

Ministerial Guidelines (Mandatory)

International Commercial Activities of TAFE colleges 2022

MINISTERIAL GUIDELINES FOR INTERNATIONAL COMMERCIAL ACTIVITIES OF TAFE COLLEGES 2022

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

Citation

These guidelines may be cited as the *Guidelines for international commercial activities of TAFE colleges 2022*.

Application of these Guidelines

These Guidelines are mandatory and apply with respect to the functions of the TAFE colleges and their Governing Councils, in relation to the international commercial activities undertaken by the college.

Dated this 3rd day of 00/00/0022

HON SUE ELLERY MLC MINISTER FOR EDUCATION AND TRAINING

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GUIDELINES FOR INTERNATIONAL COMMERCIAL ACTIVITIES OF TAFE COLLEGES 2022

1. Background

The Vocational Education and Training Act 1996 ('the VET Act') designates overseas commercial activities as a function of the Minister as follows:

Section 8 Functions of the Minister

(1)(d) to enter into commercial activities both within Australia and overseas, to generate revenue for, and otherwise benefit, the State training system.

Section 9 Power of the Minister

(2)(i) enter into contracts and arrangements with overseas organisations for the provision of vocational education and training and related services.

Under the VET Act, the Minister can delegate these powers and the authority to enter into contracts under the body corporate name of the VET (WA) Ministerial Corporation (Section 7). Under the VET (WA) Ministerial Instrument of Delegation (Colleges) No 1 of 2017, the Minister has retained the power for decision making in respect of contracts for international commercial activities.

Only the Minister for Education and Training, through the VET Ministerial Corporation, can enter into contracts for international commercial activity with overseas organisations. When a TAFE college enters into a contract for international commercial activity, it can only be in its (the college's) capacity as delegate of the Minister for Education and Training, through the VET Ministerial Corporation.

The Australian Foreign Relations (State and Territory Arrangements) Act 2020 (Foreign Relations Act 2020) gives the Commonwealth oversight over State Government arrangements with foreign governments and their associated entities, including public vocational and higher educational institutions. Arrangements can include memorandums of understanding and letters of intent.

The Foreign Relations Act 2020, includes that:

- State and territory governments are required to notify the Commonwealth of existing arrangements, and if they fail to notify, arrangements will be invalidated.
- State and territory governments must notify the Commonwealth of new arrangements, and the approval from the Federal Minister for Home Affairs is required before arrangements are initiated.
- All international arrangements are to be included on a public register.

The Department of Jobs, Tourism, Science and Innovation (JTSI) has responsibility for co-ordinating arrangements on behalf of the State Government. TAFE colleges are requested to engage with JTSI, to briefly outline any proposal prior to commencing formal negotiations with an international company or government.

2. Definitions

In these guidelines, unless the contrary intention appears -

'college' or 'TAFE college' means a college established under section 35 of the VET Act;

'foreign entity' is a foreign country, national government of a foreign country, a department or agency, a province/State/Territory/region/council of the country, or a university located in a foreign country as defined by the *Foreign Relations Act 2020*.

'international commercial activity' means any activity where a college enters into a contract or arrangement with overseas organisations, for the provision of vocational education and training and related services;

'TAFE International Western Australia' means the institute established under section 57 of the VET Act and the *TAFE International WA Order* 1997 (as amended in 2002 and 2011).

'VET Act' means the Vocational Education and Training Act 1996 as amended;

Foreign Relations Act 2020 means the Australian Foreign Relations (State and Territory Arrangements) Act 2020

Minister for Foreign Affairs, means the Commonwealth Minister for Foreign Affairs.

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.

3. Scope

These guidelines apply to all activities where TAFE colleges provide vocational education and training (VET) and related services beyond the borders of Australia.

These guidelines do not apply to activities where TAFE colleges enter into commercial contracts and arrangements with overseas organisations for delivery within Australia. These arrangements are within the scope of the *Ministerial Guidelines: TAFE Colleges Commercial Activities Guidelines*.

The *Foreign Relations Act 2020,* and associated requirements, may also apply for services delivered in Australia as defined in the Act.

4. Relevant legislation or authority (as issued or updated)

- Vocational Education and Training Act 1996;
- VET (WA) Ministerial Instrument of Delegation (Colleges) No 1 of 2017;
- VET (WA) Ministerial Instrument of Authorisation (Colleges) No 1 of 2017;
- Australian Foreign Relations (State and Territory Arrangements) Act 2020
- Ministerial Guidelines: TAFE colleges Commercial Activities Guidelines;
- Ministerial Guidelines for TAFE college strategic plans;
- Ministerial Guidelines for TAFE college annual business plans;
- Guidelines for official air travel by Ministers, Parliamentary Secretaries and Government Officers - Premier's Circular 2021/02;
- Costing and pricing Government services: Department of Treasury (May 2020).

5. Objectives

These guidelines provide a set of principles and procedures for the development and conduct of international commercial activities by TAFE colleges, to minimise the risks to the TAFE colleges in undertaking such activities.

6. Guiding Principles

Notwithstanding requirements under the *Foreign Relations Act 2020,* the following points are to guide international commercial activity by TAFE colleges:

- International commercial activity is subject to due diligence, and should enhance the reputation of Western Australia's TAFE sector as a high quality provider of VET and related services.
- International commercial activity is subject to the Department of Treasury Costing and Pricing Government Services: Guidelines for use by agencies in Western Australian Public Sector¹ provide a commercial return and be viable over the life of the contract without compromising delivery of services to the domestic market.
- New International commercial activity should align with the State Government's strategies and priorities.

7. Process for TAFE colleges to engage in international commercial activities

7.1 Approvals

The Foreign Relations Act 2020 requires approval from the Commonwealth Minister for Foreign Affairs, prior to entering into negotiations with foreign governments and their associated entities, including public vocational and higher educational institutions, noting that TAFE colleges would generally not be required to seek approvals for initial scoping conversations.

Appendix A provides an overview of requirements and templates for this purpose.

A business case and Ministerial approval is required for all other offshore commercial activity, not covered by the *Foreign Relations Act 2020*, templates in **Appendix A** can be varied as appropriate for use in this instance.

7.2 Development and execution of a commercial contract

Only the Minister for Education and Training, through the *VET (WA) Ministerial Corporation*, can enter into contracts for international commercial activity with overseas organisations. When a TAFE college enters into a contract for international commercial activity, it can only be in its (the college's) capacity as delegate of the Minister for Education and Training, through the VET Ministerial Corporation.

Where colleges sign contracts for international commercial activities on behalf of the VET Ministerial Corporation, the contract must be approved by the Minister in accordance with the VET (WA) Ministerial Corporation Instrument of Authorisation (Colleges) No. 1 of 2017, or subsequent version of the Instrument of Authorisation.

¹ Department of Treasury, May 2020, *Costing and Pricing Government Services*. Downloaded from: <u>https://www.wa.gov.au/sites/default/files/2020-06/costing-and-pricing-government-services-guidelines.pdf</u>

The TAFE college's Governing Council Chair and one other Governing Council member are required to sign the contract and an appropriate signature block indicating the authority to sign on behalf of the VET Ministerial Corporation should be used.

Colleges are required to obtain legal advice from the State Solicitors Office, prior to signing a commercial contract that is provided by an international partner, client or agent.

7.3 Approval to vary commercial contracts

The *Foreign Relations Act 2020*, generally applies to variations of arrangements the same way it applies to arrangements and TAFE colleges are required to provide notice of a proposal to vary a foreign arrangement in the same way as it is required to give a notice of a proposal to enter a foreign arrangement.

Ministerial approval is also required to vary other offshore commercial activity, not covered by the *Foreign Relations Act 2020*, templates in **Appendix A** can be varied as appropriate for use in this instance.

7.4 Approval for related overseas travel

International travel by TAFE college staff must be approved by the Minister, in accordance with the *Guidelines for official air travel by Ministers, Parliamentary Secretaries and Government Officers - Premier's Circular 2021/02,* or its replacement document.

All international travel applications should include a Ministerial Briefing Note and submitted to the Minister, via the Department of Training and Workface Development for approval, a minimum of six weeks prior to the intended departure date.

A copy or summary of the approved business case should be included for overseas (DTWD) travel related to international commercial activities.

TAFE colleges are also requested to submit travel reports to the Minister once travel has been completed.

8. Considerations for international commercial proposals

8.1 Due diligence

TAFE colleges are requested to assess available information regarding the suitability of the proposed partner and the business opportunity and the proposed terms of the intended transaction.

8.2 Risk management

TAFE colleges are requested to consider risk management strategies when negotiating international commercial activities given risk associated with these activities particularly in relation to:

- Commonwealth Department of Foreign Affairs and Trade Travel advice;
- commercial/financial risks;
- legal/contract risks;
- reputational risks;
- quality, compliance and academic risk;
- project risks; and
- country/sovereign risk.

Colleges are requested to provide information on how they intend to manage key risks associated with each offshore international commercial contract as part of the business case to be approved.

9. Role of the Department of Training and Workforce Development

DTWD will support TAFE colleges by:

- Liaising with JTSI to obtain advice on the State's strategic trade priorities;
- Providing advice, coordination and recommendations to colleges on inbound foreign delegation visits and outbound trade missions by liaising with the JTSI; and
- Maintaining a register of international commercial activities for the WA TAFE sector.

To enable DTWD to fulfil the role outlined, colleges are requested to provide DTWD with information as requested from time to time.

APPENDIX A

Process for WA TAFE colleges to engage in international commercial activity (TWD/D22/0082535)

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as re	PROCESS FOR WA TAFE COLLEGES TO ENGAGE quired under the Foreign Relations (State and Territory Arrangements) Act 2020 ar									
	COLLEGE engages with JTSI to briefly outline proposal (TEMPLATE 1) to commen Workforce D JTSI will provide advice on the tra									
Intent to commence negotiation	Develop business case (TEMPLATE 2) & submit to COLLEGE Governing Council for endorsement									
Intent to commence negotiation	COLLEGE submits endorsed business case, MBN (TEMPLATE 3, for CORE includ	COLLEGE submits endorsed business case, MBN (TEMPLATE 3, for CORE include TEMPLATE 4) via DTWD (Executive Services) to Minister for Education and Training								
	Minister n	esponds to DTWD								
	DTWD forward	ls response to COLLEGE								
l only)	CORE ARRANGEMENTS* (with national government entity) CORE	NON-CORE ARRANGEMENTS* (with sub-national government entity)	ARRANGEMENTS* OUT OF SCOPE (generally with private companies)							
Federal approval (CORE Arrangements only)	Upon Ministerial approval, COLLEGE submits TEMPLATE 2 & TEMPLATE 4 to JTSI (cc DTWD) at least five weeks before commencing negotiations									
ral ap ranger	JTSI seeks Federal Minister for Foreign Affairs approval to commence negotiations**									
Fede RE An	Federal Minister for Foreign Affairs responds to JTSI within 30 working days** (discussions may be required)									
(co	JTSI provides response to COLLEGE (cc DTWD)									
	Upon approval, negotiations commence									
σ	COLLEGE drafts arrangement									
afte	COLLEGE seeks SSO advice on draft arrangement									
Arrangements drafted	COLLEGE sends draft arrangement and TEMPLATE 4 to JTSI (cc DTWD) – 5 weeks prior expected signing	COLLEGE sends final arrangement and TEMPLATE 4 to JTSI (cc DTWD) – 2 weeks prior expected signing	COLLEGE finalises the arrangement and is signed by all parties.							
angen	JTSI seeks Federal Minister for Foreign Affairs approval to sign the arrangement** (discussion may be required)	JTSI notifies the Federal Minister for Foreign Affairs of the arrangement**								
Arr	Federal Minister for Foreign Affairs responds to JTSI within 30 working days**									
	JTSI provides response to COLLEGE (cc DTWD)									
en	Arrangement signed by parties									
gem	COLLEGE sends copy of signed arrangement and updated TEMPLATE 4 to J									
Arrangemen t signed	JTSI notifies the Federal Minister for Foreign Affairs of the									
Ar	Federal Minister for Foreign Affairs adds the arrangement to the Foreign Ar	rangements Scheme Public Register**	1							

*The term "arrangement" is intended to cover both legally binding agreements and non-legally binding documents including a Memorandum of Understanding, contract etc. ** Requirement of the Foreign Relations (State and Territory Arrangements) Act 2020. Templates and documents prepared for this new process will form part of the Ministerial Guidelines for commercial activities of TAFE colleges. DTWD – Department of Training and Workforce Development; JTSI – Department of Jobs, Tourism, Science and Innovation.

TEMPLATES

NUMBER	APPLICABLE ARRANGEMENT	ТҮРЕ	AUDIENCE	PURPOSE		
1	ALL	Email	Director, Investment and Trade Policy, Department of Jobs, Science, Tourism and Innovation (JTSI)	Seek advice prior to commencement of negotiations with a foreign entity		
2	ALL	Business case	College Governing Council	Seek approval from the TAFE College Governing Counci (including signature of the Governing Council Chair)		
3	ALL	Ministerial Briefing	Minister for Education and Training	Seek approval to proceed including engaging with the Commonwealth as outlined in process chart		
4	CORE & NON-CORE	Table	Federal Minister for Foreign Affairs (via JTSI)	Seek approval from Commonwealth to commence negotiations (including signature of Minister for Education and Training) Notify the Commonwealth prior to signing the agreement		

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TEMPLATE 1: SEEK ADVICE FROM DEPARTMENT OF JOBS, TOURISM, SCIENCE AND INNOVATION (JTSI)

Email to Director, Investment and Trade Policy, JTSI to seek advice **PRIOR** to commencing negotiations with any foreign entity (Government and private company). It should be noted that TAFE colleges would generally not be required to seek approvals for initial scoping conversations.

TO: Foreignarrangements@jtsi.wa.gov.au

FROM: xx College of TAFE

SUBJECT: Potential international commercial activity - xx College of TAFE

xx College of TAFE is interested in commencing negotiations with a foreign entity and is seeking advice from your agency.

[The following points should be included in the email, if not known, please indicate by writing unknown.]

- Brief description of nature and purpose of business Include whether onshore/offshore delivery, program/service to be delivered etc.
- Location: [Location of foreign entity]
- Parties: [name of TAFE college(s)] & [name of foreign entity] Indicate whether the entity is a private company, Sub-national Government or National Government & [name of any third parties - if applicable]
- **Timelines:** If practicable, the date the college is proposing to commence discussions Time period the activity is proposed to take place – start and end dates
- Key contact: Name, position, email and phone

TEMPLATE 2: BUSINESS CASE TO COLLEGE GOVERNING COUNCIL

Business Case to seek approval from the COLLEGE'S GOVERNING COUNCIL **PRIOR** to submitting to the MINISTER FOR EDUCATION AND TRAINING

A Business Case Template is not required for a re-signing or renegotiated contract with the same entity, however, the remainder of the process is required.

The business case should include the following elements:

BRIEF SUMMARY

Provide a summary of the business case.

SCOPE

- Parties to the arrangement, indicate whether the other party is a Private organisation/Subnational Government or National Government.
- Location of business and whether the service is to be delivered onshore and/or offshore.
- Program/service to be delivered

OBJECTIVES

- Intended benefits strategic and economic
- Target audience and numbers

ALIGNMENT WITH STRATEGIC GOALS

• Link to strategic goals of the college, VET sector

ALIGNMENT WITH GOVERNMENT PRIORITIES

Alignment to State/Commonwealth Government priorities

ADVICE FROM DEPARTMENT OF JOBS, TOURISM, SCIENCE AND INNOVATION

• Include advice provided by JTSI regarding the *Australia's Foreign Relations* (*State and Territory Arrangements*) *Act* 2020 and investment and trade aspects of the program, including information from the relevant overseas WA Investment and Trade Commissioner.

KEY TIMELINES & APPROVALS

- Key stages and timelines for developing the arrangement, including necessary approvals under the *Australia's Foreign Relations (State and Territory Arrangements) Act 2020* depending on type of arrangement i.e. whether private, sub-national or national government
- Key dates for proposed delivery of services

CONTRACT

- Timeframes, when is the arrangement expected to commence and expire.
- Options for extensions
- Arrangements should contracts or a Business Case expire prior to the completion of an negotiated arrangement

FINANCIAL OVERVIEW

- Costs to business including human resources required to deliver service
- Total expenditure and anticipated returns

RISK ASSESSMENT

- Include any key assumptions
- Previous experience with party and/or services to be delivered
- Impact on other business
- Risk management plan strategies to mitigate risk

EVALUATION

A project evaluation and sign off is required at the competition of the agreement or when a new contract is being negotiated. A template for this can be found in the *Ministerial Guidelines for commercial activities of TAFE colleges.*

APPROVAL

The business case must be endorsed by the TAFE's Governing Council and signed by the Governing Council Chairperson to proceed to the Department of Training and Workforce Development for progressing to the Minister for Education and Training.

Name:	
Signed:	

Position: Governing Council Chairperson Dated:

TEMPLATE 3 BRIEFING TO MINISTER FOR EDUCATION & TRAINING

College briefing to seek MINISTERIAL approval via the DEPARTMENT OF TRAINING AND WORKFORCE DEVELOPMENT to progress to Commonwealth (Core and Non-core) for approval for private arrangements.

BACKGROUND

- The Australian *Foreign Relations (State and Territory Arrangements) Act 2020* (Foreign Relations Act 2020) provides the Commonwealth Government with greater oversight over State Government arrangements with foreign entities.
- The Department of Jobs, Tourism, Science and Innovation (JTSI) has responsibility for coordinating arrangements on behalf of the State Government.
- The process now requires initial consultations with JTSI, prior to commencement of any negotiations with foreign entities. JTSI will provide advice on investment and trade aspects of the program, including information from the relevant overseas WA Investment and Trade Commissioner or Agent General.
- The following approval processes are required, dependent on level of government being engaged:
 - CORE arrangement with a national foreign government requires Commonwealth approval PRIOR to commencing negotiations and PRIOR to signing. Notification of the signing arrangement is also required.
 - **NON-CORE arrangement** with a sub-national foreign government requires notification to the Commonwealth prior to and after signing an arrangement.
 - **Private companies** generally out of scope of the Foreign Relations Act, please note: JTSI will need to confirm each arrangement.
- In response to the introduction of the Foreign Relations Act, the *Ministerial Guidelines for International Commercial Activity by TAFE Colleges 2022* has been updated to reflect requirements and the approvals and templates required. The college has followed the processes outlined in these documents.

CURRENT SITUATION

- xxxx College of TAFE is considering entering into an arrangement with xxxx. This is considered a [select "CORE" or "NON-CORE" or "private"] arrangement.
- [Briefly outline arrangement in one or two dot points]
- The college's Governing Council Chair has endorsed the proposed arrangements, and is detailed in the Business Case [Template 1] at **Attachment 1**.
- The college has consulted with JTSI which advised [insert their advice].
- The college is seeking your approval to proceed.

RECOMMENDATION

The Minister:

- approves continuing the development of the international arrangement as outlined i.e. if a
 - CORE arrangement approves JTSI seeking approval from the Federal Minister for Foreign Affairs to commence negotiations, and subsequently seeking approval from the Federal Minister for Foreign Affairs to sign the arrangement; and to notify the signed arrangement;
 - NON-CORE arrangement approves JTSI notifying the Federal Minster for Foreign Affairs prior to and after signing an arrangement; and
 - private company approves the College commencing negotiations with the foreign entity.] Note: In some cases, private companies will be in scope of the Foreign Relations Act, in that case the TAFE college will be notified by JTSI with a requirement to prepare either a "CORE" or "NON-CORE" arrangement.
 - signs the table at **Attachment 2** [*Template 4*].

TEMPLATE 4 NEW or AMENDED CORE FOREIGN ARRANGEMENTS

The template below is to be used prior to negotiating and prior to signing new or amended core foreign arrangements (with national foreign government entities). If you have any queries regarding this process, please contact Ms Nicole Matrai on (08) 6277 3061. JTSI is keen to support you through this process.

Prior to negotiation

Please complete the template and forward it to <u>foreignarrangements@jtsi.wa.gov.au</u> at least 5 weeks prior to the commencement of negotiations. JTSI will utilise the information your agency provides to seek the Australian Government's approval for negotiations to commence, and will inform your agency of the decision. This can take up to 30 days.

Prior to signing (draft copy of arrangement required)

Please complete the template and forward it to <u>foreignarrangements@jtsi.wa.gov.au</u> with a draft copy of the arrangement at least 5 weeks prior to the planned signing of the arrangement. JTSI will use the information your agency provides to seek the Australian Government's approval for the arrangement to be signed, and will inform your agency of the decision. This can take up to 30 days.

After signing (signed copy of the arrangement required)

Please complete the template below and forward it to <u>foreignarrangements@jtsi.wa.gov.au</u> with a signed copy of the arrangement at most 5 days after signing the arrangement. JTSI will use the information your agency provides to notify the Australian Government of the signing.

Title	New/ amendment	Australian parties	Foreign parties	Date	Purpose	Contacts	Subsidiary	Legal effect	Exclusions	Reason for Exclusion
Proposed title of the arrangement	Is the arrangement new or an amended version of an existing arrangement?	Names of all Australian parties that are expected to sign the arrangement	Names of all foreign parties that are expected to sign the arrangement	Input the proposed dates of the arrangement Signing date: Commence ment date: End date (if any)	Proposed purpose of the arrangement	Name, position, email and phone number of the key WA Government contact for the arrangement	Title and parties of any proposed arrangements foreseen to be signed as a result of the prospective foreign arrangement. This could include arrangements between commercial entities.	Will the arrangement be: a. Legally binding under Australian law b. Legally binding under foreign law c. Not legally binding	Select whether any of the following information should be excluded from the public register: a.Title b.Parties to the arrangement c. Date of entry	If an exclusion is selected, select reason for exclusion: a. Commercially sensitive b. Could disclose information relevant to a meeting of the State's Cabinet c. Legal privilege d. Public interest e. National security f. Relates to negotiations

APPROVED BY THE WESTERN AUSTRALIAN MINISTER FOR EDUCATION AND TRAINING									
Name:	Smilling	Signed: SUE EULAN	Dated: 3/11/22						

NEW OR AMENDED NON-CORE FOREIGN ARRANGEMENTS The template below is to be used prior to signing new or amended non-core foreign arrangements (with non-national foreign government entities). If you have any queries regarding this process, please contact Ms Nicole Matrai on (08) 6277 3061, please note that JTSI is keen to support you through this process.

Prior to signing

Please complete the template below and forward it to foreignarrangements@jtsi.wa.gov.au with a draft copy of the arrangement at least 2 weeks prior to signing the arrangement. JTSI will use the information your agency provides to notify the Australian Government of the planned signing.

After signing

Please complete the template below and send it to <u>foreignarrangements@jtsi.wa.gov.au</u> with a copy of the signed arrangement at most 5 days after signing the arrangement. JTSI will use the information your agency provides to notify the Australian Government of the signing.

Title	New/ amendment		Foreign parties	Date	Purpose	Contacts	Subsidiary	Legal effect	Exclusions	Reason for Exclusion
Proposed title of the arrangement	Is the arrangement new or an amended version of an existing arrangement	Names of all Australian parties expected to sign arrangement	all foreign parties expected to sign	Proposed date of arrangement: a. Signing date b. Commencement date c. End date (if any)	Proposed purpose of the arrangement	Name, position, email and phone number of the key WA Government contact for the arrangement	arrangements foreseen to be signed as a	Will the arrangement be: a. Legally binding under Australian law; b. Legally binding under foreign law; or c. Not legally binding	Select whether any of the following information should be excluded from the public register: a. Title b. Parties to the arrangement c. Date of entry	If an exclusion is selected, select reason for exclusion: a. Commercially sensitive b. Could disclose information relevant to a meeting of the State's Cabinet c. Legal privilege d. Public interest e. National security f. Relates to negotiations