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## **3 VOCATIONAL EDUCATION AND TRAINING**

### **3.1 Introduction**

Government funded vocational education and training (VET) services covered by this Report comprise those supplied by technical and further education (TAFE) providers, selected adult community education (ACE) providers and, to a limited extent, a variety of private providers. Publicly funded private providers have been included this year because they have increasing importance as deliverers of government funded VET services — they trained two per cent of VET clients in 1996. The involvement of publicly funded private providers is likely to increase over time as reforms increase the flexibility of VET delivery.

A framework built around effectiveness and efficiency indicators is again used to assess the performance of VET. A new cost-effectiveness indicator has been reported this year. Further, the methods for calculating module load completion rates (MLCRs) and unit cost measures has been improved, and performance against MLCRs for previous years have been re-calculated on the new basis. Thus, some performance data in this Report differ from those reported previously.

The base year for identifying trends in VET performance in this Report is generally 1995. However, because the scope of reporting on service delivery has expanded to include private providers (since the previous Report which used mainly 1995 data), previously reported 1995 data and new 1996 data were not comparable in some cases. This has been noted where relevant.

### **3.2 Profile of vocational education and training**

VET can broadly be defined as that part of the education and training system which provides individuals with employment-related skills and learning. The VET system is an integral part of Australia's general education system and incorporates a wide array of providers, funders, service recipients and forms of training.

VET is delivered in institutions (both public and private) specialising in VET, as well as schools, universities, enterprises and industry training centres. VET delivery also takes many different forms ranging from formal classroom-based learning to informal workplace learning. The VET system provides a number of programs with a range of fields of study and qualification

levels, the durations of which vary from a module of a few hours to full courses over three or four years.<sup>1</sup>

It is difficult to precisely define the boundaries of VET. This creates problems when attempting to quantify the total size of Australia's VET system (Box 3.1).

**Box 3.1: What is VET?**

VET can broadly be defined as that part of the education and training system which provides individuals with employment-related skills and learning. The distinguishing feature of VET is the acquisition of skills and learning directly related to work. However, there is not always a clear distinction between general education, professional education and VET. The Finn Committee noted that this distinction has been diminishing, as employers have increasingly required multi-skilled, creative and adaptable workers (Finn 1991).

Education, training and work are becoming more closely related, forcing the definition of VET to incorporate both on and off-the-job vocational education and training up to and including the level of paraprofessional occupations (McDonald *et al* 1992). VET can be defined in terms of students, programs or providers.

*Students:* grouping can be made according to the vocational outcome of the student's course — for example, students in streams of study which provide initial education and training for entry into a specific trade (ACVETS 1995).

*Programs:* VET qualifications range from industry recognised training to nationally recognised certificates, associate diplomas and diplomas.

*Providers:* enterprises, not-for-profit organisations, schools, TAFE institutes and other institutions specialising in VET delivery and universities are included in this group.

Total expenditure on VET in Australia was about \$6.5 billion in 1996. The bulk of VET expenditure was by Australian enterprises (39 per cent) and government (51 per cent). Private expenditure contributed the remaining 10 per cent (Table 3.1).<sup>2</sup>

**Table 3.1: Australian VET expenditure, 1996**

<i>Source</i>	<i>\$ million</i>	<i>Per cent</i>
State and Commonwealth Government recurrent expenditure	2 923	46
Government capital expenditure	371	5
Private expenditure through public TAFE <sup>a</sup>	670	10
Industry/employer expenditure <sup>b</sup>	2 500	39
<b>Total</b>	<b>6 464</b>	<b>100</b>

a Private expenditure includes: donations and contributions; fees from government agencies; student fees and charges; ancillary trading and ACE fees. Data on private expenditure through private providers were not available.

b Industry/employer expenditure excluded the gross wages and salaries (\$2197 million) of employees undertaking training. There may have been some double counting between industry/employer expenditure and private expenditure through TAFE.

*Sources:* Table 3A.28

The focus of this Report is government funded VET.<sup>3</sup> Thus, the scope of VET covered for the remainder of this chapter is in line with that on which the annual VET data collection by the National Centre for Vocational Education Research (NCVER) is based. This includes all VET modules reported under the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) which are presented by government funded providers (both public and private providers) and ACE providers.<sup>4</sup> The privately funded private providers which did not receive any public funds were excluded.<sup>5</sup>

### **3.2.1 Size and growth of the VET sector**

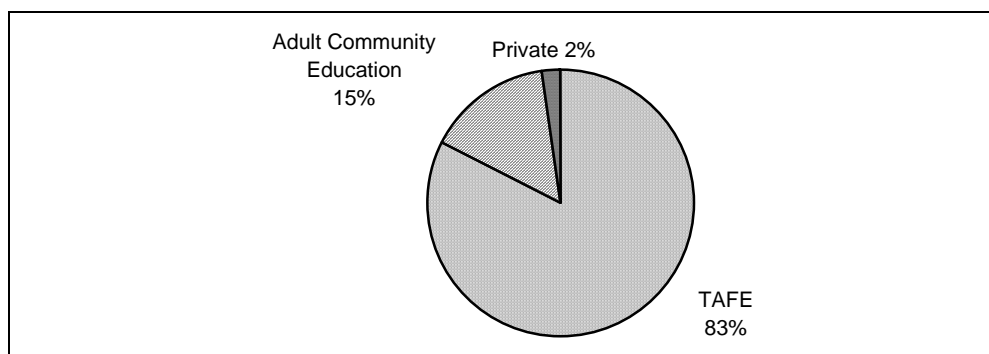
There has been increased demand for VET services over the last decade as a result of a number of factors, including:

- steady growth in Australia's total labour force;
- increased demand for more highly skilled workers, particularly in relation to the introduction of new technology and the reorganisation of work;
- increased emphasis on post-secondary education, typically VET, as a means of gaining employment and advancement; and
- changes to Australia's welfare system which impose training requirements on people wanting to obtain unemployment benefits, particularly the long-term unemployed and people with employment disadvantages.

#### *Growth in VET provision*

Government funded vocational programs were offered by 106 public training institutions, 514 community-based providers and 397 publicly funded private providers in 1996 (ANTA 1997). TAFE institutions, operating from 1132 training locations, continued to be the main training facilities, attracting 83 per cent of all VET participants. Community education providers and private providers trained the remaining VET students (Figure 3.1) (NCVER 1997a).

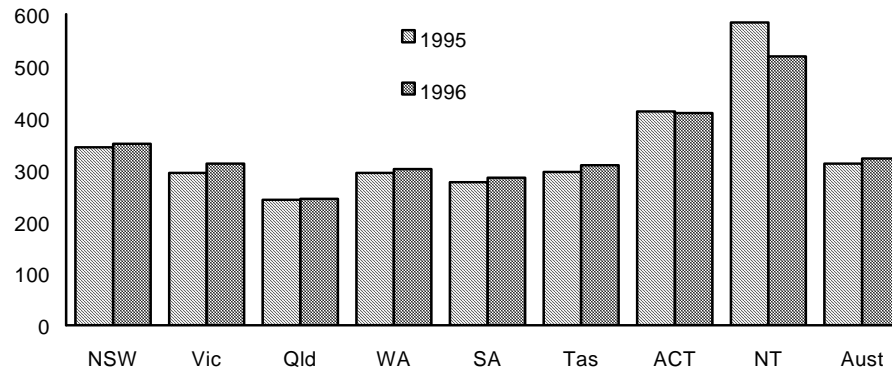
Figure 3.1: VET clients by provider type, 1996 (per cent)



Source: Table 3A.1

Government expenditure on VET amounted to over \$3 billion in 1996 — an increase of 4 per cent in real terms from 1995 (NCVER 1997a). This rate of increase largely reflected the increase in the number of VET students, which grew by 3.8 per cent. Government VET expenditure per person aged 15 to 64 years ranged from \$244 in Queensland to \$518 in the NT in 1996.<sup>6</sup> Per head expenditure in the NT, the ACT (\$409) and NSW (\$350) was higher than the national average. All jurisdictions except the ACT and the NT reported an increase in real VET expenditure per person during that year. Victoria experienced the largest growth

of real expenditure per person — up from \$294 in 1995 (in 1996 prices) to \$312 in 1996 (Figure 3.2).  
 Figure 3.2: Government VET expenditure per person aged 15 to 64 years, 1995 and 1996 (in 1996 dollars)



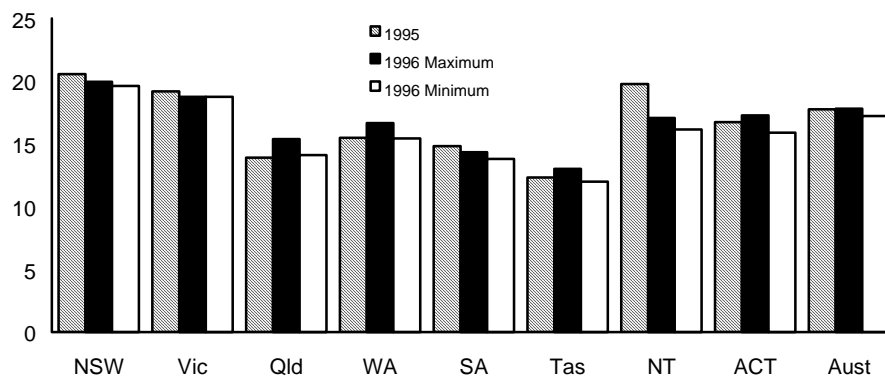
Source: Table 3A.2

Based on adjusted data, VET hours delivered per person aged 15 to 64 years ranged from 13 hours in Tasmania to 20 hours in NSW in 1996. Two jurisdictions delivered above the national average of 18 hours per 15 to 64 year old — NSW and Victoria (Figure 3.3). More comprehensive audit arrangements were introduced for the 1996 data collection to improve the quality of VET information. Because of the new audit arrangements the activity data for 1995 and 1996 were not directly comparable.

#### *Growth in VET Students*

Most students attend VET programs for one of two main reasons — either to acquire skills which enhance their ability to enter the workforce or to retrain or update their workforce skills. Over 1.35 million people undertook vocational programs in 1996 (up by 3.8 per cent from 1995). Approximately 48 per cent of these students were already employed either part-time or full-time (NCVER 1997a).

Figure 3.3: Adjusted annual VET activity per person aged 15 to 64 years, 1995 and 1996 (hours)<sup>a</sup>



<sup>a</sup> A number of adjustments have improved the methodology and thus the comparability of 1996 activity data across jurisdictions — these include changes to the treatment of invalid module enrolments (that is, students who enrolled in modules but did not attend them) and module enrolments reported with an outcome of recognition of prior learning. However, due to the improved methodology 1995 and 1996 data are not directly comparable. In addition, final audited data for invalid enrolments was not available for 1996, therefore both the maximum and minimum possible invalid enrolments were shown.

Source: Table 3A.3

The number of students participating in VET programs has grown steadily during the 1990s — the recorded number of students increased by 30 per cent over the five year period to 1996 (NCVER 1997a).<sup>7</sup>

The number of students in the VET system increased by 80 000 from 1995 to 1996.

Contributing to this growth was a substantial increase in traineeships — 44 044 people commenced traineeships in 1996, almost double the number of traineeships in 1995.

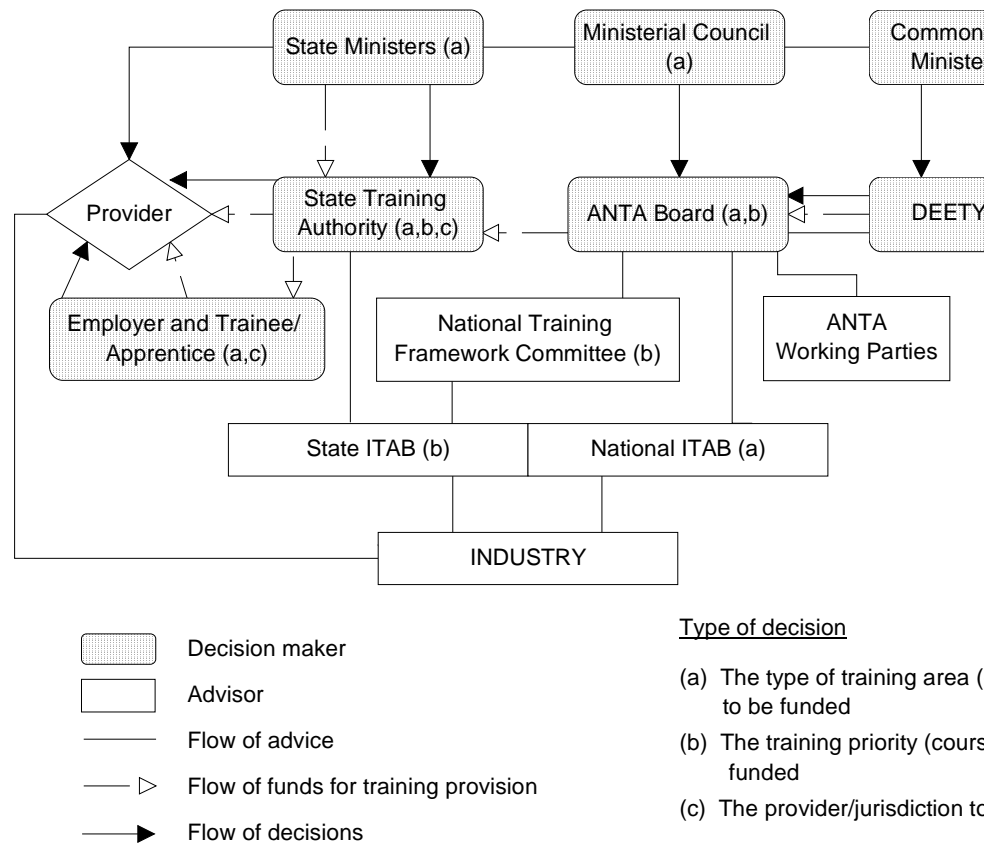
Males accounted for 54 per cent of VET participants in 1996 and female students accounted for 46 per cent. Male students participated mainly in the following fields of study: engineering and surveying (24 per cent); TAFE multi-field education (17 per cent); and business administration and economics (16 per cent). The most popular fields of study for women were: business administration and

economics (27 per cent); TAFE multi-field education (22 per cent); and health and community services (11 per cent).

### 3.2.2 Institutional structure and funding

The national VET system is a cooperative arrangement between Commonwealth, State and Territory Governments, industry (represented by industry training advisory bodies (ITABs)) and private and public providers (Figure 3.4).

Figure 3.4: Decisions, advice and funding flows within the VET system



The Commonwealth, State and Territory Governments all contributed to the funding of VET in 1996. State and Territory Governments provided 71 per cent of recurrent government funding and the Commonwealth Government provided the remaining 29 per cent (NCVER 1997a). Both individuals and industry groups also contributed to VET funding.

Commonwealth Government funding for VET is administered by the Australian National Training Authority (ANTA) within the framework of the ANTA multilateral intergovernmental agreement.<sup>8</sup> ANTA and the State and Territory Governments allocate funds to state training authorities under detailed funding agreements.

### 3.2.3 Competitive funding of VET service provision

Government funds are allocated by state training authorities in a variety of ways. The majority of funds are allocated to major public providers based on state training authorities' planned activity.<sup>9</sup> Providers therefore compete for these funds via competition for students. The proportion of public funds allocated under these direct funding arrangements varied across jurisdictions from 88.4 in Queensland to 95.5 in the ACT in 1996 (Table 3.2). Smaller proportions of funds (ranging from 4.5 per cent in the ACT to 11.6 per cent in Queensland) were allocated to TAFE, private providers and community-based sectors through directly competitive processes. These processes included:

- competitive tendering — public and private providers compete for funding contracts from state training authorities, on the basis of one or more selection criteria, in response to government offers (tenders); and
- user choice — the employer and apprentices and trainees choose a training package and negotiate a training program with a provider. The public funds flow to the chosen training product and provider.

The degree of competition in the tendering process varies across jurisdictions. Both public and private providers tender for some funds whereas some tendering is restricted to only one of public or private providers (Table 3.2).

Table 3.2: Allocation of government funds for VET by user choice or competitive tendering, 1996 (per cent)

	<i>NSW</i> <sup>a</sup>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>
<i>User Choice (apprentices and trainees)</i>								
First year student	—	1.9	3.3	na	3.2 <sup>c</sup>	1.5	—	—

Other students	—		1.7	na	—	—	—	—
<i>Competitive tendering</i>								
Open (public and private)	5	2.7 <sup>b</sup>	6.6	na	5.5	4	4.5	12
Limited (public only)	—	1.0	—	na	—	—	—	—
Limited (private only)	—		—	na	—	—	—	—
ACE providers	—	3.1	—	na	—	—	—	—
<i>Other allocation mechanisms<sup>d</sup></i>	95	91.3	88.4	na	91.3	94.5	95.5	88

— not applicable.

na not available.

a NSW has not endorsed User Choice: it has however allocated about \$50 million to contestable programs in the training market in 1996.

b This included 0.3 per cent which was open to competitive tendering from two of the following categories: public and ACE providers, or private and ACE providers.

c SA's User Choice figure includes some early state initiated user choice pilots and the Traineeship Programs allocated under a type of user choice process.

d The Other Allocation mechanisms are allocations made to TAFE institutes by traditional budget planning mechanisms.

Source: Table 3A.4

### 3.3 Recent developments in the sector

#### 3.3.1 Reform program

##### *New national VET strategy*

In November 1997, Ministers endorsed the revised ANTA Agreement for submission to respective State and Territory Governments for approval. The new ANTA Agreement involves implementing a new four year national strategy for VET from 1998. The main objectives of the new national strategy include:

- equipping Australia for the world at work;
- enhancing mobility in the labour market;
- achieving equitable outcomes;
- maximising the value of public expenditure on VET; and
- increasing investment in training by industry.

##### *VET funding*

Commonwealth, State and Territory Ministers for VET agreed in September 1997 that for the three years beginning 1998:

- the Commonwealth Government is to maintain funding in real terms;
- states and territories are to achieve growth and enhancements in their VET systems through efficiencies; and

- Commonwealth, State and Territory Governments, as equal partners, are to identify and plan for future VET growth requirements.

#### *New apprenticeship framework*

The Commonwealth Minister for Schools, Vocational Education and Training launched the New Apprenticeship framework in August 1997. The legislative and administrative changes aim to make structured training a more attractive proposition in traditional industries and a new option in occupations and industries for which it has not previously operated.

Two key components of the framework include *user choice* funding arrangements and *training packages* which have industry endorsed competency standards linked to national qualifications and assessment guidelines.

### **3.3.2 VET in schools**

All governments support the principle of increasing the convergence of general and vocational education in the senior secondary school curriculum to provide school leavers with a greater number of pathways to work and further learning. The Commonwealth Government allocated \$187 million, as part of this program, to VET in schools over a four-year period beginning in 1997.

All jurisdictions aim to increase the level of VET activity in schools, but its organisation and delivery vary.

Variations occur in recognition of vocational education courses (that is, whether the VET course qualification contributes to the high school certificate, vocational educational certificate or both) and the amount of workplace and classroom-based training.

### **3.4 Framework of performance indicators**

The framework used in this Report is substantially similar to that in the 1997 Report (SCRCSSP 1997). It is built around a set of shared VET objectives (Box 3.2).

#### **Box 3.2: Objectives for VET services**

The objectives for VET services are:

- *responsiveness*, so that diversity, choice and cooperation are maximised across the full range of training providers;
- *quality*, so that those achieving at the highest standards are supported and incentives are offered to others to reach those standards;

- *accessibility*, so that all Australians who want and need training have access to it; and
- *efficiency*, so that value for money and accountability are emphasised and administrative arrangements are streamlined and simplified.

The agreed aims of these objectives are to:

- provide an educated, skilled and flexible workforce to enable Australian industry to be competitive in domestic and international markets; and
- improve the knowledge and skills of Australians, having regard for the particular needs of disadvantaged groups.

*Source: ANTA 1994*

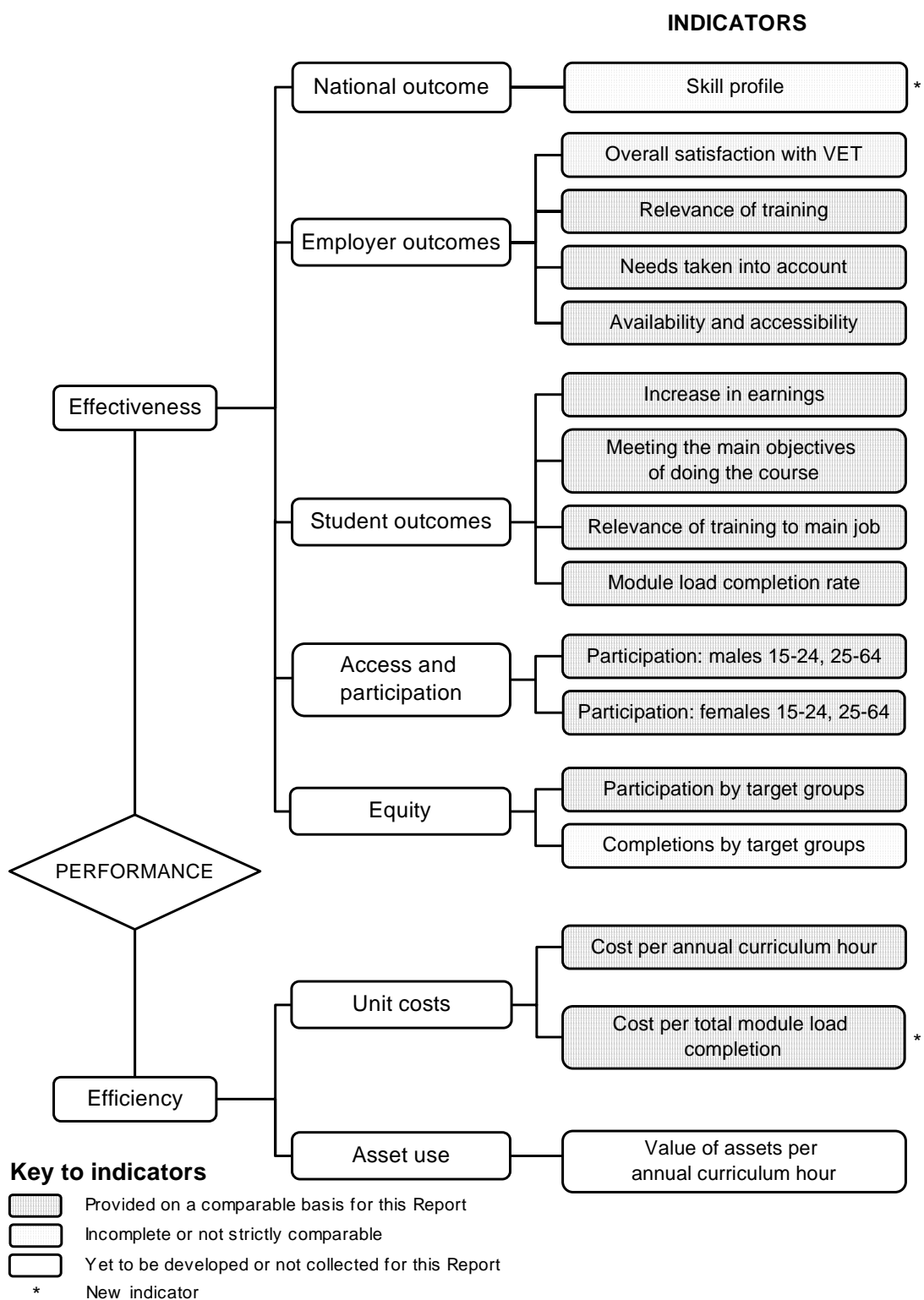
This Report has expanded or refined reporting for a number of indicators:

- for access indicators — participation rates are broken down by geographic location (capital cities, rural areas and remote areas) rather than reported on an overall basis; and
- for efficiency indicators — asset use (for which no new data was available) has been replaced by a new unit cost measure, government recurrent expenditure per ‘total’ module load completion (Figure 3.5).

The most significant change in reporting is the improved comparability across jurisdictions and over time for MLCRs and unit cost indicators. This was achieved through more comprehensive and consistent audit arrangements across jurisdictions, and an improved method for calculating indicators. However, more refinements to data collections will contribute to further improvements in the comparability of these performance measures.

When comparing performance across jurisdictions it was necessary to adjust for differences between jurisdictions in relation to the course mix because different courses require different resourcing.

Figure 3.5: Performance indicators for VET services



### 3.5 Future directions

#### 3.5.1 Coverage of services

This Report incorporates some services funded by government and provided through private providers. It is anticipated that this coverage will expand in the 1999 Report.

### **3.5.2 Additional indicators**

In future, new performance measures of VET may be reported, including:

- skill outputs produced within the domain of formally recognised training (the contribution of VET to Australia's skill pool);
- stocks of VET skills against desired levels;
- VET participation, outputs and outcomes achieved by client groups;
- student employment outcomes and prospects before and after participation in VET; and
- asset use.

## **3.6 Key performance results**

No single indicator can summarise the outcomes of government funded VET. The indicator framework reflects the complexity of the VET structure and objectives.

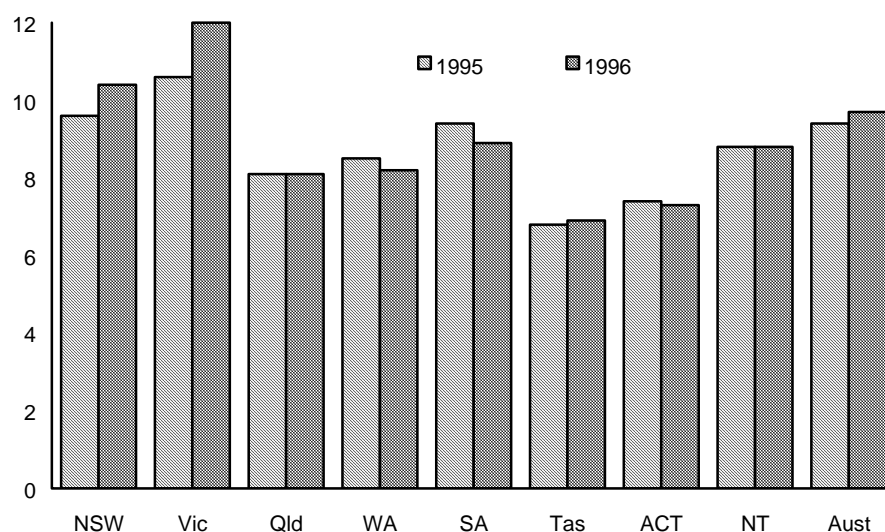
### **3.6.1 Access and participation**

The five groups with special access difficulties considered in this Report are the ANTA-designated equity target groups: women; Aboriginal and Torres Strait Islander people; people with a disability; residents of rural and remote communities; and people from non-English speaking backgrounds.

*General participation in VET*

The national VET participation rate for people aged 15 to 64 years increased in 1996, largely as a result of significant increases in Victoria (up 13 per cent) and NSW (up 8 per cent).<sup>10</sup> However, WA, SA and the ACT reported a decline in participation (Figure 3.6).

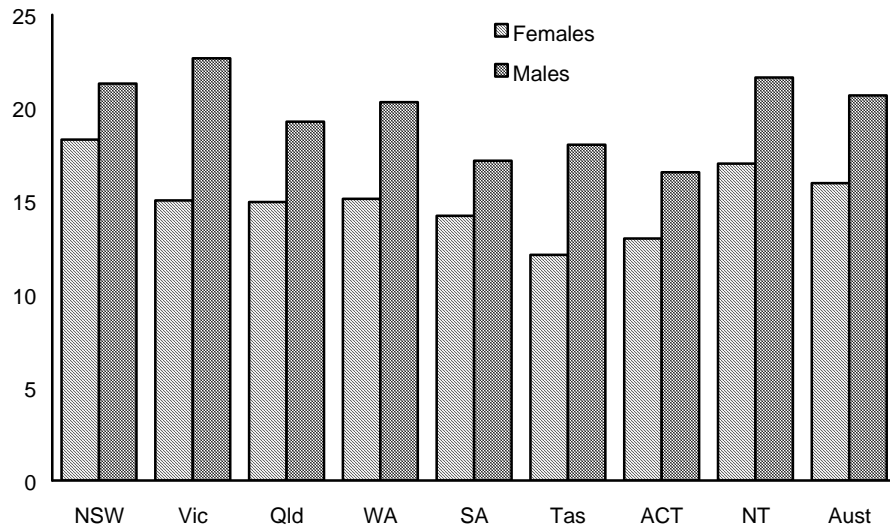
Figure 3.6: VET participation rates for people aged 15 to 64 years, 1995 and 1996 (per cent)<sup>a</sup>



a The 1996 data was adjusted to the same scope and boundary as the 1995 data.

Source: Table 3A.5

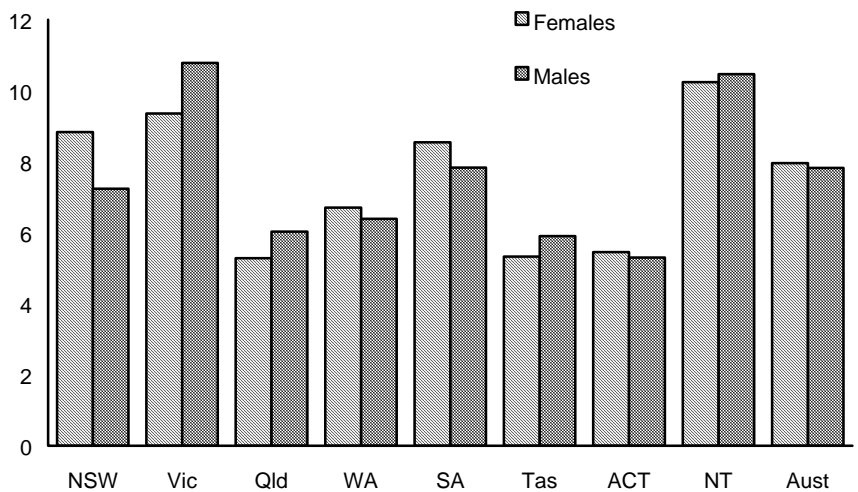
The participation rate of young males (15 to 24 years) in VET was greater than that of young females in all jurisdictions in 1996. The difference between young male and young female participation rates ranged from 8 percentage points in Victoria to 3 percentage points in NSW and SA (Figure 3.7).  
 Figure 3.7: VET participation rates for males and females aged 15 to 24 years, 1996 (per cent)



Source: Table 3A.6

Nationally, females and males aged 25 to 64 years had very similar VET participation rates in 1996, but there were significant differences in some jurisdictions. Female participation rates were higher than those for males in NSW, but the situation was reversed in Victoria (Figure 3.8).

Figure 3.8: VET participation rates for males and females aged 25 to 64 years, 1996 (per cent)



Source: Table 3A.6

*VET participation of people with special needs*

A key national goal of the VET system is to increase the opportunities and outcomes for disadvantaged groups. Participation by these groups compared with their representation in the general population indicates the effectiveness of current strategies in achieving this objective. However, VET participation rates of people with special needs should be interpreted with care because the data often depended on self-identification on enrolment and non-responses were often both high and variable across jurisdictions.<sup>11</sup>

The VET participation rates of people identifying themselves as from non-English speaking backgrounds were above their representation in the population in Queensland, Tasmania and the ACT in 1996 (Table 3.3). The non-response rates for people from non-English speaking backgrounds improved in Victoria, Queensland, SA and Tasmania between 1995 and 1996 (Table 3A.7). However, non-response rates were still high in some jurisdictions (34.5 per cent in SA and 34.0 per cent in WA), so comparisons of participation across jurisdictions must be made with caution.

Table 3.3: VET participation by people from a non-English speaking background by country of birth, 1996 (per cent)

	<i>NS W</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Students who reported being born in mainly non-English speaking countries	15.4	13.5	9.2	11.4	10.0	6.4	18.3	3.3	12.9
Non-response rate <sup>a</sup>	20.1	22.5	15.0	34.0	34.5	1.6	8.5	31.3	22.0
People who were born in mainly non-English speaking countries, as proportion of total population	15.7	17.0	7.2	11.7	10.6	3.9	13.2	7.9	13.2

a Non-responses refer to students who did not indicate if they were people with special needs.

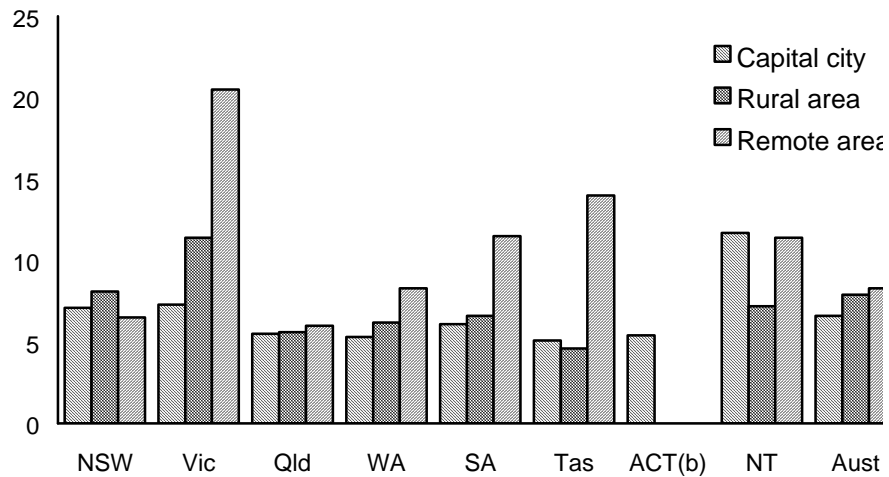
Source: Table 3A.8

Victoria was the only jurisdiction to report participation rates for capital cities and remote areas that were higher than the national averages.<sup>12</sup>

Queensland had below-average participation rates

for people living in capital cities, remote areas and rural areas. Rural area participation was highest in Victoria (11.4 per cent) and remote area participation was highest in Victoria (20.5 per cent), Tasmania (14.0 per cent) and SA (11.5 per cent) (Figure 3.9).<sup>13</sup>

Figure 3.9: VET participation by people of all ages by region, 1996 (per cent)<sup>a</sup>



a Regional participation rates are based on the home address postcodes of students. If persons relocate in order to undertake studies (for example, from rural to capital cities) the participation rates will be effected.

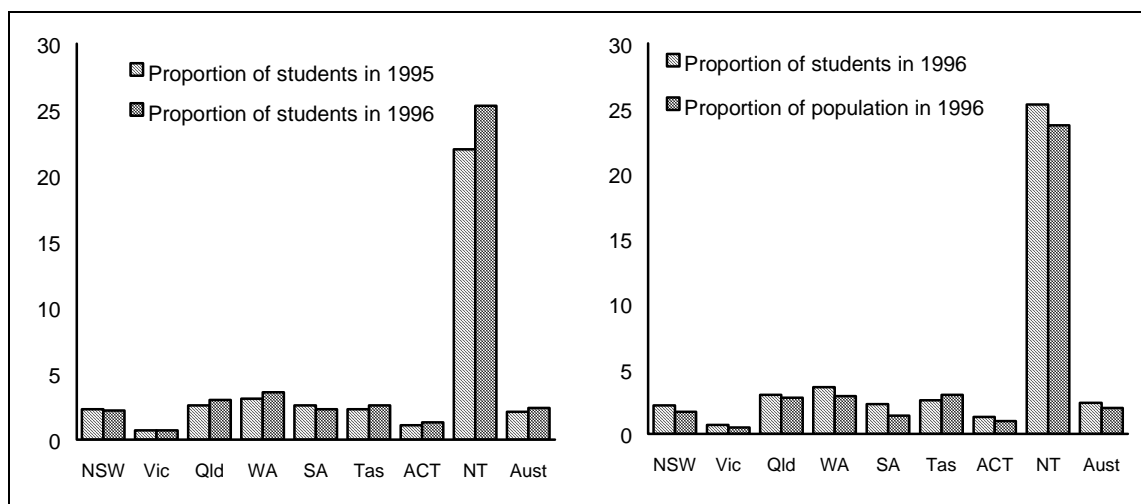
b The ACT rural participation rate was distorted because students living in adjacent rural areas in NSW attend VET institutions in the ACT, so their participation rate was disregarded for comparative purposes.

Source: Table 3A.10

### *VET participation of indigenous people*

The proportion of VET students who identified themselves as being an Aboriginal or Torres Strait Islander person ranged from 0.7 per cent in Victoria to 25.3 per cent in the NT in 1996. Indigenous people as a proportion of VET students was greater than this group's population share in all jurisdictions except Tasmania (Figure 3.10).

Figure 3.10: VET participation by indigenous people aged 15 to 64 years, 1995 and 1996 (per cent)



Source: Table 3A.11

Aboriginal or Torres Strait Islander students as a proportion of all students increased from 1995 to 1996 in all jurisdictions except NSW and SA. However, any decrease or increase must be considered in the context of the non-response rate (Table 3.4).

Table 3.4: Non-response rate in reporting of indigenous background of VET students aged 15 to 64, 1995 and 1996 (per cent)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
1995	16.9	12.1	23.2	46.8	43.2	4.4	2.4	14.3	20.8
1996	20.3	21.1	24.5	41.2	35.9	5.6	8.8	28.5	23.7

Source: Table 3A.12

### 3.6.2 Employer outcomes

#### *Employer satisfaction survey*

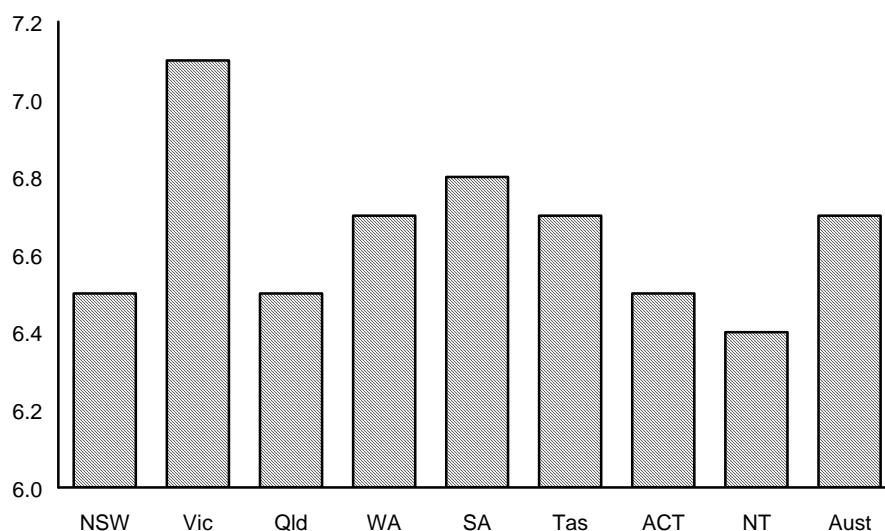
Employer satisfaction is an important indicator of the quality of VET services. A 1997 NCVER National Employer Satisfaction Survey obtained responses to questions on a variety of aspects of VET from 2687 employers in 17 different industries nationally (Table 3A.13). The survey targeted employers with a range of sizes of workforce including small (1 to 19 employees), medium (20 to 99 employees) and large (100 or more employees).

#### *Employer overall satisfaction with VET providers*

Of employers surveyed in 1997, Victorian employers of 1996 VET graduates were the most

satisfied with VET providers. On a scale from zero (very dissatisfied) to 10 (very satisfied) the surveyed employers' overall satisfaction with VET providers ranged from 6.4 in the NT to 7.1 in Victoria (Figure 3.11).

Figure 3.11: Overall employer satisfaction with 1996 VET providers, 1997 (0 — very dissatisfied; 10 — very satisfied)



Source: Table 3A.14

The satisfaction of surveyed employers with the VET system in 1997 varied across industries. The hospitality and mining industries were the least satisfied with VET providers while the construction and education industries were among the most satisfied (Table 3A.15).

#### *Employer views on the relevance of training*

Surveyed employers expressed a range of views about the relevance of the training their employees received in the 1996 VET system, and the extent to which training took employers' needs into account. A number of surveyed employers expressed high satisfaction with VET course content. Ten per cent of surveyed employers in the NT, and 9 per cent in NSW and Victoria, reported that the content of VET courses was at the leading edge of industry needs,

only 3 per cent of employers surveyed in Tasmania shared this view (Table 3.5).

Nationally, a further 81 per cent of surveyed employers agreed that the content of VET courses was either mostly current and useable by industry or directly relevant to industry needs, while 7 per cent said that the content of VET courses was not relevant to industry needs. The highest proportions satisfied with the content of VET courses were for Tasmania (92 per cent), SA (85 per cent) and Victoria (84 per cent) — satisfaction was lowest for the NT (77 per cent) (Table 3.5).

Table 3.5: Employer satisfaction with the relevance of VET course content, 1997 (per cent)

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Not relevant to industry's current need	8	3	10	7	7	4	7	11	7
Mostly current and useable by the industry	43	52	51	40	48	51	56	40	47
Directly relevant to the needs of the industry	35	32	30	41	37	41	25	37	34
At the leading edge of industry needs	9	9	8	5	8	3	6	10	8
Can not say	6	3	2	7	1	1	6	2	4

Source: Table 3A.16

### *Availability and accessibility of training*

The survey also reported employer satisfaction with aspects of availability and accessibility of the VET system. Surveyed employers in Victoria, Queensland, WA, SA and Tasmania reported above average satisfaction with the flexibility of VET course delivery. But an above average proportion of surveyed employers in NSW, the ACT and the NT reported that VET course delivery had limited or no flexibility (Table 3.6).

Table 3.6: Employer satisfaction with the flexibility of VET course delivery, 1997 (per cent)<sup>a</sup>

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Flexible course delivery	39	49	49	53	64	53	43	40	46
Limited or no flexibility in course delivery	57	46	44	39	33	45	53	57	48

a Flexibility of course delivery was determined by whether institutions try to meet individual and industry needs, and whether delivery is custom designed to suit individual and industry needs.

Source: Table 3A.17

### 3.6.3 Student outcomes

#### *Graduate destination survey*

ANTA commissioned a graduate destination survey in 1997 to establish the work and promotional opportunities resulting from training in the Australian VET system for 1996 TAFE graduates. In interpreting the results, it is important to remember that reported outcomes for VET students may be affected by factors external to the VET system such as general economic conditions and labour market conditions. Nevertheless, graduate destination surveys provide valuable information on student outcomes.

#### *Main reason for undertaking VET course*

About 77 per cent of surveyed TAFE graduates indicated that they enrolled in courses for work-related reasons. The proportion ranged from 71.5 per cent in WA to 89.0 per cent in Tasmania (Table 3.7).

Table 3.7: TAFE graduates: main reason for doing VET course, 1996 (per cent)

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
To get a job (or own business)	25.5	31.5	34.8	32.7	29.9	33.7	31.0	23.2	28.8
To try for a different career	12.2	12.1	13.2	13.3	11.4	9.6	12.3	14.9	12.3
To get a better job or promotion	13.0	10.3	9.4	8.8	16.8	9.0	11.1	11.2	12.0
To fulfil requirement of the job	10.2	11.0	7.5	10.3	11.9	26.1	9.4	9.8	10.5
To get extra skills for the job	13.9	13.3	13.9	6.4	13.7	10.6	10.7	16.4	13.1
To get into another course	6.6	6.1	6.1	8.9	4.5	0.8	10.5	1.9	6.4
Interest or personal development	15.4	12.2	10.9	16.1	8.9	6.2	11.5	17.6	13.6
Other <sup>a</sup>	2.5	2.5	3.4	2.6	1.9	3.0	2.6	3.5	2.5

a Includes *not stated*.

Source: Table 3A.18

The Graduate Destination Survey questioned 1996 TAFE graduates who were employed on 30 May 1997 about how relevant their course was to their main job and whether they received benefits as a result of doing the course.

Of those surveyed graduates who undertook their course for vocational reasons, an above-average

proportion in the ACT, the NT, SA, Victoria, WA and Tasmania reported that their course was highly relevant to their job. Tasmania (83.4 per cent) and SA (82.0 per cent) had the highest proportions reporting that their course was either highly relevant or of some relevance to their job (Table 3.8).

**Table 3.8: Employed 1996 TAFE graduates who undertook their course for vocational reasons — relevance of course to their main job, 1997 (per cent)**

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Highly relevant	51.6	56.0	51.3	58.2	55.8	68.2	53.9	54.9	53.7
Some relevance	26.5	24.1	26.2	18.4	26.2	15.2	23.0	25.3	25.1
<b>Total relevance</b>	<b>78.1</b>	<b>80.1</b>	<b>77.5</b>	<b>76.6</b>	<b>82.0</b>	<b>83.4</b>	<b>76.9</b>	<b>80.2</b>	<b>78.8</b>

Source: Table 3A.19

The proportion of surveyed graduates who undertook their course for vocational reasons and received a pay increase after completing their course ranged from 39 per cent in Tasmania to 26 per cent in Queensland. The proportion that received a promotion (or increased status at work) as a result of doing their VET course ranged from 16 per cent in Queensland to 28 per cent in SA (Table 3.9).

**Table 3.9: Employed 1996 TAFE graduates who undertook their course for vocational reasons — benefits as a result of doing their VET course, 1997 (per cent)**

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>
An increase in earnings	31	32	26	33	34	39	31	30
A promotion (or increased status at work)	22	20	16	19	28	25	23	22
Change of job or new job	28	32	35	36	34	29	34	30
Benefited in some way <sup>a</sup>	57	60	55	61	63	65	58	57

a 'Benefit in some way' may not equal the sum of the benefits, as graduates may report more than one type of benefit.

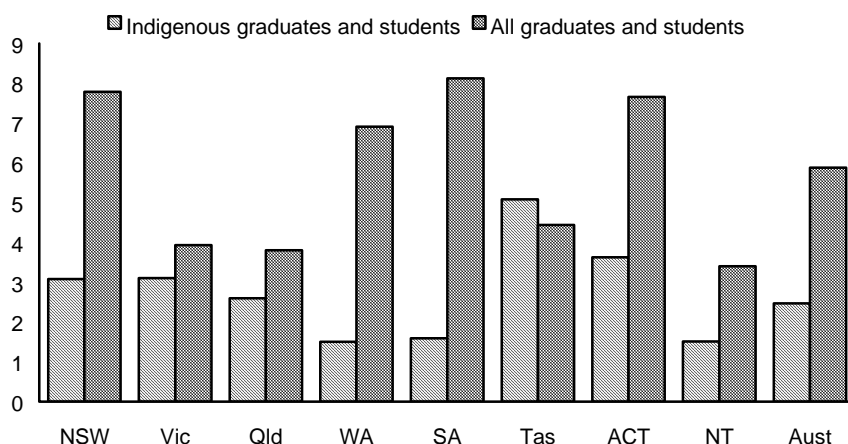
Source: Table 3A.20

### *Outcomes for Aboriginal and Torres Strait Islander graduates*

The TAFE graduates as a proportion of VET students, was lower for indigenous people than for the general population of VET students in 1996.

Tasmania, Victoria and Queensland reported the smallest difference between these two student graduation rates (Figure 3.12).

Figure 3.12: TAFE graduates as a proportion of VET students, indigenous and all students, 1996 (per cent)<sup>a,b</sup>



a Graduates who completed a course which had fewer than 200 contact hours were excluded from this analysis.

b Caution should be exercised in interpreting this Figure as the TAFE graduate data and VET student data were derived from different sources and had non-response rates which varied across jurisdictions.

Source: Table 3A.21

In all jurisdictions, except the ACT, indigenous TAFE graduates had less successful labour market outcomes than non-indigenous graduates in 1997. Less than 52 per cent of 1996 Aboriginal and Torres Strait Islander graduates were employed in 1997, compared with over 71 per cent of other graduates. NSW had the lowest indigenous graduate employment rate (47 per cent) while Tasmania had the highest (80 per cent) (Table 3.10).

Table 3.10: Proportion of 1996 TAFE graduates employed, 1997 (per cent)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Non-indigenous graduates	71	70	68	69	79	94	67	78	71
Indigenous graduates	47	57	48	46	70	80	78	49	52

Source: Table 3A.22

Indigenous TAFE graduates were far more likely than other Australian TAFE graduates to undertake a course for reasons of interest or personal development (21 per cent compared with 14 per cent respectively) (Table 3A.23).

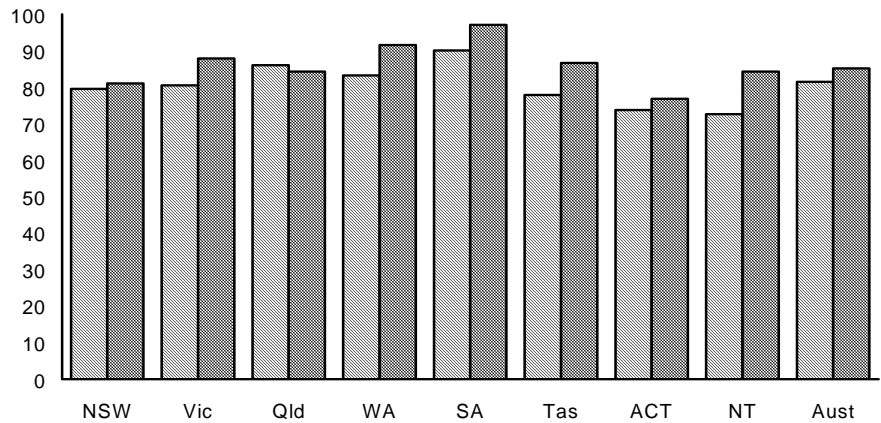
The qualifications acquired by Aboriginal and Torres Strait Islander graduates were significantly skewed towards the lower skill levels. Almost 44 per cent of indigenous TAFE graduates acquired a Certificate (other) level qualification compared with 26 per cent of the rest of the graduate population. Only 37 per cent of indigenous TAFE graduates acquired a higher qualification compared with 58 per cent of the rest of the graduate population (Table 3A.24).<sup>14</sup>

### *Completion rates*

Completion rates measure the extent to which students successfully complete the modules they start. This Report provides MLCRs — the number of students who completed a module as a proportion of all students who commenced modules.<sup>15</sup>

Completion rates in 1996 ranged from 77 per cent in the ACT to 97 per cent in SA. SA, WA (92 per cent), Victoria (88 per cent), and Tasmania (87 per cent) reported MLCRs above the national average. All jurisdictions except Queensland reported an increase in completion rates from 1995 to 1996, with the NT reporting the largest increase — approximately 12 per cent — to approach the national average (Figure 3.13).

Figure 3.13: VET Module Load Completion Rates (MLCR), 1995 and 1996 (per cent)



Source: Table 3A.25

### 3.6.4 Efficiency

Efficiency measures have been expanded in this Report to include government recurrent expenditure per total module load completion.

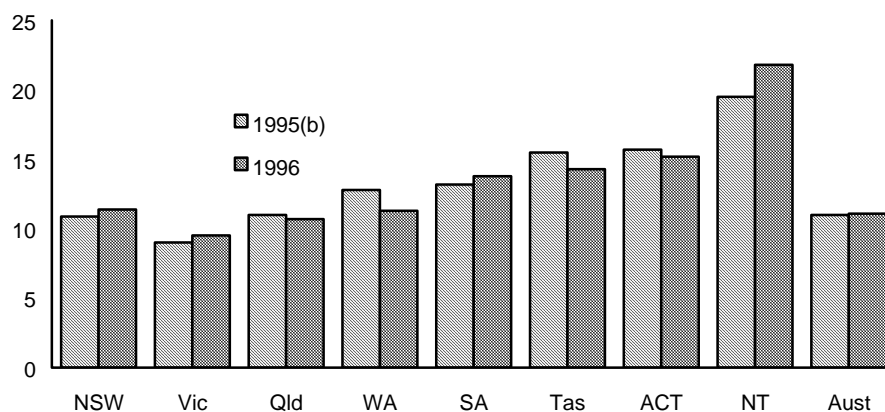
Some differences in indicator results for jurisdictions may reflect different counting and reporting rules for generating financial data. Differences may also reflect the treatment of expenditure items such as superannuation.

#### *Unit cost*

Unit costs measured in terms of adjusted annual hours of curriculum took account of differences in VET activity and course mix across jurisdictions.<sup>16</sup> Other external factors not accounted for (such as population density and the provision of VET for disadvantaged groups) may also have affected the comparability across jurisdictions of the unit cost of provision.

In 1996, recurrent expenditure per annual curriculum hour of government funded VET programs ranged from \$9.50 in Victoria to \$21.80 in the NT. Only Victoria and Queensland reported unit costs below the national average (Figure 3.14).

Figure 3.14: VET costs per adjusted annual curriculum hour, 1995 and 1996 (in 1996 dollars)<sup>a</sup>



a Changes to the methodology used to calculate confirmed invalid enrolments resulted in differing adjustments being applied in 1995 and 1996. In addition, the 1996 financial data were adjusted to provide comparability across jurisdictions (see Table 3A.27 for detailed changes).

b Data for 1995 was based on final audited information.

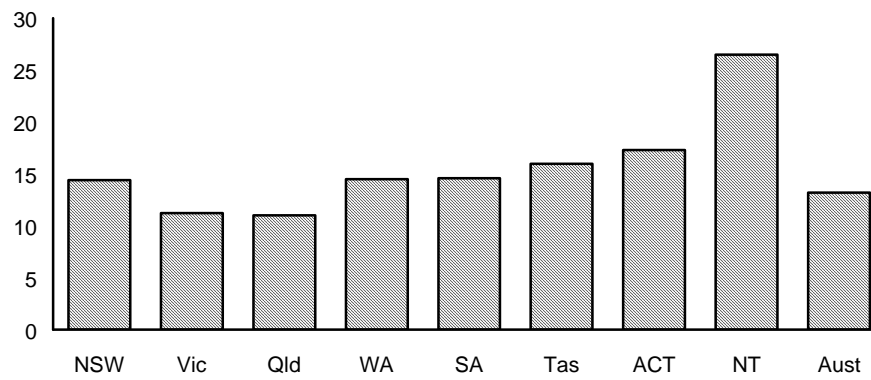
Source: Table 3A.27

Victoria, NSW, SA and the NT reported an increase in real unit costs per annual curriculum hour in 1996 while Queensland, the ACT, Tasmania, and WA reported a decline (Figure 3.14). These data should be interpreted with care because the collection method differed between the two years (see Table 3A.27 for detail).

***Government recurrent expenditure per total module completion***

Queensland and Victoria reported the lowest expenditure in government funded activity per total successful module completion. This expenditure was highest in the ACT and NT (Figure 3.15).

Figure 3.15: Government recurrent expenditure per hour of total successful module load completions, 1996 (\$)<sup>a</sup>



a Total successful module completion refers to successful training delivered through public provider activity (TAFE and ACE), including fee-for-service clients and publicly funded private providers. However, NT also included private providers which do not receive government funding.  
*Source:* Table 3A.26