



## Financial information 2017: terms and definitions

NCVER

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# Introduction

This document covers the data terms used in the *Australian vocational education and training statistics: financial information 2017* report. The primary purpose of this document is to assist users of the report to understand the specific data terms used within it.

Unless stated otherwise, all data are sourced from the National VET Financial Data Collection. The Financial Data Collection is an administrative collection governed by the *Australian Vocational Education and Training Management Information Statistical Standard: the standard for VET financial data – Release 2.1*, which is available at NCVER's Portal <[www.ncver.edu.au](http://www.ncver.edu.au)>.

<b>Term</b>	<b>Definition</b>
<b>Accrual reporting</b>	Revenue and expenditures are reported for the accounting periods that relate to when the revenue was earned or expenditure incurred and not when the cash was received or paid. Expenditures for general operating services are reported as current-year expenses in the statement of comprehensive income, while those for purchasing or constructing an asset that will be utilised over future periods are capitalised, thus forming part of the asset values in the balance sheet.
<b>Accumulated surpluses (losses)</b>	Accumulated surpluses (losses) represent the value of the net assets of the entity, less any amounts held in reserves and Contributed capital. There is a note to the financial statements disclosing the progressive balance of accumulated surpluses/(losses) resulting from surpluses/deficits from the total comprehensive result, transfers to and from reserves and other direct adjustments to accumulated surpluses resulting from the introduction of a new/amended accounting policy or other adjustments including Actuarial gain/(loss).
<b>Activity expenditures</b>	Total state and territory operating expenditures dissected into VET-specific activity categories.
<b>Administration and general services expenses</b>	Administration and general services expenses are the expenses incurred in general management and administration at college, institute and state office locations for providing corporate services other than administration expenses for staff directly attached to support a particular teaching activity, learning area or instructional design. Also included would be expenses for the recognition of training and training providers, regulatory activities and advisory and consultative arrangements.
<b>Ancillary trading revenue</b>	Amounts received for miscellaneous services, special projects, and sales of materials, hospitality trading activities and contracting fees for commercial rather than training-related purposes.
<b>Assets</b>	Future economic benefits that an entity controls as a result of past transactions or other past events.
<b>Assets held for sale</b>	Includes non-current assets (refer below) expected to be sold.
<b>Assumption of liabilities</b>	These are the revenue equivalents of VET expenses incurred and settled by another government agency.
<b>Borrowing costs expenses</b>	Expenses incurred in connection with the borrowing of funds.
<b>Cash reporting</b>	Receipts and payments are reported in the accounting periods in which the cash was received or paid.
<b>Commonwealth administered programs revenue</b>	Revenues received by VET entities from Australian Government agencies generally in the form of 'block grants' for specific-purpose programs plus revenues for national programs and national partnerships paid by the Department of Education and Training to state and territory training authorities and private registered training organisations.
<b>Commonwealth capital revenue</b>	Revenues from the Commonwealth Treasury and the Department of Education and Training for capital purposes, including major capital projects, equipment acquisition, industry-based and school student skill centres and VET infrastructure for Indigenous Australian peoples.
<b>Commonwealth national agreement revenue</b>	Revenues received by State and Territory Treasuries from the Commonwealth Treasury for the National Agreement for Skills and Workforce Development.
<b>Commonwealth recurrent revenue</b>	Revenue for the Department of Education and Training internal operations for VET.
<b>Community education providers</b>	Community education providers have a primary focus on education and training for personal and community development.
<b>Contributed capital</b>	Contributed capital arises when there are non-reciprocal capital transfers between a government department or entity and the government acting in its capacity as owner of the government department or entity. Contributions establish a financial interest in the net assets of the department or entity and can occur on establishment or subsequent restructure of the department or entity. Contributions can take the form of cash, property, plant and equipment or provision of services.

<b>Term</b>	<b>Definition</b>
<b>Contributed capital appropriation from treasury</b>	Contributed capital appropriation from treasury arises when there are non-reciprocal capital transfers between a government department or entity and their treasury. Where the transfer is in the nature of a contribution by owners it does not affect revenues but is a direct adjustment to equity. Contributions take the form of cash appropriated by the state or territory for capital purposes, including construction of buildings.
<b>Current assets</b>	Current assets are short-term in nature and are in the form of cash, or expected to be either converted into cash or consumed within 12 months of the reporting balance date.
<b>Current interest bearing liabilities</b>	Include bank overdrafts, short-term bank and other loans, bills payable, short-term finance lease liabilities.
<b>Current investments</b>	Classes of investments include term deposits, short-term securities, government fixed interest bonds, shares and equities, property investments, and interests in business undertakings.
<b>Current liabilities</b>	Current liabilities are those obligations to other parties, which must be met either on demand or within a period not exceeding 12 months from the end of the reporting period.
<b>Current payables</b>	Include trade creditors, accrued expenses for rent, telephones, electricity, revenues in advance, unpaid salaries, wages etc. and GST collected from sales but not yet paid to the Australian Taxation Office.
<b>Current provisions</b>	The main provision would be for employee entitlements. These are benefit entitlements which employees accumulate as a result of the rendering of their services to an employer up to the reporting date and include wages and salaries, annual leave, sick leave, long service leave, superannuation and other post-employment benefits.
<b>Current receivables</b>	Amounts owing to the VET entity at the end of the reporting period, for goods the entity sold or services the entity rendered prior to the end of the reporting period.
<b>Delivery provision and support expenses</b>	<p>Delivery provision expenses are costs which can be directly attributed to particular teaching activities or learning areas such as salaries, wages and oncost for teachers and tutors (including supervisory teaching staff) and heads of departments and schools. Salaries, wages and oncost for non-teaching support staff directly associated with a particular teaching activity, material supplies and services expenses and facilities costs of direct association with a particular teaching activity.</p> <p>Delivery support expenses are costs of institutes and departments at a provider location that cannot be directly attributed to a particular teaching activity or learning area, such as salaries, wages and oncost for a broad learning area, classroom and teaching support roles; for example, educational assistants, shared supplies and consumables, shared institutional facilities, instructional design and course accreditation.</p>
<b>Depreciation and amortisation</b>	Depreciation is the expense associated with the consumption, or loss, during the reporting period, of service potential or future economic benefits embodied in non-current assets with limited useful lives. Amortisation is the term which would similarly apply to non-current assets under finance leases or set-up costs of a loan, research and development costs, copyrights and patents which have been capitalised and amortised over the period of their useful lives.
<b>Employee costs expenses</b>	Expenses, including provisions for salaries, wages and related expenses and oncost for full-time, part-time or casual employees.
<b>Equity</b>	Equity is the residual interest in the assets of an entity after deduction of its liabilities. The main classes of equity for the VET entity would be accumulated surpluses (losses), reserves and contributed capital.
<b>Expenses from ordinary activities</b>	Operating expenditure for goods and services.

<b>Term</b>	<b>Definition</b>
<b>Fee-for-service revenue</b>	Fees received from individuals (other than regulatory student fees) and organisations, including government organisations, for award or non-award courses, for on- and off-the-job vocational education and training and for other training-related purposes that are paid to and retained by the provider and have arisen through services provided under contracts or commercial arrangements. The fees are generally determined having regard to partial or full recovery of costs. Fees include fees received from overseas students who come to Australia to undertake VET studies on a full-fee-paying basis and fees from contracted training services delivered overseas by the public VET training providers.
<b>Gain on sale of property, plant and equipment</b>	Excess between proceeds of sales of property, plant and equipment and their depreciated values at the time of sale.
<b>Grants and subsidies</b>	Grants and subsidies expenses are generally in the form of non-repayable contributions and subsidies to individuals and organisations. Included are: expenses for apprentices and trainees for travel, accommodation and other 'off-the-job' training assistance; Department of Education and Training-funded vocational education and training national programs and other training initiatives; VET in Schools programs funded from the Department of Education and Training and state and territory training funds; skill centres, group schemes, Indigenous training program assistance and generic grants and subsidies to adult and community education organisations substantially for administration and infrastructure support.
<b>Government VET</b>	Government VET is broadly defined as all activity delivered by government providers and government-funded activity delivered by community education and other registered providers.
<b>Government training provider</b>	Government training providers are Technical and further education (TAFE) institutes and other government providers are government-owned and managed education facilities/organisations, other than TAFE, that deliver VET (for example, agricultural colleges).
<b>Impairment losses</b>	Impairment losses represent the decrease in the carrying value of assets in the accounts to ensure that the current carrying value is equal to the recoverable value of assets in current use or their current sale value.
<b>Liabilities</b>	Liabilities are future payments that the entity is presently obliged to make to other entities as a result of past transactions or other past events.
<b>Loss on sale of property, plant and equipment</b>	Deficit between proceeds of sales of property, plant and equipment and their depreciated values at the time of sale.
<b>Non-current assets</b>	Non-current assets are long-term in nature and are not expected to be either converted into cash or consumed within 12 months of the reporting balance date.
<b>Non-current investments</b>	These would include longer-term fixed interest bonds and deposits.
<b>Non-current liabilities</b>	Non-current liabilities are those obligations to other parties that would be expected to be met in a period exceeding 12 months from the end of the reporting period. The main types of non-current liabilities would be in relation to interest-bearing liabilities, finance lease obligations and employee entitlements. These have been described above.
<b>Non-current receivables</b>	These could include bills of exchange, debts owing on long-term contracts and outstanding loans and advances including income contingent loans such as VET FEE-HELP.
<b>Nominal terms</b>	Nominal terms mean reported figures are current figures and have not been adjusted for inflation.
<b>Operating expenditures</b>	Expenditures incurred to meet normal operating costs.
<b>Operating revenues</b>	Revenue appropriated by Australian, state and territory governments to fund VET operations and revenues received directly by VET entities during operations.

<b>Term</b>	<b>Definition</b>
<b>Other current assets</b>	<p>Mainly comprise inventories and prepayments. Inventories are defined as goods, other property and services which are held for sale in the ordinary course of operations, in the process of production for such sale or to be used up in the production of goods, other property or services for sale, including consumable stores and supplies. They would therefore include raw materials and stores, work in progress, finished goods and land held for resale.</p> <p>Prepayments are payments made in one reporting period, in respect of goods or services that the entity expects to receive or consume in future periods. Examples include rent, telephone, electricity and subscriptions.</p>
<b>Other government providers</b>	Other government providers are government-owned and managed education facilities/organisations, other than TAFE, that deliver VET (for example, agricultural colleges).
<b>Other non-current assets, including intangibles</b>	This could include purchased goodwill, computer software (purchased and internally developed) and intellectual property.
<b>Other registered providers</b>	Other registered providers include secondary schools, non-government enterprises, education/training businesses or centres, professional associations, industry associations, equipment/product manufacturers and suppliers, and other registered training providers not elsewhere classified.
<b>Other revenue from ordinary activities</b>	Revenue from other sources not categorised above.
<b>Payments to non-TAFE providers for VET delivery</b>	Expenditure for course delivery; that is, generally student contact/curriculum hours, being provided to other VET entities such as private providers, including group and industry providers, secondary schools and independent rural colleges. Includes expenditures incurred for competitive tendering and user choice initiatives.
<b>Private training providers</b>	Private training providers include education/training businesses or centres, professional associations, industry associations, equipment/product manufacturers and suppliers, and other private training providers not elsewhere classified.
<b>Property, plant and equipment</b>	This category would include land (unimproved and improved), buildings, plant and equipment, motor vehicles, livestock, libraries and capitalised furniture and fittings. It includes both owned (that is, purchased/constructed) property and property subject to finance leases. Reported values are depreciated values.
<b>Property, plant and equipment services expenses</b>	Property, plant and equipment services expenses are for operating, repairing and maintaining buildings, grounds and equipment, including wages of ancillary staff and building and grounds services contracts. Also included are expenses associated with asset management, project planning and project management of major capital works.
<b>Government funds for Australia's VET system</b>	Government funds for Australia's VET system covers funds that are transacted through the government (that is, parliamentary controlled) accounts of the Australian and state and territory government departments and their controlled training organisation entities such as TAFE institutes and colleges.
<b>Reserves</b>	Reserves arise from transfers to and from accumulated funds for specific purposes and from adjustments to the carrying values of fixed assets.
<b>Resources received free of charge</b>	Any other inflows of service potential or future economic benefits such as grants and gifts that increase net assets.

<b>Term</b>	<b>Definition</b>
<b>Revaluation</b>	<p>As required by AASB 116 <i>Property, Plant and Equipment</i>, 39-40 if the carrying amount of a class of non-current assets increases as a result of a revaluation, the net revaluation increment shall be recognised in Other Comprehensive Income and accumulated in equity under the heading of revaluation surplus. However, the net revaluation increment shall be recognised as income in the Statement of Comprehensive Income to the extent that it reverses a net revaluation decrement of the same class of assets previously recognised as an expense.</p> <p>If the carrying amount of a class of assets decreases as a result of a revaluation, the net revaluation decrement shall be recognised as an expense in the Statement of Comprehensive Income. However, the net revaluation decrement shall be recognised in Other Comprehensive Income to the extent of any credit balance existing in any revaluation surplus in respect of that same class of asset. The net revaluation decrement recognised in Other Comprehensive Income reduces the amount accumulated in equity under the heading of asset revaluation surplus.</p>
<b>Revenue from government</b>	Revenues from government over which the VET entity gains control during the reporting period, amounts equivalent to any of the entity's liabilities assumed by another entity and the value of any resources received free of charge. Note: payments to VET entities of government funds under individual contracts for services are classified as fee-for-service revenues.
<b>Revenue from ordinary activities</b>	User fees and charges, ancillary trading, student fees and charges, donations and contributions and other receipts which the training organisation received and over which it retains control.
<b>State capital revenue</b>	Revenues appropriated by the state or territory out of its own funds for capital purposes, including construction of buildings, child care, skill centres (infrastructure) industry-based and school students skill centres and indigenous peoples' facilities and equipment. Note: Where the transfer is in the nature of a contribution by owners it does not affect revenues but is a direct adjustment to equity, that is, contributed capital appropriated from treasury.
<b>State recurrent revenue</b>	Revenues appropriated by the state or territory out of its own funds for recurrent purposes, including appropriations for state/territory taxes and charges (for example, payroll tax). For totalling purposes in this publication's figures and tables, this category also includes assumption of liabilities and resources received free of charge, as defined below.
<b>Student fees and charges revenue</b>	Fees for non-overseas students arising out of specific legislation, parliamentary, cabinet or ministerial approvals. Includes administration charges, tuition fees, materials fees and student amenities fees passing through the accounts of the public training provider(s).
<b>Student services and other services expenses</b>	<p>Student services expenses are those incurred when providing services to students outside formal teaching, including expenses associated, with and supporting the welfare of, students such as counselling, disabilities, health services, employment services, child care, accommodation services, student amenities and student associations.</p> <p>Other services expenses are those that have no immediate or perceived output benefits to the training organisation such as specialist consulting, release to industry, redundancies, research and development and commercial operations.</p>
<b>Supplies and services expenses</b>	Expenses, including provisions for supplying operating materials and servicing operating requirements.
<b>Superannuation actuarial gains / (losses)</b>	Actuarial gains and losses occur when changes in actuarial assumptions affect the present value of the defined benefit obligation. Applicable only to entities responsible for funding a defined benefit superannuation balance and having to account for the net defined benefit liability.
<b>Technical and further education (TAFE) institutes</b>	Technical and further education (TAFE) institutes are government training providers that provide a range of technical and vocational education and training courses and other programs (for example, entry and bridging courses, language and literacy courses, adult basic education courses, Senior Secondary Certificate of Education courses, personal enrichment courses, and small business courses).

<b>Term</b>	<b>Definition</b>
<b>Total VET activity (TVA)</b>	Total VET activity (TVA) is the collection and reporting of all VET activity from all training providers. From 1 January 2014, all registered training organisations (RTOs), including non-government providers, unless granted an exemption, were required to collect and report full AVETMISS data on all nationally accredited training, in accordance with the National VET Provider Collection Data Requirements Policy.
<b>Training provider</b>	Training provider is an organisation that delivers vocational education and training (VET) programs. Training providers include non-government training providers, schools, community education providers, enterprise providers, TAFE institutes and universities.
<b>Vocational education and training (VET)</b>	Vocational education and training (VET) is that education (excluding higher education) which gives people work-related knowledge and skills.