5   Vocational education and training

CONTENTS

Attachment tables

Attachment tables are identified in references throughout this chapter by an 'A' suffix (for example, table 5A.3). A full list of attachment tables is provided at the end of this chapter, and the attachment tables are available on the CD-ROM enclosed with the Report or from the Review website at <www.pc.gov.au/gsp>.

This chapter reports performance information about the equity, effectiveness and efficiency of government funded vocational education and training (VET) in Australia in 2008. The VET system delivers employment related skills across a wide range of vocations. It provides Australians with the skills to enter or re-enter the labour force, retrain for a new job or upgrade skills for an existing job. The VET system includes government and privately funded VET delivered through a number of methods by a wide range of training institutions and enterprises.

The focus of this chapter is on VET services delivered by providers receiving government funding, and which relate directly to training activity funded under the *Commonwealth–State Agreement for Skilling Australia's Workforce* (CSASAW).

The CSASWD was replaced by the *National Agreement for Skills and Workforce Development* (NASWD) on 1 January 2009. These services include the provision of VET programs in government owned technical and further education (TAFE) institutes and universities with TAFE divisions, other government and community institutions, and government funded activity by private registered training organisations (RTOs). The scope of this chapter does not extend to VET services provided in schools (which are within the scope of school education in chapter 4) or university education (some information on university education is included in preface B).

The major improvements to reporting on VET this year include:

- expanded reporting of VET participation in general and VET participation in certificate III level and above, to include reporting by Indigenous status

- new reporting of data for VET participation in diploma level qualifications and above, by target age groups and Indigenous status

- expanded reporting of qualifications completed, to include completions by all students at certificate III level qualifications and above and at diploma level qualifications and above, by target age groups and Indigenous status.

5.1   Profile of vocational education and training

Service overview

The VET system involves the interaction of students, employers, the Australian, State, Territory and local governments (as both purchasers and providers), and an increasing number of private and community RTOs. Students have access to a diverse range of programs and qualification levels, with course durations varying from a module or unit of competency (a stand-alone course component or subject) of a few hours to full courses of up to four years (box 5.1).

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

- obtain a qualification to enter the labour force

- retrain or update labour force skills

- develop skills, including general education skills such as literacy and numeracy, that enhance students' ability to enter the labour force

- provide a pathway to further tertiary education, including entrance to higher education.

Box 5.1	**Diversity of the VET system**

VET programs 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 study). All training in the VET system needs to be assessed, because many students complete modules or units of competency without intending to complete a course or qualification.

The types of training range from formal classroom learning to workplace-based learning, and can include flexible, self-paced learning and/or online training, often in combination. The availability of distance education has increased, with off-campus options such as correspondence, Internet study and interactive teleconferencing.

The types of training organisation include: institutions specialising in VET delivery, such as government owned TAFE institutes, agricultural colleges and private training businesses; adult community education (ACE) providers; secondary schools and colleges; universities; industry and community bodies with an RTO arm; and businesses, organisations and government agencies that have RTO status to train their own staff. Group Training Organisations are RTOs and some RTOs may also be Australian Apprenticeship Centres (formerly New Apprenticeship Centres). Schools and universities 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 formal VET delivered by an RTO, many people undertake on-the-job training in the workplace or attend training courses that do not lead to a recognised VET qualification.

Expenditure

Recurrent expenditure on VET by Australian, State and Territory governments totalled $4.1 billion in 2008 —a decrease of 1.5 per cent (in real terms) from 2007 (table 5A.1). Government recurrent expenditure was equal to $285.55 per person aged 15–64 years across Australia in 2008 (table 5A.2). Further information on the breakdown of real funding by jurisdictions over a 5 year period is available in attachment tables 5A.1, 5A.2 and 5A.8.

Government funded activity is the primary focus of this Report. However, not all data can be limited to government funded activity. A representation of data used for statistical reporting is provided in figure 5.1. A detailed explanation of data inclusions and exclusions in this chapter is provided in box 5.2.

Figure 5.1   Scope of reporting

Training Funding Type[a]	Registered Training Organisations		
	TAFE and other government providers	Community providers	Private providers
Government Funded (Agreement)	████	████	████
Government Funded (specific purpose outside Agreement)	▨▨▨	▨▨▨	▨▨▨
Fee-for-Service (domestic and international)	▨▨▨		

████	Data available for reporting and used to report government funded activity
▨▨▨	Data available for reporting and used to report VET activity
☐	Data not available for reporting

a 'Agreement' refers to the *Commonwealth–State Agreement for Skilling Australia's Workforce.*

Source: DEEWR (2009) *Annual National Report of the Australian Vocational and Technical Education System 2008*.

Box 5.2   Scope of VET reporting

Where the chapter refers to 'government funded' activity, it refers only to VET activity that is recurrently funded under the CSASAW. Where the chapter refers to 'VET' activity, it is referring to all VET data available for reporting unless otherwise caveated.

Data on student participation, efficiency measures, student achievement, qualifications completed and competencies/modules completed presented in this chapter are limited to services that are recurrently funded under the CSASAW. These include VET services provided by:

- TAFE and other government providers, including multi-sector higher education institutions

- registered community providers and registered private providers.

Data on student outcomes and student satisfaction includes information on VET activity and includes training from the following funding sources:

- CSASAW (government recurrent)

- government specific purpose outside the CSASAW

- domestic fee-for-service (TAFE only).

Size and scope

In 2008, 30.8 per cent of Australians aged 15–64 years held a certificate or diploma as their highest level qualification (table BA.17). These qualifications could have been completed in schools, VET institutions or higher education institutions.

The VET sector is large and varied. Qualifications vary significantly in length, level and field. Approximately 1.7 million people were reported as participating in VET programs at 12 899 locations across Australia in 2008 (DEEWR 2009, table 5A.3). This represented 11.3 per cent of the population aged 15–64 (DEEWR 2009). The number of VET students increased by 1.9 per cent between 2007 and 2008, and increased by 5.6 per cent between 2004 and 2008 (DEEWR 2009).

Of the approximately 1.7 million VET students who were reported as participating in VET programs in 2008, 1.2 million students (70.6 per cent) were funded by the CSASAW (government recurrent expenditure) and 54 800 students (3.2 per cent of all VET students) were funded through specific purpose government programs (DEEWR 2009). The remaining 444 200 students participated on a fee-for-service basis as domestic students (23.9 per cent of all VET students) or international students (2.3 per cent of all VET students). The proportion of domestic fee-for-service students decreased from 26.3 per cent of all VET students in 2004 to 23.9 per cent in 2008 (DEEWR 2009).

Students

Student participation data presented in this chapter refer only to VET students who were funded by government recurrent expenditure and where the program was delivered by TAFE or other government providers (including multi-sector higher education institutions), registered community providers or registered private providers. The data do not include students who participated in VET programs in

schools or undertook 'recreation, leisure or personal enrichment' education programs.

Nationally, 1.2 million students participated in VET programs funded by government recurrent expenditure through State and Territory agencies (table 5A.4). Between 2007 and 2008, the number of government funded students decreased by 0.04 per cent (approximately 400 students) (table 5A.5) and the number of government funded annual hours increased by 2.5 per cent (DEEWR 2009). Over the longer term, the number of government funded annual hours increased by 13.1 per cent between 2004 and 2008, and the number of government funded VET students increased by 6.2 per cent over the same period (DEEWR 2009, table 5A.5).

Of the 1.2 million government funded VET students who participated in government funded VET programs in 2008, 4.9 per cent, or 59 035, gained some recognition of prior learning (RPL) (table 5A.4).

Hours

Government funded VET students participated in 314.1 million government funded annual hours in 2008. On average, each government funded VET student in 2008 received 262.3 hours of VET (table 5A.4).

Courses

VET qualifications range from non-award courses to certificates (levels I–IV), diplomas and advanced diplomas. In 2008, 11.5 per cent of government funded VET students were undertaking a diploma or advanced diploma, 48.6 per cent were enrolled in a certificate level III or IV, 24.3 per cent were enrolled in a certificate level I or II or lower, and 15.6 per cent were enrolled in a course that did not lead directly to a qualification (table 5A.5).

Fields of study also varied greatly. In 2008, 22.7 per cent of units of competency or modules completed by government funded VET students were in management and commerce, 18.0 per cent were in engineering and related technologies, 15.3 per cent were in mixed field programs, 9.7 per cent were in health, 8.0 per cent were in society and culture and 7.7 per cent were in architecture and building. Other fields studied by government funded VET students included food, hospitality and personal services, creative arts, information technology, agriculture, environment and related studies, education, and natural and physical sciences (DEEWR 2009).

Institutions

In 2008, Government funded programs were delivered at 12 899 locations (that is, TAFE, government funded locations and the locations of all other registered training providers, including private providers that receive government recurrent funding for VET delivery) (tables 5A.3 and 5A.4).

The infrastructure (physical non-current assets) of government owned TAFE institutions and TAFE divisions of universities was valued at $9.2 billion in 2008, of which 92.5 per cent comprised the value of land and buildings (table 5A.21). The value of net assets of government VET providers was $643.45 per person aged 15–64 years across Australia in 2008. Asset values per person varied across jurisdictions (table 5A.6).

Roles and responsibilities in 2008

The *Commonwealth–State Agreement for Skilling Australia's Workforce* (CSASAW), which commenced 1 July 2005, continued until 31 December 2008. This was replaced by the *National Agreement for Skills and Workforce Development* (NASWD), which came into effect on 1 January 2009. During 2008, Australian and State and Territory government ministers, through the Ministerial Council for Vocational and Technical Education (MCVTE), provided direction on national policy, strategy, priorities, goals and objectives, in partnership with industry, and private and public training providers. The Ministerial Council of Tertiary Education and Employment (MCTEE) replaced MCVTE from 1 July 2009, reflecting a Council of Australian Governments (COAG) 30 April 2009 decision. A realignment of responsibilities and functions for MCTEE includes a broader, cross-sectoral role than the MCVTE.

State and Territory governments allocate funding for VET services and to support the maintenance of public training infrastructure. They oversee the delivery of publicly funded training and facilitate the development and training of the public VET workforce. State and Territory governments ensure the effective operation of the training market.

The Australian Government provides funding contributions to states and territories to support their training systems and also provides specific incentives, interventions and assistance for national priority areas.

National reporting relationships within the VET system in 2008 are summarised in figure 5.2.

One of the guiding principles for the training system is that industry needs to drive training priorities and delivery. Industry advice was provided to the MCVTE in 2008 through the National Industry Skills Committee (NISC). The NISC advised MCVTE on workforce planning, future training priorities and other critical issues facing Australian industry.

The National Quality Council (NQC), a committee of MCVTE, oversaw quality assurance, ensured national consistency in the application of the Australian Quality Training Framework (AQTF) standards for the audit and registration of training providers and endorsed training packages.

As the administrative arm of MCVTE, the National Senior Officials Committee (NSOC) implemented MCVTE decisions, promoted national collaboration, and monitored the effectiveness of the national training system.

In 2008 three client advisory taskforces: Disability Advisory Taskforce, Equity Advisory Taskforce, and an Indigenous Advisory Taskforce advised ministers on how to improve outcomes for their respective client groups. They reported to the NSOC through the Advisory Alliance (part of National Action Groups and Taskforces in figure 5.2).

The National Training Statistics Committee (NTSC) is the key strategic and policy advisory forum for data collection and reporting. The National Centre for Vocational Education Research (NCVER), a ministerial company, provides secretariat services to the NTSC, and manages a VET research programme and VET statistical services.

Technical and Vocational Education and Training (TVET) is another ministerial company. It's functions include providing the secretariat for the NQC and the NISC, and offering eligible training providers national registration and management of registration and audit arrangements.

Industry Skills Councils are funded by the Department of Education, Employment and Workplace Relations (DEEWR), and deliver Training Packages to the NQC for endorsement (figure 5.2).

Figure 5.2 **National reporting relationships within the VET system in 2008a**
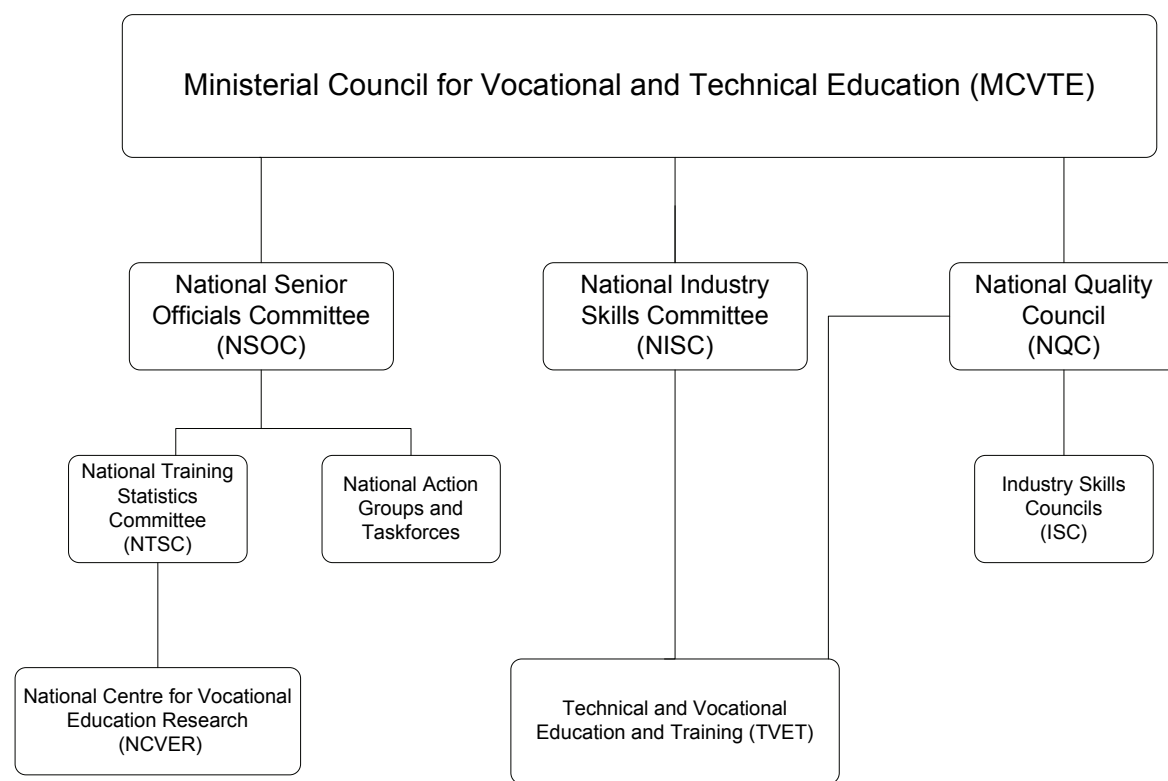
a The MCTEE replaced the MCVTE on 1 July 2009.

Source: DEEWR (2009) *Annual National Report of the Australian Vocational and Technical Education System 2008.*

VET funding flows

State and Territory governments provide funding to VET providers, students and employers through State and Territory training authorities to support the delivery of training, improve student services and provide incentives for employers and apprentices. State and Territory governments provided $3.1 billion in 2008 — 74.6 per cent of government recurrent funding. The Australian Government provided the remainder of government recurrent funding ($1.1 billion) (table 5A.8).

RTOs also received revenue from individuals and organisations for fee-for-service programs, ancillary trading revenue, other operating revenue and revenue from Australian, State and Territory government specific purpose funds. The Australian and State and Territory governments provide funding for apprenticeships in the form of employer incentives and subsidies. The Australian Government also provides funding for Australian Apprenticeship Centres and employer incentives for Australian Apprenticeships (figure 5.3).

Figure 5.3 **Major funding flows within the VET system**
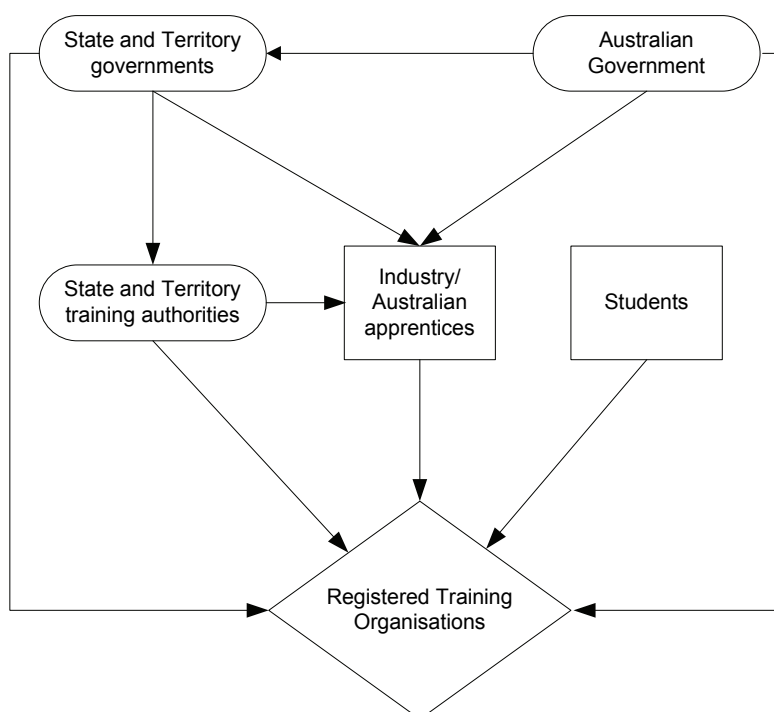
Allocation of VET funding

The majority of government VET funds are allocated to government VET providers based on the planned activity set by State and Territory training authorities. The disbursement of a component of VET funding on a competitive basis was introduced in the early 1990s to allocate additional Australian Government funds. Processes used to allocate funds on a competitive basis include:

- *competitive tendering*, whereby government and private RTOs compete for funding contracts from State and Territory training authorities in response to government offers (tenders)

- *user choice*, whereby the employer and apprentice/trainee choose a registered training provider and negotiate key aspects of their training, and then government funds flow to that provider

- *preferred supplier arrangements*, an extension of competitive tendering, whereby a contract is awarded to providers (chosen by the tender process) to provide training on a longer term basis.

In 2008, $880.5 million (21.3 per cent) of government VET funding was allocated on a competitive basis (including user choice arrangements) — 4.5 per cent more in real terms than in 2007 (table 5A.8). Further, $455.4 million was allocated to non-government providers — a 5.4 per cent increase in real terms on 2007 (table 5A.7). The degree of competition in the tendering process varies across jurisdictions and within jurisdictions, depending on the program. Some tenders can be contested by any RTO (open competitive tendering), while some other tenders are restricted to RTOs able to deliver a specific type of training, for example, in a selected industry or to a particular client group (limited competitive tendering). Similarly, the scope for competition, in terms of the size of the market of potential providers, varies across jurisdictions.

5.2 Framework of performance indicators

This chapter provides information on the equity, effectiveness and efficiency of government funded VET services.

COAG has agreed six National Agreements to enhance accountability to the public for the outcomes achieved or outputs delivered by a range of government services (see chapter 1 for more detail on reforms to federal financial relations). The NASWD (COAG 2009a) covers the areas of VET, and education and training indicators in the *National Indigenous Reform Agreement* (NIRA) (COAG 2009b) which establishes specific outcomes for reducing the level of disadvantage experienced by Indigenous Australians. The agreements include sets of performance indicators, for which the Steering Committee collates annual performance information for analysis by the COAG Reform Council (CRC). The performance indicator results reported in this chapter have been revised to align with the performance indicators in the National Agreements.

The NASWD implemented on 1 January 2009, contains objectives for VET (box 5.3) that inform the performance indicator framework for this chapter. These objectives are consistent with those under the CSASAW, presented in the 2009 Report.

The performance indicator framework distinguishes the outputs and outcomes of VET services, and shows which data are comparable in the 2010 Report (figure 5.4). The framework is consistent with the VET objectives (box 5.3). For data that are not directly comparable, the text includes relevant caveats and supporting commentary. Chapter 1 discusses data comparability from a Report-wide perspective (see section 1.6).

The Report's statistical appendix contains data that may assist in interpreting the performance indicators presented in this chapter. These data cover a range of demographic and geographic characteristics, including age profile, geographic distribution of the population, income levels, education levels, tenure of dwellings and cultural heritage (including Indigenous and ethnic status) (appendix A).

Figure 5.4 Performance indicators for VET services
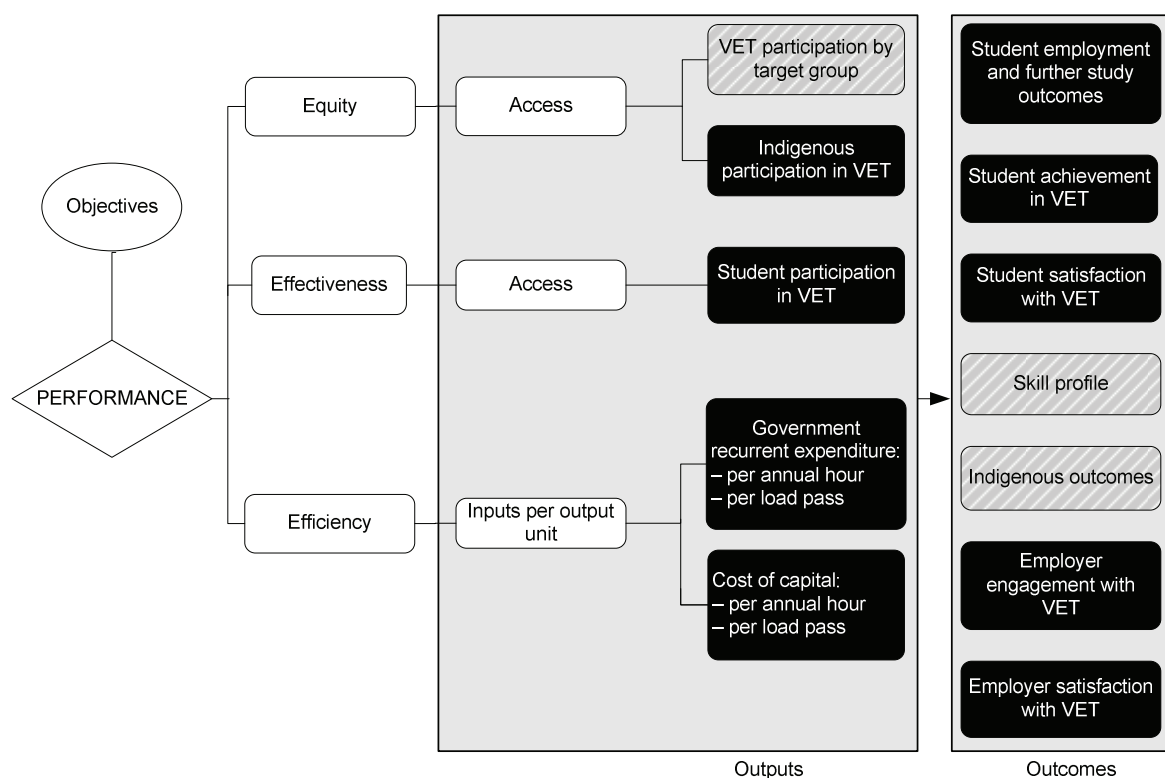
Key to indicators

Text (black)	Data for these indicators comparable, subject to caveats to each chart or table
Text (grey)	Data for these indicators not complete or not directly comparable
Text (white)	These indicators yet to be developed or data not collected for this Report; chapter contains explanatory text

5.3   Key performance indicator results

The equity, effectiveness and efficiency of VET services may be affected by different delivery environments, locations and types of client.

Outputs

Outputs are the actual services delivered (while outcomes are the impact of these services on the status of an individual or group) (see chapter 1, section 1.5).

Equity

A key national goal of the VET system is to increase opportunities and outcomes for disadvantaged groups. The designated equity groups are females, residents of remote and very remote areas, Indigenous people, people with a disability and people speaking a language other than English at home. This section includes indicators of access to VET by these target groups in 2008.

VET participation by target group

'VET participation by target group' is an indicator of governments' objective to achieve equitable access to the VET system by target groups (females, residents of remote and very remote areas, people with a disability, and people speaking a language other than English at home), compared with that of the general population (box 5.4). Indigenous participation in VET is reported as a separate indicator.

Box 5.4   **VET participation by target group**

'VET participation by target group' is defined as the number of government funded participants in the VET system who self-identified that they are from a target group, as a proportion of the total number of people in the population in that group. The four target groups are:

- females

- people from remote and very remote areas

- people with a disability

- people speaking a language other than English (LOTE) at home.

It is desirable that 'VET participation by target group' reaches a level that is comparable to that for all students. A lower participation rate means the target group is underrepresented in VET; a higher participation rate means the group is overrepresented in VET.

(Continued on next page)

VET participation by target group — Females

In recent years, the national VET participation rates for females and males have been similar (table 5A.11). In 2008, male student participation was 8.2 per cent and female participation was 7.8 per cent (figure 5.5). The participation rate for the total population aged 15–64 years was 8.0 per cent (table 5A.11).

Figure 5.5 **VET participation rate for people aged 15–64 years, by sex, 2008[a, b]**
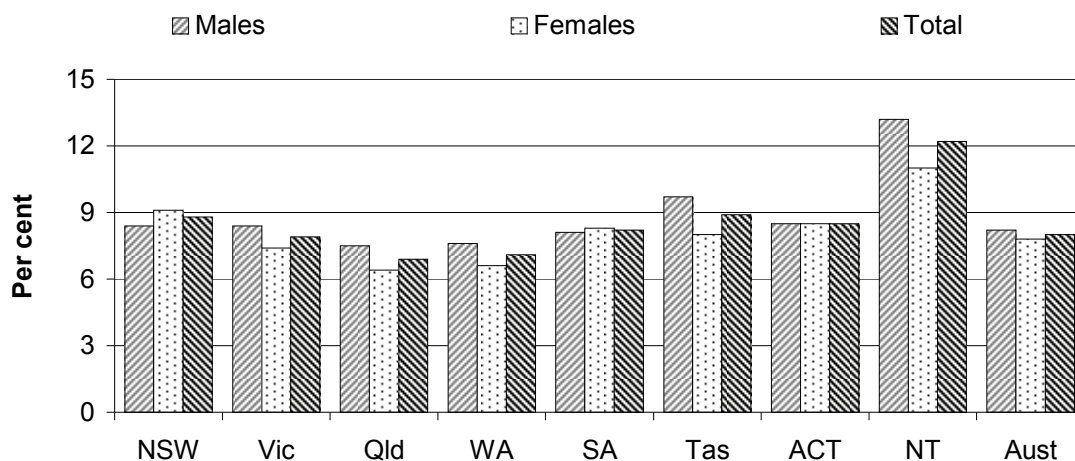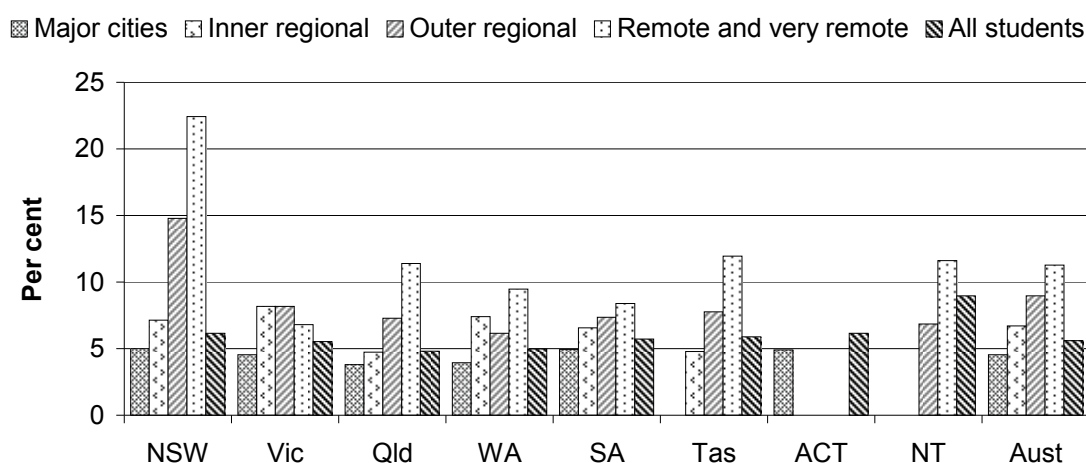

a Data are for government recurrent funded VET students. **b** The participation rate is the number of 15–64 year old students participating in VET expressed as a proportion of the population (of that sex) aged 15–64 years, as at 30 June 2008.

Source: NCVER (unpublished) National VET provider collection; ABS (2009), *Population by Age and Sex, Australian States and Territories, 30 June 2008*, Cat. no. 3201.0; table AA.1; table 5A.11.

VET participation by target group — People from remote and very remote areas

VET student data by region are based on students' home postcode using the Accessibility and Remoteness Index for Australia (ARIA) classification system. Nationally, the VET participation rate increased with remoteness. Participation was higher for people from remote and very remote areas (11.3 per cent) than for people from other geographic regions (9.0 per cent for outer regional areas, 6.7 per cent for inner regional areas and 4.5 per cent for major cities) compared to 5.6 per cent for all students (figure 5.6). Employment opportunities and the availability of alternative education services in regional and remote areas may affect the level of VET participation in these areas.

Figure 5.6 **VET participation rate for people of all ages, by region, 2008[a, b, c]**

Major cities ☒ Inner regional ☐ Outer regional ☐ Remote and very remote ☒ All students

a Data are for government recurrent funded VET students. **b** The participation rate for students from the various regions is the number of students participating in VET (based on students' home postcode) as a proportion of the total population that resides in that region. **c** There are no very remote areas in Victoria, no major cities in Tasmania, no outer regional areas, remote areas or very remote areas in the ACT, and no major cities or inner regional areas in the NT. Data for ACT inner regional areas are not published due to a high proportion of these areas sharing postcodes with NSW that cannot be disaggregated, but are included in the Australian totals.

Source: NCVER (unpublished) National VET provider collection; ABS (2009), *Regional Population Growth, Australia, 2007-08*, Cat. no. 3218.0; table 5A.12.

VET participation by target group — People with a disability

Nationally, 7.0 per cent of government funded VET students in 2008 reported having a disability, impairment or long-term condition (figure 5.7). Based on 2003 ABS survey data, an estimated 16.8 per cent of all 15–64 year olds in the population and 20.0 per cent of the total population reported having a disability (derived from

ABS 2004). The proportion of VET students reporting a disability is not directly comparable with the proportion of the population reporting a disability, as the classifications of disabilities differ. Within the VET system, the focus is on identifying students that require additional teaching and learning support.

Figure 5.7   **VET students of all ages, by disability status, 2008[a, b]**

a Data are for government recurrent funded VET students. **b** People with disability are defined as those who self-identify on enrolment forms that they have a disability, impairment or long-term condition. Not all students respond to the relevant question on the enrolment form.

Source: NCVER (unpublished) National VET provider collection; table 5A.13.

VET participation by target group — People speaking a language other than English at home

In 2008, 14.4 per cent of government funded VET students reported speaking a language other than English at home (figure 5.8). By comparison, 15.8 per cent of the total population of Australia spoke a language other than English at home (derived from ABS 2006 Census of Population and Housing, table AA.5).

Figure 5.8   **VET students of all ages, by language spoken at home, 2008[a, b]**
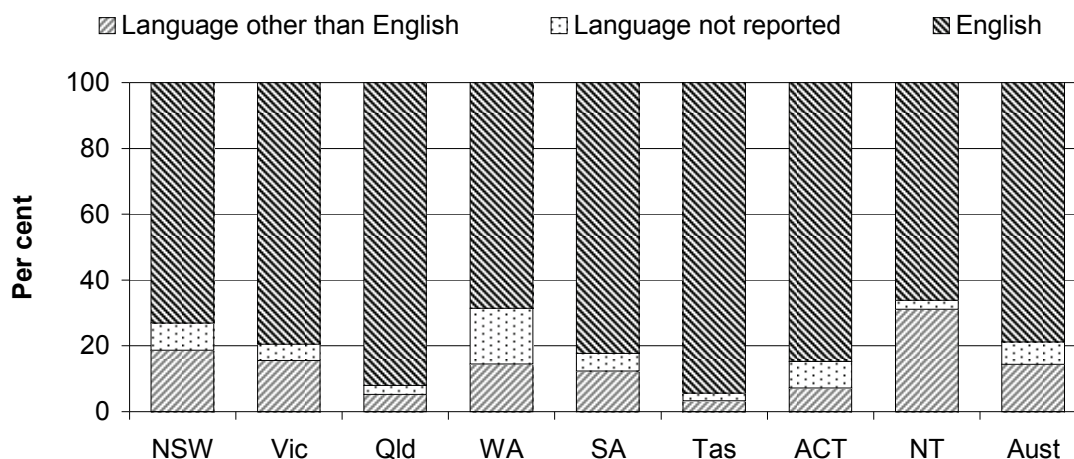
a Data are for government recurrent funded VET students. **b** People with a language background other than English are those who self-identify on their enrolment form that they speak a language other than English at home. Not all students respond to the relevant question on the enrolment form.

Source: NCVER (unpublished) National VET provider collection; table 5A.14.

Indigenous participation in VET

'Indigenous participation in VET' is an indicator of governments' objective to achieve equitable access to the VET system by Indigenous people (box 5.5).

Box 5.5   **Indigenous participation in VET**

'Indigenous participation in VET' is defined as the number of government funded participants in the VET system who self-identified as Indigenous and aged 15–64 years, as a proportion of the total number of Indigenous people aged 15–64 years, compared with that of the general population aged 15–64 years.
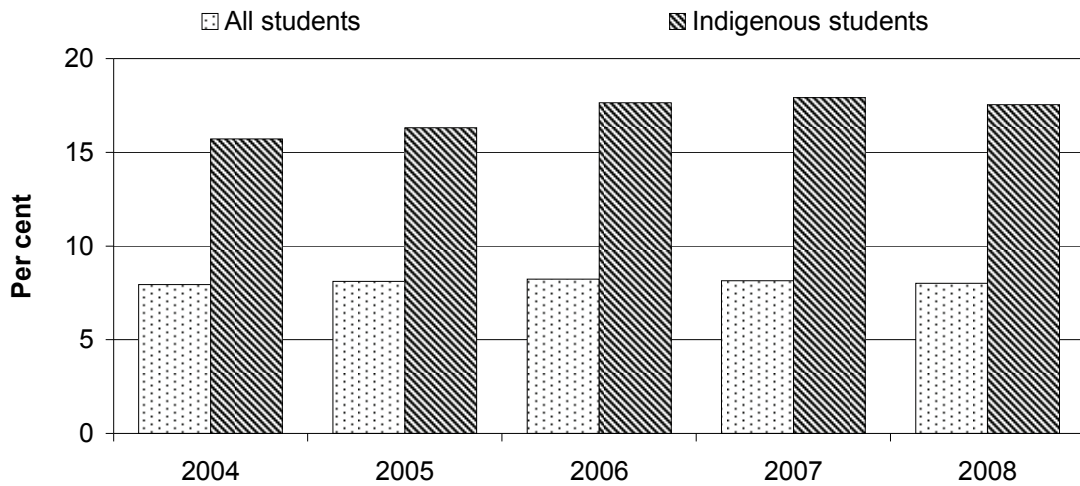
A lower participation rate means Indigenous people are under-represented in VET; a higher participation rate means Indigenous people are over-represented in VET.

Care needs to be taken in interpreting the participation rates presented for Indigenous people because (1) the data depend on self-identification at the time of enrolment and (2) the number of non-responses (that is, students who did not indicate whether or not they were Indigenous) varies across jurisdictions. Data are for government funded VET students.

Data reported for this indicator are comparable.

Nationally, the VET participation rate for all Indigenous students (the number of 15–64 year old Indigenous students as a percentage of Indigenous people aged 15–64) was 17.5 per cent in 2008, compared with 15.7 per cent in 2004. The participation rate for all 15–64 year old students (the number of 15–64 year old students as a percentage of the 15–64 year old population) was 8.0 per cent in 2008, and 7.9 per cent in 2004 (figure 5.9). These student participation data are not age standardised, so the younger age profile of the Indigenous population relative to all Australians is likely to affect the results.

Figure 5.9   **VET participation rate for 15–64 year olds, by Indigenous status[a, b]**
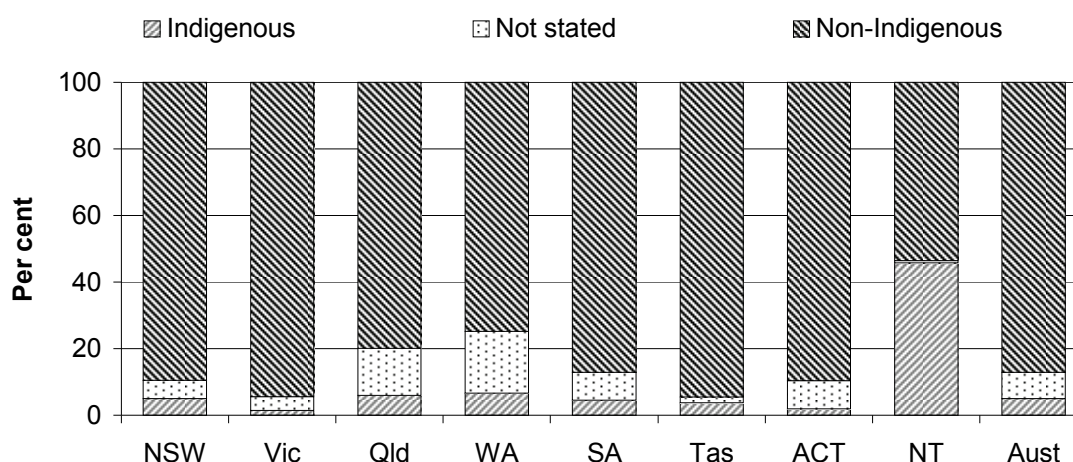

a Data are for government recurrent funded VET students. **b** The Indigenous participation rate is the number of Indigenous students as a percentage of the experimental estimates of Indigenous people for 30 June (ABS 2009; series B). The 'all students' participation rate is the number of students as a percentage of the estimated resident population as at 30 June.

Source: NCVER (unpublished) National VET provider collection; ABS (2009), *Population by Age and Sex, Australian States and Territories*, Cat. no. 3201.0; ABS (2009) *Experimental Estimates and Projections, Aboriginal and Torres Strait Islanders*, Cat. no. 3238.0; table 5A.10.

In 2008, 5.0 per cent of government funded VET students in Australia (of all ages) identified themselves as Indigenous, while 7.9 per cent of students did not report their Indigenous status (figure 5.10). The proportion of government funded VET students who identified themselves as Indigenous (5.0 per cent) was higher than the proportion of Indigenous people in the total population nationally (2.5 per cent) (table 5A.15).

Figure 5.10 **VET students, all ages, by Indigenous status, 2008ᵃ**

ᵃ Data are for government recurrent funded VET students.

Source: NCVER (unpublished) National VET provider collection; table 5A.15.

Additional data on Indigenous participation in VET are provided in the next section *Student participation in VET*.

Effectiveness

A key national goal of the VET system is to enable development of a highly skilled workforce.

Student participation in VET

'Student participation in VET' is an indicator of governments' objective to provide people aged 15–64 years with the level of access to the VET system that is necessary for a highly skilled workforce (box 5.6).

Box 5.6   **Student participation in VET**

'Student participation in VET' is defined by three measures:

- the number of 15–64 year olds participating in VET as a proportion of the population aged 15–64 years

- the number of 15–64 year olds participating in certificate level III qualifications and above as a proportion of the population aged 15–64 years

(Continued on next page)

Box 5.6   **(Continued)**

- the number of 15–64 year olds participating in diploma level qualifications and above as a proportion of the population aged 15–64 years.

High VET participation rates indicate high levels of access to the VET system by the general population. High proportions of VET students in certificate level III qualifications and above, and diploma level qualifications and above, indicate greater participation in higher skill level courses, which is desirable.

Data for qualifications at the level of 'diploma and above' are a sub-set of data for the larger group of qualifications at the level of 'certificate III and above'. Data are for government funded VET students.

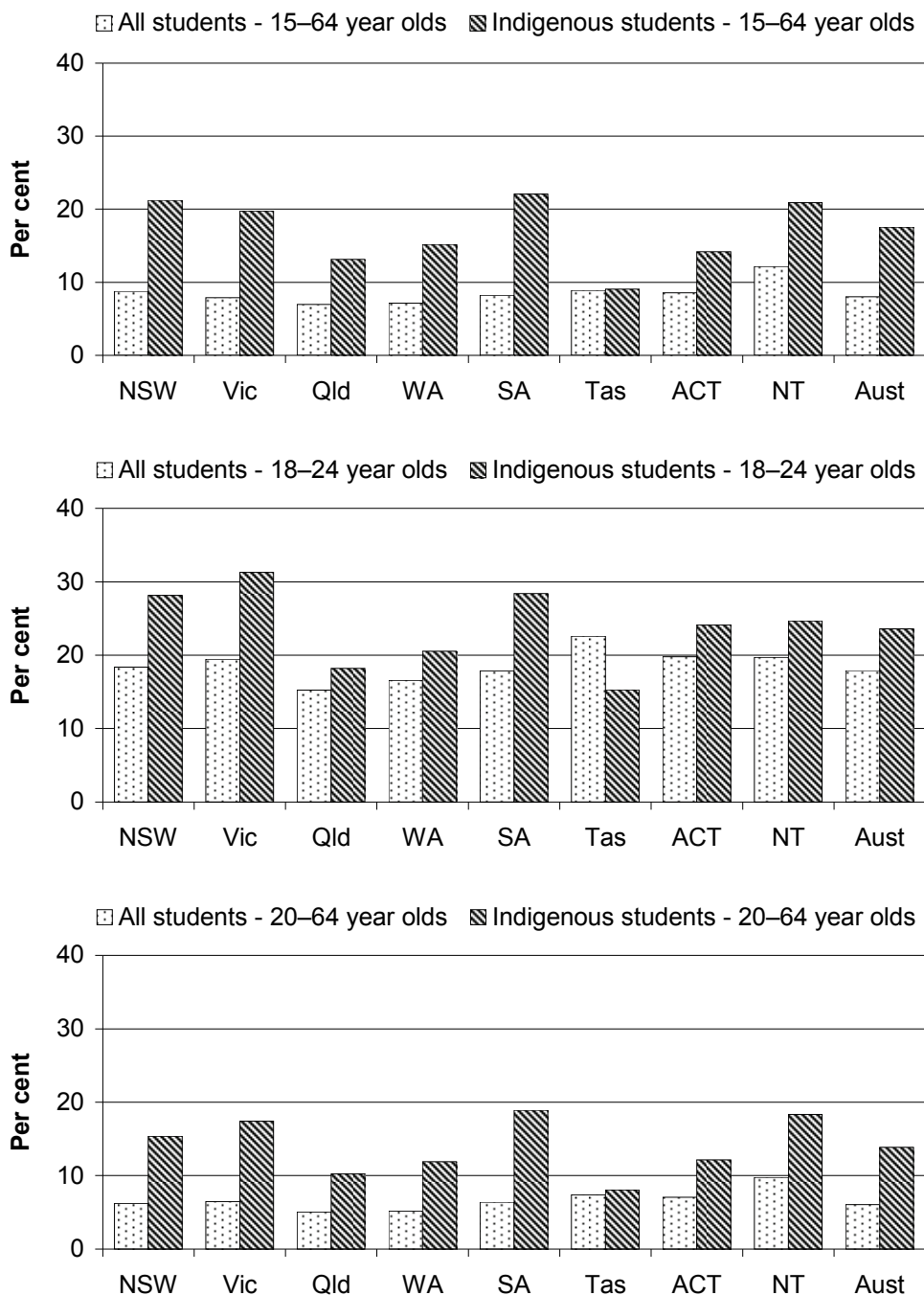Data reported for this indicator are comparable.

In 2008, 1.2 million people aged 15–64 years participated in government funded VET programs. This is equivalent to 8.0 per cent of people aged 15–64 years nationally. The proportion of people participating in VET declined in older age groups. The 1.2 million government funded VET students include:

- 373 300 or 25.5 per cent of all people aged 15–19 years

- 210 100 or 13.9 per cent of all people aged 20–24 years

- 571 700 or 5.0 per cent of all people aged 25–64 years (table 5A.9).

Figures 5.11–13 show VET participation rates for the total population and Indigenous population, focusing on the target age groups of 18–24 years and 20–64 years. The proportion of people participating in government funded VET in these target age groups is:

- 17.9 per cent of all people aged 18–24 years, compared with 23.6 per cent of the Indigenous population in the same age group

- 6.0 per cent of all people aged 20–64 years, compared with 13.9 per cent of the Indigenous population in the same age group (figure 5.11).

Figure 5.11 **VET participation rates, by target age group and Indigenous status, 2008[a, b]**

All students - 15–64 year olds   Indigenous students - 15–64 year olds

All students - 18–24 year olds   Indigenous students - 18–24 year olds

All students - 20–64 year olds   Indigenous students - 20–64 year olds

a Data are for government recurrent funded VET students. **b** The Indigenous participation rate is the number of Indigenous students as a percentage of the experimental estimates of Indigenous people for 30 June 2008 (ABS 2009 Cat. no. 3201.0 series B). The 'all students' participation rate is the number of students as a percentage of the estimated resident population as at 30 June 2008.

Source: NCVER (unpublished) National VET provider collection; ABS (2009) *Population by Age and Sex, Australian States and Territories*, Cat. no. 3201.0; ABS (2009) *Experimental Estimates and Projections, Aboriginal and Torres Strait Islanders*, Cat. no. 3238.0; table 5A.10.

In 2008, approximately 712 800 people aged 15–64 years participated in a government funded VET program at the certificate III level or higher, representing 4.9 per cent of the population aged 15–64 years (similar to the 4.7 per cent in 2004) (figure 5.12 and table 5A.17). This compares with 23 600 Indigenous people aged 15–64 years in 2008, or 7.2 per cent of the Indigenous population aged 15–64 years (figure 5.12).

The government funded VET students at the certificate III level or higher include:

- 14.0 per cent of all people aged 18–24 years, compared with 11.7 per cent of the Indigenous population in the same age group

- 3.9 per cent of all people aged 20–64 years, compared with 6.5 per cent of the Indigenous population in the same age group (figure 5.12).

Figure 5.12   **VET participation in certificate III and above, by target age group and Indigenous status, 2008[a, b, c]**
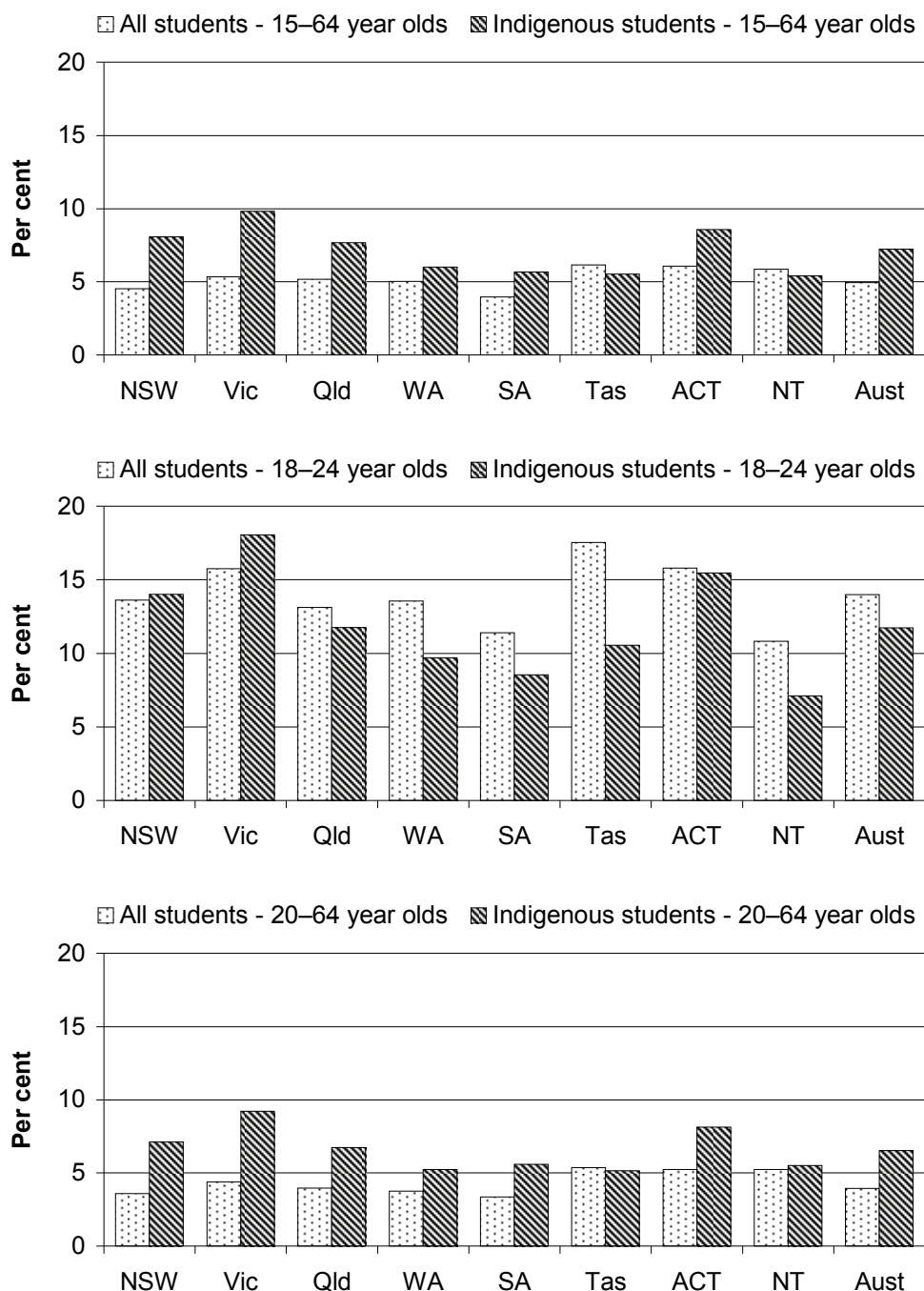
a Data are for government recurrent funded VET students. b Data are for the highest level qualification attempted by a student in a reporting year. c The Indigenous participation rate is the number of Indigenous students as a percentage of the experimental estimates of Indigenous people for 30 June 2008 (ABS 2009 Cat. no. 3201.0 series B). The 'all students' participation rate is the number of students as a percentage of the estimated resident population as at 30 June 2008.

Source: NCVER (unpublished) National VET provider collection; ABS (2009) *Population by Age and Sex, Australian States and Territories*, Cat. no. 3201.0; ABS (2009) *Experimental Estimates and Projections, Aboriginal and Torres Strait Islanders*, Cat. no. 3238.0; table 5A.17.
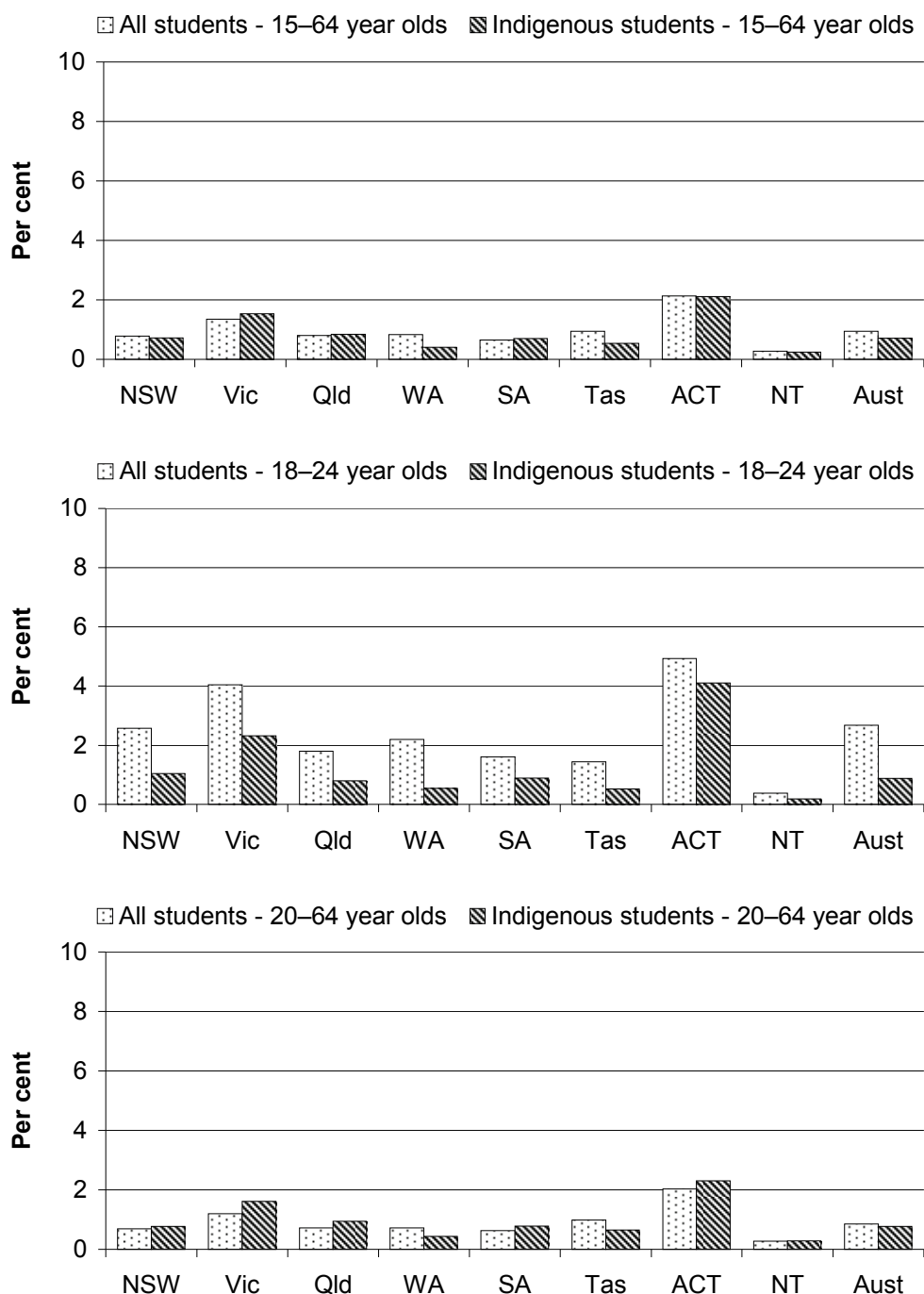
Additional data for participation in a government funded VET program at the certificate III level or higher are provided in table 5A.16 for all VET students aged 15–19 years, 20–24 years, 25–64 years and 15–24 years.

In 2008, approximately 136 600 people aged 15–64 years participated in a government funded VET program at the diploma level or higher, representing 0.9 per cent of the population aged 15–64 years (1.1 per cent in 2004) (figure 5.13 and table 5A.18). This compares with 2300 Indigenous people aged 15–64 years in 2008, or 0.7 per cent of the Indigenous population aged 15–64 years (figure 5.13).

The government funded VET students at diploma level or higher include:

- 2.7 per cent of all people aged 18–24 years, compared with 0.9 per cent of the Indigenous population in the same age group

- 0.9 per cent of all people aged 20–64 years, compared with 0.8 per cent of the Indigenous population in the same age group (figure 5.13).

Figure 5.13   **VET participation in diploma and above, by target age group and Indigenous status, 2008a, b, c, d**

☐ All students - 15–64 year olds   ▨ Indigenous students - 15–64 year olds

☐ All students - 18–24 year olds   ▨ Indigenous students - 18–24 year olds

☐ All students - 20–64 year olds   ▨ Indigenous students - 20–64 year olds

a Data are for government recurrent funded VET students. **b** Data are for the highest level qualification attempted by a student in a reporting year. **c** Course levels denoted as 'Diploma and above' are included in the group of courses denoted as at 'Certificate III and above'. **d** The Indigenous participation rate is the number of Indigenous students as a percentage of the experimental estimates of Indigenous people for 30 June 2008 (ABS 2009 Cat. no. 3201.0 series B). The 'all students' participation rate is the number of students as a percentage of the estimated resident population as at 30 June 2008.

Source: NCVER (unpublished) National VET provider collection; ABS (2009) *Population by Age and Sex, Australian States and Territories*, Cat. no. 3201.0; ABS (2009) *Experimental Estimates and Projections, Aboriginal and Torres Strait Islanders*, Cat. no. 3238.0; table 5A.18.

Efficiency

A proxy indicator of efficiency is the level of government inputs per unit of output (unit cost). The indicator of unit cost reported here is 'recurrent expenditure per annual hour'. The Steering Committee has addressed four areas that could improve the comparability of efficiency indicators: superannuation; depreciation; user cost of capital; and payroll tax (see chapter 2) across jurisdictions. In VET, the user cost of capital is not included in estimates of recurrent expenditure, although it is reported separately as the 'cost of capital per annual hour' (box 5.10) and, 'cost of capital per load pass' (box 5.11). To promote accuracy and comparability of reported efficiency measures some adjustments are made to improve the data (box 5.7).

Box 5.7   Comparability of cost estimates

Government recurrent expenditure is calculated using data prepared by states and territories under the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) for VET financial data. These data are prepared annually on an accrual basis and are audited. Supplementary information is also provided by the Department of Education, Employment and Workplace Relations (DEEWR).

The method for calculating government recurrent expenditure was changed for the 2009 Report. Government recurrent expenditure is deemed as being equivalent to the recurrent funds provided by the Australian and State and Territory governments. It is calculated by summing the following AVETMISS financial statements revenue items: Commonwealth General Purpose Recurrent revenue (net of VET in Schools revenue), State Recurrent revenue, and revenue for VET expenditures of State/Territory training departments or public providers undertaken by another department or public agency and reported as Assumption of Liabilities.

To promote comparability of the financial data between states and territories, as well as comparability between the financial and activity data, expenditure is adjusted by course mix weights to recognise the different proportions of relatively more expensive and less expensive training programs that occur in jurisdictions. Expenditure data for 2004-07 are adjusted to real dollars (2008 dollars) using the gross domestic product (GDP) chain price index (table 5A.92).

Annual hours are adjusted for invalid enrolment rates based on formal advice of the NCVER auditors. Invalid enrolments are those student enrolments reported in the national collection as participating in a module or unit of competency but for which the auditors could find no confirmed evidence that the student had participated in that enrolment within the collection period.

(Continued on next page)

Box 5.7 **(Continued)**

In 2007, Victoria adopted standard nominal hour values for common units of competency as the basis of calculating total annual hours of delivery, thereby achieving consistency with all other states and territories. To enable comparison over time, standard nominal hour values have been used to revise the time series back to 2003, except for Victoria, for which data prior to 2007 can not be rebased from scheduled hours to standard nominal hours.

Prior to the 2009 Report, annual hours were not calculated on an enrolment activity end date reporting, and Recognition of Prior Learning (RPL) was discounted on an agreed formula. As a result, care should be taken in making comparisons between reports.

Source: DEEWR (2009)

Government recurrent expenditure per annual hour and per load pass

'Government recurrent expenditure per annual hour' is an indicator of governments' objective to provide VET services in an efficient manner. Recurrent cost per annual hour of training measures the average cost of producing a training output of the VET system (a unit cost) (box 5.8).

Box 5.8 **Government recurrent expenditure per annual hour**

'Government recurrent expenditure per annual hour' is defined as total government recurrent expenditure (excluding capital costs) per annual hour. Expenditure is adjusted for course mix differences across jurisdictions.

Low unit costs can indicate efficient delivery of VET services.

Government recurrent expenditure per annual hour needs to be interpreted carefully because low unit costs do not necessarily reflect a lessening of quality. 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

- differences across jurisdictions, including socio-demographic composition, administrative scale, and dispersion and scale of service delivery

- VET policies and practices, including the level of fees and charges paid by students.

Data reported for this indicator are comparable.

Government real recurrent expenditure per annual hour of government funded VET programs in 2008 was $13.10 nationally. This decreased from $14.80 in 2004 (figure 5.14).

Figure 5.14 **Government real recurrent expenditure per annual hour (2008 dollars)[a, b, c]**
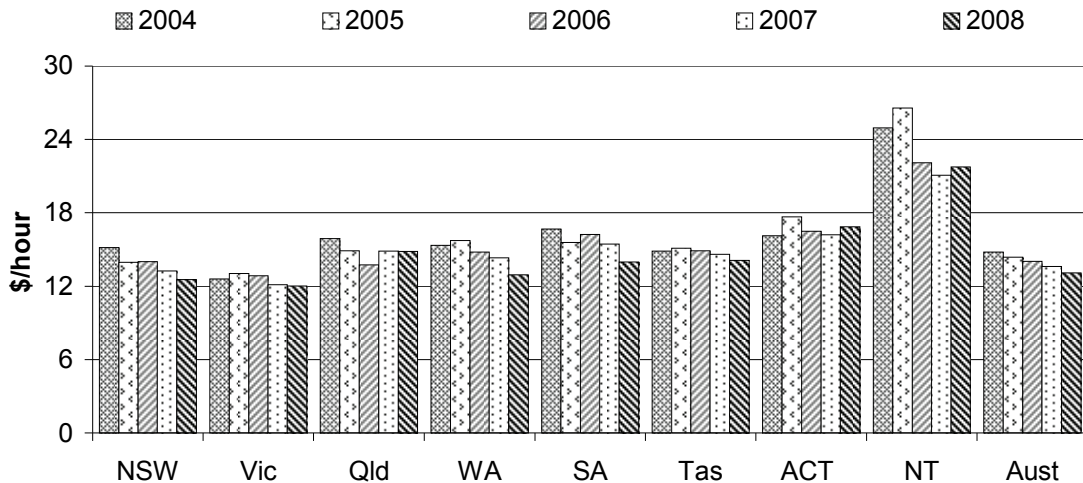
a The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate based on the ACT payroll tax rate has been included in the expenditure data for the ACT. **b** Data for Australia exclude the ACT payroll tax estimate. **c** Historical data have been adjusted to 2008 dollars using the GDP chain price index (table 5A.92).

Source: NCVER (unpublished) National financial and VET provider collections; table 5A.19.

'Government recurrent expenditure per load pass' is an indicator of governments' objective to provide VET services in an efficient manner. It is the cost to government of each successfully completed VET module or unit of competency (that is, the cost per successfully achieved output) (box 5.9).

Box 5.9   **Government recurrent expenditure per load pass**

'Government recurrent expenditure per load pass' is defined as the total government recurrent expenditure divided by the number of hours successfully completed from assessable modules or units of competency. 'Load pass' is based on assessable enrolments of modules and units of competency achieved/passed and RPL, and does not include non-assessable enrolments.

Low unit costs can indicate efficient delivery of VET services per successfully completed load pass hour.

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

- differences across jurisdictions, including socio-demographic composition, administrative scale, and dispersion and scale of service delivery

- VET policies and practices, including the level of fees and charges paid by students.

Data reported for this indicator are comparable.

Government real expenditure per load pass hour of government funded VET programs in 2008 was $16.70 nationally. This decreased from $20.08 in 2004 (figure 5.15).

Figure 5.15 **Government real recurrent expenditure per hour of publicly funded load pass (2008 dollars)a, b, c**
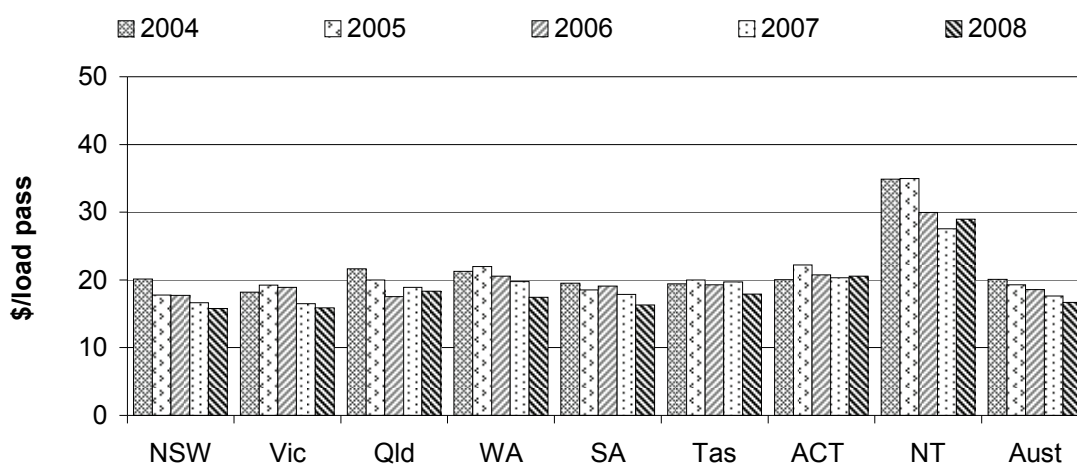
a The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate based on the ACT payroll tax rate has been included in the expenditure data for the ACT. **b** Data for Australia exclude the ACT payroll tax estimate. **c** Historical data have been adjusted to 2008 dollars using the GDP chain price index (table 5A.92).

Source: NCVER (unpublished) National financial and VET provider collections; table 5A.20.

Cost of capital per annual hour and per load pass

'Cost of capital per annual hour' is an indicator of governments' objective to provide VET services in an efficient manner. 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 otherwise be used to provide other services or to retire debt. Not reporting the user cost of capital underestimates the cost to government of service provision (box 5.10).

Box 5.10   Cost of capital per annual hour

The 'cost of capital per annual hour' is defined as the cost of capital (adjusted for course mix weight) divided by annual hours. The cost of VET service delivery includes both the cost of capital and other recurrent costs. Annual hours are the total hours of delivery based on the standard nominal hour value for each subject undertaken. These represent the hours of supervised training under a traditional delivery strategy.

Lower total costs per annual hour can reflect higher efficiency in the delivery of VET services.

The 'cost of capital per annual hour' needs to be interpreted carefully because low unit costs may not necessarily reflect a lessening of quality. Differences in some input costs (for example, land values) can affect reported costs across jurisdictions without necessarily reflecting the efficiency of service delivery. The cost of capital for land is presented separately from the cost of other assets, to allow users assessing the results to consider any differences in land values across jurisdictions. The Steering Committee has adopted a nominal user cost of capital rate of 8 per cent, although the actual rate may vary across jurisdictions. The basis for the 8 per cent capital charge is discussed in chapter 2.

Data reported for this indicator are comparable.

Nationally, the cost of capital per annual hour in 2008 was $2.34. The largest components of cost of capital per annual hour were building costs ($1.60) followed by land costs ($0.57) (figure 5.16).

Figure 5.16 **Cost of capital per annual hour, 2008[a, b]**


a 'All other cost of capital' includes plant, equipment, motor vehicles and other capital. **b** The asset valuation method used by the ACT changed in 2008. See table 5A.21 for further information.

Source: NCVER (unpublished) National financial and VET provider collections; table 5A.21.

The total cost of VET service delivery includes both the cost of capital and recurrent costs. Nationally, the total cost to government of funding VET per annual hour in 2008 was $15.44, comprising $2.34 in capital costs and $13.10 in other recurrent costs (figure 5.17). These results need to be interpreted carefully, because the asset data used to calculate the cost of capital are less reliable than the recurrent cost data.

Figure 5.17 **Total government VET costs per annual hour, 2008[a, b]**
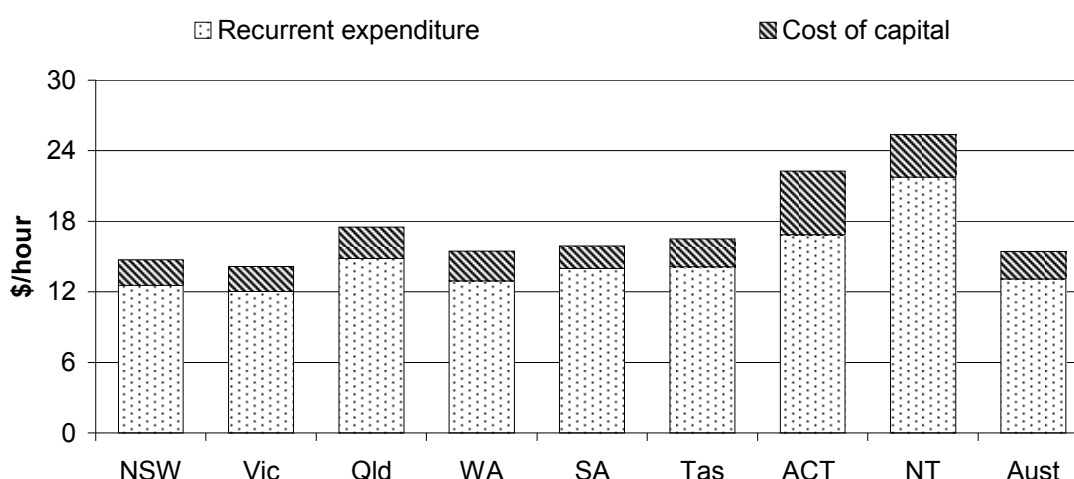
a The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate based on the ACT payroll tax rate has been added to the recurrent expenditure data presented for the ACT. **b** 'Cost of capital' includes buildings, land, plant, equipment, motor vehicles and other capital.

Source: NCVER (unpublished) National financial and VET provider collections; table 5A.22.

'Cost of capital per load pass' is an indicator of governments' objective to provide VET services in an efficient manner. 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 otherwise be used to provide other services or to retire debt. Not reporting the user cost of capital underestimates the cost to government of service provision (box 5.11).

Box 5.11 **Cost of capital per load pass**

The 'cost of capital per load pass' is defined as the cost of capital divided by hours of publicly funded load pass. 'Load pass' is based on assessable enrolments of modules and units of competency achieved/passed and RPL, and does not include non-assessable enrolments.

Lower total costs per load pass hour can reflect higher efficiency in the delivery of VET services.

The 'cost of capital per load pass' needs to be interpreted carefully because differences in some input costs (for example, land values) could affect reported costs across jurisdictions without necessarily reflecting the efficiency of service delivery. The cost of capital for land is presented separately from the cost of other assets, to allow users assessing the results to consider any differences in land values across jurisdictions. The Steering Committee has adopted a nominal user cost of capital rate of 8 per cent, although the actual rate may vary across jurisdictions. The basis for the 8 per cent capital charge is discussed in chapter 2.

Data reported for this indicator are comparable.

In 2008, the cost of capital per load pass hour was $2.99 nationally, the largest components were building ($2.04) and land ($0.73) costs (figure 5.18).

Figure 5.18 **Cost of capital per hour of publicly funded load pass, 2008[a, b]**
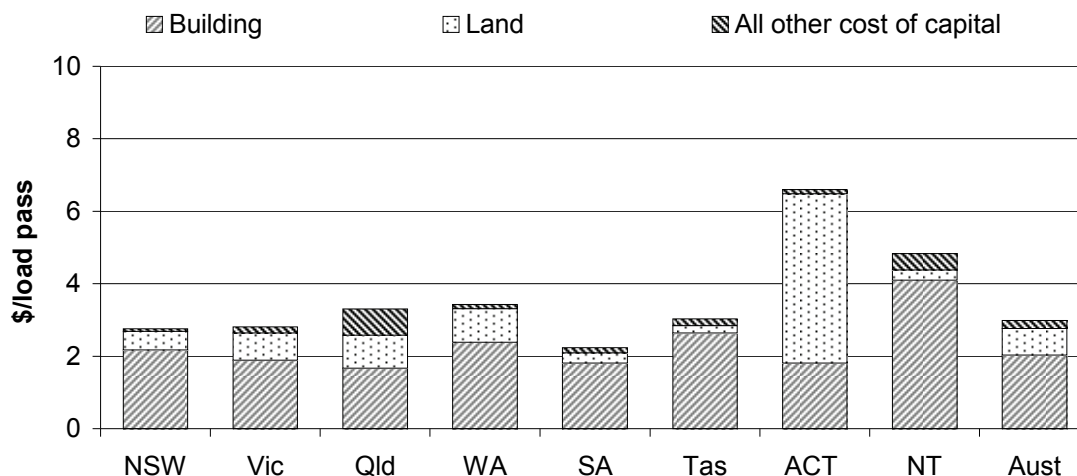
a Load pass is based on assessable enrolments of modules and units of competency achieved/passed and RPL. It does not include non-assessable enrolments. **b** 'All other cost of capital' includes plant, equipment, motor vehicles and other capital.

Source: NCVER (unpublished) National financial and VET provider collections; table 5A.23.

Outcomes

Outcomes are the impact of services on the status of an individual or group (while outputs are the actual services delivered) (see chapter 1, section 1.5). The objectives for VET services are to achieve a range of outcomes for students and employers (box 5.3). A range of indicators relating to student and employer outcomes have been identified.

Student outcomes

The annual 'Student Outcomes Survey' conducted by the NCVER identifies training outcomes for students who graduated with a qualification from a course (graduates) and students who successfully completed some training below the level of full qualification and who were no longer engaged in training when the survey was undertaken (module completers). The students must have been undertaking activity within the VET system in Australia in the previous year (box 5.12).

Box 5.12   Student Outcomes Survey

The data collected about graduates and module completers describes their general characteristics, fields of study, employment outcomes, occupations, industries of employment, satisfaction with their course of study, and further study outcomes.

The survey collects the opinions of a sample of VET students, so the results are estimates of the opinions of the total VET student population. The sample is randomly selected and stratified for graduates and module completers by TAFE institute, field of study, gender and age. Responses are weighted to population benchmarks to minimise non-response bias.

The precision of survey estimates depends on the sample size and the distribution of sample responses. Consequently, jurisdictional comparisons need to be made with care. To assist with making comparisons across jurisdictions, error bars representing the 95 per cent confidence intervals associated with each point estimate are presented in the survey figures. These confidence intervals can be used to test whether the estimates are statistically different across jurisdictions. When comparing the estimates, if the confidence intervals for the jurisdictions do not overlap, then the estimates are statistically significantly different (at the 95 per cent confidence level). Confidence intervals are also included in the associated attachment tables.

In the 2005 survey year, the Student Outcomes Survey underwent a broadening in scope. While the survey in the past was limited to TAFE students, the expanded survey yields data on all VET providers, capturing government funded students (TAFE, private and community education providers) as well as those training on a fee-for-service basis (TAFE and some private and community education providers).

Additional data relating to all VET providers are in the attachment tables. Comparisons between TAFE outcomes and all VET provider outcomes must take into account the demographic characteristics of students as well as the level of qualifications offered across training provider types. The discussion of student outcomes in the chapter focuses on TAFE graduates, that is, students who undertook government funded TAFE activity.

Care needs to be taken when comparing student outcomes across states and territories, because 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, economic parameters beyond the control of the VET system may affect employment outcomes for graduates (see appendix A).

Source: NCVER (2008) Australian Vocational Education and Training Statistics: Student Outcomes 2008, Adelaide; DEEWR (2009).

Student employment and further study outcomes

'Student employment and further study outcomes' is an indicator of governments' objective for the VET system to meet individual students' objectives. It reports on the benefits students gained from the VET system. These benefits include employment, improved employment circumstances, a pathway for further study/training, and personal development (box 5.13).

Box 5.13   **Student employment and further study outcomes**

'Student employment and further study outcomes' is defined by five measures:

- the proportion of graduates who were employed and/or continued on to further study after completing their course

- the employment rate after participating in VET for students who were unemployed before the course

- the proportion of graduates employed after completing their course who were employed before the course

- the proportion of graduates who improved their employment circumstances after completing their training. The definition of 'improved employment circumstances' is at least one of :

  – employment status changing from not employed before training (both unemployed and not in the labour force) to employed either full-time or part-time after training

  – employed at a higher skill level after training

  – received a work-related benefit after completing their training, including set up or expanded their own business, got a promotion, increased earnings, or other job-related benefits

- the proportion of graduates who undertook their course for employment-related reasons and were employed after completing their course, who reported at least one work-related benefit from completing the course.

Holding other factors constant, high or increasing proportions indicate positive employment or further study outcomes after training. The proportion of students who improved their employment outcomes or were engaged in further study can overlap, since students may realise the two outcomes simultaneously.

Comparison of labour market outcomes must also account for the general economic conditions in each jurisdiction (see appendix A).

Data reported for this indicator are comparable.

Student employment and further study outcomes —The proportion of graduates who were employed and/or continued on to further study after completing their course

Nationally, 88.5 per cent of TAFE graduates surveyed indicated that they were either in employment and/or pursuing further study after completing a VET course in 2008 — compared with 85.7 per cent in 2004. Of all TAFE graduates in 2008, 78.2 per cent said they were in employment while 35.4 per cent continued on to further study (figure 5.19 and table 5A.24).

Figure 5.19 **Proportion of TAFE graduates in employment and/or who continued on to further study in 2008 after completing a course in 2007[a, b]**
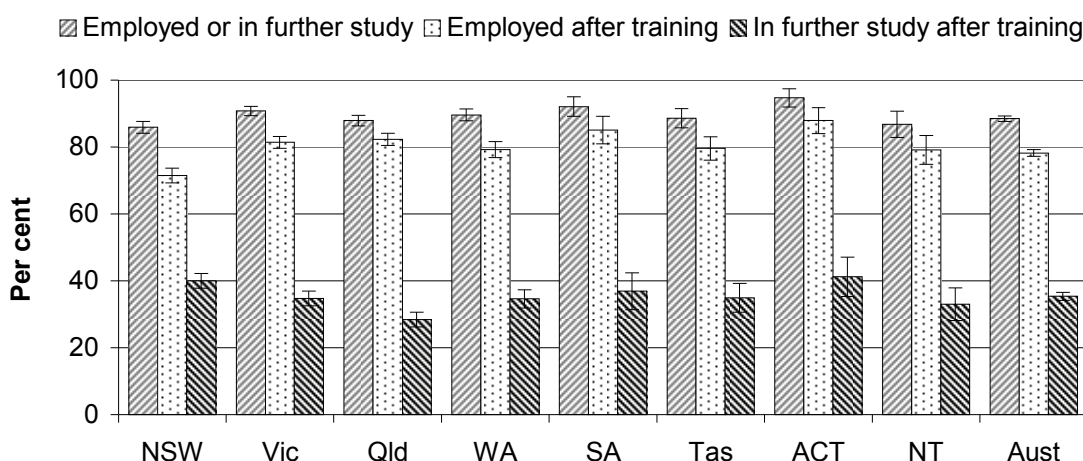
a Graduates 'employed after training' and graduates 'in further study after training' are subsets of graduates who are 'employed or in further study'. Graduates can be both employed and in further study. **b** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.24.

The proportion of graduates by target groups who were in employment after completing their course (figure 5.20) or continued onto further study (figure 5.21) can also indicate the equity of outcomes for these groups. Indigenous student outcomes are reported in a separate indicator.

Nationally, 80.4 per cent of TAFE graduates from remote and very remote areas, 74.4 per cent of female graduates, 66.0 per cent of graduates who spoke a language other than English at home, and 53.5 per cent of graduates with a disability were employed in 2008 after completing a course in 2007, compared with 78.2 per cent of all TAFE graduates (figure 5.20). Further information for target groups and geolocation disaggregations are reported in tables 5A.24–31 for 2004–08.

Figure 5.20 **Proportion of TAFE graduates in employment after completing a course, by target groups, 2008[a, b, c]**

Females
Language other than English
All students
Reported a disability
Remote and very remote areas

a Students reported as having disability are defined as those who self-identify that they have a disability, impairment or long-term condition. Disabilities include hearing/deaf, physical, intellectual, learning, mental illness, acquired brain impairment, vision, medical condition and other unspecified disabilities. **b** There are no very remote areas in Victoria and no remote or very remote areas in the ACT. The remote data for Victoria are for students from remote areas throughout Australia studying in Victoria. **c** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.24–25 and 5A.29–31.

Nationally, in 2008, a higher proportion of students speaking a language other than English at home (40.0 per cent) and female students (38.8 per cent) continued on to further study after completing a course, compared to all TAFE students (35.4 per cent), students with a disability (35.2 per cent) and students from remote and very remote areas (27.3 per cent) (figure 5.21).

Figure 5.21 **Proportion of TAFE graduates who continued on to further study after completing a course, by target groups, 2008**[a, b, c]

a Students reported as having disability are defined as those who self-identify that they have a disability, impairment or long-term condition. Disabilities include hearing/deaf, physical, intellectual, learning, mental illness, acquired brain impairment, vision, medical condition and other unspecified disabilities. **b** There are no very remote areas in Victoria and no remote or very remote areas in the ACT. The remote data for Victoria are for students from remote areas throughout Australia studying in Victoria. **c** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate. The Victoria and SA remote areas estimates, the Tasmania language other than English estimate and the ACT reported disability estimate, have relative standard errors greater than 25 per cent and need to be used with caution.

Source: NCVER (unpublished) *Student Outcomes Survey*; tables 5A. 24–25 and 5A.29–31.

Of those TAFE graduates who continued on to further study, 60.6 per cent pursued their further study within the TAFE system, while 22.3 per cent went on to further study at universities and 17.1 per cent went on to further study at private providers or other registered providers (figure 5.22).

Figure 5.22 **TAFE graduates who continued on to further study after completing a course, by type of institution, 2008a**
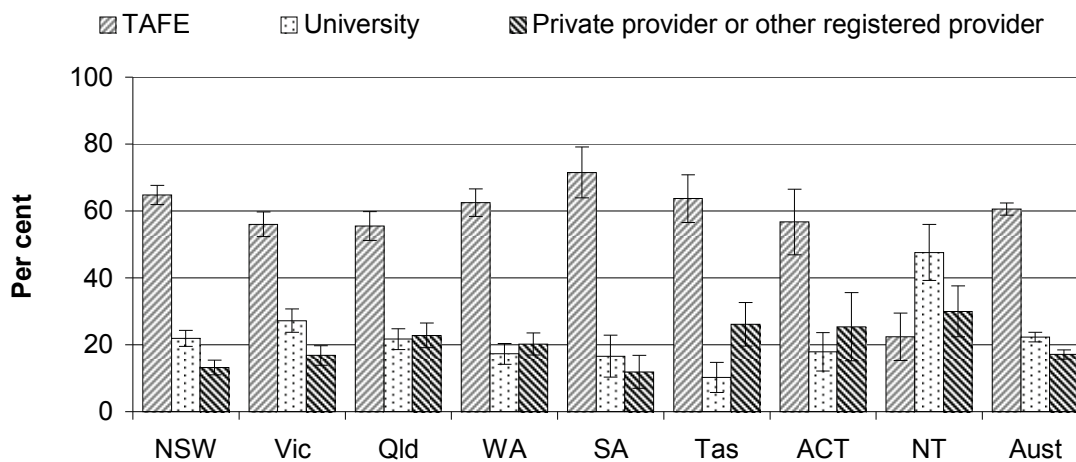
a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.24.

Student employment and further study outcomes — The employment rate after participating in VET for students who were unemployed before the course

Nationally, of the TAFE graduates surveyed in 2008 who were unemployed before the course, 51.7 per cent indicated they were employed after the course, 39.9 per cent were unemployed and 7.9 per cent were not in the labour force (figure 5.23).

Figure 5.23 **Labour force status after the course of TAFE graduates who were unemployed before the course, 2008[a]**

NFI = No further information

a The 95 per cent confidence intervals for the percentage estimates are reported in table 5A.32. The not in the labour force estimates for WA and Tasmania and the unemployed estimates for SA and the ACT have relative standard errors greater than 25 per cent and need to be used with caution. The not in the labour force data for SA, the ACT and the NT are not published due to 5 or fewer responses.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.32.

Between 2004 and 2008, the proportion of TAFE graduates who were unemployed before the course and who became employed after the course increased by 5.1 percentage points (from 46.6 to 51.7 per cent) (figure 5.24).
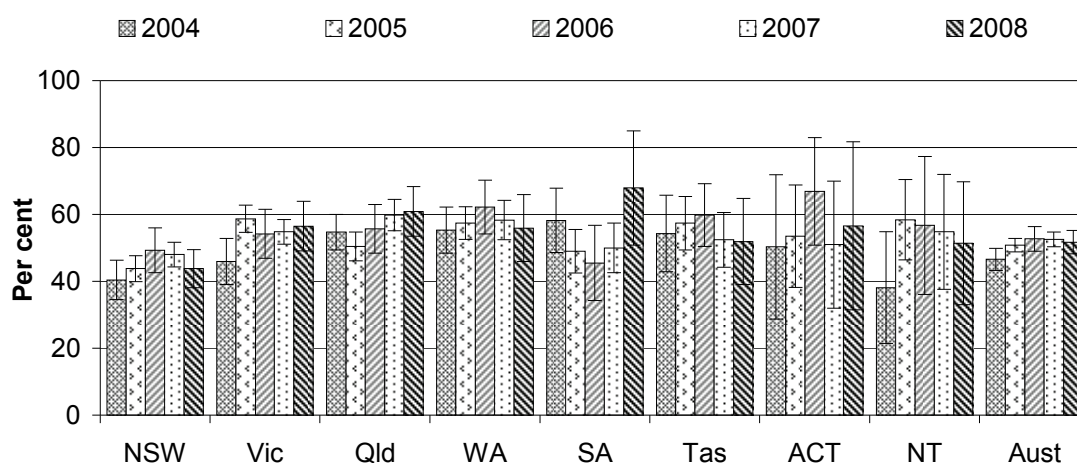
a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.32.

Student employment and further study outcomes — The proportion of graduates employed after completing their course who were employed before the course

Nationally, of the TAFE graduates surveyed in 2008 who were employed after completing their course, 82.5 per cent indicated they were employed before the course, 8.1 per cent were unemployed before the course, and 9.1 per cent were not in the labour force. The proportion of TAFE graduates employed after completing their course who were employed before the course was similar across jurisdictions (figure 5.25).

Figure 5.25 Labour force status before the course of TAFE graduates who were employed after the course, 2008[a]

Legend: Employed, Not in the labour force, Not employed (NFI), Unemployed

NFI = No further information.

a The 95 per cent confidence intervals for the percentage estimates are reported in table 5A.35. The unemployed estimates for the ACT and NT and the not in the labour force estimate for the ACT, have relative standard errors greater than 25 per cent and need to be used with caution.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.35.

Table 5A.34 and tables 5A.36-39 provide additional background information on the proportion of graduates employed after their course by their previous employment status.

Student employment and further study outcomes — The proportion of graduates who improved their employment circumstances after completing their training

Nationally, 62.2 per cent of all TAFE graduates in 2008 indicated they had improved their employment circumstances after completing their course, an increase of 6.7 percentage points from 2004 (55.8 per cent) (figure 5.26).

Figure 5.26 **TAFE graduates who improved their employment circumstances after training, 2008a**
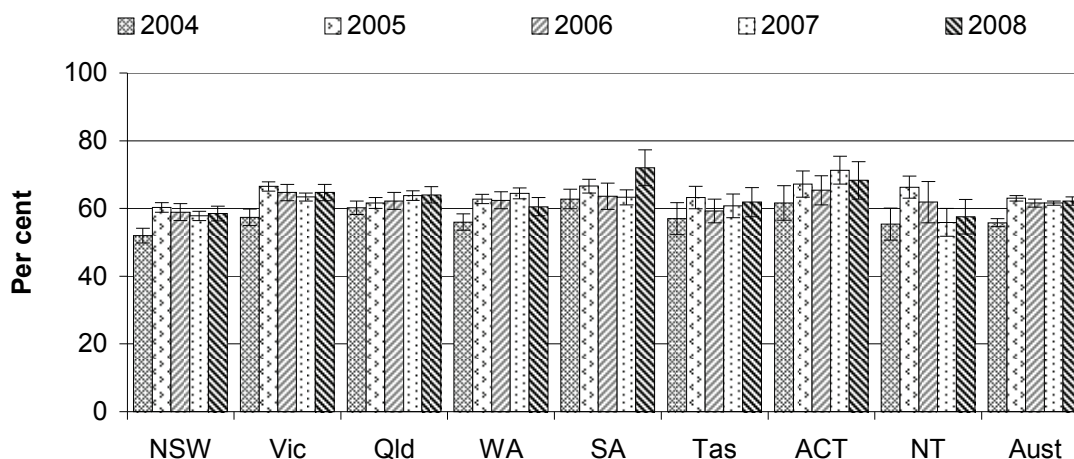
a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.42.

TAFE graduates nationally in 2008 indicated that:

- the employment status of 13.7 per cent of them changed from not employed before training to employed after training

- 14.1 per cent were employed at a higher skill level after training

- 57.7 per cent received a work-related benefit after completing their training (table 5A.45).

Table 5A.43 includes national data for female graduates, graduates who spoke a language other than English at home, graduates with a disability, and graduates from remote and very remote areas. Of these groups, TAFE graduates who reported a disability were the least likely to indicate that they had improved employment circumstances (41.9 per cent).

Nationally in 2008, 64.5 per cent of TAFE graduates from the least disadvantaged socio-economic background (Socio-Economic Indexes for Areas [SEIFA] Index of Relative Socioeconomic Disadvantage [IRSD] quintile 5) reported improved employment circumstances, compared with 57.3 per cent from the most disadvantaged (SEIFA IRSD quintile 1) (table 5A.47). Information on improved employment circumstances for Indigenous TAFE graduates is provided separately in the section on Indigenous outcomes.

Tables 5A.44, 5A.46, 5A.48 and 5A.49 provide additional background information on the percentage of graduates who improved their employment circumstances after completing their training.

Student employment and further study outcomes — The proportion of graduates who undertook their course for employment-related reasons and were employed after completing their course, who reported at least one work-related benefit from completing the course

Nationally in 2008, of the TAFE graduates who were employed after their training and undertook their course for employment related reasons, 78.8 per cent indicated they had gained at least one work-related benefit from completing the course (figure 5.27).

Figure 5.27 **TAFE graduates who undertook their course for employment-related reasons and who received at least one work-related benefit from completing the course, 2008a**
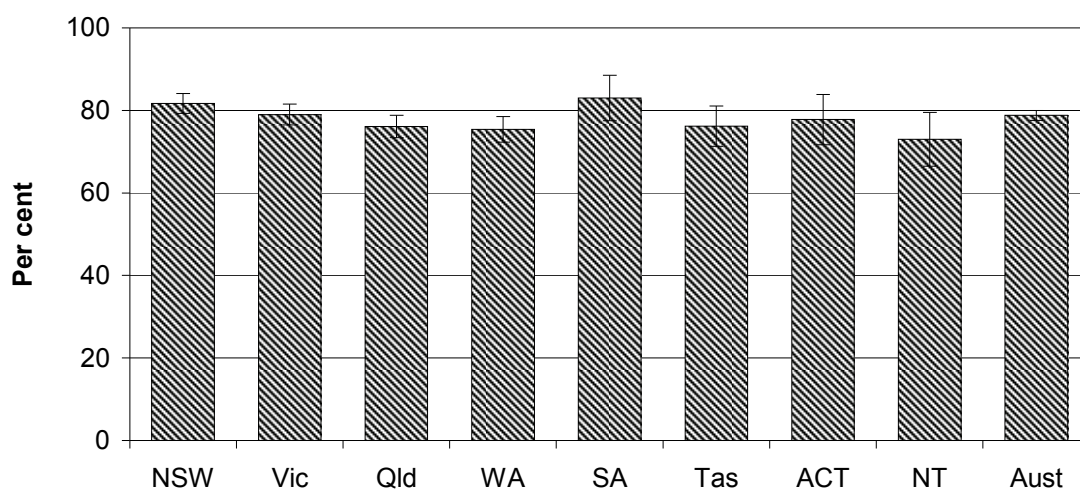
a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.41.

Individual graduates could receive more than one benefit. The benefits reported by graduates included:

- obtained a job (33.9 per cent)
- achieved an increase in earnings (30.2 per cent)
- achieved a promotion or an increased status at work (26.7 per cent)
- a change of job or new job (18.2 per cent)
- gaining the ability to start their own business (7.8 per cent) (table 5A.41).

Information on students who were employed before undertaking a course and who took the course for employment-related reasons and students rating of the relevance of their completed course to their main job (by jurisdiction and over the five year time series from 2004 to 2008) is available in attachment tables 5A.33 and 5A.40.

Further information on VET employment outcomes is available from the *Down the Track* survey of long term VET outcomes for 15–24 year olds, which is referred to in the 2006 Report (SCRGSP 2006, box 4.13) and is available in *Down the track: TAFE outcomes for young people two years on* (NCVER 2006).

Student achievement in VET

'Student achievement in VET' is an indicator of governments' objective for students to achieve success in VET (box 5.14).

Box 5.14   **Student achievement in VET**

'Student achievement in VET' is defined by two measures:

- 'Load pass rate' is the ratio of hours attributed to students who gained competencies/passed assessment in an assessable module or unit of competency to all hours of students who were assessed and either passed, failed or withdrew. The calculation is based on the annual hours for each assessable module or unit of competency and includes competencies achieved/units passed through recognition of prior learning (RPL).

- 'Number of students who commenced and completed' is defined as the number of VET students in a given year who commenced a course and eventually completed their course, expressed as a proportion of all course commencing enrolments in that year.

Data are provided for VET target groups (females, residents of remote and very remote areas, people with a disability and people speaking a language other than English at home). Achievement by VET target groups can also indicate the equity of outcomes for these groups. Indigenous student outcomes are reported in a separate indicator (box 5.17).

'Load pass rate' is a measure of students' success, which has an impact on a student's attainment of skills. High 'load pass rates' and 'number of students who commenced and completed' indicate that student achievement is high, which is desirable. The rates for target groups, relative to those for the general student population, indicate whether students from target groups are as successful as other students.

(Continued next page)

Student achievement in VET — Load pass rate

In 2008, the 'load pass rate' for all government funded students was 79.7 per cent, similar to load pass rates for female students (79.4 per cent) and students from remote and very remote areas (81.8 per cent). The load pass rates for students reporting a disability (70.1 per cent) and students speaking a language other than English at home (73.6 per cent) were lower than for all students (figure 5.28).

Figure 5.28 **Load pass rates, by target groups, 2008[a, b, c, d]**
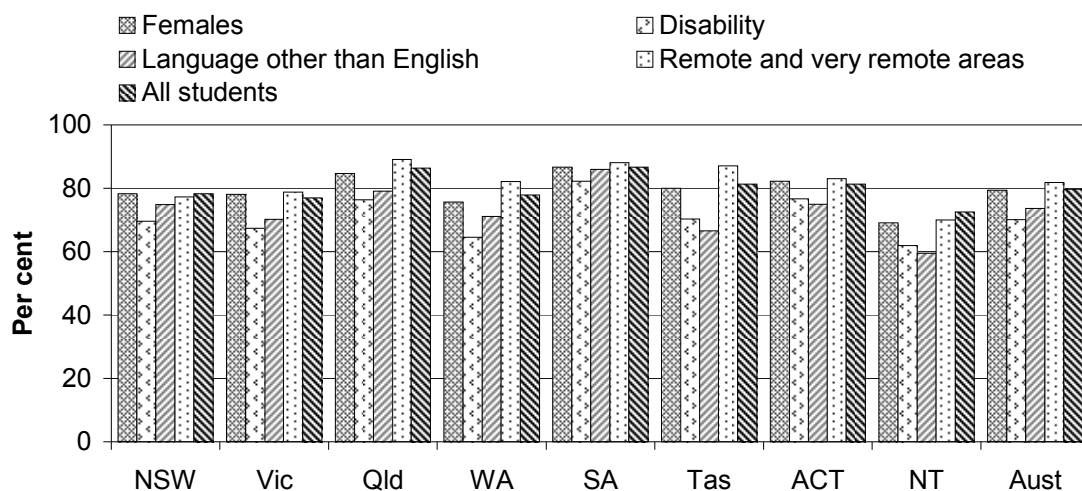
a Data are for government recurrent funded hours. **b** People with a disability are defined as those who self-identify on enrolment forms that they have a disability, impairment or long-term condition. Not all students respond to the relevant question on the enrolment form. **c** Care needs to be taken in comparing load pass rates for students reporting a disability and students speaking a language other than English at home because the non-identification rates for these groups are high. **d** There are no very remote areas in Victoria. There are no major cities in Tasmania. There are no outer regional areas, remote or very remote areas in the ACT. There are no major cities or regional areas in the NT. Data for these geolocation disaggregations are for students from these areas throughout Australia studying in Victoria, Tasmania, the ACT or the NT.

Source: NCVER (unpublished) National VET provider collection; tables 5A.50–53.

Nationally, between 2004 and 2008, the load pass rates increased for:

- female students by 1.6 percentage points (from 77.8 to 79.4 per cent) (table 5A.50)

- students from remote and very remote areas by 4.9 percentage points (from 76.9 to 81.8 per cent) (table 5A.51)

- students with a disability by 1.0 percentage points (from 69.1 per cent to 70.1 per cent) (table 5A.52)

- students speaking a language other than English at home by 2.3 percentage points (from 71.3 to 73.6 per cent) (table 5A.53)

- all students by 2.2 percentage points (from 77.5 to 79.7) (table 5A.50).

Student achievement in VET — Number of students who commenced and completed

Data for this measure were not available for the 2010 Report.

Student satisfaction with VET

'Student satisfaction with VET' is an indicator of governments' objective of enabling students' satisfaction with their training program (box 5.15).

Box 5.15   **Student satisfaction with VET**

'Student satisfaction with VET' is defined by two measures:

- 'proportion of students who achieve their main reason for doing a VET course' is defined as the proportion of graduates in the Student Outcomes Survey who indicate that they achieved or partly achieved their main reason for doing the course

- 'proportion of students who were satisfied with the quality of their completed VET course' is defined as the proportion of graduates in the Student Outcomes Survey who indicate that they were satisfied or very satisfied with their VET training program.

Satisfaction with VET by target groups (females, residents of remote and very remote areas, people with a disability and people speaking a language other than English at home) can also indicate the equity of outcomes for these groups. Indigenous student outcomes are reported in a separate indicator (box 5.17).

(Continued next page)

Student satisfaction with VET — Students who achieve their main reason for doing a course

In 2008, 86.7 per cent of TAFE graduates surveyed nationally indicated that their course helped (73.9 per cent) or partly helped (12.8 per cent) them achieve their main reason for doing the course — slightly higher than the 80.7 per cent total reported in 2004. Of those graduates surveyed in 2008, 4.5 per cent indicated their course did not help them achieve the main reason they did the course, compared with 8.0 per cent in 2004 (table 5A.54, figure 5.29).

Figure 5.29 **Proportion of TAFE graduates who achieved their main reason for doing the course, 2008a**
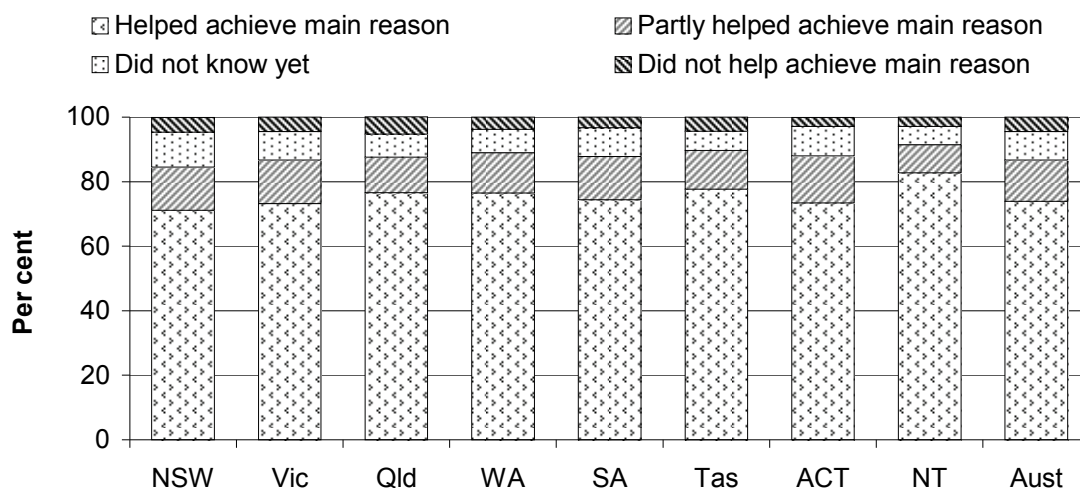
a The 95 per cent confidence intervals for the percentage estimates are reported in table 5A.54. The SA, ACT and NT 'did not help achieve main reason' estimates, and the NT 'do not know yet' estimate, have relative standard errors greater than 25 per cent and need to be used with caution.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.54.

Nationally in 2008, of the target groups, students from remote and very remote areas were the most likely to indicate that the course helped them achieve their main reason for doing the course (82.1 per cent), while graduates reporting a disability

were the least likely to do so (63.2 per cent). Of all TAFE graduates surveyed, 73.9 per cent indicated that the course helped them achieve their main reason for doing the course (figure 5.30).

Figure 5.30 **Proportion of TAFE graduates who achieved their main reason for doing the course, by target groups, 2008[a, b, c]**
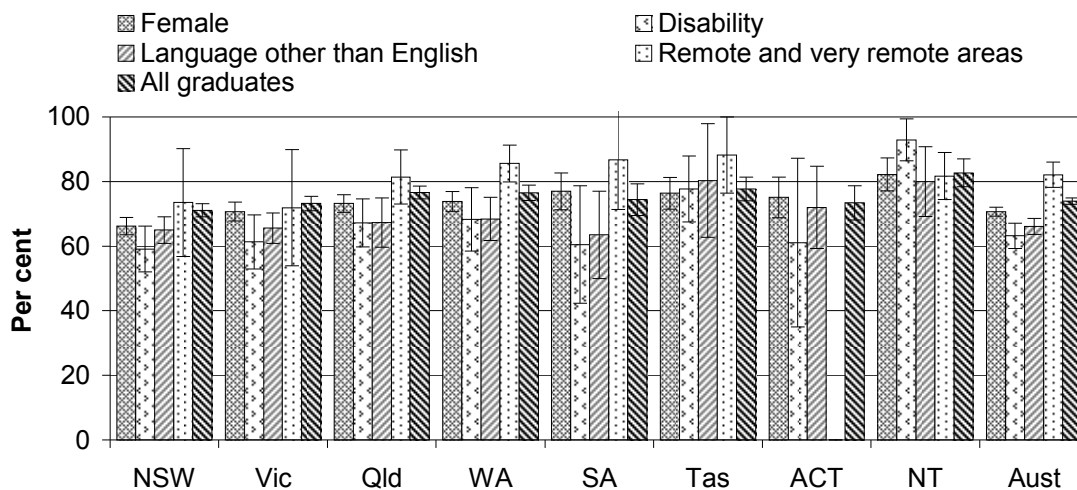
a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate. **b** Students reported as having a disability are defined as those who self-identify that they have a disability, impairment or long-term condition. Disabilities include hearing/deaf, physical, intellectual, learning, mental illness, acquired brain impairment, vision, medical condition and other unspecified disabilities. **c** There are no very remote areas in Victoria and no remote or very remote areas in the ACT. The remote data for Victoria are for students from remote areas throughout Australia studying in the jurisdiction.

Source: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.54–55 and 5A.59–61.

Tables 5A.56–58 provide additional information on whether the course helped graduates from major cities, inner regional areas and outer regional areas achieve their main reason for undertaking training.

Student satisfaction with VET — Students who were satisfied with the quality of their completed training

In 2008, 89.1 per cent of TAFE graduates surveyed nationally indicated that they were satisfied with the quality of their completed training (table 5A.62). The satisfaction levels across students undertaking training with different objectives were similar — students seeking employment related outcomes (89.1 per cent), seeking further study outcomes (88.4 per cent) and seeking personal development outcomes (89.1 per cent) (figure 5.31).

Figure 5.31 **Proportion of TAFE graduates who were satisfied with the quality of their completed course, by purpose of study, 2008[a, b]**
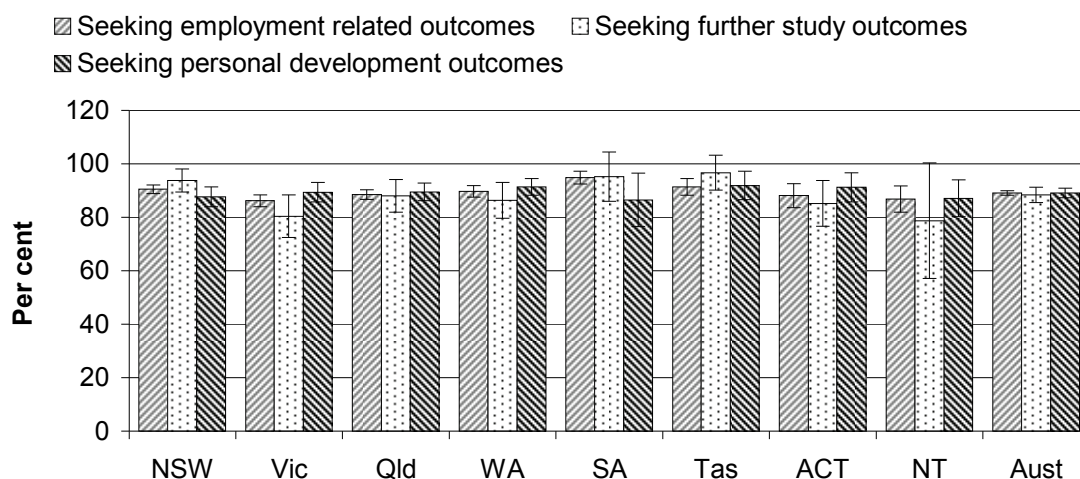
a Satisfaction with overall quality of training was rated as satisfied or very satisfied (4 or 5 on a 5 point scale). **b** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.62.

The satisfaction level across target groups were also similar to all TAFE graduates (89.1 per cent) :

- female graduates (88.9 per cent)

- graduates speaking a language other than English at home (88.1 per cent)

- graduates reporting a disability (88.5 per cent)

- graduates from remote and very remote areas (90.9 per cent) (figure 5.32).

A further disaggregation of graduates by target groups and graduates by ARIA geographical classifications, by the purpose of study, can be found in attachment tables 5A.63–69.

Figure 5.32 **Proportion of TAFE graduates who were satisfied with the quality of their completed course, by target groups, 2008**[a, b, c, d]
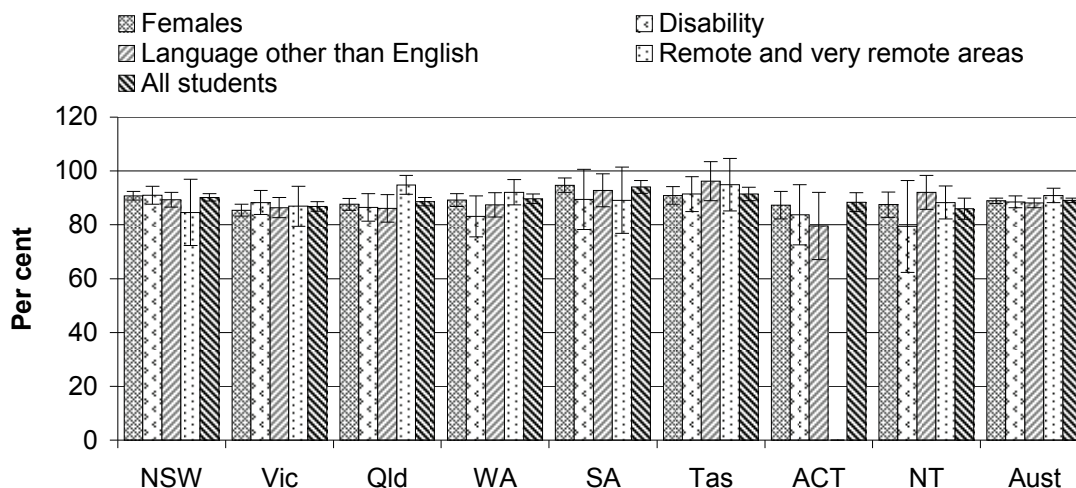
a Satisfaction with overall quality of training was rated as satisfied or very satisfied (4 or 5 on a 5 point scale). **b** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate. **c** Students reported as having a disability are defined as those who self-identify that they have a disability, impairment or long-term condition. Disabilities include hearing/deaf, physical, intellectual, learning, mental illness, acquired brain impairment, vision, medical condition and other unspecified disabilities. **d** There are no very remote areas in Victoria and no remote or very remote areas in the ACT. The remote data for Victoria are for students from remote areas throughout Australia studying in the jurisdiction.

Source: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.62–63 and 5A.67–69.

Skill profile

'Skill profile' is an indicator of governments' objective to create and maintain a national pool of skilled Australian workers that is sufficient to support internationally competitive commerce and industry. It measures the stock of VET skills held by Australians (box 5.16).

Box 5.16   **Skill profile**

'Skill profile' is yet to be defined.

There are currently no indicators for 'skill profile', and in the interim 'skill outputs from VET' are reported as a proxy.

'Skill outputs from VET' is defined by four measures of students' skill outputs from the VET system in a given year:

- 'Qualifications completed' is defined as the number of qualifications completed each year by both government and non-government funded students in VET, where a qualification is a certification to a person on successful completion of a course in recognition of having achieved particular knowledge, skills or competencies.

- 'Units of competency' is defined as the number of units of competency achieved each year by government recurrent funded VET students, where a unit of competency is defined as a component of a competency standard and/or a statement of a key function or role in a particular job or occupation.

- 'Modules completed' is defined as the number of modules (outside training packages) achieved/passed each year by government recurrent funded VET students, where a module (also called a subject) is a unit of education or training which can be completed on its own or as part of a course. Modules may also result in the attainment of one or more units of competency.

- 'Annual change in qualifications completed, units of competency and modules achieved/passed' is defined as the percentage change of qualifications, units of competency or modules achieved/passed from year to year.

Holding other factors constant, high or increasing numbers of qualifications completed and units of competency or modules achieved/passed results in a greater increase in the stock of VET skills.

Qualifications completed in 2007 were counted in 2009.

- Data reported for this indicator are not directly comparable.

The VET sector is focussed on delivering nationally recognised training through training packages (qualifications and units of competency) and accredited courses (and their associated modules). Most accredited courses and modules have been phased out over the last five years as more industry training packages are endorsed. However, there are some niche markets where accredited courses will be maintained and new ones developed, for example, English proficiency courses, courses in viticulture and performing arts, dance and professional writing. Typically these are in training areas not covered by the 10 Industry Skills Councils.

Skill outputs from VET — Qualifications completed

Nationally, approximately 336 400 VET qualifications were completed in 2007 (table 5A.70). The number of qualifications completed includes both government and non-government funded VET students (figure 5.33).

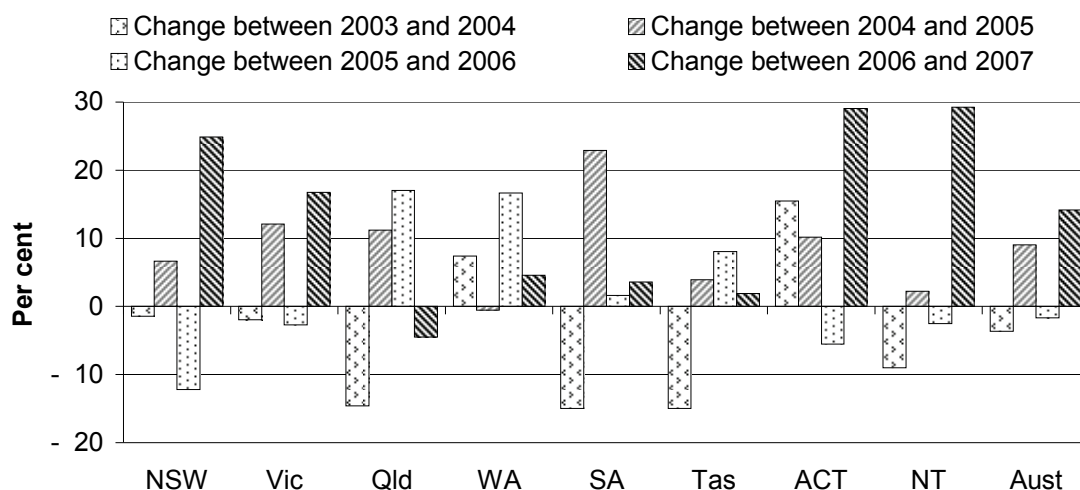Figure 5.33 **Qualifications completed, all graduates[a, b, c]**
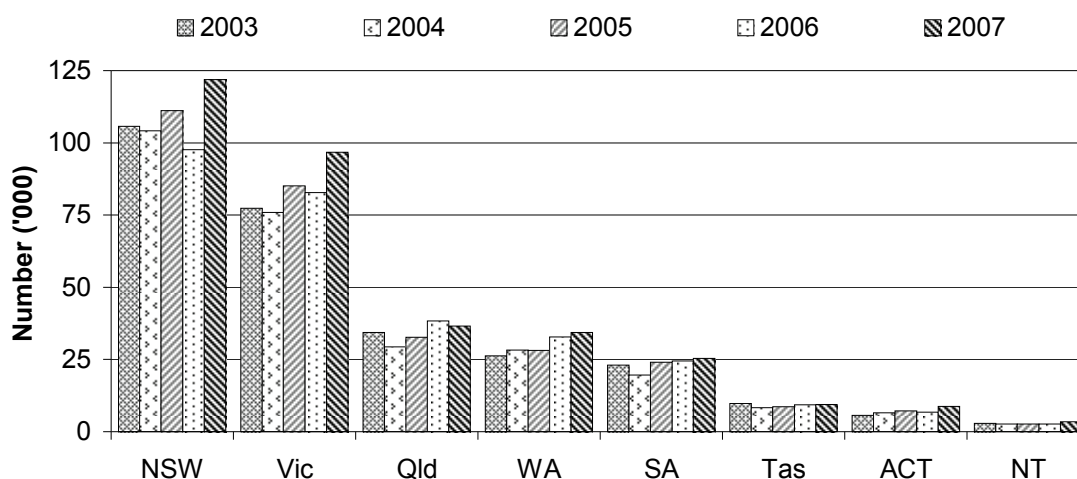
a Qualifications completed includes courses accredited or approved by a local State/Territory authority, and represents students eligible to be awarded a qualification. **b** The number of qualifications completed includes both government funded and non-government funded VET students. **c** SA data include VET in schools which has been assessed by TAFE.

Source: NCVER (unpublished) National VET provider collection; table 5A.70.

Nationally, the number of qualifications completed increased by 14.2 per cent between 2006 and 2007 after having decreased by 1.7 per cent between 2005 and 2006 (figure 5.34). Overall, VET qualifications increased by 17.9 per cent between 2003 and 2007 (table 5A.70).

Figure 5.34 **Qualifications completed, by change from previous year, all graduates**[a, b, c]

Legend:
- ▥ Change between 2003 and 2004
- ▨ Change between 2004 and 2005
- ▦ Change between 2005 and 2006
- ▧ Change between 2006 and 2007

a Qualifications completed includes courses accredited or approved by a local State/Territory authority, and represents students eligible to be awarded a qualification. **b** The number of qualifications completed includes both government funded and non-government funded VET students. **c** SA data includes VET in Schools which has been assessed by TAFE.

Source: NCVER (unpublished) National VET provider collection; table 5A.70.

Amongst the VET target groups, between 2003 and 2007 the number of qualifications completed nationally increased by:

- 15.8 per cent for female students (table 5A.70)

- 21.7 per cent for students with a disability (table 5A.72)

- 36.1 per cent for students speaking a language other than English at home (table 5A.73)

- 11.5 per cent for students from remote and very remote areas (table 5A.71).

Indigenous student outcomes are reported in a separate indicator.

In 2007, 14.6 per cent of qualifications completed were at the diploma or advanced diploma level, 53.7 per cent at certificate level III or IV and 31.8 per cent at certificate level I or II or lower (table 5A.74). In 2007, 78.4 per cent of students aged 18–24 years completed qualifications at the certificate III level or higher, compared with 68.5 per cent of students aged 15–64 years (figure 5.35).

Figure 5.35 **Qualifications completed, by course level and target age group, 2007[a, b, c]**

☒ Certificate III and above - 15–64 year olds   ▨ Diploma and above - 15–64 year olds

☒ Certificate III and above - 18–24 year olds   ▨ Diploma and above - 18–24 year olds

☒ Certificate III and above - 20–64 year olds   ▨ Diploma and above - 20–64 year olds
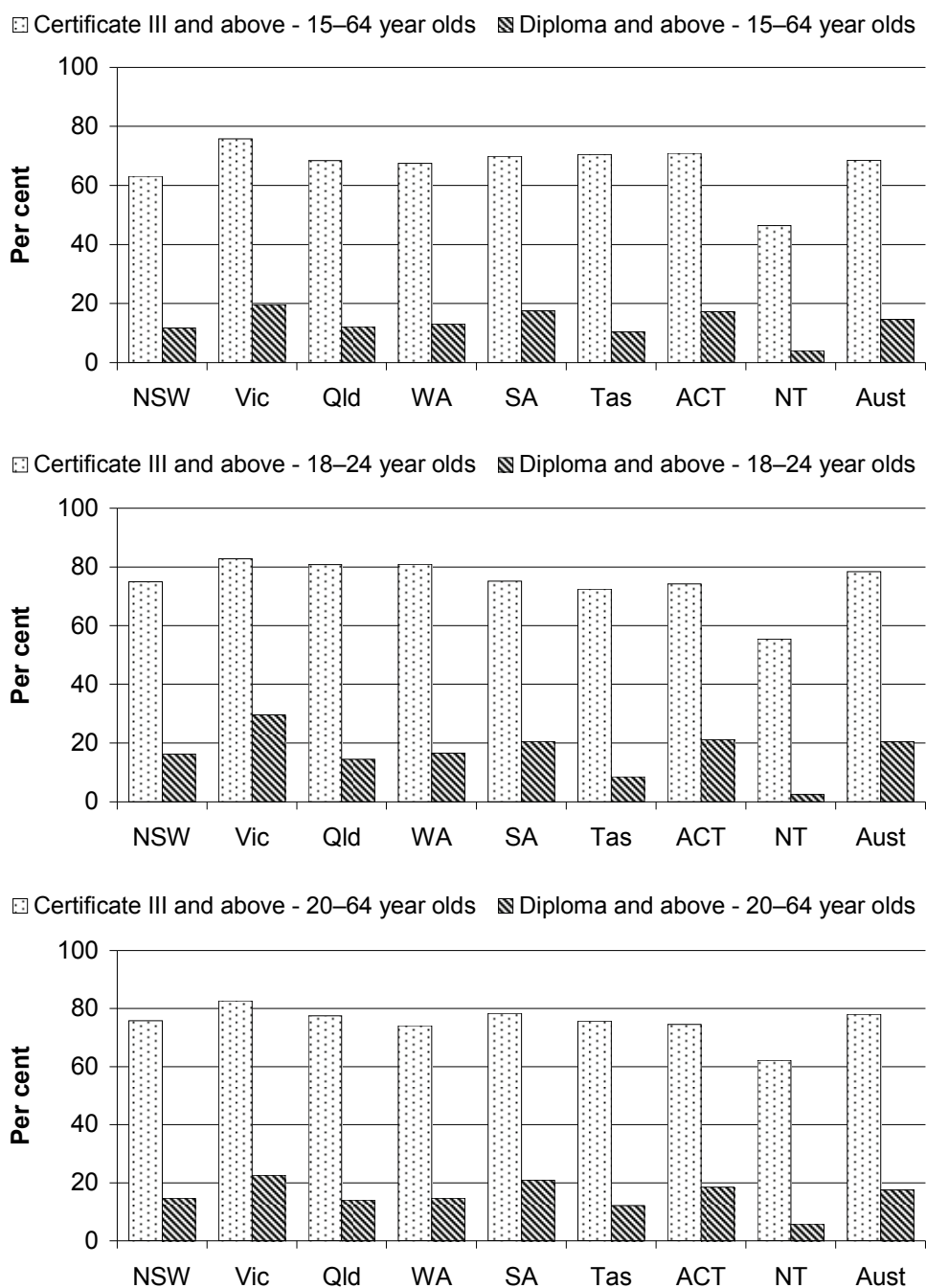
a 'Course level' denotes the highest qualification attempted by a student in a reporting year. **b** Qualifications completed includes courses accredited or approved by a local State or Territory authority. Represents students eligible to be awarded a qualification. **c** Course levels denoted as 'Diploma and above' are included in the group of courses denoted as at 'Certificate III and above'.

Source: NCVER (unpublished) National VET provider collection; table 5A.75.

Skill outputs from VET — Units of competency and modules completed

Due to changes in the AVETMIS reporting standard and the method of implementation of these changes by some training providers and jurisdictions, a large number of units of competency that the ACT and NSW reported in previous years were not reported in 2007. In addition, a large number of modules that would not have been reported in previous years were reported in 2007 by the ACT and NSW. As a result, reported units of competency significantly decreased and the number of modules significantly increased in 2007.

Nationally, students achieved 5.9 million units of competency in 2008, an increase from 5.0 million in 2004. This was a 17.2 per cent increase in units of competency achieved/passed over this period (table 5A.76).

Nationally, students achieved 1.7 million modules in 2008, an increase from 1.6 million modules in 2004. This was a 2.5 per cent increase in modules achieved/passed over this period (table 5A.80). The number of units of competency and number of modules achieved/passed varied across jurisdictions (figure 5.36).

Figure 5.36 **Units of competency and modules achieved/passed, all students[a, b]**
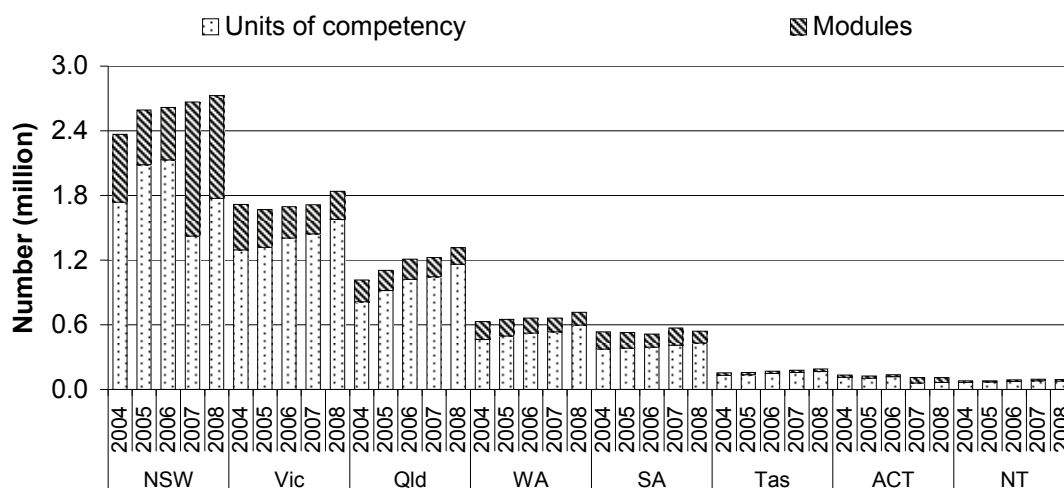
a Data are for government recurrent funded VET students. **b** SA data include VET in Schools which has been assessed by TAFE. To enable comparability of data, SA data for 2004–05 have been adjusted to include SA VET in Schools Assessment data.

Source: NCVER (unpublished) National VET provider collection; tables 5A.76 and 5A.80.

Figure 5.37 shows the annual changes in the number of units of competency achieved/passed since 2004, indicating that the national number of units of competency achieved/passed increased by 13.5 per cent from 2007 to 2008.

a Data are for government recurrent funded VET students. **b** SA data includes VET in Schools which has been assessed by TAFE. To enable comparability of data, SA data for 2004-05 have been adjusted to include SA VET in Schools Assessment data.

Source: NCVER (unpublished) National VET provider collection; table 5A.76.

Amongst the VET target groups, between 2004 and 2008 the number of units of competency achieved/passed nationally increased by:

- 9.6 per cent for female students, and 24.7 per cent for male students (table 5A.76)

- 21.5 per cent for students speaking a language other than English at home (table 5A.79)

- 25.0 per cent for students from remote and very remote areas (table 5A.77)

- 21.4 per cent for students reporting a disability (table 5A.78).

The number of modules achieved/passed by students nationally decreased annually from 2004 to 2006, then increased by 61.6 per cent from 2006 to 2007 and decreased by 18.7 per cent from 2007 to 2008 (figure 5.38).

Figure 5.38 **Modules achieved/passed, by change from previous year**[a, b]
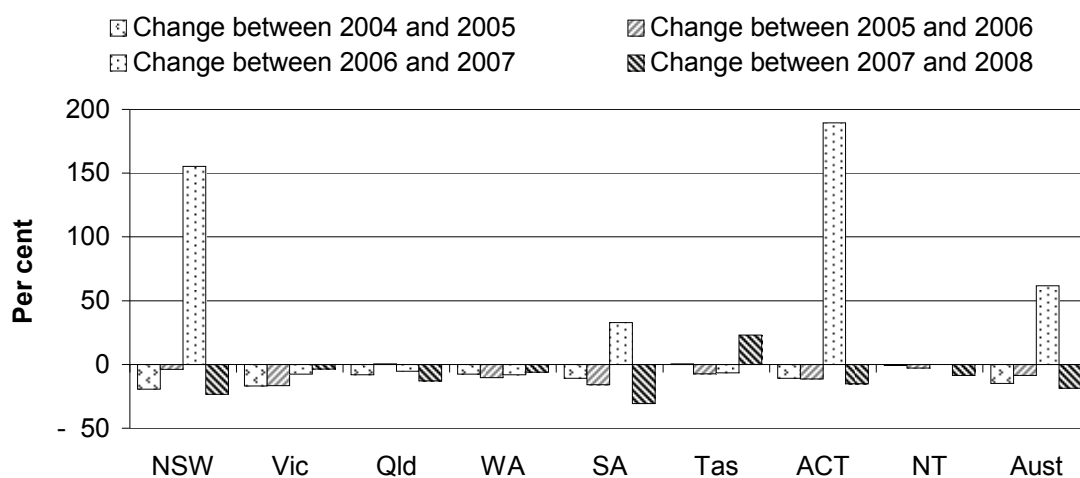
a Data are for government recurrent funded VET students. b SA data now include VET in Schools which has been assessed by TAFE. To enable comparability of data, SA data for 2004-05 have been adjusted to include SA VET in Schools Assessment data.

Source: NCVER (unpublished) National VET provider collection; table 5A.80.

Amongst the VET target groups, the number of modules achieved/passed nationally between 2004 and 2008 decreased for male students by 3.7 per cent (tables 5A.80) and increased for other groups by:

- 10.6 per cent for female students (table 5A.80)

- 15.5 per cent for students who reported a disability (table 5A.82)

- 8.0 per cent for students from remote and very remote areas (table 5A.81)

- 36.9 per cent for students speaking a language other than English at home (table 5A.83).

Indigenous outcomes

'Indigenous outcomes' is an indicator of governments' objective to enable Indigenous people to achieve positive outcomes from VET services (box 5.17).

Box 5.17 **Indigenous outcomes**

'Indigenous outcomes' is defined by three measures:

- 'Indigenous students' achievement in VET' measures load pass rates achieved by Indigenous students and the number of Indigenous students who commenced and completed expressed as a proportion of all course commencing enrolments by Indigenous students in that year.

- 'Skill outputs of Indigenous students' measures the number of qualifications completed by Indigenous students, the number of units of competency and the number of modules (outside training packages) achieved/passed by Indigenous students.

  – 'Qualifications completed by Indigenous students' is defined as the number of qualifications completed by both government and non-government funded Indigenous students each year in VET, where a qualification is a certification awarded to a person on successful completion of a course in recognition of having achieved particular knowledge, skills or competencies.

  – 'Units of competency achieved by Indigenous students' is defined as the number of units of competency achieved/passed by Indigenous government recurrent funded VET students, where a unit of competency is defined as a component of a competency standard and/or a statement of a key function or role in a particular job or occupation.

  – 'Modules completed by Indigenous students' is defined as the number of modules (outside training packages) achieved/passed each year by Indigenous government recurrent funded VET students, where a module (also called a subject) is a unit of education or training which can be completed on its own or as part of a course. Modules may also result in the attainment of one or more units of competency.

- 'VET outcomes for Indigenous students' measures the proportion of Indigenous students who were satisfied with the quality of their completed course; the proportion of Indigenous graduates who were employed and/or continued on to further study after completing a course (compared to those of the general population); and the proportion of Indigenous graduates who improved their employment circumstances after completing training (compared to those of the general population).

Box 5.17   **(Continued)**

High 'load pass rates' and 'number of students who commenced and completed' indicate that student achievement is high, which is desirable. Holding other factors constant, high or increasing numbers of qualifications completed, and units of competency or modules achieved/passed results in a greater increase in VET skills. Higher proportions of Indigenous student satisfaction are desirable. The proportion of graduates who achieve their training objectives varies according to their objectives — employment related, further study and/or developmental — so it is useful to distinguish amongst types of student objective. High or increasing proportions of employment or further study outcomes after training are desirable.

Reporting on students who commenced and completed is dependent on the capacity to track individual students over more than one calendar year and the data are not yet available. Qualifications completed in 2007 are counted in 2009.

Data reported for this indicator are not directly comparable.

Indigenous students' achievement in VET

In 2008, the national load pass rate for Indigenous government funded students (69.1 per cent) was lower than the national load pass rate for all government funded students (79.7 per cent) (figure 5.39).

Figure 5.39   **Indigenous students' load pass rate, 2008[a]**
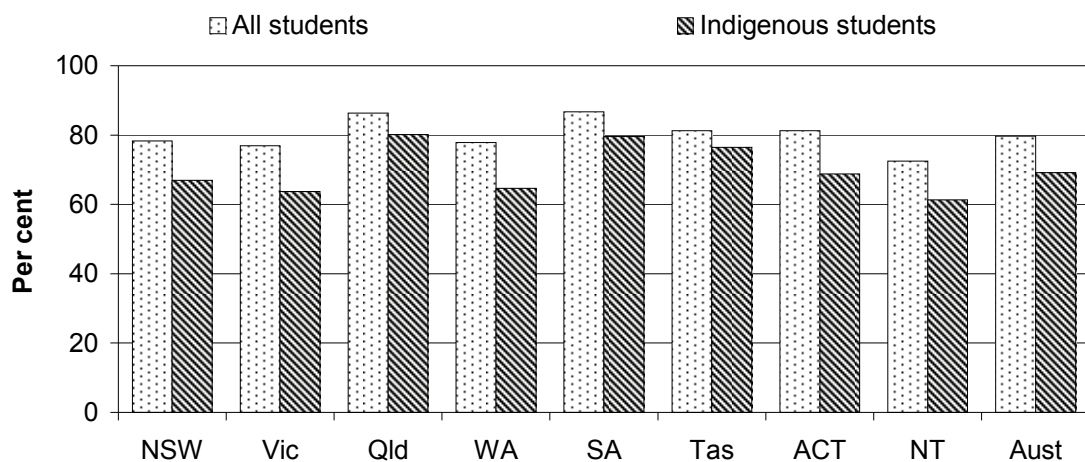
a Data are for government recurrent funded hours. See table 5A.84 for further information.

Source: NCVER (unpublished) National VET provider collection; table 5A.84.

Nationally, the load pass rate for Indigenous government funded students increased from 63.9 per cent in 2004 to 69.1 per cent in 2008 (figure 5.40).

Figure 5.40 **Indigenous students' load pass rate^a**
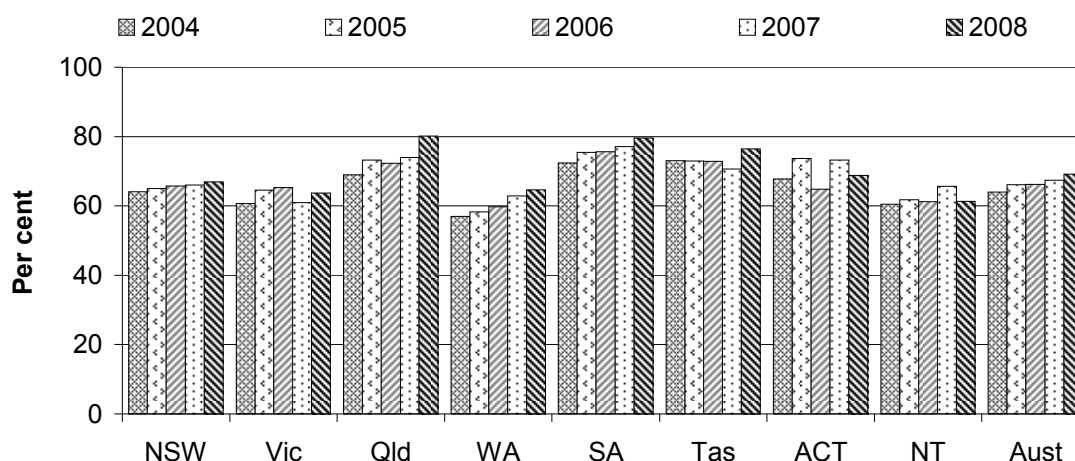
^a Data are for government recurrent funded hours. See table 5A.84 for further information.

Source: NCVER (unpublished) National VET provider collection; table 5A.84.

Indigenous students' skill outputs

'Skill outputs of Indigenous students' measures the number and proportion of qualifications completed, units of competency and modules (outside training packages) achieved/passed in a given year.

Indigenous students' skill outputs, qualifications completed

Nationally, Indigenous students completed 9400 VET qualifications in 2007, an increase of 17.5 per cent from 8000 in 2006. Indigenous students accounted for 2.7 per cent of all the qualifications completed in 2007 (table 5A.85). The number of qualifications completed by Indigenous students varied across jurisdictions (figure 5.41).

Figure 5.41 **Qualifications completed by Indigenous students[a, b, c]**
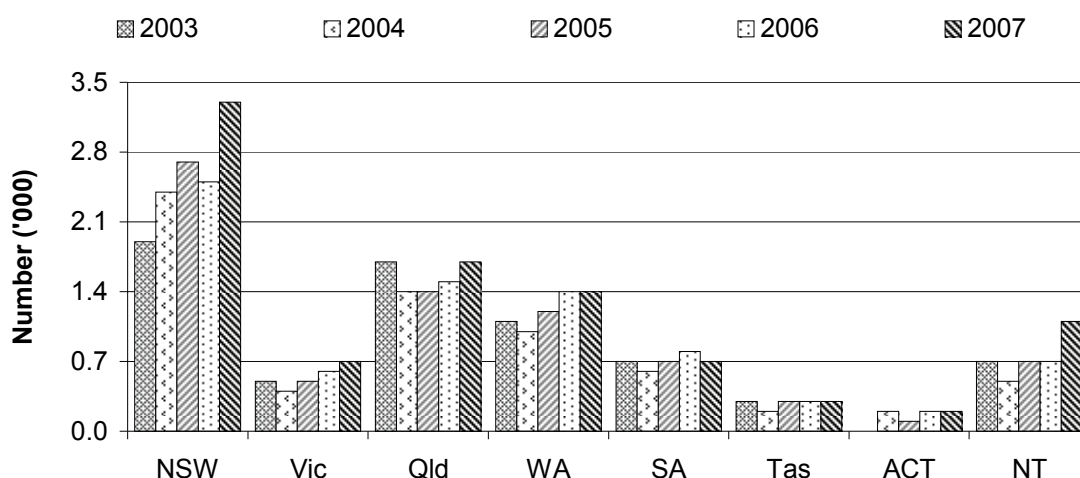
a Qualifications completed includes courses accredited or approved by a local State or Territory authority, and represents students eligible to be awarded a qualification. **b** The number of qualifications completed includes both government funded and non-government funded VET students. **c** SA data now include VET in schools which has been assessed by TAFE.

Source: NCVER (unpublished) National VET provider collection; table 5A.85.

In 2007, 55.5 per cent of Indigenous VET students aged 18–24 years completed qualifications at the certificate III level or higher, compared with 48.2 per cent of Indigenous students aged 15–64 years. In the same year, 5.1 per cent of Indigenous VET students aged 18–24 years completed qualifications at diploma level or higher, compared with 5.6 per cent of Indigenous students aged 15–64 years (figure 5.42).

Figure 5.42 Qualifications completed by Indigenous students, by course level and target age group, 2007[a, b]
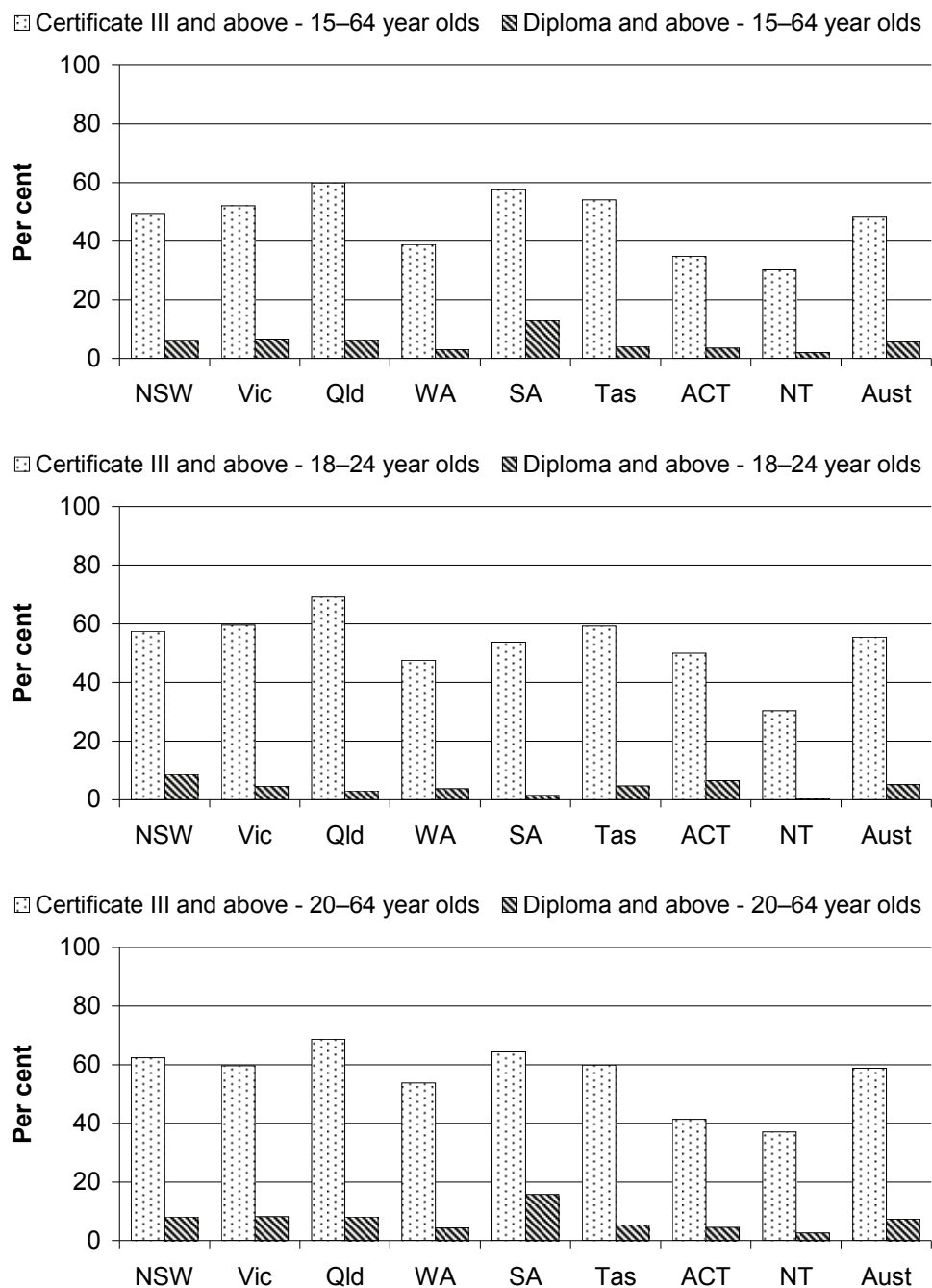
▨ Certificate III and above - 15–64 year olds   ▨ Diploma and above - 15–64 year olds

▨ Certificate III and above - 18–24 year olds   ▨ Diploma and above - 18–24 year olds

▨ Certificate III and above - 20–64 year olds   ▨ Diploma and above - 20–64 year olds

a Qualifications completed includes courses accredited or approved by a local State/Territory authority. Represents students eligible to be awarded a qualification. **b** Course levels denoted as 'Diploma and above' are included in the group of courses denoted as at 'Certificate III and above'.

Source: NCVER (unpublished) National VET provider collection; table 5A.75.

Indigenous students' skill outputs, units of competency and modules completed

Due to changes in the AVETMIS reporting standard and the method of implementation of these changes by some training providers and jurisdictions, a large number of Units of Competency that the ACT and NSW reported in previous years were not reported in 2007. In addition, a large number of modules that would not have been reported in previous years were reported in 2007 by the ACT and NSW. As a result, reported units of competency significantly decreased and the number of modules significantly increased in 2007.

Nationally, Indigenous government funded students achieved/passed 227 200 units of competency in 2008, an increase of 17.2 per cent from 193 800 units in 2007. Units of competency achieved/passed increased by 48.6 per cent from 2004 to 2008 (table 5A.86).

The VET sector is focussed on delivering nationally approved training package qualifications and units of competency as distinct from modules. Nationally, the number of modules achieved/passed by Indigenous government funded students decreased by 9.4 per cent from 82 200 in 2007 to 74 500 in 2008. The number of modules achieved/passed increased by 5.1 per cent from 2004 to 2008 (table 5A.86). The number of units of competency and number of modules achieved/passed varied across jurisdictions (figure 5.43).

Figure 5.43 **Units of competency and modules achieved/passed, by Indigenous students[a, b]**
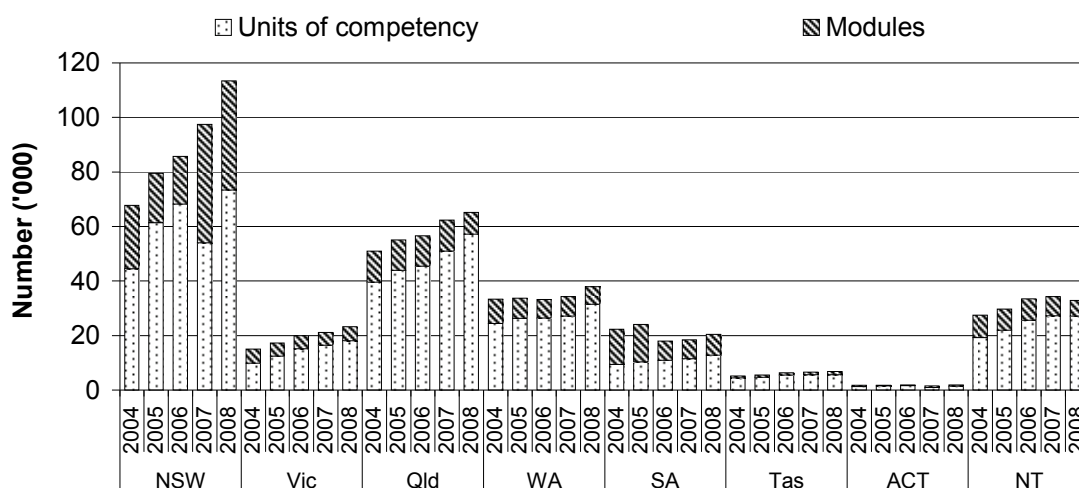
a Data are for government recurrent funded VET students. **b** SA data now include VET in Schools which has been assessed by TAFE. To enable comparability of data, SA data for 2004–2005 have been adjusted to include SA VET in Schools Assessment data.

Source: NCVER (unpublished) National VET provider collection; table 5A.86.

VET outcomes for Indigenous students

'VET outcomes for Indigenous students' measures Indigenous students' satisfaction with VET and Indigenous employment and further study outcomes.

VET outcomes for Indigenous students — Satisfaction with VET

'Indigenous students' satisfaction with VET' measures the proportion of Indigenous graduates who indicated they were satisfied with the quality of their completed VET course.

Nationally, 90.7 per cent of Indigenous TAFE graduates surveyed in 2008 indicated that they were satisfied with the quality of their completed course, compared with 89.1 per cent for all TAFE graduates (figure 5.44).

Figure 5.44 **Proportion of TAFE graduates who were satisfied with the quality of their completed course, by Indigenous status, 2008[a, b, c]**
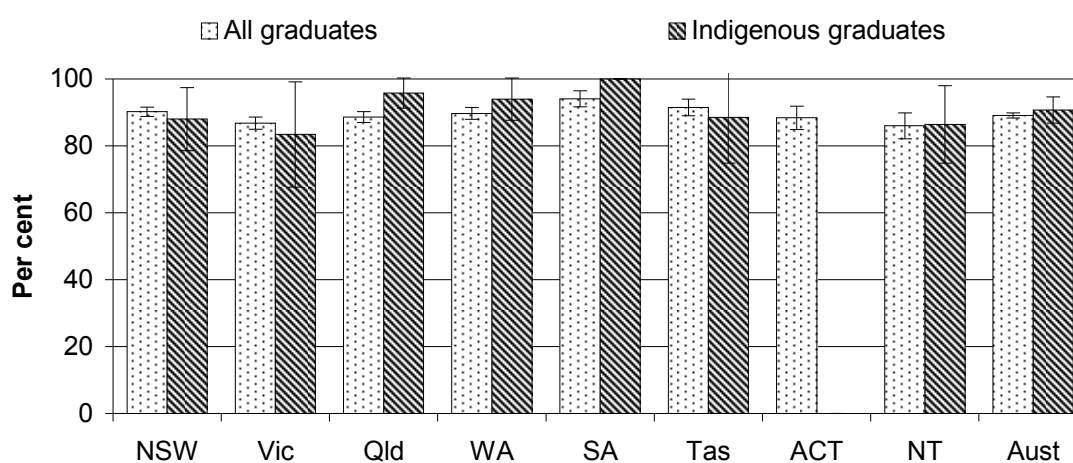
a Satisfaction with overall quality of training was rated as satisfied or very satisfied (4 or 5 on a 5 point scale). **b** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate. **c** Data for Indigenous graduates in the ACT are not published due to 5 or fewer responses

Source: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.62 and 5A.87.

Of those Indigenous TAFE graduates who completed courses in 2008, the proportion of those who indicated that they were satisfied with their courses was:

- 91.7 per cent of those seeking employment related outcomes

- 87.3 per cent of those seeking further study outcomes

- 87.0 per cent of those seeking personal development (figure 5.45).

Figure 5.45 **Proportion of Indigenous TAFE graduates who were satisfied with the quality of their course, by purpose of study, 2008[a, b, c]**
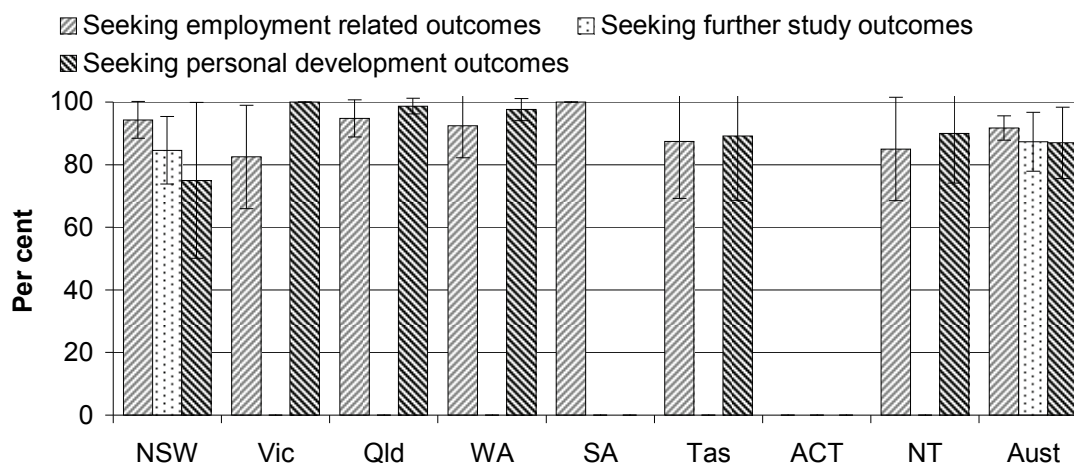
[a] Satisfaction with overall quality of training was rated as satisfied or very satisfied (4 or 5 on a 5 point scale). [b] The seeking further study outcomes data for Victoria, Queensland, WA, Tasmania, and the NT are not published due to 5 or fewer responses. The seeking personal development outcomes data for SA and the ACT and the seeking employment related outcomes data for the ACT, are not published due to 5 or fewer responses. The seeking further study outcomes data for SA and the ACT are nil or rounded to zero. [c] The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

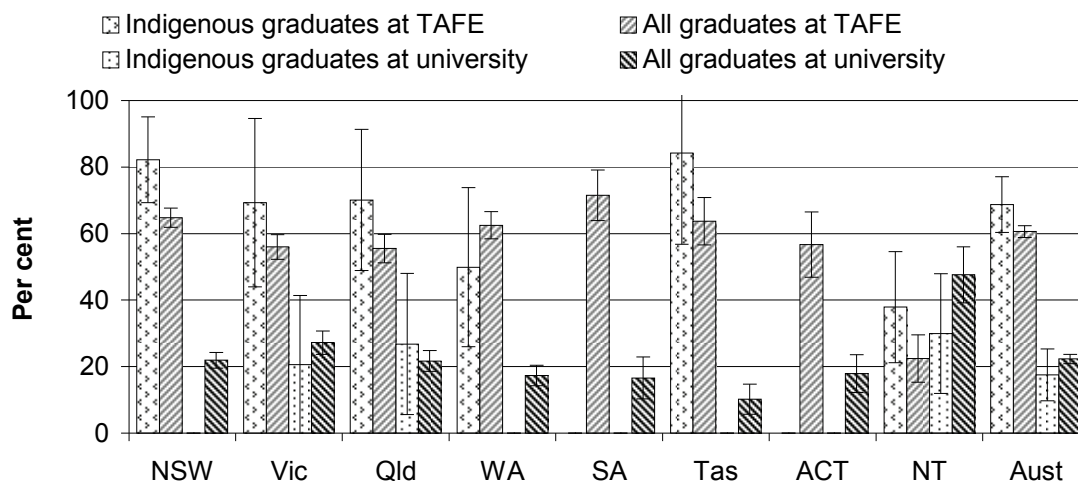*Source*: NCVER (unpublished) *Student Outcomes Survey*; table 5A.87.

Further information on Indigenous students' views of their VET courses is available in the 2006 Report (SCRGSP 2006, box 4.18) and in *Indigenous Australians' training experiences 2004 – First findings* (NCVER 2005).

VET outcomes for Indigenous students —Employment and further study outcomes

'Indigenous students' employment and further study outcomes' measures the proportion of Indigenous graduates who improved their employment circumstances or continued on to further study after completing training.

Nationally, 73.8 per cent of Indigenous TAFE graduates in 2008 indicated that they were employed and/or in further study after completing a course (table 5A.88). The proportion of students who improved their employment outcomes or were engaged in further study may overlap, since students may realise the two outcomes simultaneously. Of Indigenous TAFE graduates, 63.7 per cent indicated that they were employed after completing a course (compared with 78.2 per cent of all TAFE graduates) and 26.8 per cent continued on to further study (compared with 35.4 per cent of all TAFE graduates) (figure 5.46).

Figure 5.46 **Proportion of TAFE graduates in employment and/or who continued on to further study in 2008 after completing a course in 2007, by Indigenous status**[a, b, c]
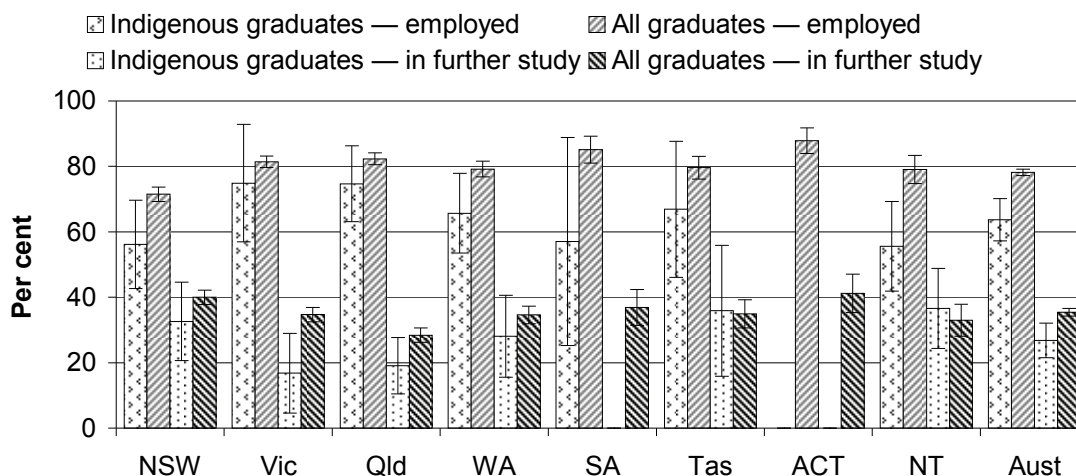
a Graduates 'employed' and graduates 'in further study' are subsets of graduates who are 'employed or in further study'. Graduates can be both employed and in further study. **b** The data for ACT 'Indigenous graduates — in further study' and 'Indigenous graduates — employed', and data for SA 'Indigenous graduates — in further study' are not published due to 5 or fewer responses. **c** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.24 and 5A.88.

Nationally, 55.1 per cent of all Indigenous TAFE graduates in 2008 indicated they had improved their employment circumstances after completing their course (compared with 62.2 per cent of all TAFE graduates) (figure 5.47).

Figure 5.47 **Indigenous TAFE graduates who improved their employment circumstances after training[a]**
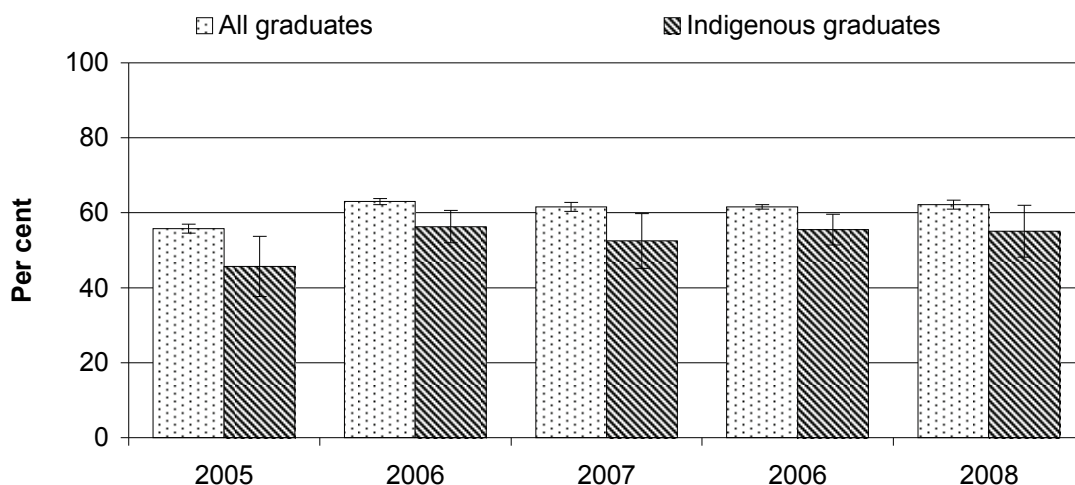
a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.42 and table 5A.89.

Indigenous TAFE graduates nationally in 2008 indicated that:

- the employment status of 15.2 per cent of them changed from not employed before training to employed after training

- 12.2 per cent were employed at a higher skill level after training

- 48.4 per cent received a work-related benefit after completing their training (table 5A.45).

Of those Indigenous TAFE graduates who went on to further study, 68.7 per cent continued on to further study within the TAFE system (compared with 60.6 per cent for all TAFE graduates) and 17.5 per cent went to university (compared with 22.3 per cent for all TAFE graduates) (figure 5.48).

Figure 5.48 **TAFE graduates who continued on to further study after completing a course, by Indigenous status, by type of institution, 2008[a, b]**

Legend:
- ⊡ Indigenous graduates at TAFE
- ▨ All graduates at TAFE
- ⊡ Indigenous graduates at university
- ▧ All graduates at university

a The 'Indigenous graduates at TAFE' data for SA and the ACT and the 'Indigenous graduates at university' data for NSW, WA, SA, Tasmania and the ACT are not published due to 5 or fewer responses. The 'Indigenous graduates at university' estimates for Victoria, Queensland and the NT have relative standard errors greater than 25 per cent and should be used with caution. **b.** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.24 and 5A.88.

Employer outcomes

The biennial Survey of Employers' Use and Views of the VET System (NCVER 2008) captures the extent to which employers make use of, and are satisfied with, aspects of the VET system. The latest survey was conducted in 2007. The survey reveals the reasons why employers make the choices they do in order to meet their skill needs, and their levels of satisfaction with the products and services of the VET system. The findings represent the responses of all employers with at least one employee and their training experiences in the 12 months prior to the survey.

The Survey of Employers' Use and Views includes responses from employers in relation to satisfaction with 'formal vocational qualifications as a job requirement' where their employees in that category may have completed their required 'formal vocational qualifications' prior to the last 12 months (that is, earlier than the survey period), and irrespective of the timing, the training may have been provided by a non-VET provider. This presents a difference in scope to the current Report, which aims to report data relating to government funded VET programs for specific reporting periods.

Employer engagement with VET

'Employer engagement with VET' is an indicator of governments' objective that employers and individuals will be at the centre of VET (box 5.18).

Box 5.18   Employer engagement with VET

'Employer engagement with VET' is defined as the proportion of Australian employers who in the last twelve months:

- had employees undertaking apprenticeships/traineeships

- arranged or provided nationally recognised training (other than apprenticeships /traineeships) for employees

- had employees with formal vocational qualifications as a requirement of their job.

A high or increasing proportion of employers who had employees undertaking apprenticeships/traineeships, who arranged or provided nationally recognised training (other than apprenticeships/traineeships) for employees or who had employees with formal vocational qualification as a requirement of their job is desirable, indicating greater employer engagement with VET.

Data reported for this indicator are comparable.

The percentage of employers in 2007 who were engaged with apprenticeships or traineeships 'in the last twelve months' was 29.1 per cent (figure 5.49). This varied by industry, from 19.3 per cent in property and business services to 59.7 per cent in construction (NCVER 2008).

The percentage of employers engaged with nationally recognised training in 'the last twelve months' was 22.1 per cent (figure 5.49). Engagement with nationally recognised training varied by industry from 16.5 per cent in manufacturing to 63.4 per cent in mining (NCVER 2008).

The percentage of employers engaged with employing people with a formal vocational qualification as a job requirement 'in the last twelve months' was 33.3 per cent (figure 5.49). Employers with vocational qualifications as a job requirement varied from 20.1 per cent in cultural and recreational services to 76.1 per cent in the government administration and defence sector (NCVER 2008).

Figure 5.49 **Proportion of employers who are engaged with aspects of the VET system, 2007[a, b, c, d]**
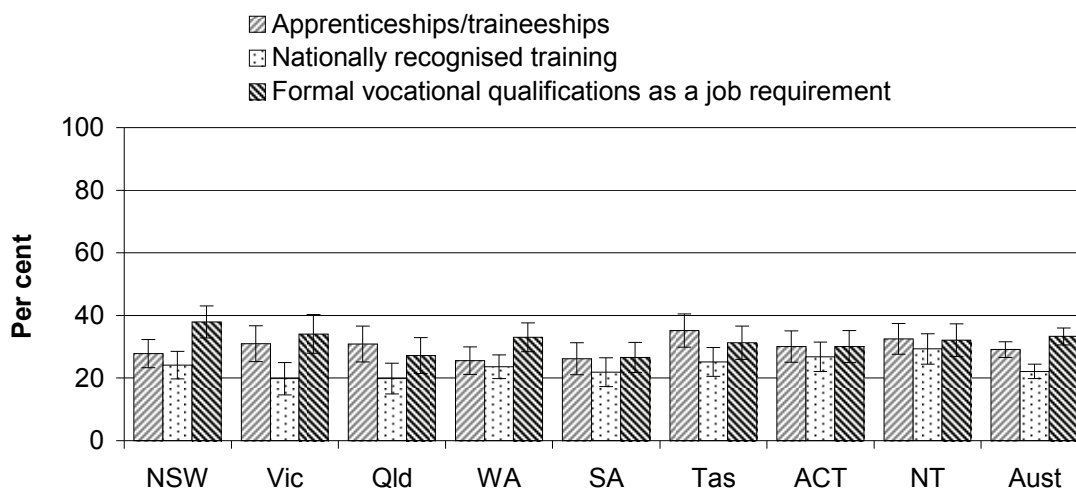
a Engagement with apprenticeships/traineeships means an employer had employees undertaking an apprenticeship or traineeship in the last 12 months. **b** Engagement with nationally recognised training means an employer arranged or provided nationally recognised training to employees over the last 12 months. **c** Engagement with formal vocational qualifications means an employer had employees in the last 12 months with a formal vocational qualification that was a requirement of their job. **d** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Survey of Employer Use and Views*; table 5A.90.

Employer satisfaction with VET

'Employer satisfaction with VET' is an indicator of governments' objective that industry will have a highly skilled workforce to support strong performance in the global economy (box 5.19).

Box 5.19 **Employer satisfaction with VET**

'Employer satisfaction with VET' is defined as the proportion of Australian employers who engaged in an aspect of VET, and who are satisfied with VET in meeting the skill needs of their workforce.

A high or increasing proportion of employers who are satisfied with VET in meeting the skill needs of their workforce is desirable.

Data reported for this indicator are comparable.

Nationally, 83.3 per cent of employers engaged with apprenticeships or traineeships in 2007 survey were satisfied with VET as a way of providing employees with skills required for the job (figure 5.50). Satisfaction was similar to the 79.1 per cent in the 2005 survey (table 5A.91). Employer satisfaction with using apprenticeships or traineeships as a way of meeting skill needs varied across industry, with the lowest satisfaction levels in health and community services (73.9 per cent) (NCVER 2008).

Nationally, 80.5 per cent of employers who arranged or provided nationally recognised training to employees over the past 12 months were satisfied with nationally recognised training as a way of providing employees with skills required for the job (figure 5.50). Satisfaction was similar to the 80.3 per cent in the 2005 survey (table 5A.91). Employer satisfaction with using nationally recognised training as a way of providing employees with skills required for the job was lowest in property and business services (73.7 per cent) (NCVER 2008).

Nationally, 80.8 per cent of employers who had employees in the last 12 months with a formal vocational qualification that was a requirement of their job were satisfied with formal vocational requirements as a way of meeting skills (figure 5.50). Satisfaction was similar to the 76.8 per cent in the 2005 survey (table 5A.91). Employer satisfaction with using vocational qualifications as a job requirement as a way of meeting skills needs was lowest in communication services (60.4 per cent) (NCVER 2008).

Figure 5.50 **Proportion of employers who engaged with an aspect of the VET system and are satisfied with VET as a way of meeting their skill needs, 2007[a, b, c, d, e]**

Legend:
- Apprenticeships/traineeships
- Nationally recognised training
- Formal vocational qualifications as a job requirement

a Satisfaction is measured on a 5 point scale, 'satisfied' includes employers who were satisfied or very satisfied and 'dissatisfied' includes employers who were dissatisfied or very dissatisfied. **b** Satisfaction with apprenticeships/traineeships (now referred to as Australian Apprenticeships) means an employer had employees undertaking an apprenticeship or traineeship in the last 12 months and were satisfied with apprenticeships/traineeships as a way of providing employees with skills required for the job. **c** Satisfaction with nationally recognised training means an employer arranged or provided nationally recognised training to employees over the last 12 months and were satisfied with nationally recognised training as a way of providing employees with skills required for the job. **d** Satisfaction with formal vocational qualifications means an employer had employees in the last 12 months with a formal vocational qualification that was a requirement of their job and were satisfied with formal vocational qualifications as a way of meeting skills. **e** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Survey of Employer Use and Views*; table 5A.91.

5.4 Future directions in performance reporting

Improving reporting of indicators

Aspects of some VET indicators are not yet fully developed or comparable, and work for future Reports includes:

- improving the quality of Indigenous outcomes data

- reporting on students who commenced and completed courses and developing related skill profile indicators.

COAG developments

Report on Government Services alignment with National Agreement reporting

It is anticipated that further alignment between the *Report on Government Services* (the Report) and National Agreement indicators might occur in future reports as a result of developments in National Agreement and National Partnership reporting and COAG agreed measures.

Outcomes from review of Report on Government Services

COAG agreed to Terms of Reference for a Heads of Treasuries/Senior Officials review of the Report in November 2008, to report to COAG by end-September 2009. The review examined the ongoing usefulness of the Report in the context of new national reporting under the Intergovernmental Agreement on Federal Financial Relations.

No significant changes from this review are reflected in the 2010 Report. Any COAG endorsed recommendations from the review are likely to be implemented for the 2011 Report.

5.5   Jurisdictions' comments

This section provides comments from each jurisdiction on the services covered in this chapter.

Australian Government comments

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During 2008, the Australian Government continued to foster strong and effective working partnerships with all stakeholders to maintain a cooperative environment to support the national training arrangements.

In 2008, the Australian Government continued to work closely with Skills Australia, the National Industry Skills Committee and industry through industry associations. The Australian Government also continued to work closely with the states and territories through the VET planning and monitoring processes to ensure all jurisdictions met their agreed targets and benchmarks.

Highlights of 2008 included:

- Council of Australian Governments (COAG) agreed on a new *National Agreement for Skills and Workforce Development* (the National Agreement) at its 29 November 2008 meeting to replace the *Skilling Australia's Workforce Agreement* effective from 1 January 2009.

- The Australian Government provided funding under the *Skilling Australia for the Future* initiative for the Productivity Places Program which will deliver 711 000 training places over 5 years in areas of priority.

- The Australian Government supported Victoria in the introduction of an income contingent loan scheme, commencing in July 2009, for government-subsidised diploma and advanced diploma students.

- Skills Australia was established on 20 March 2008 as part of the Australian Government's *Skilling Australia for the Future* policy, following Royal Assent of the *Skills Australia Act 2008*. On 17 April 2008, the Deputy Prime Minister, The Hon Julia Gillard MP appointed Philip Bullock as Chair and announced the members of Skills Australia.

- The *Trade Training Centres in Schools Program* provided $2.5 billion over 10 years to enable all secondary schools to apply for funding of between $500 000 and $1.5 million for Trade Training Centres.

- 106 180 international students commenced VET courses in Australia in 2008, making it the fastest growing education sector with 46.4 per cent growth since 2007. Enrolments grew by 226.9 per cent between 2002 and 2008 to be 175 461.

In summary, 2008 was a year of consolidation with the Australian Government contributing $1.29 billion under the *2005–08 Commonwealth – State Agreement for Skilling Australia's Workforce*, which is just a part of the Australian Government's overall investment in VET activities during 2008 of $2.86 billion.

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New South Wales Government comments

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In 2008, NSW delivered 133.6 million hours of training, an increase of 18 per cent since 2004.

NSW continues to work closely with enterprises and communities to address the complex issues of skill shortages, an ageing population and the global economic downturn. NSW is committed to ensuring that the NSW workforce is equipped with the required skills to build and support the economy of the State.

Key achievements in 2008 included:

- the review of TAFE NSW Institute industry training profiles, in consultation with key stakeholders, and alignment of the purchasing of training with industry demand and government priorities

- partnerships in regions with employers and service providers to increase the skill levels of individuals and the sustainability of communities

- workforce development partnerships between enterprises and TAFE Institutes to increase the productivity and profitability of businesses

- introduction of Employer Services, a web-based brokerage service, supported throughout TAFE's network of 132 campuses, providing a one-stop shop for enterprises to access training advice and customised services

- increased enrolments and completions by Indigenous students in TAFE qualifications at AQF Certificate III and above (an increase of 50.4 per cent in enrolments and 62.3 per cent in completions since 2004)

- increased TAFE provision of employment-based delivery and recognition of prior learning to meet the needs of individuals and enterprises.

Strategic priorities are based on improving the flexibility and responsiveness of training services and supporting the growth of the NSW economy. In 2008, TAFE NSW focused on offering greater service diversity and flexibility to learners and employers. Achievements included:

- strengthening personalised services, including recognition of prior learning and customised courses, to better meet the needs of individual learners

- building new relationships with industry and enterprises, and extending innovative ways of responding to workforce development needs

- implementing improved technologies that support more efficient and effective service provision for learners and employers

- developing the capabilities of TAFE staff in areas such as green skills, leadership, using technologies and meeting the needs of diverse learners

- partnering with schools to provide vocational pathways for our students from schools to TAFE and beyond

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- working with Indigenous leaders and communities to improve outcomes for Indigenous students.

Victorian Government comments

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Victoria's training system delivered strong outcomes during 2008 with Victorian Registered Training Organisations (RTOs) delivering almost 135 million student contact hours of vocational education and training to approximately 530 000 students, an increase of 7 per cent on 2007.

More than 74 000 young people aged 15–19 years undertook vocational education and training in government funded programs during 2008.

Victoria's contribution to apprentice and trainee completions represented close to one third of all national completions. At the end of 2008, there were an estimated 99 300 apprentices and trainees in-training in Victoria.

Higher level skills and qualifications remain fundamental to ensuring Victoria's workforce is able to meet the changing demands of industry. In 2008, there were 96 000 VET enrolments at higher qualification levels, an increase of 13 per cent on 2007.

Developing the skills of Victorians is crucial for growth and productivity and for achieving the Victorian Governments' objectives of creating a skills sector enabled by a more demand driven, accessible and integrated tertiary education system.

In August 2008, the Victorian Government commenced the most fundamental reform of the State's skills system in decades, launching *Securing Jobs for Your Future - Skills for Victoria*. This major reform has contestable, demand driven funding as a central tenet, and will provide an additional 172 000 training places over 4 years, strengthen industry partnerships and drive major operational and structural changes in the skills system. Key reform elements include:

- the *Victorian Training Guarantee* which provides an entitlement to a government subsidised place in recognised training that can be accessed at any time and continue to be available for training at successively higher levels

- introduction of income contingent loans for students at diploma level and above

- the *Skills for Growth* program that will provide 5500 businesses over 3 years with 55 000 accredited training places.

Implementation of a broad range of skills initiatives during 2008 included:

- operation of *Skills Stores* in locations across metropolitan and regional Victoria, with the thirteenth Skills Store, located in Central Melbourne, having been opened in July 2008

- the *Priority Education and Training Program* delivered more than 2 million student contact hours through private RTOs complementing local public provision in industries and regions identified as government priorities.

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Queensland Government comments

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Today's dynamic labour market, whether in boom conditions or global financial crisis, means skills are more important than ever. For industry, skills are crucial to productivity.

The *Queensland Skills Plan* has set out Queensland's strategy over the past 3 years. During implementation, initiatives have been adapted in response to economic change.

Meeting the demand for trade apprentices remains a key priority. Strategies have been initiated in consultation with key stakeholders to support apprentices and employers for future business recovery and apprenticeship growth.

Queensland has developed sophisticated industry engagement frameworks through the establishment of centres of excellence, skills alliances and skills formation strategies. These engagement mechanisms are designed to foster a demand-led skills system focused on the needs of industry:

- Centres of Excellence are established in key industry sectors such as manufacturing and engineering, energy, and building and construction.

- Nineteen industry or region specific Skills Formation Strategies are currently in operation throughout the State, with an additional 13 strategies implemented under the Queensland Skills Plan since 2006, transitioning to industry. The strategies encourage business, registered training organisations, and all levels of government to work collaboratively on addressing workforce planning and development issues.

Queensland is making excellent progress with respect to recognition of prior learning (RPL) of its existing workforce. In 2008-09, 8 per cent of competencies in Queensland were delivered through RPL, indicating sound progress towards the *Queensland Skills Plan* target of 10 per cent by December 2010.

Small business accounts for just over 95 per cent of Queensland enterprises and employs a significant proportion of the state's workforce. Most small businesses failures are due to insufficient business management skills. Since the March 2007 launch of Small Business Solutions under the *Queensland Skills Plan*, 1400 businesses have been assisted by qualified mentors in areas such as budgeting, cash flow, appointing staff and growing the business.

In 2008-09, 24 500 disadvantaged job seekers and low skilled workers were assisted to find sustainable employment through the *Skilling Queenslanders for Work* initiative, with more than 40 per cent residing outside south east Queensland and an Indigenous participation rate of 24 per cent. More than 41 000 have been assisted since the 2007 commencement of the program.

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Western Australian Government comments

The training sector in Western Australia has continued to grow and experience significant improvements. These improvements have resulted in increased training opportunities and a more flexible and responsive training system. Despite the recent economic conditions, population growth, an ageing workforce and a strong resource sector will ensure demand for skilled workers continues.

The *Training WA: Planning for the future 2009–2018* plan guides the direction of training for the next decade. The plan will ensure that the State's workforce and skill needs are met by increasing training participation and improving productivity to boost the economy. Some of the short and long terms initiatives include:

• the provision of greater access, enhanced career services and course fee exemptions aimed at assisting employers, employees and unemployed individuals who are experiencing difficulties during the economic downturn

• the implementation of a new recognition for prior learning referral and assessment strategy to help workers gain formal qualifications

• the amendments to the VET Act 1996 which came into effect in June 2009, provide a framework for a more flexible and contemporary training system

• the establishment of the *Training together–working together* committee that will develop a workforce plan that aims to significantly increase levels of workforce participation and rates of employment for Indigenous people.

In preparing the workforce for the expected growth in the State's economy the new Department of Training and Workforce Development was established in October 2009. The new Department will focus on:

• addressing emerging skill gaps as the economy grows

• responding to skilled migration demands and labour shortage

• increasing participation and up skilling for the unemployed

• expanding access to training in rural and regional areas.

In November 2009, WA's *Workforce Development Plan: A skilled workforce for the future* issues paper was released. The paper will guide workforce policy and training delivery in line with the needs of the growing economy.

The State continued to address the trade skill shortages through a number of major trade infrastructure projects. Key projects underway included:

• new training centres for building and construction, automotive and metals trades

• the expansion of existing building and construction workshops and the expansion and realignment of trade training facilities across multiple sites.

The review of industry advisory arrangements resulted in the implementation of a new model. The new arrangements saw the introduction of 10 Training Councils which provide leadership and advice on industry and skill needs.

South Australian Government comments

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The South Australian VET system continues to support the skill development needs of South Australians. There was an increase in the number of VET students in 2008, with more students attending private registered training organisations. Data released in 2008 show that qualifications completed at diploma level and above increased between 2006 and 2007, by 17.2 per cent. TAFE SA continued to deliver the majority of the training in South Australia and TAFE SA students achieved excellent employment outcomes and extremely high levels of client satisfaction.

South Australia Works initiative provided nearly $33 million in 2008, presenting more than 32 000 people with learning and work opportunities, with over 8400 people gaining employment as a result. South Australia Works in the Regions, now in its fifth year, facilitated $14.6 million for skills programs for unemployed people, with 17 regions across the State receiving $7.7 million in State Government funding and $6.9 million from industry, community organisations and the Australian Government. The program enabled regional South Australians who faced barriers in entering or re-entering the workforce to kick start their careers by taking part in targeted and effective work programs with local employers.

South Australia piloted the Productivity Places Program for Existing Workers. The program, funded by federal and state governments, in partnership with industry, is part of the Australian Government's Skilling Australia for the Future initiative and is designed to raise the skill level of people already in the workforce, to address the skill demands placed on industry sectors. A total of 2780 South Australian workers have secured training in the health, Indigenous and disability sectors, with the majority of the training at Certificate III and above.

The South Australian Government continued the implementation of its *Skill Strategy for South Australia's Future*, containing a number of initiatives to provide a demand-driven, responsive and flexible system for skills development. These initiatives have been developed so South Australia can meet the following four labour force performance indicators: increasing employment participation; more people with post-school qualifications; higher VET participation; and better labour productivity.

The 2008 NCVER Student Outcomes Survey reported that South Australian VET graduates had particularly good employment and satisfaction outcomes, with the highest jurisdictional figures, including:

- 92 per cent of VET graduates satisfied with the overall quality of their training

- 92 per cent of VET graduates seeking employment related outcomes satisfied with the quality of their training

- 96 per cent of VET graduates seeking further study outcomes satisfied with the quality of their training

- 92 per cent of VET graduates employed or in further study after completing their training.

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Tasmanian Government comments

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Tasmania's skill development needs continue to be a priority focus for the Tasmanian Government. In 2008, 9.78 million contact hours of training were delivered to 46 300 students, a 5 per cent increase from 2007. Training enrolments for traditional trade apprentices remained strong, with 12 500 apprentices and trainees in training over 2008. The number of traditional trade apprentices in training rose to 5687.

The Tasmanian Government launched the *Tasmanian Skills Strategy* in late 2008, which places learners, employers and service providers at its centre. The strategy has 10 Action Areas, all aimed at supporting economic and social development. Progress against these actions and recommendations will be published on an annual basis, with the first report card due in December 2009.

In support of the Strategy, Skills Tasmania released its *Industry Policy* which outlines Skills Tasmania's strategic approach to industry, training system capability building and purchasing. Implementation of the policy began in late 2008 and has continued since through a variety of initiatives including:

- the *Productivity through Partnerships* pilot – where funds are allocated directly to clients to purchase training that directly meets business needs

- the *Cadetship Pilot Program* – where higher level qualifications (Diploma or Advanced Diploma) are delivered under work-based arrangements

- *Apprenticeships for existing workers* – which extends State Government apprenticeship funding to existing employees wishing to achieve a qualification in a traditional trade. Following the revision of this policy, the number of publicly-funded places grew from 190 in 2007 to 519 in 2008 – an increase of 173 per cent

- from 2010, staged removal of the purchasing arrangements that have restricted public funding for particular apprenticeships to TAFE.

A stocktake at the end of 2008 showed that while Tasmania has proportionally more people participating in VET than any other State and our quality of training compares well with other states, the proportion of the State's population with year 12 or equivalent qualifications and the qualification level of the current workforce was the lowest of all states and territories.

Closing these gaps is at the centre of the *Tasmanian Skills Strategy* and a reason that preparing for the 2009 commencement of the *Qualifications and Skills for Tasmania Tomorrow* reforms remained one of the highest priorities for the Tasmanian Government during 2008. This reform will provide greater post Year 10 options through three new organisations. The Tasmanian Academy will focus on academic learning for years 11 and 12 students seeking university entrance. The Tasmanian Polytechnic will focus on applied learning, with a vocational pathway, for all Tasmanians. The Tasmanian Skills Institute will focus on skills development for employees in enterprises, in line with their enterprise's skills needs.

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Australian Capital Territory Government comments

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During 2008, while economic growth in the ACT slowed, the unemployment rate remained at a record low of 2.5 per cent, continuing to place the labour market under pressure. The ACT's trend labour force participation rate was 72.8 per cent at the end of 2008, well above the national trend participation rate of 65.4 per cent. The ACT Government continues to implement initiatives to ensure appropriately skilled and qualified citizens, and to contribute to the economic and social wellbeing of the ACT.

In 2008, the total number of ACT students enrolled in publicly funded VET continued the upward trend of recent years, increasing by 2.9 per cent since 2007 compared to the national increase of 1.9 per cent. VET students enrolled in Certificate III courses rose by 10.5 per cent, compared to the national increase of 8.9 per cent. The number of ACT students enrolled in Certificate IV courses in 2008 rose by 7.9 per cent compared to the national increase of 0.3 per cent. The VET participation rate of people aged 15 to 64 years was 9.9 per cent, up from 9.7 per cent in 2007 but below the national average of 11.3 per cent. Students with disability increased by 7.3 per cent, compared to a national decrease of 2.7 per cent. Indigenous students increased by 11.7 per cent compared to a national increase of 4 per cent. Students whose main language spoken at home was a language other than English increased by 10.8 per cent, compared to a national increase of 7.5 per cent.

In 2008, apprentice and trainee commencements in the ACT remained steady at 4700. The proportion of 15 to 19 year olds who chose apprenticeships or traineeships over other employment, increased by 1.2 per cent compared with a national increase of 0.5 per cent.

In 2008, the ACT Government released the ACT Skills Future paper, containing key initiatives for addressing the skills challenge and meeting agreed COAG targets. Engaging the unemployed and underemployed is one initiative being addressed by the ACT's Priorities Support Program (PSP). For example, the PSP funded 'Take the Lead' is a unique training program providing people with disability with the necessary qualifications to become trainers of specialist disability support staff. The ACT aspires to ensure that all Canberrans have the opportunity to access post-school education and training opportunities. The ACT's Indigenous Traineeship Program is a step towards this goal. Successful participants completing the pilot program in September 2008 earned a Certificate II or III in Business Administration and a permanent and ongoing employment opportunity in the ACT Public Service. The ACT Government worked to speed up the presentation of skilled people to the workplace through accelerated apprenticeships and structuring its vocational learning in schools towards higher qualification levels. The accelerated apprenticeship delivery model was extended to include hairdressing. Emphasis was also placed on increasing opportunities for students to participate in Australian School-based Apprenticeships (ASBA) at Certificate III level. In addition, the Department of Education and Training engaged a group training organisation to facilitate the placement of ASBAs in schools and central office.

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Northern Territory Government comments

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The Northern Territory Government funded 20 000 students through various vocational training programs with participation in approximately 24 400 qualifications.

The Northern Territory Government's Jobs Plan 3 – Jobs for the Future, is focussed on increasing employment opportunities for Territorians, industry partnerships and improved pathways to real jobs in regional and remote centres. The strategy complemented existing programs and initiatives and provided a broad and coordinated approach to planning for jobs and labour market needs in the Territory.

A key success in 2008 was the achievement of the 10 000 apprentice/trainee commencements over 4 years. This ambitious target was supported by the NT Government through a number of schemes such as:

- Workwear/Workgear Bonus – financial assistance for apprentices and trainees to buy the necessary tools, equipment and workwear in the early stages of their training

- NT Occupational Shortage Employers Incentives – financial incentives for businesses in the private sector to employ additional apprentices and trainees in areas with identified occupational shortages

- NT Disadvantaged Groups Employer Incentive – financial incentives for business in the private sector to employ additional apprentices and trainees from disadvantaged groups.

A key priority under the Closing the Gap initiative is to assist Indigenous Territorians, particularly those in regional and remote areas, to enter into employment. The Northern Territory Government continues to fund a range of Indigenous responsive training programs, although training delivery in remote communities presents many challenges such as cost, availability of suitable infrastructure and accessibility.

Indigenous Territorians accessed various publicly funded programs, with approximately 9000 Indigenous students undertaking units of training across a range of recurrent and targeted programs (46 per cent of all NT government funded participants) including BuildSkills, Flexible Response, Indigenous Response, Pre-Employment and apprenticeships/traineeships. Complementing the participation rate is the fact that the number of qualifications (Certificate II and above) completed by Indigenous Territorians has increased substantially in recent years.

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5.6   Definitions of key terms and indicators

Adult and community education providers	Organisations that deliver community-based adult education and training intended principally for adults, including general, vocational, basic and community education, and recreation, leisure and personal enrichment programs.
Annual hours	The total hours of delivery based on the standard nominal hour value for each subject undertaken. These represent the hours of supervised training under a traditional delivery strategy. Annual hours are adjusted to account for invalid module enrolments.
AVETMISS	Australian Vocational Education and Training Management Information Statistical Standard. A nationally consistent standard for the collection, analysis and reporting of vocational education and training information throughout Australia. This standard was observed in the collection and preparation of data for this Report.
Completions	Fulfilment of all of the requirements of a course enrolment or module enrolment. Completion of a qualification or course is indicated by acknowledging eligibility for a qualification (whether or not the student physically received the acknowledgment).
Cost of capital per annual hour	Cost to the government of using capital (physical non-current assets) to deliver VET services divided by the annual hours and course mix weight.
Cost of capital per load pass	Total government recurrent expenditure divided by successfully completed VET modules or units of competency.
Course	A structured program of study that leads to the acquisition of identified competencies and includes assessment leading to a qualification.
Course mix weight	Expenditure is weighted to recognise the different proportions of relatively more expensive and less expensive training programs that occur in jurisdictions. The course mix weightings are based on revised planned activity hours, as reported in State/Territory annual vocational and technical education plans for 2000–2004. Actual audited activity hours data are used in the course mix weight calculations for 2008 activity. The reference value is 1.00 for Australia and a weighting greater than 1.00 indicates that the State or Territory is offering relatively more expensive programs compared to the national profile. The national cost relativities used to determine the course mix weightings for each state and territory were established by the Unit Cost Working Party in 1995.
Employer engagement with VET	The proportion of Australian employers who in the last 12 months had employees undertaking apprenticeships/traineeships (now referred to as Australian Apprenticeships), arranged or provided nationally recognised training (other than apprenticeships/traineeships) for employees, or had employees with formal vocational qualification as a requirement of their job.
Employer satisfaction with VET	The proportion of Australian employers who are satisfied with VET in meeting the skill needs of their workforce. The components of satisfaction with the VET system are satisfaction with apprentices/trainees, nationally recognised training, and formal vocational qualifications as a job requirement. Satisfaction is measured on a 5 point scale, 'satisfied' includes employers who were

satisfied or very satisfied and 'dissatisfied' includes employers who were dissatisfied or very dissatisfied.

Enrolment

The registration of a student at a training organisation's delivery location for the purpose of undertaking a program of study. The enrolment is considered valid only if the student has undertaken enrolment procedures, met their fee obligations, and has engaged in learning activity regardless of the mode of delivery.

A VET student may be enrolled in more than one VET training program, and therefore there are more 'enrolments' in the VET system than 'students'. This may be of importance if comparing VET data in this chapter with other VET data.

Fee-for-service activity

Training for which most or all of the cost is borne by the student or a person or organisation on behalf of the student.

Government funded VET students

Government recurrent funded students (which relates directly to training activity funded under the *Commonwealth–State Agreement for Skilling Australia's Workforce* unless otherwise specified) and excludes students participating in VET programs delivered in schools (where the delivery was undertaken by schools) or who undertook 'recreation, leisure or personal enrichment' education programs. Fee-for-service by private providers, delivery undertaken at overseas campuses of Australian VET institutions, and credit transfer are also excluded.

Government recurrent expenditure per annual hour

Government recurrent expenditure divided by the number of government funded annual hours (adjusted for invalid enrolment rates). Expenditure is adjusted for course mix weight.

Government recurrent expenditure per load pass

Government recurrent expenditure divided by the number of hours successfully completed from assessable enrolments of modules and units of competency achieved/passed and RPL.

Graduate

A person who has completed a VET program.

Graduates' main reason for undertaking a VET course

Either seeking an employment–related outcome (to get a job, to try for a different career, to meet job requirements, to get extra job skills), seeking a further study outcome (to get into another course) or seeking a personal development outcome (for personal interest, for other reasons).

Language spoken at home

Students speaking a language other than English at home are those who self-identify on their enrolment form that they speak a language other than English at home.

Load pass rate

The ratio of hours attributed to students who gained competencies/passed assessment in an assessable module or unit of competency to the hours of all students who were assessed and either passed, failed or withdrew. Load pass rate is calculated as the total competency achieved/passed and RPL divided by the total competency achieved/passed, RPL, competency not achieved/failed and withdrawn.

Module

A unit of training in which a student can enrol and be assessed.

Private provider

A commercial organisation that provides training to individuals and industry.

Program of study

A generic term to describe Training Package qualifications, nationally recognised accredited courses, other courses (not nationally

	recognised accredited courses), units of competency and modules.
Real	Actual expenditure/funding/assets adjusted for changes in prices. Adjustments are made using the GDP chain price deflator and expressed in terms of final year prices.
Recognition of prior learning (RPL)	RPL is an assessment process through which students may gain formal recognition for the skills they already have. An enrolment where the student has been assessed competent for the whole unit of competency or module by a trainer. The result of the assessment is on the basis of the student's prior skills and knowledge acquired through previous training, work or life experience.
Recurrent funding	Funding provided by the Australian, State and Territory governments to cover operating costs, salaries and rent.
Registered training organisation (RTO)	RTOs are organisations registered by a State or Territory recognition authority to deliver specified VET and/or assessment services, and issue nationally recognised qualifications in accordance with the AQTF. RTOs include TAFE colleges and institutes, adult and community education providers, private providers, community organisations, schools, higher education institutions, commercial and enterprise training providers, industry bodies and other organisations meeting the registration requirements.
TAFE	Technical and further education colleges and institutes, which are the primary providers of government funded VET.
Training packages	An integrated set of nationally endorsed standards, guidelines and qualifications for training, assessing and recognising people's skills, developed by industry to meet the training needs of an industry or group of industries. Training packages consist of core endorsed components of competency standards, assessment guidelines and qualifications, and optional non-endorsed components of support materials such as learning strategies, assessment resources and professional development materials.
	A Training Package is the grouping together of the training components designed to assist in achieving the competencies for a specific industry. Units of competency are packaged together which, when combined at various levels, can form qualifications (Certificate, Diploma etc.).
Unit of competency	A unit of competency is the smallest component of a VET program that can be assessed and recognised in the VET system for collection purposes.
VET participation	VET student participation data presented in this Report refer only to VET students who were funded by government recurrent expenditure and delivered by TAFE and other government providers (including multi-sector higher education institutions), registered community providers and registered private providers. They do not include students who participated in VET programs delivered in schools (where the delivery was undertaken by schools) or undertook 'recreation, leisure or personal enrichment' education programs. Fee-for-service by private providers, delivery undertaken at overseas campuses of Australian VET institutions, and credit transfer are also excluded.
	A VET student may be enrolled in more than one VET training program, and therefore there are more 'enrolments' in the VET system than 'students'. This distinction between 'student' numbers

and the number of 'enrolments' (or 'student enrolments') may be of importance if comparing VET data in this chapter with other VET data.

VET participation by Indigenous people	The number of government funded participants of all ages in the VET system reported as Indigenous as a proportion of the number of Indigenous people aged 15–64 years in the Australian population.
VET participation by students speaking a language other than English	The number of government funded participants of all ages in the VET system speaking a language other than English at home as a proportion of the number of all people in the Australian population speaking a language other than English at home.
VET participation rate for people aged 15–64 years	The number of government funded participants aged 15–64 years in the VET system as a proportion of the number of people in Australia (or each jurisdiction) aged 15–64 years.
VET participation rate for people of all ages by region	The number of government funded participants of all ages in the VET system based on students' home postcodes using the Accessibility and Remoteness Index for Australia (that is, major cities; inner regional areas; outer regional areas; remote and very remote areas) as a proportion of the total population of people in those geographic areas.
VET program	A course or module offered by a training organisation in which students may enrol and gives people work-related knowledge and skills.
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'.

5.7   Attachment tables

Attachment tables are identified in references throughout this chapter by an '5A' suffix (for example, table 5A.3). Attachment tables are provided on the CD‑ROM enclosed with the Report and on the Review website (www.pc.gov.au/gsp). Users without access to the CD‑ROM or the website can contact the Secretariat to obtain the attachment tables (see contact details on the inside front cover of the Report).

Table 5A.1	Government real recurrent expenditure, (2008 dollars) ($ million)
Table 5A.2	Government real recurrent expenditure, (2008 dollars) ($ per person aged 15–64 years)
Table 5A.3	VET activity, 2008
Table 5A.4	Commonwealth and State Agreement funded VET activity, 2008
Table 5A.5	VET students, all ages, by course level
Table 5A.6	Real net assets of public VET providers per person aged 15–64 years, (2008 dollars) ($ per person)
Table 5A.7	Government payments to non-TAFE providers for VET delivery
Table 5A.8	Allocation of government real funds for VET (2008 dollars)
Table 5A.9	VET participation by age group
Table 5A.10	VET participation by target age group and Indigenous status
Table 5A.11	VET participation of people aged 15–64 years, by sex
Table 5A.12	VET participation, all ages, by region
Table 5A.13	VET students, all ages, by disability status, 2008 (per cent)
Table 5A.14	VET students, all ages, by language spoken at home, 2008 (per cent)
Table 5A.15	VET participation by Indigenous status, 2008 (per cent)
Table 5A.16	VET participation in Certificate III and above, by age group
Table 5A.17	VET participation in Certificate III and above, by target age group and Indigenous status
Table 5A.18	VET participation in Diploma and above, by target age group and Indigenous status
Table 5A.19	Government real recurrent expenditure per annual hour (2008 dollars) ($ per hour)
Table 5A.20	Government real recurrent expenditure per hour of publicly funded load pass, (2008 dollars) ($ per hour)
Table 5A.21	Cost of capital, 2008
Table 5A.22	Total government costs per annual hour, 2008 ($ per hour)
Table 5A.23	Total government VET costs per hour of publicly funded load pass, 2008 ($ per hour)
Table 5A.24	Proportion of graduates in employment and/or continued on to further study after completing a course (per cent)

5.8 References

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