



Government funding of VET 2022: explanatory notes

National Centre for Vocational Education Research

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Explanatory notes

Scope

- 1 This publication reports on government funding of VET including direct subsidies for training, government loans for VET, and indirect support for training outcomes through initiatives such as employer incentives to engage in VET. It also includes government funding for the system administration and governance of the VET system and VET-related transfers between governments.
- 2 If another agency has funding primarily directed at stimulating or supporting a training outcome and that funding is significant, it is also captured where possible.
- 3 Reporting activity is from 1 January to 31 December.
- 4 This publication does not cover the following:
 - funding for training for government employees,
 - base funding for VET in Schools.

Data sources

- 5 Data are sourced from the administrative records held by the Australian Government Department of Employment and Workplace Relations, state/territory training authorities and other relevant bodies where applicable.
- 6 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.
- 7 The National VET Funding Collection is a point in time snapshot of government funding for VET. Previous year totals may be revised in subsequent publications.
- 8 The collection has three distinct data sets:
 1. Jurisdictions' contributions to VET and reports on transfers between jurisdictions as well as jurisdictions' own revenue to provide information on the total contribution of each jurisdiction to VET.
 2. Funding activities and distribution reports on public VET expenditure within a jurisdiction, regardless of the funding source, and categorises that information based on funding activity and student characteristics.
 3. Public VET asset base reports on the value of public assets used for the delivery of VET.

Data treatment

- 9 Where expenditure could reasonably belong to multiple funding activities, amounts are categorised based on the primary purpose of the expenditure.
- 10 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.

11 A dash (-) represents a true zero figure, with no data reported in this category.

12 Reporting is in nominal terms.

13 Previous year reporting may be revised with current year reporting.

Data quality and comparability issues

14 The COVID-19 pandemic in Australia, has created additional wages subsidy support from the Australian Government to employers of apprentice and trainees and this has impacted the 2020, 2021 and 2022 VET funding data, also, states and territories' economic responses, may have impacted 2020 and 2021 VET funding data. Any comparisons with previous years should be made with caution.

Exclusions

15 Totals exclude the following, which are reported separately:

- tax exemptions, tax offsets and rebates used for supporting employers to engage in VET system
- rebates for eligible apprentices and trainees
- loan values.

Governments' contributions and allocations

16 **Ongoing specific purpose payments** are ongoing payments made to state and territory governments under the Financial Relations Act 2009 to support state and territory governments public VET systems.

17 **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. Refer to jurisdiction notes and caveats for a list of agreements in each reporting year.

Australian Government provision for VET loans

18 The Australian Government provision for VET loans is presented separately in the Government funding of VET publication. For information on the VET Student Loans program please refer to the Department of Employment and Workplace Relations <https://www.dewr.gov.au/vet-student-loans>

- **VET student loans reporting** in 2018 and 2019 include the VET Student Loans programme and VET FEE-HELP grandfathering, in 2020, 2021 and 2022 the VET Student Loans programme only.
- **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 total in the *Government funding of VET 2022* publication is the amount states and territories transferred to the Commonwealth in the 2022 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

19 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					●	●		
Systems administration and governance								

The distribution of VET funding activity dollars by student and training information is dependent on the jurisdiction's VET funding flow. 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 VET programs and VET funding flows differ across the jurisdictions, not attributable amounts can vary from jurisdiction to jurisdiction and from year to year, and as a result, national comparisons between the student and training reporting categories cannot be made.

Provider type reporting categories

20 Prior to 2019 provider type reporting categories were restricted to public, private, other and other organisations. 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 prior to 2019
TAFE institutes	Public
University	Public and other
Schools	Other
Community education providers	Other
Enterprise providers	Other
Private training providers	Private
Other RTO	Other
Other organisations	Other organisations (non-Registered Training Organisations)

Note: In the *Government funding of VET 2022* publication, university reporting includes government and non-government universities.

Remoteness structure

- 21 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' includes 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

- 22 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.
- 23 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

The following table numbers refer to tables within the *Government funding of VET 2022: Excel tables*. Data, notes, and caveats have been provided by the respective Jurisdictions.

Australian Government

Table 1 and 2: 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.

Time-limited funding payments include:

- 2017: National Partnership Agreement on Skills Reform
- 2018 - 2022: National Partnership Agreement on the Skilling Australians Fund
- 2019: Project Agreement for the North-West Tasmania Job Ready Generation Package
- 2020-2022: Project Agreement for Energising Tasmania
- 2020 - 2021: Project Agreement for the National Infection Control Training Fund
- 2020 - 2022: National Partnership for Streamlined Agreements Job Trainer Fund
- 2021 - 2022: Project Agreement for Revitalising TAFE Campuses Across Australia.

Victoria and Queensland did not receive funding under the National Partnership Agreement Skilling Australians Fund.

Australian Government transfers to states for some time-limited funding agreements, such as the JobTrainer Fund, are provided on a per-capita basis and subject to milestone deliverables which may cause variances in funding from year to year.

The increase in Australian Government recurrent funding contributions from 2020 was largely driven by the continuation of the Supporting Apprentices and Trainees (SAT) wage subsidy and the introduction of the Boosting Apprenticeship Commencements (BAC) wage subsidy. These programs represent temporary COVID-19 related measures which will gradually be phased out in future years.

Table 3: Totals 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 totals include grandfathered loan arrangements under the closed VET FEE-HELP program, which closed on 31 December 2016. 2018 and 2019 totals also include a limited number of VET FEE-HELP loans which were extended under exceptional circumstances.

Table 4: An increase in the employer assistance funding from 2020 can be partly attributed to wage subsidy measures in response to COVID-19. See Table 1 note.

Table 6: Negative figures reported against the Australian Government for 2017 represent the accounting treatment (payment reversal) for accrued supplier expenses.

Tables 11: 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 has not been included in the reported totals. 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 totals include grandfathered loan arrangements under the closed VET FEE-HELP program, which closed on 31 December 2016. 2018 and 2019 totals also include a limited number of VET FEE-HELP loans which were extended under exceptional circumstances. VSL 2020 totals have been adjusted from those reported in the *government funding of VET 2020* publication to match with published VSL figures in the VET Student Loans Annual Statistical Report 2020.

Table 15: Totals 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.

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

New South Wales

Tax rebate amounts are not able to be captured.

Reporting is based on actuals; however, some student and training reporting uses actual and some modelled data.

Based on the nature of some activities/expenditures they cannot be split by required dimensional categories.

Table 9: *Training not elsewhere classified* includes part qualifications and pre accredited training.

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

Victoria

Victoria provides funding to training providers through the VET Funding Contract and through various grants to RTOs and other organisations to support the delivery of vocational education and training.

Data has primarily been sourced from the organisation's financial data systems (Oracle). For dimensional reporting, this has been supplemented by other reporting systems such as SVTS and GEMS.

Victorian Recurrent Funding (including recurrent capital funding) has been calculated by taking total expenditure net of Commonwealth transfers.

In 2021, VET Delivery Funding was affected by some easing of assistance measures implemented in 2020 to address the impact of COVID-19. While activity-based funding recovered in 2021, this recovery did not fully offset the reduced COVID-related supports.

For years 2021 onwards an estimate of the value of payroll tax concessions for employers of apprentices is no longer available. While the policy still exists, this data is no longer reported.

VET delivery funding includes VET in Schools funding provided to public schools.

Data, notes and caveats have been provided by the Victorian Department of Department of Jobs, Skills, Industry and Regions.

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.

Table 4: 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 is only able to split out by Provider Type, and
- 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.

Table 15: 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 2023.

Tax exemptions and offsets data have been provided by Queensland Treasury and WorkCover Queensland. The payroll tax exemption is reported for the 2021-22 financial year. This is a change from previous year returns which was a calculated value for the calendar year.

Data, notes and caveats have been provided by the Queensland Department of Youth Justice, 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.

Table 5: 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: 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: 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.

Tax exemptions, offsets and rebates – for employers of apprentices and trainees is a 21/22 financial year estimate.

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.

South Australia

South Australia has used actual data from the financial systems of the Department for Education (unless otherwise stated) and aligned this financial data with activity data collated from the Department's various training administration systems to report on dimensional data. Whilst high level data validation has been undertaken, data quality issues due to missing or inaccurate data input from registered training organisations may still exist within the dataset.

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. It does not include delivery of VET funded by the Department of Education.

Actual training subsidies associated with time-limited programs such as Skilling Australians Fund and JobTrainer National Partnerships are recognised on a financial year basis, and monthly estimates are used to form the basis of the calendar year Funding Collection.

JobTrainer funding in SA is reported under VET Delivery Funding as 'Subsidies for training places' and 'Other VET Portfolio' for other support program costs. Residual ancillary costs for administrative support are reported under 'System Administration and Governance'.

Please note the 2021 data has been revised due to a change in funding arrangement with TAFE SA effective 1 July 2022. The VET delivery data was obtained directly from TAFE SA for reporting years 2021 and 2022.

Table 6: Capital funding not attributable by provider type relates to capital expenditure associated with VET projects incurred by the Department of Education.

Table 10: Capital funding not attributable by provider remoteness relates to capital expenditure associated with VET projects incurred by the Department of Education.

Tax exemptions, offsets and rebates – for employers of apprentices and trainees are not applicable in South Australia.

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

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 2022.

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.