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## 3 Vocational education and training

The focus of this chapter is on that part of the education and training system that provides individuals with employment related skills and learning. It includes government funded vocational education and training (VET) services supplied by publicly owned VET providers, the technical and further education (TAFE) institutes and universities with TAFE divisions, selected not-for-profit and community education providers, and for-profit private providers.

The performances of publicly funded VET services are assessed within a framework of effectiveness and efficiency indicators. Much of this information has been generated by the Australian National Training Authority's (ANTA) Performance Review Committee which was established in September 1996 to develop a comprehensive set of VET performance indicators and to analyse existing performance measurement data. VET services provided in schools are included in chapter 2 of this Report.

A profile of VET is presented in section 3.1, followed by a brief discussion of recent policy developments in section 3.2. Together these provide a context for assessing the performance indicators presented later in the chapter (see box 3.1 for a description of some of the common terms used in the chapter). All jurisdictions have agreed to develop and report comparable indicators, and a framework of performance indicators is outlined in section 3.3. The data are discussed in section 3.4 and future directions in performance reporting are discussed in 3.5. The chapter concludes with jurisdictions' comments in section 3.6.

Improvements in the quality of data and performance indicators this year include:

- a refinement of the performance indicator framework to indicate broadly the relationship between ANTA's five objectives for VET and the reported performance indicators;
- an improvement in the comparability of expenditure data between jurisdictions, with government recurrent expenditure reported on an accrual accounting basis for the first time; and
- an enhancement of data on employer satisfaction to include information on employers that do not employ VET graduates.

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### Box 3.1 **Some common VET terms**

**Annual hours curriculum:** the total number of hours of training delivered in a year, calculated by multiplying the approved number of hours for a curriculum module by the number of modules delivered to the number of students in a traditional, supervised delivery setting.

**Course:** a structured sequence of vocational education and training which leads to the acquisition of identified competencies and includes assessment leading to a qualification or statement of attainment.

**Module:** a unit of training in which a student can enrol and be assessed.

**Module load completion rate:** the ratio of students who completed a module (whether or not they were finally assessed) to all students who commenced a module and are no longer training in it. The calculation is based on the module curriculum hours for each module.

**Unit of competency:** the basic unit in the competency standards framework. A unit of competency is the smallest unit that can be assessed and recognised in the vocational education and training system.

**Training package:** contains industry competency standards, guidelines for assessment and qualifications that result from successful assessment. It can also contain training and assessment resources. As they are developed, training packages are becoming the basis for all government funded training. New Apprenticeships are based on training packages.

*Source:* ANTA (1999a).

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

The VET system is an integral part of Australia's general education system. It plays an important role in providing and updating the skills of the Australian workforce, with at least 31 per cent of the Australian workforce holding VET qualifications in May 1998 (ABS 1998).

### **Definition of VET**

VET can broadly be defined as the part of the education and training system that provides individuals with employment related skills and learning. The general roles of the system (and the main reasons that students attend VET programs) are to:

- provide skills that enhance ability to enter the workforce;
- retrain or update workforce skills; and

- provide a stepping stone to further tertiary education.

In any dynamic economy there will be some mismatch between those skills demanded by employers and those possessed by people looking for work. Many employers in Australia in the first half of 1998-99 found it difficult to fill employment vacancies requiring certain skills at prevailing wage rates (for example, child care coordinator, chef, metal machinist, motor mechanic and pastry cook positions), despite an unemployment rate of 7.9 per cent (box 3.2) (ABS 1999). The VET system attempts to provide individuals with vocational skills demanded by employers and covered by the VET sector. However, a perfect match is never possible and many factors (including working conditions, career choices, industry profile and employer attitudes) influence both the supply of and demand for skills at regional, State and Territory, and national levels.

**Box 3.2 National skill shortage list (first half of 1998-99)**

The Department of Employment, Workplace Relations and Small Business compile a list of skill shortages at the national level. There may be regional skill shortages that are not reflected in this list.

**Managers and administrators**

Child care coordinator

**Associate professionals**

Chefs (for 4–5 star hotels and selected Asian cuisines such as Thai and Japanese)

**Tradespersons**

Metal machinist	Toolmaker	Metal fabricator (boilermaker)
Welder	Sheetmetal worker	Motor mechanic
Automotive electrician	Panel beater	Vehicle painter
Solid plasterer	Pastry cook	Hairdresser
Furniture upholsterer	Refrigeration and air-conditioning mechanic	

*Source:* DEWRSB (1999).

## Diversity of VET

The VET system involves a complex interaction of employers, Commonwealth, State and Territory, and local governments (as both purchasers and providers), and an increasing number of specialist private providers. The system provides a diverse range of programs and qualification levels, with course durations varying from a module (a stand-alone course component or subject) of a few hours to full courses of up to three years (box 3.3).

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### Box 3.3 Diversity of VET training

**Level of training:** ranges from a single module or unit of competency (that can involve fewer than 10 contact hours) to advanced diplomas (that can involve up to three years of full time study). All training levels in the VET system need to be assessed because many students complete modules or units of competency (that do not provide a course award) without intending to complete a course.

**Type of training:** ranges from formal classroom learning to workplace based learning. It can be flexible self-paced learning and/or online training. The availability of distance education has increased with off-campus options such as correspondence, Internet study and interactive teleconferencing.

**Type of training institutions:** ranges from institutions specialising in VET delivery (such as publicly owned TAFE institutes, and agricultural colleges, private providers and Adult Community Education providers) to secondary schools and universities. The latter have started to provide dual award courses which combine their traditional studies with VET, with an award from both the VET provider and the secondary school or university. In addition to specialist institutions, employers in the workplace deliver much informal on-the-job training which does not lead to a qualification.

## Total expenditure on VET

Total expenditure on VET by governments, employers and individuals was an estimated \$8.5 billion in 1998, equivalent to approximately 1.5 per cent of gross domestic product. Enterprises contributed 45 per cent of funding, with governments and individuals contributing 44 per cent and 11 per cent respectively (ANTA 1999a).

This Report covers VET services that receive funds from government (that is, only VET courses [streams 2100 – 4500] and modules, not recreational, leisure and personal enrichment courses [stream 1000 activity]). Thus, the scope of VET covered here aligns with the annual VET data collection by the National Centre for Vocational Education Research (NCVER). This includes publicly funded provision in TAFE institutes and universities with TAFE divisions, agricultural colleges, other government institutions and community providers, and publicly funded activity by private providers. Fee-for-service provision by TAFE institutes is also included in the general data collection (but is excluded from the unit cost calculations). Such fees include those received from individuals and organisations (other than regulatory student fees) and Commonwealth and State Government funding under specific purpose programs (such as the Labour Market Program and Adult Migrant English Services).

## Size and scope of publicly funded and/or provided VET

Over 1.5 million people undertook publicly funded and/or provided vocational programs in 1998 (up by 76 600 students, or 5 per cent, from the 1997 level), comprising about 11 per cent of the Australian population aged 15–64 years (ANTA 1999a). People aged 15–64 years form the main target population for VET activities, and this group is used here for per person comparisons across jurisdictions.

Over 312 million hours of VET programs were publicly funded or delivered on a fee-for-service basis by public providers in 1998 (ranging from 103.9 million hours in NSW to 3.3 million hours in the NT), up 4 per cent from the delivery hours in 1997. These programs were delivered by 92 public training institutions, 575 community based providers and 1912 publicly funded private providers (NCVER 1999c).

The size of VET training provider locations varied across jurisdictions in 1998, ranging from 768 students per training location in NSW to 79 students per training location in the NT (table 3.1). Similarly, there was a large variation in the number of VET hours delivered per training provider location.

Table 3.1 **Size and scope of publicly funded and/or provided VET, 1998<sup>a</sup>**

	<i>Unit</i>	<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>
Training provider locations	no.	673	916	918 <sup>b</sup>	268	346 <sup>c</sup>	127	55	223	3 526
Hours delivered per training provider location	'000	154.4	94.3	61.6	105.2	62.1	53.3	111.9	14.6	88.7
Students per training provider location	no.	768	468	283	429	431	228	336	79	435

<sup>a</sup> Includes publicly funded VET programs and fee-for-service provision by public providers. Excludes fee-for-service provision by private providers. <sup>b</sup> Includes 287 providers of VET in schools. <sup>c</sup> Includes 137 providers of VET in schools.

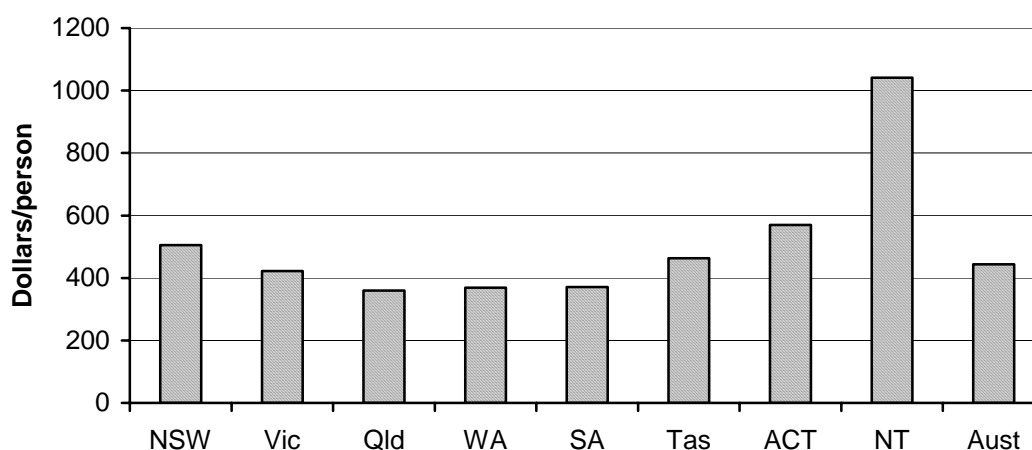
Source: table 3A.1.

### *Size and scope of the publicly owned VET system*

State and Territory TAFE institutes and universities with TAFE divisions provide the majority of publicly funded VET services, delivering approximately 86 per cent of all VET hours in 1998 (compared to about 90 per cent in 1997). Adult and community education providers and private providers delivered the remaining 14 per cent of VET hours in 1998 (compared to about 10 per cent in 1997) (NCVER 1999a).

The infrastructure (net assets) of the government owned TAFE institutes and universities with TAFE divisions was worth over \$5.5 billion at 31 December 1998, of which 89 per cent comprised the value of land and buildings (NCVER 1999b). The value of these assets per person (aged 15–64 years) varied across jurisdictions, ranging from \$1041 in the NT to \$359 in Queensland (figure 3.1).

**Figure 3.1 Net assets of public VET providers per person aged 15–64 years, 1998**



Source: table 3A.3.

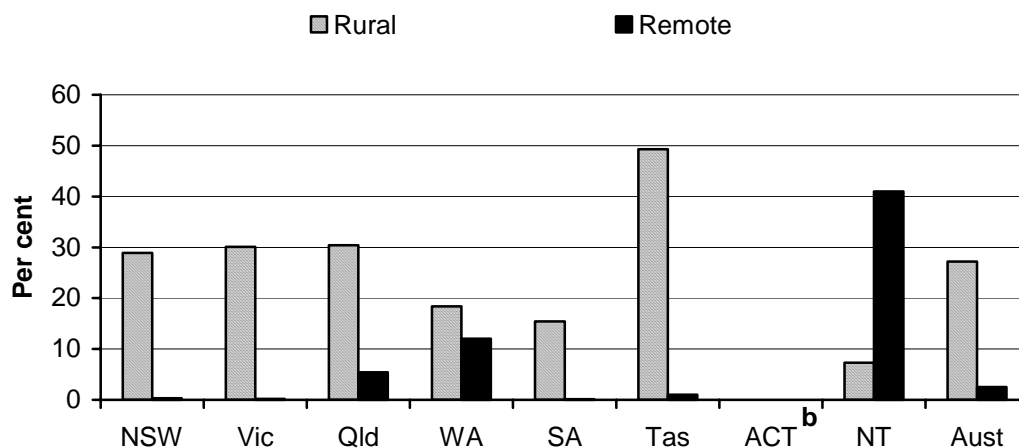
### *Students studying in rural and remote locations*

The proportion of students studying in rural and remote locations varied across jurisdictions in 1998. For those jurisdictions with rural and/or remote locations, the proportion of students studying in rural locations ranged from 49 per cent in Tasmania to 7 per cent in the NT, while the proportion in remote locations ranged from 41 per cent in the NT to 0 per cent in NSW, Victoria and SA (figure 3.2).

### *Government recurrent VET expenditure per person*

Government recurrent VET expenditure is reported on an accrual basis for the first time this year. Accrual expenditure data are reported for both 1997 and 1998. It is not meaningful to compare the figures reported here with data published in previous reports. Recurrent government VET expenditure per person aged 15–64 years ranged from \$223 in Victoria to \$473 in the NT in 1998. Per person expenditure in NSW, the ACT and the NT was higher than the national average. All jurisdictions other than WA, SA and Tasmania reported an increase in real expenditure per person between 1997 and 1998 (figure 3.3).

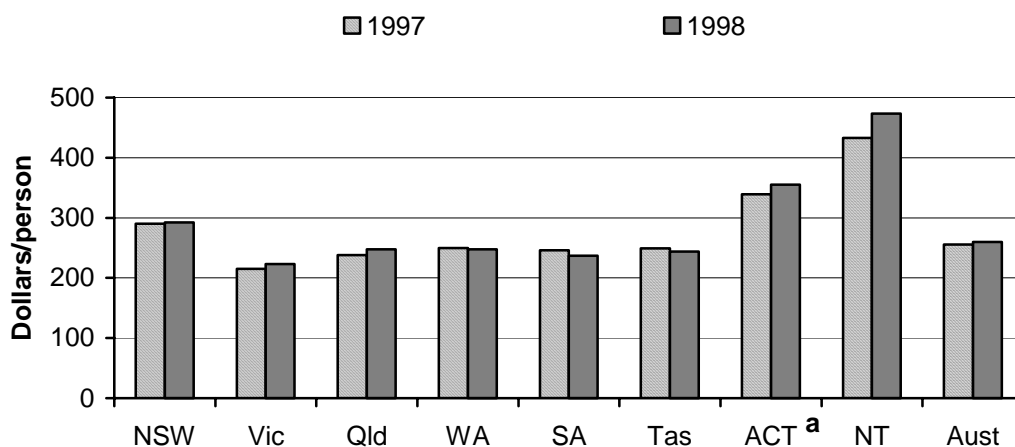
Figure 3.2 Proportion of students studying in rural and remote locations, 1998<sup>a</sup>



<sup>a</sup> Excludes a small percentage (0.3 per cent) of clients attending a training provider location that is outside the State or Territory of the reporting organisation. <sup>b</sup> There were no students studying in rural and remote areas in the ACT.

Source: table 3A.1.

Figure 3.3 Real recurrent government VET expenditure per person aged 15–64 years (in 1998 dollars)



<sup>a</sup> The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate, based on the ACT payroll tax rate, has been included in the expenditure data presented (\$17 for 1997 and \$17 for 1998). The payroll tax estimate has increased recurrent government VET expenditure per person in the ACT to \$337 in 1997 and to \$352 in 1998.

Source: table 3A.2.

Under the revised ANTA Agreement 1998–2000, the Commonwealth has agreed to maintain funding levels in real terms for vocational education and training. States

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and Territories have agreed to achieve growth in delivery of VET services by identifying efficiencies to assist in releasing funds for growth and system enhancements. System enhancements have costs in the short term but should increase efficiency and/or quality over time, and have been identified as required outcomes under the ANTA agreement.

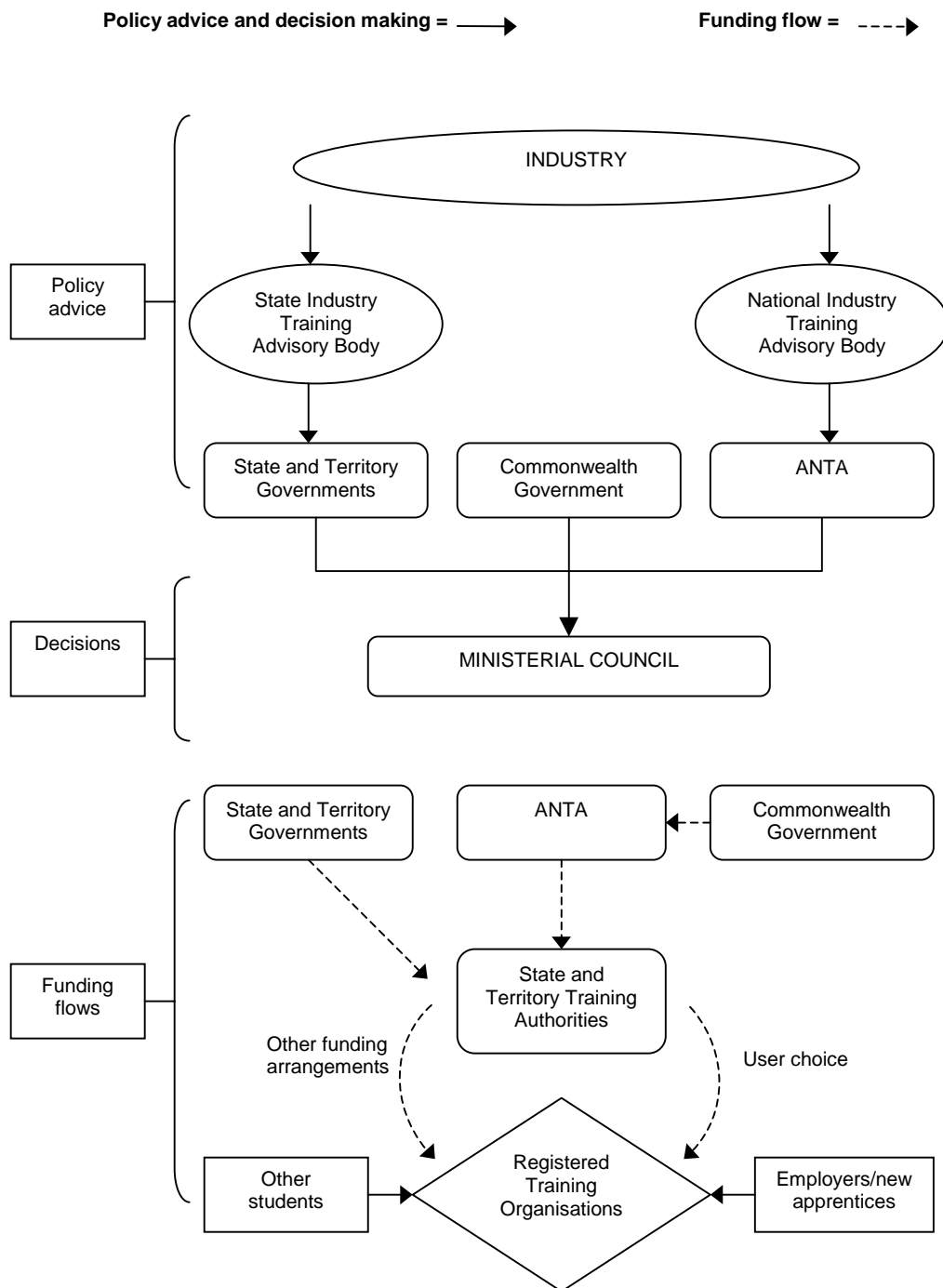
## **Institutional structure and funding**

The national VET system is a cooperative arrangement between Commonwealth, State and Territory governments, industry (represented by Industry Training Advisory Bodies) and private and public providers. The bodies that provide funds, advice and decisions are not necessarily the same (figure 3.4). State and Territory governments play dual roles as both purchasers of VET services (from private providers, and adult and community providers) and direct deliverers of services (through TAFE institutes and universities with TAFE divisions) in the publicly funded VET system. In addition, each State and Territory government is responsible for administering its training system, setting fees and determining exemption, concession and loan arrangements for students.

Public VET funding comes from Commonwealth, State and Territory governments. State and Territory governments provided just over 70 per cent of recurrent government funding in 1998 and the Commonwealth Government provided the remainder (NCVER 1999b).

The proportion of government funding allocated to private and adult and community providers varied across jurisdictions — Queensland, Victoria and SA had the highest proportions in 1998 (11 per cent, 7 per cent and 7 per cent respectively) and Tasmania and NSW had the lowest (3 per cent and 4 per cent respectively). All jurisdictions reported a real increase in the amount of government funds going to private providers and adult and community providers for VET delivery between 1997 and 1998 (NCVER 1999b) (table 3.2).

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



**Table 3.2 Government funding to private providers and adult and community providers of VET, 1998<sup>a</sup>**

	<i>Unit</i>	<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>
Government funding	\$m	53.9	64.5	73.0	20.2	20.1	3.3	4.5	3.6	243.1
Proportion of State total	%	3.8	6.8	11.1	5.4	6.8	3.4	5.0	5.0	6.1
Real increase between 1997 and 1998 <sup>b</sup>	%	12.8	79.0	44.2	30.4	10.3	25.4	20.2	4.6	36.7

<sup>a</sup> Payments to non-TAFE providers of VET delivery included payments to: secondary schools, other government providers, enterprises, private providers, community providers, industry and local government providers. <sup>b</sup> Adjusted for inflation using the ABS' gross domestic product deflator.

Source: table 3A.4.

## Funding VET services through competitive processes

Competitive tendering mechanisms for funding VET are designed to expose the sector to greater competition by facilitating the entry of new providers and expansion of existing providers. Competitive tendering may also potentially have an effect, either positive or negative, on other dimensions of VET service provision including quality and equity target group access. Some jurisdictions are pursuing efficiency and effectiveness gains through competitive tendering mechanisms.

Employers consider that the ability to choose a training provider is important to their business. Results from the 1997 Employer Satisfaction Survey indicated that 77 per cent of employers believed that having a choice of training providers was 'very important' (46 per cent) or 'important' (31 per cent) to their business. Large employers were more likely to say that choice was 'very important' or 'important' (86 per cent) than were medium (75 per cent) or small employers (78 per cent) (NCVER 1998).

Competitive tendering was introduced in 1995 to allocate \$21 million of additional Commonwealth funds to public and private providers (HRSCEET 1998). A small but growing proportion of government VET funding is allocated through directly competitive processes. However the majority of government VET funds are allocated to major public providers based on the planned activity of State training authorities (which plan the amount of annual curriculum hours to be delivered in each field of study).

Processes used to allocate funds on a competitive basis include:

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

An estimated \$198 million of public VET funding was allocated on a competitive basis in 1998 (excluding user choice arrangements) — up almost 30 per cent from the amount in 1997 (ANTA 1999b). Including user choice arrangements, this figure increases to \$339 million in 1998 (ANTA 1999c). The degree of competition in the tendering process varies across jurisdictions. Some funds are potentially available to both public and private providers (open competitive tendering) whereas some tendering is restricted to either public or private providers (limited competitive tendering). Similarly, the potential for competition, in terms of the size of the market of potential providers also varies across jurisdictions (table 3.3).

The NT was unable to provide data on the level of public VET funding allocated on a competitive basis.

**Table 3.3 Allocation of government funds for VET, by selected allocation mechanisms, 1998**

	<i>Unit</i>	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>
Competitive tendering									
–Open competitive tendering <sup>a</sup>	%	2.4	5.6	6.7	5.1	4.2	1.7	3.7	na
–Limited competitive tendering <sup>b</sup>	%	0.0	0.2	0.0	0.0	0.0	0.0	0.0	na
User choice (apprentices and trainees)	%	3.2	7.6	13.6	2.2	6.9	16.2	8.0	na
Recurrent government funding <sup>c</sup>	\$m	1 017.9	612.0	499.8	256.2	203.3	69.5	53.0	53.2

<sup>a</sup> The tendering process is open to both public and private providers. <sup>b</sup> The tendering process is restricted to either public or private providers. <sup>c</sup> Recurrent government funding was sourced from note 7 of the NCVER Financial Report. (It includes State recurrent funding and Commonwealth general purpose recurrent funding.)  
**na** Not available.

Source: table 3A.5.

TAFE institutes and universities with TAFE divisions may be subject to a number of factors that affect their ability to effectively compete for funding allocated by competitive tendering (box 3.4).

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#### Box 3.4 TAFE institutes and competitive tendering

The House of Representatives Standing Committee on Employment, Education and Training (HRSCEET) argued that the following factors impede the competitive position of TAFE institutes.

- Many publicly owned TAFE institutes and universities with TAFE divisions cannot retain revenue earned from fee-for-service activity.
- Governments set concessional fees but do not necessarily compensate TAFE institutes and universities with TAFE divisions for the revenue lost in meeting this community service obligation.
- Governments set mainstream course fees that may not reflect course costs.
- Governments require publicly owned TAFE institutes and universities with TAFE divisions to operate in higher cost regional and remote areas.

However, TAFE institutes and universities with TAFE divisions also have some competitive advantages over other VET providers. The HRSCEET notes that a main advantage is the size and value of the public infrastructure to which they have access.

Source: HRSCEET (1998).

## 3.2 Policy developments in vocational education and training

Ministers for VET agreed in May 1998 to seven national priorities for 1999:

- *Implementing 'New Apprenticeships'*. Ministers agreed to continue this program as a national priority. The focus will be on increasing the number of 'New Apprenticeship' commencements in general and group training arrangements in particular.
- *Achieving diversity and flexibility to meet clients' needs*. The focus will be on increasing clients' access to quality providers and implementing user choice arrangements; informing clients about their training options; increasing flexibility in service delivery; and expanding VET in schools.
- *Improving language, literacy and numeracy skills*. The focus will be on implementing the National Collaborative Adult English Language and Literacy Strategy; integrating language, literacy and numeracy into vocational courses; expanding workplace delivery of language, literacy and numeracy programs; and encouraging professional development.

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- *Implementing the national training framework.* The focus will be on increasing skill quality, national portability and recognition; enhancing training packages, expanding their coverage and ensuring maximum flexibility across industries; improving credit transfer and articulation arrangements between VET and higher education.
  - *Increasing industry investment in training.* The focus will be on expanding industry/provider partnerships and optimising the participation of small business in training. Specific initiatives will focus on simplifying the language of VET and marketing the possible VET outcomes for clients.
  - *Providing greater opportunities and improved outcomes for under-represented clients.* The focus will be on increasing opportunities and improving outcomes for underrepresented clients, particularly at and above the third level of the Australian Qualifications Framework (AQF Certificate III and equivalent).
  - *Achieving greater efficiency.* The focus will be on delivering further growth using savings achieved through efficiency improvements; implementing strategies to support the agreed outcomes of the Infrastructure Review Program; and implementing agreed key performance measures in accordance with the agreed timeframe (ANTA 1999b).

### **3.3 Framework of performance indicators**

The framework used in this Report is built around a set of shared VET objectives (box 3.5).

The performance indicators discussed in this Report reflect the national VET objectives: for example, the *participation by target groups* indicator captures the equity of VET outcomes; the *skill profile* indicator captures the mobility of the labour market; the *overall employer satisfaction with VET* indicator captures preparing people for work; and the *recurrent expenditure per annual curriculum hour* indicator captures maximising the value of public VET expenditure (figure 3.5).

#### **Employer outcomes**

The data from the Employer Satisfaction Survey also includes employers with little or no direct experience with the VET system for the first time.

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**Box 3.5 Objectives for VET services**

Ministers for VET agreed in 1997 on the following four objectives of VET services:

- to achieve equitable outcomes in VET;
- to enhance mobility in the labour market;
- to equip Australians for the world of work; and
- to maximise the value of public VET expenditure.

In early 1998, a fifth objective was added:

- to increase investment in training.

*Source:* ANTA (1998b).

## Efficiency indicators

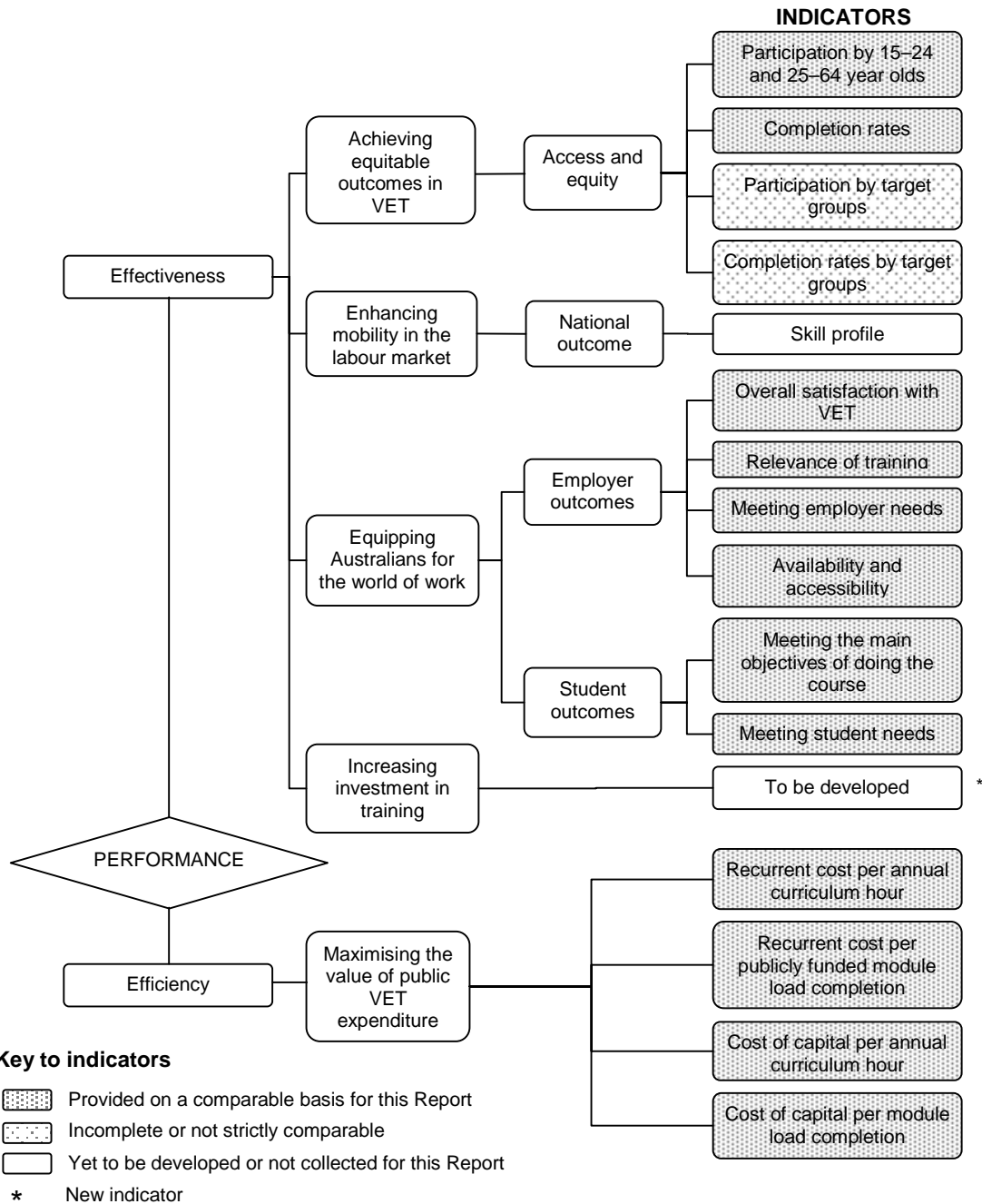
Government recurrent expenditure is reported on an accrual basis for the first time in this Report. The move to accrual reporting enhances comparability between jurisdictions. It inflates expenditure figures in relation to cash based expenditure figures reported previously and therefore represents a break in the series. However, Ministers agreed that 1997 would be the transitional year, so accrual data for 1997 and 1998 are available for cross-year comparisons.

Ongoing work to provide a more comprehensive set of performance indicators and to improve existing indicators and the data is discussed in section 3.5.

## 3.4 Key performance indicator results

Different delivery contexts, locations and types of client may affect the effectiveness and efficiency of VET services. Appendix A contains detailed statistics and short profiles on each State and Territory, which may assist in interpreting the performance indicators presented in this chapter.

Figure 3.5 Performance indicators for VET services



<sup>a</sup> The depicted relationship between the performance indicators and objectives for VET is imperfect. In some cases the performance indicators may relate to more than one of the objectives for VET: for example, the indicator ‘Meeting the main objectives of doing the course’ also reports on results for target groups which fall under the equity objective, and the access and equity indicators also relate to the objective of enhancing mobility in the labour market. <sup>b</sup> The VET sector has identified total investment in VET as a key performance measure, but this is included as descriptive (not performance) information in this Report.

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## Access and equity

This Report provides data on the extent to which the general population, young people and the ANTA-designated equity target groups have access to and participate in the publicly funded VET system. ANTA-designated equity target groups are women, Aboriginal and Torres Strait Islander peoples, people with a disability, residents of rural and remote communities, and people from non-English speaking backgrounds.

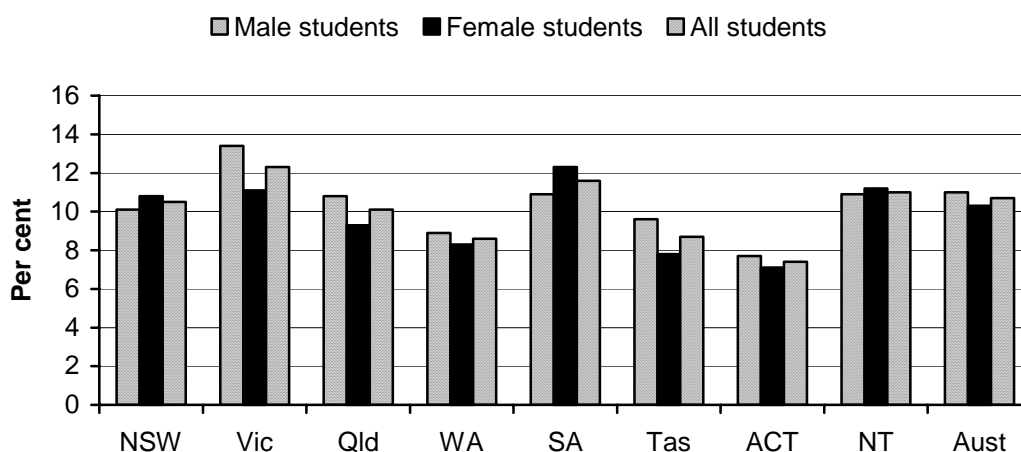
### *VET participation of the general population*

The national VET participation rate for people aged 15–64 years was 11 per cent in 1998. Victoria and SA reported the highest participation rates (12 per cent) and the ACT reported the lowest (7 per cent). The national participation rate was lower for females than for males, but NSW, SA and the NT reported the reverse (figure 3.6). All jurisdictions reported a growth in female participation between 1997 and 1998 (table 3A.8).

Males aged 15–29 years had higher participation rates than those of their female counterparts, with the reverse being true for the group aged 40–64 years. Males and females were equally likely to participate at 30–39 years of age (table 3A.6).

**Figure 3.6 VET participation rates for people aged 15–64 years, 1998**

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Data source: table 3A.8.

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### *VET participation of young people (15–24 years of age)*

Over 587 000 young people (22 per cent of Australia's 15–24 year olds) participated in VET in 1998. Traditionally, young males (15–24 years of age) have had a higher VET participation rate than that of young females, and this pattern continued in 1998. The majority (81 per cent) of young people undertook their training at TAFE or other government providers with the remainder split between community education and other registered providers (NCVER 1999c).

### *Completion rates for the general population*

Completion rates report the extent to which students successfully complete the modules they start. Comparisons should be made with care because average module durations and competencies achieved by students vary across jurisdictions. This Report provides module load completion rates (the proportion of all confirmed module hours delivered that were associated with successfully completed modules) for all students and ANTA-designated equity target groups.

Completion rates in 1998 ranged from 74 per cent in the NT to 90 per cent in Tasmania. SA, Tasmania and the ACT reported rates above the national average of 80 per cent. In general, there was little difference in the completion rates of males and females in each jurisdiction (table 3.4).

**Table 3.4 Module load completion rates, 1998 (per cent)<sup>a</sup>**

	<i>NSW</i>	<i>Vic</i>	<i>Qld<sup>b</sup></i>	<i>WA<sup>c</sup></i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Male	80.6	81.7	77.9	78.2	88.3	90.6	83.8	72.9	80.8
Female	79.6	79.1	79.4	79.3	86.8	89.5	81.8	74.3	79.9
All	80.1	80.3	78.7	78.8	87.5	90.0	82.8	74.2	80.4

<sup>a</sup> Comparisons should be made with care across jurisdictions because average module durations and competencies achieved by students vary across jurisdictions. <sup>b</sup> Queensland changed its policy about recording outcomes, which also affects their pass and completion rates and comparability over time. <sup>c</sup> WA changed its policy about the length of time before '05' enrolment records are classified as a failure in 1998, so the pass rates and completion rates are not comparable to previous years.

Source: table 3A.7.

### *VET participation of target groups*

A key national goal of the VET system is to increase opportunities and outcomes for disadvantaged groups. Participation by these groups, compared with their representation in the general population, may reflect the effectiveness of current strategies in achieving this objective. However, participation rates of people with special needs should be interpreted with care because the data generally depended

on self identification at the time of enrolment, and nonresponses (that is, students who did not indicate whether they had special needs) were often both high and variable across jurisdictions.

The VET participation rate of people with a disability was seemingly below their representation in the population in all jurisdictions, although there were very high nonresponse rates for several jurisdictions (table 3A.9).

The national participation rate of people identifying themselves as being from a non-English speaking background (that is, people born in a non-English speaking country) was below their representation in the population. However, for the third year, Queensland, Tasmania and the ACT reported a participation rate above this group's share of the population (table 3.5). These three jurisdictions also reported the lowest nonresponse rates. The nonresponse rates in WA (54 per cent) and NT (38 per cent) increased in 1998 and remained high in SA (42 per cent). Given such high nonresponse rates, comparisons across jurisdictions must be treated with caution (table 3.5).

**Table 3.5 VET participation by people from a non-English speaking background, by country of birth, 1998 (per cent)**

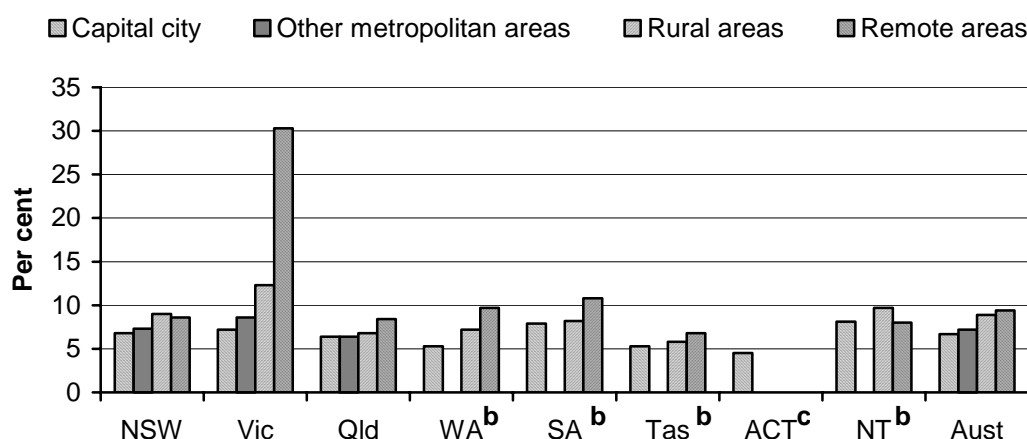
	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Students who reported being born in non-English speaking countries	15.1	14.2	8.5	6.9	8.2	6.7	14.8	6.0	12.2
People who were born in mainly non-English speaking countries, as a proportion of the total population	15.8	17.1	7.3	11.8	10.6	3.9	13.8	8.1	13.3
Nonresponse rate <sup>a</sup>	19.8	20.7	9.1	53.6	41.8	1.5	11.8	37.6	22.6

<sup>a</sup> Students who did not indicate the country in which they were born.

Source: table 3A.10.

Rural and remote area (see section 3A.3, 'Definitions and explanatory notes') participation rates were highest in Victoria (12 per cent and 30 per cent respectively). The remote area participation rates for SA (11 per cent) and WA (10 per cent) were also above the national average. Queensland, Tasmania and the ACT had below average participation by people living in each of the regions for which meaningful participation rates could be calculated (figure 3.7). Interpretation of rural and remote area participation rates should consider both the target population and the proportion of students from these regional areas (figure 3.2 and appendix A).

Figure 3.7 VET participation, by region, 1998<sup>a</sup>



<sup>a</sup> Interpretation of rural and remote participation rates should consider the absolute number of students from these regional areas (figure 3.2 and appendix A). <sup>b</sup> The number of students from other metropolitan areas is too small to calculate meaningful rates. <sup>c</sup> The numbers of students from rural areas, remote areas and other metropolitan areas are too small to calculate meaningful rates.

Source: table 3A.11.

The proportion of VET students who identified themselves as being an Aboriginal or Torres Strait Islander person ranged from 1 per cent in Victoria and the ACT to 31 per cent in the NT in 1998. When the proportion is rounded to the nearest whole number, the proportion of VET students who identified themselves as being an Indigenous person was greater than or equal to the Indigenous population share in all jurisdictions (table 3.6).

Table 3.6 VET participation by Indigenous people, 1998 (per cent)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Students who reported being Indigenous	2.6	0.9	4.8	5.4	1.8	2.7	1.1	30.9	2.9
Indigenous people as a proportion of the total population	1.7	0.5	2.9	3.0	1.4	3.0	1.0	24.4	2.0
Nonresponse rate <sup>a</sup>	19.3	19.9	10.8	34.4	43.4	6.8	6.2	15.1	21.0

<sup>a</sup> Students who did not indicate if they were Indigenous.

Source: table 3A.12.

### Completion rates for target groups

One ANTA-designated equity target group — students from rural areas — reported completion rates higher than the national average in 1998 (82 per cent compared with 80 per cent for all students) (table 3.7). However, comparisons should be made

with care because average module durations and competencies achieved by students vary across jurisdictions.

Tasmania reported the highest completion rates for Indigenous people (79 per cent) and people from rural and remote areas (90 per cent and 97 per cent respectively). SA reported the highest completion rates for people with a disability (84 per cent) and people from a non-English speaking background (88 per cent). However, Tasmania and SA also reported the two highest completion rates for all students (90 per cent and 88 per cent respectively) (table 3.7).

**Table 3.7 Module load completion rates, by target groups, 1998 (per cent)<sup>a</sup>**

	<i>NSW</i>	<i>Vic</i>	<i>Qld<sup>b</sup></i>	<i>WA<sup>c</sup></i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
All people	80.1	80.3	78.7	78.8	87.5	90.0	82.8	74.2	80.4
<i>Target groups</i>									
Students who reported being Indigenous	64.3	68.4	67.7	63.2	75.9	78.9	76.9	62.7	67.4
Students who reported having a disability	76.6	76.7	75.1	72.5	84.4	81.1	77.2	69.7	76.3
Students who reported being from a non-English speaking background	78.3	77.2	68.0	78.2	88.2	86.0	75.7	70.4	76.7
Rural area students	80.2	83.2	80.6	77.4	88.2	90.2	88.2 <sup>d</sup>	79.6	81.8
Remote area students	77.5	79.9	83.0	74.3	87.1	96.5	<sup>e</sup>	70.2	78.7

<sup>a</sup> Comparisons should be made with care because average module durations and competencies achieved by students vary across jurisdictions. <sup>b</sup> Queensland changed its policy about recording outcomes, which also affects pass and completion rates and comparability over time. <sup>c</sup> WA changed its policy about the length of time before '05' enrolment records are classified as a failure in 1998, so the pass rates and completion rates are not comparable with previous years. <sup>d</sup> Regional participation rates are based on the home address postcodes of students. The ACT rural participation rate was distorted because students living in adjacent rural areas in NSW attend VET institutions in the ACT. <sup>e</sup> Number is too small to calculate a meaningful rate.

Source: table 3A.7.

## Employer outcomes

Employer satisfaction is an important indicator of the quality of VET services. The NCVET 1999 Survey of Employer Views on Vocational Education and Training, contracted by ANTA, obtained views on aspects of VET from 3558 employers in 17 different industries nationally (tables 3A.13 and 3A.16). The 1999 survey also draws a distinction between employers with direct experience of the VET system and those with little or no experience. The scope of the survey was expanded in 1999 to include both employers employing a recent VET graduate before they completed a course and those without a VET graduate. Of the 3558 employers surveyed, 2504 employed a recent VET graduate before the graduate had completed their training (for further detail, see NCVET 1999e).

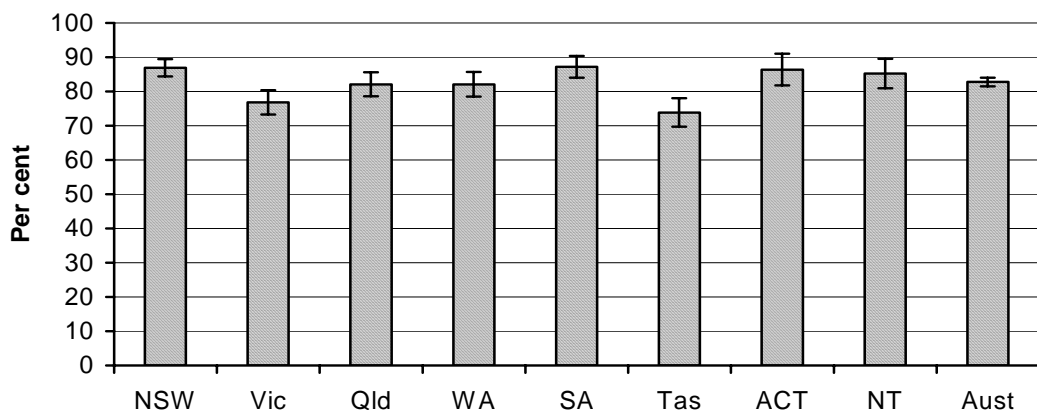
The precision of survey estimates depends on the survey sample size and the sample estimate. Larger sample sizes result in higher precision, as do larger sample estimates: for example, if 90 per cent of surveyed respondents chose an answer, there would be less uncertainty about the actual population's views than if 50 per cent of respondents had chosen it. Consequently, small differences in results should be interpreted with care. The 95 per cent confidence intervals for given estimates are provided in the figures and tables presenting the survey data. A discussion of the sampling method is provided in attachment 3A.

The survey covered employers across a range of workforce sizes, including small (1–19 employees), medium (20–99 employees) and large (100 or more employees). On average, employers' overall satisfaction with VET tended to increase slightly as the size of the workforce decreased (table 3A.14).

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

The 1999 survey (NCVER 1999, unpublished) asked employers to rate their 'overall satisfaction' with VET on a scale from 1 (very dissatisfied) to 10 (very satisfied). Of employers surveyed in 1999, communication services employers were the most satisfied with VET providers. Nationally, 83 per cent of surveyed employers reported an overall satisfaction score of 6 or higher. NSW (87 per cent), SA (87 per cent) and the ACT (86 per cent) had the highest proportions of employers with a satisfaction ranking of 6 or higher. Tasmania (74 per cent) and Victoria (77 per cent) had the lowest proportion (figure 3.8, table 3.8).

**Figure 3.8 Proportion of surveyed employers who responded with a ranking of 6 or higher, 1999<sup>a, b</sup>**



<sup>a</sup> The errors in the chart depict the 95 per cent confidence intervals associated with each point estimate. <sup>b</sup> Rankings: 1 = very dissatisfied; 10 = very satisfied.

Source: table 3A.15.

**Table 3.8 Overall employer satisfaction with 1998 VET providers, 1999<sup>a, b</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>
Proportion of employers responding with a ranking of 6 or higher (%)	87 (±2.6)	77 (±3.6)	82 (±3.5)	82 (±3.6)	87 (±3.2)	74 (±4.2)	86 (±4.7)	85 (±4.3)	83 (±1.3)
Mean score <sup>b</sup>	7.3 (±0.01)	7.1 (±0.02)	7.1 (±0.02)	7.0 (±0.03)	7.3 (±0.03)	6.7 (±0.07)	7.0 (±0.07)	7.0 (±0.10)	7.2 (±0.01)

<sup>a</sup> The relative standard errors corresponding to a 95 per cent confidence interval for the percentage estimates are reported in brackets under the estimate. <sup>b</sup> Rankings: 1 = very dissatisfied; 10 = very satisfied.

Source: table 3A.15.

The satisfaction of surveyed employers with the system varied across industries in 1999. Respondents from the electricity, gas and water, government administration and defence, and manufacturing industries were the least satisfied with VET providers, while those from communication services, mining and agriculture were among the most satisfied (table 3A.16).

#### *Employer satisfaction with the relevance of training*

Employers of recent VET graduates who completed their course after commencing their current employment (sample of 2504 employers) were asked about their satisfaction with the relevance of training. Surveyed employers expressed a range of views about the relevance of the training their employees received in the VET system, and about the extent to which training accounted for employers' needs. A number of surveyed employers expressed high satisfaction with VET course content. Sixteen per cent of surveyed employers in Victoria, and 10 per cent in Queensland and WA, reported that the content of VET courses was at the leading edge of industry needs, whereas only 6 per cent of employers surveyed in Tasmania shared this view (table 3.9).

Nationally, 79 per cent of surveyed employers agreed that the content of VET courses was either mostly relevant 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 of employers satisfied with the content of VET courses were in Tasmania (92 per cent), NSW (91 per cent) and Victoria (90 per cent) — satisfaction was lowest in the ACT (76 per cent). However there were large relative standard errors associated with the estimate for the ACT and care should be taken when using this figure (table 3.9).

**Table 3.9 Employer satisfaction with the relevance of VET course content, 1999 (per cent)<sup>a, b, c</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>
Not relevant to industry's current need	8 (±2.4)	6 (±2.3)	6 (±2.4)	9 (±3.3)	7 (±2.8)	7 (±2.8)	10 <sup>d</sup> (±4.9)	10 (±4.2)	7 (±1.0)
Mostly relevant and useable by the industry	48 (±4.3)	28 (±4.3)	45 (±5.1)	31 (±5.4)	29 (±5.0)	38 (±5.3)	40 (±8.0)	32 (±6.5)	39 (±1.9)
Directly relevant to the needs of the industry	34 (±4.1)	46 (±4.8)	34 (±4.9)	44 (±5.8)	49 (±5.5)	48 (±5.4)	36 (±7.9)	48 (±6.9)	40 (±1.9)
At the leading edge of industry needs	9 (±2.5)	16 (±3.5)	10 (±3.1)	10 (±3.5)	7 (±2.8)	6 (±2.6)	9 <sup>d</sup> (±4.7)	9 <sup>d</sup> (±4.0)	11 (±1.2)
Cannot say	1 <sup>d</sup> (±0.9)	3 <sup>d</sup> (±1.6)	5 (±2.2)	5 <sup>d</sup> (±2.5)	7 (±2.8)	2 <sup>d</sup> (±1.5)	5 <sup>d</sup> (±3.6)	2 <sup>d</sup> (±1.9)	3 (±0.7)

<sup>a</sup> The relative standard errors corresponding to a 95 per cent confidence interval for the percentage estimates are reported in brackets under the estimates. <sup>b</sup> This question was only asked of employers with recent VET graduates employed during training. <sup>c</sup> Totals for each jurisdiction may not add to 100 per cent due to rounding. <sup>d</sup> The relative standard errors associated with this estimate are greater than 25 per cent. This estimate is not considered reliable for most practical purposes.

Source: table 3A.17.

### *Employer satisfaction with the availability and accessibility of training*

The 1999 survey also asked employers (of recent VET graduates who commenced their course after commencing their current employment) about their satisfaction with aspects of availability and accessibility of the VET system. Surveyed employers in Queensland, SA and the NT reported above average satisfaction with the flexibility of VET course delivery. But an above average proportion of surveyed employers in NSW and Tasmania reported that VET delivery had limited or no flexibility (table 3.10).

**Table 3.10 Employer satisfaction with the flexibility of VET course delivery, 1999 (per cent)<sup>a, b, c</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	56 (±4.3)	63 (±4.6)	71 (±4.7)	61 (±5.7)	72 (±5.0)	60 (±5.3)	61 (±8.0)	65 (±6.6)	63 (±1.9)
Limited or no flexibility in course delivery	38 (±4.2)	33 (±4.5)	27 (±4.6)	34 (±5.5)	26 (±4.8)	37 (±5.2)	29 (±7.4)	26 (±6.1)	34 (±1.9)

<sup>a</sup> The relative standard errors corresponding to a 95 per cent confidence interval for the percentage estimates are reported in brackets under the estimates. <sup>b</sup> This question was only asked of employers with recent VET graduates employed during training. <sup>c</sup> 'Cannot say' represented the balance of responses in each jurisdiction.

Source: table 3A.18.

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## Student outcomes

ANTA commissioned a Student Outcomes Survey in 1999 to establish the work and promotional opportunities resulting from training in the Australian VET system for 1998 graduates from TAFE institutes and universities with TAFE divisions. The scope of the survey was increased to determine the outcomes for students who had successfully completed training below the level of full qualification and who were no longer engaged in training. As data on these students were collected for the first time this year, they required further work to determine whether they were comparable. It is anticipated that data on students completing modules of VET training will be included in the *Report on Government Services 2001*.

Care should be exercised when using the views of the graduates surveyed to generalise about the views of all graduates, because the survey was not weighted for nonresponses.<sup>1</sup> Adjusting the results for nonresponse bias would tend to increase the reported satisfaction (AC Nielsen, 1999) although by different amounts across jurisdictions. It is also important to remember that factors external to the VET system — such as general economic conditions and labour market conditions (refer to appendix A) — may affect reported outcomes for students. Nevertheless, graduate destination surveys provide valuable information on student outcomes.

### *Main reason for undertaking VET course*

The 1999 Student Outcomes Survey asked 1998 TAFE institute graduates to nominate their main reason for undertaking a VET course. Approximately 79 per cent of surveyed graduates indicated that they enrolled for vocational reasons (for example, to obtain a job or promotion). This proportion ranged from 74 per cent in WA to 86 per cent in SA (table 3.11).

The vocational reason for undertaking VET courses can be further disaggregated to include reasons such as trying a different career (13 per cent), fulfilling the requirements of the job (12 per cent), and obtaining a job (27 per cent) (table 3A.20).

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<sup>1</sup> The views of graduates who did not respond may differ from those of graduates who did respond. Therefore, those who did respond may not be representative of the total graduate population if the nonresponse rate was high. Response rates for the 1999 Student Outcomes Survey are contained in table 3A.26.

**Table 3.11 TAFE graduates main reason for undertaking a VET course, 1998 (per cent)<sup>a, b, c</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>
Vocational reason	77.8 (±0.5)	79.9 (±0.7)	81.3 (±0.9)	73.5 (±1.1)	85.8 (±1.0)	85.4 (±1.9)	78.7 (±2.4)	78.0 (±4.7)	79.0 (±0.3)
Nonvocational reason	21.6 (±0.5)	19.4 (±0.7)	17.9 (±0.9)	25.9 (±1.1)	13.2 (±1.0)	13.6 (±1.9)	20.6 (±2.4)	20.8 (±4.6)	20.3 (±0.3)

<sup>a</sup> The relative standard errors corresponding to a 95 per cent confidence interval for the percentage estimate are reported in brackets under the estimate. <sup>b</sup> Includes 'to get into another course of study', which could ultimately be vocational. <sup>c</sup> 'Not stated/refused' represented the balance of responses in each jurisdiction.

Source: table 3A.19.

The proportion of TAFE institute graduates who reported that their course helped or partly helped them to achieve their main reason for doing the course ranged from 73 per cent in Tasmania to 85 per cent in the NT (table 3.12).

**Table 3.12 Whether the VET course helped 1998 TAFE institute graduates achieve their main reason for doing the course (per cent)<sup>a, b</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>
Course helped to achieve main reason	62.1 (±0.6)	64.6 (±0.9)	62.4 (±1.1)	66.5 (±1.2)	66.8 (±1.4)	57.6 (±2.7)	64.5 (±2.8)	69.6 (±5.2)	63.4 (±0.4)
Course partly helped to achieve main reason	16.6 (±0.4)	15.4 (±0.6)	16.4 (±0.8)	14.9 (±0.9)	14.6 (±1.0)	15.6 (±2.0)	16.3 (±2.2)	15.7 (±4.1)	16.0 (±0.3)
Course did not help to achieve main reason	8.0 (±0.3)	6.9 (±0.5)	9.9 (±0.7)	7.3 (±0.7)	8.2 (±0.8)	12.4 (±1.8)	7.2 (±1.5)	4.2 <sup>c</sup> (±2.3)	8.0 (±0.2)
Do not know yet	12.5 (±0.4)	12.1 (±0.6)	10.3 (±0.7)	10.4 (±0.8)	9.2 (±0.8)	13.2 (±1.8)	10.9 (±1.8)	9.3 (±3.3)	11.7 (±0.3)

<sup>a</sup> The relative standard errors corresponding to a 95 per cent confidence interval for the percentage estimates are reported in brackets under the estimates. <sup>b</sup> 'Not stated/refused' represented the balance of responses in each jurisdiction. <sup>c</sup> The relative standard errors associated with this estimate are greater than 25 per cent. This estimate is not considered reliable for most practical purposes.

Source: table 3A.22.

The extent to which students achieved their main reason for doing a course not only varied across jurisdictions but also across ANTA-designated target groups. Nationally, 68 per cent of TAFE institute graduates who enrolled in a VET course to obtain a job achieved this outcome. However, this outcome was lower for both people from non-English speaking backgrounds (65 per cent) and people identifying themselves as being an Aboriginal or Torres Strait Islander person (65 per cent) (table 3.13).

**Table 3.13 Proportion of 1998 TAFE institute graduates whose VET course helped them achieve their main reason for doing the course, by reason and special needs group (per cent)<sup>a, b</sup>**

	<i>All graduates</i>		<i>Indigenous graduates</i>		<i>Graduates from a non-English speaking background</i>	
To obtain a job (or own business)	67.8	(±0.4)	64.5	(±2.9)	64.8	(±0.7)
To try for a different career	68.3	(±0.4)	72.8	(±2.7)	65.2	(±0.7)
To obtain a better job or promotion	72.8	(±0.4)	81.2	(±2.3)	69.3	(±0.7)
To fulfil requirement of the job	94.6	(±0.2)	90.4	(±1.8)	94.2	(±0.3)
To learn extra skills for the job	93.9	(±0.2)	91.6	(±1.7)	91.9	(±0.4)
To qualify for another course	88.8	(±0.3)	86.5	(±2.1)	89.0	(±0.4)
Interest or personal development	92.0	(±0.2)	91.3	(±1.7)	90.0	(±0.4)
Other	76.8	(±0.3)	63.4	(±2.9)	77.1	(±0.6)

<sup>a</sup> Includes respondents who indicated that their VET course helped or partly helped them achieve their main reason for doing the course. <sup>b</sup> The relative standard errors corresponding to a 95 per cent confidence interval for the percentage estimate are reported in brackets to the right of the estimate.

Source: table 3A.24.

### *Meeting student needs — employment outcomes of VET graduates*

Of the surveyed TAFE institute graduates who completed a VET program during 1998, 73 per cent indicated that they were employed either part time or full time (NCVER 1999, unpublished). Graduates from Victoria, Queensland, SA, the ACT and the NT reported better than average employment outcomes (table 3.14). Interpretation of employment outcomes must account for the general economic conditions in each jurisdiction (appendix A) and the enrolment of some students for nonvocational reasons. SA, for example, reported the highest employment rate of graduates but also the highest proportion of VET enrolments for vocational reasons.

An above average proportion of employed TAFE institute graduates in Victoria, WA, SA, Tasmania, the ACT and the NT reported that their course was highly relevant to their job. The NT (79 per cent) and Tasmania (77 per cent) had the highest proportions reporting that their course was either highly relevant or of some relevance to their job (table 3.15).

**Table 3.14 Labour force status of 1998 TAFE institute graduates, 1999 (per cent)<sup>a, b, c</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>
Employed <sup>d</sup>	70.8	75.0	73.3	71.0	80.6	71.0	73.6	76.7	72.8
	(±0.5)	(±0.8)	(±1.0)	(±1.2)	(±1.2)	(±2.5)	(±2.6)	(±4.8)	(±0.4)
– Full time	43.0	42.3	38.4	36.8	49.1	40.4	42.4	44.7	42.1
	(±0.6)	(±0.9)	(±1.1)	(±1.2)	(±1.5)	(±2.7)	(±2.9)	(±5.6)	(±0.4)
– Part time	15.8	18.9	22.1	21.3	18.0	19.1	18.8	20.1	18.0
	(±0.4)	(±0.7)	(±0.9)	(±1.1)	(±1.1)	(±2.1)	(±2.3)	(±4.5)	(±0.3)
Unemployed	13.9	12.1	13.6	12.1	9.9	15.5	13.6	10.5	13.0
	(±0.4)	(±0.6)	(±0.8)	(±0.8)	(±0.9)	(±2.0)	(±2.0)	(±3.5)	(±0.3)
Not in labour force	14.7	12.0	12.4	16.4	8.8	12.2	12.6	11.5	13.5
	(±0.4)	(±0.6)	(±0.7)	(±1.0)	(±0.8)	(±1.8)	(±1.9)	(±3.6)	(±0.3)

<sup>a</sup> At 28 May 1999. <sup>b</sup> The relative standard errors corresponding to a 95 per cent confidence interval for the percentage estimates are reported in brackets under the estimates. <sup>c</sup> 'Not stated/refused' represented the balance of responses in each jurisdiction. <sup>d</sup> The proportion of TAFE graduates employed does not equal the sum of those employed full time and part time because some graduates reported that they were employed but not whether their work was full time or part time.

Source: table 3A.25.

**Table 3.15 Employed 1998 TAFE institute graduates who undertook their course for vocational reasons — relevance of course to their main job, 1999 (per cent)<sup>a, b</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>
Highly relevant	49.0	52.8	50.3	55.0	53.1	52.9	56.0	55.3	51.1
	(±0.6)	(±0.9)	(±1.1)	(±1.3)	(±1.5)	(±2.7)	(±2.9)	(±5.6)	(±0.4)
Some relevance	24.1	22.4	23.4	17.6	22.5	23.8	20.1	24.1	22.9
	(±0.5)	(±0.7)	(±1.0)	(±1.0)	(±1.2)	(±2.3)	(±2.3)	(±4.8)	(±0.3)
<b>Total</b>	<b>73.2</b>	<b>75.2</b>	<b>73.7</b>	<b>72.6</b>	<b>75.5</b>	<b>76.8</b>	<b>76.0</b>	<b>79.4</b>	<b>74.0</b>
	<b>(±0.5)</b>	<b>(±0.8)</b>	<b>(±1.0)</b>	<b>(±1.2)</b>	<b>(±1.3)</b>	<b>(±2.3)</b>	<b>(±2.5)</b>	<b>(±4.6)</b>	<b>(±0.3)</b>

<sup>a</sup> Totals may not add due to rounding. <sup>b</sup> The relative standard errors corresponding to a 95 per cent confidence interval for the percentage estimates are reported in brackets under the estimates.

Source: table 3A.21.

The proportion of TAFE institute graduates who received a pay increase after completing their course ranged from 22 per cent in Queensland to 29 per cent in the NT. The proportion who received a promotion (or increased status at work) as a result of doing their VET course ranged from 16 per cent in Queensland and WA to 23 per cent in the NT (table 3.16).

**Table 3.16 Employed 1998 TAFE institute graduates who undertook their course for vocational reasons — benefits of course, 1999 (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>
An increase in earnings	26.0 (±0.5)	26.3 (±0.8)	22.3 (±0.9)	27.9 (±1.2)	24.2 (±1.3)	28.4 (±2.5)	27.0 (±2.6)	29.1 (±5.1)	25.7 (±0.3)
A promotion (or increased status at work)	17.9 (±0.4)	17.2 (±0.7)	15.6 (±0.8)	15.8 (±0.9)	20.9 (±1.2)	20.3 (±2.2)	20.6 (±2.4)	23.1 (±4.8)	17.7 (±0.3)
Obtained a job	24.0 (±0.5)	27.0 (±0.8)	28.3 (±1.0)	34.7 (±1.2)	25.1 (±1.3)	25.2 (±2.4)	28.3 (±2.6)	23.1 (±4.8)	26.3 (±0.4)
Change of job or new job	18.0 (±0.4)	16.6 (±0.7)	19.5 (±0.9)	15.8 (±0.9)	16.9 (±1.1)	15.3 (±2.0)	20.6 (±2.4)	22.1 (±4.7)	na na
Benefit in some way <sup>b</sup>	65.9 (±0.6)	66.8 (±0.8)	64.5 (±1.1)	68.5 (±1.2)	66.6 (±1.4)	66.5 (±2.6)	68.6 (±2.7)	71.4 (±5.1)	66.3 (±0.4)

<sup>a</sup> The relative standard errors corresponding to a 95 per cent confidence interval for the percentage estimates are reported in brackets under the estimates. <sup>b</sup> 'Benefit in some way' may not equal the sum of the benefits, because graduates could report more than one type of benefit. **na** Not available.

Source: table 3A.23.

## Efficiency

The ANTA Agreement 1998 – 2000 requires States and Territories to demonstrate improved efficiency in the provision of publicly funded vocational education and training. Unit cost performance therefore assumes greater significance over this period (ANTA 1999a).

A proxy indicator of efficiency is the level of government inputs per unit of output (unit cost). Two unit cost indicators are reported here:

- recurrent cost per annual curriculum hour; and
- recurrent cost per government funded successful module completion.

The Steering Committee decided in 1998 that a user cost of capital should be included, where possible, as part of the costs for each government service reported here, and that this should be calculated by applying a jurisdiction cost of capital rate to the value of government assets. Cost of capital indicators are in the developmental stage, and the Steering Committee accepts that certain information (such as asset valuation) is currently imperfect. However, it also recognises that the cost of public capital used by government to deliver services has not been fully recognised in discussions of the cost of government services — that is, capital has been considered 'free'. This can lead to significant underestimation of the costs of

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those services for which government capital is a major input. Thus, an imperfect costing is more appropriate than no costing of government capital (box 3.6).

**Box 3.6 Comparability of cost estimates**

It is an objective of the Review to report comparable estimates of costs. Ideally, the full range of costs to government is counted on a comparable basis. Where the full costs cannot be counted, costs should be estimated on a consistent basis.

The Steering Committee has identified four areas that could diminish the comparability of costs across government and private providers.

- Superannuation costs are included in cost estimates for VET. SCRCSSP (1998) recommended costing superannuation on an accrued actuarial basis.
- Depreciation costs are included in cost estimates for all VET services.
- The user cost of capital is not included in estimates of recurrent expenditure, although it is reported separately (as the *cost of capital per adjusted annual curriculum hour* and the *cost of capital per adjusted module load completion*). The user cost of capital represents the opportunity cost to government of the funds tied up in VET assets. Excluding the user cost of capital from accrued costs lowers the *costs per annual curriculum hour* and the *costs per government funded module load completion*. Comparability can be improved by adding the reported user cost of capital to accrued costs if debt servicing costs and State-based capital asset charges are deducted from accrual costs.
- Payroll tax is payable by all jurisdictions except the ACT for VET. A payroll tax estimate has been included in cost estimates for the ACT. SCRCSSP (1999) recommended costing payroll tax to unit cost estimates to achieve comparability across government and private providers and across jurisdictions.

Sources: SCRCSSP (1998); SCRCSSP (1999).

*Unit cost — government expenditure per hour of delivery*

Unit costs are reported in terms of total recurrent government expenditure per annual curriculum hours, adjusted to account for course mix differences across jurisdictions.<sup>2</sup> Financial and activity data from States and Territories are reported within an agreed scope and boundary to ensure that unit costs accurately reflect the relative efficiency of government service provision across jurisdictions.

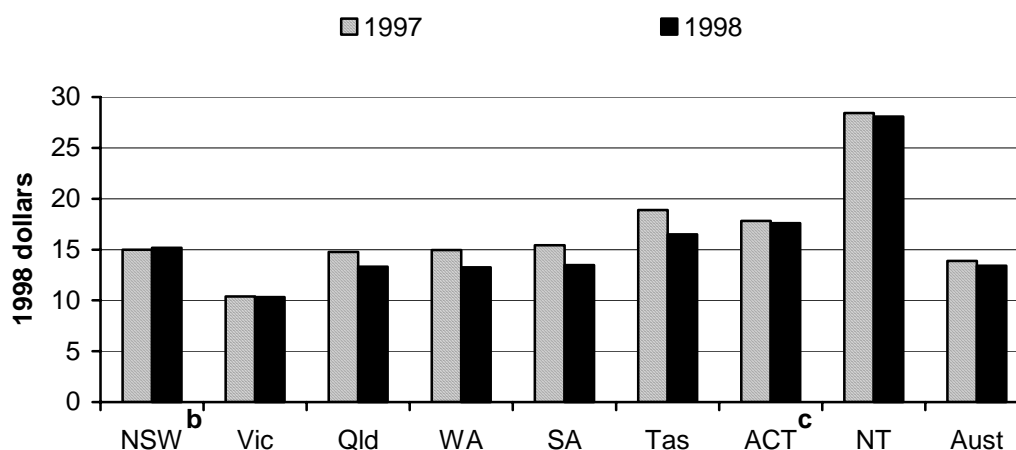
Recurrent expenditure per annual curriculum hour of government funded VET programs in 1998 ranged from \$10 in Victoria to \$28 in the NT. Only Victoria

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<sup>2</sup> Other unaccounted external influences on the unit cost of VET provision include the population density and the provision of VET for disadvantaged groups (see appendix A).

reported unit costs below the national average of \$13. All jurisdictions reported a real decrease in unit costs from 1997 (except NSW, which reported a 2 per cent real increase in unit costs) (figure 3.9).

Figure 3.9 **Government recurrent expenditure per adjusted annual hours of curriculum<sup>a</sup>**



<sup>a</sup> The deflator used is gross non farm product deflator. <sup>b</sup> ANTA data included gains and losses from asset sales in recurrent expenditure and thus unit costs. These gains and losses account for about half of the reported increase in NSW unit costs between 1997 and 1998 but have a much smaller effect on the unit costs of other jurisdictions. <sup>c</sup> The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate, based on the ACT payroll tax rate, has been included in the expenditure data presented. The payroll tax estimate has increased recurrent government VET expenditure per adjusted annual curriculum hour in the ACT by \$1 to \$18 in both 1997 and 1998.

Source: table 3A.30.

The full cost of providing VET services includes both the cost of capital and recurrent costs. To integrate these costs to make up total cost, it is necessary to convert the cost of capital to a year-by-year charge. The Steering Committee has adopted an 8 per cent user cost of capital rate to reflect the income that might have been earned if the funds had been invested elsewhere rather than invested in the capital item. The basis for the 8 per cent capital charge is discussed in section 1.5 in Chapter 1.

The Steering Committee acknowledges the potential in some jurisdictions for differences in some input costs (for example, land values) to affect reported costs without necessarily reflecting the efficiency of service delivery. The costs of capital for land and other assets are presented separately to allow users to consider any differences in land values among jurisdictions when assessing the results (table 3.17).

**Table 3.17 Cost of capital, 1998<sup>a</sup>**

	<i>Unit</i>	<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>
Physical noncurrent assets										
Land	\$m	317	217	118	65	39	11	7	18	791
Other	\$m	1 742	1 048	721	358	336	138	126	121	4 591
Total	\$m	2 059	1 265	839	423	375	149	133	139	5 382
Capital charge	%	8	8	8	8	8	8	8	8	8
Cost of capital										
Land	\$m	25	17	9	5	3	1	1	1	63
Other	\$m	139	84	58	29	27	11	10	10	367
Total	\$m	165	101	67	34	30	12	11	11	431

<sup>a</sup> Totals may not add due to rounding.

Source: table 3A.27.

The total government cost of capital per annual curriculum hour varied between jurisdictions in 1998, ranging from \$2 in NSW, Victoria, Queensland, WA, SA and the ACT to \$5 in the NT. Excluding land assets, the government cost of other capital per annual curriculum hour ranged from \$1 in Victoria, Queensland and WA to \$4 in the NT. The government cost of land capital per annual curriculum hour ranged from \$0.13 in the ACT to \$0.62 in the NT in 1998 (table 3.18).

**Table 3.18 Government cost of capital per annual curriculum hour, 1998<sup>a</sup>**

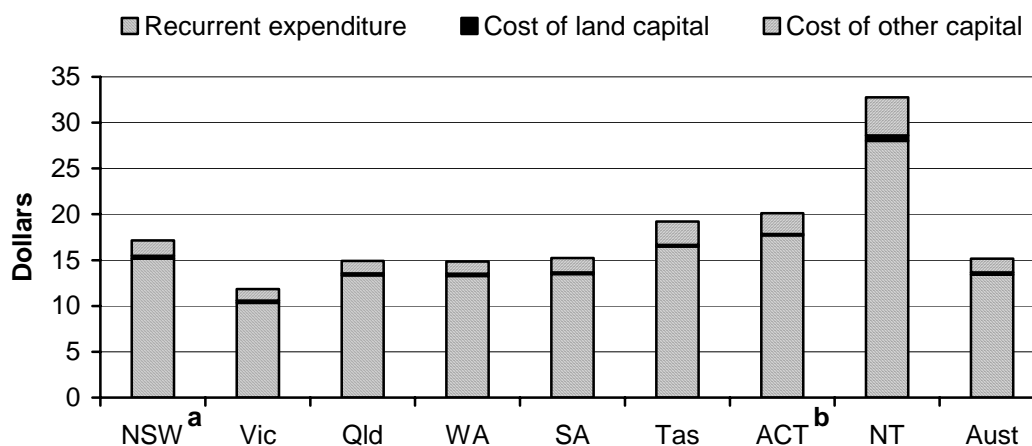
	<i>Unit</i>	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Cost of capital										
Land	\$m	25	17	9	5	3	1	1	1	63
Other	\$m	139	84	58	29	27	11	10	10	367
Total	\$m	165	101	67	34	30	12	11	11	431
Adjusted annual curriculum hours	'000	83 013	67 533	42 719	22 099	16 899	4 329	4 429	2 340	243 360
Cost of capital per adjusted annual curriculum hour										
Land	\$	0.31	0.26	0.22	0.24	0.18	0.20	0.13	0.62	0.26
Other	\$	1.68	1.24	1.35	1.30	1.59	2.55	2.28	4.14	1.51
Total	\$	1.98	1.50	1.57	1.53	1.78	2.75	2.40	4.75	1.77

<sup>a</sup> Totals may not add due to rounding.

Source: table 3A.27.

The national full cost to government of funding VET per adjusted annual curriculum hour in 1998 was about \$15 (recurrent cost \$13.38 plus cost of land capital \$0.26 plus cost of other capital \$1.51) in 1998. Across jurisdictions, the full cost per adjusted annual curriculum hour ranged from \$12 in Victoria to \$33 in the NT (figure 3.10). However, these results should be interpreted with caution, because the asset data used to calculate cost of capital are not as reliable as the recurrent cost data.

Figure 3.10 Total government VET costs per annual curriculum hour, 1998



<sup>a</sup> ANTA included gains and losses arising from asset sales in reported unit cost estimates. This had a small effect on most jurisdictions, but increased NSW reported costs by 0.5 per cent in 1998. <sup>b</sup> The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate, based on the ACT payroll tax rate, has been included in the expenditure data presented. The payroll tax estimate has increased recurrent government VET expenditure per adjusted annual curriculum hour in the ACT by \$1 to \$18 in 1998.

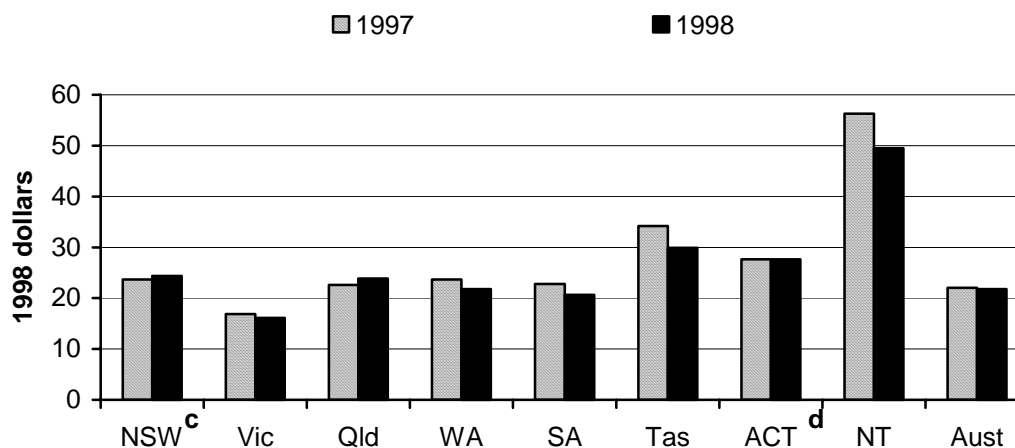
Source: table 12A.31.

*Unit cost — government expenditure per publicly funded module load completion*

Government expenditure per publicly funded module completion reports the cost to government of each successfully completed VET module (that is, the cost per output produced). Nationally, the cost of producing successful publicly funded outputs decreased between 1997 and 1998. Queensland (6 per cent) and NSW (3 per cent) reported real cost increases over the same period (figure 3.11).

Total government cost of capital per module load completion in 1998 ranged from \$2 in Victoria and WA to \$9 in the NT. Excluding land assets, the government cost of capital per module load completion ranged from \$2 in Victoria, Queensland, WA and SA to \$8 in the NT in 1998; the government cost of land capital per module load completion varied from \$0.20 in the ACT to \$1.20 in the NT (table 3.19).

Figure 3.11 **Government recurrent expenditure per hour of publicly funded successful module load completions<sup>a, b</sup>**



<sup>a</sup> Comparisons between jurisdictions should be made with care because average module durations and competencies achieved by students vary across jurisdictions. <sup>b</sup> The deflator used is the gross non farm product deflator. <sup>c</sup> ANTA data included gains and losses from asset sales in recurrent expenditure and thus unit costs. These gains and losses account for about half of the reported increase in NSW unit costs between 1997 and 1998 but have a much smaller effect on the unit costs of other jurisdictions. <sup>d</sup> The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate, based on the ACT payroll tax rate, has been included in the expenditure data presented. The payroll tax estimate has increased recurrent government VET expenditure per publicly funded successful module load completion in the ACT by \$1 to \$27 in 1997 and by \$1 to \$27 in 1998.

Source: table 3A.29.

Table 3.19 **Government cost of capital per module load completion, 1998<sup>a, b</sup>**

Unit	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
<b>Cost of capital</b>									
Land \$m	25	17	9	5	3	1	1	1	63
Other \$m	139	84	58	29	27	11	10	10	367
Total \$m	165	101	67	34	30	12	11	11	431
<b>Adjusted module load completions</b>									
'000	50 685	43 138	24 085	14 139	11 261	2 509	2 810	1 274	149 865
<b>Cost of capital per adjusted module load completion</b>									
Land \$	0.50	0.40	0.39	0.37	0.28	0.35	0.20	1.13	0.42
Other \$	2.75	1.94	2.39	2.03	2.39	4.40	3.59	7.60	2.45
Total \$	3.26	2.34	2.78	2.40	2.66	4.78	3.91	8.63	2.88

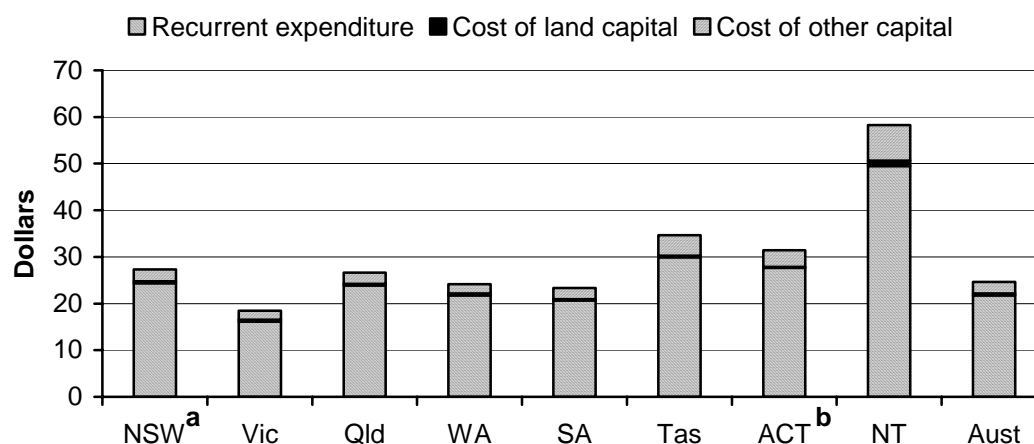
<sup>a</sup> Comparisons between jurisdictions should be made with care because average module durations and competencies achieved by students vary across jurisdictions. <sup>b</sup> Totals may not add due to rounding.

Source: table 3A.28.

The national full cost per module load completion was about \$25 (recurrent cost \$21.75 plus cost of land capital \$0.42 plus cost of other capital \$2.45) in 1998.

Across jurisdictions, this ranged from \$18 in Victoria to \$58 in the NT (figure 3.12). However these results should be interpreted with caution, as the asset data used to calculate cost of capital are currently not as reliable as the recurrent cost data.

Figure 3.12 Total government VET costs per module load completion, 1998



<sup>a</sup> ANTA included gains and losses arising from asset sales in reported unit cost estimates. This had a small effect on most jurisdictions, but increased NSW reported costs by 0.5 per cent in 1998. <sup>b</sup> The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate, based on the ACT payroll tax rate, has been included in the expenditure data presented. The payroll tax estimate has increased recurrent government VET expenditure per module load completion in the ACT by \$1 to \$27 in 1998.

Source: table 12A.32.

## 3.5 Future directions in performance reporting

### Reporting new indicators

ANTA, through its Performance Review Committee, has developed a new suite of eight performance indicators (or key performance measures) for vocational education and training. Ministers gave their final agreement to the indicators in June 1999, and also agreed to the recommendations contained in the committee's final report, *Key Performance Measures for Vocational Education and Training* (May 1999). The report also identifies the remaining implementation tasks and assigns responsibility for these tasks.

While some of the agreed measures refine existing indicators, other indicators are new to the sector. ANTA is working in cooperation with Commonwealth, State and Territory governments to fully implement each of the indicators. Full reporting against each of the indicators is expected in 2002, using 2001 data.

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The agreed performance indicators will be reviewed in line with the national strategy for vocational education and training (1998–2003).

### **Improving reporting of existing indicators**

Work is continuing on improving the measurement of unit costs. For instance, accounting timing differences when reporting revenue derived from the sale of assets can potentially mask the measurement of efficiency. It is recognised that jurisdictions are in various cycles of asset accumulation or disposal and ANTA will work with States and Territories to resolve this issue for future reporting purposes.

### **Improving reporting of Aboriginal and Torres Strait Islander peoples' access to mainstream services**

In May 1997, the Prime Minister requested that the Steering Committee give priority to developing indicators that measured the performance of mainstream services in meeting the needs of Indigenous Australians. This is an important task, but large gaps remain.

This chapter reports data on Indigenous persons' participation in VET for all jurisdictions. It also reports module load completion rates for Indigenous VET students for all jurisdictions. However, comparisons should be made with care because average module durations and student competencies vary across jurisdictions. The chapter also includes national data on whether Indigenous graduates believed that their VET courses helped them achieve their main reason for doing the course. Work is progressing to increase the availability and coverage of nationally consistent data on the provision of services to Indigenous clients.

## **3.6 Jurisdictions' comments**

This section provides comments from each jurisdiction on the services covered in this chapter. Appendix A contains detailed statistics and short profiles on each State and Territory, which may assist in interpreting the performance indicators presented in this chapter. The information covers aspects such as age profile, geographic distribution of the population, income levels, education levels, tenure of dwellings and cultural heritage (such as aboriginality and ethnicity).

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## **New South Wales Government comments**

In December 1997, the NSW TAFE Commission, the Department of School Education, and the Department of Training and Education Co-ordination merged to form the NSW Department of Education and Training. The improved departmental structure supports the delivery of an integrated education and training service and provides students with a smoother transition from school to further education, training and work.

Despite experiencing substantial cuts by the Commonwealth Government to growth funding for vocational education and training (VET), the NSW Government has nevertheless increased TAFE NSW funding by \$53 million since 1995 and TAFE NSW enrolments increased by 40 000 to 450 000 in 1999.

The NSW Government now spends well over \$1 billion dollars a year on VET (more than any other state) and provides one third of all VET training in Australia and a third of all growth in VET places.

TAFE NSW has continued to introduce courses using innovative modes of flexible delivery in order to meet the rapidly changing needs of industry, the community and individuals. During 1998/99, recognition processes were streamlined and the delivery of flexible apprenticeships through group training companies was expanded.

In recognition of its expertise, TAFE NSW became the Official Training Services Supporter of the Sydney 2000 Olympic and Paralympic Games and has been awarded the Preferred Provider of Training to NSW Government departments and agencies. TAFE NSW is also the training provider of choice for many international companies, such as Cathay Pacific and McDonalds, and many local governments in NSW.

Programs have been developed for school students that are accredited by both the NSW Board of Studies and the Vocational Education and Training Accreditation Board. A key focus of the New HSC to be introduced in 2000 is the strengthening of vocational studies for senior secondary and year 9 and 10 students.

New partnerships between schools, TAFE's and universities are being developed to provide students with increased opportunities for study pathways and credit transfer. The Government's Collegiate Education Plan includes the extension of open learning and the establishment of joint educational campuses such as the new multi-campus "super" school created at Nirimba in Sydney's west and includes plans for more of these "super" schools at Dubbo, Oatley and Mt Druitt.

NSW has previously expressed concerns on the quality of data in this report. These concerns remain, because in some cases, the data is represented as having a higher level of precision than is warranted. In addition, the large bias in some samples has not been accounted for by a proper weighting adjustment and this has led to misleading reporting.

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## Victorian Government comments

Collectively, 14 TAFE institutes, five TAFE divisions within universities and over 1000 other registered training organisations provided skills training across all major industries and occupational levels, as well as personal development programs, to over 532 000 students.

Performance data in this report indicates that, in providing these services, the Victorian training system performed well on some indicators but not so well on others, particularly employer satisfaction. The policies of the Victorian Government seek to build on the strengths of the current system, address some of its key deficiencies and position it to meet future challenges. The Government has:

- commissioned a review of post-compulsory education and an inquiry into the quality of training in Victoria's apprenticeship and traineeship system;
- frozen user choice and competitive funding at 1999 contestability levels to assess the desirability of further competition in the training market; and
- provided an additional \$10m to TAFE institutes for 2000 as part of an additional \$35m over four years, and a further \$4.2m to regional TAFE institutes for 2000 as part of an additional \$14.7m over four years.

In addition, the Government will:

- expand the range of vocational education options available to Victorian Certificate of Education students and establish a single qualifications Board to grant post-compulsory qualifications;
- establish regional post-compulsory committees to plan the provision of post-compulsory education and training, establish an educational precinct at Churchill, and establish a new \$5m VET centre in Ballarat;
- encourage additional employment and skills training by:
  - employing 2035 public sector apprentices and trainees at a budget of \$39.43m over four years—at least 600 positions will be provided to long term unemployed young people;
  - providing an additional subsidy to employers of \$1250 per apprentice or trainee for 2,500 disadvantaged or long term unemployed each year;
  - providing an annual wage subsidy of \$1000 for 4732 apprentices and trainees recruited into occupations experiencing skill shortages; and
  - provide up to \$400 000 a year to its Learning Towns program to foster co-operative partnerships between education and training providers and the local community and to integrate economic, social and educational development.

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## Queensland Government comments

In 1999, Queensland has made significant headway in advancing vocational education and training services in Queensland. The provision of high quality vocational education and training services and products is central to achieving an internationally competitive economy which contributes to growth and the creation of sustainable employment for Queenslanders.

Queensland has introduced a range of initiatives to enhance the financial viability of TAFE Institutes and provide increased autonomy. These initiatives have enabled Institutes to respond more effectively to the training needs of industry, business and local communities.

Concurrent with these initiatives in TAFE has been a strong focus on embedding new disciplines into the resource allocation process with Institutes. A strengthened performance agreement process is focussing Institutes on achieving greater efficiencies and meeting strategic priorities.

There has been substantial growth in training, particularly in apprenticeship and traineeship areas resulting in a 45.1 per cent increase in approvals from 1997-98 to 1998-99. Queensland's *Breaking the Unemployment Cycle* initiatives have supported increased employer uptake in apprenticeships and traineeships. In addition, traineeships have been more clearly focussed on new job entrants in order to give young people a start on the road to sustainable employment.

Sustained significant growth in the apprenticeship and traineeship system has highlighted the need to streamline and improve technical and administrative processes. An *Independent Investigation into the Quality of Training in Queensland's Traineeship System* has been completed. The review confirmed the need to address the quality issues in the traineeship system. Over the next 12 months, the Department of Employment, Training and Industrial Relations will work with stakeholders to address the investigation's findings and implement strategies to gain the most benefit possible from traineeships.

Planning and purchasing priorities have been further enhanced and more clearly focused through the publication of the first resource priorities document, *Vocational Education and Training Resource Priorities 2000-2002*. To foster employment growth and economic competitiveness of industry, greater emphasis has been placed on longer term planning which incorporates information from a range of sources, leading to better targeting of training and allocation of resources. The planning and purchasing of vocational education and training is on track to clearly focus public funds on Government and industry priorities.

Strategies have been put in place to contribute to regional growth, and quality audit processes are being strengthened. This approach is consistent with Queensland's commitment to quality vocational education and training.

Queensland has taken a proactive approach to the introduction of the Australian Recognition Framework aimed at national recognition of vocational education and training.

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## **Western Australian Government comments**

The Western Australian Vocational Education and Training system continues to evolve and develop, becoming more responsive and efficient in meeting industry and community needs. By focusing on industry, student and community requirements within a competitive training market, a more demand-driven and responsive system for publicly funded training effort has been developed with a commitment to quality processes.

The State Training Strategy, which incorporates industry, regional and community views on training requirements and skill development needs in Western Australia over the next three years, continues to provide the focus for government investment in vocational education and training in this State. Combined with an ongoing focus on the development of a training market that is competitive, responsive to client needs and that meets specified quality assurance standards, the State has been able to achieve significant efficiency improvements in the delivery of VET during the past year.

Achievements in this area include:

- growth in delivery, as measured under the growth through efficiency arrangements with Australian National Training Authority (ANTA), was almost 17 per cent, equating to an additional 12 400 student places;
- a reduction in the cost per adjusted Annual Curriculum Hours (ACH) from \$15.00 per ACH in 1997 to \$13.29 in 1998; and
- a reduction in the cost per successful Module Load Completion from \$23.70 in 1997 to \$21.77 in 1998.

At the same time, the quality of VET in Western Australia has been maintained at a high level, as demonstrated by the 1999 Employer Satisfaction and Student Outcomes survey results contained in this Report. In particular:

- 81.4 per cent of WA graduates said that they achieved or partly achieved their main reason for doing their course;
- 54.3 per cent of graduates unemployed before commencing their course found work after completing their course; and
- 82 per cent of employers indicated that they were very satisfied or satisfied with the VET system.

WA continues to work towards the development of an output based funding model to provide a concrete focus on student retention and outcomes. In line with this initiative, the State places considerable emphasis on the collection and value added analysis of VET statistics to ensure that planning and funding decisions are sound.

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### South Australian Government comments

South Australia continued to develop an efficient, quality vocational education and training (VET) system which plays an important role in providing and updating the skills of our workforce. The Report highlights some of the VET achievements during 1998, where SA:

- expanded its publicly funded VET activity by 10 per cent to 18.6 million hours (involving almost 126 000 individual enrolments), and doubled the number of contracts of training from 8090 in 1997 to 17 653 in 1998;
- improved the efficiency of the provision of publicly funded VET by 12.8 per cent through a reduction in the unit costs of publicly funded delivery from \$15.5 per hour in 1997 to \$13.5 per hour in 1998 (figure 3.9). While further efficiency improvements are not beyond consideration, taking into account the demography of the state, the current unit cost compares favourably with other jurisdictions. The total government VET cost in SA (including the cost of land capital and other capital) per successful module load completion, at \$20.60 per hour, also compares favourably, being below the national average of \$21.70 per hour (figure 3.11);
- increased the level of overall VET participation to 11.6 per cent, with a high level of female participation. However, South Australia is concerned with both a lower than desirable rate of participation by students aged 15 to 24 years, and the relatively low number of hours per person undertaken in this State; and
- recorded a module load completion rate of 87.5 per cent (well above the national average of 80.4 per cent) and achieved the highest national module load completion rates for people with a disability (84.4 per cent) and people from a non-English speaking background (88.2 per cent) (table 3.7).

South Australia has continued to closely align the VET system to the economic and social needs of our community, including the emerging training needs of SA enterprises. Results from the *1997 and 1999 Employer Satisfaction Surveys* and the *1999 TAFE Student Outcomes Survey* indicate that TAFE provides high quality training, while TAFE qualifications improve the chances of finding work, advancing careers and changing occupations.

The outcomes and initiatives shown in this Report demonstrate the efforts by the SA Department of Education, Training and Employment to continually improve the effectiveness and efficiency in delivering training. South Australia continues to support improvements in service and performance, and the value of demonstrating this through reliable performance information.

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### Tasmanian Government comments

In 1998, Tasmania maintained and enhanced the effectiveness, efficiency and quality of vocational education and training provided to meet the needs of industry and the community.

Achieving efficiencies in the delivery of VET in Tasmania is constrained by factors specific to the State. These include the small, widely dispersed population; the comparatively low proportion of the population residing in the capital city compared to other States; and the broad but thin composition of Tasmanian industry which necessitates provision of a wide range of services to small groups of students. Limits also apply to resources available in the absence of State economic growth and in a situation of high State debt. Within these constraints, key goals have been achieved, including increased participation and cost effectiveness, and demonstrated responsiveness to client needs.

- The *1999 Student Outcomes Survey* reports that 85.4 per cent of graduates in Tasmania cited vocational reasons as their main reason for undertaking their course. This is 6.4 percentage points above the national average.
- The survey also shows that of those who were unemployed at the commencement of their training, Tasmania had above national levels of employment after completion of the training. Among graduates who were unemployed at the start of their training, 50.6 per cent had found employment by 28 May 1999. This is 3.2 percentage points above the national average.
- In 1998, Tasmania's VET participation rate rose from 7.7 per cent of all Tasmanians aged 15 to 64 to 8.7 per cent, continuing the rise from 7.3 per cent in 1996. Whereas Tasmania was documented as having the lowest participation rate of all States and Territories in 1996, in 1997 and 1998 it had the third lowest rate.
- In 1998, the unit cost (recurrent) of Tasmanian VET activity decreased 12.5 per cent from \$18.80 per publicly funded annual hour curriculum to \$16.50, showing an increase in the cost effectiveness of the State's system.

Tasmania's improved efficiency and participation rate in 1998 was linked to implementation of its three year plan for growth, derived through efficiencies which covers the period 1998 to 2000 (inclusive). Tasmania also continued to focus on developing an effective VET system through closer integration of industry needs, (particularly in areas of strategic importance to the State), with provision of VET.

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### **Australian Capital Territory Government comments**

In the ACT, apprenticeship and traineeship numbers are increasing steadily, reflecting the more flexible traineeship and apprenticeship programs introduced in 1997.

This growth was influenced by three significant factors that are indicative of increasing industry confidence in the more flexible training of apprentices and trainees:

- a buoyant ACT economy, with encouraging prospects for growth in industry and employment;
- employers and training providers being able to use the wide range of training packages to tailor training to the workplace through the User Choice system; and
- marketing new traineeships in areas of business growth.

There is a nationally recognised need for managing both immediate and longer-term risks associated with the purchased training. The ACT Office of Training and Adult Education (OTAE) has developed a Performance Review Process to monitor contracts of training and to ensure compliance with Quality Assurance and Australian Recognition Framework principles.

In the ACT, all training purchased in 1999 is based on Training Packages where they are available. Twenty-two Training Packages are being implemented.

The ACT has developed more streamlined, integrated and user-friendly arrangements for purchasing training under contestable arrangements. In 2000, all apprenticeships and traineeships will be purchased through the user choice mechanism. Other programs purchased under contestable arrangements include:

- Industry Training Program (formerly called Training for Industry program);
- Adult English Language, Literacy and Numeracy Program; and
- New Apprenticeship Access program.

The numbers of young people undertaking a recognised vocational education and training course in years 11 and 12 is growing rapidly. It is anticipated that up to 40 per cent of year 12 students in government schools will be receiving, on average, two VET qualifications by 2003. All ACT Government senior secondary colleges and equivalent non-government schools have been validated as Registered Training Organisations under the Australian Qualification Framework. Information Technology competencies are currently being developed for trialing in schools in 2000. This will ensure that all year 10 students acquire valuable vocational skills in Information Technology.

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## Northern Territory Government comments

“ The Northern Territory continues to exceed the national average across all age groups for population and employment growth. The 0-17 year age group increased to 31 per cent of the total NT population, the highest rate for all States and Territories. This cohort started to impact upon the VET sector in 1998, particularly through VET in Schools and New Apprenticeship programs. Participation in training is above the national average, and participation by females is the highest in Australia. Implementation of the recommendations of the 1999 Review of Indigenous Education in the Northern Territory, conducted by Hon. Bob Collins, is likely to have a significant influence on the ability of the Northern Territory to achieve VET outcomes in the future, and for the ongoing implementation of the VET in Schools program.

The challenge in this dynamic environment is to provide equity in access to relevant and cost effective training. Strategies to improve efficiencies include:

Improving the current invalid module enrolment level of 8% and reviewing the recognition of prior learning policy and funding formula;

Improving the Territory's module load completion rates, which have fallen from 78.2 per cent to 74.2 per cent, by increasing our understanding of the data; and

Reducing comparatively high unit costs while improving access and equity and building on a quality service. Unit costs are currently \$28.07 per annual hour curriculum and \$49.51 per module load completion (excluding user cost of capital). The increase over the 1997 figures is mainly due to a full recognition of costs under accrual reporting.

The NT VET sector underwent an important transition in 1997, and this consolidation continued in 1998. Planned expansion of the competitive tendering program was reduced from 2.5 per cent to 1 per cent per annum to allow the sector to more gradually adjust to market forces. Resource agreements with RTOs were extended to all organisations producing an outcome and receiving funds through NTETA. Resource agreements and reporting processes were simplified and data enhancement incentives have been included in resource agreements to allow efficiency gains, although the barriers to large efficiency gains continue to be the small dispersed population, gross diseconomies of scale, and the itinerant and Indigenous populations.

Although informative, the NT's user cost of capital should be treated with caution, and as a general rule the caveats on data contained in the Report should be read carefully. For example, survey results with attendant large relative standard error may indicate a range of possible outcomes.

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