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## 4 Vocational education and training

This chapter focuses on the education and training system that delivers employment-related skills. The vocational education and training (VET) system provides Australians with the skills to enter or re-enter the labour force, to retrain for a new job, or 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 the VET services delivered by providers receiving public funding allocations for VET. These services include the provision of vocational programs of study (see definitions in section 4.7) in publicly owned technical and further education (TAFE) institutes and universities with TAFE divisions, other government and community institutions, and publicly funded activity by private registered training organisations. The scope of this chapter does not extend to university education or VET services provided in schools (which fall within the scope of the schools chapter).

A profile of VET is presented in section 4.1, followed by a brief discussion of recent policy developments in section 4.2. A framework of performance indicators is outlined in section 4.3 and the data for these indicators are discussed in section 4.4. Most of the data for these performance indicators are derived from Volume 3 of the Australian National Training Authority (ANTA) *Annual National Report 2001* (ANTA 2002). Future directions in performance reporting are presented and discussed in section 4.5. The chapter concludes with jurisdictions' comments in section 4.6. A list of definitions is in section 4.7.

### *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\2003\Attach4A.xls` and in Adobe PDF format as `\Publications\Reports\2003\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). These files can be found on the Review web page (<http://www.pc.gov.au/gsp>). Users without Internet

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access can contact the Secretariat to obtain these tables (see details on the inside front cover of the Report).

## 4.1 Profile of vocational education and training

### Service overview

The VET system involves the interaction of employers, Commonwealth, State, Territory and local governments (as both purchasers and providers) and an increasing number of specialist private registered training organisations. The system provides a diverse range of programs and qualification levels, with course durations varying from a module (a stand-alone course component or subject) of a few hours, to full courses of up to four years (box 4.1).

#### Box 4.1 Diversity of the VET system

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

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

*The types of training institution* range from institutions specialising in VET delivery (such as publicly owned TAFE institutes and agricultural colleges, private registered training organisations and adult and community education providers) to secondary schools and universities. Schools and universities 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.

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

- develop skills, including general education skills such as literacy and numeracy, that enhance the student's ability to enter the labour force;
- retrain or update labour force skills; and

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

## Funding

Government recurrent expenditure on VET in 2001 totalled \$3.5 billion, a real increase of 0.6 per cent from 2000 (table 4A.1). Recurrent government expenditure per person aged 15–64 years ranged from \$511.2 in the NT to \$237.0 in Queensland in 2001. Expenditure per person in NSW, WA, the ACT and the NT was higher than the national average of \$264.9 (table 4A.2).

## Size and scope

There were approximately 1.6 million<sup>1</sup> people participating in publicly funded and/or provided VET programs in 2001 (a decrease of 1.4 per cent from 2000). Of the target population for VET (15–64 year olds), 11.8 per cent (approximately 1.5 million people) participated in VET in 2001 (table 4A.7).

The VET programs were delivered in 87 public training institutions and associated major campuses, 985 training centres by community education providers and in 5 645 training locations by other registered providers — that is, all other registered training providers, including private providers, who receive government funding for VET delivery (NCVER 2002a, 2002c).

The majority of VET students (73.7 per cent) were enrolled in TAFE institutes and universities with TAFE divisions in 2001 (compared with 75.5 per cent in 2000). Community education providers accounted for 13.1 per cent of the total student enrolments, and private registered training organisations serviced the remaining 13.3 per cent of students (NCVER 2002a).

Over 377.6 million hours of VET programs were publicly funded or delivered on a fee-for-service basis by public providers in 2001, ranging from 133.3 million hours in NSW to 4.5 million hours in the NT. This represented an increase of 13.6 per cent from 2000. The number of annual hours delivered per student ranged from 354.2 in the ACT to 201.8 in SA. The national average was 230.2 hours per student, compared to 200.0 hours in 2000 (table 4A.3).

In 2001, 81.1 per cent of all VET hours were delivered through TAFE institutes and universities with TAFE divisions (compared with about 84.0 per cent in 2000).

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<sup>1</sup> VET student numbers exclude schools collections, and are adjusted for recognition of prior learning, credit transfer and student enrolment no participation.

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Private registered training organisations provided 15.6 per cent of VET hours, and the remaining 3.4 per cent were delivered by adult and other community education providers (NCVER 2002a).

The infrastructure (non-current physical assets) of government owned TAFE institutes and TAFE divisions of universities was worth over \$5.8 billion at 31 December 2001, of which 92.3 per cent comprised the value of land and buildings (NCVER 2002b). The value of net assets at these institutes was 6.0 billion, or \$455.4 per person aged 15–64 years. The value of these assets per person aged 15–64 varied across jurisdictions, ranging from \$972.1 in the NT to \$343.7 in Queensland (table 4A.4).

## **Roles and responsibilities**

The national VET system is a cooperative arrangement between Commonwealth, State and Territory governments, State training boards, industry (represented by Industry Training Advisory Bodies [ITABs]) and service providers. Different bodies provide services, funds, policy advice and decisions.

### *Policy advice and decision making*

In the national VET system, the link between industry and the VET system is provided by ITABs as well as industry employer and employee organisations. The role of the ITABs is to provide policy advice on the training requirements of industry, as well as to keep industry informed about relevant training opportunities. The national ITABs report through ANTA, while the State and Territory ITABs report through the relevant State and Territory governments.

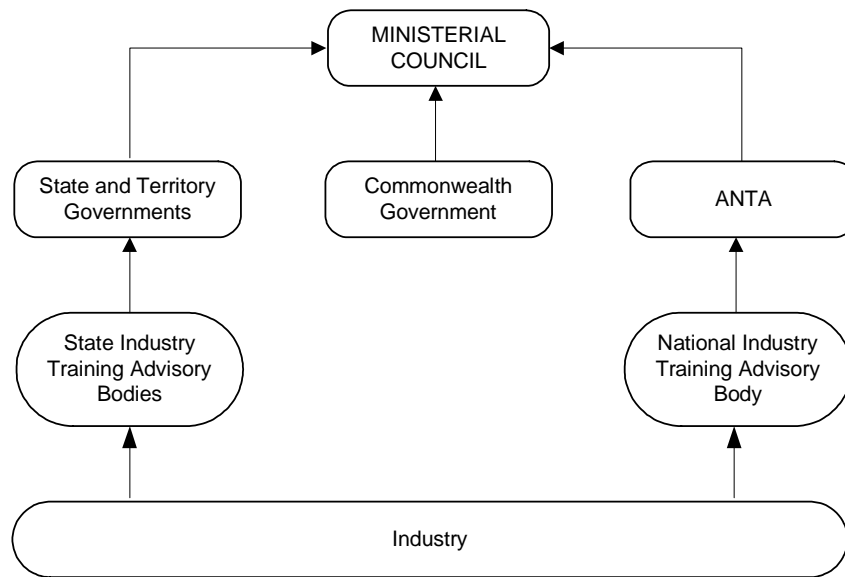
The Commonwealth ceased its contribution to State and Territory ITABs in 2002. Following this decision, all States and Territories are reviewing their industry training arrangements. These reviews may lead to significant changes in the policy advice arrangements in the VET system. For example, Tasmania ceased to fund their State ITABs on 30 September 2002. ANTA is in the process of reviewing the role of the national ITABs.

The Commonwealth statutory authority established to provide a national focus for VET, ANTA, reports to an industry-based board and advises the ANTA Ministerial Council of Commonwealth, State and Territory Ministers. The Ministerial Council is responsible for all decisions regarding VET policy, strategy and objectives (figure 4.1).

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Figure 4.1 Policy advice and decision making within the VET system<sup>a</sup>

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<sup>a</sup> The policy advice arrangements for VET are undergoing review and may change in 2003.

### *VET funding flows*

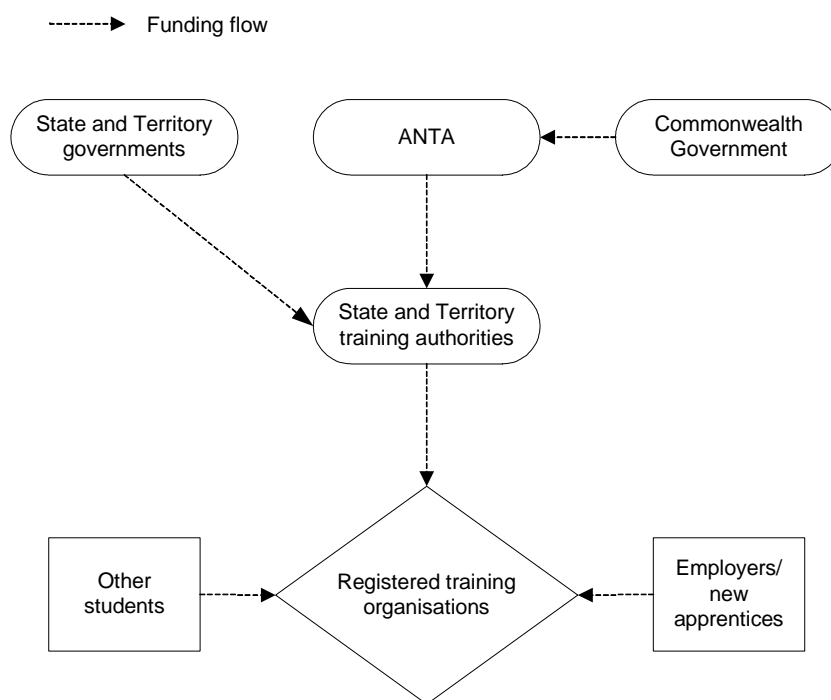
State and Territory governments provide funding for VET services through the State and Territory training authorities. State and Territory governments provided 72.0 per cent of recurrent government funding in 2001 (compared to 73.2 per cent in 2000), while the Commonwealth provided the remainder (NCVER 2002b). The Commonwealth funding of VET services is administered and allocated to the State and Territory training authorities by ANTA.

Registered training organisations also receive revenue from fees recovered from individuals and organisations for fee-for-service programs, ancillary trading revenue, other operating revenue and revenue from Commonwealth specific-purpose funds (figure 4.2).

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Figure 4.2 Funding flows within the VET system

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### *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). The proportion of total government recurrent funding allocated for payments to non-TAFE providers for VET delivery varied across jurisdictions in 2001 — Queensland had the highest proportion (11.0 per cent) and Tasmania the lowest (4.8 per cent) (table 4A.5).

The allocation of VET funding on a competitive basis was introduced in the early 1990s to allocate an additional \$21 million of Commonwealth funds to public and private registered training organisations (HRSCEET 1998).

Processes used to allocate funds on a competitive basis include:

- *competitive tendering* — where public and private registered training organisations compete for funding contracts from State and Territory training authorities 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

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- *preferred supplier arrangements* — an extension of competitive tendering, where a contract is awarded to providers (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.

The proportion of VET funding that is allocated on a competitive basis has increased significantly since the early 1990s. An estimated \$768.8 million of public VET funding was allocated on a competitive basis in 2001 (including user choice arrangements), 1.6 per cent more than in 2000 (table 4A.6). The degree of competition in the tendering process varies across jurisdictions. Some funds are potentially available to both public and private registered training organisations (open competitive tendering) whereas some tendering is restricted to either public or private registered training organisations (limited competitive tendering). Similarly, the potential for competition, in terms of the size of the market of potential providers, varies across jurisdictions.

Institutes of TAFE and universities with TAFE divisions may be subject to factors that affect their ability to compete effectively for funding allocated by competitive tendering (box 4.2).

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#### Box 4.2 TAFE institutes and competitive tendering

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

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

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

*Source:* HRSCEET (1998).

## 4.2 Policy developments in vocational education and training

As part of the planning and accountability arrangements for the national VET system, Ministers agreed in June 2001 to five national priorities for 2002. These priorities are:

- *A quality national training system that provides value for money.* The aim of this priority is to achieve quality outcomes in a cost effective way which would include the implementation of national training arrangements within the National Training Framework. Quality assurance and risk management processes will underpin the success in this area while States and Territories will contribute to improvements in national consistency, having regard to their own priorities.
- *Industry commitment to skill development.* The aim of this strategy is to foster a learning culture within enterprises, to increase industry participation and investment in training to add to the existing skill base, and to expand the New Apprenticeships program.
- *Individuals as learners.* Ministers agreed to target products and services to meet learner needs, increase opportunities and improve outcomes for targeted groups. There will also be a focus on increasing the pathways for VET learners, consistent with the National Training Framework. Pathways in VET include



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learning opportunities in the workplace as well as off-the-job and VET programs in schools, facilitated by using different modes of delivery.

- *VET professionalism.* Ministers agreed that one of the priorities would be to build the capabilities of VET professional staff.
- *Support for regional development.* This involves targeting skill development to meet the needs of local enterprise, small business and communities.

The above priorities will apply in 2002 in respect of the National Strategy for Vocational Education and Training 1998–2003. These Annual National Priorities are the same as for 2001. The timeframe for the establishment of the new ANTA Agreement in 2000 did not allow for the development of new Annual National Priorities for 2002.

### 4.3 Framework of performance indicators

The framework of performance indicators for VET used in this Report (figure 4.3) is built around a set of shared VET objectives (box 4.3). The performance indicators reflect the national VET objectives — for example, participation by target groups is a measure of access to VET; overall employer satisfaction with VET is a measure of the preparedness of VET graduates for work; and recurrent expenditure per adjusted annual curriculum hour is an indicator of the extent to which the value of public VET expenditure is maximised.

#### Box 4.3 Objectives for VET services

Ministers agreed in 1997 on four objectives for VET services:

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

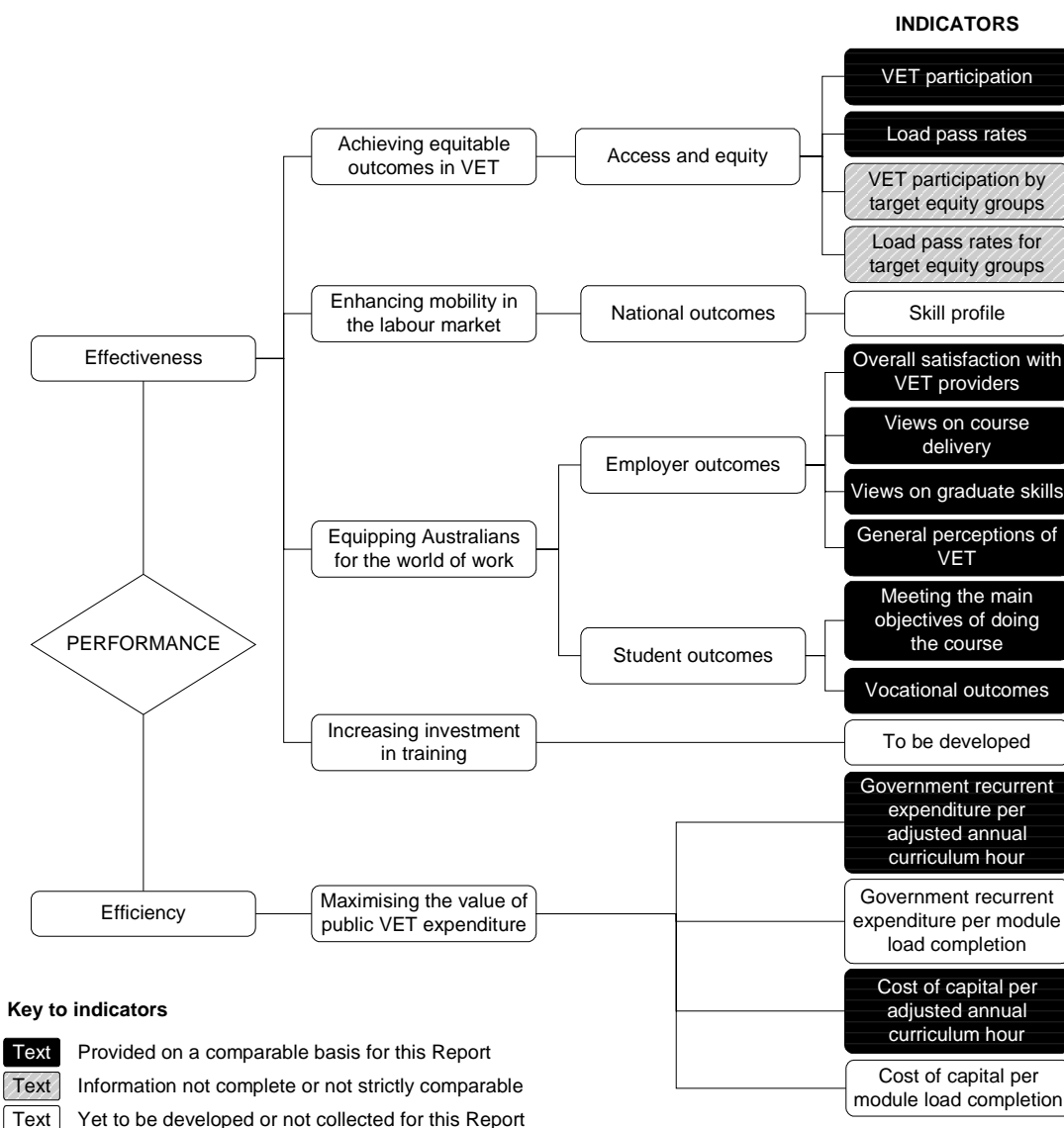
A fifth objective — to increase investment in training — was added in early 1998.

*Source:* ANTA (1998).

The performance indicator framework shows which data are comparable in the 2003 Report (figure 4.3). For data that are not considered strictly comparable, the text includes relevant caveats and supporting commentary. Chapter 1 discusses data comparability from a Report-wide perspective (see section 1.6).

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

Figure 4.3 Performance indicators for VET services<sup>a</sup>



**Key to indicators**

- Text** Provided on a comparable basis for this Report
- Text** Information not complete or not strictly comparable
- Text** Yet to be developed or not collected for this Report

<sup>a</sup> The depicted relationship between the performance indicators and objectives for VET is imperfect. In some cases, the performance indicators may relate to more than one of the objectives for VET (for example, the indicator 'Meeting the main objectives of doing the course' also reports on results for target groups that fall under the equity objective, and the access and equity indicators also relate to the objective of enhancing mobility in the labour market).

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## 4.4 Key performance indicator results

The effectiveness and efficiency of VET services may be affected by different delivery environments, locations and types of clients. Appendix A contains detailed statistics and short profiles on each State and Territory, which may help in interpreting the performance indicators presented in this chapter.

### Access and equity

A key national goal of the VET system is to increase opportunities and outcomes for disadvantaged groups. The 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. This section provides data on the extent to which these equity groups have access to, and achieve successful outcomes in, the publicly funded VET system.

#### *VET participation*

The extent of VET participation provides an indicator of access to the VET system. This section reports on participation for the general population, and the ANTA-designated equity groups.

The number of people participating in VET nationally in 2001 was just over 1.6 million (8.5 per cent of the general population). Within the working age population (15–64 year olds), just over 1.5 million (11.8 per cent) participated in VET. Participation rates for 15–64 year olds were highest in the NT (13.8 per cent) and lowest in the ACT (8.6 per cent). Young people (15–24 year olds) comprised 36.4 per cent of all VET students. This age group had the highest VET participation rate of 21.8 per cent (table 4A.7).

#### *VET participation by target equity groups*

The VET participation of target equity groups, compared with their representation in the general population, may reflect the effectiveness of current strategies to increase access to VET for disadvantaged groups.

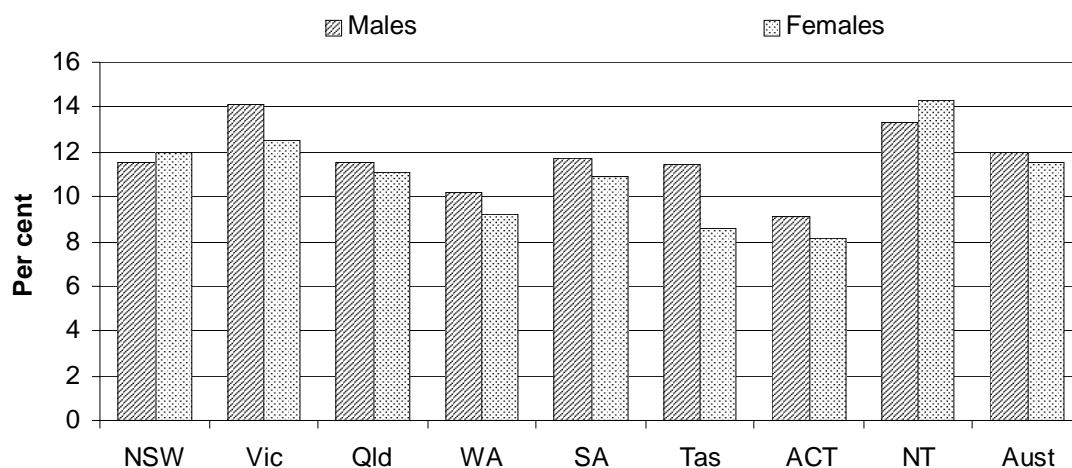
Care needs to be taken in interpreting the participation data presented for Indigenous people, people with a disability and people from a non-English speaking background because the data are dependent on self identification at the time of enrolment, and the number of nonresponses (that is, students who did not indicate

whether or not they belonged to these groups) was high and varied across jurisdictions.

### Females

Traditionally, males have had a higher VET participation rate than females. Nationally, this pattern continued in 2001, with 12.0 per cent of 15–64 year old males participating in VET compared to 11.5 per cent of females in the same age group. However, in NSW and the NT, the female participation rate was higher than the male rate (figure 4.4).

Figure 4.4 VET participation rates for people aged 15–64 years, by gender 2001<sup>a, b</sup>



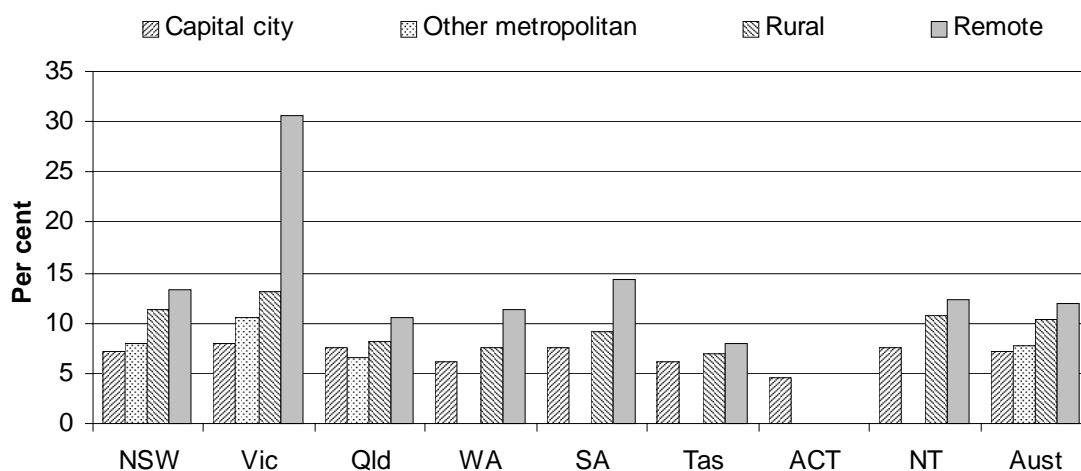
<sup>a</sup> In 2001, some jurisdictions introduced a new reporting regime — enrolment activity end date reporting. This may cause a break in the series on student numbers in these jurisdictions. <sup>b</sup> The participation rates for males and females are different from those reported in ANTA (2002) because the rates reported here are calculated using data from ABS (2002a).

Source: National Centre for Vocational Education Research (NCVER) (unpublished); Australian Bureau of Statistics (ABS) (2002a); table 4A.8.

### People from rural and remote areas

Nationally, the participation rate for people from remote areas was higher than for those from other geographic regions. The rate was highest in Victoria (30.7 per cent) and lowest in Tasmania (8.0 per cent). The participation rate for people from rural areas ranged from 13.2 per cent in Victoria to 6.9 per cent in Tasmania (figure 4.5). Employment opportunities and the availability of other education services in rural and remote areas may affect the level of VET participation in these areas.

Figure 4.5 VET participation rates by region, 2001<sup>a, b, c</sup>



<sup>a</sup> In 2001, some jurisdictions introduced a new reporting regime — enrolment activity end date reporting. This may cause a break in the series on student numbers in these jurisdictions. <sup>b</sup> For WA, SA, Tasmania and the NT the number of students from other metropolitan areas is too small to calculate meaningful rates. <sup>c</sup> For the ACT, the number of students from other metropolitan and rural is too small to calculate meaningful rates. There are no people in remote areas in the ACT.

Source: NCVET (unpublished); table 4A.9.

### Indigenous people

The proportion of VET students who identified as Indigenous ranged from 41.3 per cent in the NT to 0.9 per cent in Victoria. The proportion of VET students who identified as Indigenous was greater than the proportion of Indigenous people in the population in all jurisdictions except Tasmania and the ACT, where the two rates were similar (table 4.1).

Table 4.1 VET participation by Indigenous status, 2001 (per cent)<sup>a</sup>

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Students reported as Indigenous	3.0	0.9	4.2	5.9	3.2	3.6	1.4	41.3	3.3
Students reported as non-Indigenous	77.0	85.3	80.5	62.3	78.8	86.4	95.6	55.0	79.1
Indigenous status not reported	20.0	13.8	15.3	31.8	18.0	10.0	3.0	3.7	17.6
Proportion of the Australian population reported as Indigenous <sup>b</sup>	2.1	0.6	3.5	3.5	1.7	3.7	1.3	29.1	2.4

<sup>a</sup> In 2001, some jurisdictions introduced a new reporting regime — enrolment activity end date reporting. This may cause a break in the series on student numbers in these jurisdictions. <sup>b</sup> The proportion of the Australian population reported as Indigenous differs from the data in ANTA (2002) because the figures reported here are calculated using ABS estimated residential indigenous population data (table A.7).

Source: ANTA (2002); ABS (unpublished); table 4A.10.

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### *People with a disability*

Nationally, 4.1 per cent of VET students identified themselves as having a 'permanent or significant disability'. Tasmania had the highest percentage of students reporting a disability (5.6 per cent) and WA the lowest (2.7 per cent) (table 4.2). In all jurisdictions, the percentage of VET students reporting a disability was below the percentage of people in the general population reporting a disability.

**Table 4.2 VET participation by disability status, 2001 (per cent)<sup>a, b</sup>**

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Students reported as having a disability	4.6	3.9	4.1	2.7	3.7	5.6	4.2	2.9	4.1
Students reported as not having a disability	75.6	90.1	95.9	62.6	75.7	83.4	92.1	87.1	82.7
Not reported	19.8	6.0	–	34.8	20.6	11.0	3.7	10.0	13.2
Proportion of the Australian population reported as having a disability <sup>c</sup>	19.3	18.0	19.9	19.5	22.4	22.3	17.2	13.3	19.3

<sup>a</sup> In 2001, some jurisdictions introduced a new reporting regime — enrolment activity end date reporting. This may cause a break in the series on student numbers in these jurisdictions. <sup>b</sup> Disabilities include visual/sight/seeing; hearing; physical; intellectual; chronic illness; and other disability. <sup>c</sup> Includes specific restrictions: core activity (that is, communication, mobility and self care) restrictions as well as schooling or employment restrictions. – Nil or rounded to zero.

Source: ANTA (2002), table 4A.11.

### *People from non-English speaking backgrounds*

Nationally, 12.1 per cent of VET students identified themselves as being from a non-English speaking country. The proportions ranged from 15.1 per cent in NSW to 4.1 per cent in Tasmania. The percentage of VET students identifying themselves as born in a non-English speaking country was below the percentage for this group in the general population for all jurisdictions (table 4.3).

The percentage of VET students speaking a language other than English at home ranged from 27.7 per cent in the NT to 2.2 per cent in Tasmania. The percentage of VET students identifying themselves as speaking a language other than English at home was below the percentage for this group in the general population for all jurisdictions except the NT (table 4.4).

**Table 4.3 VET participation by country of birth, 2001 (per cent)<sup>a</sup>**

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Students reported as being born in a non-English speaking country <sup>b</sup>	15.1	13.2	7.9	9.5	9.9	4.1	13.9	7.4	12.1
Students reported as being born in a main English speaking country <sup>c</sup>	65.8	68.4	81.8	57.1	73.6	92.1	71.2	86.6	70.1
Country of birth not reported	19.2	18.4	10.3	33.4	16.5	3.7	14.9	6.0	17.8
Proportion of the Australian population reported as being born in a non-English speaking country <sup>d</sup>	22.3	22.3	12.5	16.9	14.6	9.0	18.0	15.3	18.8

<sup>a</sup> In 2001, some jurisdictions introduced a new reporting regime — enrolment activity end date reporting. This may cause a break in the series on student numbers in these jurisdictions. <sup>b</sup> All countries other than the main English speaking countries. <sup>c</sup> The main English speaking countries are Australia, New Zealand, United Kingdom (England, Scotland, Wales, Northern Ireland, Channel Islands, Isle of Man), Ireland, Canada, United States of America and South Africa. <sup>d</sup> The proportion of the Australian population reported as being born in a non-English speaking country differs from the data in ANTA (2002) because the figures reported here are calculated using 2001 Census data.

Source: ANTA (2002); ABS (2002b); table 4A.12.

**Table 4.4 VET participation by language spoken at home, 2001 (per cent)<sup>a</sup>**

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Students speaking a language other than English at home	11.2	11.1	5.0	7.0	9.4	2.2	9.5	27.7	9.6
Speaking English at home	69.8	67.5	84.3	56.8	71.6	87.2	86.8	65.0	71.2
Language spoken at home not reported	19.0	21.5	10.7	36.2	19.0	10.6	3.8	7.3	19.1
Proportion of Australian population reported as speaking a language other than English at home <sup>b</sup>	19.0	20.0	7.1	11.3	11.8	3.1	13.6	22.8	15.2

<sup>a</sup> In 2001, some jurisdictions introduced a new reporting regime — enrolment activity end date reporting. This may cause a break in the series on student numbers in these jurisdictions. <sup>b</sup> The proportion of the Australian population reported as speaking a language other than English at home differs from the data in ANTA (2002) because the figures reported here are calculated using 2001 Census data.

Source: ANTA (2002); ABS (2002b); table 4A.13.

### *Load pass rate for the general student population*

Load pass rates report the extent to which students pass assessment in an assessable module or unit of competency. Care needs to be taken in comparing data because average module durations and standard of competencies achieved by students vary across jurisdictions. Load pass rates (the ratio of hours attributed to students who passed assessment in an assessable module or unit of competency to all students who were assessed and either passed, failed or withdrew) are provided in this section for all students and the ANTA-designated equity target groups. The calculation is based on the nominal hours supervised for each assessable module or unit of competency.

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Load pass rates in 2001 ranged from 87.3 per cent in SA to 70.4 per cent in the NT. Queensland, SA, Tasmania and the ACT reported rates above the national average (75.4 per cent) (table 4A.14).

#### *Load pass rate for target equity groups*

The load pass rates for target equity groups, relative to the load pass rates of the general student population, are a measure of the effectiveness of strategies to improve outcomes for disadvantaged groups.

The load pass rates for students from remote areas (72.3 per cent), Indigenous students (61.5 per cent), students reporting a disability (66.8 per cent) and students born in a non-English speaking country (71.2 per cent) or speaking a language other than English at home (69.8 per cent) were below the national average (75.4 per cent). The load pass rates achieved by female students (76.1 per cent) and students from rural areas (77.5 per cent) were above the national average. The load pass rates for all students were highest in SA, which also reported the highest load pass rates for all the target equity groups except people speaking a language other than English at home (Tasmania) and Indigenous students (the ACT) (table 4.5). Care needs to be taken in making jurisdictional comparisons of load pass rates for Indigenous students, students reporting a disability and students from non-English speaking backgrounds because of the high nonidentification rates for these groups (tables 4A.16, 4A.17, 4A.18 and 4A.19).



**Table 4.5 Load pass rates by target groups, 2001 (per cent)<sup>a</sup>**

	NSW	Vic	Qld	WA	SA	Tas	ACT <sup>d</sup>	NT	Aust
All people	74.2	74.9	75.6	71.5	87.3	79.4	78.3	70.4	75.4
Target groups									
Female students	74.7	76.1	76.5	71.7	87.5	81.0	81.4	69.3	76.1
Rural area students	74.4	78.7	77.8	74.2	91.2	77.8	..	72.4	77.5
Remote area students	74.1	81.9	72.9	69.4	92.0	79.2	..	68.1	72.3
Students who reported being Indigenous	60.0	56.4	64.7	56.1	72.1	69.9	74.1	62.6	61.5
Students who reported having a disability <sup>b</sup>	66.1	65.8	66.4	62.0	81.4	67.3	72.1	70.2	66.8
Students who reported being born in a non-English speaking country <sup>c</sup>	73.0	69.6	65.8	65.8	83.5	79.4	75.0	65.2	71.2
Students who reported speaking a language other than English at home	72.5	68.3	62.7	62.4	80.8	81.2	72.8	59.6	69.8

<sup>a</sup> For Victoria in 2001, nominal hours supervised have not been recorded for all units of competency and instead, scheduled hours have been used to calculate load pass rates. <sup>b</sup> Disabilities include visual/sight/seeing; hearing; physical; intellectual; chronic illness; and other disability. <sup>c</sup> All countries other than the main English speaking countries which are Australia, New Zealand, United Kingdom (England, Scotland, Wales, Northern Ireland, Channel Islands, Isle of Man), Ireland, Canada, United States of America and South Africa. <sup>d</sup> For the ACT, the number of students from rural areas is too small to calculate meaningful rates. There are no people in remote areas in the ACT. .. Not applicable.

Source: ANTA (2002); tables 4A.14, 4A.15, 4A.16, 4A.17, 4A.18 and 4A.19.

## Employer outcomes

Employer satisfaction is an important indicator of the quality of VET services. The National Centre for Vocational Education Research (NCVER) 2001 *Survey of Employer Views on Vocational Education and Training* obtained views on the VET system from 6821 employers in 17 different industries nationally. The survey covered employers across a range of workforce sizes, including small (1–19 employees), medium (20–99 employees) and large (100 or more employees).

The 2001 survey, like previous surveys, focused on the opinions of employers of recent VET graduates (those who have completed a VET course of at least 200 hours within the two years prior to the survey). To provide a more complete picture of employer opinions on VET, some data on the opinions of the wider employer community (those with non-recent and no VET graduates) were also collected. Of the 6821 employers surveyed, 3271 employed a recent VET graduate, 1050 a non-recent graduate and 2500 employed no VET graduates.

Employers of recent VET graduates were asked about their overall satisfaction with the VET sector, their views on skills of graduates and their views on course delivery. All employers were asked their general perceptions of VET, allowing a

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comparison of the views of employers of recent VET graduates with the view of the wider employer community.

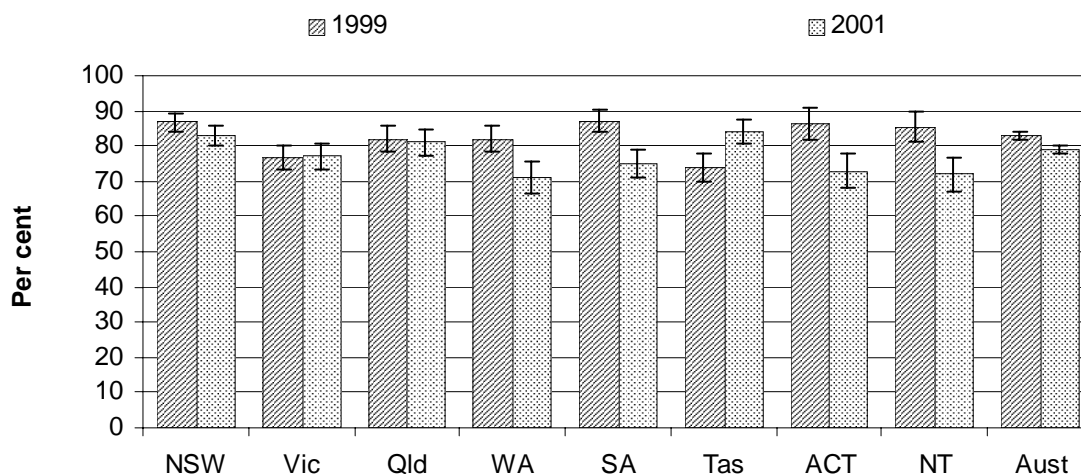
As the survey of employer views collects the opinions of a sample of employers, the results are only estimates of the opinions of the total employer population. The precision of estimates based on the survey depends on the survey sample size and the distribution of sample responses. Consequently, jurisdictional comparisons need to be made with care. The 95 per cent confidence intervals for the estimates are included in the figures and tables presenting the survey data. These confidence intervals can be used to test whether the estimates are statistically different between jurisdictions. When comparing the estimates, if the confidence intervals for the jurisdictions overlap, then there is no statistical difference detected between the estimates (at the 95 per cent confidence level). A discussion of the sampling method is provided in attachment 4A.

#### *Overall employer satisfaction with VET providers*

Like the 1999 survey, the 2001 survey (NCVER 2001a) asked employers to rate their 'overall satisfaction' with VET on a scale from one (very dissatisfied) to 10 (very satisfied). Employers rating their satisfaction as six or higher are classified by ANTA as 'satisfied'.

Nationally in 2001, 79 per cent of surveyed employers reported an overall satisfaction score of six or higher (compared to 83 per cent in 1999). The proportion of satisfied employers ranged from 84 per cent in Tasmania to 71 per cent in WA. Tasmania had a significant increase in the percentage of satisfied employers between 1999 and 2001, while WA, SA, the ACT and the NT reported a significant decrease over the same period (figure 4.6).

Figure 4.6 **Employers who ranked their satisfaction with VET providers as six or higher<sup>a, b, c</sup>**



<sup>a</sup> Only employers of recent VET graduates were surveyed on their overall satisfaction with VET providers. <sup>b</sup> Satisfaction is ranked on a 10 point scale where 1 = very dissatisfied and 10 = very satisfied. <sup>c</sup> The error bars in the chart represent the 95 per cent confidence interval associated with each point estimate.

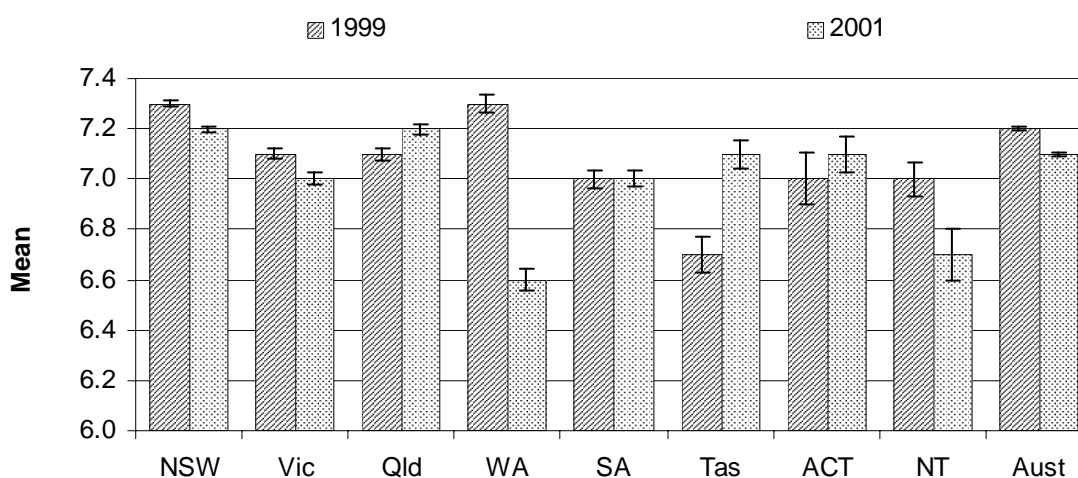
Source: NCVET (1999, 2001a); table 4A.20.

The national mean employer satisfaction in 2001 was 7.1, almost the same as the 1999 mean of 7.2. Mean employer satisfaction ranged from 7.2 in NSW and Queensland to 6.6 in WA. Tasmania reported the largest increase in mean employer satisfaction between 1999 and 2000, while WA reported the largest decrease in the same period (figure 4.7).

Mean satisfaction of surveyed employers showed little variation with industry size, with mean ratings of 7.1 for small and medium employers and 7.0 for large employers. However, the proportion of 'satisfied' employers was slightly lower for small employers (78 per cent) compared to the medium (81 per cent) and large employers (84 per cent) (table 4A.21).

The satisfaction of surveyed employers with the VET system varied across industries in 2001. Respondents from accommodation, cafes and restaurants, transport and storage, personal and other services, and wholesale trade were among the most satisfied with VET providers, while those from agriculture, forestry and fishing, and government administration and defence were the least satisfied (table 4A.22).

Figure 4.7 Mean satisfaction of employers<sup>a, b, c</sup>



<sup>a</sup> Only employers of recent VET graduates were surveyed on their overall satisfaction with VET providers. <sup>b</sup> Satisfaction is ranked on a ten point scale where 1 = very dissatisfied; 10 = very satisfied. <sup>c</sup> The error bars in the chart represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVET (1999, 2001a); table 4A.20.

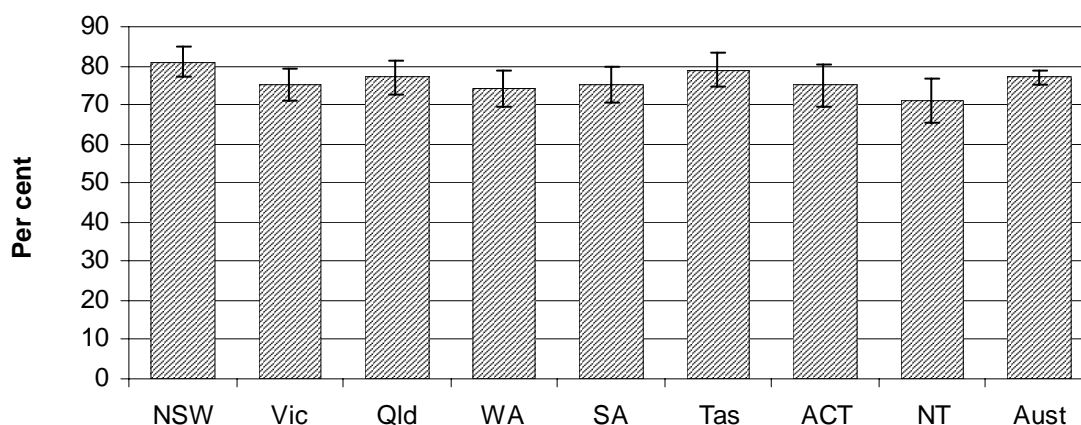
### Employer views on course delivery

Employers of recent VET graduates who had completed their course after commencing their current employment (sample of 2517 employers) were asked their views on course delivery. Employers were asked to rate the importance of a number of aspects of course delivery for their organisation (table 4A.23) as well as to nominate which of these aspects they would most like to see improved (table 4A.24). Employers were also asked to rate their satisfaction with each aspect of course delivery on a five point scale.

When asked their satisfaction with course delivery overall, 82 per cent of employers reported being 'very' or 'quite' satisfied (NCVER 2001a).

The 'relevance of course content' was the aspect of course delivery recognised as extremely important by the highest percentage of employers (48 per cent) (table 4A.23). It was also the aspect most frequently nominated as the highest priority for improvement (29 per cent) (table 4A.24). Despite this, the 'relevance of course content' was the aspect of course delivery for which the highest percentage of employers reported being 'satisfied' (77 per cent). NSW had the highest percentage of employers satisfied with the relevance of course content (81 per cent), while the NT had the lowest (71 per cent) (figure 4.8).

Figure 4.8 **Employers of recent VET graduates satisfied with the relevance of VET course content, 2001<sup>a, b, c</sup>**



<sup>a</sup> Only employers of recent VET graduates who had completed the course after commencing their current employment were surveyed on their views of course delivery. <sup>b</sup> Includes respondents who indicated that they were very satisfied or quite satisfied with relevance of VET course content. <sup>c</sup> The error bars in the chart represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVET (2001a); table 4A.25.

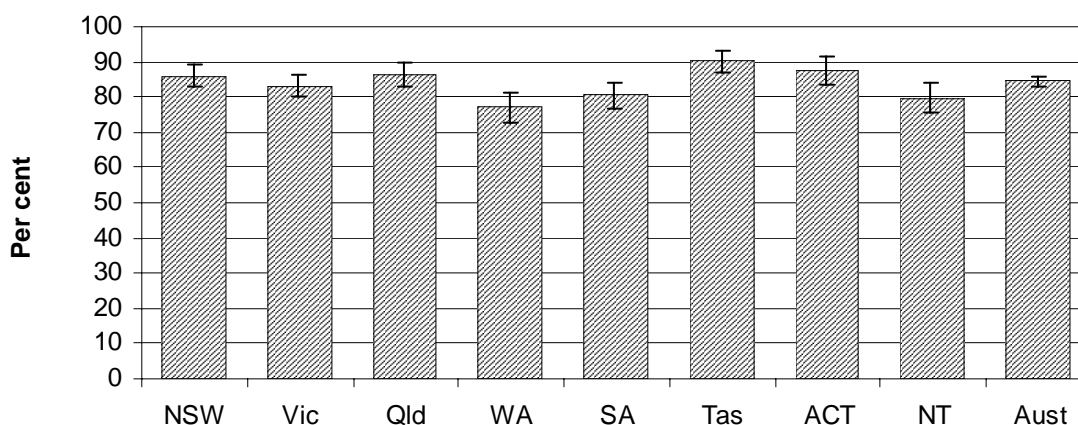
After the relevance of course content, surveyed employers were most likely to be satisfied with the balance between course theory and practice (71 per cent). Employers were least likely to be satisfied with teacher industry experience, with only 64 per cent of respondents indicating they were satisfied with this aspect of course delivery. Employers were slightly more satisfied with teacher ability, with 66 per cent of those surveyed indicating their satisfaction with this aspect of course delivery (table 4A.25).

### *Employer views on graduate skills*

Employers of recent VET graduates were asked their views on graduate skills. For each of the skills considered, employers were asked to rate on a four point scale the importance to their organisation that the graduates gained the skill (table 4A.26). Of the skills considered, it was also requested that employers nominate the one they believed was most in need of improvement (table 4A.27). Employers were also asked to rate their overall satisfaction with skills and their satisfaction with each skill on a five point scale (table 4A.28).

Nationally, 84 per cent of surveyed employers with recent VET graduates reported being satisfied with graduates' skills overall. Employers in Tasmania were the most likely to report being satisfied (90 per cent) while employers in WA were the least likely (77 per cent) (figure 4.9).

Figure 4.9 **Employers of recent VET graduates satisfied with graduates' skills overall<sup>a, b</sup>**



<sup>a</sup> Includes respondents who indicated that they were very satisfied or quite satisfied with graduates' skills overall. <sup>b</sup> The error bars in the chart represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVET (unpublished); table 4A.28.

Of the skills considered in the survey, employers were most likely to report satisfaction with graduates' practical job skills (75 per cent). Employers surveyed in Tasmania were the most likely to indicate they were satisfied with this skill (89 per cent), while employers in NSW were the least likely (69 per cent). The skills with which employers were least satisfied were graduates' problem solving skills (68 per cent) and computer skills (51 per cent) (table 4A.28), however, the low satisfaction with graduates' computer skills should be viewed in the context of the high proportion of employers not commenting on this skill (17 per cent) (NCVER 2001a) and the relatively low proportion of employers rating this skill as very or extremely important (45 per cent) (table 4A.26).

### *General perceptions of VET*

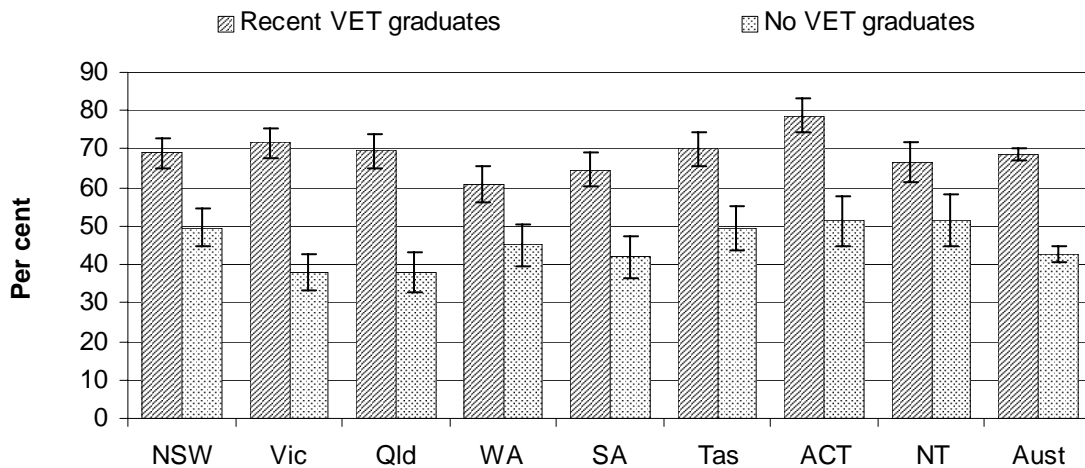
All surveyed employers were asked their level of agreement with certain statements about the VET system to ascertain their general perceptions. The survey focused on determining opinions on:

- qualifications compared to on-the-job skills;
- provision of practical skills through VET;
- employers' needs; and
- value for money.

The views of employers with recent VET graduates and those with no VET graduates are reported separately to allow for comparisons between the opinions of these two employer groups.

Employers of recent VET graduates were significantly more likely to agree that the VET system is providing graduates with skills appropriate to employer needs (68.7 per cent) than employers with no VET graduates (42.7 per cent). Of the employers with recent VET graduates, those in the ACT were the most likely to agree (78.7 per cent), while those in WA were the least likely (60.8 per cent) (figure 4.10).

Figure 4.10 **Employers who agree that the VET system is providing graduates with skills appropriate to employers' needs, 2001<sup>a, b</sup>**



<sup>a</sup> Includes employers who 'agree' or 'strongly agree' that the VET system is providing graduates with skills appropriate to employer needs. <sup>b</sup> The error bars in the chart represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVET (unpublished); table 4A.29:

There were similar levels of agreement among employers of recent VET graduates and employers with no graduates that 'the VET system needs to provide more practical job skills' and that 'training pays for itself through increased worker productivity'. However, there were significant differences across jurisdictions in the views of employers of recent VET graduates about the cost-effectiveness of training. Employers in the ACT were most likely to agree that training pays for itself (86.7 per cent), while employers in WA were the least likely (67.5 per cent). A higher proportion of employers with no VET graduates (72.6 per cent) agreed that 'on-the-job skills are more useful than skills obtained through formal education' than employers of recent VET graduates (63.2 per cent) (table 4A.29).

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## Student outcomes

The outcomes for VET graduates and module completers are an important indicator of the quality of the VET system. In 2001, ANTA commissioned NCVER to undertake the Student Outcomes Survey to ascertain training outcomes for students who completed at least one module of VET at TAFE institutes or universities in Australia in 2000.

The survey targeted students who graduated with a qualification from a course (graduates) and students who had successfully completed some training below the level of full qualification and who were no longer engaged in training at the time the survey was undertaken (module completers). The data collected about TAFE graduates and TAFE module completers describe their general characteristics, fields of study, employment outcomes, occupations, industries of employment, satisfaction with their course of study and further study outcomes.

Data collection for the 2001 survey involved the mailing of questionnaires to a randomly selected sample of graduates and module completers. The sample was stratified by TAFE institute, field of study, gender and age. Responses were received from 39 426 graduates and 30 128 module completers, resulting in national response rates of 52 per cent and 41 per cent respectively. Responses were weighted to population benchmarks to minimise nonresponse bias.

As the Student Outcomes Survey collects the opinions of a sample of students, the results are only estimates of the opinions of the total student population. The precision of estimates based on the survey depend on the survey sample size and the distribution of sample responses. Consequently, jurisdictional comparisons need to be made with care. The 95 per cent confidence intervals for the estimates are provided in the tables presenting the survey data. These confidence intervals can be used to test whether the estimates are statistically different across jurisdictions. When comparing the estimates, if the confidence intervals for the jurisdictions overlap, then there is no statistical difference detected between the estimates (at the 95 per cent confidence level).

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



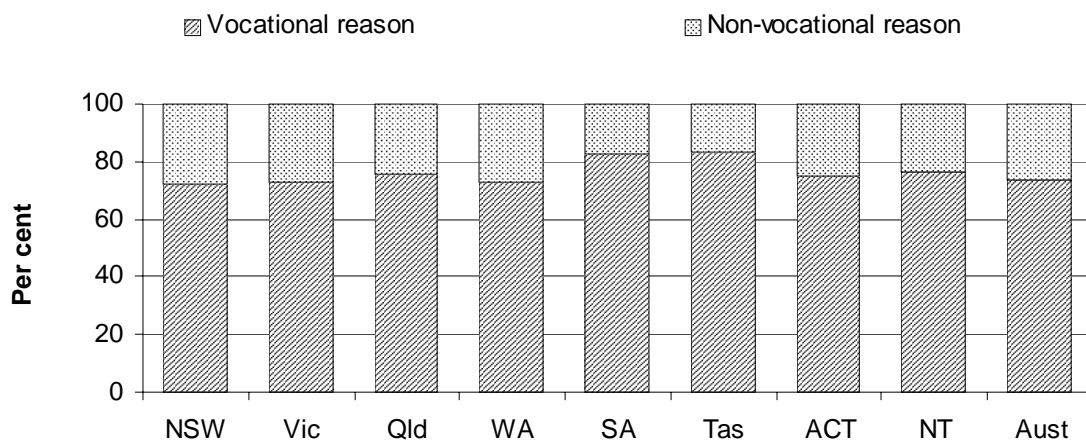
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### Main reason for undertaking VET course

The 2001 Student Outcomes Survey (NCVER 2001b) asked TAFE institute students who graduated in 2000 to nominate their main reason for undertaking a VET course. Nationally, 73.7 per cent of surveyed graduates indicated that they enrolled for vocational reasons (for example, to obtain a job or promotion). This proportion ranged from 83.4 per cent in Tasmania to 71.9 per cent in NSW (figure 4.11).

Figure 4.11 **TAFE graduates' main reason for undertaking a VET course, 2001<sup>a</sup>**

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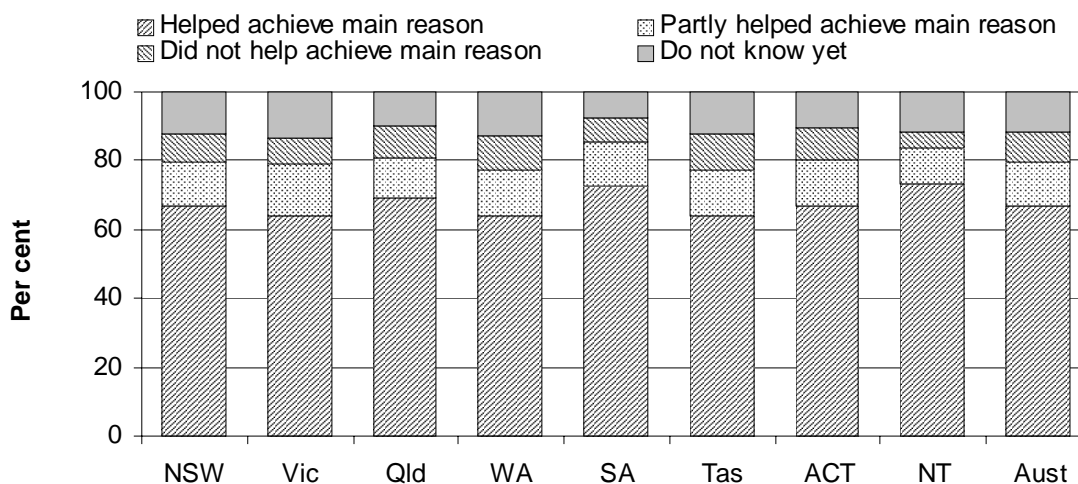
<sup>a</sup> The 95 per cent confidence intervals for these estimates can be found at table 4A.30.

Source: NCVER (unpublished); table 4A.30.

### Meeting the main objectives of doing a VET course

Nationally, 79.9 per cent of graduates indicated that the VET course helped or partly helped them achieve their main reason for doing the course. The proportion ranged from 85.3 per cent in SA to 77.2 per cent in WA (figure 4.12). Of graduates from ANTA-designated equity target groups, those from remote areas were more likely to indicate the course helped or partly helped them achieve their main reason for doing the course (87 per cent), and graduates reporting a disability were the least likely (69 per cent) (table 4A.32).

**Figure 4.12 Whether VET course helped TAFE institute graduates achieve their main reason for doing the course, 2001<sup>a</sup>**



<sup>a</sup> The 95 per cent confidence intervals for these estimates can be found at table 4A.31.

Source: NCVET (unpublished); table 4A.31.

### *Vocational outcomes of VET graduates*

Of the surveyed TAFE institute graduates who were unemployed before the course and took the course for vocational reasons, 49.1 per cent indicated that they were employed after the course (table 4.6). Of those graduates employed prior to the course who undertook the course for vocational reasons, 89.7 per cent were still employed after the course (table 4.7). Jurisdictional comparisons of employment outcomes need to be made with care because of the high standard errors associated with these survey estimates. Any comparisons need to also take into account the general economic conditions in each jurisdiction (appendix A).

**Table 4.6 Labour force status after the course of graduates who were unemployed prior to the course and took the course for vocational reasons, 2001 (per cent)<sup>a</sup>**

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas<sup>b</sup></i>	<i>ACT<sup>b,c</sup></i>	<i>NT</i>	<i>Aust</i>
Employed	47.4 (5.7)	50.0 (6.4)	46.9 (6.6)	51.3 (8.6)	65.1 (11.9)	57.2 (14.6)	59.9 (23.5)	na	49.1 (1.5)
Unemployed	35.8 (6.9)	35.6 (6.1)	37.9 (6.4)	31.5 (7.9)	25.5 (10.9)	28.9 (13.4)	22.1 (19.9)	na	35.2 (1.5)
Not in labour force	15.9 (4.1)	14.0 (4.4)	14.0 (4.6)	16.6 (6.4)	8.0 (6.8)	13.2 (10.0)	18.0 (18.4)	na	14.8 (1.1)

<sup>a</sup> The standard errors corresponding to a 95 per cent confidence interval for the percentage estimate are reported in parentheses below the estimate. <sup>b</sup> The estimates for graduates not in the labour force for Tasmania and for graduates unemployed for the ACT have relative standard errors between 25 and 50 per cent and need to be used with caution. <sup>c</sup> The estimate for graduates not in the labour force has a relative standard error greater than 50 per cent and is considered too unreliable for general use. **na** Not available (data from the NT are not published due to the high standard errors associated with the estimates).

Source: NCVER (unpublished); table 4A.33.

**Table 4.7 Labour force status after the course of graduates who were employed prior to the course and took the course for vocational reasons, 2001 (per cent)<sup>a</sup>**

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas<sup>b</sup></i>	<i>ACT<sup>b</sup></i>	<i>NT<sup>c</sup></i>	<i>Aust</i>
Employed	89.5 (1.6)	90.1 (1.7)	89.5 (1.9)	87.8 (2.4)	92.8 (2.4)	91.2 (4.6)	91.7 (5.1)	94.0 (6.1)	89.7 (0.4)
Unemployed	5.6 (1.2)	5.4 (1.3)	5.5 (1.4)	6.9 (1.9)	3.4 (1.7)	4.5 (3.3)	3.7 (3.5)	2.1 (3.7)	5.5 (0.3)
Not in labour force	4.7 (1.1)	4.3 (1.2)	4.8 (1.3)	5.1 (1.6)	3.6 (1.7)	4.1 (3.2)	4.7 (3.9)	3.4 (4.6)	4.6 (0.3)

<sup>a</sup> The relative standard errors corresponding to a 95 per cent confidence interval for the percentage estimate are reported in parentheses below the estimate. <sup>b</sup> The estimates for graduates unemployed and not in the labour force for Tasmania and the ACT have relative standard errors between 25 and 50 per cent and should be used with caution. <sup>c</sup> The estimates for graduates unemployed and not in the labour force have relative standard errors greater than 50 per cent and are considered too unreliable for general use.

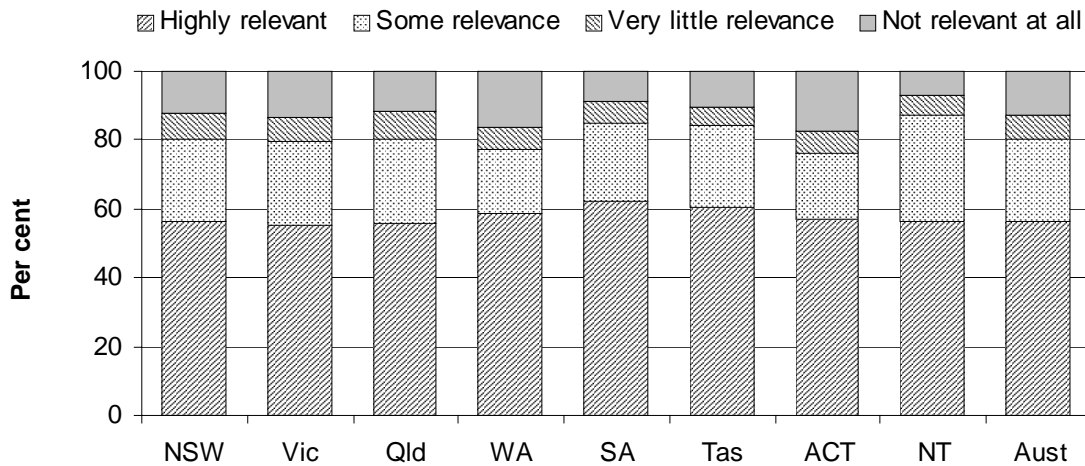
Source: NCVER (unpublished); table 4A.34.

Of the employed TAFE institute graduates who undertook the course for vocational reasons, 80.2 per cent reported the course was highly relevant or of some relevance to their main job. The proportions ranged from 87.0 per cent in the NT to 76.3 per cent in the ACT (figure 4.13).

Nationally, 68.4 per cent of graduates who undertook their course for vocational reasons reported at least one work-related benefit from completing the TAFE course. The benefits reported by graduates include 'obtained a job' (30.0 per cent); 'increase in earnings' (28.8 per cent); 'promotion' (21.3 per cent) and 'change of job' (19.2 per cent) (graduates were able to report more than one benefit). In

Queensland, the proportion of graduates citing at least one benefit was significantly below the national average (figure 4.14).

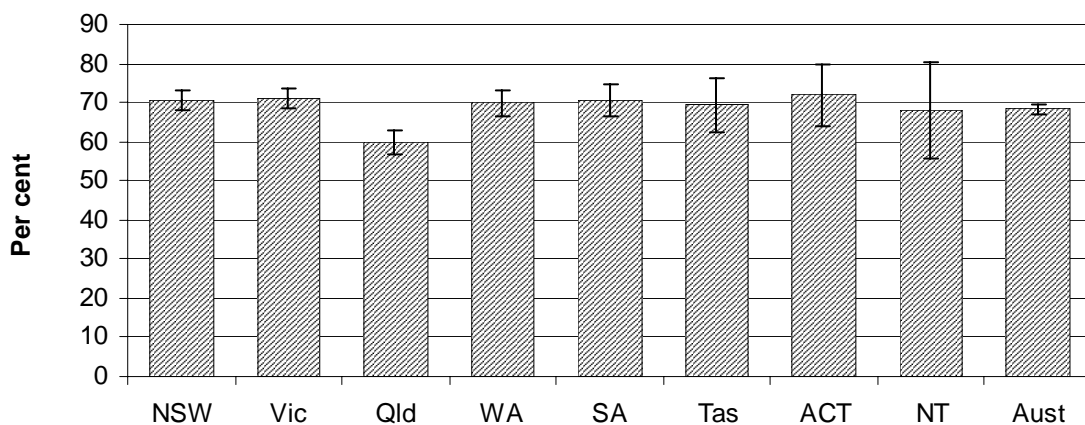
**Figure 4.13 Employed TAFE institute graduates who undertook their course for vocational reasons — relevance of course to main job, 2001<sup>a</sup>**



<sup>a</sup> The 95 per cent confidence intervals for these estimates can be found at table 4A.35.

Source: NCVET (unpublished); table 4A.35.

**Figure 4.14 TAFE institute graduates who undertook their course for vocational reasons who received at least one work related benefit from completing the course, 2001<sup>a</sup>**



<sup>a</sup> The error bars in the chart represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVET (unpublished); table 4A.36.

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## Efficiency

Over the period of the current ANTA agreement (2001–2003), States and Territories have reaffirmed their commitment to maximising the value of public expenditure on VET and have agreed to achieve improved efficiency levels (ANTA 2002). An indicator of efficiency is the level of government inputs per unit of output (unit cost). The unit cost indicator reported here is recurrent cost per annual curriculum hour. Recurrent cost per government funded successful module load completion has been reported as an efficiency indicator in past reports, but is not reported this year because of data collection issues. ANTA has revised its data collection method for this measure and the 2002 financial year data will be available for next year's Report.

The factors that have the greatest impact on efficiency include:

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

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. The user cost of capital is 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 otherwise be used to provide other services or to retire debt. Not reporting the user cost of capital underestimates the cost to government of service provision (box 4.4).

The Steering Committee has adopted a nominal user cost of capital rate of 8 per cent, although the actual rate may vary across jurisdictions. The basis for the 8 per cent capital charge is discussed in chapter 2.

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#### Box 4.4      **Comparability of cost estimates**

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

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

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

*Source:* SCRCSSP (1998, 1999).

#### *Unit cost — government expenditure per hour of delivery*

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

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

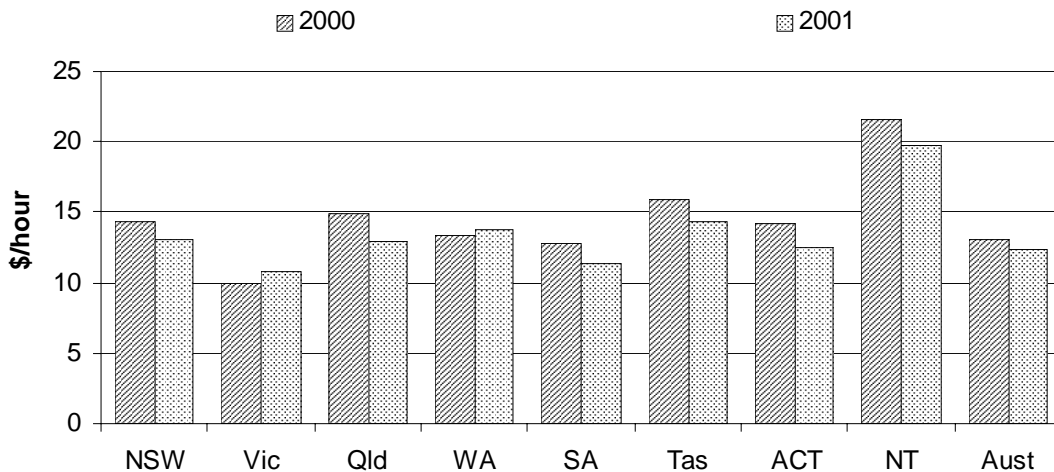
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<sup>2</sup> Other unaccounted external influences on the unit cost of VET provision include the population density and the provision of VET for disadvantaged groups (see appendix A).

Recurrent expenditure per adjusted annual curriculum hour of government funded VET programs in 2001 ranged from \$19.73 in the NT to \$10.75 in Victoria. Only Victoria and SA reported unit costs below the national average of \$12.42. Nationally, real recurrent expenditure per adjusted annual curriculum hour fell between 2000 and 2001, with Victoria and WA the only jurisdictions to report a real increase in this period (figure 4.15).

The full cost of VET service delivery includes both the cost of capital and recurrent costs. 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 cost of capital for land is presented separately from other assets to allow users to consider any differences in land values among jurisdictions when assessing the results (table 4.8).

Figure 4.15 **Government real recurrent expenditure per adjusted annual curriculum hour (2001 dollars)<sup>a</sup>**



<sup>a</sup> The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate based on the ACT payroll tax rate has been included in the expenditure data. The payroll tax estimate has increased real recurrent government VET expenditure per adjusted annual curriculum hour in the ACT by \$0.55 in 2000 and by \$0.47 in 2001.

Source: ANTA (2002); NCVET (2002b); table 4A.37.

**Table 4.8 Cost of capital, 2001 (\$ million)<sup>a</sup>**

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Cost of capital for non-current physical assets									
Land	25.0	22.6	9.7	6.6	2.8	0.7	0.6	0.4	68.4
Buildings	127.6	86.7	55.3	33.2	26.9	8.3	8.9	9.8	356.5
Plant, equipment and motor vehicles	6.5	9.9	5.9	2.4	3.5	0.9	0.3	0.6	30.0
Other	0.3	1.1	–	0.4	2.2	1.5	0.1	–	5.6
<b>Total</b>	<b>159.4</b>	<b>120.2</b>	<b>70.9</b>	<b>42.5</b>	<b>35.5</b>	<b>11.3</b>	<b>9.7</b>	<b>10.8</b>	<b>460.4</b>

<sup>a</sup> Totals may not add as a result of rounding. – Nil or rounded to zero.

Source: NCVER (2002b); table 4A.38.

The total cost of government owned capital per adjusted annual curriculum hour varied across jurisdictions in 2001, ranging from \$2.99 in the NT to \$1.58 in Victoria and Queensland. Excluding land assets, the government cost of capital per adjusted annual curriculum hour in 2001 ranged from \$2.87 in the NT to \$1.28 in Victoria (table 4.9).

**Table 4.9 Cost of capital per adjusted annual curriculum hour, 2000<sup>a</sup>**

	<i>Unit</i>	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Adjusted annual curriculum hours										
	million	98.0	75.2	44.6	24.8	21.2	5.5	5.6	3.6	278.6
Cost of capital per adjusted annual curriculum hour										
Land	\$	0.26	0.30	0.22	0.26	0.13	0.12	0.10	0.12	0.25
Buildings	\$	1.33	1.14	1.23	1.28	1.27	1.46	1.64	2.70	1.28
Plant, equipment and motor vehicles	\$	0.07	0.13	0.13	0.09	0.17	0.16	0.05	0.16	0.11
Other	\$	–	0.01	–	0.01	0.10	0.26	0.01	–	0.02
<b>Total</b>	<b>\$</b>	<b>1.67</b>	<b>1.58</b>	<b>1.58</b>	<b>1.65</b>	<b>1.67</b>	<b>2.01</b>	<b>1.80</b>	<b>2.99</b>	<b>1.65</b>

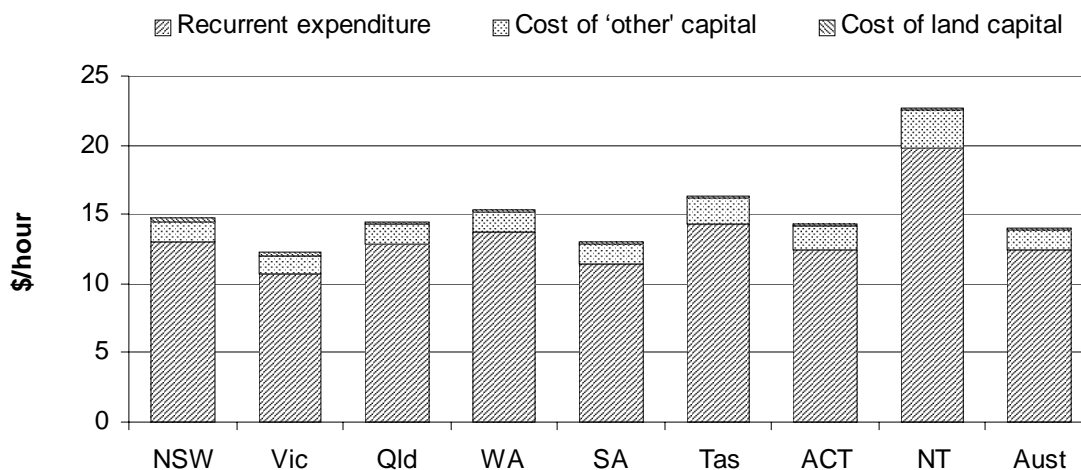
<sup>a</sup> Totals may not add as a result of rounding. – Nil or rounded to zero.

Source: ANTA (2002); NCVER (2002b); table 4A.38.

The national full cost to government of funding VET per adjusted annual curriculum hour in 2001 was \$14.07 (recurrent cost of \$12.42, plus cost of land of \$0.25, and cost of ‘other’ capital of \$1.41). Across jurisdictions, the full cost per adjusted annual curriculum hour ranged from \$22.72 in the NT to \$12.33 in Victoria (figure 4.16). Care needs to be taken in interpreting these results because the asset data used to calculate cost of capital are not as reliable as the recurrent cost data.



Figure 4.16 **Total government VET costs per adjusted annual curriculum hour, 2001<sup>a, b</sup>**



<sup>a</sup> The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate based on the ACT payroll tax rate has been included in the expenditure data presented. The payroll tax estimate has increased real recurrent government VET expenditure per adjusted annual curriculum hour in the ACT by \$0.47 in 2001. <sup>b</sup> 'Other' capital includes buildings, plant, equipment and motor vehicles and other capital.

Source: ANTA (2002); NCVET (2002b); table 4A.39.

## 4.5 Future directions in performance reporting

### Indicator development

Work is continuing on improvements to the VET output measures that encapsulate the diversity of the VET system. Although in-principle agreement to a standardised output measure for measuring all VET outputs on a single scale has been reached, an approach to implementation is still to be developed.

In the past, pilot studies that assess the outcomes achieved by students who participate in training outside of the publicly owned TAFE institutes were undertaken by NCVET. Currently, the results from these pilot surveys are not sufficiently robust to allow reporting of results. An approach to capturing outcomes from the private provider sector will be reconsidered in the near future. The implementation of a new accountability framework for VET infrastructure commenced in 2001. This framework includes three performance indicators:

- public expenditure per publicly funded output (incorporating both the recurrent and user cost of capital components);

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- ratio of operating and maintenance costs to capital value (including the value of the maintenance backlog); and
  - a measure of the utilisation of infrastructure.

It is anticipated that full implementation, including national reporting against these performance indicators, will be achieved by 2003 in time for the 2004 Report.

Work by ANTA on improving reporting on the user cost of capital component of the unit cost of publicly funded VET is continuing. The intention is for this to be available for reporting in 2003.

The ABS will conduct a survey of employer training expenditure and practices known as the Training Expenditure Survey in 2002. The results will inform a number of key performance measures and are expected to be available in April 2003.

A new national strategy for the VET system for the period 2004–2010 is under development. It is anticipated that a new series of key objectives for the VET system will emerge, and that as a result the key performance measures will be reviewed in 2003.

## **4.6 Jurisdictions' comments**

This section provides comments from each jurisdiction on the services covered in this chapter. Appendix A contains data which may assist in interpreting the performance indicators presented in this chapter. These data cover a range of demographic and geographic characteristics, including age profile, geographic distribution of the population, income levels, education levels, tenure of dwellings and cultural heritage (such as Indigenous and ethnic status).

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## New South Wales Government comments

“ NSW provides more than one-third of the vocational education and training (VET) in Australia. The number of training hours continues to increase each year. In 2001, 133.3 million hours of training were delivered throughout NSW, almost three quarters of which was provided by TAFE and other government providers. This is an increase of around 17.5 million hours (or 15 per cent) over the number of hours delivered in NSW in 2000. In comparison, the average national growth in the number of hours delivered in Australia for the same period was 13.5 per cent.

The unit cost of VET delivery in NSW continued to show increases in efficiency by decreasing from \$14.41 in 2000 to \$13.03 in 2001. This equates to a reduction of 9.6 per cent compared to the national average reduction in unit costs of only 5.3 per cent. The chapter reports the full cost of VET service delivery by combining both the cost of capital and recurrent costs. NSW had a total VET cost of \$14.70 per adjusted annual curriculum hour compared to the national average of \$14.07. The inclusion of cost of capital is an important first step toward a picture of total government VET costs. Future work may also need to focus on issues such as the difference in the fee-for-service policy between the States and its effect on unit costs.

Results from the *2001 National Survey of Employer Views on Vocational Education and Training* show that NSW continues to have high rates of employer satisfaction with the provision of vocational education in this State. NSW, had the equal highest mean (7.2) employer satisfaction score in the 2001 survey.

TAFE NSW continued to improve enrolment rates for target groups with an increase in enrolments of Indigenous, non-English speaking background, students with disabilities and students from rural areas of 9.5 per cent, 10.4 per cent, 17.5 per cent and 9.8 per cent respectively. To support this growth, more than \$18 million is being provided over four years for the expansion of TAFE NSW scholarships and to target students at risk.

As part of the expansion of the business arrangements of TAFE NSW, TAFE GLOBAL commenced operations in 2001. During this first year of operation, 35 new contracts were signed in countries such as China, Hong Kong, Korea and South Africa. A particular noteworthy achievement during the year was the award of a \$2 million contract with Greece for TAFE GLOBAL to assist in the development of training programs for the 2004 Athens Olympic and Paralympic Games.

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### Victorian Government comments

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In 2001, 19 Victorian TAFE institutions (including five TAFE divisions within universities) and over 1100 other Registered Training Organisations provided approximately 486 000 students with almost 104 million student contact hours of vocational education and training. This represented an increase of 8 per cent on 2000 delivery.

When personal enrichment programs are included, almost 107 million student contact hours were delivered to over 579 000 students.

TAFE institutions delivered over 63.4 million government funded hours, an increase of 4 per cent on 2000. The remaining 16.8 million government funded student contact hours were delivered by adult community education and private registered training organisations.

In the 2001-2002 Budget, \$83.9 million was allocated to build on the substantial construction, upgrade and maintenance program for training and further education. More than half these projects were in regional Victoria.

In June 2002, the Government released a comprehensive plan for addressing Victoria's future skills requirements. *The Ministerial Statement on Knowledge and Skills for the Innovation Economy* sets out future directions for the Victorian VET system. The Statement draws on and complements the program of activities and policies across Government, within the Growing Victoria Together framework, to support the development of Victoria as an innovation economy.

The Ministerial Statement will reposition Victoria's VET system to support the achievement of the Government's goals and targets for education and training. It will also support the Government's commitment to building a competitive, innovative and connected business environment. The Statement includes commitments to:

- reinvigorate TAFE to ensure that it has a highly-skilled workforce and provides innovative and relevant training for individuals and firms in an innovation economy;
- develop new VET products to meet the generic skill needs of individuals and firms, meet new and emerging skill needs, value local customised responses and improve learning pathways; and
- implement a coordinated development of lifelong learning by linking vocational education and training — and the benefits of its close association with industry — to adult community education, schools and universities.

The Statement also referred two key issues to the Victorian Learning and Skills Commission for further advice:

- how to determine priorities for public expenditure on VET in an innovation economy; and
- how to secure long-term sustainable financing arrangements for VET.

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## Queensland Government comments

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Queensland's vocational education and training system aims to provide maximum opportunities for the growth and development of individuals, industries and regions. A current focus for the vocational education and training system is building pathways between learning and employment opportunities for all Queenslanders, particularly young people. Underpinning this challenge is a commitment to strong collaborative partnerships and relationships with industry, community and other key stakeholders.

In 2001, *Skilling Queensland 2001–2004* — the strategy for the State's vocational education and training system — was developed. The strategy sets the agenda for collaboration between stakeholders and provides a clear direction for efforts by the system to provide skills for the current and emerging Queensland workforce.

In 2001, a total of 320 400 students participated in publicly funded training in Queensland across 485 provider locations.

Queenslanders' participation in apprenticeships and traineeships continues to grow. The number of apprentices and trainees commencing training in Queensland reached 42 550 in 2001 compared with 36 150 in 2000. At the end of 2001, there were 529 apprenticeships and traineeships available from Training Packages, including many areas not previously available, such as seafood, caravans, floristry and food processing.

Queensland's young people were the focus of much attention in 2001. Collaboration was promoted among agencies to expand existing pathways and to support young people making the transition from education to work. The school and vocational education and training systems explored new models for delivery and maximised the use of existing resources and facilities. Educational precincts incorporating schools, TAFE institutes and universities proved extremely successful in rural, regional and metropolitan areas of the State. These precincts offer more pathways for young people and an alternative to leaving school early and becoming at risk of disengaging from the community.

Rigorous audit arrangements have focused on the continuous improvement of registered training organisations and have strengthened the quality of vocational education and training in Queensland. A total of 1 066 audits were conducted under the Australian Recognition Framework in 2001. Continuous improvements have added more value, improved sustainability and resulted in a high level of stakeholder satisfaction.

Queensland maintains its commitment to skilling Queenslanders for jobs and to building the social and economic capacity of communities through vocational education and training.

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### Western Australian Government comments

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During 2002 approximately \$244 million worth of training will be funded in WA. This includes \$220 million provided to TAFE colleges for delivery under College Training Profiles and further \$24 million allocated under competitive arrangements. In addition \$38.6 million will be provided for the accredited training component of more than 19 300 apprenticeships and traineeships, including 4 131 apprentices and trainees employed by 31 Group Training Schemes. Approximately 25 million student curriculum hours of training and 120 000 course enrolments will be funded during the year.

The provision of VET services has been extensively reviewed throughout 2002 to ensure services and programs are appropriately targeted to meet the needs of all Western Australians and to reflect changes in Government priorities. The work has included Government-initiated reviews of the WA training sector, the Building and Construction Industry Training Council and an examination of the interface between the Department of Training and the Education Department.

Overall, these reviews have found the sector to be in good shape, having achieved significant successes over the past few years at a time of considerable pressure resulting from increases in demand for services.

Significant developments are already being implemented as a result of these Reviews and will continue to impact on the operations of the Department in 2002-03 and beyond. In consideration of these reviews and consistent with Government policy for VET, the Department of Training has set the following strategic priorities during 2002-03:

- Job growth: support the creation of new jobs and sustainable work through the provision of employment and VET services targeted at the current and future needs of industry and local communities.
- Young people: increase participation of 15–19 years olds in post-compulsory education and training and improve the transition of young people into the workforce.
- Community and industry participation: increase broad-based community and industry participation in decision making and priority setting for VET and employment.
- Quality and value: increase client confidence in the quality, effectiveness and value of VET.
- Lifelong learning and employability for all: increase access and pathways in education, training and employment for all and raise community awareness of the important relationship between training and employment.
- Indigenous employment and training: support of Aboriginal and Torres Strait Islander people in achieving employment and training outcomes equal to the rest of the community.

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### South Australian Government comments

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The South Australian vocational education and training (VET) system continues to operate efficiently and to play a significant role in providing industry with a skilled workforce and in improving the prospects of individuals. The Report highlights some of the achievements during 2001, including:

- improving efficiency performance of publicly funded VET with the unit cost per hour reducing from \$12.73 to \$11.36 and remaining significantly lower than the Australian average (\$12.42);
- maintaining the highest load pass rate in the country (87.3 per cent), which is considerably higher than the Australian average of 75.4 per cent;
- having a significant proportion (75 per cent) of employers of recent VET graduates who were satisfied with VET providers in the *2001 Survey of Employer Views on Vocational Education and Training*;
- reporting 92.8 per cent of recent TAFE graduates who were employed or in further study after their course — higher than the Australian average of 90.0 per cent;
- reporting 69.5 per cent of recent TAFE graduates who rated the quality of their TAFE training as eight or more on a 10 point scale — higher than the Australian average of 67.2 per cent;
- achieving the best employment outcomes in the country for recent TAFE graduates who were unemployed prior to the course and undertook the course for vocational reasons (65.1 per cent versus 49.1 per cent nationally);
- reporting 85.3 per cent of recent TAFE graduates who indicated that their VET course helped or partly helped them achieve their main aim for doing the course, which is higher than any other State or Territory.

Employers and TAFE graduates continue to indicate that TAFE provides high quality training that is responsive to the economic and social needs of the State. The South Australian Department of Further Education, Employment, Science and Technology endeavors to improve on the current service and performance of the VET system in the State by addressing the links between skills, employment, economic growth and social inclusion.

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## Tasmanian Government comments

“ This Report shows that Tasmania is maintaining good performance outcomes as the State continues its commitment to lifelong learning combined with a strong focus on integrating quality vocational education and training with state industry planning mechanisms, and meeting the needs of new industries and emerging technologies.

The Report highlights the progress made in the delivery of VET in Tasmania despite constraints specific to the State. The broad industrial base, with predominantly small businesses highly dispersed throughout the State and the small, widely dispersed population, require provision of a wide range of services to small groups of students in regional areas.

The State is meeting the challenge of the complexity and cost of maintaining high quality regional services and despite these and fiscal constraints, has increased participation and cost effectiveness, and demonstrated responsiveness to client needs. This Report shows:

- Tasmania's participation rate in VET continued to rise in 2001. The proportion of Tasmanians aged 15–64 participating in VET has risen consistently and at a greater rate than the national average.
- While the need to maintain the quality of the system and to service the diverse community militates against continued reduction in unit cost, the efficiency improvement achieved in the State's VET system is demonstrated by the unit cost (recurrent) of Tasmanian VET activity, which has reduced from \$20.15 per annual hour curriculum in 1997 to \$14.32 in 2001.
- There have been good employment outcomes for graduates with 57.2 per cent of graduates who were unemployed prior to training and who took the course for vocational reasons, employed following the course.
- 83 per cent of graduates in Tasmania cited vocational reasons as the main reason for undertaking their course compared with 74 per cent nationally.
- Tasmanian employers have the highest proportion (84 per cent) very satisfied or satisfied with VET providers and the highest level (90 per cent) satisfied with overall skills.

The Tasmanian Government is laying foundations for continuing strong performance through development of a post-compulsory education and training strategy to enable an integrated approach across education and training sectors and State Budget initiatives that support business development and wider access to VET.

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## ACT Government comments

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The ACT is strongly committed to increasing participation in vocational education and training as a means of business growth, employment development and diversification to enhance social and economic opportunities for its residents. The ACT plans and funds the delivery of VET to ensure that it is responsive to the needs of current and emerging industries.

In the context of other States and Territories, the economy and labour market of the ACT are unique. This has an impact on the uptake of VET qualifications, and on the range and level of qualification undertaken.

Forty-one per cent of employees in the ACT are at professional and associate professional levels, compared with 30 per cent nationally. The major employers — government and defence — have 25.9 per cent of the industry share (3.6 per cent nationally) while the proportion of small businesses is also above the national average by 8.2 per cent. Conversely, agriculture, forestry, fisheries, mining and manufacturing comprise only 2 per cent in the ACT compared with 21 per cent nationally. Together these factors result in:

- a higher proportion of people undertaking higher education qualifications;
- a smaller percentage of uptake of VET qualifications especially at lower qualification levels;
- an emphasis on qualifications at diploma/advanced diploma level; and
- a high number of VET higher education qualifications, especially graduate certificate and graduate diplomas.

The ACT has one public provider of technical and further education — the Canberra Institute of Technology. Of the other 105 registered training organisations in the ACT, 17 are government and non-government secondary colleges and 88 are government departments, private and community organisations. Of the total of 106, 88 are in receipt of government training funds.

Some of the key achievements in 2001 have been:

- continued improvement in efficiency with the real cost of training dropping from \$13.64 in 2000 to \$11.93 in 2001;
- continued increase in the uptake of school-based new apprenticeships from 111 in 2000 to 184 in 2001 (an increase of 65.7 per cent);
- load efficiency pass rates at 78.3 per cent, above the national average of 75.4 per cent;
- a high level of employer satisfaction with the skills of VET graduates 78.7 per cent, which is 10 per cent above the national average; and
- employers in the ACT recording a high satisfaction with investment in training, with 86.7 per cent agreeing that training pays for itself.

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### **Northern Territory Government comments**

“ With 1 per cent of Australia’s population spread over 17.5 per cent of Australia’s land mass, the NT faces unique challenges in the provision of vocational education and training (VET) to Territorians. Out of all States and Territories in Australia, the NT recorded the highest participation rate among 15–64 year olds in VET activities (13.8 per cent).

Indigenous people represent 25 per cent of the Northern Territory’s population, which accounts for the Northern Territory having the highest incidence of VET students (27.7 per cent), who speak a language other than English at home. Due to the high proportion of people living in remote areas of the NT, participation rates in VET courses among the remote population is one of the highest in Australia (12.8 per cent).

Due to its size and remoteness, the cost of delivering VET in the NT (\$511.2 per person) is higher than the Australian average (\$264.9 per person). The cost of recurrent expenditure per annual curriculum hour of government funded VET is also higher in the NT. A single annual curriculum hour in the Northern Territory costs an average of \$19.73 compared to a national average of \$12.42.

Even though Territory businesses have expressed satisfaction with both the VET providers in the NT and graduates from the VET system in the NT, the Northern Territory government is committed to ensuring “best practice” is followed in the provision of VET to Territory residents. To align the outcomes of VET even more closely with both the needs of industry and the directions of government, the Department of Employment, Education and Training has recently allocated funding to develop a NT specific labour market analysis. This analysis is intended to realise even greater numbers of Territorians achieving positive employment outcomes as a result of participating in VET.

Access to VET for all Territorians, whether they live in an urban, regional or remote area of the NT , is a major objective of the department. By combining this objective with a well researched and well documented labour market analysis, the Northern Territory Government aims to ensure that the community receives the best possible outcomes for the funding expended.

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## 4.7 Definitions

Table 4.10 Terms

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

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Table 4.10 (Continued)

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

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Table 4.10 (Continued)

<i>Term</i>	<i>Definition</i>
Non-English speaking background (by country of birth)	Born in a country other than the main English speaking countries which are Australia, New Zealand, United Kingdom (England, Scotland, Wales, Northern Ireland, Channel Islands, Isle of Man), Ireland, Canada, United States of America and South Africa.
Nonresponse rate	Proportion of VET students who did not respond to the relevant question.
Non-vocational program of study	Recreation, leisure and personal enrichment courses directed towards the encouragement and development of creative, social and personal pursuits and skills that enable people to make more effective use of leisure time.
Number of campuses	The number of locations at which VET providers delivered VET programs or modules.
Occupational group	Occupations that are linked to particular Australian Bureau of Statistics Standard Occupational Classification (ASCO) groups. Category A courses have a direct link to an individual ASCO, category B have multiple links to ASCOs and category C courses potentially link across all ASCO areas.
Occupational level	Classified as 'general/unspecified', 'operative/clerical', 'trades/skilled' and 'para-professional/professional'. These are also linked to the Australian Bureau of Statistics' ASCO group.
Overall employer satisfaction with VET providers	Employer satisfaction with VET training providers (including both TAFE and non-TAFE). It is rated on a scale from one to 10, with one being 'very dissatisfied' and 10 being 'very satisfied'.
Private provider	A commercial organisation that provides training to individuals and industry.
Real expenditure	Actual expenditure adjusted for changes in prices. Adjustments are made using the non-farm GDP price deflator and expressed in terms of final year prices.
Recurrent funding	Funding provided by the Commonwealth and State and Territory governments to cover operating costs, salaries and rent.
Recurrent government VET expenditure per person aged 15–64 years	Total State and Commonwealth recurrent expenditure (based on 'maintenance of effort' cash expenditure as reported by ANTA 1998a) per person aged 15–64 years.
State VET plan	An annual publication by the State training authorities, which outlines the planned training in terms of annual hours, by occupational groupings, for the year ahead (with indicative estimates for the next two years). It also outlines initiatives to meet State and national strategies.
Students per campus	The ratio of the number of students who undertook vocational programs to the number of campuses in each jurisdiction
Students studying in remote areas	The ratio of the number of students who studied in campuses located in remote areas to the total number of VET students.

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**Table 4.10 (Continued)**

<i>Term</i>	<i>Definition</i>
Students studying in rural areas	The ratio of the number of students who studied in campuses located in rural areas to the total number of VET students.
TAFE	Technical and further education colleges and institutes, which are the primary providers of publicly funded VET.
TAFE institute graduates' main reason for undertaking a VET course	Either vocational reasons (to get a job, to try for a different career, to meet job requirements, to get extra job skills) or non-vocational reasons (to get into another course, personal interest, other reasons).
Training packages	Provide the basic building blocks for vocational education and training programs under the National Training Framework. They are developed by industry and create national standards, programs, qualifications and learning resources.
VET costs per adjusted annual curriculum hours	Government recurrent expenditure per adjusted publicly funded annual curriculum hours.
VET participation by Indigenous people	The proportion of VET students reported as indigenous compared to the proportion of Indigenous people in the Australian population.
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 Australian population who were born in a mainly non-English speaking country.
VET participation rate for people aged 15–64 years	The ratio of the number of people who undertake a VET program or module to the number of people in Australia (or each jurisdiction) aged 15–64 years.
VET participation rate for people of all ages by region (capital city, rural, remote and other metropolitan areas)	The ratio of the number of people who undertake VET programs or modules in specified geographic areas (that is, capital cities, rural areas, remote areas and other metropolitan areas) to the total population of people in those geographic areas.
VET program	A course or module offered by a training organisation in which clients may enrol.
Vocational program of study	A program of study that is intended to develop competency in skills relevant to the workplace or entry to further education; initial vocational courses and courses subsequent to initial vocational courses. These are typically associated with preparatory, operative, trades/skilled and para professional education and training.
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'.

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