

Appendix B:

Sector context

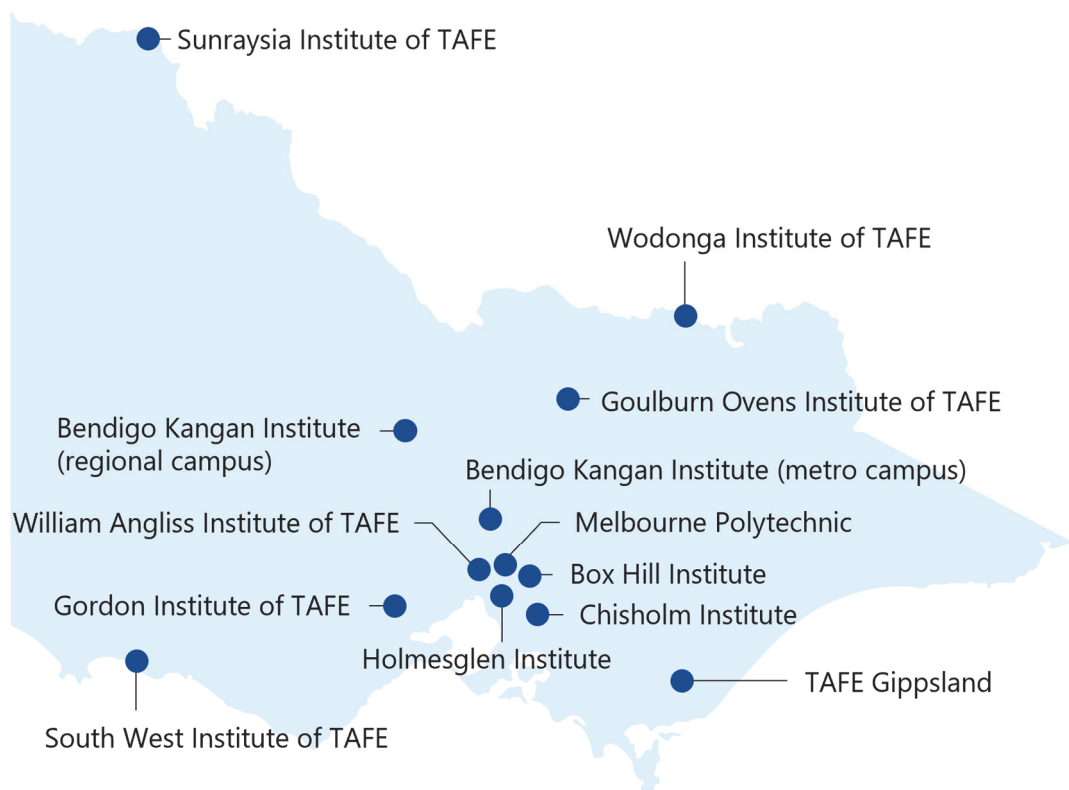
Victoria's TAFE sector at a glance

About the sector Victoria's TAFE sector is made up of 12 TAFEs and the 9 entities they control. They have 69 campuses across Victoria.

TAFEs run Vocational Education and Training (VET) courses to give students practical skills for a variety of careers. They also provide pathways to university courses.

TAFE locations Figure B1 shows where Victoria's 12 TAFE institutes are located.

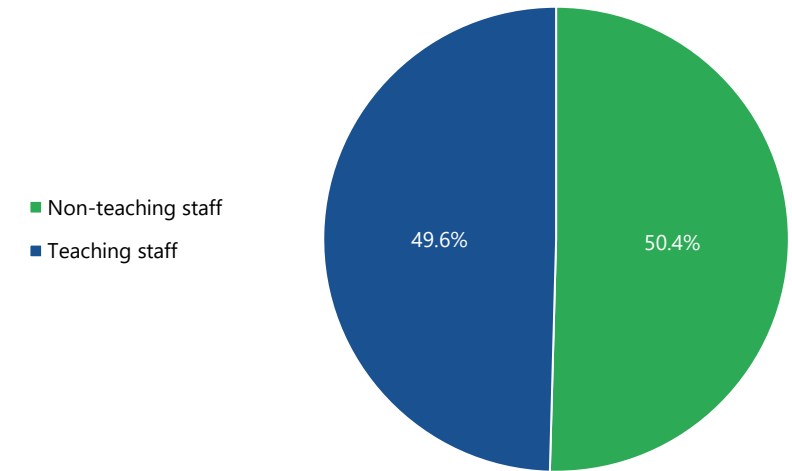
Figure B1: Where Victoria's TAFE institutes are located



Source: VAGO.

Figure B2 shows the proportion of teaching and non-teaching staff in the sector.

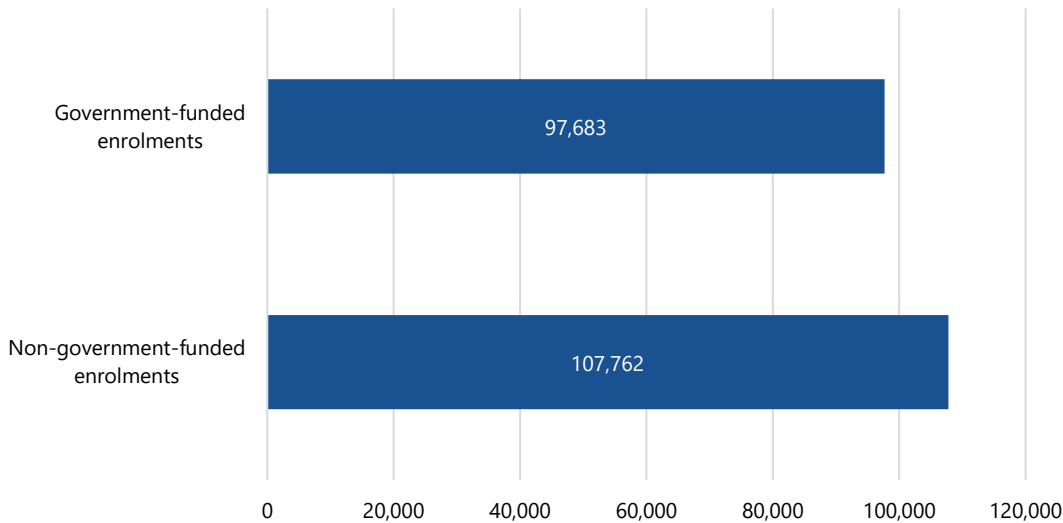
Figure B2: Proportion of teaching and non-teaching staff in the sector in 2023



Source: VAGO.

Figure B3 shows the number of government funded and non-government-funded enrolments at TAFEs in 2023.

Figure B3: Enrolment numbers by type in 2023



Source: VAGO.

Private-sector
VET

In Victoria, private registered training organisations also run VET courses.

We have not included them in this report because the *Education and Training Reform Act 2006* and the *Audit Act 1994* do not require us to audit them.

The sector’s financial model

Revenue and expense streams

The TAFE sector gets most of its revenue from running courses. This revenue comes from both government-funded students and full-fee-paying students.

Government funding

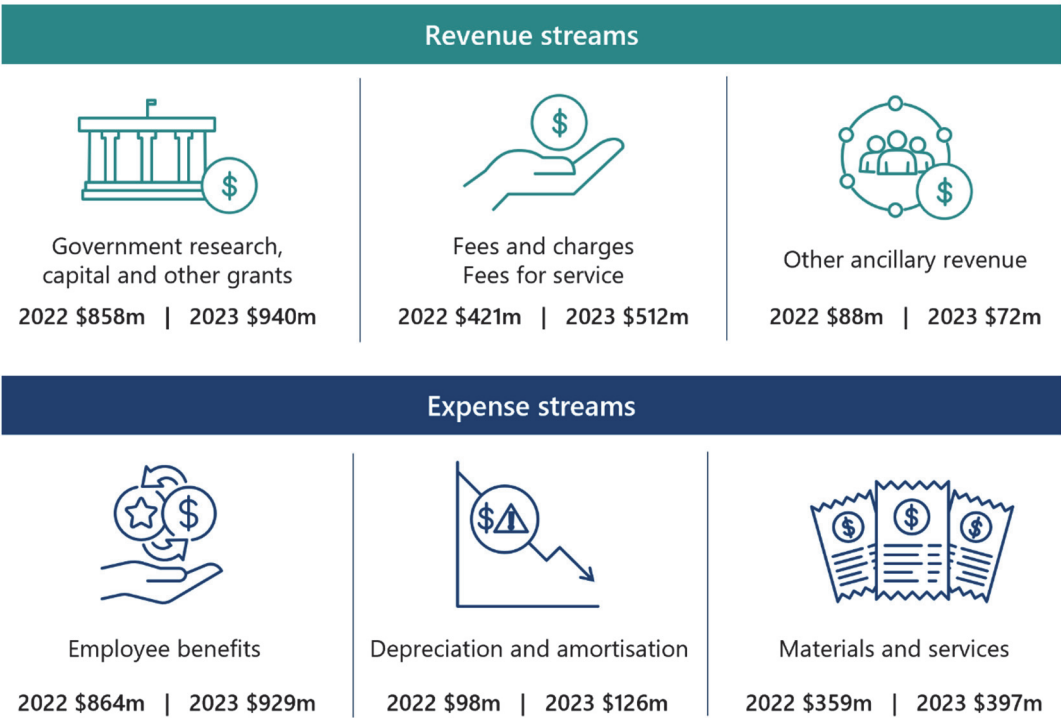
- The Victorian Government funds TAFEs in 3 ways:
- government subsidies (or 'contestable funding') for domestic students who study eligible courses
 - operating grants to help TAFEs pay for day-to-day costs or other specific needs
 - capital grants for constructing new buildings and maintaining existing infrastructure.

Full-fee-paying students

Both private domestic students and international students pay full fees. Private domestic students are students who are not eligible for government subsidies. They pay for their courses themselves or with an Australian Government VET student loan. With a VET student loan, the Australian Government pays the course fees to the TAFE. The student repays the government through the tax system when they earn above a minimum income threshold.

Revenue and expense streams in 2022 and 2023

Figure B4 shows the sector’s key revenue and expense streams in 2023 compared with 2022. Figure B4: The sector’s key revenue and expense streams in 2022 and 2023



Source: VAGO.

Legislative and financial reporting framework

Applicable Acts The *Education and Training Reform Act 2006* governs TAFEs. The Act outlines:

- TAFEs' functions and powers.
- the requirements for setting up a TAFE board
- TAFE boards' governance responsibilities.

The Act also requires each TAFE to prepare an 'annual statement of corporate intent'. It says that this statement must include the KPIs in the TAFE's performance statement.

As public bodies, TAFEs must follow the *Financial Management Act 1994*. This includes complying with the assistant treasurer's directions for preparing financial reports.

TAFEs must also follow the *Public Administration Act 2004*, which outlines the public sector's governance framework.

Managing and overseeing TAFEs

Each TAFE has a board. The board is accountable to the Minister for Skills and TAFE.

The Department of Jobs, Skills, Industry and Regions manages the TAFE sector on behalf of these ministers. This includes:

- overseeing the sector and individual TAFEs' governance
 - overseeing the breadth, depth and appropriateness of TAFEs' courses
 - funding the courses that TAFEs run through a subsidy for each hour of training.
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