
4 Vocational education and training

The focus of this chapter is on the part of the education and training system that teaches people employment related skills. The vocational education and training (VET) system provides Australians with the skills to enter and re-enter the workforce, to retrain for a new job and to upgrade skills for an existing job. It includes publicly and privately funded VET delivered by a wide range of training institutions and enterprises through a number of delivery methods.

This chapter reports on VET services that receive government funding — that is, only VET courses and modules (streams 2100–4500), not recreational, leisure and personal enrichment courses (stream 1000) (see definitions in table 4.18). Thus, the scope of VET covered in this chapter aligns with the annual VET data collection by the National Centre for Vocational Education Research (NCVER). This includes provision of VET in publicly owned technical and further education (TAFE) institutes and universities with TAFE divisions, other government and community institutions, and publicly funded activity by private providers. Data on the provision of VET services on a fee-for-service basis are also included in the general data collection. However, revenue from fees received from individuals and organisations, as well as from Commonwealth programs such as the Adult Migrant English Services, are excluded from recurrent expenditure for unit cost calculations.

The performance of publicly funded VET services is assessed within a framework of effectiveness and efficiency indicators. ANTA (ANTA 2000) provided the majority of information in this chapter. VET services provided in schools are included in chapter 3 of this Report. This chapter does not cover university education, although some descriptive information can be found in the education preface.

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

Box 4.1 **Some common VET terms**

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

course: a structured sequence of VET that leads to the acquisition of identified competencies and includes assessment leading to a qualification or statement of attainment

load pass rate: the ratio of students who passed assessment in an assessable module or unit of competency to all students who were assessed and passed, failed or withdrew. The calculation is based on the nominal hours supervised for each assessable module or unit of competency.

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

module completers: identified in the 1999 Student Outcomes Survey as TAFE students who successfully completed at least one module in 1999 in a study of stream between 2100 and 4500, who were graduates in that year and who had left the TAFE system at the time of the survey (see definitions in table 4.18)

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

training package: a package of industry competency standards, guidelines for assessment and qualifications that result from successful assessment, and sometimes training and assessment resources. As they are developed, training packages are becoming the basis for all government funded training. New Apprenticeships are based on training packages.

Source: ANTA (2000).

Supporting tables

Supporting tables for chapter 4 are provided on the CD-ROM enclosed with the Report. The files are provided in Microsoft Excel 97 format as \Publications\Reports\2001\Attach4A.xls and in Adobe PDF format as \Publications\Reports\2001\Attach4A.pdf.

Supporting tables are identified in references throughout this chapter by an 'A' suffix (for example, table 4A.3 is table 3 in the electronic files). They may be subject to revision. The most up-to-date versions of these files can be found on the Review web page (www.pc.gov.au/service/gsp/2001/). Users without Internet access can contact the Secretariat to obtain up-to-date versions of these tables (see details on the inside front cover of the Report).

4.1 Profile of vocational education and training

Service overview

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

- develop skills, including general education skills such as literacy and numeracy, that enhance ability to enter the workforce;
- retrain or update workforce skills; and
- provide a stepping stone to further tertiary education.

Box 4.2 National skill shortage list (first half of 1999)

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

Professionals

Accountant
Child care coordinator
Computing professional
Electronics engineer

Associate professionals

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

Tradespersons

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

Source: DEWRSB (1999).

In any dynamic economy there will be some mismatch between skills demanded by employers and those possessed by people looking for work. Many employers in Australia in the first half of 1999 found it difficult to fill employment vacancies in a recognised occupation or specialisation at the existing level of remuneration and conditions of employment, including location (box 4.2). A perfect match is never possible and many factors (including working conditions, career choices, industry profile and employer attitudes) influence both the supply of and demand for skills at regional, State and Territory, and national levels.

Diversity of VET

The VET system involves the interaction of employers, Commonwealth, State, Territory and local governments (as both purchasers and providers) and an increasing number of specialist private providers. The system provides a diverse range of programs and qualification levels, with course durations varying from a module (a stand-alone course component or subject) of a few hours to full courses of up to four years (box 4.3).

Box 4.3 Diversity of VET training

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

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

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

Funding

Total expenditure on VET by governments, employers and individuals was an estimated \$8.5 billion in 1998 — equivalent to approximately 1.5 per cent of gross domestic product. Enterprises contributed an estimated 45 per cent of funding, with governments and individuals contributing an estimated 44 per cent and 11 per cent respectively (ANTA 2000).

Government recurrent VET expenditure per person

Government recurrent VET expenditure is reported on an accrual basis. It is defined to exclude fee-for-service revenue, ancillary trading revenue, other operating revenue and revenue from Commonwealth specific purpose funds. Accrual expenditure data are reported for both 1998 and 1999. Recurrent government VET

expenditure per person aged 15–64 years ranged from \$216 in Victoria to \$445 in the NT in 1999. Per person expenditure in NSW, WA, the ACT and the NT was higher than the national average (table 4A.2).

Size and scope

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

Over 1.65 million people participated in publicly funded and/or provided VET programs in 1999 (up by 111 900 students or 7 per cent from the 1998 level), comprising about 11 per cent of the Australian population aged 15–64 years (ANTA 2000). The target population for VET is people aged 15–64 years and this group is used in this chapter for per person comparisons across jurisdictions.

Over 331 million hours of VET programs were publicly funded or delivered on a fee-for-service basis by public providers in 1999 (ranging from 112 million hours in NSW to 4 million hours in the NT) (table 4A.1). The number of annual hours delivered per student ranged from 184 in SA to 289 in the ACT. The national average was 201 hours per student. These programs were delivered by 85 public training institutions, 1075 community based providers and 2465 publicly funded private providers (NCVER 2000a).

The size of VET training provider locations varied across jurisdictions in 1999, ranging from 701 students per training location in NSW to 51 students per training location in the NT (table 4A.1). (Similarly, there was a large variation in the number of VET hours delivered per training provider location.)

State and Territory TAFE institutes and universities with TAFE divisions provide the majority of publicly funded VET services, delivering approximately 85 per cent of all VET hours in 1999 (compared with about 86 per cent in 1998). Adult and community education providers and private providers delivered the remaining 15 per cent of VET hours in 1999 (compared with about 14 per cent in 1998) (NCVER 2000a).

The infrastructure (net assets) of the government owned TAFE institutes and universities with TAFE divisions was worth over \$5.6 billion at 31 December 1999, of which 89 per cent comprised the value of land and buildings (NCVER 2000b). The value of these assets per person (aged 15–64 years) varied across jurisdictions, ranging from \$1043 in the NT to \$357 in Queensland (table 4A.3).

Students studying in rural and remote locations

The proportion of students studying in rural and remote locations varied across jurisdictions in 1999. The proportion of students studying in rural locations ranged from 57.2 per cent in Tasmania to 1.3 per cent in the ACT, while the proportion in remote locations ranged from 51.3 per cent in the NT to less than 1 per cent of students in NSW and Victoria (excluding the ACT, which has no remote locations) (table 4A.1).

Roles and responsibilities

The national VET system is a cooperative arrangement between Commonwealth, State and Territory governments, industry (represented by Industry Training Advisory Bodies) and service providers. Different bodies may provide services, funds, advice and decisions (figure 4.1). State and Territory governments play dual roles as both purchasers of VET services (from private and community providers) and direct providers of services (through TAFE institutes and universities with TAFE divisions). In addition, each State and Territory government is responsible for administering its training system, setting fees and determining exemption, concession and loan arrangements for students.

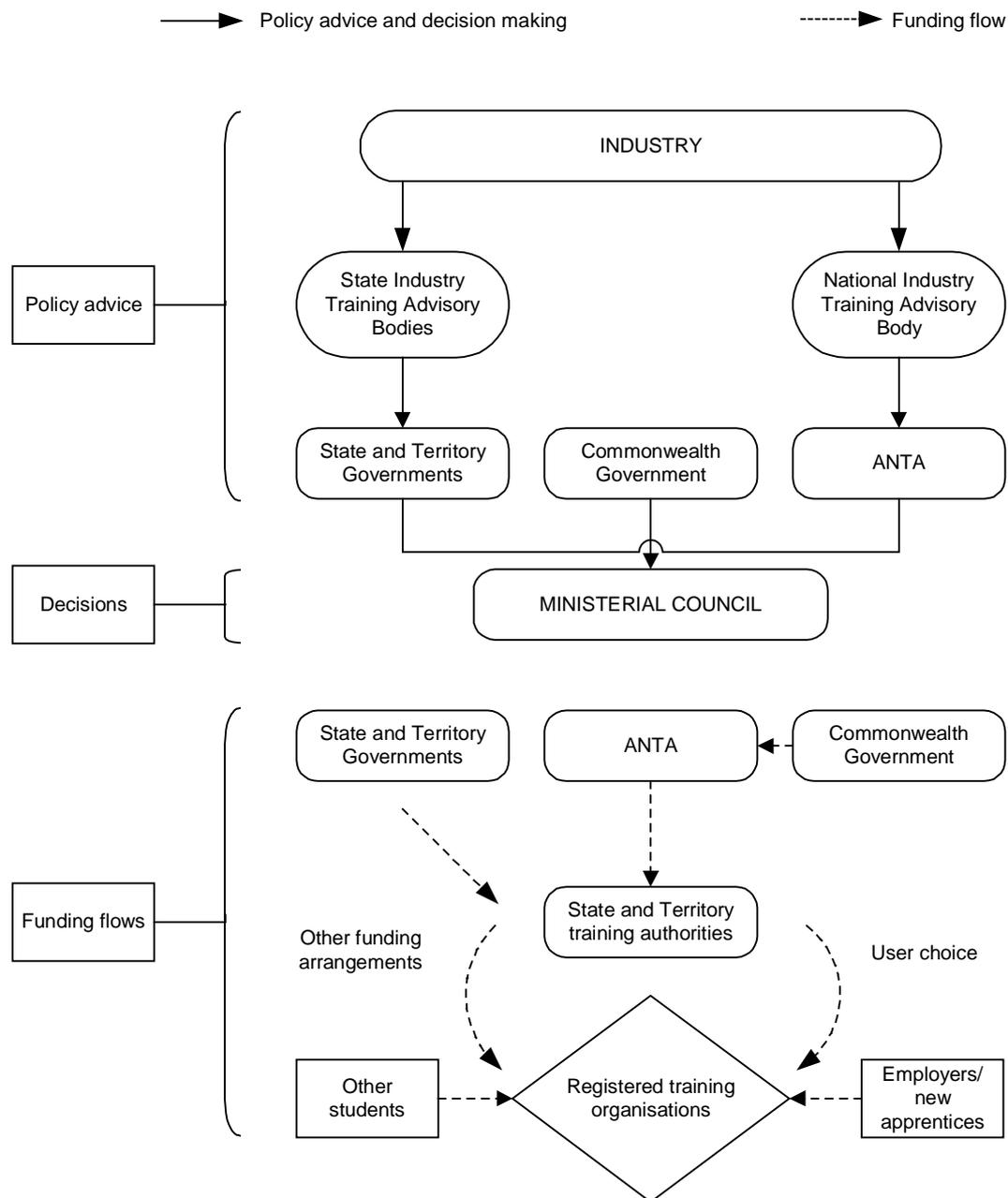
Public VET funding comes from Commonwealth, State and Territory governments. State and Territory governments provided just over 73 per cent of recurrent government funding in 1999 and the Commonwealth Government provided the remainder (NCVER 2000b).

The proportion of government funding allocated to private and adult community providers varied across jurisdictions — the NT, Queensland and SA had the highest proportions in 1999 (10 per cent, 9 per cent and 9 per cent respectively) and NSW and Tasmania had the lowest (4 per cent each). All jurisdictions except Queensland reported a real increase in the amount of government funds going to private and adult community providers for VET delivery between 1998 and 1999 (table 4A.4).

Allocation of VET funding

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

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



Commonwealth, State and Territory ministers agreed on the pursuit of a more effective training market, with public and private provision of training, as a key objective of the national vocational education and training system. This approach is reflected in the Australian National Training Authority (ANTA) Agreement of 1992. In line with this objective, States and Territories have made greater use of competitive funding arrangements, which have increased the provision of publicly

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

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

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

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

An estimated \$441 million of public VET funding was allocated on a competitive basis in 2000 (including user choice arrangements) — up 11.36 per cent from the amount in 1999 (ANTA 2000). There were 1566 registered training providers accessing public funds in 1999, with 937 registered training providers chosen under contestable funding arrangements.

The degree of competition in the tendering process varies across jurisdictions. Some funds are potentially available to both public and private providers (open competitive tendering) whereas some tendering is restricted to either public or private providers (limited competitive tendering). Similarly, the potential for competition, in terms of the size of the market of potential providers, also varies across jurisdictions (table 4A.5).

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

Box 4.4 TAFE institutes and competitive tendering

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

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

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

Source: HRSCEET (1998).

4.2 Policy developments in vocational education and training

As part of the planning and accountability arrangements for the national VET system, ministers agreed in June 1999 to four annual national priorities for 2000.

- *Consolidation of national training arrangements.* Ministers agreed to implementation plans to increase the number and range of training packages available. The implementation plans include definitions of appropriate pathways to training package qualifications; the expansion of New Apprenticeship arrangements, including the use of strategies to increase opportunities for young people; and improved recognition and mobility across all sectors of education and training.
- *Achieving diversity and flexibility to meet the needs of all.* Ministers agreed to increase and improve outcome opportunities for those underrepresented in VET; to improve choice and flexibility in training delivery through the developed framework for flexible delivery; to develop strategies to improve language,

literacy and numeracy, including continual improvement in the incorporation of language, literacy and numeracy into training packages; and to improve outcomes from VET in schools (including increased participation).

- *Value for money.* Ministers agreed to implement key performance measures for the VET sector; develop plans for sector growth derived through the achievement of efficiencies; implement agreed outcomes from the Review of Infrastructure program; and enhance strategies to ensure the quality of outcomes.
- *Changing attitudes to training.* Ministers agreed that a national marketing strategy be progressed with comprehensive and accessible information on the training options, and a range of strategies to increase industry investment and participation in training.

The current ANTA Agreement expires at the end of 2000. Ministers for vocational education and training are currently negotiating a new agreement. Once established, the new agreement will outline the funding and accountability arrangements for government funded VET over the next few years.

4.3 Framework of performance indicators

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

Box 4.5 Objectives for VET services

Ministers agreed in 1997 on four objectives for VET services:

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

In early 1998, a fifth objective — to increase investment in training — was added.

Source: ANTA (1998b).

Efficiency indicators

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

4.4 Key performance indicator results

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

Access and equity

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

VET participation of the general population

The national VET participation rate for people aged 15–64 years was 11 per cent in 1999. Victoria reported the highest participation rates (13.5 per cent) and the ACT reported the lowest (8 per cent). The participation rate was lower for females than for males, except in NSW and the NT (figure 4.3).

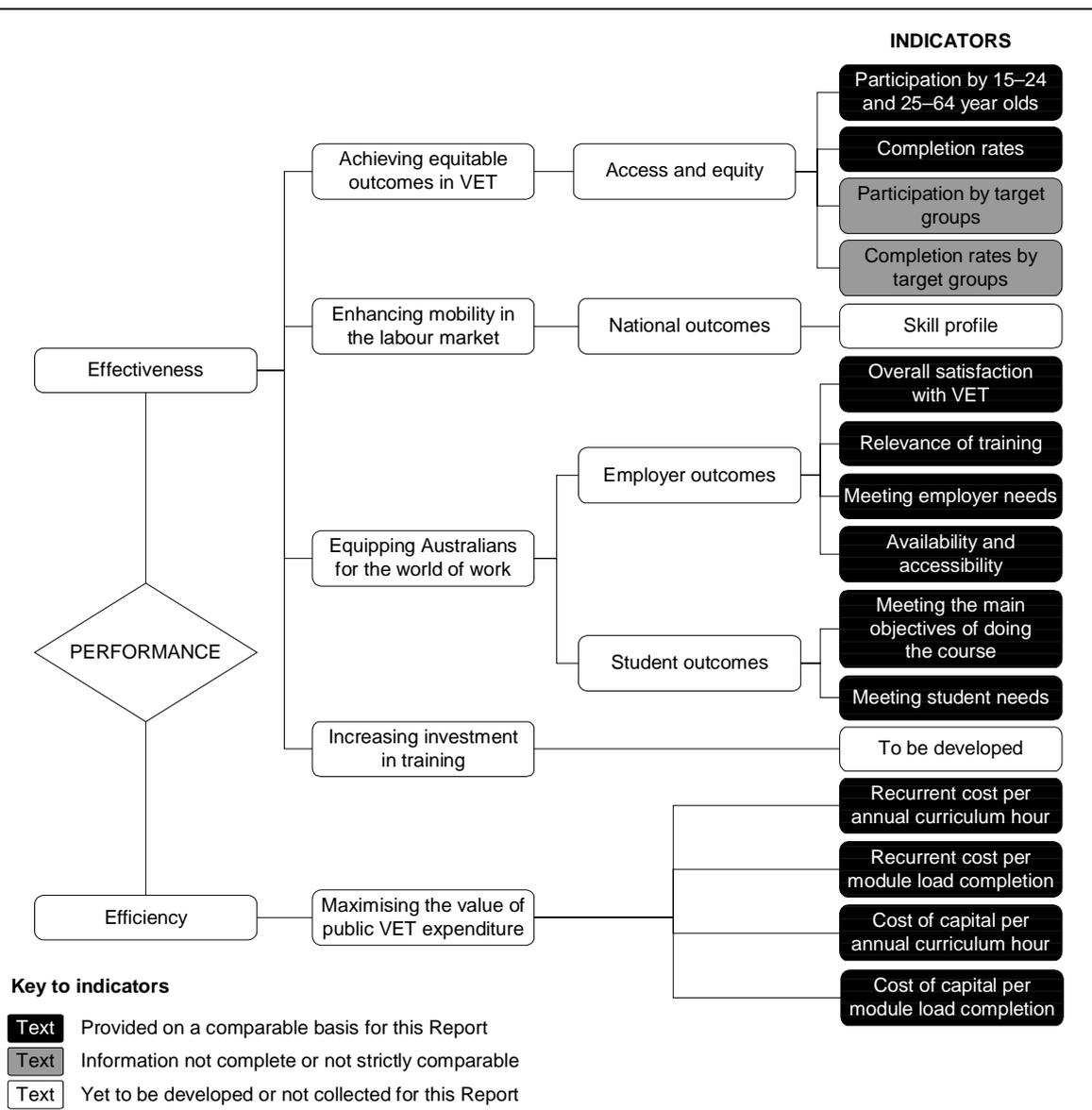
Males aged 15–29 years had higher participation rates than those of their female counterparts, with the reverse being true for the group aged 40–59 years. Males and females were equally likely to participate at 30–39 years of age and over 60 years of age (table 4A.6).

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

Over 600 000 young people (22 per cent of people aged 15–24 years of age) participated in VET in 1999 (table 4A.6). Traditionally, young males (15–24 years

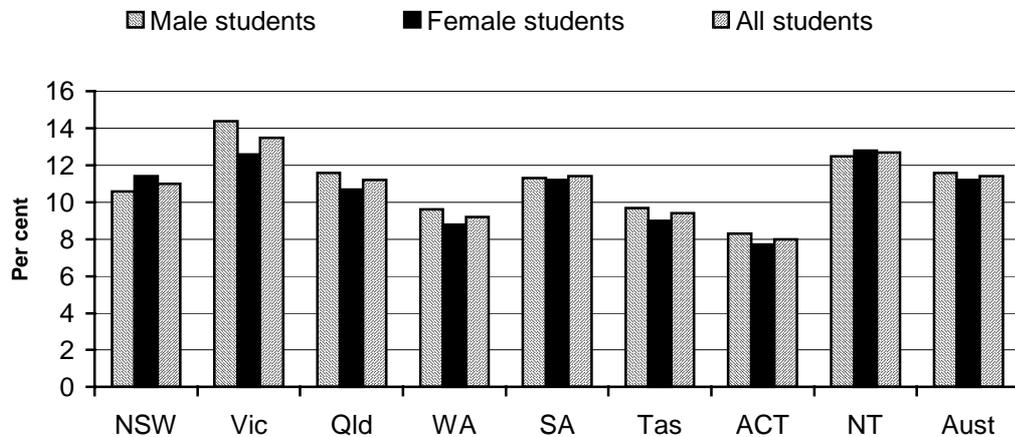
of age) have had a higher VET participation rate than that of young females, and this pattern continued in 1999. The majority (80 per cent) of young people undertook their training at TAFE or other government providers, with the remainder divided between community education and other registered providers (NCVER 2000c).

Figure 4.2 Performance indicators for VET services^{a, b}



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

Figure 4.3 VET participation rates for people aged 15–64 years, 1999



Source: table 4A.7.

Load pass rate for the general population

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

Load pass rates in 1999 ranged from 86 per cent in SA to 70 per cent in the NT. Queensland, SA, Tasmania and the ACT reported rates above the national average of 75 per cent. In general, there was little difference in the completion rates of males and females in each jurisdiction (table 4.1).

Table 4.1 Load pass rates, 1999 (per cent)^a

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Male	71.6	72.2	75.2	73.6	84.8	82.0	77.8	71.1	73.9
Female	72.2	75.4	75.8	72.9	86.8	84.8	81.9	67.9	75.1
All people	71.9	73.6	75.5	73.3	85.7	83.4	79.8	69.5	74.5

^a Comparisons should be made with care across jurisdictions because average module durations and competencies achieved by students vary across jurisdictions.

Source: table 4A.8.

VET participation of target groups

A key national goal of the VET system is to increase opportunities and outcomes for disadvantaged groups. Participation by these groups, compared with their representation in the general population, may reflect the effectiveness of current strategies in achieving this objective. Participation rates of people with special needs should be interpreted with care because the data generally depended on self identification at the time of enrolment, and nonresponses (that is, students who did not indicate whether they had special needs) were both high and varied across jurisdictions.

The VET participation rate of people with a disability was below this group's representation in the population in all jurisdictions, although there were high nonresponse rates for several jurisdictions (table 4A.10).

The national participation rate of people identifying themselves as being from a non-English speaking background (that is, people born in a non-English speaking country) was below this group's representation in the population. NSW, Queensland and the ACT reported a participation rate above this group's share of the population (table 4.2). Tasmania, the ACT and the NT reported the lowest nonresponse rates. The nonresponse rates in WA (50 per cent), SA (23 per cent) and Victoria (22 per cent) remained high. Given such high nonresponse rates, comparisons across jurisdictions must be treated with caution (table 4.2).

Table 4.2 VET participation by people from a non-English speaking background, by country of birth, 1999 (per cent)

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Students who reported being born in a non-English speaking country	16.2	13.0	7.9	7.0	9.2	3.5	14.2	7.2	12.1
People who were born in a non-English speaking country, as a proportion of the total population	15.8	17.1	7.3	11.8	10.6	3.9	13.8	8.1	13.3
Non-response rate ^a	13.3	21.6	11.7	49.8	23.6	8.3	11.0	9.7	18.9

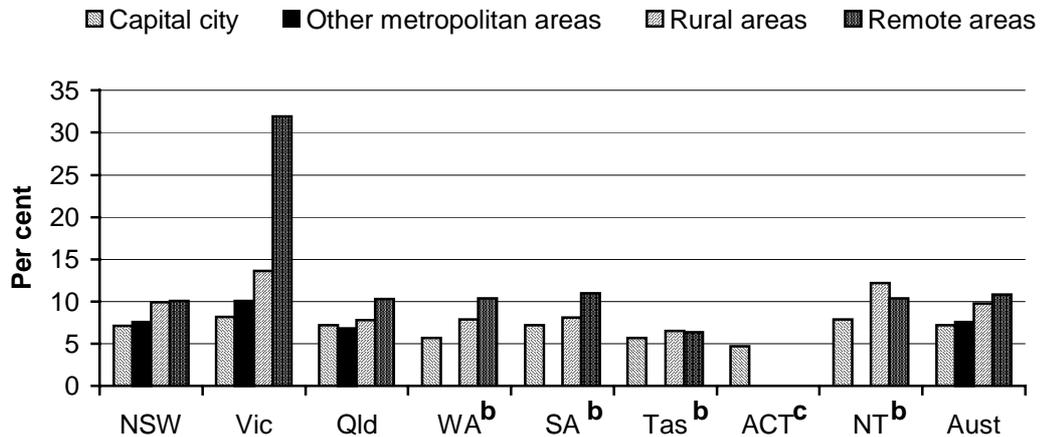
^a Students who did not indicate the country in which they were born.

Source: table 4A.9.

Participation rates for rural and remote areas were highest in Victoria (13.6 per cent and 31.9 per cent respectively). The remote area participation rates for SA (11.0 per cent), Queensland (10.3 per cent), WA (10.4 per cent) and the NT (10.4 per cent) were similar to the national average (10.8 per cent). Tasmania had below average participation by people living in each of the regions for which meaningful participation rates could be calculated (figure 4.4). Interpretation of rural and

remote area participation rates should consider both the target population and the proportion of students from these regional areas (table 4A.1 and appendix A).

Figure 4.4 VET participation, by region, 1999^a



^a Interpretation of rural and remote participation rates should consider the absolute number of students from these regional areas (table 4A.1 and appendix A). ^b The number of students from other metropolitan areas is too small to calculate meaningful rates. ^c The numbers of students from rural, remote and other metropolitan areas are too small to calculate meaningful rates.

Source: table 4A.11.

The proportion of VET students who identified as Indigenous ranged from 1 per cent in Victoria and the ACT to 38 per cent in the NT in 1999. The proportion of VET students who identified as Indigenous was greater than or equal to the Indigenous population share in all jurisdictions except Tasmania, where the two rates were similar (table 4.3).

Table 4.3 VET participation by Indigenous people, 1999 (per cent)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Students who reported being Indigenous	2.8	0.8	4.2	6.4	2.6	2.7	1.3	37.8	3.1
Indigenous people as a proportion of total population	1.7	0.5	2.9	3.0	1.4	3.0	1.0	24.4	2.0
Non-response rate ^a	14.5	19.9	8.9	38.9	22.7	12.8	1.1	5.6	17.3

^a Students who did not indicate if they were Indigenous.

Source: table 4A.12.

Load pass rates for target groups

Tasmania reported the highest load pass rates for Indigenous people (72 per cent). SA reported the highest load pass rates for people from rural and remote areas (90 per cent and 85 per cent respectively) and for people with a disability (81 per cent). SA (80 per cent) and Tasmania (97 per cent) reported the two highest load pass rates for people from a non-English speaking background and for all students (86 per cent and 83 per cent respectively) (table 4.4).

Nationally, the ANTA-designated equity target group — students from rural areas — reported load pass rates higher than the national average for all students in 1999 (77 per cent compared with 74 per cent respectively) (table 4.4). Comparisons across jurisdictions should be made with care because average module duration and competencies achieved by students vary across jurisdictions.

Table 4.4 **Load pass rates, by target groups, 1999 (per cent)**

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
All people	71.9	73.6	75.5	73.3	85.7	83.4	79.8	69.5	74.5
Target groups									
Students who reported being Indigenous	55.1	57.6	58.4	54.4	69.8	71.6	65.8	63.5	58.3
Students who reported having a disability	66.7	67.3	66.9	66.2	80.7	71.0	74.5	64.3	67.7
Students who reported speaking a language other than English at home	69.9	68.1	59.9	62.3	80.1	96.6	73.9	59.6	69.0
Rural area students	72.2	77.4	78.0	73.9	90.0	82.7	na	74.0	76.8
Remote area students	67.8	78.9	76.0	67.2	85.2	82.9	na	67.9	71.8

^a Comparisons should be made with care across jurisdictions because average module durations and competencies achieved by students vary across jurisdictions. **na** Numbers too small to calculate a meaningful rate.

Source: table 4A.8.

Employer outcomes

Employer satisfaction is an important indicator of the quality of VET services. The NCVER 1999 Survey of Employer Views on Vocational Education and Training obtained views on aspects of VET from 3558 employers in 17 different industries nationally (tables 4A.13–4A.18). The 1999 survey also draws a distinction between employers with direct experience of the VET system and those with little or no experience of the system. The scope of the survey was expanded in 1999 to include both employers employing a recent VET graduate before they completed a course and those without a VET graduate. Of the 3558 employers surveyed, 2504 employed a recent VET graduate before the graduate had completed their training (see NCVER 1999b).

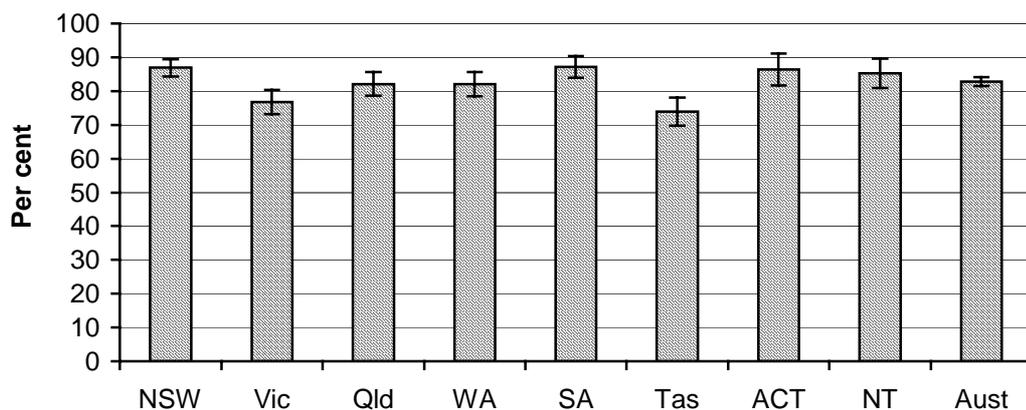
The precision of survey estimates depends on the survey sample size and the sample estimate. Larger sample sizes result in higher precision, as do larger sample estimates; for example, if 90 per cent of surveyed respondents chose an answer, then there would be less uncertainty about the actual population's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

The 1999 Survey of Employer Views covered employers across a range of workforce sizes — small (1–19 employees), medium (20–99 employees) and large (100 or more employees). On average, employers' overall satisfaction with VET tended to decrease slightly as the size of the workforce increased (table 4A.14).

Employer overall satisfaction with VET providers

The 1999 Survey of Employers Views asked employers to rate their 'overall satisfaction' with VET on a scale from 1 (very dissatisfied) to 10 (very satisfied). Nationally, 83 per cent of surveyed employers reported an overall satisfaction score of 6 or higher. NSW (87 per cent), SA (87 per cent) and the ACT (86 per cent) had the highest proportions of employers with a satisfaction ranking of 6 or higher. Tasmania (74 per cent) and Victoria (77 per cent) had the lowest proportions (figure 4.5).

Figure 4.5 Proportion of surveyed employers who ranked their satisfaction with VET providers as 6 or higher, 1999^{a, b}



^a The error bars presented above each column in the chart depict the 95 per cent confidence intervals associated with each point estimate. ^b Rankings: 1 = very dissatisfied; 10 = very satisfied.

Source: table 4A.15.

Surveyed employers' satisfaction with the system varied across industries in 1999. Respondents from the electricity, gas and water, government administration and defence, and manufacturing industries were the least satisfied with VET providers, while those from communication services, mining and agriculture were among the most satisfied (table 4A.16).

Employer satisfaction with the relevance of training

Employers of recent VET graduates who completed their course after commencing their current employment were asked about their satisfaction with the relevance of training. Surveyed employers expressed a range of views about the relevance of the training that their employees received in the VET system and the extent to which training accounted for employers' needs. Nationally, 11 per cent of surveyed employers expressed high satisfaction with VET course content. Sixteen per cent of those in Victoria and 10 per cent in Queensland and WA reported that the content of VET courses was at the leading edge of industry needs, whereas the corresponding figure for Tasmania was 6 per cent (table 4.5).

Nationally, 90 per cent of surveyed employers agreed that the content of VET courses was relevant to industry needs, while 7 per cent said that it was not. The highest proportions of employers satisfied with the content of VET courses were in Tasmania (92 per cent), NSW (91 per cent) and Victoria (90 per cent). Satisfaction was lowest in WA, SA and the ACT (85 per cent). There were large relative standard errors associated with the estimate for the ACT and the NT, so care should be taken when interpreting this figure (table 4.5).

Table 4.5 Employer satisfaction with the relevance of VET course content, 1999 (per cent)^{a, b, c}

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
At the leading edge of Industry needs	9 (±2.5)	16 (±3.5)	10 (±3.1)	10 (±3.5)	7 (±2.8)	6 (±2.6)	9 ^d (±4.7)	9 ^d (±4.0)	11 (±1.2)
Directly relevant to Industry needs	34 (±4.1)	46 (±4.8)	34 (±4.9)	44 (±5.8)	49 (±5.5)	48 (±5.4)	36 (±7.9)	48 (±6.9)	40 (±1.9)
Mostly relevant and Useable by the industry	48 (±4.3)	28 (±4.3)	45 (±5.1)	31 (±5.4)	29 (±5.0)	38 (±5.3)	40 (±8.0)	32 (±6.5)	39 (±1.9)
Not relevant to industry Needs	8 (±2.4)	6 (±2.3)	6 (±2.4)	9 (±3.3)	7 (±2.8)	7 (±2.8)	10 ^d (±4.9)	10 (±4.2)	7 (±1.0)
Cannot say	1 ^d (±0.9)	3 ^d (±1.6)	5 (±2.2)	5 ^d (±2.5)	7 (±2.8)	2 ^d (±1.5)	5 ^d (±3.6)	2 ^d (±1.9)	3 (±0.7)

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

Source: table 4A.17.

Employer satisfaction with the availability and accessibility of training

The 1999 Survey of Employer Views also asked employers of recent VET graduates (who had commenced their course after commencing their current employment) about their satisfaction with aspects of the availability and accessibility of the VET system. Surveyed employers in Queensland, SA, and the NT reported above average satisfaction with the flexibility of VET course delivery. An above average proportion of surveyed employers in NSW and Tasmania reported that they considered the courses had limited or no flexibility (table 4.6).

Table 4.6 Employer satisfaction with the flexibility of VET course delivery, 1999 (per cent)^{a, b, c}

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Satisfied with flexibility of course delivery	56 (±4.3)	63 (±4.6)	71 (±4.7)	61 (±5.7)	72 (±5.0)	60 (±5.3)	61 (±8.0)	65 (±6.6)	63 (±1.9)
Considered flexibility limited or no flexibility	38 (±4.2)	33 (±4.5)	27 (±4.6)	34 (±5.5)	26 (±4.8)	37 (±5.2)	29 (±7.4)	26 (±6.1)	34 (±1.9)

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

Source: table 4A.18.

Views of employers with no VET graduate employees — comparison of employers' general views on the relevance of training

For the first time, a sample of 2495 employers with no VET graduate employees was also surveyed (tables 4.8 and 4.9). There were similar levels of agreement by both employers of recent VET graduates and employers with no VET graduates that 'there should be more work experience or work placements as part of VET' and that 'the VET system needs to provide more practical skills'. A higher proportion of employers with no VET graduates (74 per cent) than of employers of recent VET graduates agreed that 'on-the-job skills are more useful than skills obtained through formal education' (table 4.7).

Forty-eight per cent of employers with no VET graduates believe VET qualifications are not relevant to their industry and 27 per cent meet all their training needs through in-house courses (table 4.8).

Table 4.7 Employer views on the relevance of training, by attitude statement, 1999 (per cent in agreement)

<i>Attitude statement</i>	<i>Employers of recent VET graduates</i>	<i>Employers with no VET graduates</i>
The VET system is providing graduates with skills appropriate to employers' needs	69	41
There should be more work experience or work placements as part of VET	85	86
The VET system needs to provide more practical skills	77	79
On the job skills are more useful than skills obtained thorough formal education	66	74

^a The relative standard errors corresponding to a 95 per cent confidence interval for the percentage estimates were ± 0.7 for employers of recent VET graduates and (± 0.9) for employers with no recent graduates.

Source: table 4A.19.

Table 4.8 Reasons for not employing VET graduates, by reason, 1999 (per cent)^{a, b}

Qualifications are not relevant to our industry	48
All our training requirements are provided in-house	27
Fully qualified people are not required; staff attend only modules relevant to our operations	15
We have staff currently studying for such qualifications	12
We are not aware of any training available to suit our needs	4
We have not been happy with the quality of VET qualifications	2
Other	10
Don't know	4

^a The relative standard error corresponding to a 95 per cent confidence interval for the percentage estimates was ± 0.9 for employers with no recent VET graduates. ^b More than one reason could be given.

Source: 4A.20.

Student outcomes

ANTA commissioned a Student Outcomes Survey in 1999 to ascertain the work and promotional opportunities resulting from training in the Australian VET system for 1998 graduates from TAFE institutes and universities with TAFE divisions (AC Nielsen 1999). The scope of the survey was increased to determine the outcomes for students who had successfully completed training below the level of full qualification and who were no longer engaged in training. Data on these students were collected for the first time this year, so they required further work to determine whether they were comparable.

Care should be exercised when generalising from the views of the graduates surveyed, because the survey was not weighted for non-responses.¹ Adjusting the results for non-response bias would tend to increase the reported satisfaction although by different amounts across jurisdictions. It is also important to remember that factors external to the VET system — such as general economic conditions and labour market conditions (appendix A) — may affect reported outcomes for students. Nevertheless, graduate destination surveys provide valuable information on student outcomes.

Main reason for undertaking VET course

The 1999 Student Outcomes Survey asked 1998 TAFE institute graduates to nominate their main reason for undertaking a VET course. Nationally 79 per cent of surveyed graduates indicated that they enrolled for vocational reasons (for example, to obtain a job or promotion). This proportion ranged from 74 per cent in WA to 86 per cent in SA (table 4.9).

Table 4.9 TAFE graduates' main reason for undertaking a VET course, 1998 (per cent)^{a, b, c}

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Vocational reason	78 (±0.5)	80 (±0.7)	81 (±0.9)	74 (±1.1)	86 (±1.0)	85 (±1.9)	79 (±2.4)	78 (±4.7)	79 (±0.3)
Non-vocational reason	22 (±0.5)	19 (±0.7)	18 (±0.9)	26 (±1.1)	13 (±1.0)	14 (±1.9)	21 (±2.4)	21 (±4.6)	20 (±0.3)

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

Source: table 4A.21.

The proportion of TAFE institute graduates who reported that their course helped or partly helped them achieve their main reason for doing the course ranged from 73 per cent in Tasmania to 85 per cent in the NT (table 4.10).

¹ The views of graduates who did not respond may differ from those of graduates who did respond. Those who did respond may not be representative of the total graduate population if the non-response rate was high. Response rates for the 1999 Student Outcomes Survey are contained in table 4A.26.

Table 4.10 Whether VET course helped TAFE institute graduates achieve their main reason for doing the course, 1999 (per cent)^{a, b}

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Course helped to achieve main reason	62.1 (±0.6)	64.6 (±0.9)	62.4 (±1.1)	66.5 (±1.2)	66.8 (±1.4)	57.6 (±2.7)	64.5 (±2.8)	69.6 (±5.2)	63.4 (±0.4)
Course partly helped to achieve main reason	16.6 (±0.4)	15.4 (±0.6)	16.4 (±0.8)	14.9 (±0.9)	14.6 (±1.0)	15.6 (±2.0)	16.3 (±2.2)	15.7 (±4.1)	16.0 (±0.3)
Course did not help to achieve main reason	8.0 (±0.3)	6.9 (±0.5)	9.9 (±0.7)	7.3 (±0.7)	8.2 (±0.8)	12.4 (±1.8)	7.2 (±1.5)	4.2 ^c (±2.3)	8.0 (±0.2)
Do not know yet	12.5 (±0.4)	12.1 (±0.6)	10.3 (±0.7)	10.4 (±0.8)	9.2 (±0.8)	13.2 (±1.8)	10.9 (±1.8)	9.3 (±3.3)	11.7 (±0.3)

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

Source: table 4A.22.

The extent to which students achieved their main reason for doing a course not only varied across jurisdictions but also across target groups. Nationally, 68 per cent of TAFE institute graduates who enrolled in a VET course to obtain a job achieved this outcome. This outcome was lower for people identifying as Indigenous (65 per cent) and for people from non-English speaking backgrounds (65 per cent) (table 4.11).

Table 4.11 Whether VET course helped TAFE institute graduates achieve their main reason for doing the course, by reason and special needs group, 1999 (per cent)^{a, b}

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

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

Source: table 4A.23.

Meeting student needs — employment outcomes of VET graduates

Of the surveyed TAFE institute graduates who completed a VET program during 1998, 73 per cent indicated that they were employed (NCVER 1999 unpublished). Graduates from Victoria, Queensland, SA, the ACT and the NT reported better than average employment outcomes (table 4.12). Interpretation of employment outcomes must account for the general economic conditions in each jurisdiction (appendix A) and the enrolment of some students for non-vocational reasons. South Australia, for example, reported the highest employment rate of graduates but also the highest proportion of VET enrolments for vocational reasons.

Table 4.12 Labour force status of 1998 TAFE institute graduates, 1999 (per cent)^{a, b, c}

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Employed ^d	70.8 (±0.5)	75.0 (±0.8)	73.3 (±1.0)	71.0 (±1.2)	80.6 (±1.2)	71.0 (±2.5)	73.6 (±2.6)	76.7 (±4.8)	72.8 (±0.4)
Unemployed	13.9 (±0.4)	12.1 (±0.6)	13.6 (±0.8)	12.1 (±0.8)	9.9 (±0.9)	15.5 (±2.0)	13.6 (±2.0)	10.5 (±3.5)	13.0 (±0.3)
Not in labour force	14.7 (±0.4)	12.0 (±0.6)	12.4 (±0.7)	16.4 (±1.0)	8.8 (±0.8)	12.2 (±1.8)	12.6 (±1.9)	11.5 (±3.6)	13.5 (±0.3)

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

Source: table 4A.24.

An above average proportion of employed TAFE institute graduates in Victoria, WA, SA, Tasmania, the ACT and the NT reported that their course was highly relevant to their job. The NT (79 per cent) and Tasmania (77 per cent) had the highest proportions reporting that their course was either highly relevant or of some relevance to their job (table 4.13).

The proportion of TAFE institute graduates who received a pay increase after completing their course ranged from 22 per cent in Queensland to 29 per cent in the NT. The proportion who received a promotion (or increased status at work) as a result of doing their VET course ranged from 16 per cent in Queensland and WA to 23 per cent in the NT (table 4.14).

Table 4.13 Employed 1998 TAFE institute graduates who undertook their course for vocational reasons — relevance of course to main job, 1999 (per cent)^{a, b}

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Highly relevant	49.0 (±0.6)	52.8 (±0.9)	50.3 (±1.1)	55.0 (±1.3)	53.1 (±1.5)	52.9 (±2.7)	56.0 (±2.9)	55.3 (±5.6)	51.1 (±0.4)
Some relevance	24.1 (±0.5)	22.4 (±0.7)	23.4 (±1.0)	17.6 (±1.0)	22.5 (±1.2)	23.8 (±2.3)	20.1 (±2.3)	24.1 (±4.8)	22.9 (±0.3)
Total	73.2 (±0.5)	75.2 (±0.8)	73.7 (±1.0)	72.6 (±1.2)	75.5 (±1.3)	76.8 (±2.3)	76.0 (±2.5)	79.4 (±4.6)	74.0 (±0.3)

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

Source: table 4A.25.

Table 4.14 Employed 1998 TAFE institute graduates who undertook their course for vocational reasons — benefits of course, 1999 (per cent)^a

<i>Benefit</i>	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
An increase in earnings	26.0 (±0.5)	26.3 (±0.8)	22.3 (±0.9)	27.9 (±1.2)	24.2 (±1.3)	28.4 (±2.5)	27.0 (±2.6)	29.1 (±5.1)	25.7 (±0.3)
A promotion (or increased status at work)	17.9 (±0.4)	17.2 (±0.7)	15.6 (±0.8)	15.8 (±0.9)	20.9 (±1.2)	20.3 (±2.2)	20.6 (±2.4)	23.1 (±4.8)	17.7 (±0.3)
Obtained a job	24.0 (±0.5)	27.0 (±0.8)	28.3 (±1.0)	34.7 (±1.2)	25.1 (±1.3)	25.2 (±2.4)	28.3 (±2.6)	23.1 (±4.8)	26.3 (±0.4)
Change of job or new job	18.0 (±0.4)	16.6 (±0.7)	19.5 (±0.9)	15.8 (±0.9)	16.9 (±1.1)	15.3 (±2.0)	20.6 (±2.4)	22.1 (±4.7)	na na
Benefit in some way ^b	65.9 (±0.6)	66.8 (±0.8)	64.5 (±1.1)	68.5 (±1.2)	66.6 (±1.4)	66.5 (±2.6)	68.6 (±2.7)	71.4 (±5.1)	66.3 (±0.4)

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

Source: table 4A.27.

Efficiency

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

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

- recurrent cost per annual curriculum hour; and

-
- recurrent cost per government funded successful module load completion.

The factors which have the greatest impact on efficiency include:

- training-related factors such as class sizes, teaching salaries, teaching hours per full time equivalent staff member and differences in the length of training programs of similar types;
- differences between States and Territories, including sociodemographic composition, administrative scale, and dispersion and scale of service delivery; and
- vocational education and training policies and practices, including the level of fees and charges paid by students.

The Steering Committee decided in 1998 that a user cost of capital should be included, where possible, as part of the costs for each government service reported here, and that this should be calculated by applying a jurisdiction cost of capital rate to the value of government assets. The cost of capital is included in estimates of the cost of government services because it reflects the opportunity cost of government assets that could be used to provide other services or retire debt. Not reporting the user cost of capital underestimates the opportunity cost to government (box 4.6).

Box 4.6 Comparability of cost estimates

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

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

- Superannuation costs are included in cost estimates for VET. It is recommended that (SCRCSSP 1998) superannuation be costed on an accrued actuarial basis.
- Depreciation costs are included in cost estimates for all VET services.
- The user cost of capital is not included in estimates of recurrent expenditure, although it is reported separately (as the cost of capital per adjusted annual curriculum hour and the cost of capital per adjusted module load completion). The user cost of capital represents the opportunity cost to government of the funds tied up in VET assets. Excluding the user cost of capital from accrued costs lowers the

(Continued next page)

Box 4.6 Continued

costs per annual curriculum hour and the costs per government funded module load completion. Comparability can be improved by adding the reported user cost of capital to accrued costs if debt servicing costs and State and Territory based capital asset charges are deducted from accrual costs.

- Payroll tax is payable by all jurisdictions (except the ACT) for VET; a payroll tax estimate has been included in cost estimates for the ACT. It is recommended that payroll tax be costed to unit cost estimates to achieve comparability across government and private providers and across jurisdictions (SCRCSSP 1999).

Sources: SCRCSSP (1998) and (1999).

Unit cost — government expenditure per hour of delivery

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

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

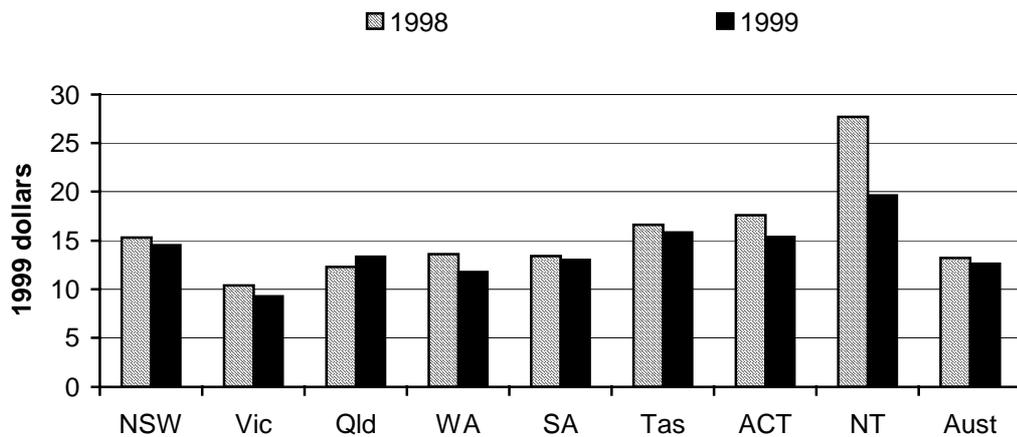
Recurrent expenditure per annual curriculum hour of government funded VET programs in 1999 ranged from \$19.63 in the NT to \$9.30 in Victoria. Only Victoria (\$9.30) and SA (\$11.76) reported unit costs below the national average of \$12.60. All jurisdictions reported a real decrease in unit costs from 1999 (except Queensland, which reported an 8.8 per cent real increase in unit costs) (figure 4.6).

The full cost of providing VET services includes both the cost of capital and recurrent costs. To integrate these costs to make up total cost, it is necessary to convert the cost of capital to a year-by-year charge. The Steering Committee has adopted an 8 per cent user cost of capital rate to reflect the income that might have been earned if the funds had been invested elsewhere rather than in the capital item. The basis for the 8 per cent capital charge is discussed in chapter 2.

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

The Steering Committee acknowledges the potential for differences in some input costs (for example, land values) to affect reported costs across jurisdictions without necessarily reflecting the efficiency of service delivery. The costs of capital for land and other assets are presented separately to allow users to consider any differences in land values among jurisdictions when assessing the results (table 4.15).

Figure 4.6 **Government recurrent expenditure per adjusted annual hours of curriculum^a**



^a The deflator used is the gross non-farm product deflator. ^b The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate based on the ACT payroll tax rate has been included in the expenditure data presented. The payroll tax estimate has increased recurrent government VET expenditure per adjusted annual curriculum hour in the ACT by \$0.48 in 1998 and by \$0.25 in 1999.

Source: table 4A.28.

Table 4.15 **Cost of capital, 1999^a**

	Unit	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Noncurrent physical assets										
Land	\$m	315	255	121	69	37	11	7	18	834
Other	\$m	1 720	1 056	744	378	391	132	106	124	4 651
Total	\$m	2 035	1 311	865	447	428	143	113	142	5 485
Capital charge	%	8	8	8	8	8	8	8	8	8
Cost of capital										
Land	\$m	25	20	10	6	3	1	1	1	67
Other	\$m	138	84	60	30	31	11	8	10	372
Total	\$m	163	105	69	36	34	11	9	11	439

^a Totals may not add as a result of rounding.

Source: table 4A.29.

The total cost of government owned capital per annual curriculum hour varied across jurisdictions in 1999, ranging from \$1.45 in Victoria to \$3.70 in the NT.

Excluding land assets, the government cost of other capital per annual curriculum hour ranged from \$1.17 in Victoria to \$3.23 in the NT. The cost of government owned land capital per annual curriculum hour ranged from \$0.12 in the ACT to \$0.47 in the NT in 1999 (table 4.16).

Table 4.16 Cost of capital per annual curriculum hour, 1999^a

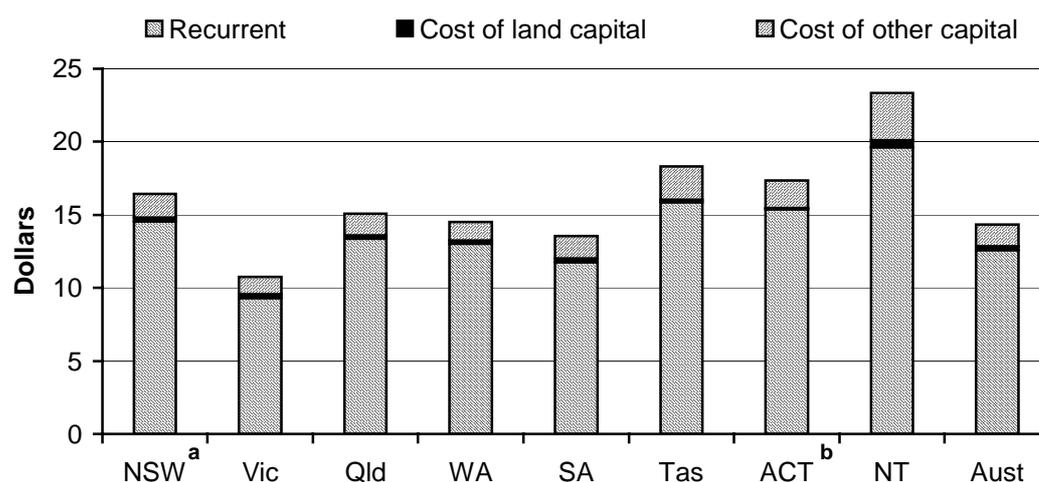
	Unit	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Adjusted annual curriculum hours	no.	86 251	72 396	40 181	23 991	20 458	4 697	4 561	3 066	255 601
Cost of capital per adjusted annual curriculum hour										
Land	\$	0.29	0.28	0.24	0.23	0.14	0.19	0.12	0.47	0.26
Other	\$	1.60	1.17	1.48	1.26	1.53	2.25	1.86	3.23	1.46
Total	\$	1.89	1.45	1.72	1.49	1.67	2.43	1.98	3.70	1.72

^a Totals may not add as a result of rounding.

Source: table 4A.29.

The national full cost to government of funding VET per adjusted annual curriculum hour in 1999 was \$14.32 (recurrent cost of \$12.60, plus cost of land capital of \$0.26, plus cost of other capital of \$1.46). Across jurisdictions, the full cost per adjusted annual curriculum hour ranged from \$10.75 in Victoria to \$23.33 in the NT (figure 4.7). These results should be interpreted with caution because the asset data used to calculate cost of capital are not as reliable as the recurrent cost data.

Figure 4.7 Total government VET costs per annual curriculum hour, 1999



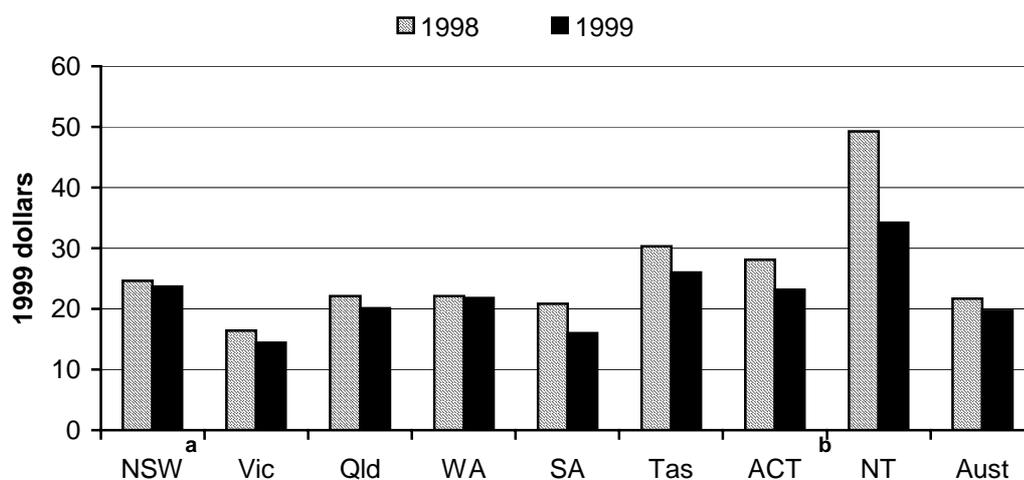
^a ANTA data include gains and losses arising from asset sales in reported unit cost estimates. This had a small effect on most jurisdictions, but increased NSW reported costs by 0.5 per cent in 1998. ^b The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate, based on the ACT payroll tax rate has been included in the expenditure data presented. The payroll tax estimate has increased recurrent government VET expenditure per adjusted annual curriculum hour in the ACT by \$0.25 in 1999.

Source: table 4A.30.

Unit cost — government expenditure per publicly funded module load completion

Government expenditure per publicly funded module load completion is the cost to government of each successfully completed VET module (that is, the cost per output produced). The cost of producing successful publicly funded outputs decreased in all jurisdictions between 1998 and 1999 (figure 4.8).

Figure 4.8 Government recurrent expenditure per hour of successful publicly funded module load completion^{a, b}



^a Comparisons across jurisdictions should be made with care because average module durations and competencies achieved by students vary across jurisdictions. ^b The deflator used is the gross non-farm product deflator. ^c ANTA data include gains and losses from asset sales in recurrent expenditure and, thus, unit costs. These gains and losses accounted for about half of the reported increase in NSW unit costs between 1997 and 1998 but had a much smaller effect on the unit costs of other jurisdictions. ^d The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate, based on the ACT payroll tax rate, has been included in the expenditure data presented. The payroll tax estimate has increased recurrent government VET expenditure per publicly funded successful module load completion in the ACT by \$1.12 in 1998 and by \$0.92 in 1999.

Source: table 4A.31.

Total government cost of capital per module load completion in 1999 ranged from \$2.22 in Victoria and SA to \$6.21 in the NT. Excluding land assets, the government cost of capital per module load completion ranged from \$1.78 in Victoria to \$5.65 in the NT in 1999 (table 4.17).

Table 4.17 Cost of capital per module load completion, 1999^{a, b}

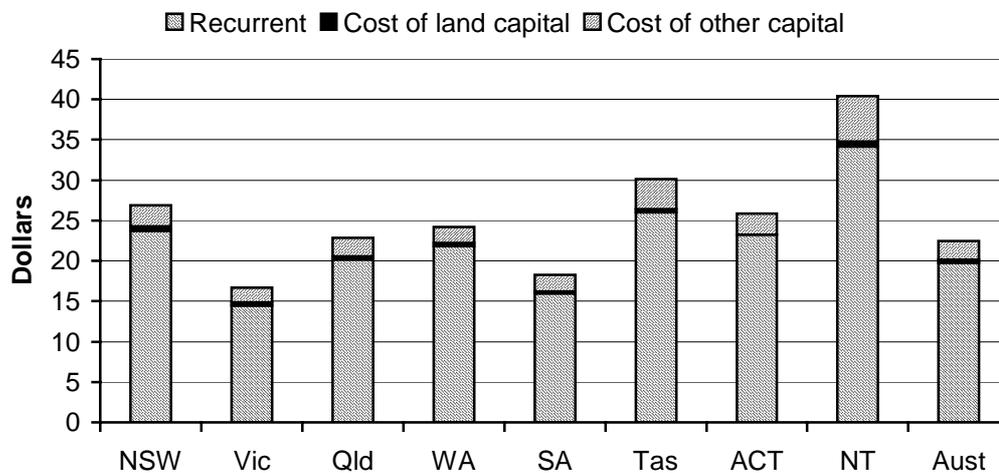
Unit	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Adjusted module load completions									
no.	51 670	47 217	26 399	15 000	15 118	2 963	3 019	1769	163 007
Cost of capital per adjusted module load completion									
Land	\$ 0.48	0.42	0.37	0.40	0.20	0.34	0.01	0.56	0.41
Other	\$ 2.67	1.78	2.27	2.00	2.04	3.70	2.65	5.65	2.28
Total	\$ 3.15	2.22	2.61	2.40	2.24	3.70	2.98	6.21	2.70

^a Comparisons across jurisdictions should be made with care because average module durations and competencies achieved by students vary across jurisdictions. ^b Totals may not add as a result of rounding.

Source: table 4A.32.

The national full cost per module load completion was \$22.44 (recurrent cost of \$19.75, plus cost of land capital of \$0.41, plus cost of other capital of \$2.28) in 1999. Across jurisdictions, this ranged from \$16.67 in Victoria to \$40.40 in the NT (figure 4.9). These results should be interpreted with caution because as the asset data used to calculate cost of capital are not as reliable as the recurrent cost data.

Figure 4.9 Total government VET costs per module load completion, 1999



^a ANTA data include gains and losses arising from asset sales in reported unit cost estimates. This had a small effect on most jurisdictions, but increased NSW reported costs by 0.5 per cent in 1998. ^b The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate, based on the ACT payroll tax rate, has been included in the expenditure data presented. The payroll tax estimate has increased recurrent government VET expenditure per publicly funded successful module load completion in the ACT by \$1.12 in 1998 and by \$0.92 in 1999.

Source: table 14A.32.

4.5 Future directions in performance reporting

Reporting new indicators

ANTA, through its Performance Review Committee, developed a new suite of eight performance indicators (or Key Performance Measures) for VET. Ministers gave their final agreement to the indicators in June 1999 and also agreed to the recommendations contained in the committee's final report, *Key Performance Measures for Vocational Education and Training* (ANTA 1999d). The report identified the remaining implementation tasks and assigned responsibility for these tasks. The National Training Statistics Committee, under the auspices of the ANTA Board, has assumed responsibility for the ongoing management of the Key Performance Measures including a refinement of data collected to support performance reporting.

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

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

Improving reporting of existing indicators

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

A National Working Group is currently investigating and advising on a methodology for reporting the user cost of capital within the unit cost of publicly funded VET across Australia.

4.6 Jurisdictions' comments

This section provides comments from each jurisdiction on the services covered in this chapter and attachment 4A on the CD-ROM. Appendix A contains short profiles on each State and Territory, which may assist in interpreting the

performance indicators presented in this chapter. In addition, detailed statistics covering aspects such as age profile, geographic distribution of the population, income levels, education levels, tenure of dwellings and cultural heritage (such as Indigenous and ethnic status) are also found in appendix A.

New South Wales Government comments

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The NSW Department of Education and Training is responsible for approximately one quarter of the State's total budget and delivers education and training services from early childhood education through to post-compulsory education. The 2000-01 Budget included a record \$7.23 billion for education and training, representing an increase of \$320 million on 1999-2000 or a 4.7 per cent rise. Expenses on TAFE NSW and related services are estimated at \$1.46 billion.

NSW spends more on vocational education and training than any other state and provides more than one-third of all VET in Australia. 1999 saw a record number of enrolments in TAFE NSW, with more than 455,000 students studying in TAFE.

The continuing rationale underpinning the New South Wales approach to provision of TAFE NSW services has been a commitment to service quality and social justice. The TAFE NSW budget has had to take into account on-going reductions in Commonwealth Government funding and the need for greater efficiencies in an increasingly competitive training market. The cessation of Commonwealth VET growth funding, the abolition of Commonwealth funded labour market programs and the financial impact of additional young people on Youth Allowance attending TAFE institutes, have each placed additional demands on the State's VET budget.

While the Commonwealth has focused only on reducing unit costs, NSW has pursued a balanced approach to growth through efficiencies. Within NSW efficiencies have been brought about through improved management systems, the expansion of competitive purchasing arrangements, the enhancement of flexible delivery methods and the expansion of the VET in Schools program. Strategically targeted training initiatives for industry have also played a key role. Despite the reductions in Commonwealth support, NSW made substantial inroads into the provision of additional training. In 1999 NSW delivered more than 86.25 million Annual Hours Curriculum, an increase of 3.2 million hours or 4 percent on 1998.

Major TAFE NSW initiatives currently underway include the provision of almost \$15 million over 4 years to support TAFE scholarships and students at risk programs, Small Business Training Bonus Scheme to encourage small businesses to provide accredited training for their staff and putting more training courses on-line. Payroll Tax Concessions for employers will cover an additional 250 apprentices and trainees each year leading to a rebate of up to \$16 million over 4 years.

The Government has exceeded its target of increasing the number of trainees employed in the NSW public sector from 600 to 2000 by the end of 2000.

TAFE NSW was the Official Training Services Supporter of the Games, and played a key role in delivering the highly successful Olympic and Paralympic Games.

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Victorian Government comments

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Collectively, 14 TAFE institutes, 5 TAFE divisions within universities and almost 1000 other registered training organisations provided skills training across all major industries and occupational levels, as well as further education and personal development programs, to over 562 000 students — a 5.6 per cent increase on 1998. Performance information in this report indicates that the Victorian training system performed comparatively well on some indicators, particularly participation in vet and student employment outcomes. At the same time, Victoria's very high level of efficiency compared to other jurisdictions and low level of employer satisfaction suggest that the Victorian training had been under-funded and that consequently the quality of training had suffered. The policies of the Victorian government seek to build on the strengths of the current system to position it to meet the challenge of providing flexible, high quality and relevant training to meet the skill requirements of Victorian industry and the needs and aspirations of Victorians.

The Victorian government will, over the next four years, provide:

- An additional \$127 million to TAFE institutes to improve effectiveness and quality, compensate for fee concessions, assist workforce restructuring, undertake urgent maintenance and replace obsolete plant and equipment;
- An additional \$50.4 million for training of apprentices and trainees by private providers;
- \$40 million to create 2600 apprenticeships and traineeships in the public sector;
- \$32.4 million to assist private sector employers recruit 6000 apprentices and trainees in areas of skill shortage;
- \$12.5 million to support an extra 10 000 long-term unemployed and disadvantaged young people into apprenticeships and traineeships;
- \$65 million to develop new approaches to post compulsory education and training by increasing the range of education and training options available to 15 to 24 year olds; and
- \$9 million to improve infrastructure at Adult Community Education providers.

The Government will also focus on:

- ensuring that resources are directed to priority areas such as training linked to employment, training to facilitate regional development and to address skill shortages and training to provide skills for strategic and emerging industries such as information and communications technology;
- developing Learning Communities to enable more flexible and rapid responses to changing requirements at the local level and to encourage life-long learning;
- strengthening audits of training provision; and
- raising standards under the National Recognition Framework.

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Queensland Government comments

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In 2000 Queensland has developed an integrated strategic direction for the vocational education and training system. One of the key areas for action that has emerged focuses on raising Queensland's skills and qualification levels, with skills development aligning with economic and social development planning. The focus is particularly on those Queenslanders who do not have a qualification or have not participated in training, across all age groups from young people in transition from school to work through to existing workers, particularly mature-age workers whose skills need updating for changing industries.

The Community Training Partnerships regional program, piloted in 10 communities across Queensland prior to full implementation in 2000-01, trialled a new way of assisting people to identify their skills and match their training to future regional employment needs. Under the program regional networks are funded to analyse the training needs related to regional economic development and then provide future work and training advice to fill skills gaps.

Implementing a comprehensive response to the skill and infrastructure needs of hi-tech changes to industry is also a priority. Queenslanders need to have the skills to use technology to enable smarter, better business processes in the information and biotech age. Strategies will aim to ensure Queenslanders have skills to maximise the value of information, use technology, particularly in emerging industries, and conduct electronic business effectively, to compete and expand markets on a local and global level.

In 1999 over \$22 million was provided for Queensland's information technology and telecommunications training needs for both institutional delivery and through apprenticeships and traineeships — an increase of almost \$5 million from 1998. \$11.343 million was provided for the development of cutting edge information technology infrastructure and systems in TAFE institutes.

Another key segment of the strategic direction aims for all stakeholders in the training system to take on the challenge of creating an enduring culture of innovation and collaboration. The training system will need to expand current learning pathways and training options if we are to meet the skills needs of diverse Queenslanders in the future. Good ideas and more efficient, collaborative processes will help meet the training needs of the future faster.

Quality is also emphasised in the strategic approach. Building on the quality of VET is still a major focus for the future.

The concepts in the strategic direction aim to expand opportunities for a diverse range of Queenslanders to gain skills for current and emerging work.

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Western Australian Government comments

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The Western Australian Vocational Education and Training system consists of 14 publicly funded providers (TAFE Colleges) and in excess of 700 private providers, some 100 of which receive public funding through contestable means. In 1999 delivery exceeded 23 million student contact hours to around 100,000 students at a recurrent and capital cost of approximately \$320 million.

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

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

This report highlights some of the Western Australian VET sector accomplishments for 1999 including:

- 82 per cent of employers indicated that they were very satisfied or satisfied with the VET system;
- 81.4 per cent of WA graduates said that they achieved or partly achieved their main reason for doing their course;
- 68.5 percent of graduates who undertook their course for vocational reasons said that they benefited in some way;
- The recurrent expenditure per adjusted annual curriculum hour in WA for 1999 was \$13.03, down from \$13.39 in 1998, making WA the third lowest of all states and territories.

The development of the Western Australian VET system will see a continuing commitment to the establishment of a competitive training environment that offers quality and diversity across training providers and their services.

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South Australian Government comments

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South Australia continued to develop an efficient, quality vocational education and training (VET) system that plays an important role in providing and updating the skills of our workforce. The Report highlights some of the VET achievements during 1999, where SA:

- expanded its publicly funded activity by 21 per cent to 20.4 million hours in 1999 from 16.9 million hours in 1998 and increased the number of contract of training commencements from 17 950 in 1998 to 18 530 in 1999.
- improved the efficiency of publicly funded VET by 13 per cent through a reduction in the unit costs of publicly funded delivery from \$13.58 in 1998 to \$11.76 in 1999. This compares favourably with the national average cost of \$12.62. The total government VET cost in South Australia per hour of successful module completion has improved from \$20.63 in 1998 to \$16.01 in 1999 and cost remains lower than the national average cost of \$19.88.
- increased the participation rate of VET students from remote areas from 10.8 per cent in 1998 to 11.0 per cent in 1999.
- maintained the highest load pass rate (85.9 per cent) in the country, which considerably exceeds the national average of 74.4 per cent.
- with employer satisfaction for recent VET graduates at 87 per cent, is the equal highest in Australia and exceeds the 83 per cent national average.
- recorded the highest employment rate for recent TAFE graduates (81 per cent for 1998 graduates), well above the national average of 73 per cent.

South Australia has continued to closely align the VET system to the economic and social needs of our community, including the emerging training needs of SA enterprises. Results from the *1997 and 1999 Employer Satisfaction Surveys and the 2000 Student Outcomes Survey* indicate that TAFE provides high quality training, while TAFE qualifications consistently improve the chances of finding work, advancing careers and changing occupations.

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

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Tasmanian Government comments

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In 1999, Tasmania maintained and enhanced the effectiveness, efficiency and quality of vocational education and training provided to meet the needs of industry and the community.

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

- The 1999 Student Outcomes Survey reports that 85.4 per cent of graduates in Tasmania cited vocational reasons as their main reason for undertaking their course. This is 6.4 percentage points above the national average.
- The Survey also shows that of those who were unemployed at the commencement of their training, Tasmania had above national levels of employment after completion of the training. Among graduates who were unemployed at the start of their training, 50.6 per cent had found employment by 28 May 1999. This is 3.2 percentage points above the national average.
- Tasmania's participation rate in VET continued to rise in 1999. The proportion of Tasmanians aged 15 to 64 participating in VET has risen consistently and at a greater rate than the national average, from 7.3 per cent in 1996 to 9.4 per cent in 1999.
- In 1999, Tasmania delivered 4.70 million Annual Hours Curriculum, an increase of 19.2 per cent above actual 1997 levels. This equates to an estimated additional 8,376 student places.
- The continuing improvement in efficiency of the State's VET system is demonstrated by the unit cost (recurrent) of Tasmanian VET activity which has improved by 16.4 per cent from \$19.00 in 1997 to \$15.80 in 1999.

Tasmania's improved efficiency and participation rate in 1999 was linked to implementation of its three year plan for growth derived through efficiencies, which covers the period 1998 to 2000 (inclusive). Tasmania also continued to focus on developing an effective VET system through closer integration of industry needs, (particularly in areas of strategic importance to the State), with provision of VET.

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Australian Capital Territory Government comments

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In the ACT apprentice and trainee numbers increased spectacularly in 1999 — up around 40 per cent on 1998 levels. Growth has been driven by a number of factors including:

- a strong ACT economy;
- greater flexibility in the New Apprenticeships through User Choice program;
- the ACT Government's Youth 1000 program;
- successful marketing;
- the availability of new apprenticeships in new occupational groups; and
- the enrolment of 1800 'Existing Workers' as part of a Commonwealth initiative.

In 1999 the ACT delivered 4.56 million adjusted annual hours curriculum — an increase of 7.2 per cent from 1997. Over the same period, unit cost efficiency levels significantly improved by 12.1 per cent.

A mixture of contestable programs have been designed to encourage a competitive training market in accordance with the National Strategy for Vocational Education and Training. Funding for contestable programs reached \$8 million in 1999. As well, new tendering and purchasing arrangements were implemented to ensure more flexible purchasing, enhanced performance monitoring and increased access for equity groups. Around \$41 million of VET is purchased through TAFE (Canberra Institute of Technology) under specific purchaser/provider arrangements set out in a Purchase Agreement, representing almost three-quarters of ACT Government funded activity.

The ACT has recognised the need for managing both immediate and longer term risks associated with purchased training. The development of the ACT's performance review process during 1999 has meant stricter performance monitoring and compliance with quality assurance and Australian Recognition Framework principles. During 1999, 16 senior secondary colleges (years 11 and 12) in the government and non-government sector achieved Registered Training Organisation status. These colleges now have the capacity to deliver training to certificate II level.

The Office of Training and Adult Education developed and disseminated a database for private providers to enable them to report training activity in line with national reporting standards. The intention for 2000 is to provide a similar program for New Apprenticeship Centres to further streamline the information flow about New Apprenticeships through User Choice.

The ACT government continues to work closely with the ITAB's to ensure publicly funded training is meeting industry needs. 22 Training Packages were implemented in the ACT in 1999. Relevant pathways to qualifications continue to be negotiated with industry and VET stakeholders.

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Northern Territory Government comments

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A key national goal of the VET system is to increase opportunities and outcomes for disadvantaged groups. In the Northern Territory 51 per cent of VET students were studying in remote locations during 1999. This is the highest proportion of anywhere in Australia. The same is true for VET participation by Indigenous people who comprised 37.8 per cent of those undertaking VET training in the Territory. This compares very favourably with the 24.4 per cent proportion of the population comprised of indigenous people in the Territory.

The Student Outcomes Survey commissioned by ANTA in 1999 confirmed the effectiveness of VET training for these target groups with indigenous students achieving a 63.5 per cent load pass rate and remote area students 67.9 per cent. Employment outcomes achieved from VET training in the Territory were evidenced by positive 1999 labour force participation rates which indicate that 76.7 per cent of the Territory's VET institute graduates and 48 per cent of indigenous VET graduates were reported to be employed at the completion of their training.

The VET institute outcomes compare very favourably with the 78 per cent of students who gave the main reason for undertaking a VET course as being achievement of a vocational outcome. Whilst the vocational outcome rate for indigenous students is not as impressive, it represents a significant achievement and efforts will continue to be made to improve upon these results.

Employer satisfaction is an important indicator of the quality of VET services. The 1999 NCVET Survey of Employer Views on Vocational Education and Training surveyed a total of two hundred and seventy two employers in the Northern Territory. Its findings were that 85 per cent of employers surveyed reported an overall satisfaction score of 6 out of 10 or higher. This was further supported by a finding that 89 per cent of Territory employers surveyed agreed that the content of VET training was relevant to industry needs.

Growth in new apprenticeships is another success story, with the numbers of female apprentices being particularly notable as evidenced by an increase of 27.3 per cent in 1999. The introduction of User Choice has seen employers and apprentices enthusiastically embrace the concept. The NCVET Employer Satisfaction Survey showed that employers regard the ability to choose a training provider as important to their business. The success of the User Choice program has resulted in the need for increasing proportions of VET funding to be redirected to it.

The year 2000 will be a year of consolidation with a focus on enhancing quality outcomes and improved performance management for the sector as a whole. Preparations are also underway for major projects coming on line including the Alice Springs to Darwin railway and the Timor Sea oil and gas developments.

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4.7 Definitions

Table 4.18 Terms

<i>Term</i>	<i>Definition</i>
Annual curriculum hours	The anticipated hours of supervised learning or training deemed necessary to adequately present the education material. These hours are generally specified in the curriculum documentation and do not include hours associated with field work or work experience. Changed in 1999 to nominal hours – supervised.
Adjusted annual curriculum hours	Annual curriculum hours that are adjusted to account for module enrolments reported with an outcome of recognition of prior learning and invalid module enrolments.
Adjusted module load completion rate	Module load completions that are adjusted to account for module enrolments reported with an outcome of recognition of prior learning and invalid module enrolments.
AVETMISS	Australian Vocational Education and Training Management Information Statistical Standard. This is a specification of information standards for recording and reporting VET inputs (resource module) and activity and outputs (business module). This standard was observed in the collection and preparation of data for this Report.
Community education providers	Community education training organisations that have provided information to the NCVET data collection.
Completions	Fulfilment of all of the requirements of a course enrolment or module enrolment.
Contract of training	A contractual agreement between an employer and employee (apprentice or trainee) specifying the competencies to be developed over the period of the contract and the rights and obligations of each party.
Course	A structured sequence of vocational education and training that leads to the acquisition of identified competencies and includes assessment leading to a qualification or statement of attainment.
Enrolment	The registration of a student with a training provider for the purpose of doing a course or module. The enrolment is considered valid only if all fee obligations have been met and the student has attended at least one lesson or submitted at least one piece of work.
Fee-for-service activity	Activity that is funded by fees received from individuals and organisations, other than regulatory student fees. This includes Commonwealth and State-specific funded programs (such as Labour Market Programs and Adult Migrant English Services).
Geographic region	A geographic classification (based on statistical local areas) devised by the former Department of Primary Industry and Energy and the Department of Employment, Education, Training and Youth Affairs. <i>Remote:</i> regions that contain urban centres with a population of less than 5000 and that are more than 150 kilometres from an urban centre with a population of 10 000 or more <i>Rural:</i> regions that consist of statistical local areas associated with urban centres of population of 5000 to 100 000 and that are not classified as remote.

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Table 4.18 (continued)

<i>Term</i>	<i>Definition</i>
Graduate	A person who has completed a vocational program.
Load pass rate	The ratio of students who pass assessment in an assessable module or unit of competency to all students who are assessed and pass, fail or withdraw. The calculation is based on the nominal hours supervised for each assessable module or unit of competency.
Module	A unit of training in which a student can enrol and be assessed.
Module completers	Students who successfully completed at least one module in a study stream between 2100 and 4500.
Nominal hours – supervised	The anticipated hours of learning or training deemed necessary to adequately present the educational material associated with the delivery of a training program when delivered in standard classroom delivery mode. These hours are generally specified in the curriculum documentation and do not include hours associated with work experience, industry placement, or field placement. See also annual curriculum hours.
Non-English speaking background (by country of birth)	Born in a country that is non-English speaking.
Nonresponse rate	Proportion of VET students who did not indicate on their enrolment form whether they were a member of a target group.
Occupational group	Occupations that are linked to particular Australian Bureau of Statistics Standard Occupational Classification (ASCO) groups. Category A courses have a direct link to an individual ASCO, category B have multiple links to ASCOs and category C courses potentially link across all ASCO areas.
Occupational level	Classified as 'general/unspecified', 'operative/clerical', 'trades/skilled' and 'para-professional/professional'. These are also linked to the Australian Bureau of Statistics ASCO group.
Private provider	A commercial organisation that provides training to individuals and industry.
Real expenditure	Actual expenditure adjusted for changes in prices. Adjustments are made using the GDP(E) price deflator and expressed in terms of final year prices.
Recurrent funding	Funding provided by the Commonwealth and State and Territory governments to cover operating costs, salaries and rent.
State Training Profile	An annual publication by the State training authorities, which outline the planned training in terms of annual hours, by occupational groupings, for the year ahead (with indicative estimates for the next two years). It also outlines initiatives to meet State and national strategies.
Stream 1000	Recreation, leisure and personal enrichment courses directed towards the encouragement and development of creative, social and personal pursuits and skills that enable people to make more effective use of leisure time.
Streams 2100–4500	Courses for entry to employment or further education; initial vocational courses and courses subsequent to initial vocational courses. These are typically associated with preparatory, operative, trades/skilled and para-professional education and training.

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Table 4.18 (continued)

<i>Term</i>	<i>Definition</i>
TAFE	Technical and Further Education colleges and institutes, which are the primary providers of publicly funded VET.
Training packages	Provide the basic building blocks for vocational education and training programs under the National Training Framework. They are developed by industry and create national standards, programs, qualifications and learning resources.
VET program	A course or module offered by a training organisation in which clients may enrol.
Government funding to private and adult and community providers	Government recurrent expenditure to private and adult and community providers for the delivery of VET services. Expenditure includes payments to secondary schools, other government providers, enterprises, private providers, ACE providers, industry and local government providers.
Hours delivered per campus	The ratio of unadjusted VET hours delivered to the number of campuses in each jurisdiction.
Net assets of public VET providers per person aged 15–64	Net assets (total assets less liabilities) of publicly owned VET providers per person aged 15–64 years.
Number of campuses	The number of locations at which VET providers delivered VET programs or modules.
Recurrent government VET expenditure per person aged 15–64 years	Total State and Commonwealth recurrent expenditure (based on 'maintenance of effort' cash expenditure as reported by ANTA 1998a) per person aged 15–64 years.
Students per campus	The ratio of the number of students who undertook vocational programs to the number of campuses in each jurisdiction.
Students studying in remote areas	The ratio of the number of students who studied in campuses located in remote areas to the total number of VET students
Students studying in rural areas	The ratio of the number of students who studied in campuses located in rural areas to the total number of VET students
Cost per curriculum hour (average)	Total government recurrent expenditure per total adjusted annual curriculum hours
Employer perception of the level of VET graduates' work skills	Descriptions of graduates' work skills range from 'they do not show any better skills' to 'they have significantly improved their skills and productivity'
Employer satisfaction with VET value for money	Employer satisfaction with VET value for money is reported as a spectrum of views ranging from 'the VET course being mostly a waste of money' to 'the VET course being an excellent return on investment' (that is, productivity increases greatly exceed the costs of the course)
Government cost of capital per hour of successful publicly funded module load completions	Cost to the government of using capital (physical non-current assets) per adjusted publicly funded successful module load completions
Government costs of capital per adjusted annual curriculum hours	Cost to the government of using capital (physical non-current assets) for delivering VET services

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Table 4.18 (continued)

<i>Term</i>	<i>Definition</i>
Load pass rate (also reported by ANTA-designated target groups)	The ratio of students who pass assessment in an assessable module or unit of competency to all students who are assessed and pass, fail or withdraw. The calculation is based on the nominal hours supervised for each assessable module or unit of competency.

Table 4.19 Indicators

<i>Indicator</i>	<i>Definition</i>
Module completers	Students who successfully complete at least one module in a study stream between 2100 and 4500
Overall employer satisfaction with VET providers	Employer satisfaction with VET training providers (including both TAFE and non-TAFE). It is rated on a scale from 1 to 10, with 1 being 'very dissatisfied' and 10 being 'very satisfied'.
TAFE institute graduates' main reason for undertaking VET course	Either vocational reasons (to get a job, to try for a different career, to meet job requirements, to get extra job skills) or nonvocational reasons (for to get into another course, personal interest, for other reasons)
VET costs per adjusted annual curriculum hours	Government recurrent expenditure per adjusted publicly funded annual curriculum hours
VET participation by Indigenous people	The proportion of Indigenous VET students compared with the proportion of Indigenous people aged 15–64 years
VET participation by people from a non-English speaking background by country of birth	The proportion of VET students who report being born in a non-English speaking country compared with the proportion of people in the population who were born in a mainly non-English speaking country
VET participation rate for people aged 15–64 years	The ratio of the number of people who undertake a VET program or module to the number of people in Australia (or each jurisdiction) aged 15–64 years
VET participation rate for people of all ages by region (capital city, rural, remote and other metropolitan areas)	The ratio of the number of people who undertake VET programs or modules in specified geographic areas (that is, capital cities, rural areas, remote areas and other metropolitan areas) to the total population of people in those geographic areas
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'