

- POLICY -

Educational Commercial Revenue

1 Policy Statement

The purpose of this policy is to provide TAFE SA staff with the appropriate framework for the assessment and authorisation of educational commercial revenue business.

This policy will ensure TAFE SA educational commercial revenue opportunities are properly assessed and authorised at both the proposal and contract stages, as well as to inform invoicing practices once contracted.

2 Scope

This policy applies to all TAFE SA staff involved in educational commercial revenue business and administration.

The scope of this policy does not include other revenue streams such as, but not limited to, childcare, accommodation and leases.

3 Policy

TAFE SA is a statutory corporation to which the provisions of the Public Corporations Act 1993 (other than section 35) apply. In reference to section 6 of the TAFE SA Act (2012), the Educational Commercial Revenue policy supports the functions of TAFE SA, specifically, to provide consultancy or other services, for a fee or otherwise, in any area in which staff of TAFE SA have particular expertise developed (whether wholly or partly) in the course of, or incidentally to, the provision of technical and further education.

Educational commercial revenue is considered non-subsidised activity by which TAFE SA are paid a fee for service, and is categorised by the following revenue streams:

- Industry and Enterprises
- Commonwealth Revenue
- Global Engagement and Export Strategy
- Short courses
- VET in Schools
- International Student Revenue
- Higher Education Student Revenue, and;
- Fee For Service – General

TAFE SA educational commercial revenue opportunities must be properly assessed and authorised at both the proposal and contract stages, and invoiced once contracted through:

- Use of the [Fee for Service \(FFS\) Pricing Tool](#)
- Application of minimum revenue margins (15% domestic, 20% transnational in AUD)
- Compliance with competitive neutrality principals
- Approval of activity by appropriate delegates
- Application of the [Risk Assessment](#) tool for educational commercial revenue activity
- Use of [Forms & Templates/ Agreements](#) for educational commercial revenue activity

- Use of centralised systems (CRM, CMS, Content Manager) for required record keeping

This Policy is issued in accordance with the TAFE SA Policy Management Framework.

This Policy has been developed with consideration and alignment to the A Fresh Start for TAFE SA (released September 2018), the TAFE SA Act 2012, and the TAFE SA Ministerial Charter (2019-20) Functions of TAFE SA Section 5.2.5 which states; Pursuing VET commercial activities that are outlined in the Minister-approved business plan and do not conflict with TAFE SA’s primary role of delivering on the Government’s policy and purchase objectives through non-commercial activity.

All TAFE SA activities which compete with the private sector are required to comply with competitive neutrality principles, as provided for in the [Government Business Enterprises \(Competition\) Act 1996](#). The objective of competitive neutrality is to remove competitive advantages and disadvantages that arise solely through the ownership differences between public sector and private sector organisations.

4 Strategic Plan

This plan aligns with the TAFE SA Strategic Plan 2019 – 2022 which emphasises its commitment to;

How we will measure our success

- Providing a financial return to government on fee for service activities

Our Role

- Achieving our delivery commitments in a financially responsible and sustainable manner

5 Roles and Responsibilities

| Position | Responsibility |
|----------|--|
| Board | <p>Execution of any contract and approval of any proposal for domestic activity involving TAFE SA income above \$5m in contract value</p> <p>Execution of contracts regarding international activities (including, but not limited to, engagement of education agents to recruit international students into TAFE SA courses and delivery of curriculum or services by TAFE SA in an overseas location or to an overseas-based entity) involving TAFE SA expenditure or income (where no other restriction or class identified herein applies)</p> <p>Execution of contracts regarding the licensing of intellectual property (whether TAFE SA's or a Third Party's) above \$5m.</p> |

| | |
|---|---|
| <p>Chief Executive</p> | <p>Execution of any contract and approval of any proposal for domestic activity involving TAFE SA income with a calculated contract value per TAFE SA delegations</p> <p>Execution of contracts regarding international activities (including, but not limited to, engagement of education agents to recruit international students into TAFE SA courses and delivery of curriculum or services by TAFE SA in an overseas location or to an overseas-based entity) involving TAFE SA expenditure or income (where no other restriction or class identified herein applies)</p> <p>Execution of contracts regarding the licensing of intellectual property (whether TAFE SA's or a Third Party's).</p> |
| <p>Executive Director Education Operations</p> <p>Executive Director Student & Community Engagement</p> | <p>Execution of any contract and approval of any proposal for domestic activity involving TAFE SA income with a calculated contract value per TAFE SA delegations</p> <p>Execution of contracts regarding international activities (including, but not limited to, engagement of education agents to recruit international students into TAFE SA courses and delivery of curriculum or services by TAFE SA in an overseas location or to an overseas-based entity) involving TAFE SA expenditure or income (where no other restriction or class identified herein applies)</p> <p>Execution of contracts regarding the licensing of intellectual property (whether TAFE SA's or a Third Party's)</p> |
| <p>Business Unit Directors</p> <p>Director Education Partnerships</p> <p>Director Defence Industries</p> | <p>Execution of any contract and approval of any proposal for domestic activity involving TAFE SA income with a calculated contract value per TAFE SA delegations</p> |
| <p>Educational Manager</p> | <p>Provide subject matter expertise required to accurately cost educational activity.</p> <p>Approve educational activity in relation to the use of lecturing staff for educational commercial revenue activity</p> <p>Contract Manager role in execution of agreed services contracted for commercial activity</p> <p>Ensure risk assessments are conducted</p> |

| | |
|--|---|
| Lecturing staff | <p>Provide subject matter expertise required to accurately cost educational activity.</p> <p>Delivery of services contracted for commercial activity</p> |
| <p>Managers, Education Partnerships</p> <p>Managers, International Recruitment and Partnerships</p> <p>Any additional staff calculating non-subsidised activity by which TAFE SA are paid a fee for services</p> | <p>Consult with external clients to obtain business requirements in order to inform costing.</p> <p>Consult with educational staff to accurately cost educational commercial revenue activity using the mandated pricing tool or by using a finance business partner for unique costing requirements.</p> <p>Uses Forms & Templates/ Agreements for any revenue transaction for TAFE SA to provide services to a third party for a contract/agreement to be implemented, accompanied by Contract checklists for due diligence</p> <p>Use of centralised systems (CRM, CMS, Content Manager) for required record keeping</p> |
| Finance Business Partners | <p>Revenue accruals are calculated by the FBP to recognise the correct amount for the period.</p> <p>Bespoke costing for commercial opportunities which require functions outside of the prescribed FFS costing tool</p> |

6 Definitions

| | |
|--------------------------------|--|
| Educational commercial revenue | <p>Non-subsidised revenue generated by providing Education Operations services to Industry, domestic and international students and Government organisations through a tender, request for quote or a competitive process.</p> <p>This excludes other revenue streams such as, but not limited to, childcare, accommodation, and leases.</p> |
| Competitive Neutrality | <p>The objective of the competitive neutrality is to remove competitive advantages and disadvantages that arise solely through the</p> |

| | |
|--------|---|
| | ownership differences between public sector and private sector organisations. |
| ARPOS | Accounts Receivable Point of Sale |
| CMS | Contract Management System |
| CRM | Customer Relationship Management System |
| CM | Content Manager |
| FFP | Full Fee Paying |
| FFS | Fee for Service |
| TIS | TAFE Information System |
| Hybrid | Opportunities with a combination of subsidised and non-subsidised funding |

7 Associated Documents and References

| |
|---|
| Educational Commercial Revenue Procedure |
| <i>Accounts Receivable and Debtor Management Policy</i> |
| Ministerial Charter (2019-20) |
| A Fresh Start for TAFE SA |
| TAFE SA Act 2012 |
| <i>Government Business Enterprises (Competition) Act 1996.</i> |
| <u><i>TAFE SA Risk Management Policy and Framework</i></u> |
| <i>Domestic Third-Party Agreement (Domestic Policy Framework)</i> |
| <i>Transnational Agreement (Transnational Policy Framework)</i> |

Records Management Policy

Procedure - Tender Response Process

Document Control

| | | | |
|------------------|---|------------------------|---|
| Approved by | | | |
| Policy Owner | Executive Director Student & Community Engagement | Title | Executive Director Student & Community Engagement |
| Contact person: | Ruth Hundertmark | Telephone | 08-72103601 |
| Responsible Unit | | Education Partnerships | |
| Version number | | 1.0 | |
| Date of approval | | 4/11/2021 | |
| Next Review Date | | November 2023 | |
| PPMF ID | | PPMF TAFESA 1172 | |