusted for known or predicted movements likely to occur up to 30 June 2019. Actual results include the impact of transactions which were not known, or difficult to predict, for budget purposes and therefore no allowances were made within the budget.

Notes to Statement of Financial Position variances

- 1. The increase in Cash can be attributed to delays in major capital projects. Funds have been received but not fully expended as was expected at the time of preparing Budget Estimates.
- 2. The increase in Assets held for sale is due to the Launceston City Campus being identified as surplus and expected to be sold prior to 30 June 2021 to fund improvements at Alanvale. These are the proceeds expected when sold.
- 3. The decrease in Property plant and equipment is due to the reclassification of the Launceston City Campus to Assets held for sale and the delays in the major capital projects.
- 4. The increase in Borrowings is due to an interest free loan from Department of Education. The loan is so TasTAFE can start improvements at Alanvale and will be repaid from the proceeds of the intended sale of Launceston City Campus.
- 5. The increase in Employee benefits is due to leave not being taken because of COVID-19 and the impact of a change in the discount rates.
- 6. The increase in asset revaluation reserve is the net of indexation increases of 4.56% on buildings and 6.00% on land as advised by the Office of the Valuer General less \$1.530m transferred from revaluation reserve to accumulated deficit resulting from the decision to report the Launceston City Campus as an asset held for sale at 30 June 2020.

1.3 Statement of Cash Flows

	Note	Budget \$'000	2020 Actual \$'000	2019 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Sales of good and services	1	24,278	18,151	19,561	(6,127)	(1,410)
Payments for acquisition of non- financial assets	2	(14,145)	(3,594)	(1,099)	10,551	(2,495)
Borrowings	3		2,469		2,469	2,469

Notes to Statement of Cash Flows variances

- 1. The decrease in cash from Sales of Goods and services is due to the impact of COVID-19 on income and the decision to allow students more time to pay outstanding debt.
- 2. The decrease in payments for acquisition of non-financial assets can be attributed to the delays in the major capital projects.
- 3. The increase in Borrowings is due to an interest free loan from Department of Education. The loan is so TasTAFE can start improvements at Alanvale and will be repaid from the proceeds of the intended sale of Launceston City Campus.

Note 2: Underlying Net Result from Continuing Operations

Non-operational capital funding is the income from transactions relating to funding for capital projects from investing activities. The funding is classified as income from continuing operations and

included in the Net result from continuing operations. However, the corresponding capital expenditure is not included in the Net result from continuing operations. Accordingly, the Net result from continuing operations will portray a position that is better than the true underlying financial result.

For this reason, the Net result from continuing operations is adjusted to remove the effects of funding for capital projects from investing activities:

	2020 \$'000	2019 \$'000
Net result from continuing operations	(5,211)	(3,155)
Less impact of:		
Non-operational capital funding		
Drysdale Centre of Excellence		(2,082)
Drysdale Centre of Excellence – Providore Place, Devonport		(1,491)
Drysdale Centre of Excellence – Claremont		(2,000)
Trades and Water Centre	(7,000)	
Centre of Excellence – Freer Farm	(4,269)	
Education Architecture		(467)
Underlying Net result from continuing operations	(16,480)	(9,195)

Note 3: Income

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

Until 30 June 2019, income was recognised in accordance with AASB 118 Revenue and AASB 1004 Contributions. From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities, dependent on whether there is a contract with a customer as defined by AASB 15.

3.1 Grants

In 2018-19, Grants payable by the Australian Government were recognised as revenue when TasTAFE gained control of the underlying assets. Where grants are reciprocal, revenue was recognised as performance occurred under the grant. Non-reciprocal grants were recognised as revenue when the grant was received or receivable. Conditional grants were reciprocal or non-reciprocal depending on the terms of the grant.

From 2019-20 Grants revenue, where there is a sufficiently specific performance obligation attached, are recognised when TasTAFE satisfies the performance obligation and transfers the promised goods or services. Grants revenue without a sufficiently specific performance obligation are recognised when TasTAFE gains control of the asset (typically cash).

	2020 \$'000	2019 \$'000
Grants from Government		
Grants with sufficiently specific performance obligations		
Destination Australia Scholarships	130	
Grants without sufficiently specific performance obligations		
Deed of Purchasing Agreement - Department of State Growth (Skills Tasmania)	79,989	77,490
Skilled workforce to meet industry demand (Skills Tasmania)	950	
Centre of Excellence – Freer Farm	731	
Drysdale Centre of Excellence		363
Drysdale Centre of Excellence – Providore Place, Devonport		9
Education Architecture		1,033
Request for additional funds		950
Skilling the civil construction workforce		151
Other	11	9
Total	81,811	80,005

3.2 Capital grants

Grants to acquire/construct a recognisable non-financial asset to be controlled by TasTAFE with sufficiently specific performance obligations are recognised when TasTAFE satisfies its obligations under the transfer. Grants revenue without a sufficiently specific performance obligation are recognised when TasTAFE gains control of the asset (typically cash).

2020	2019
\$'000	\$'000
	2,082
	1,491
	2,000
	467
7,000	
4,269	
11,269	6,040
	\$'000 7,000 4,269

3.3 Sales of goods and services

In 2018-19 amounts earned in exchange for the provision of goods were recognised when the significant risks and rewards of ownership had been transferred to the buyer. Revenue from the provision of services was recognised in proportion to the stage of completion of the transactions at the reporting date. The stage of completion was assessed by reference to surveys of work performed.

From 2019-20, revenue from Sales of goods are recognised when TasTAFE satisfies a performance obligation by transferring the goods to the customer.

Revenue from the provision of services is recognised when TasTAFE satisfies its performance obligation by transferring the promised services. TasTAFE typically satisfies its performance obligations when it provides vocational education and training. TasTAFE recognises revenue associated with performance obligations using the output method.

	2020	2019
	\$'000	\$'000
Training related sales	5,278	6,437
Australian Government contracts	2,438	3,018
State Government contracts	641	794
Overseas student fees	2,665	3,391
Student fees and charges	10,887	11,737
Other sales of goods and services	75	30
Total	21,984	25,407

3.4 Other revenue

Revenue from other sources, is recognised as revenue when TasTAFE obtains control over the assets. Control is normally obtained upon receipt.

	2020 \$'000	2019 \$'000
Interest received	159	225
Workers compensation and other salary reimbursements	543	444
Miscellaneous recoveries	469	471
Total	1,171	1,140

Note 4: Net Gains/(Losses)

4.1 Net gain/(loss) on non-financial assets

Gains or losses from the sale of Non-financial assets are recognised when control of the assets has passed to the buyer. A gain or loss on a non-financial asset can also arise when an asset has been reclassified as held for sale.

Key Judgement

All non-financial assets are assessed to determine whether any impairment exists, with impairment losses recognised in the Statement of Comprehensive Income. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. TasTAFE's assets are not used for the purpose of generating cash flows; therefore their recoverable amount is expected to be materially the same as fair value, as determined under AASB 13 *Fair Value Measurement*.

	2020	2019
	\$'000	\$'000
Launceston City Campus – reclassified as asset held for sale	(1,857)	
Transfer of vacant land at Park Grove to the Department of Education	(132)	
Transfer of 26 Bathurst Street asset to Department of Education at 1 March 2019 as no longer occupied by TasTAFE.		(2,312)
Total net gain/(loss) on non-financial assets	(1,989)	(2,312)

4.2 Net gain/(loss) on financial instruments and receivables/payables

Financial assets are impaired under the expected credit loss approach required under AASB 9 *Financial Instruments*. The expected credit loss is recognised for all debt instruments not held at fair value through profit or loss.

Key Judgement

An impairment loss using the expected credit loss method for all trade debtors uses a lifetime expected loss allowance. The expected loss rates are based upon historical observed loss rates that are adjusted to reflect forward looking macroeconomic factors.

	2020	2019
	\$'000	\$'000
Impairment of receivables	(673)	(90)
Total net gain/(loss) on financial instruments	(673)	(90)

For ageing analysis of the financial assets past due but not impaired, refer to note 11.1

Note 5: Expenses

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

5.1 Employee benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and other post-employment benefits.

a) Employee Expenses

	2020 \$'000	2019 \$'000
Wages and salaries	57,281	52,960
Termination payments	3	94
Annual leave payments	6,233	6,320
Long service leave payments	1,483	1,945
Sick leave payments	1,811	1,712
Superannuation - defined benefit scheme	1,025	1,177
Superannuation - defined contribution scheme	6,964	6,684
Total	74,800	70,892

Superannuation expenses relating to defined benefits schemes are payments into the Consolidated Fund. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.95 per cent (2019: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2019: 9.5 per cent) of salary. In addition, TasTAFE is also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.45 per cent (2019: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

b) Remuneration of key management personnel

	Short-term	benefits	Long-ter	m benefits		
2020	Salary \$'000	Other Benefits \$'000	Superannuation \$'000	Other Benefits and Long Service Leave \$'000	Termination Benefits \$'000	Total \$'000
Key management personnel				·		
Dodd, Jenny, Chief Executive Officer	331	19	31	8		389
Adams, Scott, Chief Financial Officer	170	18	16	11		215
Meredith-Sotiris, Kerryn. Executive Director Students and Education,	155	18	14	3		190
Wright, Anthony, Executive Director, Business Growth and Major Projects, departure date 13 March 2020	113	12	11	(6)	3	133
Total Remuneration for Key Management Personnel	769	67	72	16	3	927
Non-Executive Directors Remuneration	Directors' Fees \$'000	Other Benefits \$'000	Superannuation \$'000	Other Benefits and Long Service Leave \$'000	Termination Benefits \$'000	Total Directors' Fees \$'000
Blake, Mike, Chairperson TasTAFE Board	48		4			52
Morris, Nicola, Board Director	27		3			30
Swallow, Michelle, Board Director	27		3			30
Devine, Aaron, Board Director, departure date 14 February 2020	18		2			20
Allison, Janelle, Board Director, departure date 31 December 2019	15		1			16
Mostogl, Ray, Board Director	27		3			30
Rundle, Yvonne, Board Director,	27		3			30
Astheimer, Lee, Board Director, appointment date 14 April 2020	6		1			7
Total Directors' Remuneration	195	••••	20	••••	••••	215

Total	964	67	92	16	3	1,142

Note: Other Benefits includes motor vehicles and car parking

b) Remuneration of key management personnel

	Short-	term benefits	Long-ter	m benefits		
2019	Salary \$'000	Other Benefits \$'000	Superannuation \$'000	Other Benefits and Long Service Leave \$'000	Termination Benefits \$'000	Total \$'000
Key management personnel						
Dodd, Jenny, Chief Executive Officer	326	19	31	1		377
Meredith-Sotiris, Kerryn. Executive Director Students and Education, appointment date 9 April 2019	33	4	3	2		42
Adams, Scott, Chief Financial Officer	167	18	16	2		203
Wright, Anthony, Executive Director, Business Growth and Major Projects	146	18	14	8		186
Total Remuneration for Key Management Personnel	672	59	64	13		808
Non-Executive Directors Remuneration	Directors' Fees \$'000	Other Benefits \$'000	Superannuation \$'000	Other Benefits and Long Service Leave \$'000	Termination Benefits \$'000	Total Directors' Fees \$'000
Non-Executive Directors Remuneration Blake, Mike, Chairperson TasTAFE Board	Fees		•	Long Service Leave	Benefits	Directors' Fees
	Fees \$'000	\$'000	\$'000	Long Service Leave \$'000	Benefits \$'000	Directors' Fees \$'000
Blake, Mike, Chairperson TasTAFE Board	Fees \$'000	\$'000 	\$'000	Long Service Leave \$'000	Benefits \$'000	Directors' Fees \$'000
Blake, Mike, Chairperson TasTAFE Board Morris, Nicola, Board Director	Fees \$'000 46 26	\$'000 	\$'000 4 2	Long Service Leave \$'000 	Benefits \$'000 	Directors' Fees \$'000 50 28
Blake, Mike, Chairperson TasTAFE Board Morris, Nicola, Board Director Swallow, Michelle, Board Director	Fees \$'000 46 26 26	\$'000 	\$'000 4 2 2	Long Service Leave \$'000 	## Benefits ## 1000 ##	Directors' Fees \$'000 50 28 28
Blake, Mike, Chairperson TasTAFE Board Morris, Nicola, Board Director Swallow, Michelle, Board Director Devine, Aaron, Board Director	Fees \$'000 46 26 26 26	\$'000 	\$'000 4 2 2 2	Long Service Leave \$'000	## Benefits \$'000	Directors' Fees \$'000 50 28 28 28
Blake, Mike, Chairperson TasTAFE Board Morris, Nicola, Board Director Swallow, Michelle, Board Director Devine, Aaron, Board Director Allison, Janelle, Board Director	Fees \$'000 46 26 26 26 26	\$'000 	\$'000 4 2 2 2 2	Long Service Leave \$'000	## Benefits \$'000	Directors' Fees \$'000 50 28 28 28 28

Note: Other Benefits includes motor vehicles and car parking

Key management personnel are those persons having authority and responsibility for planning directing and controlling the activities of the Authority, directly or indirectly.

Remuneration during 2019-20 for key management personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long-term employee expenses include long service leave, superannuation obligations and termination payments.

TasTAFE Directors are entitled to be paid such remuneration and allowances as the Minister for Education and Training determines. The Department of Premier and Cabinet advised TasTAFE of the Directors' entitlement.

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

c) Related party transactions

There are no material related party transactions requiring disclosure.

5.2 Depreciation and amortisation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land, being an asset with an unlimited useful life, is not depreciated. Heritage assets are also not depreciated as it is considered that their value does not diminish.

Key estimate and judgement

Depreciation is provided for on a straight-line basis, using rates which are reviewed annually. Major depreciation asset categories and their useful lives are:

Buildings 40 - 60 years

Plant and equipment 3 - 20 years

Right-of-use assets 2-10 years

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by TasTAFE. Amortisation of Leasehold improvements is provided on a straight-line basis, using rates which are reviewed annually. Major amortisation rates are:

Software 5 years

Leasehold improvements 10 years or period

of lease

	2020	2019
	\$'000	\$'000
Depreciation and amortisation		
Buildings	6,383	6,136
Plant and equipment	542	532
Right-of-use assets	73	
Leasehold improvements	80	
Software – Student Information Management System	1,109	1,108
Total	8,187	7,776

5.3 Supplies and consumables

	2020	2019
	\$'000	\$'000
Advertising and promotion	344	249
Audit fees – external financial audit	62	57
Audit fees – internal and other	135	60
Communications	655	680
Consultants	505	145
Contractors	1,366	975
Contractors - GETI	878	1,233
Corporate services: Shared Services contribution*	3,226	3,293
Information technology	3,280	2,110
Maintenance	2,784	2,237
Materials and supplies	3,498	4,030
Property services including facility services		
reimbursement**	11,992	11,287
Travel and transport	1,244	1,414
Other supplies and consumables	1,365	1,621
Total	31,334	29,391

^{*}These expenses represent the costs of the provision of financial, human resource, facility, information communication technology and services by the Department of Education to TasTAFE. Other reimbursements to the Department of Education of discrete costs incurred on behalf of TasTAFE have been allocated against the relevant category under Supplies and consumables. The costs are managed through a formal Business Partnership Agreement.

^{**}On 9 July 2020 responsibility for asset and facility operation for TasTAFE land and buildings, other than the Burnie campus, transferred from the Department of Education to TasTAFE. As a result of this, costs associated with facility staff will be expensed against employee benefits (note 13) from this date.

5.4 Grants/Concessions

Grants and subsidies expenditure is recognised to the extent that:

- the services required to be performed by the grantee have been performed; or
- the grant/concessional eligibility criteria have been satisfied.

A liability is recorded when TasTAFE has a binding agreement to make the grants, but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

	2020	2019
	\$'000	\$'000
Grants – Childcare subsidies	302	415
Grants – Destination Australia Scholarships	115	
Concessions – Student fees and charges	3,026	4,015
Subsidies	108	8
Total	3,551	4,438

5.5 Finance costs

All finance costs are expensed as incurred using the effective interest method.

	2020	2019
	\$'000	\$'000
Interest on lease liabilities	12	
Total	12	••••

5.6 Other expenses

Other expenses are recognised when the associated service or supply has been provided.

	2020	2019
	\$'000	\$'000
Salary on-costs – workers compensation premiums	900	848
Total	900	848

Note 6: Assets

Assets are recognised in the Statement of Financial Position when it is probable that future economic benefits will flow to TasTAFE and the asset has a cost or a value that can be measured reliably.

6.1 Receivables

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

Receivables are held with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. An allowance for expected credit losses is recognised for all debt financial assets not held at fair value through profit and loss. The expected credit loss is based on the difference between the contractual cash flows and the cash flows that TasTAFE expects to receive, discounted at the original effective interest rate.

For trade receivables, a simplified approach in calculating expected credit losses is applied. A loss allowance based on lifetime expected credit losses at each reporting date is recognised. A provision matrix based on historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable has been established.

	2020 \$'000	2019 \$'000
Receivables	4,849	3,791
Less: Expected credit loss	(921)	(279)
Diplomas, incorporating VET Fee-Help and VET Student Loans	242	410
Revenue earned but not received	184	146
Australian Government Contracts – earned but not yet invoiced	224	383
Tax Assets - Net GST reimbursement	152	306
Total	4,730	4,757
	_	
Settled within 12 months	4,730	4,757
Total	4,730	4,757
Reconciliation of movement in expected credit loss for receivables		
Carrying amount at 1 July	279	358
Amounts written off during the year	(221)	(194)
Increase in provision on amounts recognised as revenue received in advance	190	25
Increase/(decrease) in provision recognised in profit or loss (note 4.2)	673	90
Carrying amount at 30 June	921	279
·		

For ageing analysis of the financial assets past due but not impaired, refer to note 11.1

6.2 Assets held for sale

Assets that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, fair value assets (or components of a disposal group) are remeasured in accordance with the TasTAFE policy. Upon initial classification to assets held for sale, assets are remeasured at the lower of carrying amount and fair value less costs to sell. An impairment loss is recognised in profit or loss for any initial and subsequent write-down from the carrying amount measured immediately before re-measurement to fair value less costs of disposal (note 4.1). Such assets are no longer amortised or depreciated upon being classified as held for sale.

		2020	2019
		\$'000	\$'000
Assets held for sale		7,600	
Reconciliation of movement in Assets held for sale			
Carrying amount immediately before re-measurement			
Assets transferred in			
Launceston City Campus		9,457	
Loss on reclassification	4.1	(1,857)	
Carrying amount 30 June		7,600	••••
Settled within 12 months		7,600	
Total		7,600	••••

An independent appraisal of the market value of Launceston City Campus was conducted in December 2019, TasTAFE does not expect the value to have materially changed at 30 June 2020.

The Department of Education has agreed to loan \$5m to TasTAFE (see note 7.2) to refurbish parts of its facilities at Alanvale and Clarence. This will enable TasTAFE to relocate its functions from its Launceston City Campus buildings in Patterson Street and Wellington Square to the Alanvale campus. The sale proceeds from the Launceston City Campus facilities will be used to repay the loan. There is no interest payable on the loan.

6.3 Right-of-use assets

From 1 July 2019, AASB 16 *Leases* requires TasTAFE to recognise a right-of-use asset, where it has control of the underlying asset over the lease term. A right-of-use asset is measured at the present value of the initial lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site. Right-of-use assets includes assets in respect of leases previously treated as operating leases under the withdrawn AASB 117 *Leases*, and therefore not recognised on the Statement of Financial Position.

TasTAFE has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases for which the underlying asset is of low-value. An asset is considered low-value when it is expected to cost less than \$10,000.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the term of the lease.

2020		Leasehold	Plant and	
		buildings	equipment	Total
	Note	\$'000	\$'000	\$'000
Carrying value at 1 July	14.4	383	119	502
Additions			13	13
Depreciation		(28)	(45)	(73)
Carrying value at 30 June		355	87	442
Current		38	45	83
Non-current		317	42	359
Total		355	87	442

6.4 Other current assets

Carrying amount	2020 \$'000	2019 \$'000
Other current assets		
Prepayments	353	286
Total	353	286
Settled within 12 months	353	286
Total	353	286

6.5 Property, plant and equipment

Key estimate and judgement

(i) Valuation basis

Land, which has an indefinite useful life, is recorded at fair value. Heritage assets are not depreciated and are recorded at fair value. Buildings are recorded at fair value less accumulated depreciation, whilst all other non-current physical assets are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In determining fair value it is a requirement to have regard to the highest and best use of the asset. The key assumption is that the highest and best use of TasTAFE assets is their existing use.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to TasTAFE and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by TasTAFE is \$10,000. Assets valued at less than \$10,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

Asset revaluations that are performed on a depreciated replacement cost basis are disclosed on a gross basis.

The resulting changes to asset values are adjusted to the Asset Revaluation Reserve or where there is not a sufficient reserve recognised as an 'other economic flow' in the Statement of Comprehensive Income.

Land and buildings are re-valued with sufficient regularity to ensure they reflect fair value at balance date. See note 6.5 (a) for further detail.

Assets are grouped on the basis of having a similar nature or function in the operations of TasTAFE.

(a) Carrying amount

Land	2020 \$'000	2019 \$'000
At fair value	21,210	25,519
Total	21,210	25,519
Buildings		
At fair value	334,699	335,761
Less. Accumulated depreciation	(207,105)	(203,333)
	127,594	132,428
Work in progress (at cost) Buildings	3,282	
Total land and buildings	152,086	157,947

Land	2020 \$′000	2019 \$'000
Leasehold improvements		
At fair value	1,063	
Less: Accumulated amortisation	(80)	
Work in progress (at cost)		856
Total	983	856
Plant, equipment and vehicles		
At cost	9,727	9,313
Less: Accumulated depreciation	(6,885)	(6,343)
Total	2,842	2,970
Heritage		
At fair value	28	27
Total	28	27
Total property, plant and equipment	155,939	161,800

TasTAFE undertook a valuation of land, buildings and land under buildings during 2014-15. The valuations were completed by the Office of the Valuer-General (OVG) as at 30 June 2015. This was the first independent valuation conducted of Land and Buildings since the establishment of TasTAFE on the 1 July 2013. Three methods of valuation were adopted when valuing the land and building assets being depreciated replacement cost, a comparable sales approach and an income approach. Specialised building assets such as TasTAFE buildings are valued using a depreciated replacement cost method because there are no comparable sale transactions. The majority of TasTAFE building assets are valued using depreciated replacement cost. The comparable sales approach was used to value market type assets such as vacant land. This approach considers market sales evidence that is comparable to the subject asset. The income approach was adopted for market type assets such as office buildings. This approach considers the rental earning capacity of the building to calculate the valuation.

TasTAFE was to undertake an independent valuation of land and buildings during 2019-20. The valuations were to be completed by the OVG as at 31 December 2019. Due to delays and the impact of COVID-19 both on staffing at the OVG and reduced access to properties for inspection, the valuation has been deferred to 2020-21.

On 11 May 2020, the OVG provided asset valuation indices for land and buildings in relation to the TasTAFE land and building portfolio. These indices do not take into consideration any potential impact

of the COVID-19 pandemic as it is considered too early to reliably assess any impact. By comparing the change in fair value between 30 June 2015 and 31 December 2019 for completed valuations it was the recommendation of the OVG that application of the following indices would maintain currency in the fair value of land and building assets between 30 June 2015 and 31 December 2019: Buildings 12.00%, Land 20.00% (2019: Buildings 7.44%, Land 14.00%). The recommendations have been adopted by TasTAFE.

TasTAFE undertook a valuation of Heritage assets during 2015-16. The valuations were completed by Andrew Wright Auctioneers and Valuers as at 30 June 2016 and indexed using the Hobart consumer price index (CPI) in subsequent reporting periods.

(b) Reconciliation of movements (including fair value levels)

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2020	Land Level 2 (vacant land in active markets) \$'000	Land Level 3 (land with no active markets and/or significant restrictions) \$'000	Buildings Level 2 (general use / residential buildings) \$'000	Buildings Level 3 (specific purpose / use buildings) \$'000	WIP (at cost) \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Heritage Level 2 (items in an active market) \$'000	Total \$′000
Carrying value at 1 July 2019	4,846	20,673	3,524	128,904	856	••••	2,970	27	161,800
Additions	-				3,282	207	414		3,903
Disposals	(134)								(134)
Assets held for sale		(5,519)		(3,938)					(9,457)
WIP transfers					(856)	856			
Gains/(losses) recognised in other comprehensive income									
Revaluation increments/(decrements)	255	1,089	147	5,340				1	6,832

Depreciation/amortisation expense			(95)	5,288)		(80)	(542)	(7,005)
Carrying value as at 30 June 2020	4,967	16,243	3,576 12	24,018 3,282		983 2	2,842 28	155,939
2019	Land Level 2 (vacant land in	Land Level 3 (land with no active markets and/or	Buildings Level 2 (general use / residential	Buildings Level 3 (specific purpose / use	WIP	Plant and	Heritage Level 2 (items in an	
	active markets) \$'000	significant restrictions) \$'000	buildings) \$'000	buildings) \$'000	(at cost) \$'000	equipment \$'000	active market) \$'000	Total \$'000
Carrying value at 1 July 2018	5,511	19,404	4,990	131,997	••••	3,259	26	165,187
Additions					856	243		1,099
Disposals	(963)		(1,349)					(2,312)
Gains/(losses) recognised in other comprehensive income								
Revaluation increments/(decrements)	298	1,269		2,926			1	4,494
Depreciation/amortisation expense			(117)	(6,019)		(532)		(6,668)

Carrying value as at 30 June								
2019	4,846	20,673	3,524	128,904	856	2,970	27	161,800

TasTAFE land, buildings and structures are Vocational Educational Training related and as such are mostly classified as specialist assets with no active markets against which to be valued. As a result, the majority of assets are valued as Level 3 inputs.

(c) Level 3 significant valuation inputs and relationship to fair value

Description	Fair value at 30 June 2020 \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Land – with no active markets and/or significant restrictions)	16,243	A – economic conditions, B – availability of and demand for similar assets	Note 1	
		for sale		
Buildings – specific purpose / use	124,018	A – Construction costs	Note 1	
buildings		B – Design life		
		C – Age and condition of asset		
		D – Remaining useful life		

Note 1: When valuing these assets, their existing use and unlikely alternative uses, are taken into account by valuers. As a result, it is most unlikely that alternative values will arise unless there are more changes in known inputs.

6.6 Intangible assets

An intangible asset is recognised where: it is probable that an expected future benefit attributable to the asset will flow to TasTAFE; and the cost of the asset can be reliably measured.

Intangible assets held by TasTAFE are valued at fair value less any subsequent accumulated amortisation and any subsequent accumulated impairment losses where an active market exists. Where no active market exists, intangibles are valued at cost less any accumulated amortisation and any accumulated impairment losses.

	2020 \$'000	2019 \$'000
Intangibles with a finite useful life		
At cost – Student Information Management System	5,539	5,539
Less: accumulated amortisation	(3,822)	(2,713)
Total	1,717	2,826

(a) Reconciliation of movements (including fair value levels)

	2020	2020	2019	2019
	Level 2	Total	Level 2	Total
_	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July 2019	2,826	2,826	3,934	3,934
Depreciation/amortisation expense	(1,109)	(1,109)	(1,108)	(1,108)
Carrying value as at 30 June 2020	1,717	1,717	2,826	2,826

Note 7: Liabilities

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

7.1 Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost which due to the short settlement period, equates to face value, when TasTAFE becomes obliged to make future payments as a result of a purchase of assets or services.

	2020 \$′000	2019 \$'000
Creditors and accrued expenses	1,661	1,223
Business Partnership Agreement: Department of Education	3,898	2,717
2018-19 Employee benefits funding savings to Department of State Growth (Skills Tasmania)		595
Total -	5,559	4,535
Settled within 12 months	5,559	4,535
Total	5,559	4,535

Settlement is usually made within 30 days, or within the suppliers' terms of trade.

7.2 Borrowings

	2020	2019
	\$′000	\$'000
Loan from the Department of Education	2,469	
Total	2,469	

TasTAFE has an immediate need to improve nursing facilities following its recent accreditation audit with the Australian Nursing and Midwifery Accreditation Council (ANMAC). The Department of Education has agreed to loan TasTAFE \$5.000m. As at 30 June 2020 TasTAFE has a further \$2.531m available to access under the agreed loan. The loan is for the refurbishment of nursing facilities at Alanvale and Clarence campuses, and other associated improvements. These refurbishments address the immediate issues with the nursing facilities and allow for the closure of the Launceston City Campus facilities. The sale proceeds from these facilities will be used to repay the loan. There is no interest payable on the loan.

7.3 Contract liabilities

A Contract Liability relates to TasTAFE's obligation to transfer goods or services to a customer for which TasTAFE has received consideration

Contract liabilities	2020 \$'000	2019 \$'000
Tasmanian Infrastructure Sector Grant	160	
Destination Australia Funding	150	
Revenue received in advance		
Course fees and charges received in advance	2,931	3,322

Total contract liabilities	2,298	2,086
Other	155	
advance		
Concessions on Course fees and charges received in	(1,098)	(1,236)

7.4 Lease liabilities

From 1 July 2019, lease liabilities are measured at the present value of the lease payments that are not paid at that date (note 14.4). The discount rate used to calculate the present value of the lease liability is the rate implicit in the lease. Where the implicit rate is not known and cannot be determined the TASCORP indicative lending rate including the relevant administration margin is used.

TasTAFE has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases for which the underlying assets is of low-value. An asset is considered low-value when it is expected to cost less than \$10,000.

TasTAFE has entered the following leasing arrangements:

Class of right-of-use asset	Details of leasing arrangements
Plant and Equipment	Regular quarterly fixed payments for a number of multifunctional devices and a multi card reader.
Leaseholds buildings	A 10 year lease for Providore Place, Devonport. Rent is increased annually at the greater of the movement in the CPI or 2%.

Current lease liabilities	2020 \$'000	2019 \$'000
Plant and equipment	45	
Leaseholds buildings	32	
Non-current lease liabilities		
Plant and equipment	43	
Leaseholds buildings	323	
Total lease liabilities	443	••••
The following amounts are recognised in the Statement of Comprehensive Income:		
Interest on lease liability included in note 5.5	12	
Lease expenses included in note 5.3:		
Lease of short-term and/or low-value assets	144	
Net expenses from leasing activities	156	••••

7.5 Employee benefit liabilities

Key estimate and judgement

Liabilities for wages and salaries and annual leave are recognised when the employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are

measured as the amount expected to be paid. Other employee benefits are measured at the present value of the benefit at 30 June where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

	2020	2019
Current employee benefits	\$'000	\$'000
Accrued salaries	1,118	535
Annual leave	3,607	3,196
Long service leave	1,726	1,876
State service accumulated leave scheme	117	102
Total current employee benefits	6,568	5,709
Non-current employee benefits		
Long service leave	12,670	11,188
Total non-current employee benefits	12,670	11,188

7.6 Superannuation

i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Key estimate and judgement

TasTAFE does not recognise a liability for the accruing superannuation benefits of employees. This liability is held centrally and recognised within the Finance-General Division of the Department of Treasury and Finance.

7.7 Other liabilities

	2020	2019
Current other liabilities	\$'000	\$'000
Provision for workers compensation	53	52
Bequests	6	8
Other revenue received in advance	258	256
Total current other liabilities	317	316

Non-current other liabilities

Total non-current other liabilities	148	139
Bequests	23	24
Provision for workers compensation	125	115

Note 8: Commitments and Contingencies

8.1 Schedule of Commitments

In 2018-19, TasTAFE had entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retained all the risks and benefits incidental to ownership of the items leased. Equal instalments of leases payments were charged to the Statement of Comprehensive Income over the lease term, as this was representative of the pattern of benefits to be derived from the leased property.

From 2019-20, leases are recognised as right-of-use assets and lease liabilities in the Statement of Financial Position, excluding short term leases and leases for which the underlying asset is of low value, which are recognised as an expense in the Statement of Comprehensive Income.

By type	2020 \$'000	2019 \$'000
Capital commitments	<u> </u>	_
•	2.007	240
Property, plant and equipment	2,087	218
Total capital commitments	2,087	218
Lease commitments		
Short-term and/or low-value leases	791	911
Long-term and/or high-value leases		1,022
Total lease commitments	791	1,933
By maturity		
Capital commitments		
One year or less	1,550	218
From one to five years	537	
Total capital commitments	2,087	218
Operating lease commitments		
One year or less	458	719
From one to five years	333	970
More than 5 years		244
Total operating lease commitments	791	1,933
Total	2,878	2,151
NR: Commitments are GST inclusive w	hara ralavant	

NB: Commitments are GST inclusive where relevant.

As at 30 June 2020 TasTAFE has capital commitments to complete the redevelopment of the Alanvale Campus and the Trades and Water training facility at the Clarence campus. TasTAFE also has a number of operating lease arrangements for motor vehicles and multifunctional devices.

8.2 Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

TasTAFE currently has a litigation claim against it. At this stage it is too early to quantify the value of any potential liability.

Note 9: Asset Revaluation Reserve

2020

Asset Revaluation Reserve	Land	Buildings	Heritage	Total
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of financial year	8,785	9,660	7	18,452
Revaluation increments (decrements)	1,344	5,487	1	6,832
Transfers to accumulated funds/(deficit) assets				
held for sale	(921)	(609)	••••	(1,530)
Transfers to accumulated funds/(deficit)				
disposed assets	(22)	••••	••••	(22)
Balance at end of financial year	9,186	14,538	8	23,732
2019				
Asset Revaluation Reserve				
Balance at the beginning of financial year	7,282	6,804	6	14,092
Revaluation increments (decrements)	1,567	2,926	1	4,494
Transfers to accumulated funds/(deficit)	(64)	(70)		(134)
Balance at end of financial year	8,785	9,660	7	18,452

⁽a) Nature and purpose of reserves Asset revaluation Reserve.

The Asset revaluation reserve is used to record increments and decrements on the revaluation of Non-financial assets.

Note 10: Cash Flow Reconciliation

10.1 Cash

Cash means notes, coins and deposits held at call with a bank or financial institution, for TasTAFE. Deposits are recognised at amortised cost, being their face value. For the purpose of the Statement of Cash Flows and the Statement of Financial Position, cash included cash on hand and held in bank accounts.

Cash at the end of the year as shown in the Statement of Cash Flows and the Statement of Financial Position:

	2020	2019
Cash held	\$'000	\$'000
TasTAFE Westpac operating account		
Cash – Operating	6,874	9,178
Cash held for Drysdale Centre of Excellence	2,151	2,795
Cash held for Drysdale Centre of Excellence – Providore Place, Devonport	56	889
Cash held for Drysdale Centre of Excellence – Claremont	1,862	2,000
Cash held for Education Architecture	518	1,655
Cash held for Trades and Water	6,864	
Cash held for Centre of Excellence – Freer Farm	4,780	
Cash held for Redevelopment of Alanvale	261	
Cash held for Redevelopment of Clarence Nursing	160	
Cash floats	15	16
Total cash	23,541	16,533

10.2 Reconciliation of Net Result from Continuing Operations to Net Cash from Operating Activities

	2020	2019
	\$'000	\$'000
Net Result from continuing operations	(5,211)	(3,155)
Adjustment due to an over provision for impairment		305
Capital grants classified as cash inflows from investing activities	(11,269)	(6,040)
(Gain)/Loss on disposal or reclassification of physical assets	1,989	2,312
(Gain)/Loss on receivables	673	
Depreciation and amortisation	8,187	7,776
Decrease/(increase) in receivables	27	(578)
Decrease/(increase) in other assets	(67)	123
Decrease/(increase) in inventories		300
Increase/(decrease) in employee benefits	2,341	(7)
Increase/(decrease) in payables	1,024	799
Payables capitalised as WIP	(926)	
Increase/decrease) in contract liabilities	212	
Increase/(decrease) in other liabilities	10	(187)
Net cash from (used by) operating activities	(3,010)	1,648

Note 11: Financial Instruments

II.I Risk exposures

(a) Risk management policies

TasTAFE has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

The Board has overall responsibility for the oversight of TasTAFE's risk management framework. Risk management policies are established to identify and analyse risks faced by TasTAFE, to implement appropriate mitigation strategies and to monitor and report on risks.

(b) Credit risk exposures

Credit risk is the risk of financial loss to TasTAFE if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents TasTAFE's maximum exposure to credit risk.

Student enrolment fees are due and payable at the commencement of their training or anniversary date, instalment payment plans may be negotiated for financially disadvantaged individuals.

TasTAFE has a debt management cycle which sees the analysis and investigation of all debts outstanding undertaken on a monthly basis. As part of its response to the COVID-19 pandemic, TasTAFE has not enforced recovery action on outstanding debts but encouraged students to enter into instalment payment plans. TasTAFE reviews all debts exceeding 3 months and writes off those considered uncollectible. TasTAFE's credit risk is minimised to the extent that it has transactions with a large number of customers.

Expected credit loss analysis of receivables

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. At 30 June 2020, the impact of COVID-19 on the economy and TasTAFE's ability to collect outstanding debts has been considered when determining the expected credit loss rate. The loss allowance for trade debtors as at 30 June are as follows.

		Past due		Past due		
	Due 0 –	31-60	Past due	91 – 180	Past due	
	30 days	days	61-90 days	days	181 days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Student Fees and Charges Debtors						
Expected credit loss rate	8.11%	13.68%	29.01%	43.98%	66.70%	
Total gross carrying amount	1,187	192	362	666	537	2,944
Expected credit loss	(96)	(26)	(105)	(293)	(358)	(878)
Other Debtors						
Expected credit loss rate	0.22%	2.50%	3.37%	5.19%	5.20%	
Total gross carrying amount	1,031	16	260	371	227	1,905
Expected credit loss	(2)	(1)	(9)	(19)	(12)	(43)
Total Expected credit loss	(98)	(27)	(114)	(312)	(370)	(921)

Expected credit loss analysis of receivables as at 30 June 2019

	Due 0 – 30 days	Past due 31-60 days	Past due 61-90 days	Past due 91 – 180 days	Past due 181 days	Total
	\$′000	\$′000	\$'000	\$′000	\$′000	\$'000
Student Fees and Charges Debtors						
Expected credit loss rate	3.8%	6.3%	13.2%	21.9%	42.3%	
Total gross carrying amount	1,591	145	157	247	304	2,444
Expected credit loss	(60)	(9)	(21)	(54)	(129)	(273)
Other Debtors						
Expected credit loss rate	0.4%	1.7%	4.2%	6.9%	9.0%	
Total gross carrying amount	1,292	52			3	1,347
Expected credit loss	(5)	(1)				(6)
Total Expected credit loss	(65)	(10)	(21)	(54)	(129)	(279)

(c) Liquidity risk

Liquidity risk is the risk that TasTAFE will not be able to meet its financial obligations as they fall due. TasTAFE manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to TasTAFE's operational, investing and financing activities

- only investing short term surplus cash with reputable organisations
- daily reconciliations of its operating bank account and analysis of upcoming accounts payable transactions

- TasTAFE obtained a \$5.000m loan from the Department of Education of which \$2.649m has been received. A further \$2.531m is available to access as part of the loan. Sale proceeds from the sale of Launceston City Campus will be used to repay the loan.

TasTAFE operates within Australia and has minimal domestic debt.

Maturity analysis for financial liabilities

The following tables detail the undiscounted cash flows payable by TasTAFE by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, consequently, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2020	1 year \$'000	2 years \$'000	3 years \$'000	4 years \$'000	5 years \$'000	5+ years \$'000	Carrying Amount
Financial liabilities							
Payables	5,559						5,559
Borrowings	2,469						2,469
Lease liabilities	88	64	56	50	44	197	499
Total	8,116	64	56	50	44	197	8,527

2019	1 year \$'000	2 years \$'000	3 years \$'000	4 years \$'000	5 years \$'000	5+ years \$'000	Carrying Amount
Financial liabilities							
Payables	4,535						4,535
Total	4,535	••••	••••	••••		••••	4,535

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk, that TasTAFE is exposed to, is interest rate risk. Exposure to interest rate risk is limited to assets and liabilities bearing variable interest rates.

	2020	2019
	\$'000	\$'000
Variable rate instruments		
Financial assets	23,541	16,533
Total	23,541	16,533

Changes in variable rates of 100 basis points at reporting date would have the following effect on TasTAFE's profit or loss and equity.

TasTAFE currently has its financial assets in variable interest rates and retains the interest earned on financial assets, and as such the interest rate sensitivity is as follows:

	Statement of Comprehensive Income		Equit	uity	
	100 basis points increase	100 basis points decrease	100 basis points Increase	100 basis points decrease	
	\$'000	\$'000	\$'000	\$'000	
30 June 2020					
Financial Assets	235	(235)	235	(235)	
Net sensitivity	235	(235)	235	(235)	
30 June 2019					
Financial Assets	165	(165)	165	(165)	
Net sensitivity	165	(165)	165	(165)	

This analysis assumes all other variables remain constant. This analysis was performed on the same basis for 2019.

11.2 Categories of Financial Assets and Liabilities

	2020 \$'000	2019 \$'000
Financial assets		
Amortised cost – Cash	23,541	16,533
Amortised cost – Receivables	4,730	4,757
Total	28,271	21,290
Financial liabilities		
Lease liabilities	443	
Financial liabilities measured at amortised cost	8,028	4,535
Total	8,471	4,535

Financial Assets

The net fair value of cash and cash equivalent assets is based on their carrying amount.

The net fair value of receivables is based on the carrying amount of the asset.

Financial Liabilities

The net fair value of payables is based on the carrying amount of the liability.

11.3 Reclassifications of financial assets

Note 12: Economic Dependencies

TasTAFE is reliant on the continued support of the Tasmanian State Government via income through the Deed of Purchasing Agreement and maintaining market share in a highly competitive commercial training industry. The Deed is due to expire on 31 December 2020. A further agreement to provide funding through to 30 June 2021 is expected to be executed following the Tasmanian State Budget in November 2020.

Note 13: Events Occurring After Balance Date

On 9 July 2020 responsibility for asset and facility operations for TasTAFE land and buildings transferred from the Department of Education to TasTAFE. The financial effect of this event has not been recognised in the financial statements. Property services and maintenance charges will continue to be expensed against supplies and consumables (note 5.3), facility salaries and related expenses of approximately 75 full time equivalent staff previously expensed to supplies and consumables will now be expensed to employee benefits in the Statement of Comprehensive Income. Also transferring to TasTAFE will be the long service leave and annual leave balances of facility staff. At 9 July 2020 the long service leave liability transferred to TasTAFE is estimated at \$738,483 and the annual leave balance is estimated at \$329,335.

Note 14: Other Significant Accounting Policies and Judgements

14.1 Objectives and Funding

TasTAFE is the public provider of vocational education and training for Tasmania.

TasTAFE operates under the auspices of its own legislative functions and powers and is governed by an independent Statutory Board who report to the Minister for Education and Training.

TasTAFE is a substantial provider of Vocational Education and Training (VET) services purchased by the Government through the Department of State Growth. The purchasing arrangement, governed by a Deed of Purchasing Agreement, assists TasTAFE in offering a broad range of products and services to individuals, industry sectors and enterprises.

TasTAFE services businesses located across Tasmania and provides economic and social benefits through the provision of accredited, vocationally based qualifications and skills sets. Clients include people already engaged in the workforce, those preparing to enter the workforce and employers.

TasTAFE operates within the broader Tasmanian educational system, as a commercially autonomous organisation, that has a specific role to:

engage with individuals who require support to gain vocational ready skills,

- deliver vocational qualifications to individuals who wish to advance their career opportunities,
- create a more rewarding and sustainable future for the community,
- assist employers to lift the productivity of their workforces through skill development.

14.2 Basis of Accounting

The financial statements are a general purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board; and
- The Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016.*

The financial statements were authorised for issue by the Board of Directors on 12 August 2020.

Compliance with the Australian Accounting Standards (AAS) may not result in compliance with International Financial Reporting Standards (IFRS) as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. TasTAFE is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The financial statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in note 14.4.

The financial statements have been prepared on the basis that TasTAFE is a going concern. The continued existence of TasTAFE in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations by Parliament for TasTAFE's administration and operational activities.

TasTAFE has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

14.3 Functional and Presentation Currency

The financial statements are presented in Australian dollars, which is TasTAFE's functional currency.

14.4 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

In the current year, TasTAFE has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to TasTAFE's operations and effective for the current annual reporting period. These include:

AASB 15 Revenue from Contracts with Customers – This Standard establishes principles
that require an entity to report useful information to users of financial statements about

the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Standard requires the TasTAFE to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the Standard requires relevant disclosures.

TasTAFE has adopted AASB 15 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

• AASB 16 Leases – This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all long term leases unless the underlying asset is of low value. The standard results in most of TasTAFE's operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right-of-use asset is recognised, which is amortised over the term of the lease. Operating lease costs for long term leases are no longer shown in the Statement of Comprehensive Income, instead the impact of these leases is reflected through amortisation and interest charges. In the Statement of Cash Flows, lease payments for long term leases are shown as cash flows from financing activities instead of operating activities. TasTAFE has adopted AASB 16 retrospectively with the cumulative effect of applying the standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

TasTAFE elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10 000 or under when new (low value assets).

In applying AASB 16 for the first time, TasTAFE has used the following practical expedients permitted by the standard: not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4; applying a single discount rate to a portfolio of leases with reasonably similar characteristics; relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review; not recognise a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application; excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and using hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The effect of adopting AASB 16 on the Statement of Financial Position is as follows:

		2020
	Note	\$'000
Assets		
Right-of-use assets	6.3	502
Liabilities		
Lease liabilities	7.4	502

Reconciliation of operating lease commitments as at 30 June 2019 to lease liabilities on 1 July 2019:

			Plant and	
	Motor	Leasehold	Equipment	Total
	Vehicles	\$'000	\$'000	\$'000
	\$'000			
Operating lease commitments as at 30 June 2019	911	473	549	1,933
Less GST	(83)	(43)	(50)	(176)
Operating lease commitments as at 30 June 2019 (ex	828	430	499	1,757
GST)				
Reconciliation				
Less motor vehicles	(828)			(828)
Discount at TASCORP indicative lending rate		(47)	(21)	(68)
Discounted operating lease commitments at 1 July				
2019	••••	383	478	861
Less practical expedients:				
Commitments relating to leases of low-				
value assets			(359)	(359)
Lease liabilities as at 1 July 2019		383	119	502

AASB 1058 Income of Not for Profit Entities - This Standard is to establish principles for not
for profit entities that apply to transactions where the consideration to acquire an asset is
significantly less than its fair value principally to enable a not for profit entity to further its
objectives..

The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received. If the transaction is a transfer of a financial asset to enable TasTAFE to acquire or construct a recognisable non-financial asset to be controlled by TasTAFE (i.e. an in-substance acquisition of a non-financial asset),

TasTAFE recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. TasTAFE will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Most of TasTAFE's grants revenue recognition will not change under AASB 1058, as compared to AASB 1004. Revenue will continue to be recognised when the TasTAFE gains control of the asset (e.g. cash or receivable) in most instances.

Under AASB 1058, TasTAFE will continue to recognise volunteer services only when the services would have been purchased if they had not been donated, and the fair value of the services can be measured reliability. This treatment is the same as in prior years.

TasTAFE has adopted AASB 1058 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard. TasTAFE has also adopted the transitional practical expedient as permitted by the Standard, whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives, remain recorded at cost and are not restated to their fair value.

The effect of adopting AASB 1058 on the Statement of Comprehensive Income is as follows:

2020	With	Adjustment	Without adoption
	adoption of		of AASB 1058
	AASB 1058		
	\$'000	\$'000	\$'000
Revenue			
Grants/Deed of Purchasing Agreement	81,811	(465)	82,276

The effect of adopting AASB 1058 on the Statement of Financial Position is as follows:

2020	With	Adjustment	Without
	adoption of		adoption of
	AASB 1058		AASB 1058
	\$'000	\$'000	\$'000
Liabilities	-		
Contract liabilities	2,298	465	1,833

14.5 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

14.6 Comparative Figures

The comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards.

Where amounts have been reclassified within the financial statements, the comparative statements have been restated.

14.7 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar. Due to rounding some figures may not exactly add to their total.

14.8 Taxation

TasTAFE is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax.

14.9 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax, except where the GST incurred is not recoverable from the Australian Taxation Office.

Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the Australian Taxation Office is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

Independent Auditor's Report



Independent Auditor's Report

To the Members of Parliament

TasTAFE

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of TasTAFE, which comprises the statement of financial position as at 30 June 2020, statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification by the directors.

In my opinion, the accompanying financial statements:

- (a) presents fairly, in all material respects, the financial position of TasTAFE as at 30 June 2020 and its financial performance and its cash flows for the year then ended
- (b) are in accordance with the Training and Workforce Development Act 2013, the Financial Management Act 2016 and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of TasTAFE in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The Audit Act 2008 further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information included in the financial statements.

...1 of 4

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.

Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the Mudit procedures to address the matter most significant matters in the audit included

Valuation of Land and Buildings Refer to note 6.5

Property, plant and equipment includes land and specialised non-market type buildings, totalling \$148.8m recognised at fair value at 30 June 2020. The fair value of buildings is based on either a depreciated replacement cost, comparable sales approach or an income approach. The fair value of land is based on a comparable sales approach.

During 2019-20, land and buildings were revalued using indices provided by the Valuer-General.

The high dollar values involved, the use of multiple valuation methods and the inherent subjectivity involved in multiple judgements, assumptions and estimates, result in this area requiring particular audit attention.

- Evaluating the appropriateness of valuation methodologies applied to determine the fair values.
- Assessing the scope, expertise and independence of experts involved in the valuation of land and buildings.
- Evaluating indexation applied to assets between formal valuations.
- Evaluating the adequacy of relevant disclosures in the financial statements for compliance with Australian Accounting Standards.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the financial reporting requirements of the Training and Workforce Development Act 2013 and the Financial Management Act 2016 and for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing TasTAFE's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless TasTAFE is to be dissolved by an Act of Parliament or the directors intent to cease operations, or have no realistic alternative but to do so.

...2 of 4

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.

Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

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 statements, whether
 due to fraud or error, design and perform audit procedures responsive to those risks, and
 obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.
 The risk of not detecting a material misstatement resulting from fraud is higher than for one
 resulting from error, as fraud may involve collusion, forgery, intentional omissions,
 misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing
 an opinion on the effectiveness of TasTAFE's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director'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 TasTAFE'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 statements
 or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the
 audit evidence obtained up to the date of my auditor's report. However, future events or
 conditions may cause TasTAFE to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors 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.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.

Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

S. V Comm

Stephen Morrison

Assistant Auditor-General Financial Audit Services

Delegate of the Auditor-General

Tasmanian Audit Office

3 September 2020 Hobart

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Our Locations

TasTAFE operates from 17 locations across Tasmania, including 'campuses' and 'training facilities'. They are:

North	South	North West
Alanvale Campus	Campbell Street Campus	Burnie Campus
54a Alanvale Road	75 Campbell Street	41-43 Mooreville Road
Newnham	Hobart	Burnie
Creative Arts	Clarence Campus	Devonport Campus
(colocation with UTas)	4a Bounty Street	20-36 Valley Road
Invermay Road	Warrane	Devonport
Inveresk	vvarianc	Devonport
HIVETESK	Creative Arts Training Facility	Drysdale Cookery and Bakery
Drysdale Campus	(colocation with UTas)	Training Facility
93 Paterson Street	37 Hunter Street	Providore Place
Launceston	Hobart	17 Oldaker Street
		Devonport
Launceston Campus	Drysdale Campus	
10-16 Wellington Street	59 Collins Street	Freer Farm Training Facility
Launceston	Hobart	Mooreville Road
		Burnie
Health, Aged Care and	Drysdale Training Facility	
Disability Training Facility	Claremont College	
10-16 Wellington Street	61 Link Road	
Launceston	Claremont	
	Metal Engineering Training	
	Facility	
	8 Bender Drive	
	Derwent Park	
	Plumbing and Refrigeration	
	Training Facility	
	61 Link Road	
	Claremont	
	Tasmanian Prison Service Risdon Vale	

CONTACT

1300 655 307 (Australia wide) +61 3 6165 5470 (International)

GPO Box 2015 Hobart TAS 7001 Australia

> info@tastafe.tas.edu.au www.tastafe.tas.edu.au









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