5   Vocational education and training

CONTENTS

> **Attachment tables**
>
> Attachment tables are identified in references throughout this chapter by a '5A' suffix (for example, table 5A.3). A full list of attachment tables is provided at the end of this chapter, and the attachment tables are available from the Review website at www.pc.gov.au/gsp.

This chapter reports performance information about the equity, effectiveness and efficiency of government funded vocational education and training (VET) in Australia in 2009. The VET system delivers employment related skills across a wide range of vocations. It provides Australians with the skills to enter or re-enter the labour force, retrain for a new job or upgrade skills for an existing job. The VET system includes government and privately funded VET delivered through a number of methods by a wide range of training institutions and enterprises.

The focus of this chapter is on VET services delivered by providers receiving government funding, which includes training activity funded under the *National Agreement for Skills and Workforce Development* (NASWD). These services

include the provision of VET programs in government owned technical and further education (TAFE) institutes and universities with TAFE divisions, other government and community institutions, and government funded activity by private registered training organisations (RTOs). The scope of this chapter does not extend to VET services provided in schools (which are within the scope of school education in chapter 4) or university education (some information on university education is included in preface B).

The major improvements to reporting on VET this year include:

- co-location of data for the Indigenous cohort of students and graduates with those for the general cohort to make comparisons easier

- reporting additional data for non-Indigenous students and graduates across various indicators

- expanded scope for 'government funded' activity and reporting of associated training and expenditure data

- expansion of time series in some attachment tables

- expanded time series analysis of VET participation by Indigenous status under the 'VET participation by target group' equity indicator

- reporting the new measure of Qualification Equivalents (by Indigenous status) under the 'skill profile' outcome indicator

- replacing TAFE graduates data with data for 'government funded VET' graduates for measures under the 'student employment and further study outcomes' and 'student satisfaction with VET' outcome indicators, to capture VET activity funded by government more comprehensively

- inclusion of some 'data quality information' (DQI) documentation.

5.1   Profile of vocational education and training

Service overview

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

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

- obtain a qualification to enter the labour force

- retrain or update labour force skills

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

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

Box 5.1   Diversity of the VET system

VET programs range from a single module or unit of competency (which can involve fewer than 10 contact hours) to advanced diplomas (which can involve up to four years of study). All training in the VET system needs to be assessed, because many students complete modules or units of competency without intending to complete a course or qualification.

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

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

Expenditure

Recurrent expenditure on VET by Australian, State and Territory governments totalled $4.7 billion in 2009 — an increase of 6.4 per cent (in real terms) from 2008 (table 5A.1). Government recurrent expenditure was equal to $317.57 per person aged 15–64 years across Australia in 2009 (table 5A.2). Further information on the breakdown of real funding by jurisdictions over a 5 year period is available in attachment tables 5A.1, 5A.2 and 5A.8.

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

Figure 5.1   **Scope of reporting**

Training Funding Type	Registered Training Organisations		
	TAFE and other government providers	Community providers	Private providers
Government Funded	████████████	████████████	████████████
Fee-for-Service (domestic and international)	▨▨▨▨		

███ Data available for reporting and used to report government funded activity

▨▨▨ Data available for reporting and used to report VET activity

☐ Data not available for reporting

Box 5.2   **Scope of VET reporting**

Where this chapter refers to 'government funded' activity, it refers to VET activity that is funded under Commonwealth and State recurrent, Commonwealth specific and State specific funding. This includes activity funded under the NASWD (excluding VET in Schools). This definition of 'government funded' activity has been broadened from the 2010 Report, which included only VET activity that was funded under Commonwealth and State recurrent funding under the *Commonwealth–State Agreement for Skilling Australia's Workforce* (CSASAW) (replaced by the NASWD on 1 January 2009). Historical data in this Report have been amended to reflect the revised definition of 'government funded' activity.

Where the chapter refers to 'VET' activity, it is referring to all VET data available for reporting unless otherwise specified.

Data on student participation, efficiency measures, student achievement, Qualification Equivalents, and competencies/modules completed in this chapter are limited to services that are government funded. These include VET services provided by:

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

• registered community providers and registered private providers.

(Continued on next page)

Size and scope

In 2009, 30.8 per cent of Australians aged 15–64 years held a certificate or diploma as their highest level qualification (table BA.18). These qualifications could have been completed in schools, VET institutions or higher education institutions.

The VET sector is large and varied. Qualifications vary significantly in length, level and field. Approximately 1.7 million people were reported as participating in VET programs at 14 893 locations across Australia in 2009 (NCVER unpublished, table 5A.3). This represented 11.2 per cent of the population aged 15–64. The number of VET students increased by 0.4 per cent between 2008 and 2009, and increased by 3.4 per cent between 2005 and 2009 (NCVER unpublished).

Of the approximately 1.7 million VET students who were reported as participating in VET programs in 2009, 1.3 million students (74.7 per cent) were government funded (NCVER unpublished). The remaining 431 400 students participated on a fee-for-service basis as domestic students (22.5 per cent of all VET students) or were international students (2.8 per cent of all VET students). The proportion of domestic fee-for-service students decreased from 25.0 per cent of all VET students in 2005 to 22.5 per cent in 2009 (NCVER unpublished).

Students

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

Nationally, 1.3 million students participated in VET programs funded by government through State and Territory agencies (table 5A.4). Between 2008 and 2009, the number of government funded students increased by 1.6 per cent (approximately 20 400 students) (table 5A.5). Between 2005 and 2009, the number of government funded VET students increased by 4.7 per cent (table 5A.5). In 2009, female student participation in government funded VET was 8.1 per cent and male participation was 8.5 per cent. The participation rate for the total population aged 15–64 years was 8.3 per cent (table 5A.11).

Of the 1.3 million government funded VET students who participated in government funded VET programs in 2009, 6.0 per cent, or 75 984, gained some recognition of prior learning (RPL) (table 5A.4).

Hours

Government funded VET students participated in 352.1 million government funded annual hours in 2009. On average, each government funded VET student in 2009 received 276.3 hours of VET (table 5A.4).

Courses

Vocational education and training (VET) qualifications range from non-award courses to certificates (levels I–IV), diplomas and above. In 2009, 12.2 per cent of government funded VET students were undertaking a diploma or above, 49.1 per cent were enrolled in a certificate level III or IV, 24.8 per cent were enrolled in a certificate level I or II or lower, and 13.9 per cent were enrolled in a course that did not lead directly to a qualification (table 5A.5).

Fields of study also varied greatly. In 2008, 29.1 per cent of qualifications completed by total VET students were in management and commerce, 15.9 per cent in engineering and related technologies, 15.6 per cent in society and culture, 9.1 per cent in food, and 6.1 per cent were in mixed field programs. Other fields studied by government funded VET students included hospitality and personal services, creative arts, information technology, agriculture, environment and related studies, education, and natural and physical sciences (NCVER unpublished)

Institutions

In 2009, government funded programs were delivered at 14 893 locations (that is, TAFE, government funded locations and the locations of all other registered training providers, including private providers that receive government funding for VET delivery) (table 5A.3).

The infrastructure (physical non-current assets) of government owned TAFE institutions and TAFE divisions of universities was valued at $9.7 billion in 2009, of which 92.8 per cent comprised the value of land and buildings (table 5A.21). The value of net assets of government VET providers was $683.09 per person aged 15–64 years across Australia in 2009. Asset values per person varied across jurisdictions (table 5A.6).

Roles and responsibilities in 2009

The Ministerial Council of Tertiary Education and Employment (MCTEE) replaced the former Ministerial Council for Vocational and Technical Education (MCVTE) from 1 July 2009, reflecting an April 2009 Council of Australian Governments (COAG) decision. A realignment of responsibilities and functions gave the MCTEE a broader, cross-sectoral role than that of MCVTE. Australian, State and Territory governments ministers provide direction through the MCTEE on national policy, strategy, priorities, goals and objectives, in partnership with industry, and private and public training providers. This direction was provided through the MCVTE until July 2009.

The MCTEE has responsibility for higher education, vocational education and training, non school international education, the Australian Qualifications Framework (AQF), employment, and youth policy relating to participation in tertiary education, work and workforce productivity.

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

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

National Training System Framework in 2009

The NASWD came into effect on 1 January 2009. It replaced the CSASAW, which operated from 1 July 2005 until 31 December 2008. The NASWD sets out the commitment between the Commonwealth and the State and Territory governments to work towards increasing the skill levels of all Australians, including Indigenous Australians. The national reporting relationships as summarised in figure 5.2 were

formalised in early 2009, and were applicable until mid 2010 (certain relationships have since changed):

- One of the guiding principles for the training system is that industry needs to drive training priorities and delivery. Industry advice was provided to the MCTEE in 2009 through the National Industry Skills Committee (NISC). The NISC advised the MCTEE on workforce planning, future training priorities and other critical issues facing Australian industry.

- Skills Australia is an independent body established in 2008 to provide advice to the Commonwealth Minister for Education on Australia's current, emerging and future workforce development needs, and on current, emerging and future workforce skills needs. The *Skills Australia Act 2008* specifies that members of Skills Australia must have experience in academia, the provision of education and training, economics and industry.

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

- As the administrative arm of the MCTEE, the National Senior Officials Committee (NSOC) implements decisions of the MCTEE, promotes national collaboration, and monitors the effectiveness of the national training system.

- In 2009 there were three client advisory taskforces, which advised ministers on how to improve outcomes for their respective client groups. These taskforces (the Disability Advisory Taskforce, Equity Advisory Taskforce, and Indigenous Advisory Taskforce) reported to the NSOC through the Advisory Alliance (part of National Action Groups and Taskforces figure 5.2).

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

- Technical and Vocational Education and Training (TVET) is another ministerial company. Its functions include providing the secretariat for the NQC, the Flexible Learning Advisory Group (FLAG) and the National VET Equity Advisory Council (NVEAC). TVET also offers eligible training providers national registration and management of registration and audit arrangements.

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

Figure 5.2 **National reporting relationships within the VET system in 2009a**

Figure 5.2 National reporting relationships within the VET system in 2009a

Ministerial Council for Tertiary Education and Employment (MCTEE)

National Quality Council (NQC)

National VET Equity Advisory Council (NVEAC)

National Senior Officials Committee (NSOC)

National Industry Skills Committee (NISC)

Australian Qualifications Framework Council (AQFC)

Joint MCTEE Committees
- Joint Committee on International Education
- Joint Committee on Higher Education
- Joint Australian Health Ministers Advisory Committee

Cross Ministerial Council Advisory Bodies
- Australian Information & Communications Technology in Education Committee (AICTEC)
- ABS National Education & Training Statistics Unit (NETSU)
- Productivity Data Development Group
- Youth Transitions
- Copyright Advisory Group

MCEECDYA

Industry Skills Councils (ISCs)

National Projects Management Committee (NPMC)

National Action Groups Established by NSOC and MCTEE as needed

Flexible Learning Advisory Group (FLAG)

National Training Statistics Committee (NTSC)

MCTEE Companies

National Centre for Vocational Education Research Ltd (NCVER)

TVET Australia Ltd (Ministerial Company)

Australian Universities Quality Assurance Agency Ltd (AUQA)

National Audit & Registration Agency (NARA)

Current Action Groups
- National VET Sector Sustainability Action Group
- National Data Strategy
- Adult and Community Education Action Group

LEGEND
hard lines   –   direct reporting
dotted lines -- key relationships

a These national reporting relationships were formalised in early 2009, and were applicable until mid 2010 (covering the calendar 2009 reference period for data reported in this chapter).

VET funding flows

State and Territory governments provide funding to VET providers, students and employers through State and Territory training authorities to support the delivery of training, improve student services and provide incentives for employers and apprentices. State and Territory governments provided $3.2 billion in 2009 — 68.1 per cent of government funding. The Australian Government provided the

remainder of government funding ($1.5 billion) (table 5A.8). Information on the comparability of funding data is provided in box 5.6.

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

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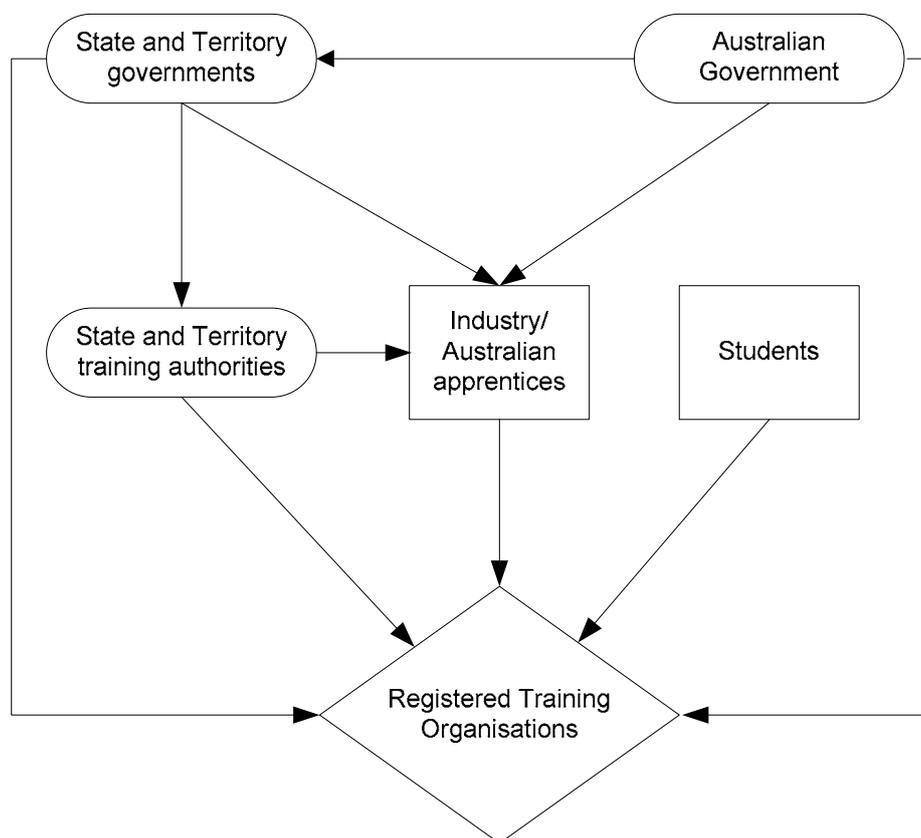
Allocation of VET funding

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

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

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

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

In 2009, $1.0 billion (21.7 per cent) of government VET funding was allocated on a competitive basis (including user choice arrangements) — 10.6 per cent more in real terms than in 2008 (table 5A.8). Further, $523.8 million was allocated to non-government providers — a 9.8 per cent increase in real terms on 2008 (table 5A.7). The degree of competition in the tendering process varies across jurisdictions and within jurisdictions, depending on the program. Some tenders can be contested by any RTO (open competitive tendering), while some other tenders are restricted to RTOs able to deliver a specific type of training, for example, in a selected industry or to a particular client group (limited competitive tendering). Similarly, the scope for competition, in terms of the size of the market of potential providers, varies across jurisdictions.

5.2 Framework of performance indicators

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

COAG has agreed six National Agreements to enhance accountability to the public for the outcomes achieved or outputs delivered by a range of government services (see chapter 1 for more detail on reforms to federal financial relations). The NASWD (COAG 2009a) covers the areas of VET, and education and training indicators in the *National Indigenous Reform Agreement* (NIRA) (COAG 2009b) establish specific outcomes for reducing the level of disadvantage experienced by

Indigenous Australians. The agreements include sets of performance indicators, for which the Steering Committee collates annual performance information for analysis by the COAG Reform Council (CRC). The performance indicator results reported in this chapter and supporting data in attachment tables, have been revised where necessary, to align with the performance indicators in the National Agreements.

The NASWD was implemented on 1 January 2009, and contains objectives for VET (box 5.3) that inform the performance indicator framework for this chapter.

Box 5.3   **Objectives for VET**

The objectives for VET, sourced from the *National Agreement for Skills and Workforce Development*, are:

- 'All working aged Australians have the opportunity to develop the skills and qualifications needed, including through a responsive training system, to enable them to be effective participants in and contributors to the modern labour market.'

- 'Individuals are assisted to overcome barriers to education, training and employment, and are motivated to acquire and utilise new skills.'

- 'Australian industry and businesses develop, harness and utilise the skills and abilities of the workforce.'

Source: COAG (2009a).

The performance indicator framework distinguishes the outputs and outcomes of VET services, and shows which data are comparable in the 2011 Report (figure 5.4). The framework is consistent with the VET objectives (box 5.3). For data that are not directly comparable, the text includes relevant caveats and supporting commentary. Chapter 1 discusses data comparability from a Report-wide perspective (see section 1.6).

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

Figure 5.4 **Performance indicators for VET services**

Key to indicators

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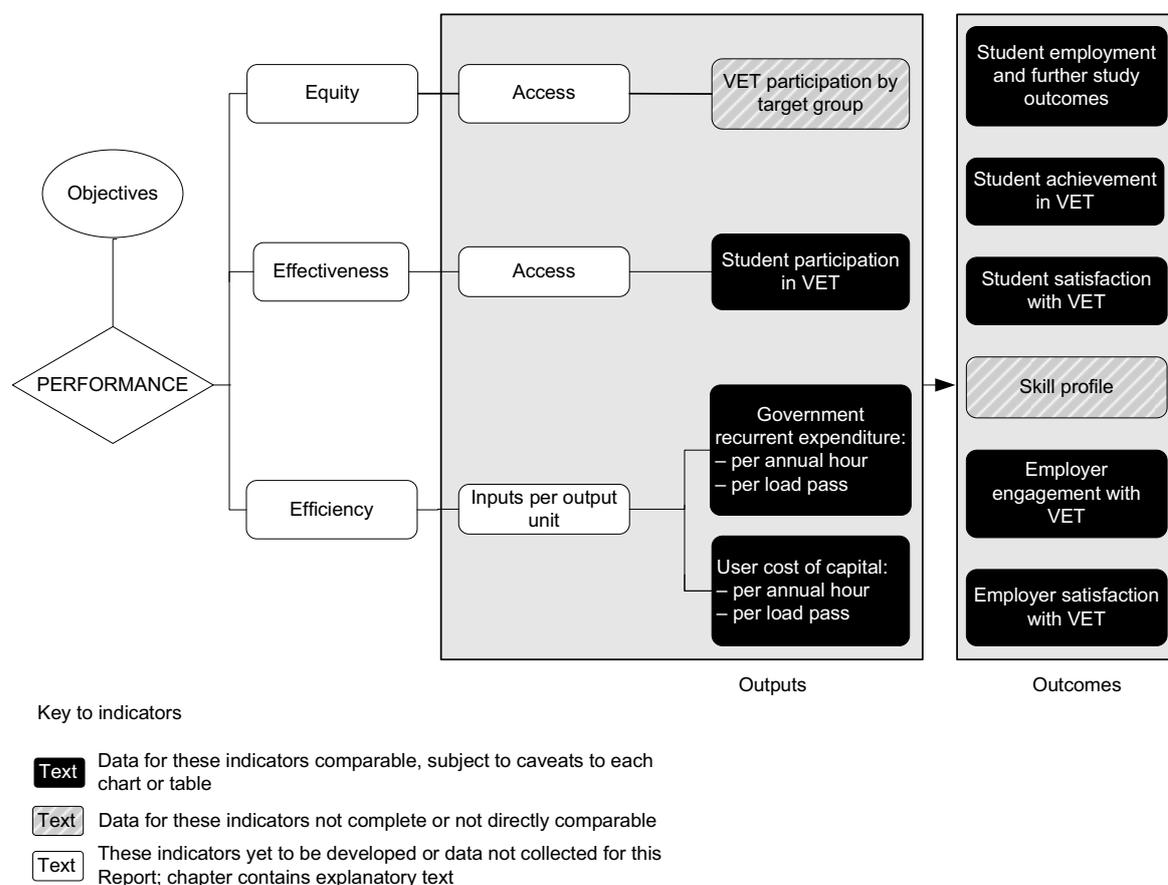
5.3   Key performance indicator results

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

Outputs

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

Equity

A key national goal of the VET system is to increase opportunities and outcomes for disadvantaged groups. The designated equity groups are Indigenous Australians, residents of remote and very remote areas, people with disability and people

speaking a language other than English at home. This section includes indicators of access to VET by these target groups.

VET participation by target group

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

Box 5.4   **VET participation by target group**

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

- Indigenous Australians

- people from remote and very remote areas

- people with disability

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

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

Care needs to be taken in interpreting the participation rates presented for people with disability, people speaking a language other than English at home, and Indigenous people, because the data depend on self-identification at the time of enrolment and the number of non-responses (that is, students who did not indicate whether or not they belong to these groups) varies across jurisdictions.

Data on participation by Indigenous status are for students identified as aged 15–64 years, and data on participation for other groups are reported for students of all ages. Data on participation are limited to students who have participated in Australia's government funded VET system.

Data reported for this indicator are not directly comparable.

Data quality information for this indicator is under development.

VET participation by target group — Indigenous Australians

Nationally, the participation rate for the Indigenous population aged 15–64 years in government funded VET was 19.2 per cent in 2009, compared with 18.4 per cent in 2005 and 19.2 per cent in 2002. The participation rate for the non-Indigenous population aged 15–64 years was 7.4 per cent in 2009, compared with 7.2 per cent in 2005 and 7.7 per cent in 2002. The participation rate for the general population aged 15–64 years was 8.3 per cent in 2009, compared with 8.4 per cent in 2005 and 9.2 per cent in 2002 (figure 5.5).

These student participation data are not age standardised, so the younger age profile of the Indigenous population relative to all Australians is likely to affect the results.

Figure 5.5 **National VET participation rate for 15–64 year olds, by Indigenous status[a, b]**
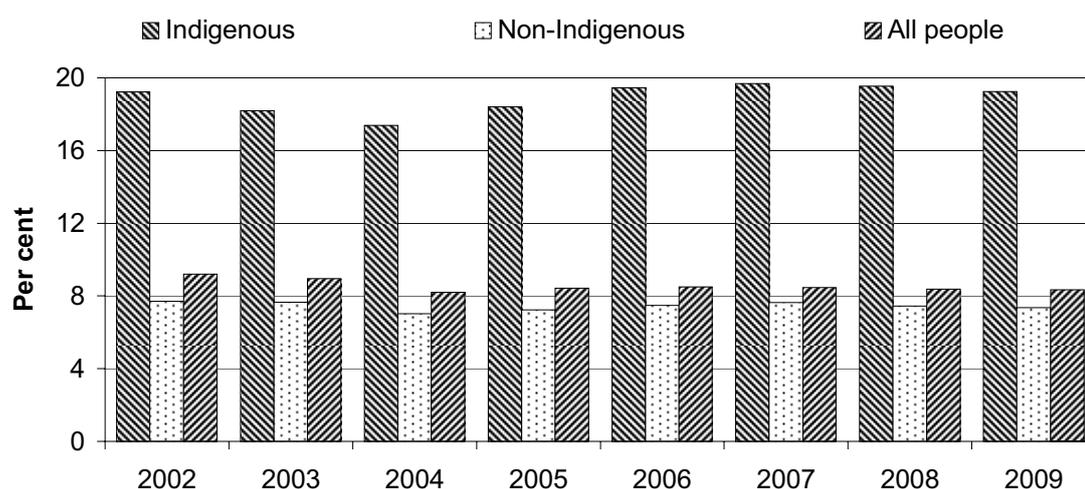
a Data are for government recurrent funded VET students. **b** The Indigenous participation rate is the number of Indigenous students as a percentage of the experimental estimates of Indigenous people for 30 June (ABS series B). The 'all students' participation rate is the number of students as a percentage of the estimated resident population as at 30 June.

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

In 2009, 5.3 per cent of government funded VET students in Australia (of all ages) identified themselves as Indigenous, while 9.2 per cent of students did not report their Indigenous status (figure 5.6). The proportion of government funded VET students who identified themselves as Indigenous (5.3 per cent) was higher than the proportion of Indigenous people in the total population nationally (2.5 per cent) (table 5A.15).

Figure 5.6   **VET students, all ages, by Indigenous status, 2009a**
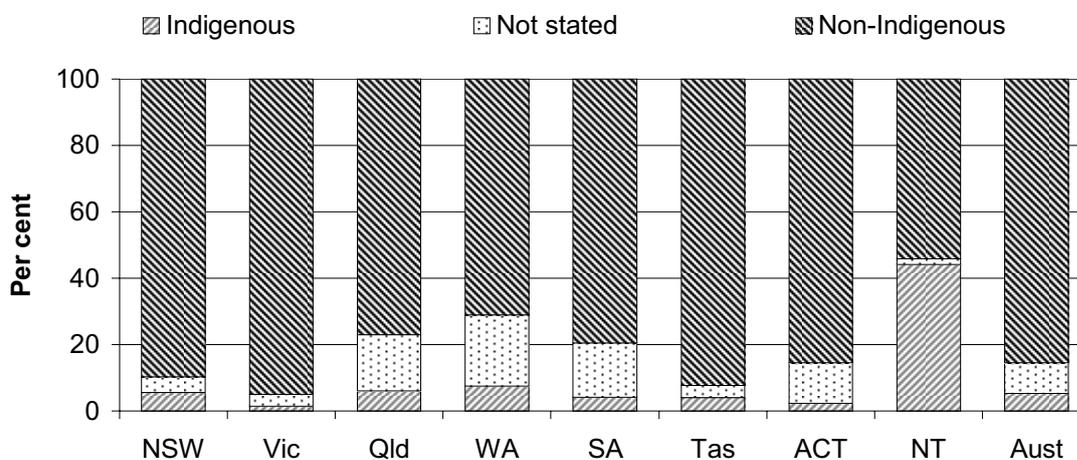
a Data are for government recurrent funded VET students.

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

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

VET student data by region are based on students' home postcode using the Accessibility and Remoteness Index for Australia (ARIA) classification system. Nationally, the government funded VET participation rate increased with remoteness. Participation was higher for people from remote and very remote areas (11.6 per cent) than for people from other geographic regions (9.1 per cent for outer regional areas, 6.9 per cent for inner regional areas and 4.8 per cent for major cities) compared with 5.8 per cent for all students (figure 5.7). Employment opportunities and the availability of alternative education services in regional and remote areas may affect the level of VET participation in these areas.

Figure 5.7 **VET participation rate for people of all ages, by region, 2009[a, b, c]**

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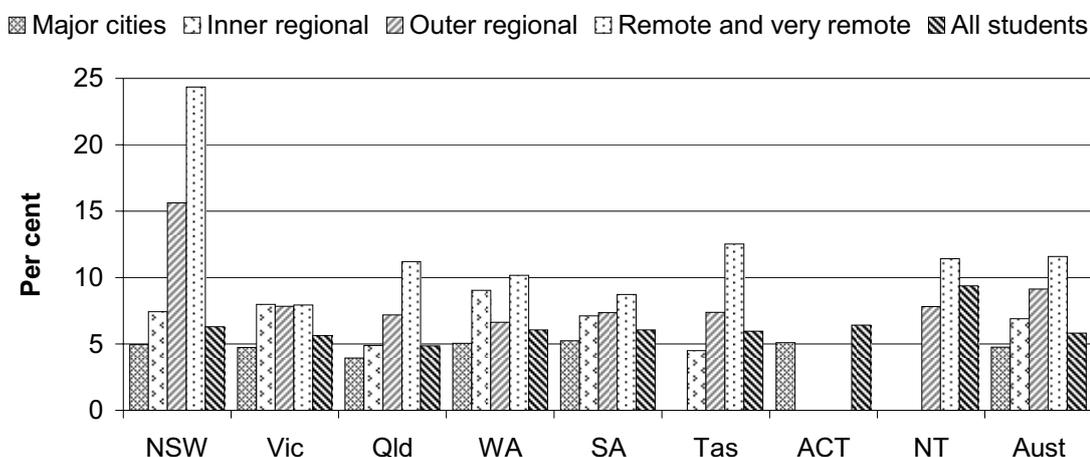
a Data are for government recurrent funded VET students. **b** The participation rate for students from the various regions is the number of students participating in VET (based on students' home postcode) as a proportion of the total population that resides in that region. **c** There are no very remote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

Source: NCVER (unpublished) National VET provider collection; ABS (2010), *Regional Population Growth, Australia, 2008-09*, Cat. no. 3218.0; table 5A.12.

VET participation by target group — People with disability

Nationally, 6.9 per cent of government funded VET students in 2009 reported having disability, an impairment or a long-term condition (figure 5.8). Based on 2003 ABS SDAC survey data, an estimated 16.8 per cent of all 15–64 year olds in the population and 20.0 per cent of the total population reported having disability (derived from ABS 2004). The proportion of VET students reporting disability is not directly comparable with the proportion of the population reporting disability, as the classifications of disabilities differ. Within the VET system, the focus is on identifying students that require additional teaching and learning support.

Figure 5.8   **VET students of all ages, by disability status, 2009a, b**

Legend: ⬚ Disability   ⬚ Disability status not reported   ⬚ No disability
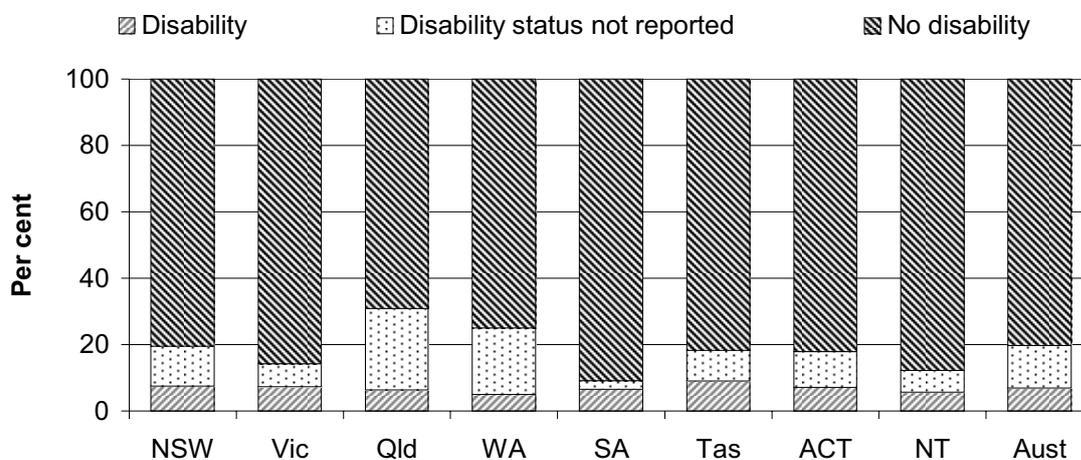
a Data are for government recurrent funded VET students. **b** People with disability are defined as those who self-identify on enrolment forms that they have disability, an impairment or a long-term condition. Not all students respond to the relevant question on the enrolment form.

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

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

In 2009, 14.2 per cent of government funded VET students reported speaking a language other than English at home (figure 5.9). By comparison, 15.8 per cent of the total population of Australia spoke a language other than English at home (derived from ABS 2006 *Census of Population and Housing*, table AA.5).

Figure 5.9   **VET students of all ages, by language spoken at home, 2009[a, b]**

Legend: ◪ Language other than English   ⊡ Language not reported   ◩ English
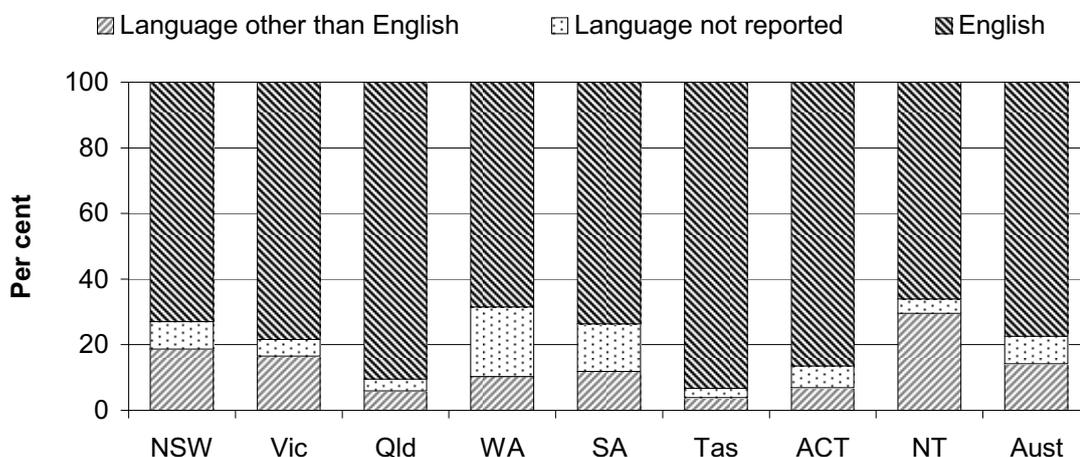
a Data are for government recurrent funded VET students. **b** People with a language background other than English are those who self-identify on their enrolment form that they speak a language other than English at home. Not all students respond to the relevant question on the enrolment form.

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

Effectiveness

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

Student participation in VET

'Student participation in VET' is an indicator of governments' objective to provide people aged 15–64 years with the level of access to the VET system that is necessary for a highly skilled workforce (box 5.5).

Box 5.5   **Student participation in VET**

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

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

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

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

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

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

Data reported for this indicator are comparable.

Data quality information for this indicator is under development.

In 2009, 1.2 million people aged 15–64 years participated in government funded VET programs. This is equivalent to 8.3 per cent of people aged 15–64 years nationally. The proportion of people participating in VET declined in older age groups. The 1.2 million government funded VET students include:

- 388 500 or 20.4 per cent of all people aged 15–19 years

- 220 500 or 14.0 per cent of all people aged 20–24 years

- 622 800 or 5.9 per cent of all people aged 25–64 years (table 5A.9).

Figures 5.10–5.12 show VET participation rates for the 15–64 year old population and Indigenous population, and on the target age groups of 18–24 years and 20–64 years. The national participation rate for the general population aged 15–64 years was 8.3 per cent in 2009, compared with 19.2 per cent for the Indigenous population aged 15–64 years.

Nationally, 17.7 per cent of all people aged 18–24 years participated in government funded VET, compared with 25.3 per cent of the Indigenous population in the same age group, and 6.4 per cent of all people aged 20–64 years participated, compared with 15.4 per cent of the Indigenous population in the same age group.

Figure 5.10 **VET participation rates, by target age group and Indigenous status, 2009[a, b]**

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

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

In 2009, approximately 773 900 people aged 15–64 years participated in a government funded VET program at the certificate III level or above, representing 5.2 per cent of the population aged 15–64 years (similar to the 4.9 per cent in 2005) (figure 5.11 and table 5A.17). This compares with 25 800 Indigenous people aged 15–64 years in 2009, or 7.7 per cent of the Indigenous population aged 15–64 years (figure 5.11).

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

- 13.7 per cent of all people aged 18–24 years, compared with 11.9 per cent of the Indigenous population in the same age group

- 4.3 per cent of all people aged 20–64 years, compared with 7.0 per cent of the Indigenous population in the same age group (figure 5.11).

Figure 5.11 **VET participation in certificate III and above, by target age group and Indigenous status, 2009[a, b, c]**

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

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

☐ All students - 20–64 year olds ◪ Indigenous students - 20–64 year olds
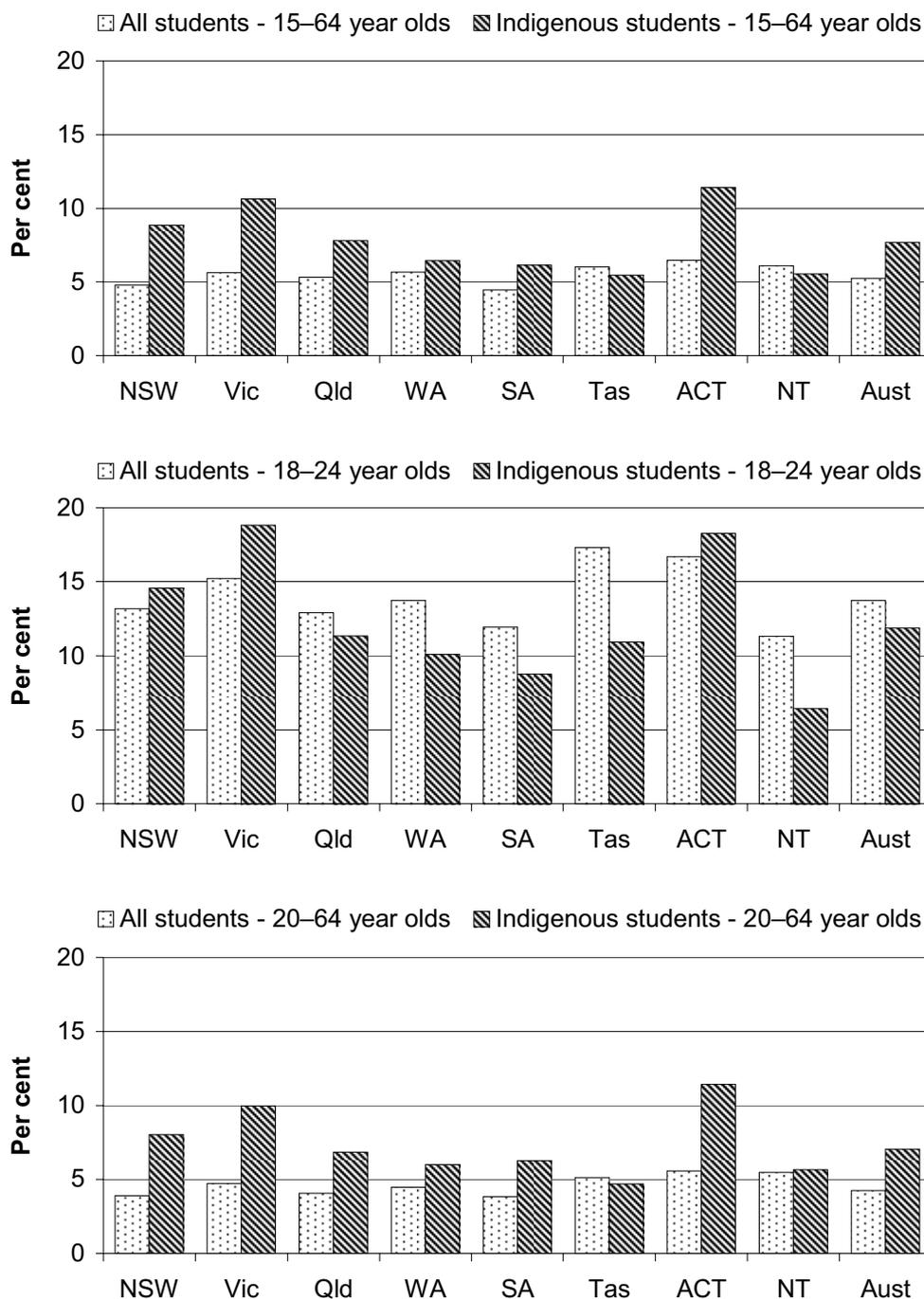
a Data are for government recurrent funded VET students. **b** Data are for the highest level qualification attempted by a student in a reporting year. **c** The Indigenous participation rate is the number of Indigenous students as a percentage of the experimental estimates of Indigenous people for 30 June 2009 (ABS 2009 Cat. no. 3201.0 series B). The 'all students' participation rate is the number of students as a percentage of the estimated resident population as at 30 June 2009.

Source: NCVER (unpublished) National VET provider collection; ABS (2009) *Population by Age and Sex, Australian States and Territories*, Cat. no. 3201.0; ABS (2009) *Experimental Estimates and Projections, Aboriginal and Torres Strait Islanders*, Cat. no. 3238.0; table 5A.17.

Additional data for participation in a government funded VET program at the certificate III level or above are provided in table 5A.16 for all VET students aged 15–19 years, 20–24 years, 25–64 years and 15–24 years.

In 2009, approximately 154 800 people aged 15–64 years participated in a government funded VET program at the diploma level or above, representing 1.0 per cent of the population aged 15–64 years (1.1 per cent in 2005) (figure 5.12 and table 5A.18). This compares with 2700 Indigenous people aged 15–64 years in 2009, or 0.8 per cent of the Indigenous population aged 15–64 years (figure 5.12).

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

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

- 1.0 per cent of all people aged 20–64 years, compared with 0.9 per cent of the Indigenous population in the same age group (figure 5.12).

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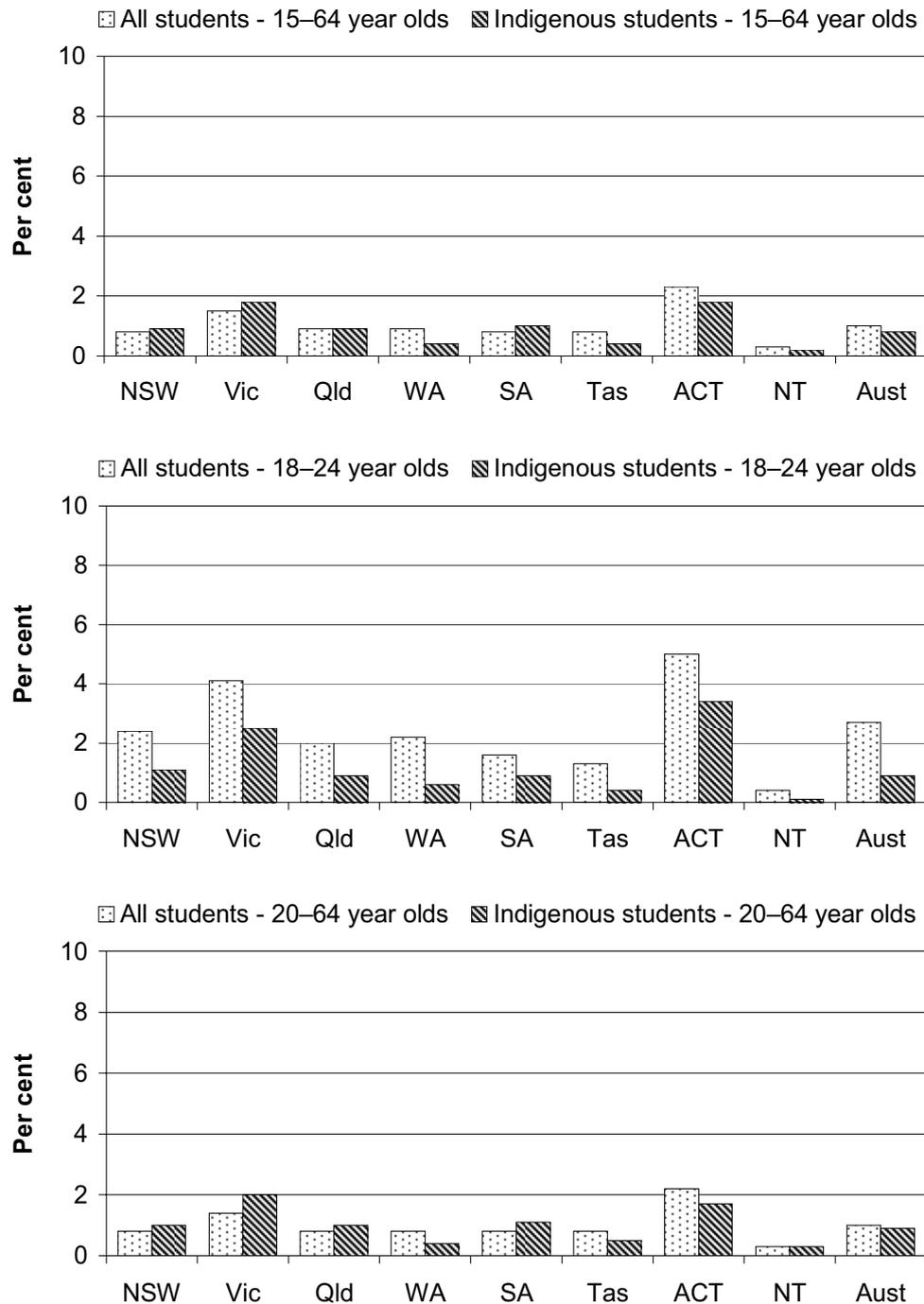
a Data are for government recurrent funded VET students. **b** Data are for the highest level qualification attempted by a student in a reporting year. **c** Course levels classified as diploma and above are included in the group of courses classified as certificate III and above. **d** The Indigenous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

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

Efficiency

A proxy indicator of efficiency is the level of government inputs per unit of output (unit cost). The indicator of unit cost reported is 'recurrent expenditure per annual hour'. The Steering Committee has addressed four areas that could improve the comparability of efficiency indicators: superannuation; depreciation; user cost of capital; and payroll tax (see chapter 2) across jurisdictions. In VET, the user cost of capital is not included in estimates of recurrent expenditure, although it is reported separately in the measures 'user cost of capital per annual hour' (box 5.9) and, 'user cost of capital per load pass' (box 5.10). To promote accuracy and comparability of reported efficiency measures some adjustments are made to improve the data (box 5.6).

Box 5.6   **Comparability of cost estimates**

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

The method for calculating government recurrent expenditure for VET was changed for the 2011 Report, and includes Commonwealth and State recurrent funding, Commonwealth specific purpose funding and State specific purpose funding. This includes activity funded under the NASWD. The definition of government recurrent expenditure has been broadened from the 2010 Report, which included only funding under Commonwealth and State recurrent funding under the CSASAW (replaced by the NASWD on 1 January 2009). Government recurrent expenditure is calculated by adding the following AVETMISS financial statements revenue items for the government recurrent payments received by states and territories: Commonwealth National Agreement revenue (net of VET in Schools revenue), State recurrent revenue, Commonwealth Administered Programs revenue and revenue for VET expenses and liabilities of State/Territory training departments undertaken by another department or agency but required to be reported in the financial accounts of the training department. Historical government expenditure for 2005 to 2008 has been recalculated to reflect this revised approach, and is not comparable with expenditure included in previous reports.

The reported government recurrent expenditure excludes capital expenditure, and the user cost of capital (which is the opportunity cost of funds tied up in the capital used to deliver services, calculated as 8 per cent of the total value of the physical non-current assets) is reported separately. The method for calculating user cost of capital is unchanged from the previous Report (previously referred to as 'cost of capital').

To promote comparability of the financial data between states and territories, as well as comparability between the financial and activity data, expenditure is adjusted by course mix weights where used for calculating unit costs (that is, efficiency indicators per government funded annual hour) to recognise the different proportions of relatively more expensive and less expensive training programs that occur in jurisdictions. New course mix weights were developed and applied to 2008 and 2009 data in this Report. As course mix weights cannot be back cast prior to 2008, there is a break in the time series and applicable unit costs for 2008 and 2009 are not comparable with those for 2005 to 2007. The indicators affected by this are: 'government expenditure per annual hour', and 'user cost of capital per annual hour'.

Expenditure data for 2005-08 are adjusted to real dollars (2009 dollars) using the gross domestic product (GDP) chain price index (table 5A.99).

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

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

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

Government recurrent expenditure per annual hour and per load pass

'Government recurrent expenditure per annual hour' is an indicator of governments' objective to provide VET services in an efficient manner. Recurrent cost per annual hour of training measures the average cost of producing a training output of the VET system (a unit cost) (box 5.7).

Government real recurrent expenditure per annual hour of government funded VET programs in 2009 was $13.31 nationally, a decrease from $13.40 in 2008 (figure 5.13).

Figure 5.13 **Government real recurrent expenditure per annual hour (2009 dollars)**[a, b, c, d]

a Expenditure per annual hour is weighted to recognise the different proportions of relatively more expensive and less expensive training programs that occur in jurisdictions. A new set of course mix weights have been used for 2008 and 2009. As course mix weights cannot be back cast prior to 2008, there is a break in the time series and data for 2008 and 2009 are not comparable with those for 2005 to 2007. **b** The ACT sector is exempt from payroll tax in the ACT. A payroll tax estimate based on the ACT payroll tax rate has been included in the expenditure data for the ACT. **c** Data for Australia exclude the ACT payroll tax estimate. **d** Historical data have been adjusted to 2009 dollars using the GDP chain price index (table 5A.99).

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

'Government recurrent expenditure per load pass' is an indicator of governments' objective to provide VET services in an efficient manner. It is the cost to government of each successfully completed VET module or unit of competency (that is, the cost per successfully achieved output) (box 5.8).

Box 5.8	Government recurrent expenditure per load pass

'Government recurrent expenditure per load pass' is defined as government recurrent expenditure (as defined in box 5.6) divided by hours of publicly funded load pass. 'Load pass' is based on assessable enrolments of modules and units of competency achieved/passed and RPL, and does not include non-assessable enrolments.

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

The factors that have the greatest impact on efficiency include:

- training related factors, such as class sizes, teaching salaries, teaching hours per full time equivalent staff member, and differences in the length of training programs

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

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

Data reported for this indicator are comparable.

Data quality information for this indicator is under development.

Government real recurrent expenditure per load pass hour of government funded VET programs in 2009 was $16.94 nationally, a decrease from $17.17 in 2008 (figure 5.14).

Figure 5.14 **Government real recurrent expenditure per hour of load pass (2009 dollars)[a, b, c]**
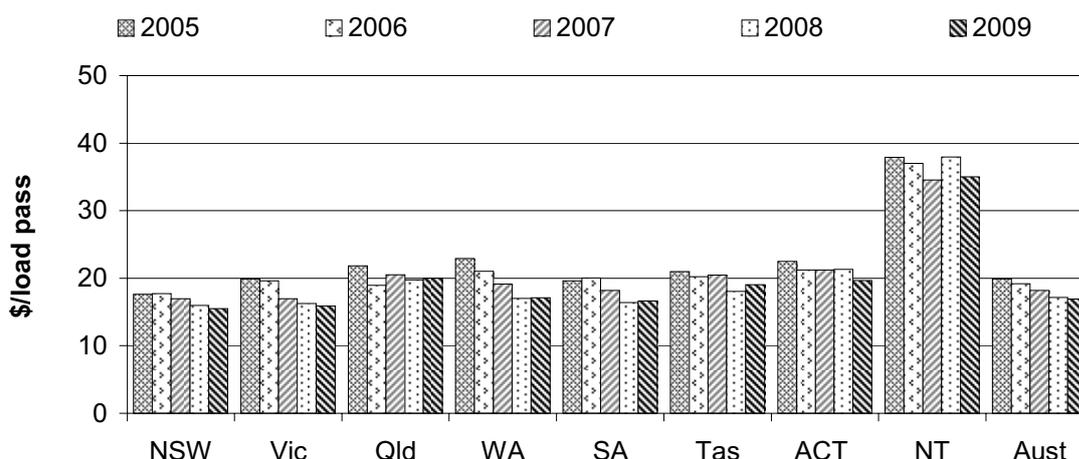
a The ACT sector is exempt from payroll tax in the ACT. A payroll tax estimate based on the ACT payroll tax rate has been included in the expenditure data for the ACT. **b** Data for Australia exclude the ACT payroll tax estimate. **c** Historical data have been adjusted to 2009 dollars using the GDP chain price index (table 5A.99).

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

User cost of capital per annual hour and per load pass

'User cost of capital per annual hour' is an indicator of governments' objective to provide VET services in an efficient manner. The user cost of capital is included in estimates of the cost of government services because it reflects the opportunity cost of government assets that could otherwise be used to provide other services or to retire debt. Not reporting the user cost of capital underestimates the cost to government of service provision (box 5.9).

Box 5.9   User cost of capital per annual hour

'User cost of capital per annual hour' is defined as the user cost of capital (adjusted for course mix weight) divided by government funded annual hours. User cost of capital is 8 per cent of the value of total physical non-current assets. Annual hours are the total hours of delivery based on the standard nominal hour value for each subject undertaken. These represent the hours of supervised training under a traditional delivery strategy. Due to the adoption of a revised method for calculating course mix weights for 2008 and 2009, data for those years are not comparable with earlier data in this Report (more information is provided in box 5.6).

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

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

Data reported for this indicator are comparable.

Data quality information for this indicator is under development.

Nationally, the user cost of capital per annual hour in 2009 was $2.20. The largest components of user cost of capital per annual hour were building costs ($1.50) followed by land costs ($0.54) (figure 5.15).

Figure 5.15 **User cost of capital per annual hour, 2009a**
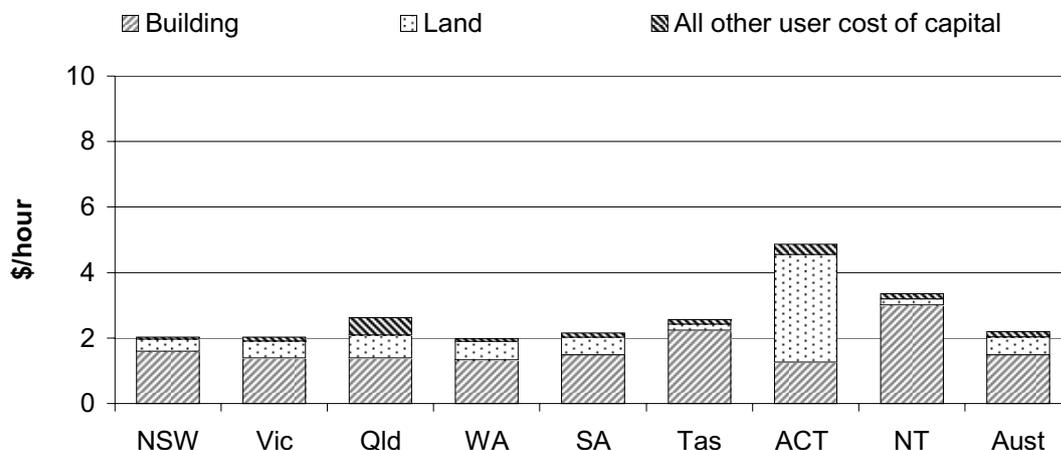
a 'All other user cost of capital' includes plant, equipment, motor vehicles and other capital. See table 5A.21 for further information.

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

The total cost of VET service delivery includes both the user cost of capital and recurrent costs. Nationally, the total cost to government of funding VET per annual hour in 2009 was $15.51, comprising $2.20 in capital costs and $13.31 in other recurrent costs (figure 5.16). These results need to be interpreted carefully, because the asset data used to calculate the user cost of capital are less reliable than the recurrent cost data.

Figure 5.16 **Total government VET costs per annual hour, 2009a, b**
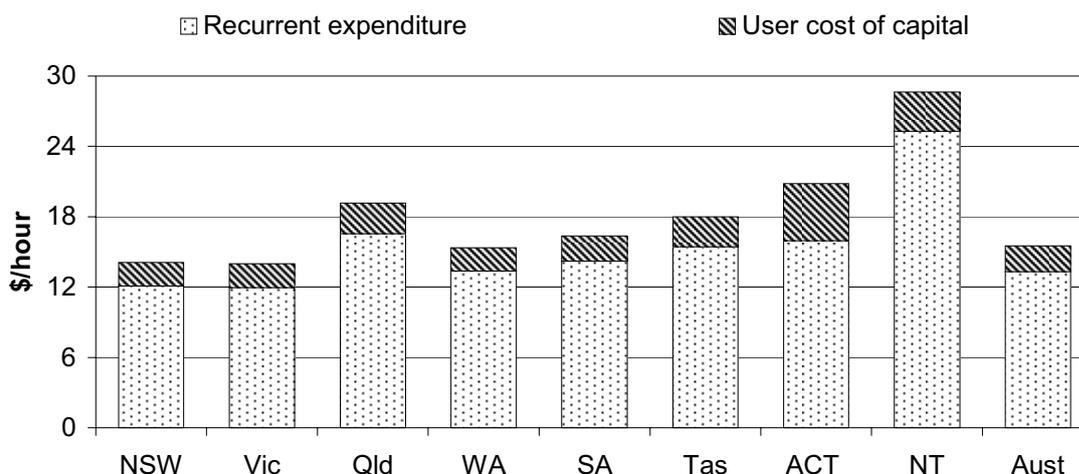
a The ACT sector is exempt from payroll tax in the ACT. A payroll tax estimate based on the ACT payroll tax rate has been added to the recurrent expenditure data presented for the ACT. **b** 'User cost of capital' includes buildings, land, plant, equipment, motor vehicles and other capital.

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

'User cost of capital per load pass' is an indicator of governments' objective to provide VET services in an efficient manner. The user cost of capital is included in estimates of the cost of government services because it reflects the opportunity cost of government assets that could otherwise be used to provide other services or to retire debt. Not reporting the user cost of capital underestimates the cost to government of service provision (box 5.10).

Box 5.10   **User cost of capital per load pass**

'User cost of capital per load pass' is defined as the user cost of capital divided by hours of publicly funded load pass. User cost of capital is 8 per cent of the value of total physical non-current assets. 'Load pass' is based on assessable enrolments of modules and units of competency achieved/passed and RPL, and does not include non-assessable enrolments.

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

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

Data reported for this indicator are comparable.

Data quality information for this indicator is under development.

In 2009, the user cost of capital per load pass hour was $2.80 nationally. The largest components were building ($1.90) and land ($0.69) costs (figure 5.17 and table 5A.24).

Figure 5.17 **User cost of capital per hour of load pass, 2009[a, b]**

a Load pass is based on assessable enrolments of modules and units of competency achieved/passed and RPL. It does not include non-assessable enrolments. **b** 'All other user cost of capital' includes plant, equipment, motor vehicles and other capital.

Source: NCVER (unpublished) National financial and VET provider collections; table 5A.24.

Table 5A.23 provides additional information on the total cost to government of funding VET per load pass hour (includes both the user cost of capital and recurrent costs).

Outcomes

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

Student outcomes

The annual *Student Outcomes Survey* conducted by the NCVER identifies training outcomes for students who graduated with a qualification from a course (graduates) and students who successfully completed some training below the level of full qualification and who were no longer engaged in training when the survey was undertaken (module completers). The students must have been undertaking activity within the VET system in Australia in the previous year (box 5.11).

Box 5.11   Student Outcomes Survey

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

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

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

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

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

Care needs to be taken when comparing student outcomes across states and territories, because each jurisdiction has different economic, demographic and social profiles that are likely to have an effect on a range of training related outcomes. In particular, economic parameters beyond the control of the VET system may affect employment outcomes for graduates (see appendix A).

Source: DEEWR (2009).

Student employment and further study outcomes

'Student employment and further study outcomes' is an indicator of governments' objective for the VET system to meet individual students' objectives. It reports on

the benefits students gained from the VET system. These benefits include employment, improved employment circumstances, a pathway for further study/training, and personal development (box 5.12).

Box 5.12   **Student employment and further study outcomes**

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

- the proportion of graduates who were employed and/or continued on to further study after completing their course, reported by VET target groups

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

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

- the proportion of graduates who improved their employment circumstances after completing their course, reported by VET target groups. The definition of 'improved employment circumstances' is at least one of:

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

    – employed at a higher skill level after training

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

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

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

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

Where measures are reported for VET target groups, the groups are students with disability, students speaking a language other than English at home, students from remote and very remote areas and Indigenous students.

Data reported for this indicator are comparable.

Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2011

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

Nationally, 87.0 per cent of government funded VET graduates surveyed indicated that they were either in employment and/or pursuing further study after completing a VET course in 2009 — compared with 88.1 per cent in 2005. Of all government funded VET graduates in 2009, 76.2 per cent said they were in employment while 34.0 per cent continued on to further study (figure 5.18 and table 5A.25).

Figure 5.18 **Proportion of government funded VET graduates in employment and/or who continued on to further study in 2009 after completing a course in 2008[a, b]**
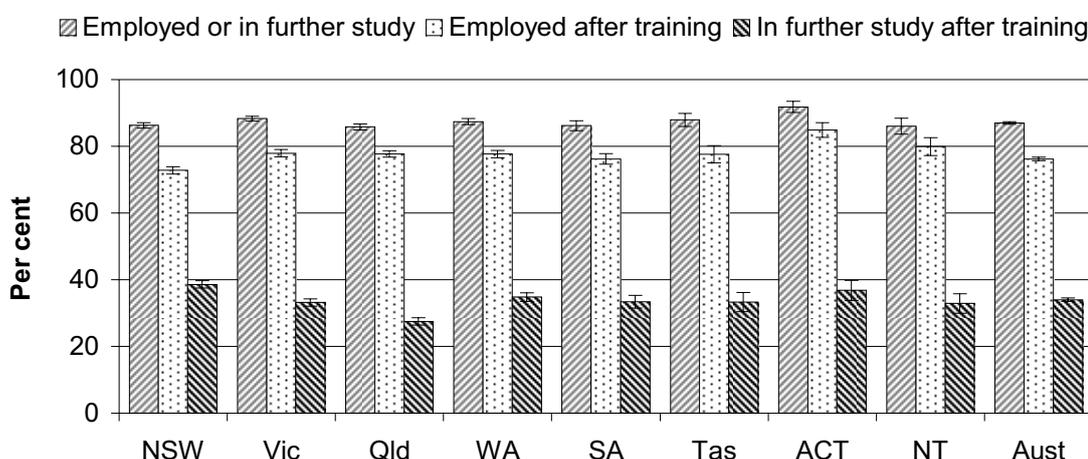
a Graduates 'employed after training' and graduates 'in further study after training' are subsets of graduates who are 'employed or in further study'. Graduates can be both employed and in further study. **b** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.25.

Nationally, 80.1 per cent of Indigenous government funded VET graduates in 2009 indicated that they were employed and/or in further study after completing a course — compared with 77.6 per cent in 2005. Of Indigenous government funded VET graduates in 2009, 66.4 per cent indicated that they were employed after completing a course (compared with 76.2 per cent of all government funded VET graduates) and 35.1 per cent continued on to further study (compared with 34.0 per cent of all government funded VET graduates) (figure 5.19 and table 5A.25).

Figure 5.19 **Proportion of Indigenous government funded VET graduates in employment and/or who continued on to further study in 2009 after completing a course in 2008[a, b]**

☑ Employed or in further study ⬚ Employed after training ◩ In further study after training
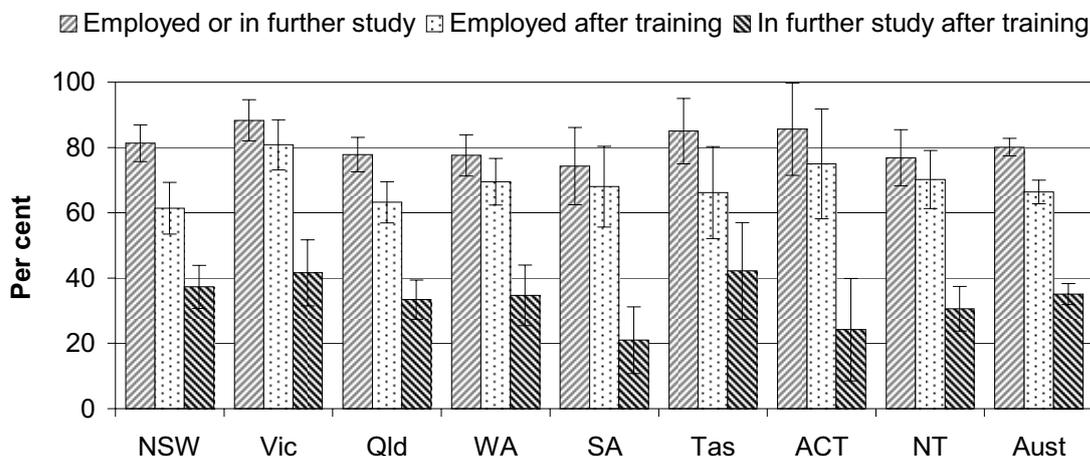
a Graduates 'employed' and graduates 'in further study' are subsets of graduates who are 'employed or in further study'. Graduates can be both employed and in further study. **b** The data for ACT 'In further study' has a relative standard errors greater than 25 per cent and needs to be used with caution. The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.26.

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

Nationally, 52.8 per cent of government funded VET graduates with disability, 63.6 per cent of graduates who spoke a language other than English at home, 81.1 per cent of graduates from remote and very remote areas and 66.4 per cent of Indigenous graduates, were employed in 2009 after completing a course in 2008. In comparison, 76.2 per cent of all government funded VET graduates were employed (figure 5.20).

Further information for non-Indigenous graduates, female graduates, graduates by target group and by geolocation are reported in tables 5A.27–31.

Figure 5.20 **Proportion of government funded VET graduates in employment after completing a course, by target group, 2009**a, b, c
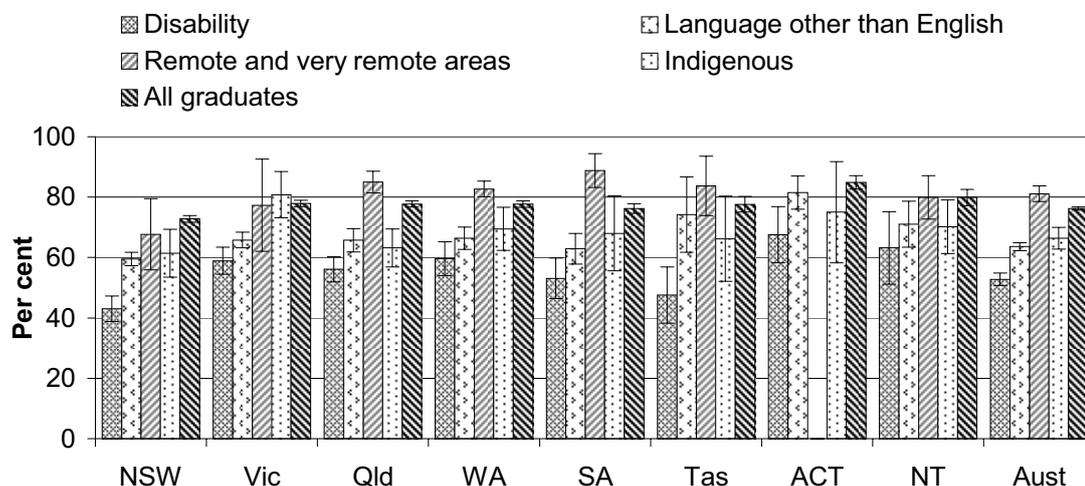
a Students reported as having disability are defined as those who self-identify that they have disability, and impairment or a long-term condition. Disabilities include hearing/deaf, physical, intellectual, learning, mental illness, acquired brain impairment, vision, medical condition and other unspecified disabilities. **b** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate. **c** There are no very remote areas in Victoria and no remote or very remote areas in the ACT. The remote data for Victoria are for students from remote areas throughout Australia studying in Victoria.

Source: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.25–26 and 5A.32–34.

Nationally, 37.3 per cent of government funded VET graduates with disability, 37.2 per cent of graduates who spoke a language other than English at home, 28.0 per cent of graduates from remote and very remote areas and 35.1 per cent of Indigenous graduates, continued on to further study after completing a course in 2008. In comparison, 34.0 per cent of all government funded VET graduates continued on to further study (figure 5.21).

Figure 5.21 **Proportion of government funded VET graduates who continued on to further study after completing a course, by target groups, 2009[a, b, c]**

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

Source: NCVER (unpublished) *Student Outcomes Survey*; tables 5A. 25–26 and 5A.32–34

Of those government funded VET graduates who continued on to further study, 56.6 per cent pursued their further study within the TAFE system, while 21.3 per cent went on to further study at universities and 22.1 per cent went on to further study at private providers or other registered providers (figure 5.22).

Figure 5.22 **Proportion of government funded VET graduates who continued on to further study after completing a course, by type of institution continued at, 2009a**
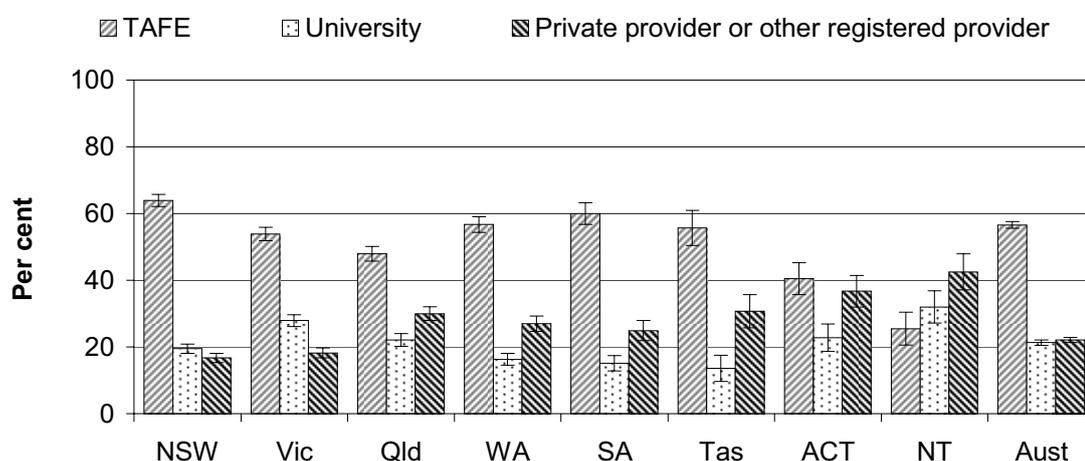
a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.25.

Of those Indigenous government funded VET graduates who went on to further study, 49.6 per cent continued on to further study within the TAFE system (compared with 56.6 per cent for all government funded VET graduates), while 16.2 per cent went to university (compared with 21.3 per cent for all government funded VET graduates) and 34.3 per cent went on to further study at private providers or other registered providers (compared with 22.1 per cent for all government funded VET graduates) (figure 5.23 and table 5A.25).

Figure 5.23 **Proportion of Indigenous government funded VET graduates who continued on to further study after completing a course, by type of institution continued at, 2009[a, b]**
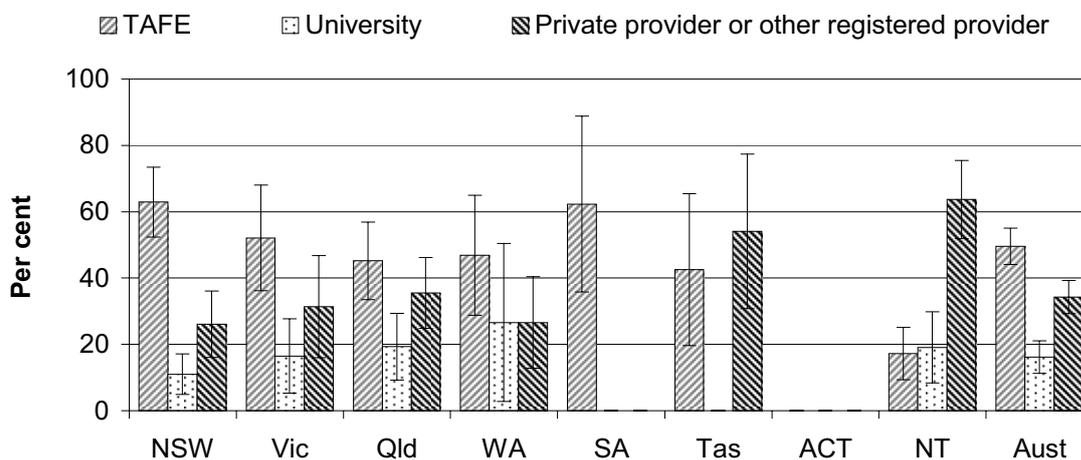
a The data for graduates who continued at TAFE for Tasmania, at University data for NSW, Victoria, Qld, WA and the NT, and data for graduates at 'private provider or other registered provider' for Victoria and WA, have relative standard errors greater than 25 per cent and should be used with caution. Some data for SA, Tasmania and the ACT are not published due to 5 or fewer responses.**b** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

*Source*: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.26.

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

Nationally, of the government funded VET graduates surveyed in 2009 who were unemployed before the course, 46.4 per cent indicated they were employed after the course, 42.4 per cent were unemployed and 10.7 per cent were not in the labour force (figure 5.24).

Figure 5.24 **Labour force status after the course of government funded VET graduates who were unemployed before the course, 2009a**

NFI = No further information

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

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

Between 2005 and 2009, the proportion of government funded VET graduates who were unemployed before the course and who became employed after the course decreased by 7.5 percentage points (from 53.9 to 46.4 per cent) (figure 5.25).

Figure 5.25 **Proportion of government funded VET graduates who were unemployed prior to commencing a course and were employed after completing a course[a]**
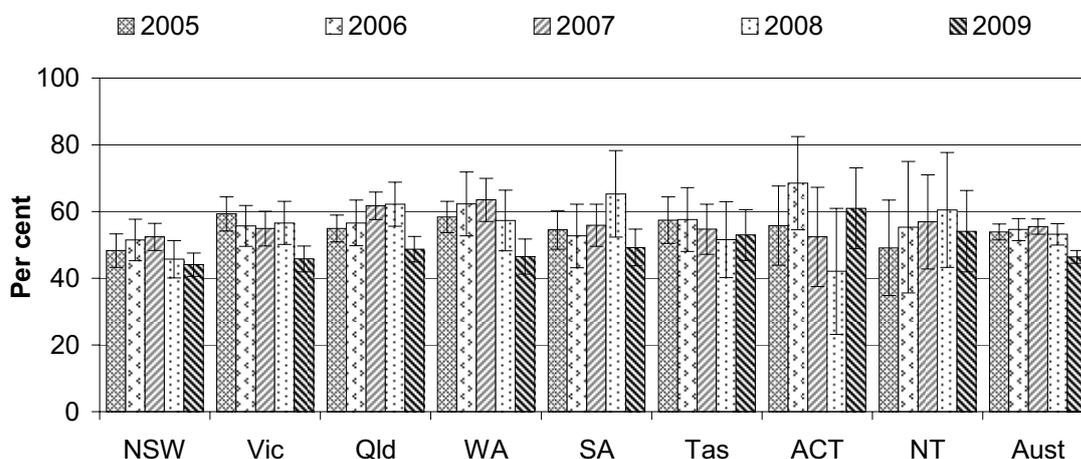
a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

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

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

Nationally, of the government funded VET graduates surveyed in 2009 who were employed after completing their course, 84.8 per cent indicated they were employed before the course, 7.6 per cent were unemployed before the course, and 7.4 per cent were not in the labour force (figure 5.26).

Figure 5.26 **Labour force status before the course of government funded VET graduates who were employed after the course, 2009[a]**

NFI = No further information.

a The 95 per cent confidence intervals for the percentage estimates are reported in table 5A.38.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.38.

Table 5A.37 and tables 5A.39-42 provide additional background information on the proportion of graduates employed after their course by their previous employment status (government funded and total reported VET graduates, by Indigenous status and socio-economic status).

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

Nationally, 59.8 per cent of all government funded VET graduates in 2009 indicated they had improved their employment circumstances after completing their course, a decrease of 4.4 percentage points from 2005 (64.2 per cent) (figure 5.27).

Figure 5.27 **Proportion of government funded VET graduates who improved their employment circumstances after training[a]**
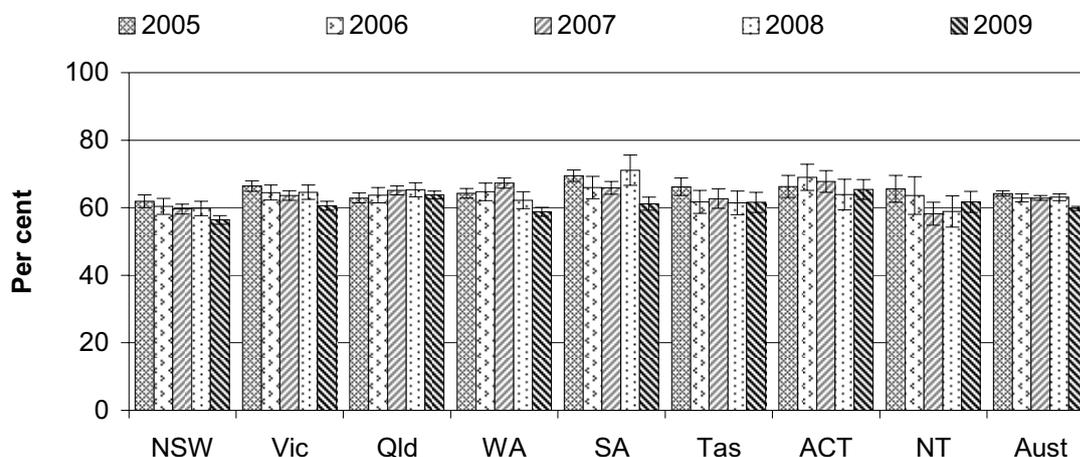
a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.45.

Government funded VET graduates nationally in 2009 indicated that:

- the employment status of 11.6 per cent changed from not employed before training to employed after training

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

- 55.8 per cent received a job-related benefit after completing their training (table 5A.50).

Table 5A.46 includes national data for female graduates, graduates who speak a language other than English at home, graduates with disability, and graduates from remote and very remote areas. Of these groups, government funded VET graduates who reported disability were the least likely to indicate that they had improved employment circumstances (41.3 per cent).

Nationally, 56.2 per cent of all Indigenous government funded VET graduates in 2009 indicated they had improved their employment circumstances after completing their course, compared with 60.0 per cent of non-Indigenous government funded VET graduates and 59.8 per cent of all government funded VET graduates (figure 5.28).

Figure 5.28 **Proportion of government funded VET graduates who improved their employment circumstances after training, by Indigenous status[a]**
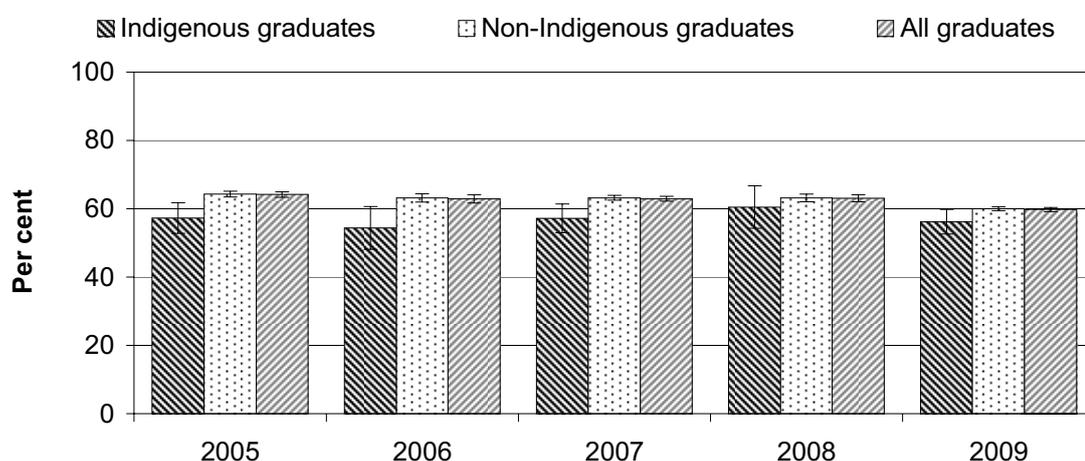
[a] The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.45; tables 5A.47-48.

Indigenous government funded VET graduates nationally in 2009 indicated that:

- the employment status of 13.2 per cent changed from not employed before training to employed after training

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

- 52.9 per cent received a job-related benefit after completing their training (table 5A.50).

Tables 5A.49 and 5A.51–54 provide additional background information on the percentage of graduates who improved their employment circumstances after completing their training (government funded and total reported VET graduates, by Indigenous status and socio-economic status).

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

Nationally in 2009, of the government funded VET graduates who were employed after their training and undertook their course for employment related reasons, 76.9 per cent indicated they had gained at least one job-related benefit from completing the course (figure 5.29).

Figure 5.29 **Proportion of government funded VET graduates who undertook their course for employment-related reasons and who received at least one job-related benefit from completing the course, 2009a**
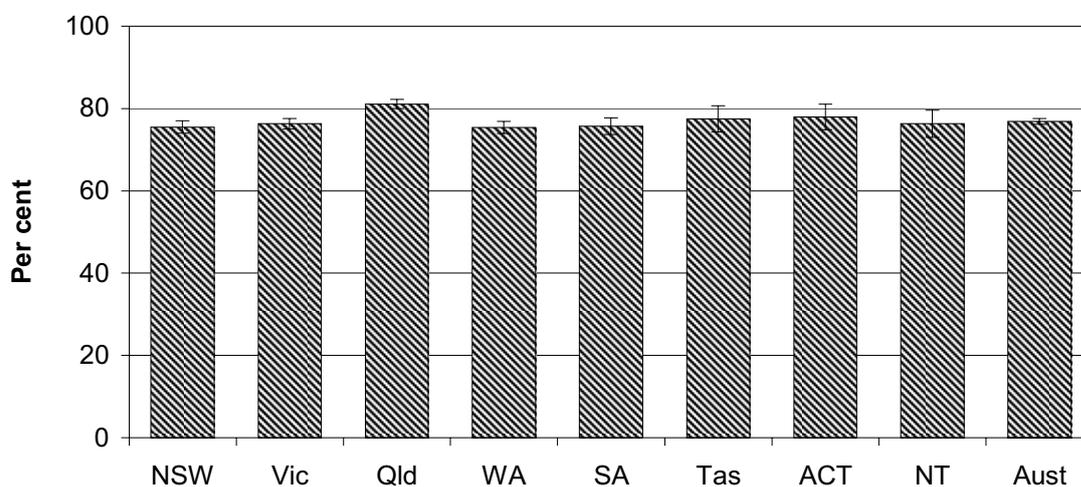
a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.44.

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

- obtained a job (31.3 per cent)
- achieved an increase in earnings (27.9 per cent)
- achieved a promotion or an increased status at work (30.8 per cent)
- a change of job or new job (17.1 per cent)
- gained the ability to start their own business (6.9 per cent) (table 5A.44).

Additional information is provided in attachment 5A.36 on the labour force status after the course, of graduates who were employed prior to the course. Attachment 5A.43 provides additional information on graduates who were employed after completing their course and undertook their course for employment related reasons, regarding how relevant the completed course was to their main job.

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

Student achievement in VET

'Student achievement in VET' is an indicator of governments' objective for students to achieve success in VET (box 5.13).

Box 5.13   **Student achievement in VET**

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

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

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

Data are provided for VET target groups (students with disability, students speaking a language other than English at home, students from remote and very remote areas and Indigenous students). Achievement by VET target groups can also indicate the equity of outcomes for these groups.

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

Care needs to be taken in comparing data across jurisdictions because average module durations vary across jurisdictions.

Reporting on the 'number of students who commenced and completed', expressed as a proportion of all course commencing enrolments in that year is dependent on the capacity to track individual students over more than one calendar year. Data were not available for the 2011 Report.

Data reported for this indicator are comparable.

Data quality information for this indicator is under development.

Student achievement in VET — Load pass rate

In 2009, the load pass rate for all government funded students was 79.8 per cent, similar to load pass rates for students from remote and very remote areas (82.9 per cent). The load pass rates for Indigenous students (70.2 per cent), students with

disability (70.6 per cent) and students speaking a language other than English at home (73.0 per cent) were lower than for all students (figure 5.30).

Figure 5.30 **Load pass rates, by target groups, 2009**[a, b, c, d]

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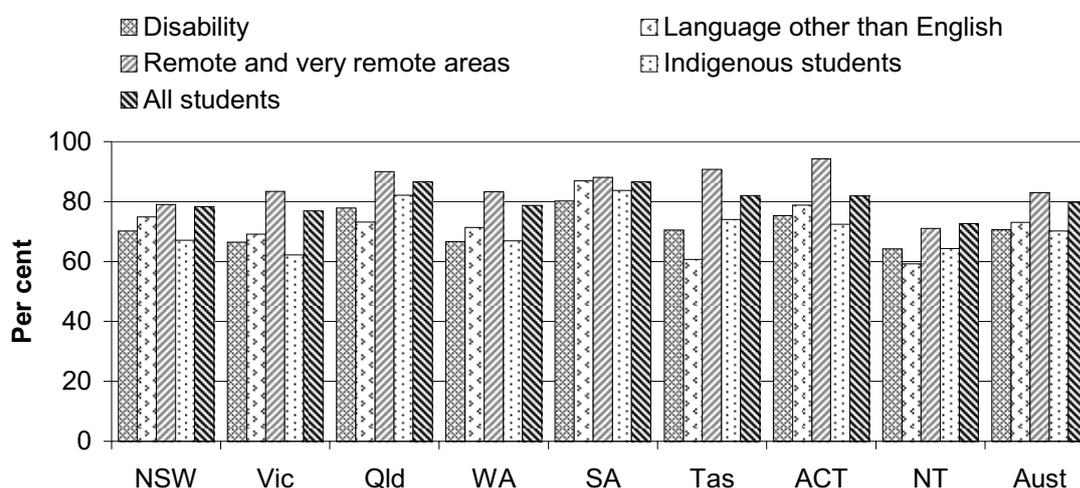
a Data are for government recurrent funded hours. **b** People with disability are defined as those who self-identify on enrolment forms that they have disability, and impairment or a long-term condition. Not all students respond to the relevant question on the enrolment form. **c** Care needs to be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

Source: NCVER (unpublished) National VET provider collection; tables 5A.56–59.

Nationally, between 2005 and 2009, load pass rates increased for all students by 1.8 percentage points (from 78.0 to 79.8 per cent) (table 5A.55) and for:

- students with disability by 0.3 percentage points (from 70.3 to 70.6 per cent) (table 5A.58)

- students speaking a language other than English at home by 1.1 percentage points (from 71.9 to 73.0 per cent) (table 5A.59)

- students from remote and very remote areas by 4.8 percentage points (from 78.1 to 82.9 per cent) (table 5A.57)

- Indigenous students by 4.0 percentage points (from 66.2 to 70.2 per cent) (figure 5.31).

Load pass rates by sex are also provided in table 5A.55.

Figure 5.31 **Indigenous students' load pass rate**[a]

Source: NCVER (unpublished) National VET provider collection; table 5A.56.

In 2009, the national load pass rate for Indigenous students (70.2 per cent) was lower than the national load pass rate for non-Indigenous students (80.2 per cent) and for all students (79.8 per cent) (figure 5.32).

Figure 5.32 **Load pass rate, by Indigenous status 2009**[a]
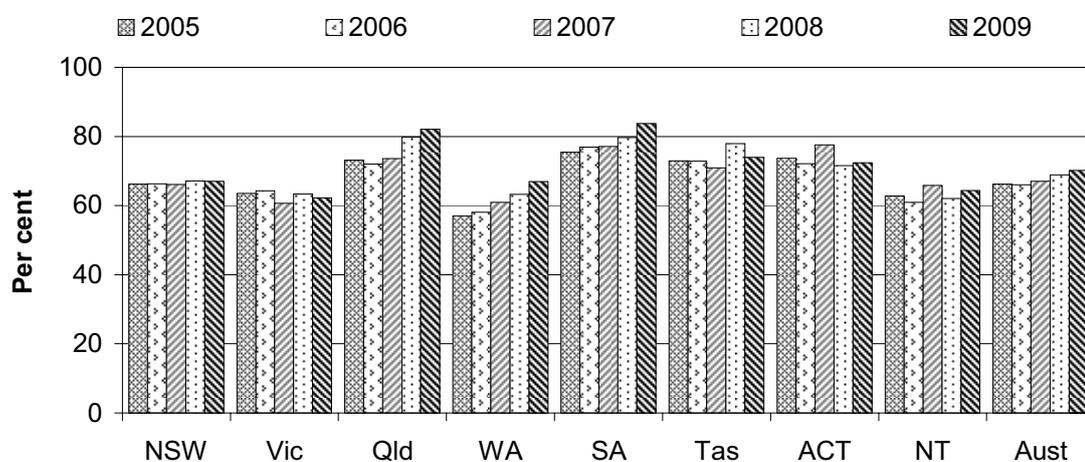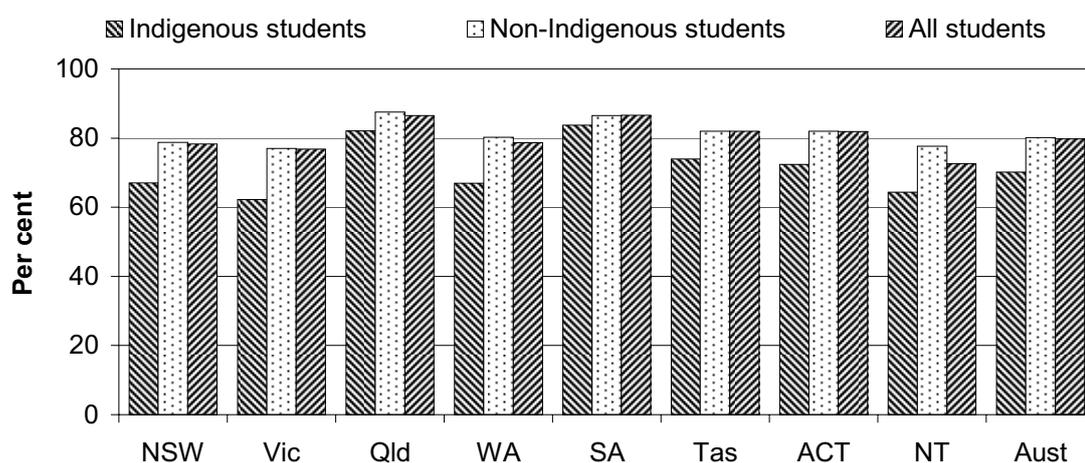
a Data are for government recurrent funded hours. See table 5A.56 for further information.
Source: NCVER (unpublished) National VET provider collection; table 5A.56.

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

Data for this measure were not available for the 2011 Report.

Student satisfaction with VET

'Student satisfaction with VET' is an indicator of governments' objective of enabling students' satisfaction with their training program (box 5.14).

Box 5.14   **Student satisfaction with VET**

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

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

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

Satisfaction with VET by target groups (students with disability, students speaking a language other than English at home, students from remote and very remote areas and Indigenous students) can also indicate the equity of outcomes for these groups.

A high or increasing percentage of perceived satisfaction is desirable. The proportion of graduates who achieve their training objectives varies according to their objectives — employment related, further study and/or developmental — so it is useful to distinguish amongst types of student objectives.

Data reported for this indicator are comparable.

Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2011

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

In 2009, 85.5 per cent of government funded VET graduates surveyed nationally indicated that their course helped (72.3 per cent) or partly helped (13.2 per cent) them achieve their main reason for doing the course — slightly higher than the 85.4 per cent total reported in 2005. Of those graduates surveyed in 2009, 5.3 per cent indicated their course did not help them achieve the main reason they did the course, compared with 5.9 per cent in 2005 (table 5A.60, figure 5.33).

Figure 5.33 Proportion of government funded VET graduates who achieved their main reason for doing the course, 2009[a]
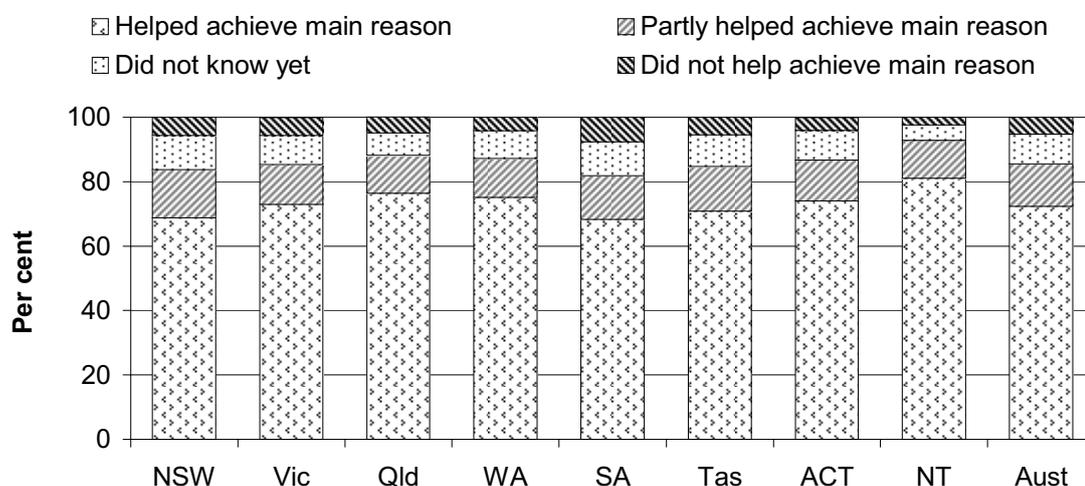
Legend:
- Helped achieve main reason
- Partly helped achieve main reason
- Did not know yet
- Did not help achieve main reason

a The 95 per cent confidence intervals for the percentage estimates are reported in table 5A.60.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.60.

Of all government funded VET graduates surveyed, 72.3 per cent indicated that the course helped them achieve their main reason for doing the course. Nationally in 2009, of the target groups, graduates from remote and very remote areas were the most likely to indicate that the course helped them achieve their main reason for doing the course (81.1 per cent), while graduates reporting disability were the least likely to do so (62.8 per cent) (figure 5.34).

Figure 5.34 **Proportion of government funded VET graduates who achieved their main reason for doing the course, by target groups, 2009[a, b, c]**
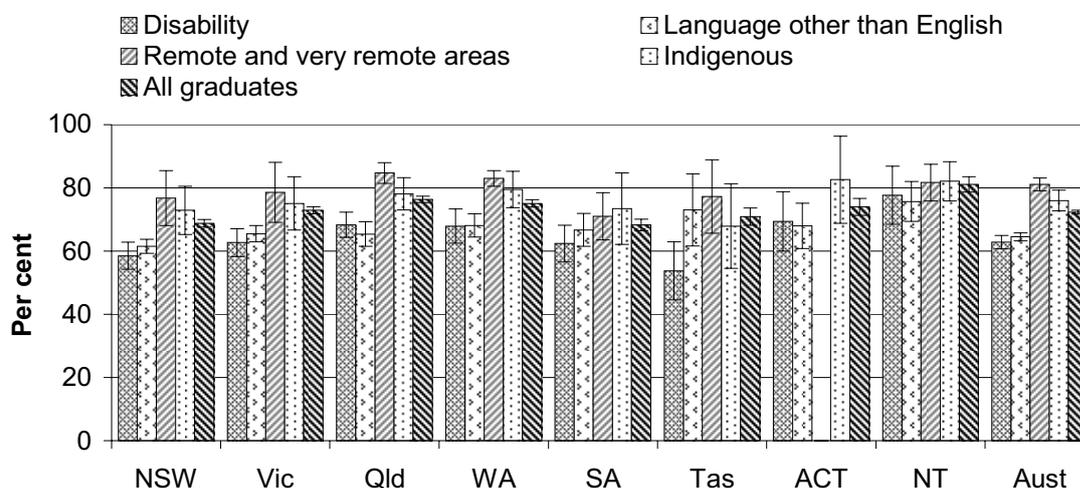
a Students reported as having disability are defined as those who self-identify that they have disability, and impairment or a long-term condition. Disabilities include hearing/deaf, physical, intellectual, learning, mental illness, acquired brain impairment, vision, medical condition and other unspecified disabilities. **b** There are no very remote areas in Victoria and no remote or very remote areas in the ACT. The remote data for Victoria are for students from remote areas throughout Australia studying in the jurisdiction. **c** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.60–61 and 5A.67–69.

Tables 5A.62–66 provide additional information on whether the course helped non-Indigenous graduates, female graduates, and graduates from major cities, from inner regional areas and from outer regional areas, achieve their main reason for undertaking training.

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

In 2009, 89.0 per cent of all government funded VET graduates surveyed nationally indicated that they were satisfied with the quality of their completed training (table 5A.70). The satisfaction levels across target groups were similar to all government funded VET graduates (89.0 per cent):

- graduates with disability (86.5 per cent)

- graduates speaking a language other than English at home (89.7 per cent)

- graduates from remote and very remote areas (91.0 per cent)

- Indigenous graduates (92.6 per cent) (figure 5.35).

Figure 5.35 **Proportion of government funded VET graduates who were satisfied with the quality of their completed course, by target groups, 2009[a, b, c, d]**
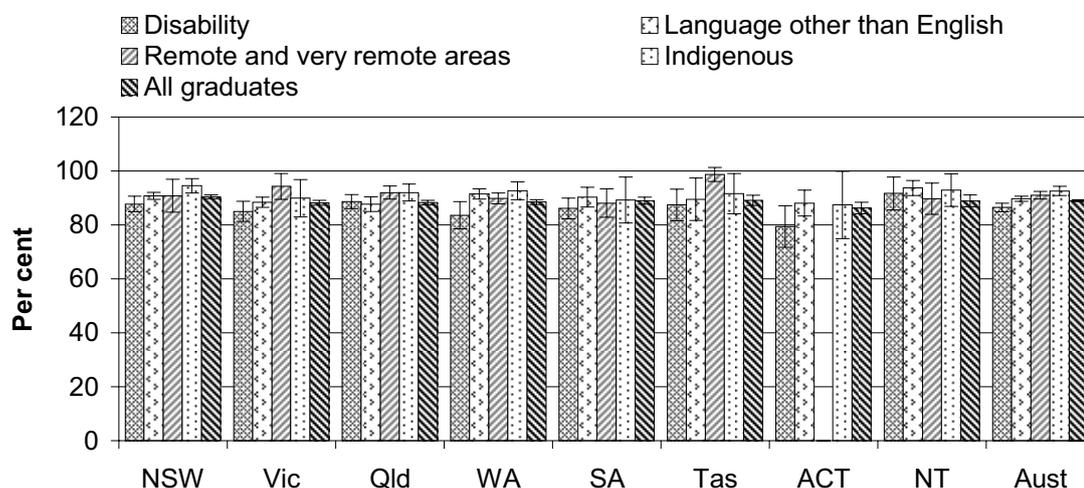

a Satisfaction with overall quality of training was rated as satisfied or very satisfied (4 or 5 on a 5 point scale). **b** There are no very remote areas in Victoria and no remote or very remote areas in the ACT. The remote data for Victoria are for students from remote areas throughout Australia studying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

Source: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.70–71 and 5A.77–79.

Nationally in 2009, the proportion of Indigenous graduates who indicated that they were satisfied (92.6 per cent) was higher than the proportion of non-Indigenous graduates (88.9 per cent) and of all graduates (89.0 per cent) (figure 5.36).

Figure 5.36 **Proportion of government funded VET graduates who were satisfied with the quality of their completed course, by Indigenous status, 2009[a, b]**
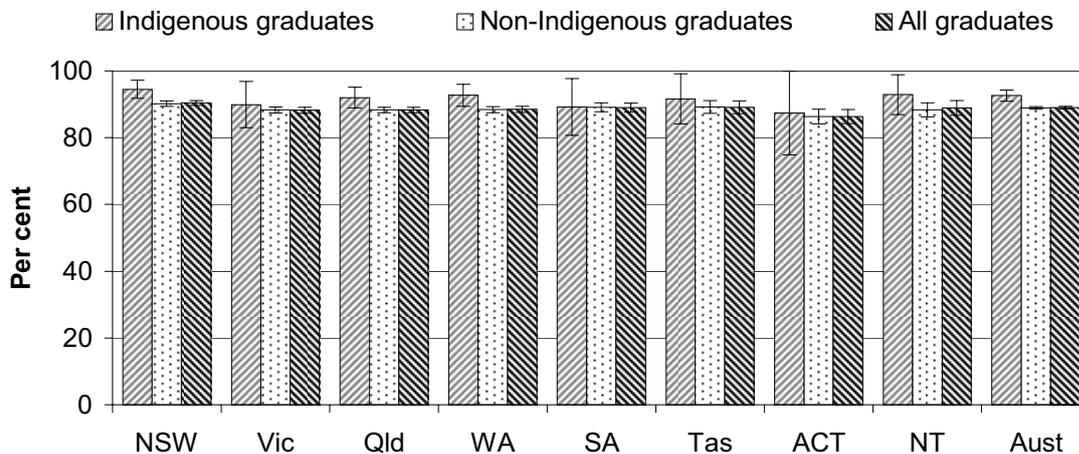
a Satisfaction with overall quality of training was rated as satisfied or very satisfied (4 or 5 on a 5 point scale). **b** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; tables 5A. 70–72.

Nationally in 2009, the satisfaction levels across all graduates undertaking training with different objectives were similar — graduates who had been seeking employment related outcomes (88.6 per cent), those seeking further study outcomes (89.6 per cent) and those seeking personal development outcomes (90.4 per cent) (figure 5.37).

Figure 5.37 Proportion of government funded VET graduates who were satisfied with the quality of their completed course, by purpose of study, 2009[a, b]

Seeking employment related outcomes   Seeking further study outcomes
Seeking personal development outcomes
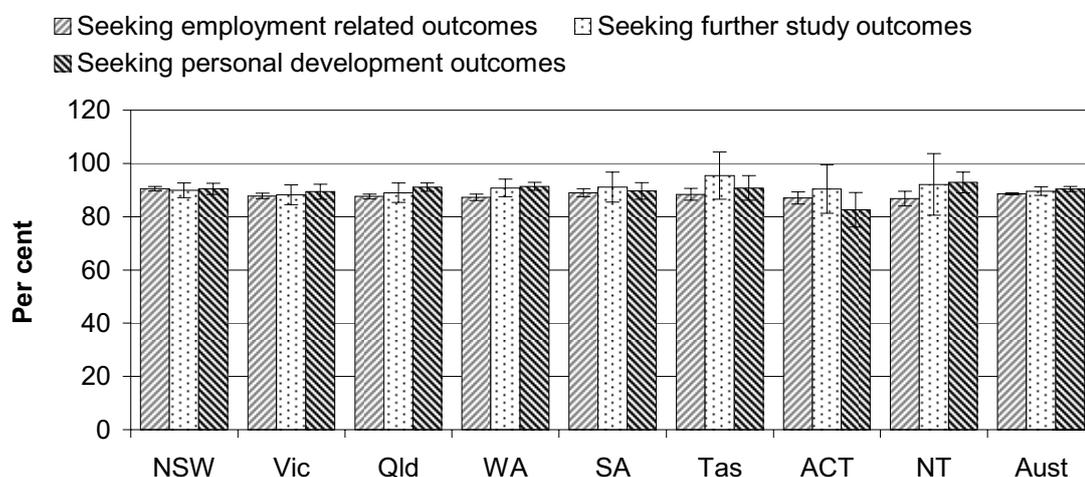
[a] Satisfaction with overall quality of training was rated as satisfied or very satisfied (4 or 5 on a 5 point scale).
[b] The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.70.

Nationally, the satisfaction levels across Indigenous graduates undertaking training with different objectives were also similar in 2009 — Indigenous graduates who had been seeking employment related outcomes (92.0 per cent), those seeking further study outcomes (94.9 per cent) and those seeking personal development outcomes (95.1 per cent) (figure 5.38).

Figure 5.38 **Proportion of Indigenous government funded VET graduates who were satisfied with the quality of their completed course, by purpose of study, 2009[a, b, c]**
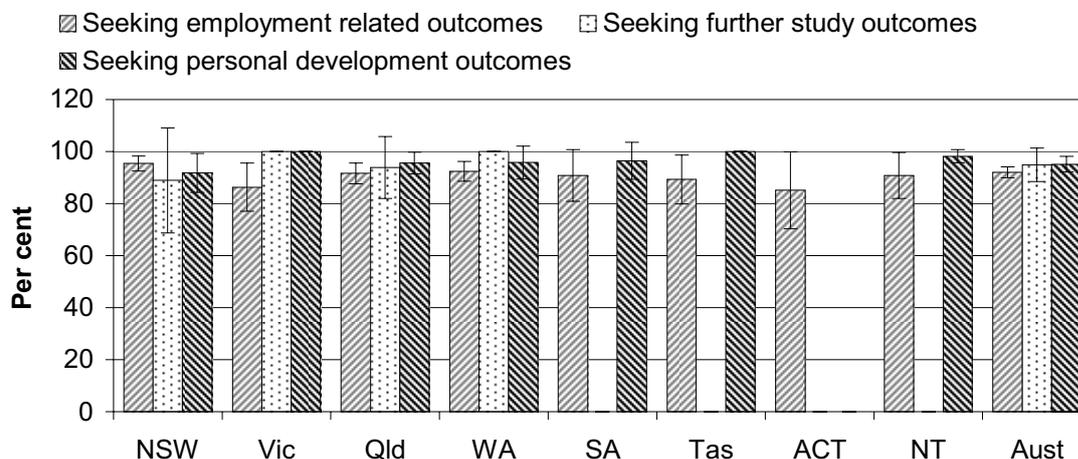
a Satisfaction with overall quality of training was rated as satisfied or very satisfied (4 or 5 on a 5 point scale). **b** Seeking further study outcomes data for SA, Tasmania, the ACT and the NT, and seeking personal development outcomes data for the ACT, are not published due to 5 or fewer responses. **c** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Student Outcomes Survey*; table 5A.71.

A further disaggregation of graduates by target groups and by ARIA geographical classifications, by the purpose of study, can be found in attachment tables 5A.73–79.

Skill profile

'Skill profile' is an indicator of governments' objective to create and maintain a national pool of skilled Australian workers that is sufficient to support internationally competitive commerce and industry. It measures the stock of VET skills held by Australians (box 5.15).

Box 5.15   **Skill profile**

'Skill profile' is yet to be defined.

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

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

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

- 'Units of competency' is defined as the number of units of competency achieved/passed each year by government recurrent funded VET students, where a unit of competency is defined as a component of a competency standard and/or a statement of a key function or role in a particular job or occupation.
  – Data reported for this measure are not directly comparable.

- 'Modules completed' is defined as the number of modules (outside training packages) achieved/passed each year by government recurrent funded VET students, where a module (also called a subject) is a unit of education or training which can be completed on its own or as part of a course. Modules may also result in the attainment of one or more units of competency.
  – Data reported for this measure are not directly comparable.

- 'Annual change in qualifications completed, units of competency and modules achieved/passed' is defined as the percentage change of qualifications, units of competency or modules achieved/passed from year to year.
  – Data reported for this measure are not directly comparable.

- 'Qualification Equivalents' is defined as the number of training activity (annual hours) associated with successful completions of modules and units of competency by government recurrent funded VET students, divided by an agreed value of training activity representing a qualification.
  – Data reported for this measure are comparable.

Data are provided for VET target groups (residents of remote and very remote areas, people with disability, people speaking a language other than English at home and by Indigenous status).

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

Qualifications completed in 2008 were counted in 2010.

Data quality information for this indicator is under development.

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

Skill outputs from VET — Qualifications completed

Nationally, approximately 351 600 VET qualifications were completed in 2008 (table 5A.81). The number of qualifications completed includes both government and non-government funded VET students (figure 5.39).

Figure 5.39 **Qualifications completed, all graduates^{a, b, c}**
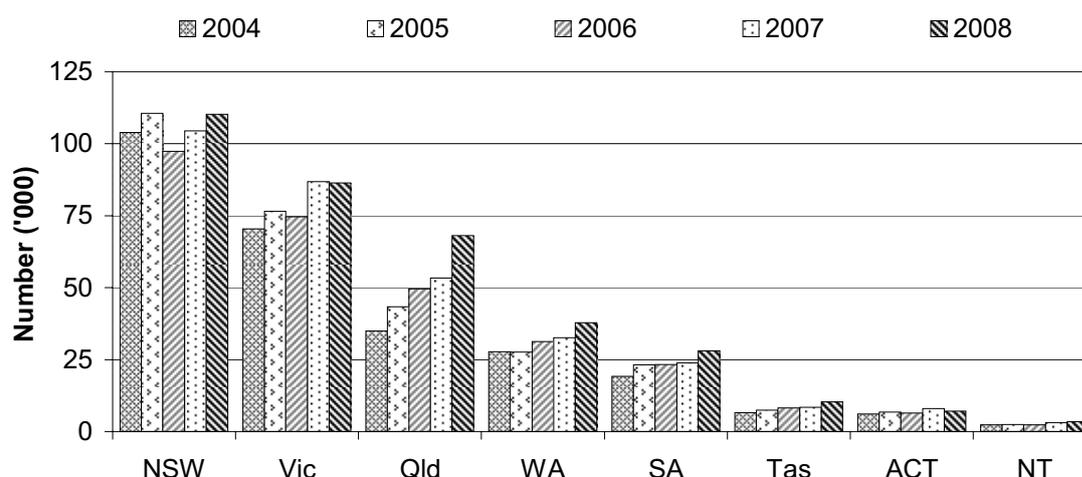
a Qualifications completed includes courses accredited or approved by a local State/Territory authority, and represents students eligible to be awarded a qualification. **b** The number of qualifications completed includes both government funded and non-government funded VET students. **c** SA data include VET in schools which has been assessed by TAFE.

*Source*: NCVER (unpublished) National VET provider collection; table 5A.81.

Nationally, the number of qualifications completed increased by 9.7 per cent between 2007 and 2008, and increased by 9.3 per cent between 2006 and 2007 (figure 5.40). Overall, VET qualifications increased by 29.7 per cent between 2004 and 2008 (table 5A.81).

Figure 5.40 **Qualifications completed, by change from previous year, all graduates**[a, b, c]
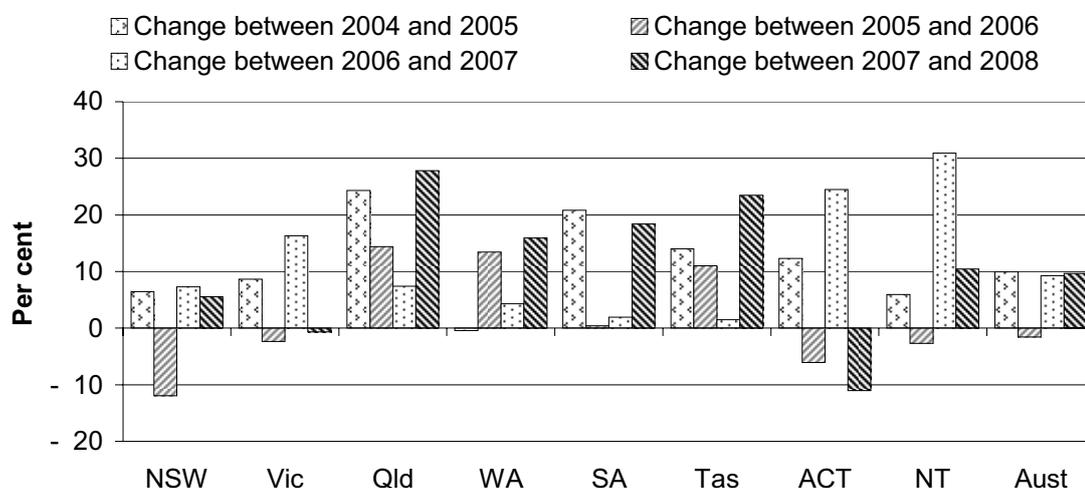
- Change between 2004 and 2005
- Change between 2005 and 2006
- Change between 2006 and 2007
- Change between 2007 and 2008

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

Source: NCVER (unpublished) National VET provider collection; table 5A.81.

Amongst the VET target groups, between 2004 and 2008 the number of qualifications completed nationally increased by:

- 34.9 per cent for students with disability (table 5A.83)

- 37.3 per cent for students speaking a language other than English at home (table 5A.84)

- 61.5 per cent for students from remote and very remote areas (table 5A.82)

- 58.8 per cent for Indigenous students (table 5A.80).

Additional information is provided in table 5A.81 on the number of VET qualifications completed from 2004 to 2008 by sex.

Nationally, Indigenous students completed 10 800 VET qualifications in 2008, an increase of 14.9 per cent from 9400 in 2007. Indigenous students accounted for 3.1 per cent of all the qualifications completed in 2008 (table 5A.80). The number of qualifications completed by Indigenous students varied across jurisdictions (figure 5.41).

Figure 5.41 **Qualifications completed by Indigenous students**[a, b, c]
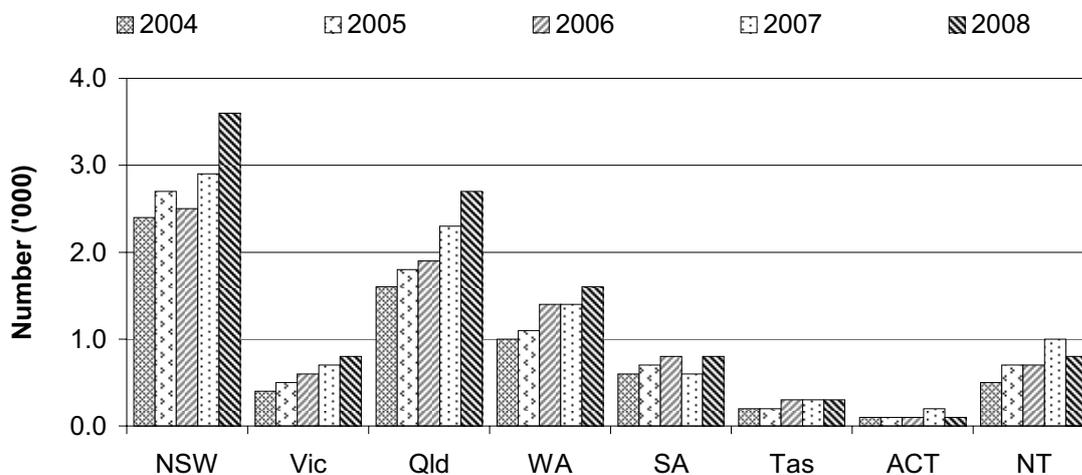
| ⊠ 2004 | ▯ 2005 | ▨ 2006 | ▢ 2007 | ◨ 2008 |

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

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

In 2008, 13.9 per cent of qualifications completed by all students were at the diploma or advanced diploma level, 58.6 per cent at certificate level III or IV and 27.5 per cent at certificate level I or II or lower (table 5A.85).

In the same year, 80.3 per cent of students aged 18–24 years completed qualifications at the certificate III level or higher, compared with 79.5 per cent of students aged 20–64 years and 72.8 per cent of students aged 15–64 years (figure 5.42).

In 2008, 57.4 per cent of Indigenous VET students aged 18–24 years completed qualifications at the certificate III level or higher, compared with 62.6 per cent of Indigenous students aged 20–64 years and 53.1 per cent of Indigenous students aged 15–64 years (figure 5.43).

In the same year, 3.6 per cent of Indigenous VET students aged 18–24 years completed qualifications at diploma level or higher, compared with 16.2 per cent of non-Indigenous students aged 18–24 years (table 5A.86).

Figure 5.42 **Qualifications completed, by course level and target age group, 2008**[a, b, c]

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

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

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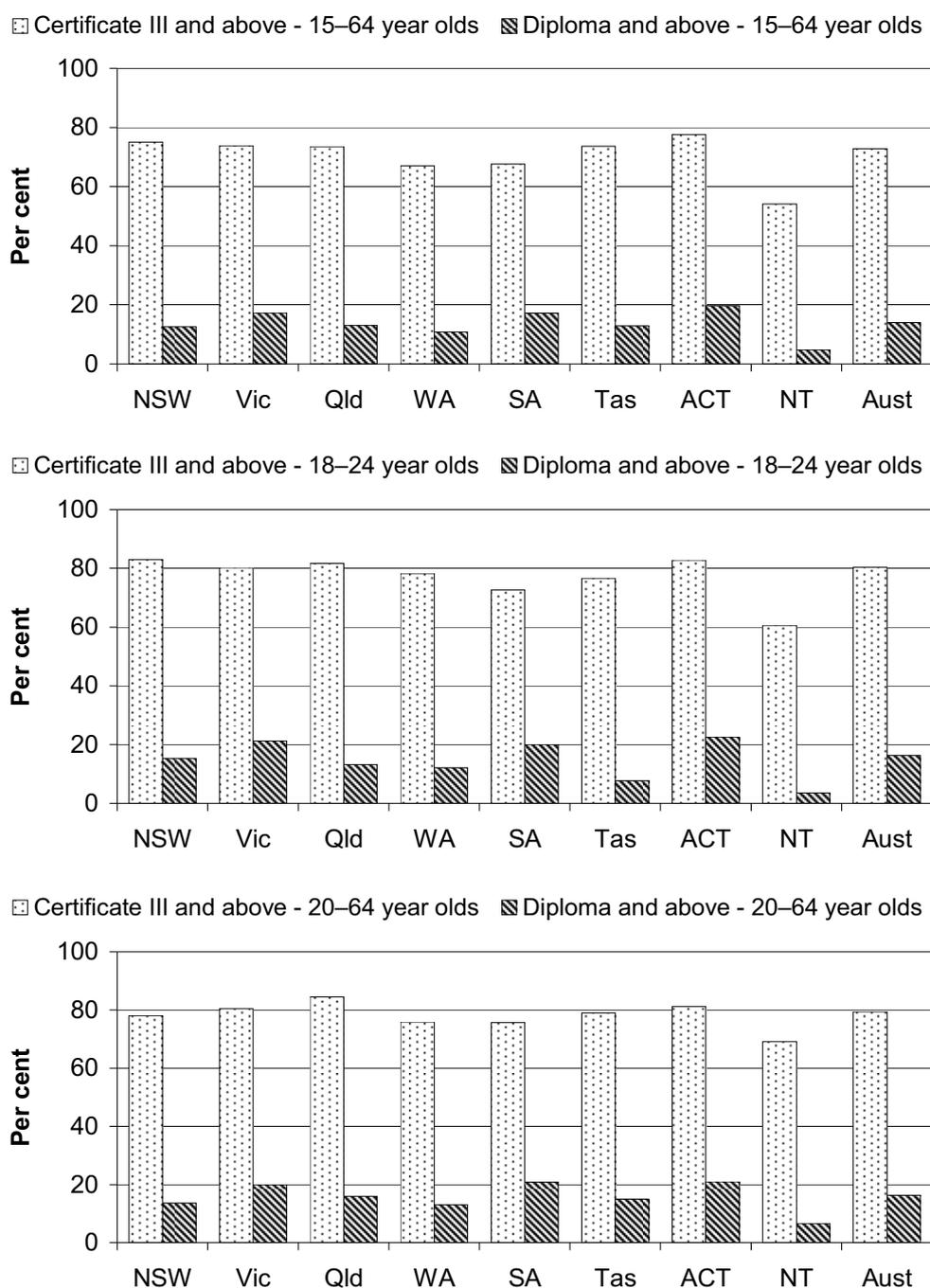
a Course level is the highest qualification attempted by a student in a reporting year. **b** Qualifications completed includes courses accredited or approved by a local State or Territory authority. Represents students eligible to be awarded a qualification. **c** Course levels classified as diploma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

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

Figure 5.43 **Qualifications completed by Indigenous students, by course level and target age group, 2008[a, b]**
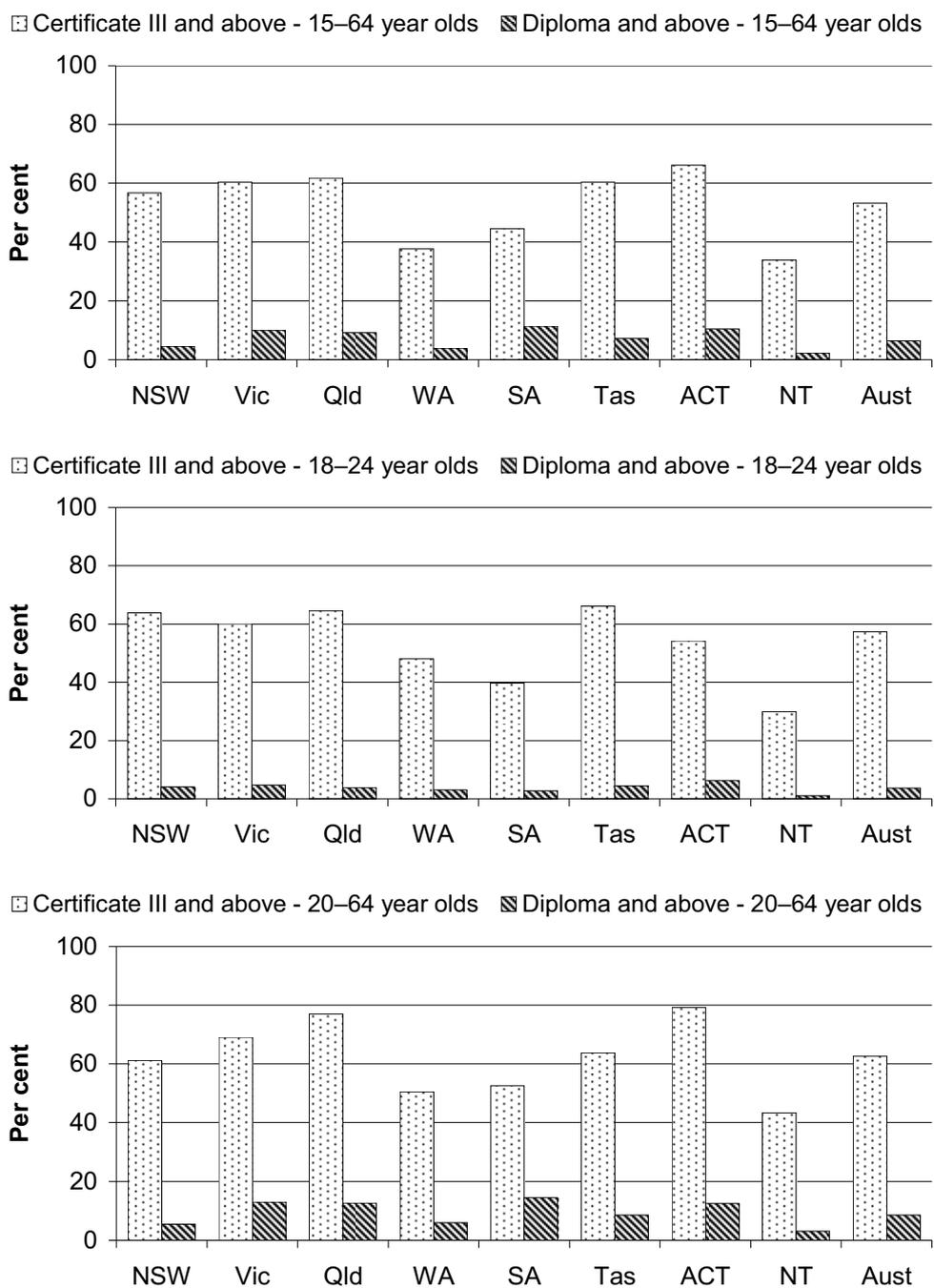
Certificate III and above - 15–64 year olds   Diploma and above - 15–64 year olds

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

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

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

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

Skill outputs from VET — Units of competency and modules completed

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

Nationally, all students achieved 6.8 million units of competency in 2009, an increase from 5.6 million in 2005. This was a 20.8 per cent increase in units of competency achieved/passed over this period (table 5A.88).

Nationally, all students achieved 1.4 million modules in 2009, a decrease from 1.5 million modules in 2005. This was a 4.3 per cent decrease in modules achieved/passed over this period (table 5A.92). The number of units of competency and number of modules achieved/passed varied across jurisdictions (figure 5.44).

Figure 5.44 **Units of competency and modules achieved/passed, all students[a, b]**
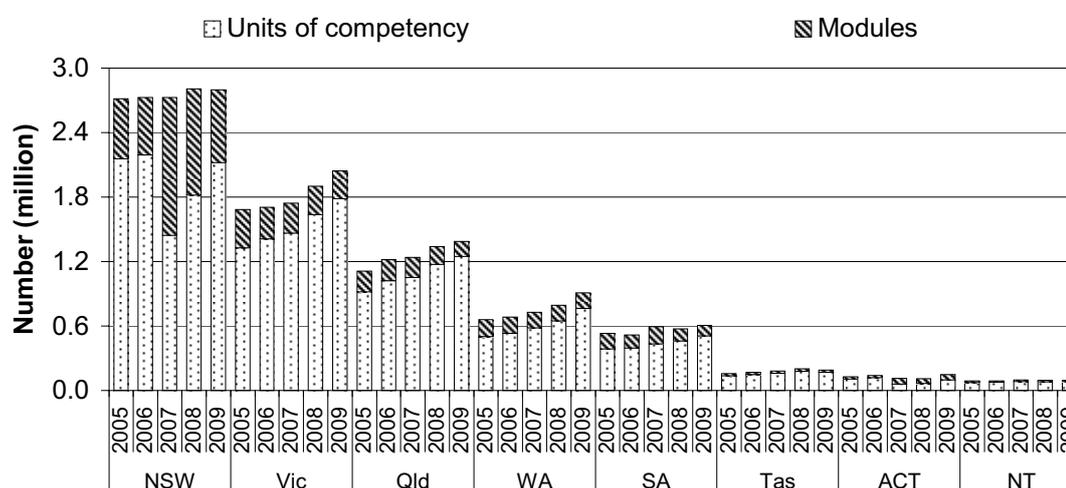
a Data are for government recurrent funded VET students. **b** SA data include VET in Schools which has been assessed by TAFE. To enable comparability of data, SA data for 2005 have been adjusted to include SA VET in Schools Assessment data.

Source: NCVER (unpublished) National VET provider collection; tables 5A.88 and 5A.92.

Nationally, Indigenous students achieved 263 100 units of competency in 2009, an increase from 195 200 units in 2005. This was a 34.8 per cent increase in units of competency achieved/passed over this period (table 5A.96).

Nationally, Indigenous students achieved 76 800 modules in 2009, an increase from 71 000 modules in 2005. This was an 8.2 per cent increase in modules achieved/passed over this period (table 5A.96). The number of units of competency and number of modules achieved/passed by Indigenous students varied across jurisdictions (figure 5.45).

Figure 5.45 **Units of competency and modules achieved/passed, by Indigenous students[a, b]**
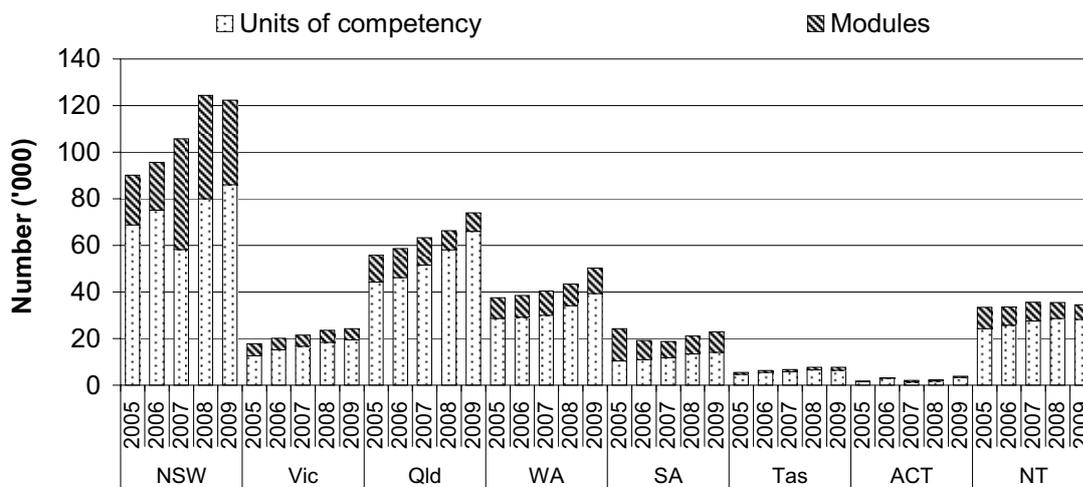
a Data are for government recurrent funded VET students. **b** SA data now include VET in Schools which has been assessed by TAFE. To enable comparability of data, SA data for 2005 have been adjusted to include SA VET in Schools Assessment data.

Source: NCVER (unpublished) National VET provider collection; table 5A.96.

Figure 5.46 shows the annual changes in the number of units of competency achieved/passed for all students since 2005, indicating that the national number of units of competency achieved/passed increased by 11.8 per cent from 2008 to 2009.

Figure 5.46 **Units of competency achieved/passed by all students, by change from previous year[a, b]**

Legend:
- Change between 2005 and 2006
- Change between 2006 and 2007
- Change between 2007 and 2008
- Change between 2008 and 2009

a Data are for government recurrent funded VET students. **b** SA data includes VET in Schools which has been assessed by TAFE. To enable comparability of data, SA data for 2005 have been adjusted to include SA VET in Schools Assessment data.

Source: NCVER (unpublished) National VET provider collection; table 5A.88.

Amongst the VET target groups, between 2005 and 2009 the number of units of competency achieved/passed nationally increased:

- 14.4 per cent for students reporting disability (table 5A.90)

- 25.8 per cent for students speaking a language other than English at home (table 5A.91)

- 18.3 per cent for students from remote and very remote areas (table 5A.89)

- 34.8 per cent for Indigenous students (table 5A.96).

The number of modules achieved/passed by all students nationally decreased by 20.4 per cent from 2008 to 2009 (figure 5.47).

Figure 5.47 **Modules achieved/passed by all students, by change from previous year[a, b]**
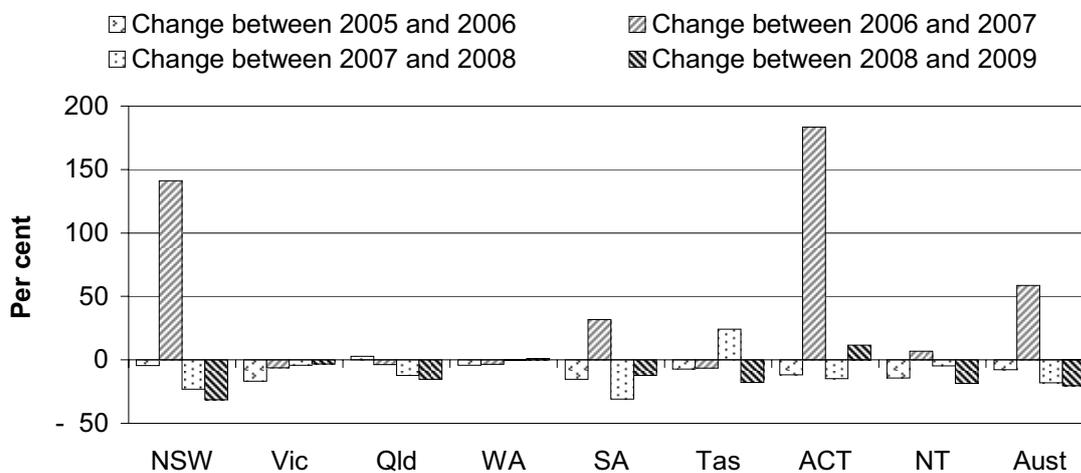
Legend:
- Change between 2005 and 2006
- Change between 2006 and 2007
- Change between 2007 and 2008
- Change between 2008 and 2009

a Data are for government recurrent funded VET students. **b** SA data now include VET in Schools which has been assessed by TAFE. To enable comparability of data, SA data for 2005 have been adjusted to include SA VET in Schools Assessment data.

Source: NCVER (unpublished) National VET provider collection; table 5A.92.

Amongst the VET target groups, the number of modules achieved/passed nationally between 2005 and 2009 decreased by 12.3 per cent for students from remote and very remote areas (table 5A.93), and increased for other target groups as follows:

- 10.1 per cent for students who reported disability (table 5A.94)

- 28.9 per cent for students speaking a language other than English at home (table 5A.95)

- 8.2 per cent for Indigenous students (table 5A.96).

Additional information on the number of units of competency and modules achieved/passed for female and male students is provided in tables 5A.88 and 5A.92.

Skill outputs from VET — Qualification Equivalents

Nationally, government funded VET students undertook training equivalent to 445 700 VET qualifications in 2009, an increase from 414 000 in 2008 and from 353 300 in 2005. The change from 2005 to 2009 represents a 26.2 per cent increase. The number of Qualification Equivalents varied across jurisdictions (figure 5.48).

Figure 5.48 **Qualification Equivalents, all graduates, 2009**
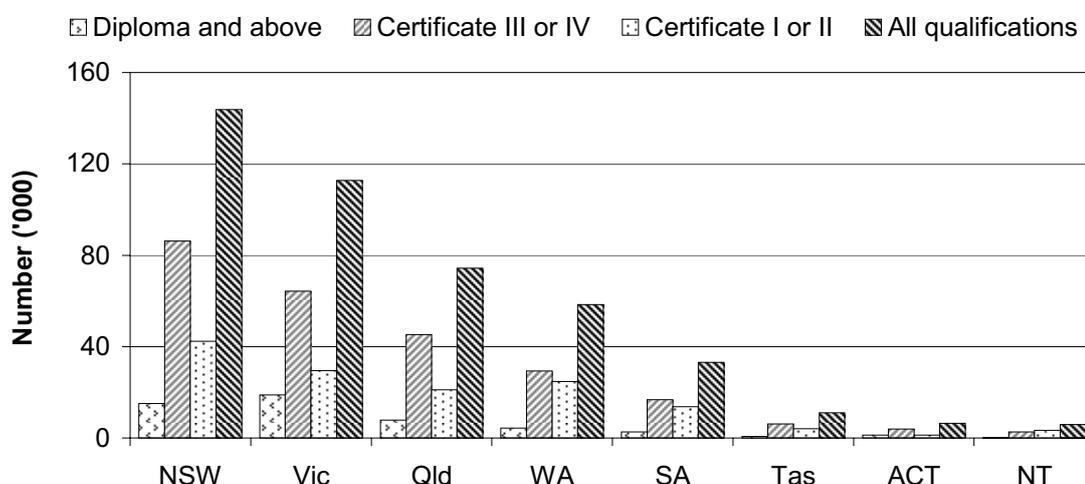
Source: NCVER (unpublished) National VET provider collection; table 5A.87.

Nationally, government funded VET Indigenous students undertook training equivalent to 19 700 VET qualifications in 2009, an increase from 18 100 in 2008 and from 15 500 in 2005. The change from 2005 to 2009 represents a 27.1 per cent increase (compared with a 26.2 per cent increase for all government funded students over the same period). The number of Qualification Equivalents varied across jurisdictions (figure 5.49).

Figure 5.49 **Qualification Equivalents, by Indigenous graduates, 2009**
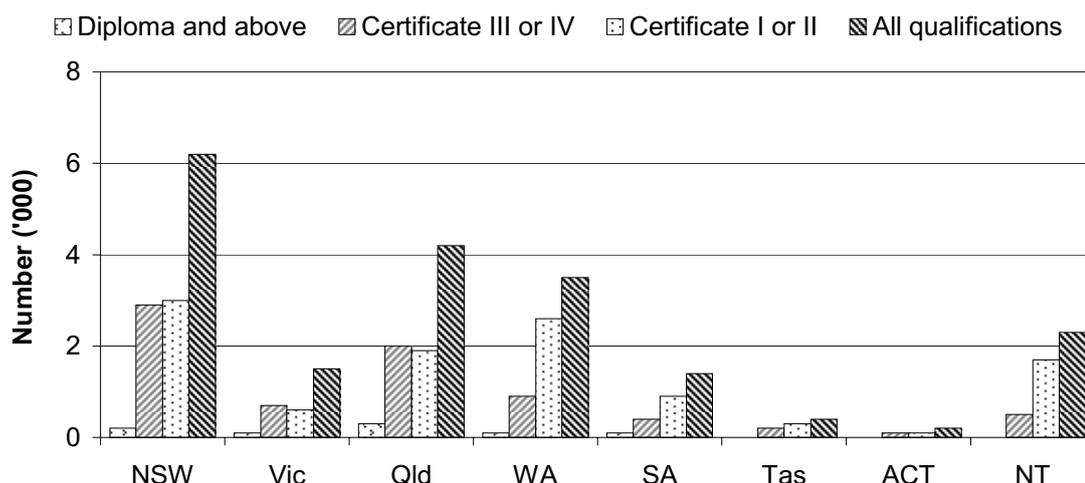
Source: NCVER (unpublished) National VET provider collection; table 5A.87.

Employer outcomes

The biennial Survey of Employers' Use and Views of the VET System (NCVER 2009) captures the extent to which employers make use of, and are satisfied with, aspects of the VET system. The latest survey was conducted in 2009. The survey reveals the reasons why employers make the choices they do in order to meet their skill needs, and their levels of satisfaction with the products and services of the VET system. The findings represent the responses of all employers with at least one employee and their training experiences in the 12 months prior to the survey.

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

Employer engagement with VET

'Employer engagement with VET' is an indicator of governments' objective that employers and individuals will be at the centre of VET (box 5.16).

Box 5.16   **Employer engagement with VET**

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

- had employees undertaking apprenticeships/traineeships

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

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

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

Data reported for this indicator are comparable.

Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2011

The percentage of employers in 2009 who were engaged with apprenticeships or traineeships in the last twelve months was 30.6 per cent (figure 5.50). This varied by industry, from 9.4 per cent in agriculture, forestry and fishing, to 63.1 per cent in construction (NCVER 2009).

The percentage of employers engaged with nationally recognised training in the last twelve months was 26.1 per cent (figure 5.50). Engagement with nationally recognised training varied by industry from 17.0 per cent in agriculture, forestry and fishing, to 41.9 per cent in education and training (NCVER 2009).

The percentage of employers engaged with employing people with a formal vocational qualification as a job requirement in the last twelve months was 34.2 per cent (figure 5.50). Employers with vocational qualifications as a job requirement varied from 9.7 per cent in agriculture, forestry and fishing, to 57.5 per cent in education and training (NCVER 2009).

Figure 5.50 **Proportion of employers who are engaged with aspects of the VET system, 2009[a, b, c, d]**
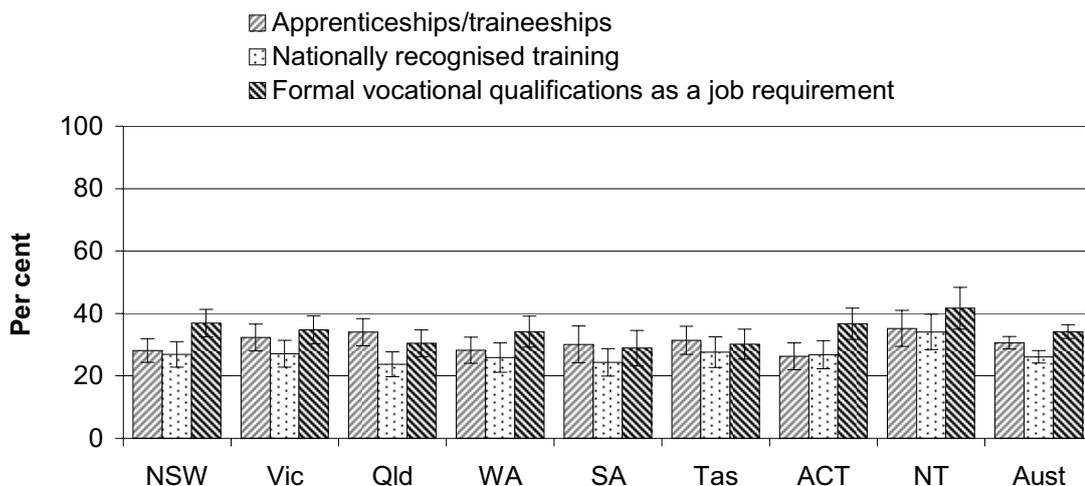
a Engagement with apprenticeships/traineeships means an employer had employees undertaking an apprenticeship or traineeship in the last 12 months. **b** Engagement with nationally recognised training means an employer arranged or provided nationally recognised training to employees over the last 12 months. **c** Engagement with formal vocational qualifications means an employer had employees in the last 12 months with a formal vocational qualification that was a requirement of their job. **d** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER (unpublished) *Survey of Employer Use and Views*; table 5A.97.

Employer satisfaction with VET

'Employer satisfaction with VET' is an indicator of governments' objective that industry will have a highly skilled workforce to support strong performance in the global economy (box 5.17).

Nationally, 83.2 per cent of employers engaged with apprenticeships or traineeships in the 2009 survey were satisfied with VET as a way of providing employees with skills required for the job (figure 5.51). Satisfaction was 83.3 per cent in the 2007 survey (table 5A.98). Employer satisfaction with using apprenticeships or traineeships as a way of meeting skill needs varied across industry, with the lowest satisfaction levels in accommodation and food services (66.8 per cent) (NCVER 2009).

Nationally, 85.8 per cent of employers who arranged or provided nationally recognised training to employees over the past 12 months were satisfied with nationally recognised training as a way of providing employees with skills required for the job (figure 5.51). Satisfaction was 80.5 per cent in the 2007 survey (table 5A.98). Employer satisfaction with using nationally recognised training as a way of providing employees with skills required for the job was lowest in agriculture, forestry and fishing (62.6 per cent) (NCVER 2009).

Nationally, 83.4 per cent of employers who had employees in the last 12 months with a formal vocational qualification that was a requirement of their job were satisfied with formal vocational requirements as a way of meeting skills (figure 5.51). Satisfaction was 80.8 per cent in the 2007 survey (table 5A.98). Employer satisfaction with using vocational qualifications as a job requirement as a way of meeting skills needs was lowest in agriculture, forestry and fishing (68.6 per cent) (NCVER 2009).

Figure 5.51 **Proportion of employers who engaged with an aspect of the VET system and are satisfied with VET as a way of meeting their skill needs, 2009**[a, b, c, d, e]

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

Source: NCVER (unpublished) *Survey of Employer Use and Views*; table 5A.98.

5.4   Future directions in performance reporting

Improving reporting of indicators

Aspects of some VET indicators are not yet fully developed or comparable, and developments for future reports include:

- improving the quality of Indigenous outcomes data

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

Outcomes from review of Report on Government Services

COAG endorsed recommendations of a review of the RoGS in December 2009. Those recommendations implemented during 2010 are reflected in this Report.

Further recommendations will be reflected in future Reports, including implementation of Independent Reference Group and Steering Committee recommendations arising from the 'Review of the general performance indicator framework' and the 'Review of the performance indicators and their associated measures'. The 2012 Report and later editions will continue:

- lengthening time series data in attachment tables
- developing data quality information documents for performance indicators
- developing mini-case studies.

5.5   Jurisdictions' comments

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

Australian Government comments

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2009 saw the Australian Government redoubling its efforts to strengthen the economy in the wake of the global recession, including through initiatives like the *Apprenticeship Kickstart* program to shore up commencement and retention rates of Australian Apprentices, and the $500 million Teaching and Learning Capital Fund to modernise teaching and learning facilities across the VET sector.

Targeted initiatives were underpinned by systemic reform:

- activity commenced under the *National Agreement for Skills and Workforce Development*, which aimed to deliver on the Council of Australian Governments' targets to halve the proportions of 20–64 year olds without qualifications at or above Certificate III by 2020, and to double the number of diploma and advanced diploma completions by 2020

- the *National Partnership Agreement for Productivity Places Program* provided states and territories with greater flexibility to tailor training to suit local priorities

- the Ministerial Council for Vocational and Technical Education was replaced by the Ministerial Council for Tertiary Education and Employment, which has a broader remit encompassing higher education, VET, international education, the Australian Qualifications Framework (AQF) and employment

- the Australian Qualifications Framework Council replaced the former AQF Advisory Board, and undertook to strengthen the AQF and ensure its continuing relevance

- the National VET Data Strategy was adopted as a way of delivering improvements in reporting, transparency and accountability

- the Government announced the $70 million Vocational Education Broadband Network to provide the infrastructure to enable TAFEs to access a high quality broadband network tailored to the requirements of the training sector

- the response to the Review of Australian Higher Education included initiatives to improve articulation and linkages between the VET and higher education sectors

- the Government also implemented VET FEE-HELP, income contingent loans to stimulate the take up of higher level skills by reducing the financial barrier to students having to pay tuition fees upfront for diploma, advanced diploma, graduate certificate and graduate diploma courses.

The National Resources Sector Employment Taskforce was established to develop a comprehensive plan to address the skills needs of the resources, sector, given projections that Australia would need more than 70 000 additional skilled workers for major resources projects to 2015.

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The *Big Skills* Conference in March 2009 attracted some 1200 Australian and overseas delegates to discuss key training sector issues.

New South Wales Government comments

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NSW continues to be the largest provider of Vocational Education and Training (VET) with 31.4 per cent of all Australian VET qualifications being completed by NSW students in 2008. In 2009, NSW delivered 140.5 million hours of VET, an increase of 4.6 per cent compared with 2008.

At the end of 2009, there were more than 138 500 apprentices and trainees in training across NSW, including over 2400 school students undertaking school-based apprenticeships and traineeships. The Apprenticeship and Traineeship Training Program was re-focused in 2009 to encourage a greater take-up of apprenticeships and traineeships in priority areas, including in rural and remote locations. A 15 per cent incentive above the government base rate for RTOs delivering to rural and remote students has applied since 2009.

NSW has introduced a number of initiatives to address the skill needs of NSW including:

- progressing the Productivity Places Program to deliver 175 000 additional training opportunities in skill shortage areas

- providing an additional $1.2 million to registered Group Training Organisations in 2009-10 as part of the third instalment of NSW's $69 million Learn or Earn election commitment. This funding supported up to 300 apprentices from disadvantaged groups to gain employment and undertake training

- expanding Green skills training during 2009 through the introduction of a $20 million program to provide training in energy efficiency for tradespeople and professionals and through industry-partnership projects.

In 2009, TAFE NSW continued its focus on offering innovative services to meet the changing needs of individuals and industry and evolving patterns of employment, thereby benefitting both learners and employers. Achievements included:

- promoting recognition of prior learning and delivery in the workplace

- responding innovatively to workforce development needs and skill shortages

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

- establishing key partnerships with the higher education sector.

NSW is also successfully applying strategies to increase VET participation for equity groups. For example, the total number of Aboriginal VET students in NSW has increased by 39 per cent since 2005.

NSW is boosting its youth and education programs with an additional $11.4 million over two years to support unemployed young people return to education or get into work. This new package includes $5.5 million for 2000 unemployed young people to undertake targeted pre-vocational training courses.

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Victorian Government comments

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In August 2008, the Victorian Government announced *Securing Jobs for Your Future – Skills for Victoria*, which introduced an entitlement model for young people and others to up-skill, making the VET system more responsive to employer and student needs. The new system puts the student at the centre by:

- creating a personal entitlement to a government subsidised place in recognised training - the *Victorian Training Guarantee* (VTG)

- uncapping government funding for subsidised places

- enabling registered providers to compete for students and the government funding which follows the student

- providing students with more choice and flexibility in where and when they access government subsidised training.

In July 2009, the VTG was introduced for diplomas and above and students referred through the *Skills for Growth* program. Income contingent loans were made available for the first time for government subsidised training at diploma level and above, enabling the deferral of tuition fees until individual earnings reach a specific level.

During 2009 almost 76 000 young people aged 15-19 years undertook VET in government subsidised programs. There were 106 000 VET enrolments at higher qualification levels, an increase of 10 percent on 2008. Apprentice and trainee completions in Victoria represented close to a third of all national completions. At the end of 2009, an estimated 102 900 apprentices and trainees were in training in Victoria.

Employers in Victoria are increasingly more satisfied with the VET system. In 2009, 88 per cent of Victorian employers who used nationally recognised training were satisfied that the training provided employees with skills required, up from 82 per cent in 2007. Other achievements in 2009 include:

- *Skills for Growth*, an initiative providing industry-informed workforce planning and training specialists to assist small to medium-sized businesses in Victoria with workforce skills development

- an *Industry Experts as Teachers* recruitment program to encourage people with recent industry experience to transition into VET teaching

- initiatives such as the *Apprenticeship/Traineeship Completion Bonus* program, targeted research, and provision of support services to encourage employment and retention of apprentices and trainees

- significant improvements to TAFE information technology infrastructure

- amending the *Education and Training Reform Act 2006*, including strengthening the Victorian regulator's capacity to better protect international students by closing high-risk providers.

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Queensland Government comments

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The Queensland Government has initiated significant and systemic reforms to maximise opportunities for individual prosperity; strengthen economic recovery and growth; and boost productivity.

The Queensland Government's Toward Q2 Qualifications target is measured as the proportion of Queenslanders aged between 25 and 64 years who hold a Certificate III or above qualification by 2020. The Government is committed to maximising opportunities for all Queenslanders to attain qualifications by boosting industry investment in and ownership of skills development, widening access to tertiary training, and improving pathways to qualifications.

Queensland has developed sophisticated industry engagement strategies through the establishment of Centres of Excellence in key industry sectors such as manufacturing and engineering, energy and building and construction, as well as skills alliances and skills formation strategies in specific industries and regions. For example, the Queensland Government has taken a whole of government approach to the development of the Surat Basin and is committed to working with industry to support the development of the Coal Seam Gas / Liquefied Natural Gas (CSG/LNG) industry that is expected to create some 18 000 jobs. This commitment has been demonstrated by the investment of $10 million in the CSG/LNG Industry Training Program which is jointly funded by government and industry.

In 2010, Queensland established Skills Queensland, an independent body to lead the state's vocational education and training, higher education, skilled migration and employment programs.

Skills Queensland provides a mechanism by which industry can take genuine leadership of the state's skills system to ensure Queensland's labour force meets the needs of a growing economy and population. Skills Queensland will lead a new approach to engaging with industry, one that emphasises a holistic approach to workforce development and not just training.

This important reform will be complemented by further reforms to the policy framework for Queensland's tertiary education system.

In 2010, the Queensland Minister for Education and Training commissioned an independent review of post-secondary education and training. The outcomes of this review are expected to be considered and implemented progressively from 2011.

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Western Australian Government comments

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On 31 August 2009 the State Government announced the creation of the Department of Training and Workforce Development to reflect a strong commitment to training and securing a skilled and capable workforce to respond to the needs of the growing Western Australian economy.

The following has been achieved in 2010:

- developed Skilling WA – *A workforce development plan for Western Australia*, which provides a comprehensive framework for the planning and development of the State's workforce, with the aim of maximising the supply of skilled labour to the State's industries

- commenced reform of the training sector to be more responsive to demand from industry, community need, self-employment opportunity and individual need, consistent with the State Training Plan and *Training WA: Planning for the future 2009-2018*

- developed and implemented the Western Australian State Migration Plan and maintained overseas enrolments above 2009 levels in a volatile market

- compiled the State Priority Occupations List to inform workforce planning in Western Australia and the prioritisation of training funds

- implemented amendments to the *Vocational Education and Training Act 1996* and *Vocational Education and Training (General) Regulations 2009*, which have increased the involvement of employers in the Western Australian training system

- launched the *Training together-working together – Aboriginal workforce development strategy*, which is aimed at assisting Aboriginal people to participate effectively in the workforce and to ensure that the development and application of their skills is within a workplace context

- established a statewide network of 14 Workforce Development Centres, which provide a range of services to individuals to enable them to make education, training and occupational choices to manage their careers

- established the State's first Aboriginal Workforce Development Centre which works with Aboriginal people and employers to match Aboriginal people to real jobs

- expanded apprenticeship training markets which resulted in ten new private training providers entering the market, delivering training across a range of apprenticeships, including five apprenticeships not delivered previously in Western Australia

- achieved a 10.5 per cent increase in the number of apprentices and trainees in training in Western Australia

- achieved an 11.3 per cent increase in the number of publicly funded Student Curriculum Hours (SCH).

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South Australian Government comments

In 2009 there was an increase in the number of government funded VET students, with more students attending TAFE SA and private registered training organisations. The number of hours of training delivered to VET students increased by 12.1 per cent. Data released in 2009 shows there was a large increase, of 18.4 per cent, in the number of qualifications completed by South Australian VET students.

In 2009 a review was initiated of *South Australia Works*, which links people with skills and jobs through a range of learning, training and work programs. The review identified new strategic directions within a changed economic and policy environment. In 2009, $35.7 million of funding was provided to *South Australia Works*, with over 32 000 people participating in the program. Of these, 16 700 people participated in work programs, with 8400 gaining employment, and another 15 400 people in learning, skills development and training programs.

The infrastructure for VET students has also been enhanced with more than $70 million committed in 2009 into upgrading and maintaining TAFE SA facilities, including a new campus at Victor Harbor and upgrades at both metropolitan and country campuses, funded jointly by the Australian and the state government. This represents the biggest ever infrastructure upgrade in TAFE SA's history.

The Training and Skills Commission released its Five Year Plan for Skills and Workforce Development - *Skills for Jobs: Priorities for Developing South Australia's Workforce* in December 2009. The plan is a key initiative within the state government's Skills Strategy. It makes recommendations for fundamental changes in the state's post school education and training system, to ensure the state has the skills available to support future growth of the economy and sustainable employment opportunities.

In 2009 South Australia provided a range of training and employment programs for disadvantaged VET students including:

- The *VET to Work: Disability Support and Transition* project provided case management support to unemployed people with a range of disabilities

- The *Abilities for All Program* offered supported pathways into training for job seekers with a disability through embedded employability, literacy and numeracy skills in non-accredited and accredited units

- The *Education & Training Deaf (ETD) Program* provided a pre-vocational educational program to adult Deaf South Australians in their own language (Australian Sign Language – Auslan).

Specific support programs for Aboriginal students included:

- TAFE SA's *Aboriginal Access Centre* provided training, tutoring and case management support to 40 per cent of the 3700 Aboriginal TAFE students

- SA Works *Aboriginal Apprenticeship Program* supported students into Certificate III trade apprenticeship and traineeships in the private sector.

Tasmanian Government comments

" Stimulating participation in VET and increasing the qualification level of the Tasmanian population remains a key objective of the Tasmanian Government.

In 2009, the skills of 43 240 Tasmanians were increased. Forty-three per cent of 15–64 year old Tasmanians now hold a Certificate III or above qualification, which is already greater than the 2010 *Tasmanian Skills Strategy* target.

Throughout the year, training providers worked in partnership with employers to deliver responsive and relevant training to their employees:

- the *Productivity Places Program* provided an additional 1383 training places for existing workers and 1023 training places for job seekers. The focus of this year's program was to promote the value of workforce development activities in helping to address skill shortages

- the number of apprentices and trainees in Tasmania as a proportion of people employed remained higher than the national level, with 12 494 apprentices and trainees receiving training. Of these 5400 were traditional trade apprentices.

Employers and graduates remain highly satisfied with the training system and the training they received. The figures for 2009 were around 90 per cent satisfaction, a slight increase from an already high level in 2007.

The development of the second phase of the Tasmanian Skills Strategy during 2009 (*Themes and Actions 2009 to 2012*) has guided the Tasmanian Government's investment in skills to become more targeted:

- the formation of a *Skills Response Decision Framework*, which models the impact of a broad range of economic and social criteria, has allowed the determination of government program priorities by industry sector and occupation

- through the *Innovative Partnerships* program, government, industry bodies, enterprises and community organisations worked together to trial new models for skill formation. Partnerships have been formed in the tourism and mining industries with future sectors including aged and community services, disability services and transport and logistics.

In recognition that many Tasmanian adults do not have the literacy skills to fully participate in family, the community, learning or employment, work began on a " new action plan to improve the literacy of the workforce and community, through community based literacy programs. Implementation commenced in 2010.

Australian Capital Territory Government comments

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According to the NCVER publications *Student outcomes 2009 and Apprentices and trainees: Annual 2009* the ACT performed above the national average in a number of key vocational education and training (VET) indicators.

The outcome for ACT graduates employed or in further study after training was the best in the nation at 92.8 per cent. The national average was 87.6 per cent. These high rates are a continuing trend for the ACT (i.e. 91.0 and 93.5 per cent in 2008 and 2007, respectively). For graduates not employed before training but employed after training, again the ACT levels were the nation's highest at 51.5 per cent, compared with the national average of 42.7 per cent. The outcomes for ACT module completers were similar to the graduate outcomes.

The number of ACT apprentice and trainee commencements increased by 6.2 per cent in 2009, compared with 2008. Nationally, commencements decreased by 6.0 per cent over the same period. While cancellations and withdrawals in the ACT in 2009 decreased by 18.1 per cent compared with 2008, nationally cancellations and withdrawals decreased by 8.7 per cent. Also, while trade commencements decreased nationally by 17.1 per cent in 2009 compared to the previous year, the ACT experienced a decrease of 2.1 per cent. Non-trade commencements in the ACT increased by 8.3 per cent, compared to a national decrease of 1.2 per cent.

In 2009, 403 students in public and non-government schools commenced an Australian School-based Apprenticeship (ASBA). This is a 22.5 per cent increase on 2008 commencement numbers. The 2009-10 ACT Budget *Australian School-based Apprenticeships* initiative provided $1.5 billion over four years to employ 100 new ASBAs each year in ACT public schools through established group training arrangements. Fifty-six schools agreed to host the ASBAs to work in areas such as administration, information and communication technology, and sport and recreation. Commencements by Aboriginal and Torres Strait Islander (ATSI) students in ASBAs have increased by 200 per cent in 2009-10. In 2009-10 the ACT Department of Education and Training actively promoted two ASBA programs in the financial services and community recreation sectors that specifically target ATSI students.

The Priorities Support Program provides flexible and responsive VET opportunities for persons in equity target groups. The number of commencements in courses specifically designed to target ATSI participants increased by 66 per cent in 2009-10 compared with 2008-09. Also in 2009-10 participation by ATSI students aged 17 to 24 years increased by 79 per cent compared with 2008-09. The most popular courses in 2009-10 among younger participants were Certificate I, II and III in Business; Certificate II and III in Information Technology; and Certificate III in Children's Services.

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Northern Territory Government comments

In 2009 the Northern Territory Government established a strategic plan "Working Future" to improve the lives of Territorians living in remote areas. A key part of this plan is to develop 20 of our largest remote communities into towns that will become service hubs for their regions. Part of the success of these 20 communities becoming sustainable towns is developing the skills of the people residing in and around them so that they can provide the services to their community members and the people living in the surrounding areas.

2009 also saw the establishment of the Defence Indigenous Development Program (DIDP-Army); a joint initiative funded by the Department of Defence, Directorate of Indigenous Affairs - Fairness and Resolutions Branch, Department of Education, Employment and Workplace Relations and the Northern Territory Department of Education and Training. This initiative is primarily aimed at the Indigenous people living in the regional and remote areas of the Northern Territory and will provide young adults with the skills and confidence to secure and sustain continuous employment of their choice and also allow them to be role models within their communities.

Both the strategic plan *Working Future* and the jointly funded program DIDP – Army are both closely aligned with the COAG National Indigenous Reform Agreement *Closing The Gap*.

One of the ongoing programs which was expanded in 2009 is the *Workready Program*. This program assists secondary students to become work ready and make the transition from school to work, particularly through School based apprenticeships and traineeships. This year the program was expanded to include 10 government and non-government senior secondary schools. A further three schools in remote communities participated in the program in 2010.

Other highlights in 2009 included:

- the successful delivery of a number of 'green skills' programs, including the areas of green plumbers, eco tourism and environmental management

- approximately 21 000 students were funded across the Northern Territory, with the number of students undertaking qualifications in certificate III and above increasing by 5 per cent since 2007 and 22 per cent since 2005

- 22 per cent of apprentices & trainees in training were Indigenous

- 12 *Buildskills* programs conducted to up skill approximately 300 existing workers.

5.6   Definitions of key terms and indicators

Adult and community education providers	Organisations that deliver community-based adult education and training intended principally for adults, including general, vocational, basic and community education, and recreation, leisure and personal enrichment programs.
Annual hours	The total hours of delivery based on the standard nominal hour value for each subject undertaken. These represent the hours of supervised training under a traditional delivery strategy. Annual hours are adjusted to account for invalid module enrolments.
AVETMISS	Australian Vocational Education and Training Management Information Statistical Standard. A nationally consistent standard for the collection, analysis and reporting of vocational education and training information throughout Australia. This standard was observed in the collection and preparation of data for this Report.
Completions	Fulfilment of all of the requirements of a course enrolment or module enrolment. Completion of a qualification or course is indicated by acknowledging eligibility for a qualification (whether or not the student physically received the acknowledgment).
Course	A structured program of study that leads to the acquisition of identified competencies and includes assessment leading to a qualification.
Course mix weight	Expenditure per annual hour is weighted to recognise the different proportions of relatively more expensive and less expensive training programs that occur in jurisdictions. Two methods of calculating these course mix weights apply. For 2005 to 2007, course mix weights are derived by applying a set of cost relativities by funding industry to a tabulation of annual hours by funding industry and State/Territory. For 2008 and 2009, a new set of cost relativities by subject field of education is derived from the old set of cost relativities, based on a tabulation of annual hours by funding industry and subject field of education at the Australia level in 2008. This new set of cost relativities is then applied to tabulations of annual hours by subject field of education and State/Territory to derive the new course mix weights. The funding scope of the annual hours is consistent with the scope of the expenditure data for corresponding years. A course mix weighting greater than 1.000 indicates that the State or Territory is offering relatively more expensive programs compared with the national profile.
Employer engagement with VET	The proportion of Australian employers who in the last 12 months had employees undertaking apprenticeships/traineeships (now referred to as Australian Apprenticeships), arranged or provided nationally recognised training (other than apprenticeships/traineeships) for employees, or had employees with formal vocational qualification as a requirement of their job.
Employer satisfaction with VET	The proportion of Australian employers who are satisfied with VET in meeting the skill needs of their workforce. The components of satisfaction with the VET system are satisfaction with apprentices/trainees, nationally recognised training, and formal vocational qualifications as a job requirement. Satisfaction is measured on a 5 point scale, 'satisfied' includes employers who were satisfied or very satisfied and 'dissatisfied' includes employers who were dissatisfied or very dissatisfied.

Enrolment	The registration of a student at a training organisation's delivery location for the purpose of undertaking a program of study. The enrolment is considered valid only if the student has undertaken enrolment procedures, met their fee obligations, and has engaged in learning activity regardless of the mode of delivery.
	A VET student may be enrolled in more than one VET training program, and therefore there are more 'enrolments' in the VET system than 'students'. This may be of importance if comparing VET data in this chapter with other VET data.
Fee-for-service activity	Training for which most or all of the cost is borne by the student or a person or organisation on behalf of the student.
Government funded VET students	Government funded VET students who are funded under Commonwealth and State recurrent, Commonwealth specific and State specific funding. This includes activity funded under the NASWD, and excludes students participating in VET programs delivered in schools (where the delivery was undertaken by schools) or who undertook 'recreation, leisure or personal enrichment' education programs. Fee for-service by private providers, delivery undertaken at overseas campuses of Australian VET institutions, and credit transfer are also excluded.
Government recurrent expenditure per annual hour	Government recurrent expenditure divided by the number of government funded annual hours (adjusted for invalid enrolment rates). Expenditure is adjusted for course mix weight.
Government recurrent expenditure per load pass	Government recurrent expenditure divided by the number of hours successfully completed from assessable government funded enrolments of modules and units of competency achieved/passed and RPL.
Graduate	A person who has completed a VET program.
Graduates' main reason for undertaking a VET course	Either seeking an employment–related outcome (to get a job, to try for a different career, to meet job requirements, to get extra job skills), seeking a further study outcome (to get into another course) or seeking a personal development outcome (for personal interest, for other reasons).
Language spoken at home	Students speaking a language other than English at home are those who self-identify on their enrolment form that they speak a language other than English at home.
Load pass rate	The ratio of hours attributed to students who gained competencies/passed assessment in an assessable module or unit of competency to the hours of all students who were assessed and either passed, failed or withdrew. Load pass rate is calculated as the total competency achieved/passed and RPL divided by the total competency achieved/passed, RPL, competency not achieved/failed and withdrawn.
Module	A unit of training in which a student can enrol and be assessed.
Private provider	A commercial organisation that provides training to individuals and industry.

Program of study	A generic term to describe Training Package qualifications, nationally recognised accredited courses, other courses (not nationally recognised accredited courses), units of competency and modules.
Qualification Equivalents (QE)	Qualification Equivalents (QE) expresses skill outputs in terms of equivalent qualifications within each AQF level and field of education. QEs are based on the training activity (annual hours) associated with completions of modules and units of competency, divided by an agreed value of training activity representing a qualification.
	All courses have a nominal hour value reported as part of the national VET provider collection. This value provides a guide to the amount of activity that is required to complete the qualifications. These courses are classified by Australian Standard Classification of Education (ASCED) field of education and qualification level. For example, the median hours associated with a course in the field of education Food, Hospitality and Personal Services at diploma level for 2005 was 1660 hours. The number of hours successfully completed in modules and units of competency from these courses was 353 052. These 353 052 nominal hours represent 213 equivalent diploma qualifications.
Real	Actual expenditure/funding/assets adjusted for changes in prices. Adjustments are made using the GDP chain price deflator and expressed in terms of final year prices.
Recognition of prior learning (RPL)	RPL is an assessment process through which students may gain formal recognition for the skills they already have. An enrolment where the student has been assessed competent for the whole unit of competency or module by a trainer. The result of the assessment is on the basis of the student's prior skills and knowledge acquired through previous training, work or life experience.
Recurrent funding	Funding provided by the Australian, State and Territory governments to cover operating costs, salaries and rent.
Registered training organisation (RTO)	RTOs are organisations registered by a State or Territory recognition authority to deliver specified VET and/or assessment services, and issue nationally recognised qualifications in accordance with the AQTF. RTOs include TAFE colleges and institutes, adult and community education providers, private providers, community organisations, schools, higher education institutions, commercial and enterprise training providers, industry bodies and other organisations meeting the registration requirements.
TAFE	Technical and further education colleges and institutes, which are the primary providers of government funded VET.
Training packages	An integrated set of nationally endorsed standards, guidelines and qualifications for training, assessing and recognising people's skills, developed by industry to meet the training needs of an industry or group of industries. Training packages consist of core endorsed components of competency standards, assessment guidelines and qualifications, and optional non-endorsed components of support materials such as learning strategies, assessment resources and professional development materials.
	A Training Package is the grouping together of the training components designed to assist in achieving the competencies for a specific industry. Units of competency are packaged together which, when combined at various levels, can form qualifications (Certificate, Diploma etc.).

Unit of competency	A unit of competency is the smallest component of a VET program that can be assessed and recognised in the VET system for collection purposes.
User cost of capital per annual hour	User cost of capital (which is the opportunity cost of funds tied up in the capital used to deliver services, calculated as 8 per cent of the total value of the physical non-current assets) divided by government funded annual hours and course mix weight..
User cost of capital per load pass	User cost of capital (which is the opportunity cost of funds tied up in the capital used to deliver services, calculated as 8 per cent of the total value of the physical non-current assets) divided by successfully completed government funded VET modules or units of competency.
VET participation	VET student participation data presented in this Report refer only to VET students who were funded by government recurrent expenditure and delivered by TAFE and other government providers (including multi-sector higher education institutions), registered community providers and registered private providers. They do not include students who participated in VET programs delivered in schools (where the delivery was undertaken by schools) or undertook 'recreation, leisure or personal enrichment' education programs. Fee-for-service by private providers, delivery undertaken at overseas campuses of Australian VET institutions, and credit transfer are also excluded.
	A VET student may be enrolled in more than one VET training program, and therefore there are more 'enrolments' in the VET system than 'students'. This distinction between 'student' numbers and the number of 'enrolments' (or 'student enrolments') may be of importance if comparing VET data in this chapter with other VET data.
VET participation by Indigenous people	The number of government funded participants of all ages in the VET system reported as Indigenous as a proportion of the number of Indigenous people aged 15–64 years in the Australian population.
VET participation by students speaking a language other than English	The number of government funded participants of all ages in the VET system speaking a language other than English at home as a proportion of the number of all people in the Australian population speaking a language other than English at home.
VET participation rate for people aged 15–64 years	The number of government funded participants aged 15–64 years in the VET system as a proportion of the number of people in Australia (or each jurisdiction) aged 15–64 years.
VET participation rate for people of all ages by region	The number of government funded participants of all ages in the VET system based on students' home postcodes using the Accessibility and Remoteness Index for Australia (that is, major cities; inner regional areas; outer regional areas; remote and very remote areas) as a proportion of the total population of people in those geographic areas.
VET program	A course or module offered by a training organisation in which students may enrol and gives people work-related knowledge and skills.
Whether the VET course helped graduates achieve their main reason for doing the course	Whether 'the course helped', 'the course partly helped', 'the course did not help' or the graduates 'cannot say'.

5.7   List of attachment tables

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

Table 5A.1	Government real recurrent expenditure, (2009 dollars) ($ million)
Table 5A.2	Government real recurrent expenditure, (2009 dollars) ($ per person aged 15–64 years)
Table 5A.3	VET activity, 2009
Table 5A.4	Government funded VET activity, 2009
Table 5A.5	VET students, all ages, by course level
Table 5A.6	Real net assets of public VET providers per person aged 15–64 years, (2009 dollars) ($ per person)
Table 5A.7	Government payments to non-TAFE providers for VET delivery
Table 5A.8	Allocation of government real funds for VET (2009 dollars)
Table 5A.9	VET participation by age group
Table 5A.10	VET participation by target age group and Indigenous status
Table 5A.11	VET participation of people aged 15–64 years, by sex
Table 5A.12	VET participation, all ages, by region
Table 5A.13	VET students, all ages, by disability status, 2009 (per cent)
Table 5A.14	VET students, all ages, by language spoken at home, 2009 (per cent)
Table 5A.15	VET participation by Indigenous status, 2009 (per cent)
Table 5A.16	VET participation in Certificate III and above, by age group
Table 5A.17	VET participation in Certificate III and above, by target age group and Indigenous status
Table 5A.18	VET participation in Diploma and above, by target age group and Indigenous status
Table 5A.19	Government real recurrent expenditure per annual hour (2009 dollars) ($ per hour)
Table 5A.20	Government real recurrent expenditure per hour of publicly funded load pass, (2009 dollars) ($ per hour)
Table 5A.21	Value of physical non-current assets and user cost of capital, (2009 dollars)
Table 5A.22	Total government costs per annual hour, 2009 ($ per hour)
Table 5A.23	Total government VET costs per hour of publicly funded load pass, 2009 ($ per hour)
Table 5A.24	User cost of capital per hour of publicly funded load pass, ($ per hour) (2009 dollars)

5.8   References

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