

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 7th day of June 2020.



SUE ELLERY MLC

MINISTER FOR EDUCATION AND TRAINING

CONTENTS

Introduction	2
Responsibilities of colleges	2
Responsibilities of the Department	3
Amendments to approved annual business plans	3
Writing and submitting 2021 draft annual business plans	3
Section 1: General operations – Areas to be addressed	4
1.1 Overview	4
1.2 COVID-19 response and recovery	4
1.2 State profile delivery	4
1.3 Training in priority areas	4
Section 2: Response to the Minister’s Statement of Expectations	4
Section 3: Commercial operations	4
3.1 New and existing domestic commercial contracts and other activities	5
3.2 New and existing overseas commercial contracts and other activities	6
Section 4: Key performance indicators	6
4.1 Sector wide key performance indicators	6
Section 5: Declaration	8

Introduction

These guidelines relate to the 2021 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 2021 – 2023 TAFE college strategic plan guidelines should be a consideration for 2021 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 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; 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.¹

Requests to amend plans should be forwarded to the Minister with a copy to 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 2021 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: and
- include the commercial activities spreadsheets if required, in excel format.

Colleges are required to submit their draft business plans to the Minister in PDF format no later than **2 November 2020**

¹ VET Act Section 44A.(5)

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. Any foreseeable continuing impacts of the COVID-19 crisis on the college for 2021 should be included.

1.2 COVID-19 response and recovery

In this section outline activities planned by the college to assist the recovery of the State in response to COVID-19. Outline strategies that will help training recover to benefit West Australians and the economy.

1.2 State profile delivery

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.

1.3 Training in priority areas

An outline of the strategies, consistent with identified priorities that the college plans to implement to achieve benchmarks for training.

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.

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.

The *VET Act* 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.²

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

² VET Act Section 37(1)(f)

- 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)*.

Should new commercial opportunities arise over the year, these can be separately notified.

In this section colleges should, 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 colleges should complete all of Table 1.

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

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	2021 Revenue (est. \$)	2021 Cost (est. \$)	2021 Profit (est. \$)	Risk Level	Anticipated Outcome(s)/ overview (Max 150 words)	Separate Business Case	Business Case endorsed by Governing Council

Instructions

Colleges are requested to:

- Complete all sections of Table 1 for new and existing commercial contracts.
- 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	2021 Revenue (est. \$)	2021 Cost (est. \$)	2021 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

Colleges are requested to:

- 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: 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 Office of the Auditor General's audited efficiency and effectiveness indicators).

4.1 Sector wide key performance indicators

Colleges should include the sector wide key performance indicators below in their annual business plans and provide targets and strategies on how these outcomes based measures (OBM) required by the Auditor General's Office will be achieved.

Table 3: Sector wide key performance indicators

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

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

Section 5: 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 2021 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 2021 annual business plan for <Insert college name> is:

☐ approved.

☐ not approved.

HON SUE ELLERY MLC
MINISTER FOR EDUCATION AND TRAINING

Date