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## 4 Vocational education and training

This chapter focuses on the education and training system that delivers employment related skills. The vocational education and training (VET) system provides Australians with the skills to enter and re-enter the labour force, to retrain for a new job and to upgrade skills for an existing job. It includes publicly and privately funded VET delivered by a wide range of training institutions and enterprises through a number of delivery methods. This chapter reports on VET services that receive government funding — that is, only vocational programs of study, not non-vocational programs (see definitions in table 4.14). The scope of VET in this Report aligns with the annual VET data collected by the National Centre for Vocational Education Research (NCVER). Most of the information is derived from Volume 3 of the Australian National Training Authority's (ANTA) Annual National Report (ANTA 2001).

This chapter covers the provision of VET in publicly owned technical and further education (TAFE) institutes and universities with TAFE divisions, other government and community institutions and publicly funded activity by private registered training organisations. Data on the provision of VET services on a fee-for-service basis by TAFE institutes are also included in the general data collection. Revenue from fees received from individuals and organisations for fee-for-service programs, as well as from Commonwealth programs, such as Adult Migrant English Services, are excluded from recurrent expenditure for unit cost calculations.

This chapter does not cover higher education, although some descriptive information can be found in the Education preface. Vocational education and training services provided in schools fall within the scope of chapter 3 of this Report.

A profile of VET is presented in section 4.1, followed by a brief discussion of recent policy developments in section 4.2. Together, these provide a context for assessing the performance indicators presented later in the chapter (see box 4.1 for a description of some of the common terms used in the chapter). All jurisdictions have agreed to develop and report comparable indicators. A framework of performance indicators is outlined in section 4.3. The indicators are discussed in section 4.4 and future directions in performance reporting are discussed in 4.5. The chapter concludes with jurisdictions' comments in section 4.6 and definitions of terms in section 4.7.

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#### Box 4.1     **Some common VET terms**

**nominal hours — supervised:** the anticipated hours of supervised learning or training deemed necessary to adequately present the education material associated with the delivery of a training program delivered in standard classroom delivery mode. These hours are generally specified in the curriculum documentation and do not include hours associated with work experience, industry placement or field placement.

**course:** a structured program of study including, where appropriate, practical experience. A course may lead to a recognised qualification. Where a program is a nationally recognised accredited course, the term 'course' is used; where a program is designed to lead to a qualification in a national training package, the term 'qualification' is used. See table 4.18 for the definition of qualification.

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

**module completers:** identified in the 2000 Student Outcomes Survey (NCVER 2000) as a student who is not a graduate and who successfully completed some training in a vocational program of study at a TAFE institute in Australia in 2000 and then left the TAFE system. Students who did not have an Australian address were excluded from the survey.

**unit of competency:** the basic unit in the competency standards framework. A unit of competency is the smallest component that can be assessed and recognised in the VET system.

**training package:** a package of industry competency standards, guidelines for assessment and qualifications that result from successful assessment, and sometimes 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. An integrated set of nationally endorsed standards, guidelines and qualifications for training, assessing and recognising people's skills have been developed by industry to meet the training needs of an industry or group of industries. Training packages consist of endorsed competency standards, assessment guidelines and qualifications, and optional non-endorsed support materials, such as learning strategies, assessment resources and professional development materials.

*Source:* ANTA (2001).

#### *Supporting tables*

Supporting tables for chapter 4 are provided on the CD-ROM enclosed with the Report. The files are provided in *Microsoft Excel 97* format as \Publications\Reports\2002\Attach4A.xls and in Adobe PDF format as \Publications\Reports\2002\Attach4A.pdf.

Supporting tables are identified in references throughout this chapter by an 'A' suffix (for example, table 4A.3 is table 3 in the electronic files). They may be subject to revision. The most up-to-date versions of these files can be found on the

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Review's web page ([www.pc.gov.au/gsp](http://www.pc.gov.au/gsp)). Users without Internet access can contact the Secretariat to obtain up-to-date versions of these tables (see details on the inside front cover of the Report).

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

### **Service overview**

The general roles of the system and the main reasons that students participate in VET programs are to:

- develop skills, including general education skills such as literacy and numeracy, that enhance ability to enter the labour force;
- retrain or update labour force skills; and
- provide a pathway to further tertiary education, including entrance to higher education.

In any dynamic economy there will be some mismatch between skills demanded by employers and those possessed by people looking for work. Some employers in Australia in the second half of 2000 found it difficult to fill employment vacancies in a recognised occupation or specialisation at the existing level of remuneration and conditions of employment, including location (box 4.2). 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.

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**Box 4.2 National skill shortage list (second half of 2000)**

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

**Professionals**

Accountant  
Child care coordinator  
Computing professional  
Electronics engineer  
Registered nurses

**Associate professionals**

Chef (selected Asian cuisines such as Indian, Japanese and regional Chinese )

**Tradespersons**

Metal machinist	Toolmaker	Metal fitter
Welder	Sheetmetal worker	Motor mechanic
Automotive electrician	Panel beater	Vehicle painter
Furniture upholsterer	Pastry cook	Hairdresser
	Cook	
	Refrigeration and air-conditioning mechanic	

Source: DEWRSB (2001).

*Diversity of the VET system*

The VET system involves the interaction of employers, Commonwealth, State, Territory and local governments (as both purchasers and providers) and an increasing number of specialist private registered training organisations. 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 four years (box 4.3).

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### Box 4.3 Diversity of the VET system

*The levels of training* range from a single module or unit of competency (which can involve fewer than 10 contact hours) to advanced diplomas (which can involve up to four 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 (which do not provide a course award) without intending to complete a course.

*The types of training* range from formal classroom learning to workplace based learning and may include 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.

*The types of training institution* range from institutions specialising in VET delivery (such as publicly owned TAFE institutes and agricultural colleges, private registered training organisations and adult and community education providers) to secondary schools and universities. These institutions have started to provide dual award courses that combine 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 that does not lead to a qualification.

## Funding

Total recurrent expenditure on VET by governments in 2000 totalled \$3.3 billion, a real increase of 0.6 per cent from 1999 (table 4A.1). Government recurrent VET expenditure excludes revenue from fees recovered from individuals and organisations for fee-for-service programs, ancillary trading revenue, other operating revenue and revenue from Commonwealth specific purpose funds. Accrual expenditure data are available from 1997 to 2000. Recurrent government VET expenditure per person aged 15–64 years ranged from \$508.2 in the NT to \$219.8 in Victoria in 2000. Expenditure per person in NSW, WA, the ACT and the NT was higher than the national average (table 4A.2).

## Size and scope

The VET system is an integral part of Australia's education system. It plays an important role in providing and updating the skills of the labour force. The target population for VET is people aged 15–64 years and this group is used in this chapter for per person comparisons across jurisdictions where possible. There were 4.7 million people in the labour force aged 15–64 years with recognised post-school qualifications in 2000 (of which 4.5 million were employed representing 51.1 per cent of employed people aged 15–64 years). In the labour force, 13.4 per cent of

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people had a skilled vocational qualification as their highest qualification and 8.8 per cent had a basic vocational qualification (ABS 2000).

Over 1.7 million people participated in publicly funded and/or provided VET programs in 2000 (up by 102 200 students or 6.2 per cent from the 1999 level), comprising about 12.1 per cent of the Australian population aged 15–64 years (ANTA 2001).

Over 346.1 million hours of VET programs were publicly funded or delivered on a fee-for-service basis by public providers in 2000, ranging from 118.4 million hours in NSW to 4.8 million hours in the NT (table 4A.3). This represents an increase of 4.5 per cent from 1999. The number of annual hours delivered per student ranged from 316.4 in the ACT to 167.3 in SA. The national average was 197.9 hours per student, compared to 201 in 1999. These programs were delivered by 86 public training institutions, 1139 community based providers and 3388 publicly funded private registered training organisations (NCVER 2001a, 2001c).

State and Territory TAFE institutes and universities with TAFE divisions provide the majority of publicly funded VET services, delivering approximately 84.1 per cent of all VET hours in 2000 (compared with about 84.6 per cent in 1999). Adult and community education providers and private registered training organisations delivered the remaining 15.9 per cent of VET hours in 2000 (compared with about 15.4 per cent in 1999) (NCVER 2001a).

The infrastructure (net assets) of government owned TAFE institutes and universities with TAFE divisions was worth over \$5.7 billion at 31 December 2000, of which 90.9 per cent comprised the value of land and buildings (NCVER 2001b). The value of these assets per person aged 15–64 years varied across jurisdictions, ranging from \$871.4 in the NT to \$353.7 in Queensland (table 4A.4).

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

The proportion of students studying in rural and remote locations varied across jurisdictions in 2000. The proportion of students studying in rural locations ranged from 58.2 per cent in Tasmania to none in the ACT, while the proportion in remote locations ranged from 54.9 per cent in the NT to less than 1 per cent of students in NSW and Victoria (table 4A.3).

## **Roles and responsibilities**

The national VET system is a cooperative arrangement between Commonwealth, State and Territory governments, State training boards, industry (represented by

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Industry Training Advisory Bodies) and service providers. Different bodies may provide services, funds, advice and decisions (figure 4.1). State and Territory governments play dual roles as both purchasers of VET services (from private and community providers) and direct providers of services (through TAFE institutes and universities with TAFE divisions). 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.

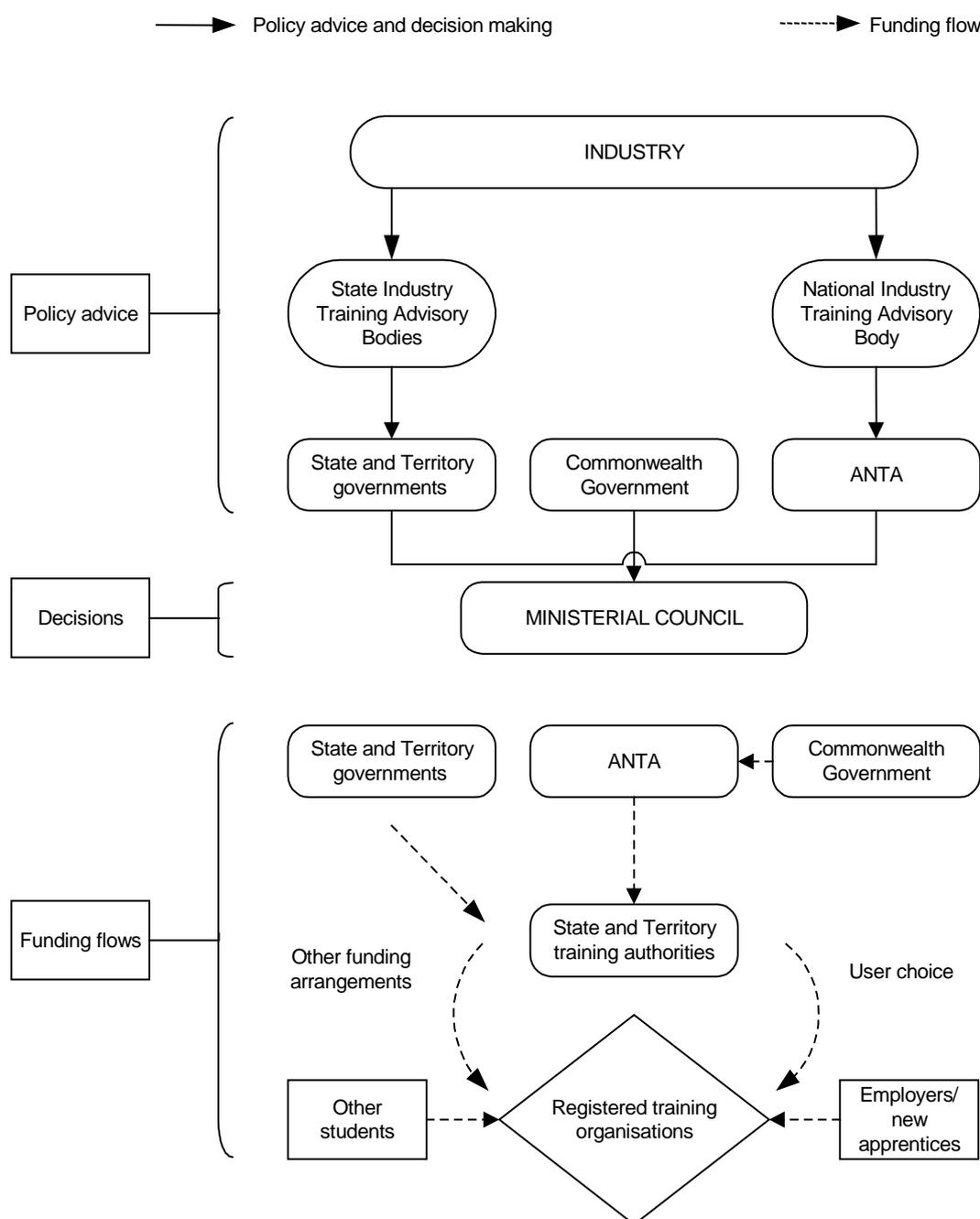
Public VET funding comes from Commonwealth, State and Territory governments. State and Territory governments provided 73.1 per cent of recurrent funding in 2000 while the Commonwealth provided the remainder (NCVER 2001b). These proportions are the same as those in 1999.

The proportion of government funding allocated to private and adult community providers varied across jurisdictions — Queensland had the highest proportion in 2000 (9.1 per cent ) and NSW the lowest (4.4 per cent) (table 4A.5).

#### *Allocation of VET funding*

The majority of government VET funds are allocated to major public providers based on the planned activity of State and Territory training authorities (which plan the amount of annual curriculum hours to be delivered in each field of study). Competitive tendering was introduced in the early 1990s to allocate \$21 million of additional Commonwealth funds to public and private registered training organisations (HRSCEET 1998).

Figure 4.1 Decisions, advice and funding flows within the VET system



Commonwealth, State and Territory ministers agree to pursue a more effective training market with public and private provision of training as a key objective of the national VET system. This approach is reflected in the ANTA Agreement. In line with this objective, States and Territories have made greater use of competitive funding arrangements, which have increased the provision of publicly funded

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training by other providers, including private training providers. Processes used to allocate funds on a competitive basis include:

- *competitive tendering* — where public and private registered training organisations compete for funding contracts from State and Territory training authorities (based on one or more selection criteria) in response to government offers (tenders);
- *user choice* — where the employer and apprentice/trainee choose a registered training provider and negotiate key aspects of their training. Public funds flow to that provider; and
- *preferred supplier arrangements* — an extension of competitive tendering, where a contract is awarded to a provider (chosen by the tender process) to provide training on a longer term basis.

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

An estimated \$725.3 million of public VET funding was allocated on a competitive basis in 2000 (including user choice arrangements) — 26.5 per cent more than the amount in 1999 (table 4A.6). The degree of competition in the tendering process varies across jurisdictions. Some funds are potentially available to both public and private registered training organisations (open competitive tendering) whereas some tendering is restricted to either public or private registered training organisations (limited competitive tendering). Similarly, the potential for competition, in terms of the size of the market of potential providers, varies across jurisdictions.

Institutes of TAFE and universities with TAFE divisions may be subject to factors that affect their ability to compete effectively for funding allocated by competitive tendering (box 4.4).

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#### Box 4.4 TAFE institutes and competitive tendering

The House of Representatives Standing Committee on Employment, Education and Training (HRSCEET) argues 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; and
- 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 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).

## 4.2 Policy developments in vocational education and training

As part of the planning and accountability arrangements for the national VET system, ministers agreed in June 2001 to five annual national priorities for 2002.

- *A quality national training system that provides value for money* — to achieve quality outcomes in a cost effective way which would include the implementation of national training arrangements within the National Training Framework . Quality assurance and risk management processes will underpin the success in this area, while States and Territories will contribute to improvements in national consistency, having regard to their own priorities.
- *Industry commitment to skill development* — to foster a learning culture within enterprises, to increase industry participation and investment in training to add to the existing skill base, and to expand new apprenticeships.
- *Individuals as learners* — to target products and services that meet learner needs, increase opportunities and improve outcomes for targeted groups. There will also be a focus on improving and increasing pathways for VET learners, consistent with the National Training Framework. Pathways in VET include learning opportunities in the workplace as well as off-the-job and VET programs in schools, facilitated using different modes of delivery.

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- *VET professionalism* — to build the capabilities of VET professional staff.
  - *Support for regional development* — to target skill development to meet the needs of local enterprise, small business and communities.

The five priorities will apply in 2002 under the ANTA Agreement for 2001–2003, endorsed in August 2001.

### 4.3 Framework of performance indicators

The framework of performance indicators for VET used in this Report (figure 4.2) is built around a set of shared VET objectives (box 4.5). The performance indicators reflect the national VET objectives — for example, participation by target groups indicates the access to and equity of VET outcomes; skill profile is an indicator of the mobility of the labour market; overall employer satisfaction with VET indicates the preparedness of people for work; and recurrent expenditure per annual curriculum hour indicates the extent to which the value of public VET expenditure is maximised.

#### Box 4.5 Objectives for VET services

Ministers agreed in 1997 on four objectives for 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.

A fifth objective — to increase investment in training — was added in early 1998.

*Source:* ANTA (1998).

Government recurrent expenditure was reported on an accrual basis for the first time in 1998. While the move to accrual reporting represents a break in the series, both accrual and cash data are available for 1997, which will facilitate comparisons over time from 1997. Ongoing work to provide a more comprehensive set of performance indicators and to improve existing indicators and data is discussed in section 4.5.

### 4.4 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

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statistics and short profiles on each State and Territory, which may help in interpreting the performance indicators presented in this chapter. Figure 4.2 contains a framework for performance indicators.

## **Access and equity**

This section 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, Indigenous people, people with a disability, residents of rural and remote communities and people from non-English speaking backgrounds.

### *VET participation of the general population*

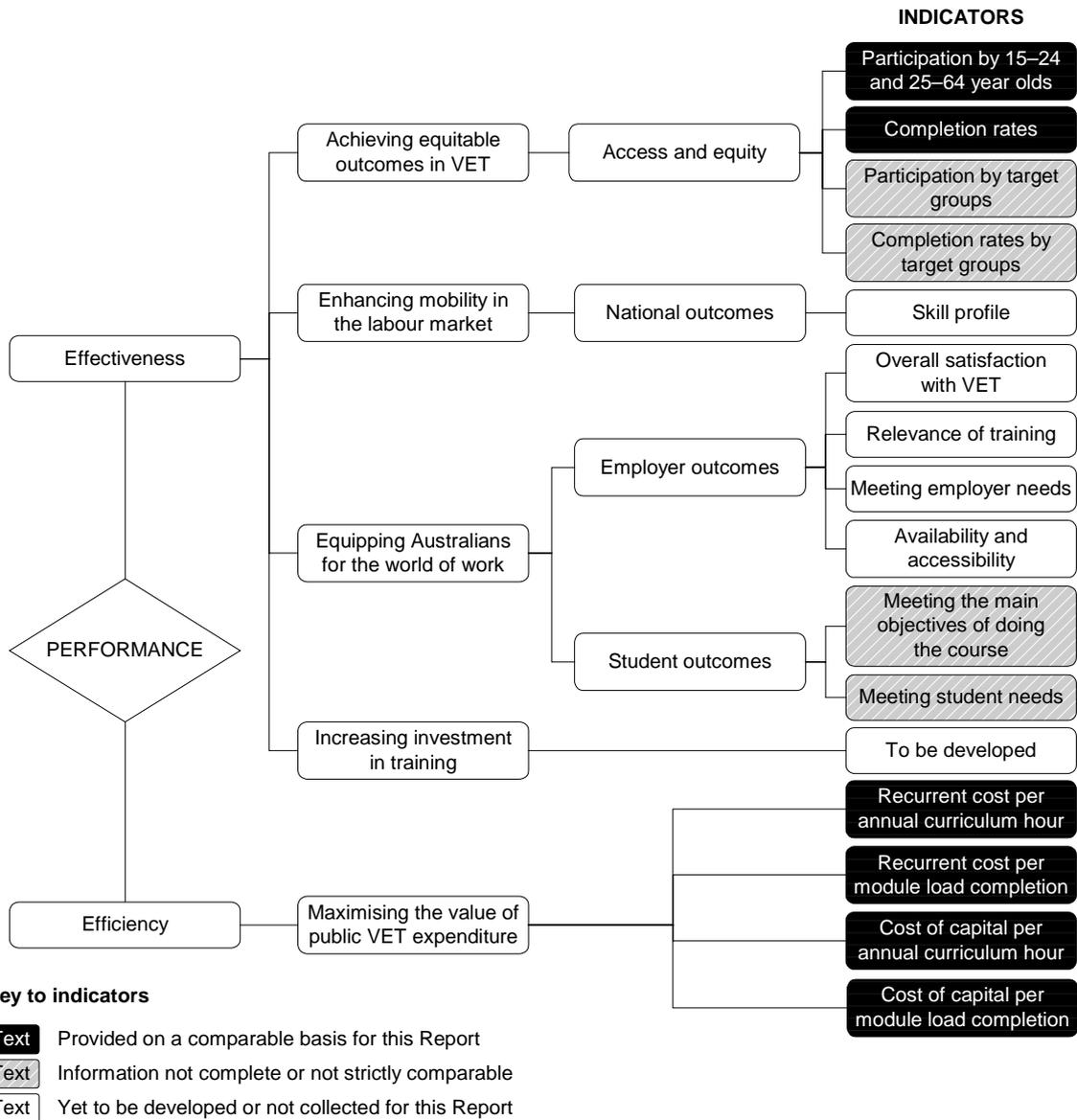
Males represented 50.8 per cent of all VET students in 2000 and females represented 49.2 per cent (NCVER 2001a). The national VET participation rate for people aged 15–64 years was 12.1 per cent in 2000. The NT reported the highest participation rates (14.1 per cent) and the ACT reported the lowest (8.9 per cent). The participation rate was lower for females than for males in all jurisdictions, except NSW and the NT (figure 4.3).

Males aged 15–29 years had higher participation rates than those of their female counterparts, with the reverse being true for the group aged 30–59 years. Males and females of 60–64 years of age had the same participation rates (table 4A.7).

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

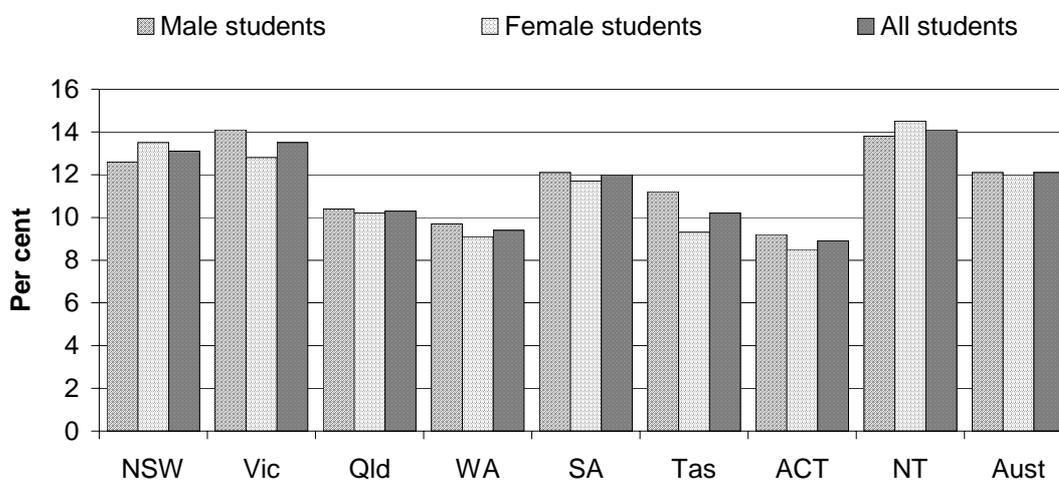
In 2000, 638 100 young people (27.1 per cent of people aged 15–24 years of age) participated in VET (table 4A.7). Traditionally, young males (15–24 years of age) have had a higher participation rate than young females and this pattern continued in 2000. The majority (75.5 per cent) of young people undertook their training at TAFE or other government providers, with the remainder divided between community education and other registered providers (NCVER 2001a).

Figure 4.2 Performance indicators for VET services a, b



<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 that 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.

Figure 4.3 VET participation rates for people aged 15–64 years, 2000



Source: table 4A.8.

#### Load pass rate for the general population

Load pass rates report the extent to which students pass assessment in an assessable module or unit of competency. Comparisons should be made with care because average module durations and competencies achieved by students vary across jurisdictions. This chapter provides load pass rates (the ratio of students who passed assessment in an assessable module or unit of competency to all students who were assessed and either passed, failed or withdrew) for all students and ANTA-designated equity target groups. The calculation is based on the nominal hours supervised for each assessable module or unit of competency.

Load pass rates in 2000 ranged from 86.9 per cent in SA to 69.2 per cent in the NT. South Australia, Tasmania and the ACT reported rates above the national average of 75.4 per cent. In general, there was little difference in the completion rates of males and females (table 4.1).

Table 4.1 Load pass rates, 2000 (per cent)<sup>a</sup>

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Male	73.6	73.6	74.4	72.8	86.9	81.6	79.3	71.9	74.9
Female	74.1	76.2	74.9	72.4	87.1	84.2	81.9	66.2	75.8
All people	73.9	74.8	74.6	72.6	86.9	82.8	80.6	69.2	75.4

<sup>a</sup> Care needs to be taken in comparing data across jurisdictions because average module durations and competencies achieved by students vary.

Source: table 4A.9.

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### Participation by 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 to achieve this objective. For people with special needs, participation rates need to be interpreted with care because the data generally depended on self identification at the time of enrolment, and non-responses (that is, students who did not indicate whether they had special needs) were both high and varied across jurisdictions. The VET participation rate of people with a disability was below this group's representation in the population in all jurisdictions, although there were high non-response rates for several jurisdictions (table 4A.10).

The national participation rate of people identifying themselves as being born in a non-English speaking country was below this group's representation in the population. Queensland, SA and Tasmania reported a participation rate above this group's representation in the population. The highest non-response rate (31.7 per cent) was reported by WA and the lowest (4.5 per cent) by Tasmania. Given such high non-response rates, care needs to be taken in making comparisons across jurisdictions (table 4.2).

Table 4.2 **VET participation by people from a non-English speaking background, 2000 (per cent)**

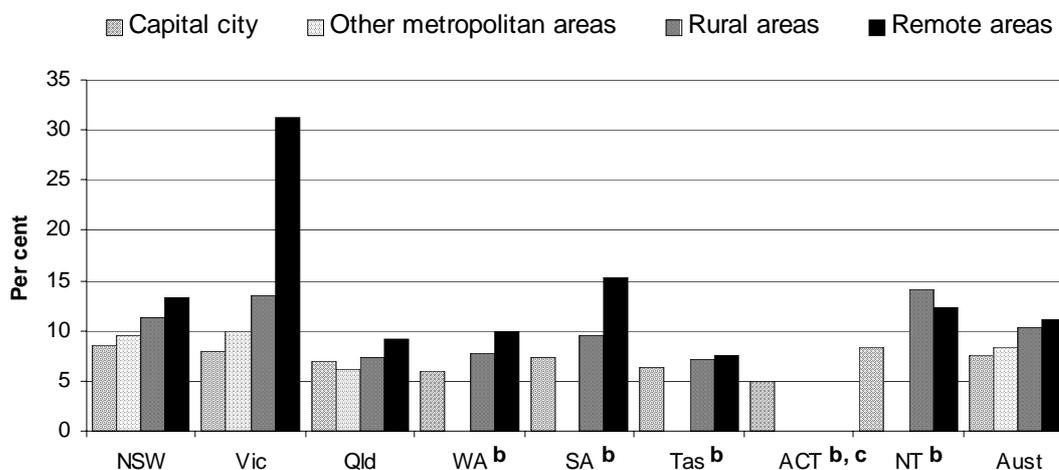
	NSW <sup>a</sup>	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Students who reported being born in a non-English speaking country	13.2	12.7	8.0	10.2	14.0	4.7	13.4	7.1	11.9
Proportion of population born in a non-English speaking country	15.8	17.1	7.3	11.8	10.6	3.9	13.8	8.1	13.3
Non-response rate <sup>b</sup>	27.0	18.8	11.5	31.7	16.5	4.5	16.5	9.1	21.1

<sup>a</sup> The proportion of respondents who did not indicate whether they belong to this client group was higher in 2000 than in previous years. <sup>b</sup> Students who did not indicate the country in which they were born.

Source: table 4A.11.

The participation rate for rural areas was highest in the NT (14.1 per cent) and lowest in Tasmania (7.1 per cent). The participation rate for remote areas was highest in Victoria (31.3 per cent) and lowest in Tasmania (7.6 per cent) (figure 4.4). Interpretation of rural and remote area participation rates should consider both the target population and the proportion of students from these regional areas (table 4A.3 and appendix A).

Figure 4.4 VET participation by region, 2000<sup>a</sup>



<sup>a</sup> Interpretation of rural and remote participation rates should consider the absolute number of students from these regional areas (table 4A.3 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, remote and other metropolitan areas are too small to calculate meaningful rates.

Source: table 4A.12.

The proportion of VET students who identified as Indigenous ranged from 33.6 per cent in the NT to 0.9 per cent in Victoria. The proportion of VET students who identified as Indigenous was greater than the Indigenous representation in the population in all jurisdictions except Tasmania, where the two rates were similar (table 4.3).

Table 4.3 VET participation by Indigenous people, 2000 (per cent)

	NSW <sup>a</sup>	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Students who reported being Indigenous	2.5	0.9	4.3	5.6	2.7	2.9	1.1	33.6	3.0
Indigenous people as a proportion of total population	1.7	0.5	2.9	3.0	1.4	3.0	1.0	24.4	2.0
Non-response rate <sup>b</sup>	28.2	16.2	12.7	29.0	18.3	10.7	2.1	10.6	20.9

<sup>a</sup> The proportion of respondents who did not indicate whether they belonged to this client group was higher in 2000 than in previous years. <sup>b</sup> Students who did not indicate if they were Indigenous.

Source: table 4A.13.

### Load pass rates for target groups

The load pass rate for all students was highest in SA (86.9 per cent), which also reported the highest load pass rates for Indigenous students (74.2 per cent), for students from rural and remote areas (91.8 per cent and 88.8 per cent respectively), students with a disability (82.4 per cent) and for students from a non-English

speaking country (82.5 per cent) (table 4.4). Care needs to be taken in comparing rates across jurisdictions because average module duration and competencies achieved by students vary across jurisdictions.

**Table 4.4 Load pass rates by target groups, 2000 (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>
All people	73.9	74.8	74.6	72.6	86.9	82.8	80.6	69.2	75.4
Target groups									
Students who reported being Indigenous	58.0	60.3	59.3	54.7	74.2	67.6	73.1	64.0	60.1
Students who reported having a disability	66.2	66.4	65.1	64.4	82.4	69.1	72.2	67.0	67.1
Students who reported being born in a non-English speaking country	71.7	70.8	63.7	67.3	82.5	80.1	75.7	65.1	70.9
Rural area students	74.4	78.6	76.5	75.2	91.8	80.9	–	73.1	77.5
Remote area students	72.4	79.2	75.6	67.7	88.8	81.8	–	65.5	71.3

<sup>a</sup> Care needs to be taken in comparing rates across jurisdictions because average module durations and competencies achieved by students vary. – Numbers too small to calculate a meaningful rate.

Source: table 4A.9.

## Employer outcomes

Employer satisfaction is an important indicator of the quality of VET services. No new data are available for this indicator and readers should refer to last year's Report for data from the NCVET 1999 Survey of Employer Views on VET. The 2001 survey was not available in time to be included in this Report, however, the data will be included in the 2003 Report. The 2001 survey is available in *Australian Vocational Education and Training Statistics 2001 Survey of Employer Views on Vocational Education and Training* (NCVER 2001d).

## Student outcomes

In 2000, ANTA commissioned the Student Outcomes Survey for the second time. Its aim was to ascertain training outcomes for students who completed VET at TAFE institutes or universities with TAFE divisions in Australia in 1999. The survey targeted students who graduated with a qualification from a course (graduates) and students who had successfully completed some training below the level of full qualification and who were no longer engaged in training at the time the survey was undertaken (module completers). The data collected about TAFE graduates and TAFE module completers describe their general characteristics, fields of study, employment outcomes, occupations, industries of employment, satisfaction with their course of study and further study outcomes.

The 2000 Student Outcomes Survey involved the mailing of questionnaires to a randomly selected sample of graduates and module completers. The sample was stratified by TAFE institute, field of study, gender and age. Responses have been weighted to population benchmarks to minimise non-response bias. The questionnaires for graduates and module completers were slightly different in their layout and questions. Both student groups are distinctive segments of the student market in terms of their demographic and training characteristics.

Care needs to be taken when comparing State and Territory information as each jurisdiction has different economic, demographic and social profiles that are likely to have an effect on a range of training related outcomes. In particular, employment related VET outcomes are predominantly affected by economic parameters that are beyond the control of the TAFE system.

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

The 2000 Student Outcomes Survey (NCVER 2000) asked 1999 TAFE institute graduates to nominate their main reason for undertaking a VET course. Nationally, 77 per cent of surveyed graduates indicated that they enrolled for vocational reasons (for example, to obtain a job or promotion). This proportion ranged from 84 per cent in Tasmania to 71 per cent in the NT (table 4.5).

**Table 4.5 TAFE graduates' main reason for undertaking a VET course, 2000 (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	76 (0.8)	78 (0.8)	78 (0.9)	73 (1.2)	82 (1.5)	84 (2.0)	75 (2.5)	71 (4.1)	77 (0.4)
Non-vocational reason	24 (0.8)	22 (0.8)	22 (0.9)	27 (1.2)	18 (1.5)	16 (2.0)	25 (2.5)	29 (4.1)	23 (0.4)

<sup>a</sup> The standard errors corresponding to a 95 per cent confidence interval for the percentage estimate are reported in parentheses 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 4A.14.

The proportion of TAFE institute graduates who reported that their course helped or partly helped them achieve their main reason for doing the course ranged from 84.7 per cent in Queensland to 76.1 per cent in Tasmania (table 4.6).

**Table 4.6 Whether VET course helped TAFE institute graduates achieve their main reason for doing the course, 2000 (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	62.3 (0.9)	64.0 (1.0)	73.7 (1.0)	64.7 (1.3)	70.1 (1.7)	62.0 (2.5)	65.8 (3.0)	71.0 (4.2)	65.5 (0.5)
Course partly helped to achieve main reason	16.1 (0.7)	16.3 (0.7)	11.0 (0.7)	14.8 (1.0)	13.6 (1.3)	14.1 (1.8)	13.5 (2.2)	11.4 (2.9)	14.8 (0.4)
Course did not help to achieve main reason	8.0 (0.5)	7.1 (0.5)	7.2 (0.6)	8.8 (0.8)	8.4 (1.1)	11.3 (1.6)	7.4 (1.7)	6.3 (2.3)	7.9 (0.3)
Do not know yet	13.5 (0.6)	12.5 (0.7)	8.1 (0.6)	11.7 (0.9)	7.9 (1.0)	12.6 (1.7)	13.2 (2.1)	11.2 (2.9)	11.8 (0.3)

<sup>a</sup> The standard errors corresponding to a 95 per cent confidence interval for the percentage estimates are reported in parentheses under the estimates. <sup>b</sup> 'Not stated/refused' represented the balance of responses in each jurisdiction.

Source: table 4A.15.

The extent to which students achieved their main reason for doing a course not only varied across jurisdictions but also across target groups. Nationally, 66.8 per cent of TAFE institute graduates who enrolled in a VET course to obtain a job achieved this outcome. This outcome was lower for people identifying as Indigenous (59.6 per cent) and for people from non-English speaking backgrounds (63.0 per cent) (table 4.7).

**Table 4.7 Whether VET course helped TAFE institute graduates achieve their main reason for doing the course by reason and special needs group, 2000 (per cent)<sup>a, b</sup>**

<i>Reason for course</i>	<i>All graduates</i>	<i>Graduates born in a non-English speaking country</i>	<i>Indigenous graduates</i>
To obtain a job (or own business)	66.8 (0.5)	63.0 (0.9)	59.6 (4.3)
To try for a different career	67.8 (0.8)	66.8 (1.4)	64.9 (5.5)
To obtain a better job or promotion	71.8 (0.8)	69.6 (1.4)	59.9 (7.9)
To fulfil requirements of the job	94.1 (0.3)	93.8 (0.8)	88.7 (3.2)
To learn extra skills for the job	91.4 (0.4)	88.8 (1.0)	89.7 (3.6)
To qualify for another course	86.4 (0.8)	85.5 (11.2)	73.1 (7.9)
Interest or personal development	89.9 (0.5)	88.4 (0.9)	87.9 (2.9)
Other	79.9 (1.2)	77.5 (2.1)	68.0 (8.5)

<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 standard errors corresponding to a 95 per cent confidence interval for the percentage estimate are reported in parentheses to the right of the estimate.

Source: table 4A.16.

## Meeting student needs — employment outcomes of VET graduates

Of the surveyed TAFE institute graduates who completed a VET program during 1999, 76 per cent indicated that they were employed. Graduates from Queensland, SA, Tasmania, the ACT and the NT reported better than average employment outcomes (table 4.8). Interpretation of employment outcomes must take account of the general economic conditions in each jurisdiction (appendix A) and the enrolment of some students for non-vocational reasons.

**Table 4.8 Labour force status of 1999 TAFE institute graduates, 2000 (per cent)<sup>a, b, c</sup>**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Employed	74 (0.9)	76 (0.9)	79 (0.9)	74 (1.2)	83 (1.5)	80 (2.0)	82 (2.4)	80 (3.6)	76 (0.4)
Unemployed	12 (0.6)	12 (0.6)	9 (0.7)	11 (0.8)	9 (1.1)	11 (1.5)	8 (1.8)	8 (2.7)	11 (0.3)
Not in labour force	13 (0.6)	11 (0.6)	11 (0.7)	14 (0.8)	8 (1.1)	9 (1.5)	9 (1.8)	11 (2.7)	12 (0.3)

<sup>a</sup> At 28 May. <sup>b</sup> The standard errors corresponding to a 95 per cent confidence interval for the percentage estimates are reported in parentheses under the estimates. <sup>c</sup> 'Not stated/refused' represented the balance of responses in each jurisdiction.

Source: table 4A.17.

There was little difference across jurisdictions in the proportion of employed TAFE institute graduates who reported that their course was highly relevant to their job (table 4.9). The proportion of TAFE institute graduates who received a pay increase after completing their course ranged from 33.0 per cent in the ACT to 19.1 per cent in Queensland. The proportion who received a promotion (or increased status at work) as a result of doing their VET course ranged from 25.1 per cent in the NT to 14.0 per cent in Queensland (table 4.10).

**Table 4.9 Employed 1999 TAFE institute graduates who undertook their course for vocational reasons — relevance of course to main job, 2000 (per cent)<sup>a, b</sup>**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Highly relevant	55.3 (1.2)	57.2 (1.3)	56.3 (1.4)	59.6 (1.8)	59.4 (2.3)	59.9 (3.1)	60.1 (3.9)	59.3 (6.0)	56.6 (0.6)
Some relevance	25.4 (1.1)	24.3 (1.1)	28.3 (1.3)	19.9 (1.4)	26.3 (2.0)	24.3 (2.7)	20.7 (3.2)	24.5 (5.2)	25.3 (0.6)
Total	80.7 (1.0)	81.6 (1.0)	84.6 (1.0)	79.5 (1.5)	85.7 (1.6)	84.2 (2.3)	80.8 (3.2)	83.8 (4.5)	81.9 (0.5)

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

Source: table 4A.18.

**Table 4.10 Employed 1999 TAFE institute graduates who undertook their course for vocational reasons — benefits of course, 2000 (per cent)<sup>a</sup>**

<i>Benefit</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>
An increase in earnings	26.9 (1.0)	28.5 (1.1)	19.1 (1.0)	26.2 (1.4)	24.5 (1.9)	32.2 (2.8)	33.0 (3.4)	29.8 (4.9)	25.7 (0.5)
A promotion (or increased status at work)	21.0 (0.9)	18.7 (0.9)	14.0 (0.9)	16.7 (1.2)	22.1 (1.8)	17.7 (2.3)	24.3 (3.1)	25.1 (4.6)	18.8 (0.5)
Obtained a job	26.3 (1.0)	29.4 (1.1)	21.6 (1.1)	35.3 (1.6)	25.1 (1.9)	29.6 (2.7)	30.9 (3.3)	21.9 (4.4)	26.7 (0.5)
Change of job or new job	17.9 (0.9)	18.5 (0.9)	12.9 (0.9)	16.7 (1.2)	17.3 (1.6)	17.5 (2.2)	21.7 (2.9)	23.8 (4.6)	17.0 (0.4)
Benefit in some way <sup>b</sup>	75.1 (1.0)	77.0 (1.0)	61.7 (1.3)	75.5 (1.4)	75.9 (1.9)	76.5 (2.5)	78.3 (2.9)	75.6 (4.6)	72.9 (0.5)

<sup>a</sup> The standard errors corresponding to a 95 per cent confidence interval for the percentage estimates are reported in parentheses 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.

Source: table 4A.19.

## Efficiency

The ANTA Agreement requires States and Territories to demonstrate improved efficiency in the provision of publicly funded VET. As a result, unit cost performance 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 load completion.

The factors that have the greatest impact on efficiency include:

- training-related factors, such as class sizes, teaching salaries, teaching hours per full time equivalent staff member and differences in the length of training programs of similar types;
- differences between States and Territories, including socio-demographic composition, administrative scale, course mix and dispersion and scale of service delivery;
- the mix of industry in a jurisdiction and its effect on the nature of courses required; and
- VET policies and practices, including the level of fees and charges paid by students.

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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. The cost of capital is included in estimates of the cost of government services because it reflects the opportunity cost of government assets that could be used to provide other services or to retire debt. Not reporting the user cost of capital underestimates the opportunity cost to government (box 4.6).

**Box 4.6 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. It is recommended that superannuation be costed on an accrued actuarial basis (SCRCSSP 1998).
- 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 and Territory 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. It is recommended that payroll tax be costed to unit cost estimates to achieve comparability across government and private providers and across jurisdictions (SCRCSSP 1999).

*Source:* SCRCSSP (1998, 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>1</sup> Financial and activity data from States and Territories are reported

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<sup>1</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).

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within an agreed scope and boundary to ensure unit costs accurately reflect the relative efficiency of government service provision across jurisdictions.

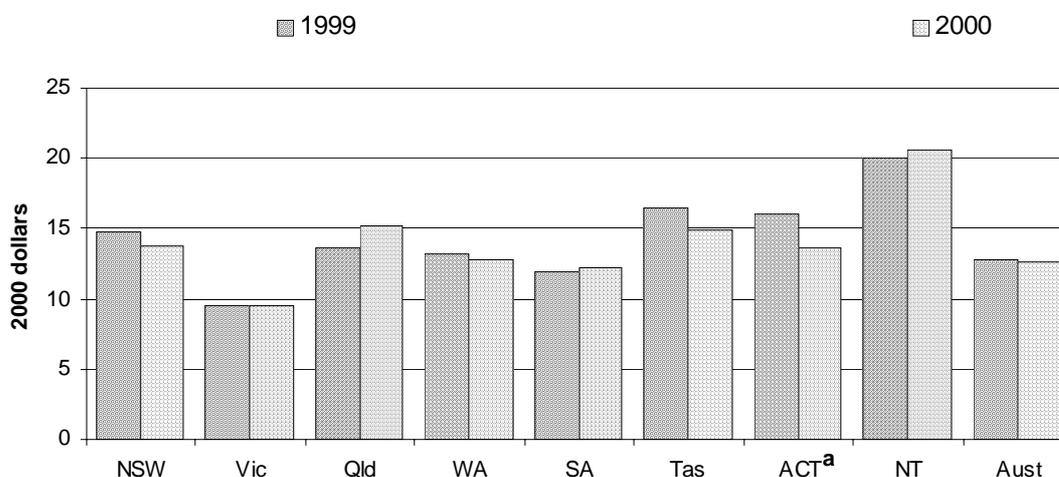
Data used in the calculation of unit cost are largely derived from the Australian Vocational Education and Training Management Information Statistic Standard. Both activity (nominal hours — supervised) and financial data are audited under arrangements with the States and Territories.

Recurrent expenditure per annual curriculum hour of government funded VET programs in 2000 ranged from \$20.67 in the NT to \$9.51 in Victoria. Only Victoria and SA reported unit costs below the national average of \$12.68. Queensland, SA and the NT reported a real increase in unit cost from 1999; all other jurisdictions reported close to no change (Victoria) or a real decrease (NSW, WA, Tasmania and the ACT) (figure 4.5).

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 a nominal 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 in the capital item, although the actual rate may vary across jurisdictions. The basis for the 8 per cent capital charge is discussed in chapter 2.

The Steering Committee acknowledges the potential for differences in some input costs (for example, land values) to affect reported costs across jurisdictions 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 4.11).

Figure 4.5 **Government recurrent expenditure per adjusted annual hours of curriculum**



<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. The payroll tax estimate has increased real recurrent government VET expenditure per adjusted annual curriculum hour in the ACT by \$0.62 in 1999 and by \$0.53 in 2000.

Source: table 4A.21.

Table 4.11 **Cost of capital, 2000<sup>a</sup>**

	Unit	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Non-current physical assets										
Land	\$m	311.9	256.7	118.5	75.4	35.6	8.8	7.4	4.5	818.8
Other	\$m	1 701.7	1 121.7	764.4	404.6	398.7	132.9	113.7	115.8	4 754.4
<b>Total</b>	<b>\$m</b>	<b>2 013.6</b>	<b>1 378.4</b>	<b>882.9</b>	<b>480.0</b>	<b>434.3</b>	<b>141.7</b>	<b>121.1</b>	<b>120.3</b>	<b>5 573.2</b>
Capital charge	%	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Cost of capital										
Land	\$m	25.0	20.5	9.5	6.0	2.8	0.7	0.6	0.4	65.5
Other	\$m	136.1	89.7	61.2	32.4	31.9	10.6	9.1	9.3	380.3
<b>Total</b>	<b>\$m</b>	<b>161.1</b>	<b>110.3</b>	<b>70.6</b>	<b>38.4</b>	<b>34.7</b>	<b>11.3</b>	<b>9.7</b>	<b>9.6</b>	<b>445.9</b>

<sup>a</sup> Totals may not add as a result of rounding.

Source: table 4A.22.

The total cost of government owned capital per annual curriculum hour varied across jurisdictions in 2000, ranging from \$2.84 in the NT to \$1.48 in WA. Excluding land assets, the government cost of other capital per annual curriculum hour ranged from \$2.73 in the NT to \$1.21 in Victoria. The cost of government owned land capital per annual curriculum hour ranged from \$0.28 in NSW and Victoria to \$0.11 in the NT in 2000 (table 4.12).

**Table 4.12 Cost of capital per annual curriculum hour, 2000<sup>a</sup>**

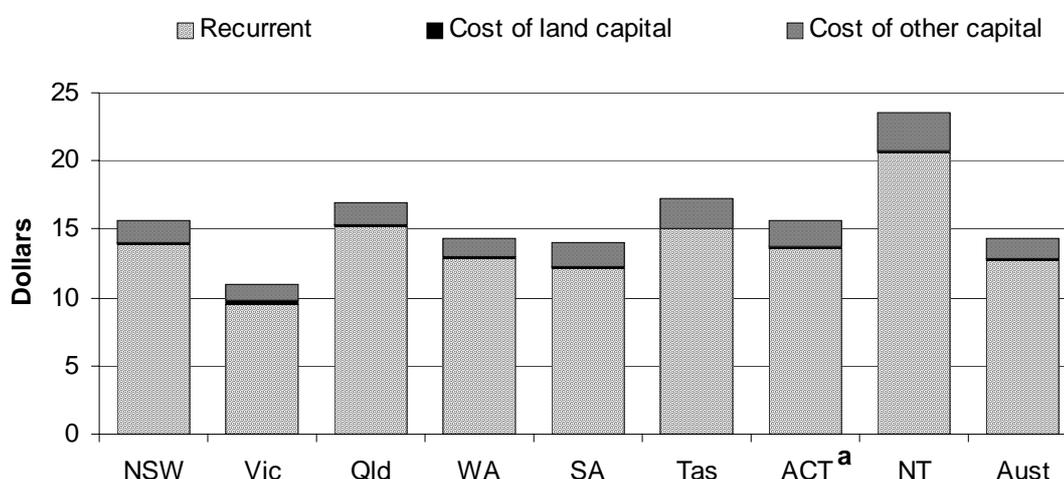
	<i>Unit</i>	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Adjusted annual curriculum hours	millions	88.8	74.2	38.5	25.9	19.6	5.1	4.8	3.4	260.1
Cost of capital per adjusted annual curriculum hour										
Land	\$	0.28	0.28	0.25	0.23	0.15	0.14	0.12	0.11	0.25
Other	\$	1.53	1.21	1.59	1.25	1.63	2.08	1.88	2.73	1.46
<b>Total</b>	<b>\$</b>	<b>1.81</b>	<b>1.49</b>	<b>1.84</b>	<b>1.48</b>	<b>1.77</b>	<b>2.22</b>	<b>2.00</b>	<b>2.84</b>	<b>1.71</b>

<sup>a</sup> Totals may not add as a result of rounding.

Source: table 4A.22.

The national full cost to government of funding VET per adjusted annual curriculum hour in 2000 was \$14.40 (recurrent cost of \$12.68, plus cost of land capital of \$0.25, plus cost of other capital of \$1.46). Across jurisdictions, the full cost per adjusted annual curriculum hour ranged from \$23.50 in the NT to \$11.00 in Victoria (figure 4.6). Care needs to be taken in interpreting these results because the asset data used to calculate cost of capital are not as reliable as the recurrent cost data.

**Figure 4.6 Total government VET costs per annual curriculum hour, 2000**



<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. The payroll tax estimate has increased real recurrent government VET expenditure per adjusted annual curriculum hour in the ACT by \$0.53 in 2000.

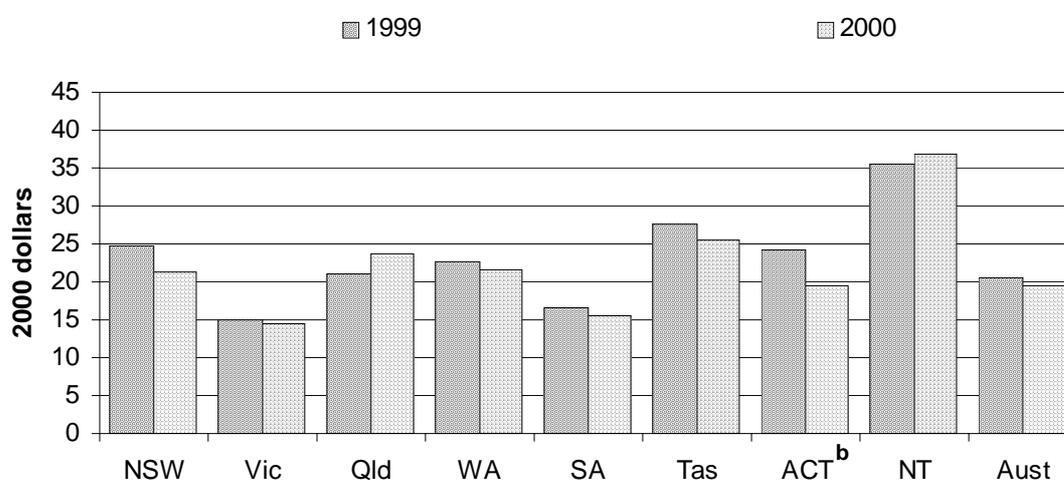
Source: table 4A.23.

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

Government expenditure per publicly funded module load completion is the cost to government of each successfully completed VET module (that is, the cost per output produced). The cost of producing successful publicly funded outputs decreased in all jurisdictions except Queensland and the NT between 1999 and 2000 (figure 4.7).

Figure 4.7 **Government recurrent expenditure per hour of successful publicly funded module load completion<sup>a</sup>**



<sup>a</sup> Care needs to be taken in comparing data across jurisdictions because average module durations and competencies achieved by students vary. <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 real recurrent government VET expenditure per publicly funded successful module load completion in the ACT by \$0.94 in 1999 and \$0.76 in 2000.

Source: table 4A.24.

Total government cost of capital per module load completion in 2000 ranged from \$5.06 in the NT to \$2.25 in Victoria. Excluding land assets, the government cost of capital per module load completion ranged from \$4.87 in the NT to \$1.83 in Victoria in 2000 (table 4.13).

**Table 4.13 Cost of capital per module load completion, 2000<sup>a, b</sup>**

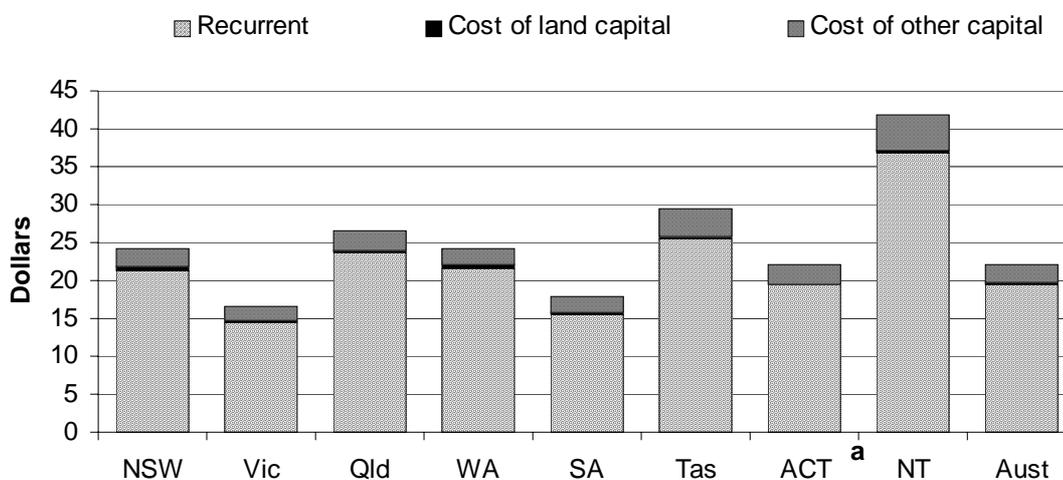
Unit	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Adjusted module load completions									
mill.	57.4	48.9	24.7	15.3	15.4	3.0	3.4	1.9	169.7
Cost of capital per adjusted module load completion									
Land	\$ 0.44	0.42	0.38	0.39	0.19	0.24	0.17	0.19	0.39
Other	\$ 2.37	1.83	2.48	2.11	2.07	3.56	2.66	4.87	2.24
<b>Total</b>	<b>\$ 2.81</b>	<b>2.25</b>	<b>2.86</b>	<b>2.50</b>	<b>2.26</b>	<b>3.79</b>	<b>2.84</b>	<b>5.06</b>	<b>2.63</b>

<sup>a</sup> Care needs to be taken in comparing data across jurisdictions because average module durations and competencies achieved by students vary. <sup>b</sup> Totals may not add as a result of rounding.

Source: table 4A.22.

The national full cost per module load completion in 2000 was \$22.07 (recurrent cost of \$19.45 plus cost of land capital of \$0.39, plus cost of other capital of \$2.24). Across jurisdictions, this ranged from \$41.87 in the NT to \$16.67 in Victoria (figure 4.8). Care needs to be taken in interpreting these results because the asset data used to calculate cost of capital are not as reliable as the recurrent cost data.

**Figure 4.8 Total government VET costs per module load completion, 2000**



<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. The payroll tax estimate has increased real recurrent government VET expenditure per publicly funded successful module load completion in the ACT by \$0.76 in 2000.

Source: table 4A.25.

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## 4.5 Future directions in performance reporting

### Indicator development

A complete assessment of the outcomes achieved under the terms of the ANTA Agreement 1998–2000 will be provided in the report, *Directions and Resources Allocations 2002*.

Work is continuing on improvements to the VET output measures that capture the diversity of the VET system. Progress has been made in developing a system for determining the number of students who are eligible to receive a VET qualification. It is now anticipated that this performance information will be reported for the first time in 2002 and will be available for the 2003 Report. Establishment of a standardised output measure for measuring all VET outputs on a single scale remains outstanding and an approach to implementation is still to be developed.

The NCVER has reviewed the Survey of Employer Views on VET to improve the survey's usefulness for performance measurement purposes. The survey, which is the key data source used to assess employers' views on the relevance of skills acquired through VET, was undertaken in its revised form in the second half of 2001. Some results were available at the end of 2001 but were not available in time to be included in the 2002 Report. These results will be included in the 2003 Report.

The NCVER has undertaken pilot studies that assess the outcomes achieved by students who participate in training outside of the publicly owned TAFE institutes. These studies are intended to complement the survey instrument that assesses the employment outcomes and prospects of both graduates and module load completers from within the TAFE system.

The Australian Bureau of Statistics will conduct a survey of employer training expenditure and practices in 2002. The results will inform a number of key performance measures and are expected to be available in March 2003.

### Reporting new indicators

Implementation of a new accountability framework for VET infrastructure commenced in 2001. The framework includes three performance measures:

- public expenditure per publicly funded output (incorporating both recurrent spending and an agreed approach for determining the user cost of capital);
- ratio of operating and maintenance costs to capital value (including the value of the maintenance backlog); and

- 
- a measure of the utilisation of infrastructure.

It is anticipated that full implementation, including national reporting against these performance measures, will be achieved by 2003 and be available for the 2004 Report.

## **4.6 Jurisdictions' comments**

This section provides comments from each jurisdiction on the services covered in this chapter and attachment 4A on the CD-ROM. Appendix A contains short profiles on each State and Territory, which may assist in interpreting the performance indicators presented in this chapter. Detailed statistics covering aspects such as age profile, geographic distribution of the population, income levels, education levels, tenure of dwellings and cultural heritage (such as Indigenous and ethnic status) are also found in appendix A.

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## **New South Wales Government comments**

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Enrolments in TAFE NSW during the year exceeded 544 000, with two thirds of enrolment growth over the past five years occurring in 1999-2000. Almost one in 10 residents of NSW attends TAFE. The participation rate was highest among 15–19 year olds with almost one in four residents aged 15–19 attending TAFE.

TAFE NSW had a major profile as Official Training Services Supporter of the 2000 Olympic Games and as Official Partner of the Paralympic Games. TAFE NSW trained a total of 110 000 volunteers and contractors in preparation for the Olympic Games.

TAFE NSW made significant progress in relation to the participation of targeted groups in training programs. Almost 16 000 Indigenous people enrolled in TAFE courses, an increase of more than 20 per cent compared to 1996. More than 25 000 people with disabilities enrolled in TAFE courses, with enrolments showing a 25 per cent increase since 1996. Some 60 000 people from non-English speaking backgrounds enrolled in TAFE courses. Almost 260 000 women enrolled in TAFE courses, reflecting an increase of almost 40 per cent in enrolments for women since 1996 compared to the overall TAFE enrolment growth rate of 30.4 per cent. Almost 180 000 enrolments were from rural areas, an increase of more than 37 per cent since 1996.

TAFE NSW has made great progress in the implementation of flexible delivery initiatives, including the provision of short courses and modules tailored to specific industry and employee needs. TAFE NSW Online was supported in 2000 by the development of 300 modules of online course materials, significantly enhancing the organisation's flexible delivery capacity. TAFE Global Pty Ltd was established to take advantage of emerging opportunities in the international training market. Recognition and credit transfer arrangements between ACE and TAFE NSW were successfully established in the fields of information technology, business, hospitality, health and community services.

There was continued growth in apprenticeships and traineeships with 58 000 apprentices and trainees commencing training in 2000, an increase of 13 per cent. In the March 2000 quarter, 72 340 apprentices and trainees were in training and employment. By the end of December 2000, the number had grown to 85 670, an increase of 18.5 per cent.

In the 2000-01 budget the government is spending \$1 506.6 million in recurrent and capital funding for TAFE NSW and other vocational education and training services. The budget takes into account Commonwealth government funding and the need for greater efficiencies in an increasingly competitive training market.”

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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 further education and personal development programs, to over 578 000 students — a 2.8 per cent increase on 1999.

Performance information in this Report indicates that the Victorian training system performed well across a range of indicators, particularly participation in VET, especially in rural and remote areas.

In its 2000-01 Budget, the Victorian Government provided an additional \$177.4 million over four years to training providers, including \$127 million to TAFE institutes. It also provided \$84.7 million for targeted employment programs to support the employment of apprentices and trainees in the public and private sectors and \$65 million to extend and improve post-compulsory education and training pathways.

This investment provided immediate benefits for Victoria's community and industry. In particular, Victorian TAFE institutes are better placed to provide quality education and training, there are record numbers of apprentices and trainees and facilities and resources in the Adult Community Education sector have been enhanced.

In its 2001-02 Budget, the Victorian Government built on this investment in education and training to renew and improve the skills base of Victoria by providing an additional \$110 million in new initiatives focusing on innovation, community building and infrastructure.

The Government also established goals and targets to increase participation and attainment in education and training in Victoria. Four of the goals will impact directly on the provision of vocational education and training in 2001 and beyond. They are:

- to increase the percentage of young people who successfully complete year 12 or the equivalent;
- to increase adults' participation in education and training and hence the overall level of educational attainment and literacy levels in Victoria;
- to increase the level of participation and achievement in education and training in rural and regional Victoria and among groups where it is presently low; and
- to make near-universal participation in post compulsory education and training the norm in our society.



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## Queensland Government comments

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Queensland continues to improve the quality of vocational education and training outcomes through the development of a range of objectives articulated in *Skilling Queensland: A strategy for vocational education and training (2001–2004)*. This strategy aims to increase the skills and qualifications of Queenslanders; embrace the information and biotechnology age; expand innovation and collaborative business practices; and build on the quality of vocational education and training.

The *Training and Employment Act 2000* proclaimed on 28 September 2000, strengthened Queensland's commitment to quality vocational education and training and national consistency within the vocational education and training sector across Australia. The *Training and Employment Act 2000* introduced multiple improvements based on the findings of the 1999 Independent Investigation into the Quality of Training in Queensland's Traineeship System.

Through an innovative approach aimed at ensuring that training meets the needs at a community level, Queensland implemented a \$10 million (per year) community training partnership program in 2000-01. Experience has shown that community based, not-for-profit organisations need time and support to develop the necessary infrastructure to effectively enable the implementation of accredited training programs. While outcomes for training are yet to be realised there has been significant development of community capacity which will ensure the sustainability of these programs over time.

In addition, the competitive purchasing program was, for the first time, highly targeted at identified skills gaps in each region. Providers experienced significant difficulty attracting students in contract timeframes resulting in cancellation of contracts late in the financial year or extension of end dates that will result in a delay in delivery achieved.

The department has now established mechanisms to continually monitor delivery on all programs and to proactively negotiate alternative training where community response has been inadequate or emergent priorities identified.

Importantly, more realistic targets have been negotiated with the Australian National Training Authority for Queensland's vocational education and training system for 2001-02.

Queensland 2000 expenditure was affected by abnormal expenses totalling approximately \$23 million. These expenses relate to changes in depreciation/amortisation, due to asset revaluation, losses on asset sales and the treatment of information technology capital expenditure as recurrent expenditure. This has now been addressed by a policy change. These items are accounting treatments that should be considered in determining improvements in the operational efficiency of the vocational education and training system.

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## Western Australian Government comments

“ The Western Australian Vocational Education and Training system consists of 14 publicly funded providers (TAFE Colleges) and in excess of 900 private providers, some 100 of which receive public funding through contestable means. In 2000, delivery exceeded 25 million student contact hours to around 102 000 (ANTA scope) students at a recurrent and capital cost of approximately \$320 million.

The Department's strong industry focus provided by the State Training Board and its principal planning mechanism, the State Training Strategy, provides government, industry and training providers with short, medium and long term directions and advice on the training priorities and skill needs of Western Australia. This is an important feature of the Western Australian vocational education and training system and one that places the State at the forefront in actively seeking industry involvement in the identification and planning of VET.

By focusing on industry, student and community requirements within a managed competitive training market, a more demand-driven and responsive system for publicly funded training effort has been developed with a commitment to system monitoring and the development of quality processes.

This report highlights some of the Western Australian VET sector accomplishments for 2000 including:

- 79.5 per cent of WA graduates said that they achieved or partly achieved their main reason for doing their course;
- 59.6 per cent of employed TAFE graduates in WA said that their course was highly relevant to their job, compared to 56.6 per cent nationally.
- 75.5 per cent of employed graduates who undertook their course for vocational reasons said that they benefited in some way;
- Indigenous people in WA participated in VET at almost twice the rate (5.6 per cent) of their representation in the population (3.0 per cent);
- Total VET costs per adjusted annual curriculum hour in WA for 2000 was \$14.32, down from \$14.52 in 1999 — the third lowest of all States and Territories.

Demand for VET in WA will continue to increase due to a variety of factors, including increased workforce demand for new and higher skill levels due to ongoing structural changes in the labour market. These changes include developments in information technology, globalisation of markets and the move to knowledge based industries. By recognising these factors and planning to effectively meet the training needs that will flow from these structural changes, the WA VET system will ensure that it continues to offer timely, effective and efficient training solutions that continue to meet the needs of industry, the community and individuals.

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## South Australian Government comments



South Australia continued to develop an efficient, high quality vocational education and training (VET) system that plays a significant role in providing and updating the skills of our workforce. The Report highlights some of the achievements during 2000, when South Australia:

- increased the number of contract of training commencements from 18 700 in 1999 to 22 300 in 2000;
- maintained the efficiency of publicly funded VET at a rate significantly lower than the Australian average (\$12.20 versus \$12.70). The total government VET cost in South Australia per hour of successful module completion has improved from \$16.00 in 1999 to \$15.50 in 2000 and the cost remains lower than the national average cost of \$19.40;
- increased the participation rate for 15-64 year olds from 11.4 per cent in 1999 to 12.0 per cent in 2000;
- had the highest load pass rate (86.9 per cent) in the country, which considerably exceeds the national average of 75.4 per cent;
- had the equal highest employer satisfaction for recent VET graduates (87 per cent versus the 83 per cent national average) in the 1999 Survey of Employer Views on Vocational Education and Training;
- recorded 91.4 per cent of recent TAFE graduates employed or in further study after their course, higher than the national average of 89.2 per cent;
- recorded 67.9 per cent of recent TAFE graduates who rated the quality of their TAFE training as 8 or more on a 10 point scale, higher than the national average of 66.7 per cent;
- increased funding to the Adult Community Education sector for delivery of non accredited pathways programs; and
- increased the funding allocation to rural/remote areas of the state for delivery of Adult Community Education general education and language, literacy and numeracy programs.

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 *2000 Student Outcomes Survey* indicate that TAFE provides high quality training, while TAFE qualifications consistently improve the chances of finding work, advancing careers and changing occupations.

The outcomes and initiatives shown in this Report demonstrate the efforts by the South Australian Department of Education, Training and Employment to continually improve the training system in the State. South Australia continues to support improvements in service and performance and the value of measuring this through reliable performance information.



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## Tasmanian Government comments



A commitment to lifelong learning together with a strong focus on integrating vocational education and training with State industry planning mechanisms complement the continuing improvement in efficiency and quality in VET in Tasmania.

This Report highlights progress made in the delivery of VET in Tasmania despite the constraints specific to the State. The constraints 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. Within these and fiscal constraints, key goals have been achieved, including increased participation and cost effectiveness and demonstrated responsiveness to client needs.

- Tasmania's participation rate in VET continued to rise in 2000. The proportion of Tasmanians aged 15 to 64 participating in VET has risen consistently and at a greater rate than the national average, from 8.7 per cent in 1997 to 10.2 per cent in 2000.
- The continuing improvement in efficiency of the State's VET system is demonstrated by the unit cost (recurrent) of Tasmanian VET activity, which has reduced from \$19.00 in 1997 to \$15.00 in 2000.
- The 2000 Student Outcomes Survey shows good employment outcomes for TAFE graduates, 80 per cent being employed after graduation compared with 76 per cent nationally. The Survey shows 57 per cent of those who were unemployed at the commencement of their training subsequently being employed compared with 50 per cent nationally.
- The Student Outcomes Survey also shows 84 per cent of graduates in Tasmania cited vocational reasons as the main reason for undertaking their course compared with 77 per cent nationally.
- Results of the 2001 national Survey of Employer Views on VET, not included in this Report, show Tasmanian employers having the highest proportion of employers (84 per cent) very satisfied or satisfied with VET providers.
- The Institute of TAFE Tasmania's standard of performance was acknowledged with recognition in 2000 as the Australian National Training Authority's Training Provider of the Year.

Tasmania's improved efficiency and participation rate in 2000 was linked to implementation of its three year plan for growth derived through efficiencies, covering the period 1998 to 2000. Tasmania has increased participation significantly, achieved substantial gains in efficiency (22 per cent since 1997) and achieved targets for ANTA Agreement funded nominal hours with a 27 per cent growth in hours since 1997.



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## Australian Capital Territory Government comments

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The ACT VET system is strongly committed to expanding vocational education and training to enhance economic and social opportunities for people and businesses in the ACT. ACT VET aims to be responsive to the changing vocational aspirations of the community and the skills needs of ACT commerce and industry.

In the ACT there is one public provider of Technical and Further Education, the Canberra Institute of Technology (CIT), which is a Registered Training Organisation (RTO). Seventeen government and non-government secondary colleges are also RTOs, and there are 87 private or community RTOs in the ACT. Of these 105 RTOs, 66 were in receipt of government training funds in 2000.

Some of the key initiatives and objectives for 2000 were to:

- maintain high levels of training activity. In the period 1998–2000, participation has increased by 20 per cent compared with 13 per cent nationally. Similarly, there was considerable growth as shown in the ANTA audited Annual Hours Curriculum, adjusted for invalid enrolments. (15 per cent growth over 1997). Over the same period, ACT VET delivery has been more successful with a greater proportion of training hours resulting in successful completion (rose from 76.5 in 1998 to 80.6 in 2000);
- increase the uptake of school-based New Apprenticeships. The number of school based New Apprenticeships (SNAPs) increased significantly in 2000 with commencements nearly doubling from 46 in 1999 to 107 in 2000. This trend is expected to continue into 2001;
- continue to improve efficiency. The ACT's efficiency improvement over the period of 1997 to 2000 was 26 per cent, with the real cost of training dropping from \$18.35 per Annual Hours Curriculum in 1997 to \$13.64 in 2000;
- increase the uptake of training for people from equity groups. In 2000, several programs that provided training opportunities and support for people from equity groups were funded. For example, the Adult English Language and Numeracy Program, which addresses the English language, literacy and numeracy needs of people, enabled 169 students from a wide range of disadvantaged groups to participate in 38,860 hours of training;
- increase training in information technology skills areas. Information Technology was a priority training area for 2000. Under the Industry Training Program, 37 per cent of total funds was allocated to the Information and Communications Technology area; and
- continue the growth of training delivery through Training Packages. In 2000, ACT RTOs delivered qualifications from 32 Training Packages. It is a requirement in the ACT that government-funded training is delivered through training packages, where they exist.

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## 4.7 Definitions

Table 4.14 Terms

<i>Term</i>	<i>Definition</i>
Annual curriculum hours	The anticipated hours of supervised learning or training deemed necessary to adequately present the education material. These hours are generally specified in the curriculum documentation and do not include hours associated with field work or work experience. Changed in 1999 to nominal hours – supervised.
Adjusted annual curriculum hours	Annual curriculum hours that are adjusted to account for module enrolments reported with an outcome of recognition of prior learning and invalid module enrolments.
Adjusted module load completion rate	Module load completions that are adjusted to account for module enrolments reported with an outcome of recognition of prior learning and invalid module enrolments.
AVETMISS	Australian Vocational Education and Training Management Information Statistical Standard. This is a specification of information standards for recording and reporting VET inputs (resource module) and activity and outputs (business module). This standard was observed in the collection and preparation of data for this Report.
Community education providers	Community education training organisations that have provided information to the NCVET data collection.
Completions	Fulfilment of all of the requirements of a course enrolment or module enrolment.
Contract of training	A contractual agreement between an employer and employee (apprentice or trainee) specifying the competencies to be developed over the period of the contract and the rights and obligations of each party.
Cost per curriculum hour (average)	Total government recurrent expenditure per total adjusted annual curriculum hours.
Course	A structured sequence of vocational education and training that leads to the acquisition of identified competencies and includes assessment leading to a qualification or statement of attainment.
Employer perception of the level of VET graduates' work skills	Descriptions of graduates' work skills range from 'they do not show any better skills' to 'they have significantly improved their skills and productivity'.
Employer satisfaction with VET value for money	Employer satisfaction with VET value for money is reported as a spectrum of views ranging from 'the VET course being mostly a waste of money' to 'the VET course being an excellent return on investment' (that is, productivity increases greatly exceed the costs of the course).
Enrolment	The registration of a student with a training provider for the purpose of doing a course or module. The enrolment is considered valid only if all fee obligations have been met and the student has attended at least one lesson or submitted at least one piece of work.

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Table 4.14 (Continued)

<i>Term</i>	<i>Definition</i>
Fee-for-service activity	Activity that is funded by fees received from individuals and organisations, other than regulatory student fees. This includes Commonwealth and State-specific funded programs (such as Labour Market Programs and Adult Migrant English Services).
Geographic region	<p>A geographic classification (based on statistical local areas) devised by the former Department of Primary Industry and Energy and the Department of Employment, Education, Training and Youth Affairs.</p> <p><i>Remote:</i> regions that contain urban centres with a population of less than 5000 and that are more than 150 kilometres from an urban centre with a population of 10 000 or more</p> <p><i>Rural:</i> regions that consist of statistical local areas associated with urban centres of population of 5000 to 100 000 and that are not classified as remote.</p>
Government cost of capital per hour of successful publicly funded module load completions	Cost to the government of using capital (physical non-current assets) per adjusted publicly funded successful module load completions.
Government costs of capital per adjusted annual curriculum hours	Cost to the government of using capital (physical non-current assets) for delivering VET services.
Graduate	A person who has completed a vocational program.
Government funding to private and adult and community providers	Government recurrent expenditure to private and adult and community providers for the delivery of VET services. Expenditure includes payments to secondary schools, other government providers, enterprises, private registered training organisations, ACE providers, industry and local government providers.
Hours delivered per campus	The ratio of unadjusted VET hours delivered to the number of campuses in each jurisdiction.
Load pass rate	The ratio of students who pass assessment in an assessable module or unit of competency to all students who are assessed and pass, fail or withdraw. The calculation is based on the nominal hours supervised for each assessable module or unit of competency.
Module	A unit of training in which a student can enrol and be assessed.
Module completers	Students who successfully completed at least one module in a vocational program of study.
Net assets of public VET providers per person aged 15–64	Net assets (total assets less liabilities) of publicly owned VET providers per person aged 15–64 years.
Nominal hours – supervised	The anticipated hours of learning or training deemed necessary to adequately present the educational material associated with the delivery of a training program when delivered in standard classroom delivery mode. These hours are generally specified in the curriculum documentation and do not include hours associated with work experience, industry placement, or field placement. See also annual curriculum hours.

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**Table 4.14 (Continued)**

<i>Term</i>	<i>Definition</i>
Non-English speaking background (by country of birth)	Born in a country that is non-English speaking.
Non-response rate	Proportion of VET students who did not indicate on their enrolment form whether they were a member of a target group.
Number of campuses	The number of locations at which VET providers delivered VET programs or modules.
Occupational group	Occupations that are linked to particular Australian Bureau of Statistics Standard Occupational Classification (ASCO) groups. Category A courses have a direct link to an individual ASCO, category B have multiple links to ASCOs and category C courses potentially link across all ASCO areas.
Occupational level	Classified as 'general/unspecified', 'operative/clerical', 'trades/skilled' and 'para-professional/professional'. These are also linked to the Australian Bureau of Statistics' ASCO group.
Overall employer satisfaction with VET providers	Employer satisfaction with VET training providers (including both TAFE and non-TAFE). It is rated on a scale from 1 to 10, with 1 being 'very dissatisfied' and 10 being 'very satisfied'.
Private provider	A commercial organisation that provides training to individuals and industry.
Real expenditure	Actual expenditure adjusted for changes in prices. Adjustments are made using the GDP(E) price deflator and expressed in terms of final year prices.
Recurrent funding	Funding provided by the Commonwealth and State and Territory governments to cover operating costs, salaries and rent.
Recurrent government VET expenditure per person aged 15–64 years	Total State and Commonwealth recurrent expenditure (based on 'maintenance of effort' cash expenditure as reported by ANTA 1998a) per person aged 15–64 years.
State Training Profile	An annual publication by the State training authorities, which outlines the planned training in terms of annual hours, by occupational groupings, for the year ahead (with indicative estimates for the next two years). It also outlines initiatives to meet State and national strategies.
Non-vocational program of study	Recreation, leisure and personal enrichment courses directed towards the encouragement and development of creative, social and personal pursuits and skills that enable people to make more effective use of leisure time.
Vocational program of study	A program of study that is intended to develop competency in skills relevant to the workplace or entry to further education; initial vocational courses and courses subsequent to initial vocational courses. These are typically associated with preparatory, operative, trades/skilled and para-professional education and training.
Students per campus	The ratio of the number of students who undertook vocational programs to the number of campuses in each jurisdiction.
Students studying in remote areas	The ratio of the number of students who studied in campuses located in remote areas to the total number of VET students.

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**Table 4.14 (Continued)**

<i>Term</i>	<i>Definition</i>
Students studying in rural areas	The ratio of the number of students who studied in campuses located in rural areas to the total number of VET students.
TAFE	Technical and Further Education colleges and institutes, which are the primary providers of publicly funded VET.
TAFE institute graduates' main reason for undertaking VET course	Either vocational reasons (to get a job, to try for a different career, to meet job requirements, to get extra job skills) or non-vocational reasons (for to get into another course, personal interest, for other reasons).
Training packages	Provide the basic building blocks for vocational education and training programs under the National Training Framework. They are developed by industry and create national standards, programs, qualifications and learning resources.
VET costs per adjusted annual curriculum hours	Government recurrent expenditure per adjusted publicly funded annual curriculum hours.
VET participation by Indigenous people	The proportion of Indigenous VET students compared with the proportion of Indigenous people aged 15–64 years.
VET participation by people from a non-English speaking background by country of birth	The proportion of VET students who report being born in a non-English speaking country compared with the proportion of people in the population who were born in a mainly non-English speaking country.
VET participation rate for people aged 15–64 years	The ratio of the number of people who undertake a VET program or module to the number of people in Australia (or each jurisdiction) aged 15–64 years.
VET participation rate for people of all ages by region (capital city, rural, remote and other metropolitan areas)	The ratio of the number of people who undertake VET programs or modules in specified geographic areas (that is, capital cities, rural areas, remote areas and other metropolitan areas) to the total population of people in those geographic areas.
VET program	A course or module offered by a training organisation in which clients may enrol.
Whether the VET course helped graduates achieve their main reason for doing the course	Whether 'the course helped', 'the course partly helped', 'the course did not help' or the graduates 'cannot say'.