



Government funding of VET 2020: explanatory notes

National Centre for Vocational
Education Research

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Explanatory notes

Scope

- 1 Information contained in this publication is, unless stated otherwise, derived from the National VET Funding Collection, which is compiled under the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS): the standard for VET funding data – release 1.1.
- 2 The data are sourced from the administrative records held by the Australian Government Department of Education, Skills and Employment, state/territory training authorities and other relevant bodies where applicable.
- 3 The collection scope captures direct subsidies for training, government loans, and indirect support for training outcomes through initiatives such as employer incentives to hire apprentices. It also includes government funding for system administration and governance of the VET system and VET-related transfers between governments.

Other information

- 4 Where expenditure could reasonably belong to multiple funding activities, amounts are categorised based on its primary purpose.
- 5 The percentages presented in the Government funding of VET publication are reported to one decimal place. Other numbers have been rounded after aggregation to the nearest hundred. Rounding can lead to situations where individual numbers might not add to the rounded totals.
- 6 Reporting activity is from 1 January to 31 December 2020.
- 7 Reporting is in nominal terms.

Exclusions

- 8 Totals exclude the following, which are reported separately:
 - tax exemptions, tax offsets and rebates used for supporting employers to engage in the VET
 - system rebates for eligible apprentices and trainees
 - loan values.

Governments' contributions and allocations

- 9 **Ongoing specific purpose payments** are ongoing payments made to state and territory governments under the Financial Relations Act 2009 to support state and territory government public VET systems.
- 10 **Time limited funding agreement/s** include funding provided to states and territories through time limited agreements such as those established under the Federal Financial Relations Act 2009 and enabled through the COAG Reform Fund Act 2008 that are for VET purposes.

For reporting years 2017, 2018, and 2019, time limited funding was provided under the National Partnership Agreement Skilling Australians Fund (including the Energising Tasmania and North-West Tasmania Job Ready Generation Package).

In 2020, time limited funding included funding was provided under the National Partnership Agreement Skilling Australians Fund (including the Energising Tasmania and North-West Tasmania Job Ready Generation Package), the National Partnership for Streamlined Agreements Job Trainer Fund and Project Agreement National Infection Control Training Fund.

Victoria and Queensland did not sign to the National Partnership Agreement Skilling Australians Fund and therefore did not receive funding under this agreement.

Australian Government provision for VET loans

11 Australian Government provision for VET loans is presented separately in the Government of VET funding publication. Reported totals include the VET Student Loans programme and VET FEE-HELP grandfathering.

The VET Student Loans program provides loan support to eligible students studying higher level VET qualifications (diploma and above). Loan amounts are capped and available for courses that address industry needs. Loans are income-contingent, with students repaying their loans through the Australian taxation system. For further information refer to <https://www.dese.gov.au/vet-student-loans>.

Transfers for VET Student Loans are the state/territory contribution to student loan debt. States and territories contribute 50% of loan expenses, which includes the debt not expected to be repaid (DNER) and the concessional loan discount, generated by state-subsidised students using the VET Student Loans program or grandfathered VET FEE-HELP scheme. The DNER rate is an actuary calculation based on the full amount of outstanding loans.

The reported figure in the *Government funding of VET 2020* publication is the amount states and territories transferred to the Commonwealth in the 2020 calendar year.

VET Student loans activity totals exclude estimated loan expenses, state and territory DNER contributions, and any upfront payments made by the student.

Full-fee paying students are those students who may borrow up to the full amount of their training where the cost of their course is not subsidised by government.

State-subsidised students are those students who may borrow part tuition costs, as part of their training costs have been subsidised by their state or territory training authority.

Loan values are presented by the state/territory that subsidised the training (for subsidised students) or by the borrowing student's home address (for full-fee paying students).

Funding activities and distributions

12 **VET funding distributions by student and training attributes** are presented in figure 1 which shows the breakdown of funding activities by student and training information, with a dot representing where a funding distribution is possible.

Figure 1 Funding activities and applicable student and training attributes

	Apprenticeship	Disability status	Indigenous Status	Student remoteness	Provider type	Provider remoteness	Level of Education	Training package
VET delivery	●	●	●	●	●		●	●
Employer assistance	●							
Student assistance	●							
Capital funding					●	●		
System administration & governance								

The distribution of VET funding activity dollars by student and training information is dependent on the jurisdiction's VET funding flows. For example, total VET delivery has the following funding flows: subsidies for training, block funding, VET in Schools funding, other funding, funding from other organisations, fee assistance funding, learner needs funding, community service funding and operational base funding. Some of these activities do not directly attribute to the required student or training category but the dollars remain part of the training cost. These funds are captured and reported as not attributable funds and must be considered with the other reporting categories when evaluating the data tables. As jurisdictions have different funding flows the total of not attributable funds reported can vary across the jurisdictions. For example, if funding has flowed to the provider under a community service, operational or block funding arrangement splitting these funds by the required student or training category may be impractical. Thus, the amount of not attributable reporting is related to the funding flow within a jurisdiction, and this will vary across jurisdictions, therefore, caution must be taken when analysing these data as the reported total under the student or training category may be low due to large amounts of not attributable funds.

Provider type reporting categories

13 In reporting years 2017 and 2018 provider type reporting categories were restricted to public, private, other and other organisation. From 2019 onwards the provider reporting type categories expanded. Refer to table 1 for the concordance between the grouped and expanded classifications.

Table 1 Provider type reporting categories

2019 onwards	Years 2017 & 2018
TAFE institutes	Public providers
Universities (government)	Public providers
Universities (other)	Other providers
Schools	Other providers
Community education providers	Other providers
Enterprise providers	Other providers
Private training providers	Private providers
Industry association	Other providers
Other (unlisted) provider types	Other organisations

Note: In the *Government funding of VET 2020* publication, university reporting includes government and non-government universities.

Remoteness structure

14 Remoteness is based on the Australian Bureau of Statistics' Australian Statistical Geography Standard (ASGS) Remoteness Structure

'Migratory-offshore-shipping' (Offshore) reports students/providers that have no permanent address. 'No usual address' reports students/providers where the address is unknown.

Student remoteness is based on a student's permanent address postcode.

Provider remoteness is based on the campus postcode.

Tax exemptions and rebates

- 15 Employer tax exemptions are available to eligible employers who may claim a payroll tax rebate on wages paid to apprentices and eligible trainees recognised by a state training authority. Wages include superannuation, allowances and fringe benefit payments.

Payroll tax is subject to state/territory law. A payroll tax liability applies when an employer's monthly wage bill exceeds the payroll tax threshold applicable in the jurisdiction.

Jurisdiction notes and caveats

Note: table numbers refer to Government funding of VET 2020: data tables Excel product.

Australian Government

Table 1: Ongoing specific-purpose payments are the funding mechanism through which the Commonwealth supports states' efforts in delivering services in key sectors. Figures are those agreed under the National Agreement for Skills and Workforce Development. Time-limited funding is Commonwealth funding to states and territories for the delivery of outcomes agreed under National Partnership Agreements or Project Agreements. In 2017, 2018 and 2019, funding was under the National Partnership Agreement Skilling Australians Fund (including the Energising Tasmania and North-West Tasmania Job Ready Generation Package). In 2020, funding was under the National Partnership Agreement Skilling Australians Fund (including the Energising Tasmania and North-West Tasmania Job Ready Generation Package), the National Partnership for Streamlined Agreements Job Trainer Fund and Project Agreement National Infection Control Training Fund.

Table 3: Figures represent the full value of loans issued and are not reduced for estimates of loan expenses (debt not expected to be repaid), or state and territory contributions toward loan expenses. VET Student Loans amounts include funds borrowed for the cost of tuition but exclude any loan surcharges that may apply. 2017 figures include grandfathered loan arrangements under the closed VET FEE-HELP program, which closed on 31 December 2016. 2018, 2019 and 2020 figures also include a limited number of VET FEE-HELP loans which were extended under exceptional circumstances.

Table 4: System administration and governance funding includes the Australian Government Scholarship Program for South Australia, which provides support to vocational education and training, undergraduate and postgraduate students to undertake training, study or industry-based work placement in priority industries in South Australia.

Table 6: Negative figures reported against the Australian Government represent the accounting treatment (payment reversal) for accrued supplier expenses.

Tables 11 & 12: Students may borrow up to a capped amount for their tuition. Full-fee paying students face a loan surcharge, which is added to their loan but not included in the figures above. The Australian Government is responsible for the issuance of VET Student Loans. For the purposes of this report, loan values are reported against the state/territory that subsidised the training (for subsidised students), or by the student's residential address (for full-fee paying students). 2017 figures include grandfathered loan arrangements under the closed VET FEE-HELP program, which closed on 31 December 2016. 2018 figures also include a limited number of VET FEE-HELP loans which were extended under exceptional circumstances.

Table 15: The VET Student Loans program provides loan support to eligible students studying higher level VET qualifications (diploma and above). Loan amounts are capped and are available only for specified courses.

Table 17: Figures relate only to the assets of publicly owned training providers. The Australian Government does not own any training providers.

Reporting is based on actual data unless noted.

Transfers for VET Student Loans – Debts not expected to be repaid (DNER) is an actuarial calculation based on the experiences of the VET Student Loans and VET FEE-HELP programs. Figures represent transfers to the Commonwealth during the reported year.

Data, notes and caveats have been provided by the Australian Government Department of Education, Skills and Employment.

New South Wales

Tax rebate amounts are not able to be captured.

Data, notes and caveats have been provided by the New South Wales Department of Education.

Victoria

VET in Schools funding only indicates funding provided to public schools.

Operational/Base Funding by provider type: Attribution of funding by provider type was undertaken at the program level, as internal systems are still being implemented to fully capture this data. Programs that are primarily directed towards a particular provider type have been fully reported against that provider type. In all cases, the main provider type accounts for at least 80% of expenditure under the program.

Data, notes and caveats have been provided by the Victorian Department of Education and Training.

Queensland

Recurrent contributions from the State (appropriation) are generally based on actual payments received by the Department of Employment, Small Business and Training for the reporting period.

Reporting is based on actual data with expenditure values extracted on an accrual basis.

VET Delivery funding includes non-attributable funds reported in the dimensional data. This funding is generally not able to be broken down to the dimensional reporting levels at this stage and is mainly related to:

- funding provided to public providers for the State Contribution Grant that is only able to split out by Provider Type at this stage
- training delivery expenditure accruals are not yet reported at lower levels (Queensland is reviewing accrual processes to endeavour to reduce the value of non-attributed training activity related to accruals)
- VET in Schools training delivery (excluding school-based apprentices/trainees) not yet split out for this collection.

Tax exemptions and offsets data have been provided by Queensland Treasury and WorkCover Queensland.

Capital funding relates to the Queensland Department of Employment, Small Business and Training capital programs and timing of payments and includes public providers – TAFE Queensland and Central Queensland University (VET Operations).

Public VET asset change relates to asset revaluations, acquisitions and movements and work in progress costs and movements including the public providers – TAFE Queensland and Central Queensland University (VET operations).

Provider type has been sourced from the training.gov.au website as at end of May 2021.

The state is investing in public provider training sites under the Advancing our Training Infrastructure (AOTI) program of investing \$85M over 3 years to redevelopment, refurbishment and expansion of six identified high-need TAFE facilities resulting in increased capital expenditure.

Data, notes and caveats have been provided by the Queensland Department of Employment, Small Business and Training.

Western Australia

Table 4: Total direct subsidies for VET in WA is based on full cost payments to TAFE Colleges and Private RTOs. VET Delivery funding includes VET in Schools funding provided to TAFE Colleges and private providers for the delivery of VET to school students. Does not include delivery of VET funded by the Department of Education. VET Delivery funding includes funding provided to TAFE Colleges for delivery to Prisons. Does not include delivery of VET funded by the WA Department of Justice. Tax exemptions, offsets and rebates – for employers of apprentices and trainees is a 19/20 financial year estimate.

Table 5: Apprenticeship Status information: Allocation of funding across Apprenticeships is modelled as the TAFE component is estimated as a result of the proportional distribution of supplementary provider funding across training package qualifications. Private RTO component is based on actual funding allocations.

Table 6: Provider type information: Allocation of funding across provider type is modelled as the TAFE component is estimated as a result of the proportional distribution of supplementary provider funding across training package qualifications. Private RTO component is based on actual funding allocations.

Table 9: Training Package information: Allocation of funding across training packages is modelled as the TAFE component is estimated as a result of the proportional distribution of supplementary provider funding across training package qualifications. Private RTO component is based on actual funding allocations.

A range of training options and courses are available and subsidised under Jobs and Skills WA. High priority training areas include apprenticeships, eligible traineeships, priority industry qualifications and foundation skills. Purchasing priorities are based on government training priorities broadly set out in the State Training Plan. High priority training (i.e., Apprenticeships and traineeship, priority industry qualifications and foundation qualifications) receive a higher subsidy. Lower priority general industry training is capped in TAFE and private RTO contracting arrangements. A 'price-setter' model is used for almost all publicly subsidised training in WA, whereby a funding rate is set for both TAFE and contracted private RTOs. WA uses a model that recognises an agreed average full delivery cost for different categories of training delivery. Training subsidy rates are rationalised into a set of average rates, with loadings provided for delivery in regional and remote areas. Loadings include salary/award condition loadings, class size loadings, base cost loadings, housing costs, and goods and purchases. The public subsidy is calculated by deducting the regulated student fee from the agreed full delivery cost. This methodology ensures RTOs receive the agreed full delivery cost by way of the combined public subsidy and student fees.

Reporting is based on actual data unless noted.

Data, notes and caveats have been provided by the Western Australia Department of Training and Workforce Development.w

South Australia

Table 1: Recurrent contributions from the State (appropriation funded training costs) has been calculated as the net cost of providing services being total external expenditure less Commonwealth revenue and other external revenue sources.

Table 4: VET Delivery funding includes VET in Schools funding provided to TAFE Colleges and private providers for the delivery of VET to school students. Does not include delivery of VET funded by the Department of Education.

Table 5: Funding not attributable by apprenticeship status is primarily related to block funding, VET in Schools and other supplementary provider funding such as supports for learner needs, community services payments and other costs associated with being a public provider.

Table 6: Funding provided to the other organisation category represents rental payments made to Renewal SA (as the owner of key TAFE SA campuses) for the use of VET infrastructure. Renewal SA is not a registered training provider.

Table 9: Funding not attributable by training package qualifications is mainly related to rental payments to Renewal SA (as the owner of key TAFE SA campuses) for the use of VET infrastructure, block funding, VET in Schools and other supplementary provider funding such as supports for learner needs, community services payments and other costs associated with being a public provider.

Table 17: The South Australian 2019–20 State Budget approved the transfer of ownership of key TAFE SA campuses from Renewal SA to TAFE SA. The value of assets sold was not included in the 2019 reporting year as it would have duplicated partial rental expenses up until Oct 2019. Restated amounts are recognised in the 2020 reporting year.

South Australia has used actual data from the financial systems of the Department for Innovation and Skills and aligned this financial data with activity data collated from the Department's training and apprenticeship information systems to break down amounts by dimensions. Whilst high level independent checks have been undertaken, minor classification variances within the SA dataset are possible.

Data, notes and caveats have been provided by the South Australia Department for Industry and Skills.

Tasmania

Table 4: VET Delivery funding does not include VET in Schools funding.

Table 5: Apprenticeship status information is based on actual data from the financial systems of the Department of State Growth – Skills Tasmania.

Table 6: Provider type information is based on actual data from the financial systems of the Department of State Growth – Skills Tasmania.

Table 8: Level of education information is based on actual data from the financial systems of the Department of State Growth – Skills Tasmania.

Table 9: Training Package information is based on actual data from the financial systems of the Department of State Growth – Skills Tasmania.

Reporting is based on actual data unless noted.

Tax exemptions, offsets and rebates for employers of apprentices and trainees have been estimated.

Non attributable reporting is a result of funding arrangements aimed at achieving broader objectives than a single divisional reporting category.

Data, notes and caveats have been provided by the Tasmanian Department of State Growth – Skills Tasmania.

Northern Territory

Table 4: Total VET Delivery includes VET in Schools funding provided to TAFE colleges, universities and private providers for the delivery of VET to school students and VET in School funds administered by the Department of Education.

Table 5: Apprenticeship status information: Allocation of funding across the apprenticeship status attribute is modelled across both private and TAFE due to the way funding achievement is identified and recorded.

Table 6: Provider type information: Allocation of funding across provider type is modelled across both private and TAFE due to the way funding achievement is identified and recorded.

Table 8: Level of education information: Allocation of funding across level of education attribute is modelled across both private and TAFE due to the way funding achievement is identified and recorded.

Table 9: Training package information: Allocation of funding across training package attribute is modelled across both private and TAFE due to the way funding achievement is identified and recorded.

Reporting based on actual data unless noted.

Tax exemptions, offsets and rebates for employers of apprentices and trainees – not applicable in the Northern Territory.

Non attributable reporting is a result of insufficient data being available to allow the funding achievement to be modelled for that particular attribute.

Data, notes and caveats have been provided by the Northern Territory Department of Industry, Tourism and Trade.

Australian Capital Territory

Reporting based on actual data unless noted.

Tax exemptions, offsets and rebates for employers of apprentices and trainees – not applicable in the ACT in 2020.

High amounts of non-attributable funds are due to the ACTs block funding flows and insufficient data being available to allow the funding to be modelled for the particular attribute.

Table 4: VET Delivery funding includes VET in Schools funding provided to TAFE and private providers for the delivery of VET to school students.

Table 7a and table 10: The ACT has little variation in remoteness.

Table 7b and 7c: The ACT TAFE block funding arrangement provides insufficient data to allow a modelled approach so funding allocated to reporting categories may be understated.

Table 8: Skilled Capital courses range from certificate III to advanced diploma qualifications and skills sets linked to a licensing requirement or an industry need.

Data have been provided by the Australian Capital Territory Chief Minister, Treasury and Economic Development Directorate – Skills Canberra.