



Government of **Western Australia**  
Department of **Training**  
and **Workforce Development**

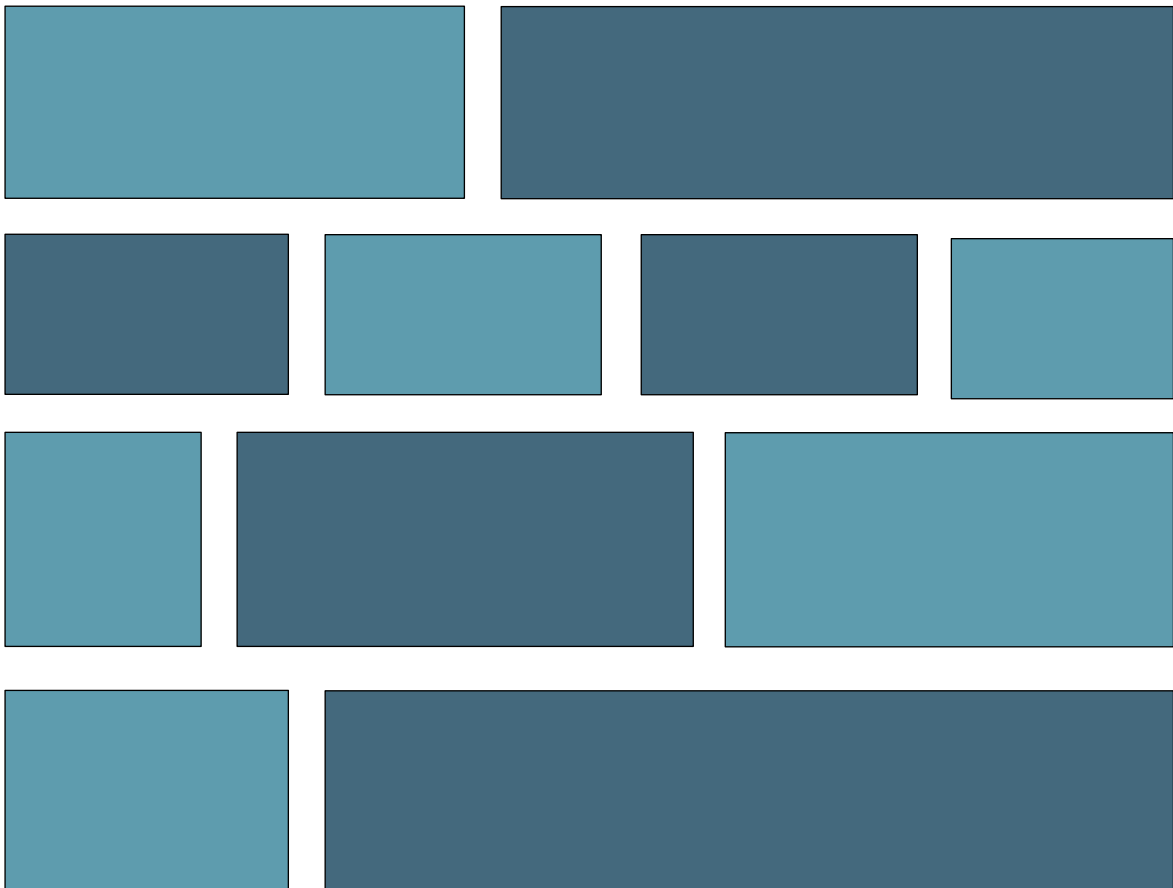
# Ministerial Guidelines

## for 2020

### TAFE college

### annual business plans

*April 2019*



## THE MINISTER FOR EDUCATION AND TRAINING

### Ministerial guidelines relating to the provision of annual business plans by TAFE colleges

These guidelines are issued by the Minister for Education and Training to TAFE Colleges under section 13 of the *Vocational Education and Training Act 1996* and are to be followed by Governing Councils and colleges pursuant to section 13(4) of the Act.

#### Citation

These guidelines may be cited as *Guidelines for 2020 TAFE college annual business plans*.

#### Interpretation

In these guidelines, unless the contrary intention appears –

‘college’ means a college established under section 35 of the VET Act;

‘the VET Act’ means the *Vocational Education and Training Act 1996* as amended;

‘TAFE College’ means a college established under section 35 of the VET Act.

In these guidelines, unless the contrary intention appears, a term that is used in the VET Act and in these guidelines has the same meaning as is given to the term in the VET Act.

#### Application of these guidelines

These guidelines apply with respect to the provision of a draft annual business plan by colleges for approval by the Minister.

Dated this 20 day of May 2019.

  
SUE ELLERY MLC

MINISTER FOR EDUCATION AND TRAINING

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## Introduction

These guidelines relate to the 2020 draft business plan and should be read concurrently with guidelines for the provision of draft strategic plans (provided separately) as both documents need to be submitted to the Minister. The *Statement of Expectations* included in the *2020 – 2022 TAFE college strategic plan guidelines* should be a consideration for 2020 business planning.

Section 44A of the VET Act includes that:

- (1) Before 1 September in each year, or before some other date notified to the college by the Minister in writing, a college must give the Minister a draft plan for the college for such a period, beginning on the following 1 January, as is prescribed.
- (2) A college's business plan for a year must set out-
  - a) the vocational education and training that the college plans to provide in the year; and
  - b) the other functions of the college that it plans to perform in the year; and
  - c) any other matters that are prescribed.
- (3) A college's business plan must be consistent with the State Training Plan, and the college's strategic plan (if any) approved under section 43, that apply to the year.
- (4) The Minister may approve a draft plan received from a college under this section or refuse to approve it and require the college to prepare another or an amended draft.

A college must perform its functions in accordance with its strategic and annual business plan as per section 37(2) of the VET Act and within the parameters of the instruments of delegation and authorisation and the *Ministerial Guidelines* as listed above.

## Responsibilities of colleges

College business plans should provide the Minister with confidence that:

1. The college can manage its future operations in an open, transparent and accountable manner.
2. Planned operations are in accordance with college functions as stipulated in the VET Act and the following documents:
  - [TAFE colleges commercial activities guidelines 2017](#);
  - [Ministerial guidelines for international commercial activities of TAFE colleges](#) ;
  - [Minister's Instrument of Delegation \(Colleges\)](#); and
  - [VET \(WA\) Ministerial Corporation Instrument of Authorisation \(Colleges\)](#).
3. The college is practising risk management as required under the [Public Sector Commissioner's Circular 2015-03 Risk Management and Business Continuity Planning](#).
4. Existing and planned operations will contribute to the skills and economic development of this State.
5. Western Australians will receive value for money from the State's commitment to vocational education and training (VET).
6. The college has incorporated the Minister's Statement of Expectations into its business planning.

7. Strategies are in place for the successful implementation and operation of Jobs and Skills Centres.

### **Responsibilities of the Department**

In relation to the draft annual business plans, the Department has responsibility for:

- supporting the college draft annual business planning process on behalf of the Minister;
- reviewing plans on behalf of the Minister; and
- developing the Delivery and Performance Agreement in consultation with colleges to support implementation of business plans, having regard to the aggregate of training proposed across colleges and budget parameters.

### **Amendments to approved annual business plans**

The college can change its annual business plan with the approval of the Minister.<sup>1</sup>

Requests to amend plans should be forwarded to the Minister with a copy to [TPG@dtwd.wa.gov.au](mailto:TPG@dtwd.wa.gov.au)

The college will need to submit a separate business case to gain approval for a new activity or for execution of contracts related to the relevant activities that sit outside the funding parameters of the *Minister's Instrument of Delegation (Colleges)*, and/or the *VET (WA) Ministerial Corporation Instrument of Authorisation (Colleges)*.

### **Writing and submitting 2020 draft annual business plans**

The business plan should be endorsed by the Governing Council and accompanied by a covering letter to the Minister and signed by both the Governing Council Chair and the college Managing Director.

When submitting the draft business plan to the Minister, please:

- save the document in PDF format
- include the commercial activities spreadsheets, if required in excel format; and
- provide an email copy of the draft business plan with the draft strategic plan to [tpg@dtwd.wa.gov.au](mailto:tpg@dtwd.wa.gov.au) by **1 September 2019**<sup>2</sup>.

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<sup>1</sup> VET Act Section 44A.(5)

<sup>2</sup> Finance Services provides the outcomes of its analysis of Section 40s to the Minister by the end of October every year.

## **Section 1: General operations – Areas to be addressed**

### **1.1 Overview**

A short overview of the region's needs and challenges, and the positioning of the college.

### **1.2 State profile delivery**

Include an outline of the proposed training in the college Profile Matrix in response to the future year draft Delivery and Performance Agreement (DPA).

The inclusion in the annual business plan is based on initial planned DPA negotiations and will be superseded by any further DPA addenda.

In this section, provide details of planned key projects/initiatives that will allow the college to achieve the delivery targets set in the Profile Matrix. Planned projects/initiatives need to be reviewed by the college in light of any changes to the Profile Matrix outlined in further DPA addenda. The Minister should be notified if there are significant changes.

#### *1.2.1 Employment based training strategies* (Linked to Minister's Statement of Expectations)

Outline strategies the college is planning for the following year to:

- a) increase attraction, participation and completion of students in employment based training.

#### *1.2.2 Priority institutional training strategies*

Outline strategies the college is planning for the following year to:

- a) achieve the benchmarks for priority institutional training in the future year planned DPA; and
- b) increase attraction, participation and completion of priority institutional training including foundation skills.

#### *1.2.3 General Industry Training*

Outline strategies the college is planning for the following year to:

- a) understand and respond to industry training needs; and
- b) work with industry to offer training that leads to jobs.

### **1.3 Training in priority areas**

An outline of the strategies, consistent with the intention of the Government's *Plan for Jobs* that the college plans to implement to achieve benchmarks for training in priority areas identified below.

#### *1.3.1 Aboriginal training plan* (Linked to Minister's Statement of Expectations)

The college must provide an Aboriginal Training Plan for the future year. The plan may be endorsed by the college's local Aboriginal Education, Employment and Training Committee (AEETC) or the college Governing Council can determine an appropriate signoff and endorsement that provides evidence of suitable Aboriginal stakeholder engagement.

Details are provided in attachment 1 and should be used when developing the Aboriginal Training Plan.

### 1.3.2 *Disability support strategies* (Linked to Minister's Statement of Expectations)

Colleges should outline the strategies and targets identified in the college Disability Access and Inclusion Plan (DAIP) planned for the future year to:

- (a) achieve disability benchmarks included in the future year planned DPA; and
- (b) encourage and support students with a disability to participate in and complete training.

### 1.3.3 *Youth support strategies*

Colleges should outline the strategies to:

- a) increase the attraction, participation and completion of training for 15-24 years olds; and
- b) remove barriers to participation and access to VET courses for school students.

### 1.3.4 *Training delivery to students from regional and remote areas (if appropriate)* (Linked to Minister's Statement of Expectations)

Colleges should outline the strategies to:

- (a) increase access for regional and remote students;
- (b) increase qualification completions by regional and remote students; and
- (c) develop partnerships to create training and job opportunities.

### 1.3.5 *Plans to establish/increase engagement and outcomes for Jobs and Skills Centres* (Linked to Minister's Statement of Expectations)

Colleges should outline strategies to:

- (a) promote the Jobs and Skills Centres and their services;
- (b) deliver outreach services; and
- (b) monitor the extent to which services provided meet client needs.

## **Section 2: Response to the Minister's Statement of Expectations**

In this section outline strategies, not already covered, that directly respond to the Minister's Statement of Expectations.

Colleges should outline how their activities contribute to:

- a) the State Government's *Our Priorities: Sharing Prosperity*, specifically the skilling of people for areas of job growth, and increased promotion and participation in STEM courses and related VET qualifications;
- b) the development of a long-term international education strategy;
- c) addressing the needs of workers impacted by new technologies and automation;
- d) increased offers of skill set training that responds to enterprise need; and
- e) continued evolution of digital service delivery.

## **Section 3: Commercial operations**

**Colleges that have no existing commercial contracts or activities planned for carry over, and no domestic and overseas commercial operations proposed for the future year should provide a statement to this effect and move onto Sections 4, 5 and 6.**

Ministerial approval of the annual business plan gives the college the authority to enter into contracts that have been included in the annual business plan. This gives the college a degree of flexibility to meet the needs of clients in a timely manner during the annual business plan implementation year.

The *VET Act* clearly identifies commercial activities such as joint ventures and business arrangements as opposed to contracts that must be approved by the Treasurer and Minister through a separate process.<sup>3</sup>

As outlined in the [TAFE colleges commercial activities guidelines](#) and [Ministerial guidelines for international commercial activities of TAFE colleges](#) the Governing Council must ensure that the college:

- includes proposed commercial activities in its annual business plan;
- where necessary, seeks legal and other advice when deciding to undertake commercial activities;
- when considering commercial activities implements risk management practices as set out in the *Public Sector Commissioner’s Circular 2015 - 03* and the [Western Australian Government Risk Management Guidelines](#), updated by RiskCover in July 2016; and
- ensures that all commercial activities are in accordance with the current *VET (WA) Ministerial Corporation Instrument of Authorisation (Colleges)* and the *Minister’s Instrument of Delegation (Colleges)*.

In this section, provide an overall statement of intent with regard to existing and planned domestic and overseas commercial operations for the future year and complete Table 1 and/or Table 2 as appropriate.

### 3.1 New and existing domestic commercial contracts and other activities

For new and existing domestic commercial contracts and other activities that are planned to start or continue in the future year complete all of Table 1.

Any onshore commercial activity for offshore clients should be included in the attached domestic commercial activity spreadsheet.

**Table 1:** *New and existing domestic commercial contracts and other activities as below (use the electronic excel spread sheet and submit this in excel format with your annual business plan).*

Domestic Commercial Activity Project Name	Status	Overall Gross Value	Total Value of Contract	Term of Contract X to X	Number of Contracts	Delivery Location	Contract Type	Other Contract Activity (please describe and number contract)	Activity Type	2020 Revenue (est. \$)	2020 Cost (est. \$)	2020 Profit (est. \$)	Risk Level	Anticipated Outcome(s)/overview (Max 150 words)	Separate Business Case	Business Case endorsed by Governing Council

Instructions:

- Complete all sections of Table 1 for new and existing commercial contracts.

<sup>3</sup> VET Act Section 37(1)(f)



- In relation to Table 1, single subscriber commercial activities can be consolidated under one amount.
- For approval purposes, some commercial activities or contracts may be grouped under a common heading, such as ‘Fee for service short courses’ or ‘auspicing’, where the risks are similar. The total number and value of these contracts still needs to be provided.
- Anything of a high risk and/or contentious nature should be drawn to the Minister’s attention.
- A business case for all new domestic commercial activity with a contract value above \$1 million must be submitted for the Minister’s approval. This is separate to the annual business plan but may be submitted at the same time as the annual business plan.
- If firm costs of proposed commercial activities are not available, colleges will need to provide the basis for indicative costs, which may involve previous experience and/or market research.

A sample [commercial business case template](#) is available on the Department’s TAFE college governance [webpage](#).

### 3.2 New and existing overseas commercial contracts and other activities

New and existing overseas commercial contracts and other activities should be included in Table 2 on the attached domestic commercial activity spreadsheet.

**Table 2:** *New and existing overseas commercial contracts and other activities as below (use the electronic excel spread sheet and submit this in excel format with your annual business plan).*

International Commercial Activity Project Name	Status	Total Value of Contract	Term of Contract to X	Location (list country/region)	International Type	Contract/Activity Type	2020 Revenue (est. \$)	2020 Cost (est. \$)	2020 Profit (est. \$)	Risk Level	Separate Business Case	Anticipated Outcome(s)/ brief overview (150 words or less)	Business Case endorsed by Governing Council	Project risk assessment has been undertaken	For Overseas activities, approval has been received from the Minister

#### Instructions:

- Complete all sections of Table 2 for new and existing overseas commercial contracts.
- In relation to Table 2, single subscriber commercial activities can be consolidated under one amount.
- Corporate clients can be consolidated up to \$250 000. However, colleges will need to divide corporate clients where the consolidated amounts are greater than \$250,000.
- All new offshore activities must have a business case approved by the Minister. Please use the template provided with the *Ministerial guidelines for international commercial activities of TAFE colleges*.
- New offshore commercial business cases can be submitted with the college annual business plan for approval by the Minister but are considered separately from the Annual Business plan.

## Section 4: Financial information

Colleges are not required to submit their Section 40 information with their annual business plan.

## Section 5: Key performance indicators

Any key performance indicators in the college strategic and annual business plan should be reported in its annual report (i.e. in addition to the audited efficiency and effectiveness indicators).

### 5.1 Sector wide key performance indicators

Colleges must include the sector wide key performance indicators below in their annual business plans and provide targets and strategies on how these will be achieved.

Table 3: Sector wide key performance indicators

<b>Key performance indicator framework</b>
<b>Stakeholder satisfaction</b>
<b>Student overall satisfaction *</b> An overall expression of how satisfied students are with various services provided by the college.
<b>Graduate achievement rate *</b> The extent to which college graduates have achieved their main reason for undertaking the training.
<b>Graduate destination *</b> The extent to which the college is providing relevant and quality training that improves student employability.
<b>Training outcome</b>
<b>Achievement of profile delivery *</b> The effectiveness of the college in meeting Delivery and Performance Agreement targets.
<b>Financial/efficiency indicator</b>
<b>Delivery cost per student curriculum hour *</b> The efficiency with which a college manages its resources to enable the provision of vocational education and training programs.

## Section 6: Risk management

In this section colleges are required to provide information on how they intend to manage **key** risks.

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\* Note: key performance indicators above are the Outcomes Based Management (OBM) measures required by the Auditor General's Office.

Useful documents include:

- The *Public Sector Commissioner’s Circular 2015-03: Risk Management and business continuity planning*;
- *Western Australian Government Risk Management Guidelines* issued by RiskCover;
- Various Treasurer’s Instructions including *Treasurer’s Instruction 825 Risk Management and Security*; and
- [The Governing Council handbook](#). Available on the Department’s website.

Table 4 identifies the components expected in the college’s risk management matrix.

Instructions in relation to Table 4:

- The provision of other information/inclusion of additional columns is acceptable and will depend on the individual needs of the organisation.
- Risks identified in Section 2 Commercial Operations do not need to be repeated.
- To ensure consistency across colleges, please use the wording or numbers that are identified under the table for Likelihood, Consequence rating, Likelihood rating, and Level of risk.
- Explanatory notes for information in the risk management matrix should be provided under the table to provide clarification if this is considered necessary.
- Risks should be grouped according to sub-categories which will depend on the individual needs of the organisation. Some examples of sub-categories are provided in Table 4 e.g. training delivery, finance, etc.

**Note:** if the college has an existing Risk Management spreadsheet that covers the above elements, then this can be submitted as an attachment.

**Table 4: Risk management matrix**

Identified Risk	The consequences of an event happening		Mitigation Strategy	Consequence rating <sup>2</sup>	Likelihood rating <sup>3</sup>	Level of risk <sup>4</sup>	Date for review	Target date for resolution
	Consequence	Likelihood <sup>1</sup>						
<b>Training delivery</b>								
<b>Finance</b>								
<b>Staffing</b>								
<b>Products and services</b>								
<b>Infrastructure</b>								

Stakeholders								
Governance								

<sup>1</sup> Likelihood: rare, unlikely, moderate, likely, almost certain.

<sup>2</sup> Consequence rating: insignificant; minor, major.

<sup>3</sup> Likelihood rating: low, medium, high.

<sup>4</sup> Level of risk:

1-3 - acceptable with adequate controls;

4-6 - low with adequate controls;

6-9 - moderate with adequate controls;

10-14 - significant and only acceptable with excellent controls; and

16-25 - critical and only acceptable with excellent controls.

## Section 7: Declaration

The college **must** include a signed declaration page at the back of the annual business plan as a separate page. A template is provided below.

<Insert college name> is pleased to submit its 2019 annual business plan for the Minister's approval.

\_\_\_\_\_  
<Insert name of Governing Council Chair>  
GOVERNING COUNCIL CHAIR

\_\_\_\_\_  
Date

\_\_\_\_\_  
<Insert name of Managing Director>  
MANAGING DIRECTOR

\_\_\_\_\_  
Date

The 2020 annual business plan for <Insert college name> is:

- approved.
- not approved.

\_\_\_\_\_  
HON SUE ELLERY MLC  
MINISTER FOR EDUCATION AND TRAINING

\_\_\_\_\_  
Date

## Aboriginal Training Plan requirements

The college must provide an Aboriginal Training Plan for the future year. The plan may be endorsed by the college's local Aboriginal Education, Employment and Training Committee (AEETC) or the college Governing Council can determine an appropriate signoff and endorsement that provides evidence of suitable Aboriginal stakeholder engagement.

The plan should encompass strategies that address the following objectives:

- Increasing access to and participation by Aboriginal people in AQF Certificate III and above industry recognised training in metropolitan, regional and remote locations.
- Increasing the likelihood of Aboriginal students completing their existing course of study and transitioning into further training, education or employment (e.g. mentoring, case management, information on career pathways).
- Identifying successful strategies for engaging/supporting Aboriginal students and then disseminating that learning. [Specific strategies should be named e.g. mentoring, buddying, career advice, Aboriginal Tutorial Assistance Scheme, referral to other agencies, pastoral care, orientation for Aboriginal students, LLN/CAVSS/USIQ, Aboriginal events, individual learning plans linked to career pathways, Aboriginal literacy programs, interagency planning and professional support to staff].
- Ensuring staff are culturally competent and aware.
- Clear articulation of the Aboriginal target population and how the service will be made attractive and accessible to that population.
- Increasing the number of Aboriginal apprentices and trainees.
- Partnerships and local collaboration, including engagement with the Aboriginal community, local government, non-government service providers, Aboriginal representation and leadership on key strategic committees at TAFE colleges, Jobs and Skills Centres, individuals and their families.
- Approached defined to:
  - address underlying issues that affect young people at risk such as family dysfunction, substance abuse and mental health; and
  - appropriate referrals made to streamline support offered to Aboriginal students.

LLN = Language, Literacy and Numeracy.

CAVSS = Course in Applied Vocational Study Skills.

USIQ = Course in Underpinning Skills for Industry Qualifications.

ATE = Aboriginal Training and Employment