

Appendix H: Mandatory performance indicators

TAFEs are required to report mandatory performance indicators in line with the reporting requirements outlined by the Minister for Skills and TAFE in their statements of priorities. These statements outline KPIs that each TAFE will achieve in the following year. These KPIs are derived from the budgeted figures approved by the Minister for Skills and TAFE. At the end of the financial year, TAFEs publish their actual KPIs against their target KPIs in the performance statements.

Figure H1 shows the KPIs and their descriptions and methodology.

Figure H1: KPIs and their descriptions and methodology

Indicator	Description and methodology
Training revenue diversity	Breakdown of training revenue by: <ul style="list-style-type: none">• government-funded revenue• fee-for-service revenue• student fees and charges
Employment costs as a proportion of training revenue	Employment costs plus third-party training delivery costs as a proportion of training revenue
Teaching revenue per teaching FTE	Training revenue (excluding revenue delivered by third parties) per teaching FTE
Operating margin percentage	Earnings before interest and taxes (excluding capital contributions)/total revenue (excluding capital contributions)

Source: VAGO.