5 Vocational education and training

This chapter reports performance information about the equity, effectiveness and efficiency of government funded vocational education and training (VET) in Australia in 2006. 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 relate directly to training activity funded under the *Commonwealth–State Agreement for Skilling Australia's Workforce*. 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).

This year, the chapter has been enhanced by:

- reporting on VET participation of 25–64 year olds
- reporting of enrolments by course level and qualifications by course level
- improved survey estimate reporting.

Section 5.1 contains a profile of the VET sector in Australia, and provides the context for assessing performance indicators in the subsequent sections. Section 5.2 describes the framework of performance indicators for VET, and section 5.3 presents and discusses the available data relating to this framework. In section 5.4, future directions in the development and reporting of performance indicators for VET are discussed. The chapter concludes with jurisdictions' comments in section 5.5, definitions of key terms and indicators in section 5.6 and a list of attachment tables for this chapter in section 5.7. Attachment tables are identified in references throughout this chapter by an 'A' suffix (for example, table 5A.4 is table 4 in the attachment). Attachment tables contain breakdowns by jurisdictions

and historical data over a five year time period. Attachment tables are provided on the CD-ROM enclosed with the Report and on the Review website (www.pc.gov.au/gsp). Users without access to the CD-ROM or the website can contact the Secretariat to obtain the attachment tables (see contact details on the inside front cover of the Report). References are summarised in section 5.8.

5.1 Profile of vocational education and training

Service overview

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

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.

The types of training range from formal classroom learning to workplace-based learning, and may 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 a 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.

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.

Funding

Recurrent expenditure on VET by Australian, State and Territory governments totalled $4.2 billion in 2006 — a decrease of 3.1 per cent (in real terms) from 2005 (table 5A.1). Government recurrent expenditure was equal to $300.53 per person aged 15–64 years across Australia in 2006 (table 5A.2). Further information on the breakdown of real funding by jurisdictions over a five year period is available in the attachment tables.

Government funded activity is the primary focus of the 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.

Figure 5.1 **Scope of reporting**

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

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

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

Source: DEST (2006).

Where the Report refers to 'government funded' activity, it refers only to VET activity that is recurrently funded under the *Commonwealth–State Agreement for Skilling Australia's Workforce*. Where the Report refers to 'VET' activity, it is referring to all VET data available for reporting. Where activity is not specified to be VET or government funded, reporting relates to government funded activity. A detailed explanation of data inclusions and exclusions is provided in box 5.2.

Box 5.2 **Scope of reporting**

Data on student participation, efficiency measures, student achievement, qualifications completed and competencies/modules completed presented in this Report are limited to services that are recurrently funded under the *Commonwealth–State Agreement for Skilling Australia's Workforce*. These include VET services provided by:

- TAFE and other government providers, including multisector higher education institutions
- registered community providers and registered private providers

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

- *Commonwealth–State Agreement for Skilling Australia's Workforce* (government recurrent)
- government specific purpose outside the Agreement
- domestic fee-for-service (TAFE only).

The discussion in the chapter of student outcomes and student satisfaction focuses on students undertaking government funded (that is, both recurrent and specific) TAFE activity. Additional data relating to all VET providers are available in the attachment tables.

Data on employer engagement and satisfaction is on all nationally recognised training, from all provider types, regardless of the funding.

Size and scope

In 2006, 30.8 per cent of Australians aged 15–64 years held a certificate or diploma as their highest level qualification (table BA.12). These qualifications could have been completed in schools, VET institutions or higher education institutions.

The VET sector is large and varied. Qualifications vary significantly by length, level and field. Approximately 1.7 million people participated in VET programs across Australia in 2006. The number of VET students increased by 1.5 per cent between 2005 and 2006, but decreased by 1.1 per cent between 2002 and 2006. In

2006, 11.4 per cent of the population aged 15–64 participated in VET programs (DEST 2008) delivered at 10 975 locations across Australia (table 5A.3).

Of the approximately 1.7 million VET students, 1.2 million students (71.5 per cent) were funded by the *Commonwealth—State Agreement* (government recurrent expenditure) and 49 800 students (3.0 per cent of all VET students) were funded through specific purpose government programs (DEST 2008). The remaining 428 500 students participated on a fee-for-service basis as domestic students (24.1 per cent of all VET students) or international students (1.5 per cent of all VET students). The proportion of domestic fee-for-service students increased from 23.4 per cent of all VET students in 2002 to 24.1 per cent (DEST 2008).

Students

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

Nationally, 1.2 million students participated in VET programs funded by government recurrent expenditure through State and Territory agencies (table 5A.4). Between 2005 and 2006, the number of government funded students increased by 2.2 per cent and the number of government funded annual hours increased by 1.2 per cent. Over the longer term, the number of government funded annual hours increased by 3.4 per cent between 2002 and 2006, although the number of government funded VET students declined by 1.9 per cent over the same period (implying that a smaller number of students studied more hours on average in 2006 compared to 2002) (table 5A.9 and NCVER unpublished).

Of the 1.2 million government funded VET students who participated in government funded VET programs in 2006, 4.0 per cent or 48 443 gained some sort of recognition of prior learning (RPL) (table 5A.4).

Hours

Government funded VET students participated in 294.4 million government funded annual hours in 2006. On average, each government funded VET student in 2006 received 245.8 hours of VET (table 5A.4).

Courses

VET qualifications range from non-award courses to certificates (levels I–IV), diplomas and advanced diplomas. In 2006, 11.7 per cent of government funded VET students were undertaking a diploma or advanced diploma, 45.1 per cent were enrolled in a certificate level III or IV, 25.9 per cent were enrolled in a certificate level I or II or lower, and 17.3 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 2006, 25.0 per cent of units of competency or modules completed by government funded VET students were in management and commerce, 18.6 per cent were in engineering and related technologies, 14.3 per cent were in mixed field programs, 10.2 per cent were in health, 8.5 per cent were in society and culture and 6.8 per cent were in architecture and building. Other fields studied by government funded VET students included agriculture, environment and related studies, information technology, education, creative arts, food, hospitality and personal services, and natural and physical sciences (DEST 2008).

Institutions

In 2006, there were 136 TAFE and other government providers. Government funded programs were delivered at 10 975 locations (that is, TAFE, government funded locations and the locations of all other registered training providers, including private providers that receive government recurrent funding for VET delivery) (tables 5A.3-4).

Traditionally, State and Territory governments and private providers delivered VET services. In addition, in 2004, the Australian Government announced the establishment of 24 Australian Technical Colleges, which would operate as specialist schools providing VET programs (*Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Act 2005*). In 2006, the first Australian Technical Colleges accepted students. Data were not available for the 2008 Report.

The infrastructure (noncurrent physical assets) of government owned TAFE institutions and TAFE divisions of universities was valued at $7.3 billion in 2006, of which 93.9 per cent comprised the value of land and buildings (table 5A.17). The value of net assets of government VET providers was $543.35 per person aged 15–64 years across Australia in 2006. Asset values per person varied across jurisdictions (table 5A.6).

Roles and responsibilities in 2006

The *Commonwealth–State Agreement for Skilling Australia's Workforce*, which commenced 1 July 2005, continues until 31 December 2008. Australian and State/Territory government ministers, through the Ministerial Council of Vocational and Technical Education (MCVTE), provide direction on national policy, strategy, priorities, goals and objectives, in partnership with industry, and private and public training providers.

National arrangements in 2006

One of the guiding principles for the new training system is that industry needs to drive training priorities and delivery. Industry advice is provided to the MCVTE through the National Industry Skills Committee (NISC) (figure 5.2). The NISC advises MCVTE on workforce planning, future training priorities and other critical issues facing Australian industry. The NISC met for the first time in March 2006 to provide MCVTE with high level, evidence-based industry advice on workforce planning, future training priorities and other critical issues facing the training sector.

The National Quality Council (NQC), a committee of MCVTE (figure 5.2), oversees quality assurance and ensures national consistency in the application of the Australian Quality Training Framework (AQTF) standards for the audit and registration of training providers. The NQC met for the first time in 2006 to address its priority of developing a new quality framework, the AQTF 2007, to align Australia's training system with its business needs and growing global expectations.

The National Senior Officials Committee (NSOC) is the administrative arm of MCVTE and is responsible for implementing MCVTE decisions (figure 5.2). NSOC can establish National Action Groups on an as-needs basis to advance the work of MCVTE and complement NISC. Protocols are in place to ensure that Action Groups have appropriate and balanced memberships, including representatives from government, training providers, and businesses.

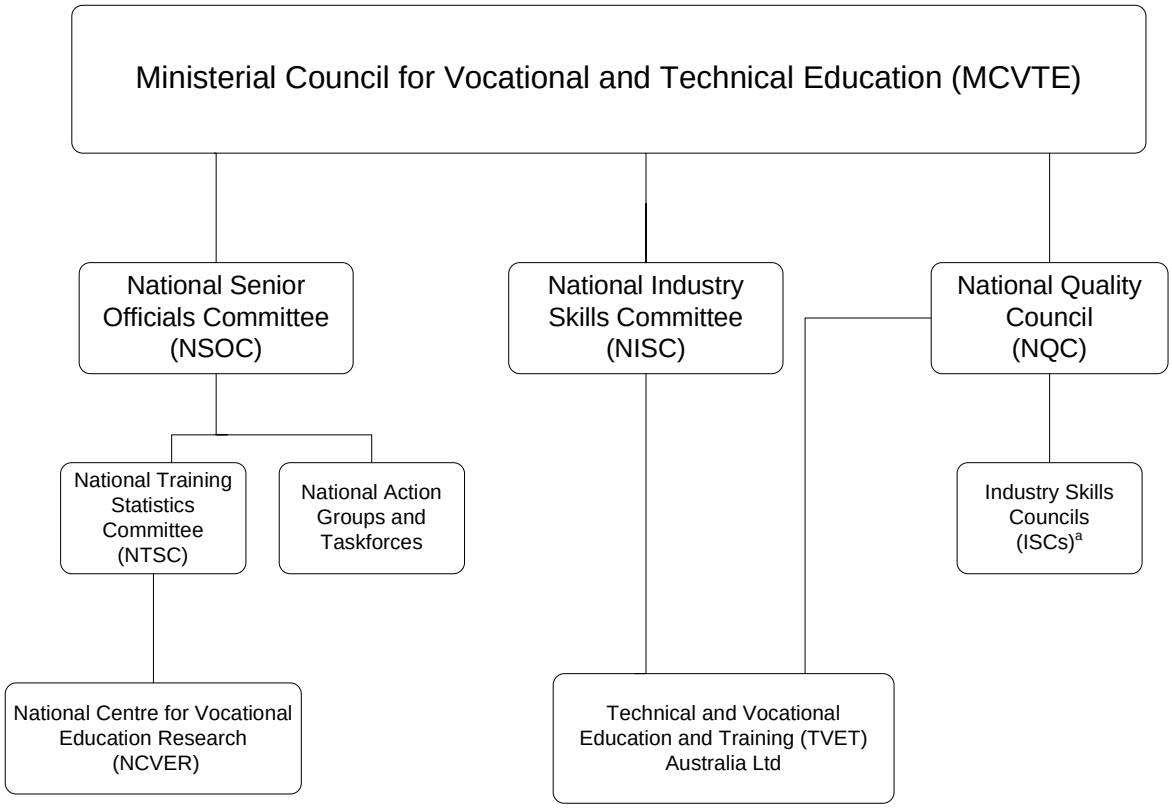
The National Training Statistics Committee (NTSC) is the key strategic and policy advisory forum for data collection and reporting (figure 5.2). The National Centre for Vocational Education Research (NCVER), a ministerial company, provides secretariat services to the NTSC, and manages a VET research programme and VET statistical services.

A new NSOC Ministerial Company Action Group established Technical and Vocational Education and Training (TVET) Australia Limited in 2006 (figure 5.2). TVET is a ministerial company, jointly owned by the Australian, State and

Territory governments. TVET's functions under the *Commonwealth–State Agreement for Skilling Australia's Workforce* include:

- providing the secretariat for the NQC and the NISC
- providing to users of the national training system an integrated service to:
  - identify and acquire training materials
  - identify copyright requirements
  - enter licenses for use of that material, consistent with the scope and direction of the NQC.

Figure 5.2 **National reporting relationships within the VET system in 2006**



a ISCs are funded by the Department of Education, Science and Training (DEST). ISCs deliver Training Packages to the NQC for endorsement.

Source: DEST (2008).

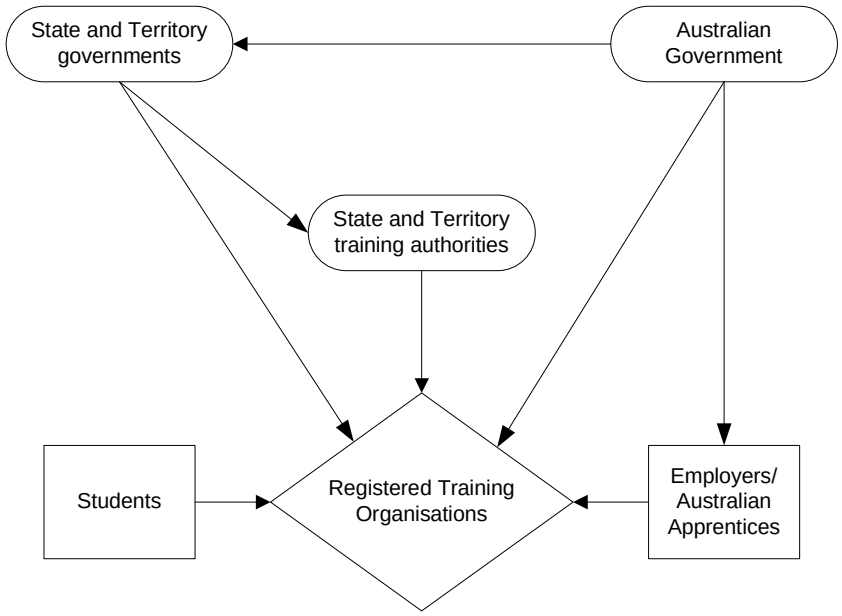
VET funding flows

State and Territory governments provide funding for VET services through the State and Territory training authorities. They provided $2.8 billion in 2006 — 74.1 per cent of government recurrent funding. The Australian Government

provided the remainder of government recurrent funding ($993.5 million) (table 5A.8).

RTOs also receive 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 (figure 5.3). The Australian Government also provides funding for Australian Apprenticeship Centres and employer incentives for Australian Apprenticeships (formerly known as New apprenticeships/traineeships).

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



Allocation of VET funding

The bulk 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.

An estimated $788.7 million of government VET funding was allocated on a competitive basis in 2006 (including user choice arrangements) — 4.4 per cent more in real terms than in 2005 (table 5A.8). $366.9 million went to non-government providers — a 0.8 per cent increase in real terms on 2005 (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 RTOs (open competitive tendering), while some tenders are restricted only to RTOs able to deliver a specific type of training, for example in a selected industry or to a certain client group (limited competitive tendering).

Similarly, the scope for competition, in terms of the size of the market of potential providers, varies across jurisdictions. TAFE institutes and universities with TAFE divisions may be subject to factors that affect their ability to compete effectively for funding allocated by competitive tendering. The House of Representatives Standing Committee on Employment, Education and Training found a number of factors impede the competitive position of TAFE institutes (HRSCEET 1998).

5.2 Framework of performance indicators

This chapter provides information on the equity, effectiveness and efficiency of government funded VET services. For example, 'VET participation by target group' is a measure of equitable access to VET, 'student employment and further study outcomes' is a measure of the effect of VET on equipping Australians for participation in the workforce, and 'government recurrent expenditure per annual hour' is an indicator of the extent to which the value of government VET expenditure is maximised. The performance indicator framework is developed around the VET objectives established under the national strategy for 2004–2010 (box 5.3).

Box 5.3 **Objectives for VET, 2004–2010**

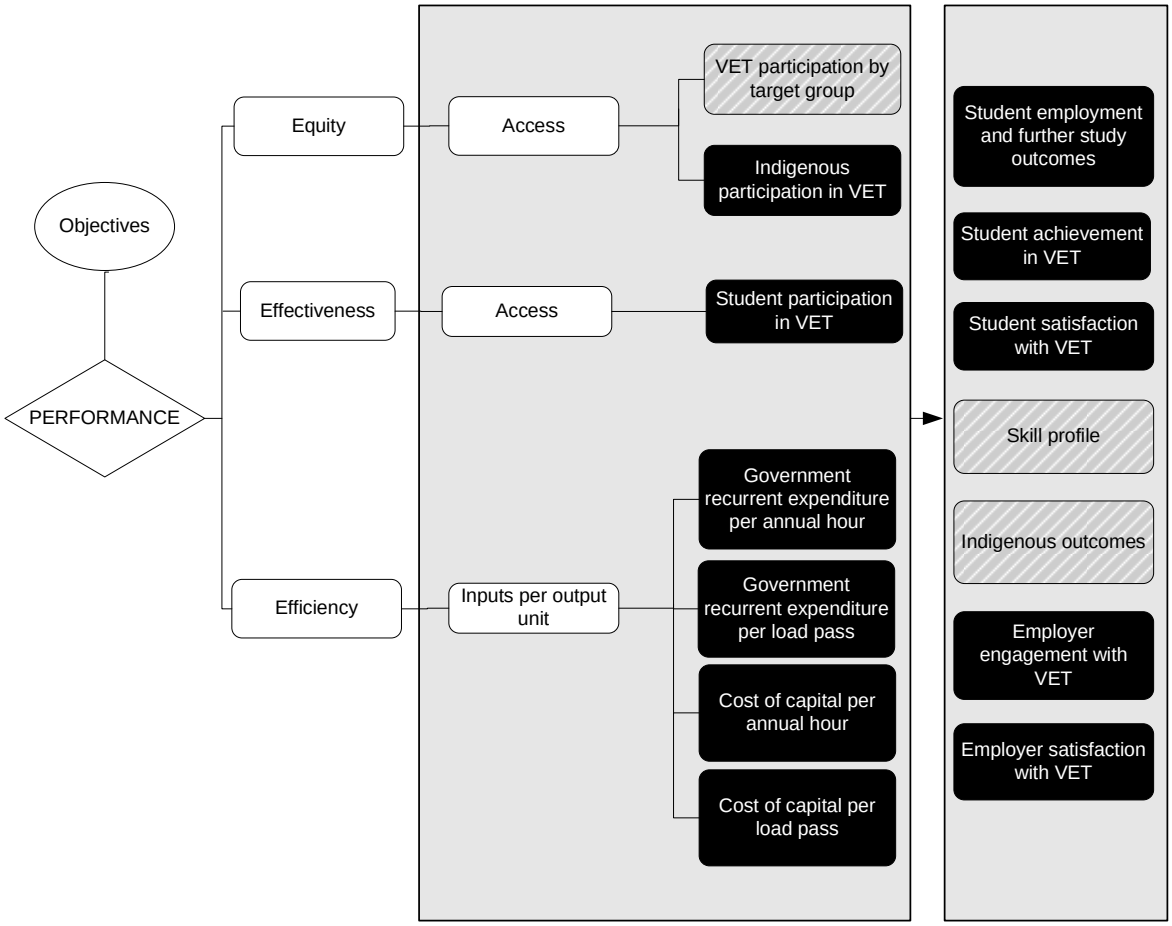
The objectives established in *Shaping our Future — Australia's National Strategy for Vocational Education and Training 2004–2010*, are:

- industry will have a highly skilled workforce to support strong performance in the global economy
- employers and individuals will be at the centre of vocational education and training
- communities and regions will be strengthened economically and socially through learning and employment
- Indigenous Australians will have skills for viable jobs and their learning culture will be shared.

Source: ANTA (2004).

The performance indicator framework (figure 5.4) distinguishes the outputs and outcomes of VET services, and shows which data are comparable in the 2008 Report. 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).

Figure 5.4 **Performance indicators for VET services**



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. Appendix A contains detailed statistics and short profiles on each state and territory, which may help in interpreting the performance indicators presented in this chapter.

Outputs

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

Equity

A key national goal of the VET system is to increase opportunities and outcomes for disadvantaged groups. The designated equity groups are females, residents of remote and very remote areas, Indigenous people, people with a disability and people speaking a language other than English at home. This section includes indicators of access to VET by these target groups in 2006.

VET participation by target group

'VET participation by target group' is an indicator of equitable access to VET services (box 5.4).

Box 5.4 **VET participation by target group**

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

'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.

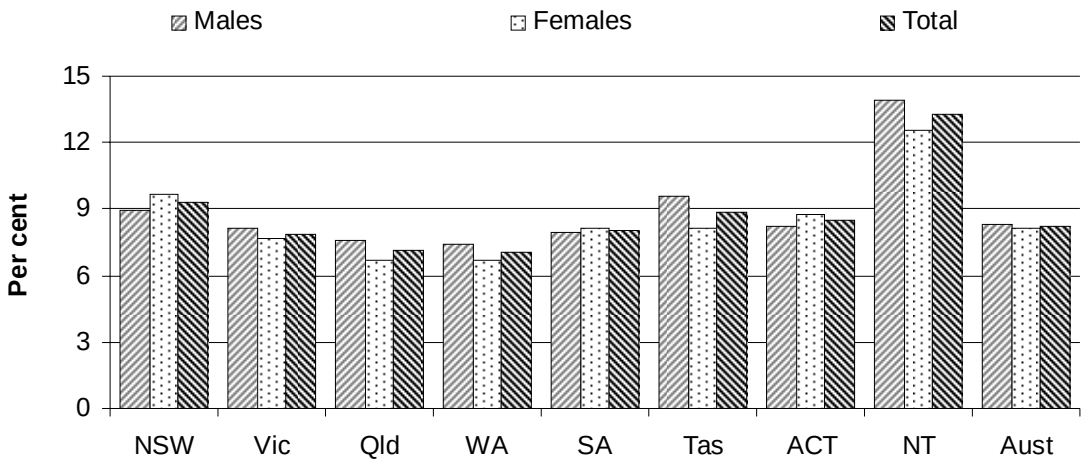
It is desirable that 'VET participation by target group' reaches a level that is comparable to that for all students. A lower participation rate means the target group is under-represented in VET; a higher participation rate means the group is over-represented in VET.

Care needs to be taken in interpreting the participation rates presented for people with a disability and people speaking a language other than English at home because (1) the data depend on self-identification at the time of enrolment, (2) the number of non-responses (that is, students who did not indicate whether they belong to these groups) varies across jurisdictions, and (3) appropriate denominators were not available to calculate the participation rate of students reporting a disability or people speaking a language other than English at home. Data on participation are limited to students who have participated in Australia's government funded VET system.

VET participation by target group — females

In recent years, the national VET participation rates for females and males have been comparable (table 5A.10). In 2006, male student participation was 8.3 per cent and female participation was 8.2 per cent (figure 5.5).

Figure 5.5 **VET participation rate for people aged 15–64 years, by sex, 2006**[a, b, c, d]



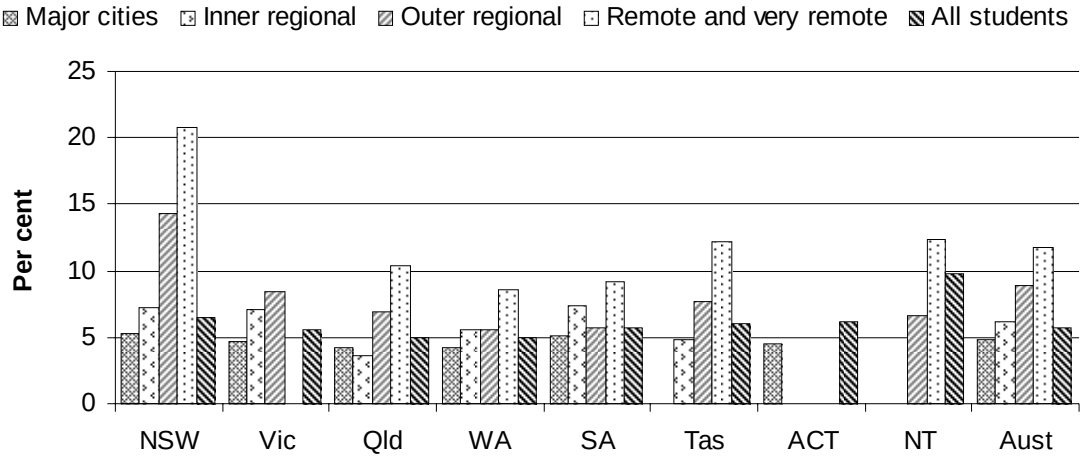
[a] Data are for government recurrent funded VET students. [b] The participation rate is the number of 15–64 year old students participating in VET expressed as a proportion of the population (of that sex) aged 15–64 years, as at 30 June 2006. [c] NSW reported data on two additional programs for the first time in 2006. [d] SA data now include VET in schools which has been assessed by TAFE.

Source: ABS (unpublished) Australian Demographic Statistics, December Quarter 2006; NCVER National VET provider collection (unpublished); table 5A.10.

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 currently used by the Australian Bureau of Statistics (ABS). Nationally, the VET participation rate increased with remoteness. Participation was higher for people from remote and very remote areas (11.7 per cent) than for people from other geographic regions (8.8 per cent for outer regional areas, 6.2 per cent for inner regional areas and 4.8 per cent for major cities) compared to 5.8 per cent for all students (figure 5.6). Employment opportunities and the availability of alternative education services in regional and remote areas may affect the level of VET participation in these areas.

Figure 5.6 **VET participation rate for people of all ages, by region, 2006[a, b, c, d, e]**



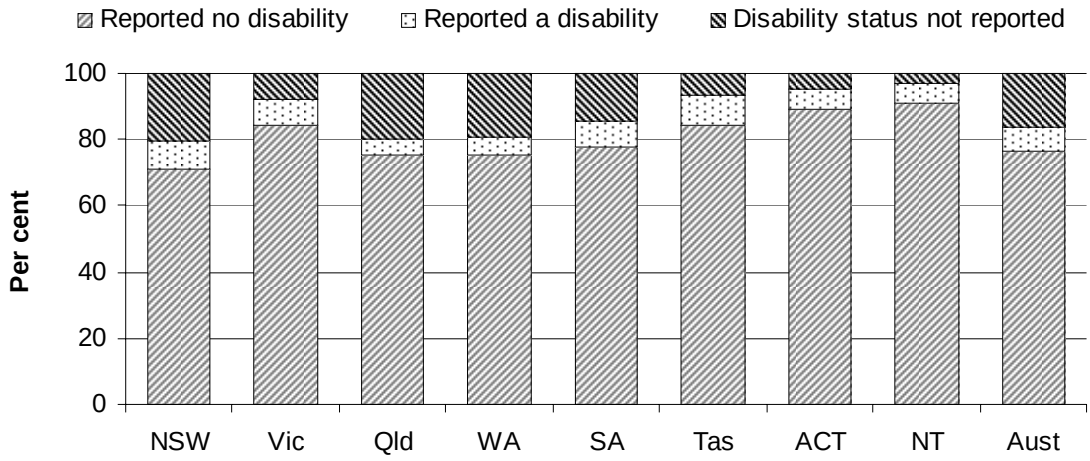
a Data are for government recurrent funded VET students. **b** The participation rate for students from the various regions is the number of students participating in VET (based on students' home postcode) as a proportion of the total population that resides in that region. **c** There are no very remote 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 Victorian remote areas and 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 Australia totals. **d** NSW reported data on two additional programs for the first time in 2006. **e** SA data now include VET in schools which has been assessed by TAFE.

Source: ABS (unpublished) Australian Demographic Statistics, March Quarter 2007 (table AA.6); NCVER National VET provider collection (unpublished); table 5A.11.

VET participation by target group — people with a disability

Nationally, 7.2 per cent of government funded VET students in 2006 reported having a disability, impairment or long-term condition (figure 5.7). Based on 2003 ABS data, an estimated 16.8 per cent of all 15–64 year olds in the population and 20.0 per cent of the total population reported having a disability (derived from ABS (2004a)). The proportion of VET students reporting a disability is not directly comparable with the proportion of the population reporting a disability, as the classifications of disabilities differ. Within the VET system, the focus is on identifying students that require additional teaching and learning support.

Figure 5.7 **VET students, by disability status, 2006**[a, b, c, d]



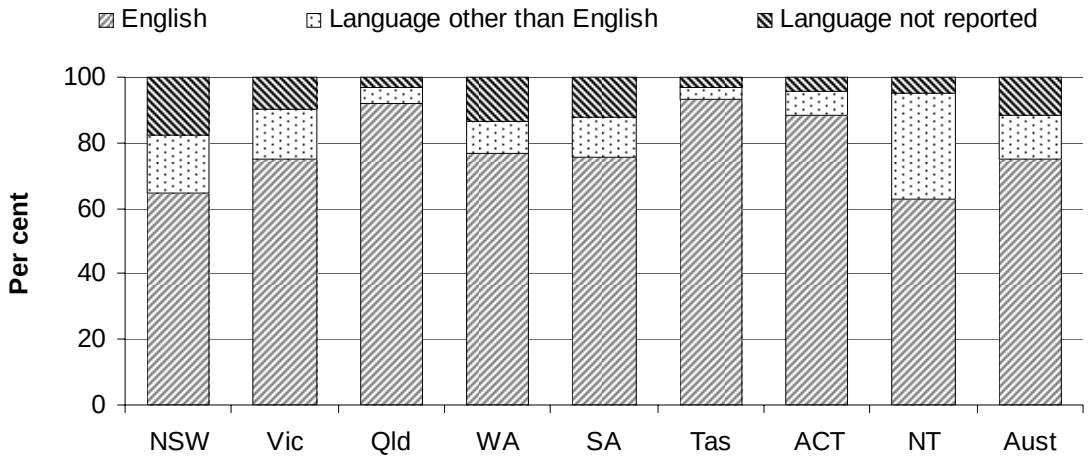
a Data are for government recurrent funded VET students. **b** Students reported as having a disability are defined as those who self-identify on enrolment forms that they have a disability, impairment or long-term condition. Disabilities include hearing/deaf, physical, intellectual, learning, mental illness, acquired brain impairment, vision, medical condition and other unspecified disabilities. **c** NSW reported data on two additional programs for the first time in 2006. **d** SA data now include VET in schools which has been assessed by TAFE.

Source: NCVER National VET provider collection (unpublished); table 5A.12.

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

In 2006, 13.5 per cent of government funded VET students reported speaking a language other than English at home (figure 5.8). By comparison, 15.8 per cent of the total population of Australia spoke a language other than English at home in 2006 (derived from ABS 2006 Census of Population and Housing, table AA.5).

Figure 5.8 **VET students, by language spoken at home, 2006[a, b, c]**



a Data are for government recurrent funded VET students. **b** NSW reported data on two additional programs for the first time in 2006. **c** SA data now include VET in schools which has been assessed by TAFE.

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

Indigenous participation in VET

'Indigenous participation in VET' is an indicator of equitable access to VET services (box 5.5).

Box 5.5 **Indigenous participation in VET**

'Indigenous participation in VET' is an indicator of Indigenous people's access to the VET system.

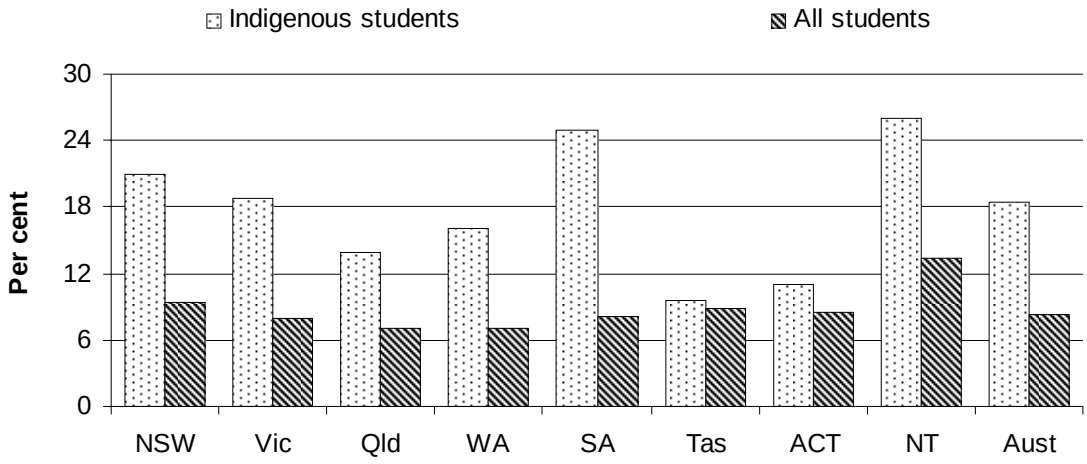
'Indigenous participation in VET' is defined as the number of all government funded participants in the VET system who self-identified as Indigenous, as a proportion of the total number of Indigenous people aged 15–64 years, compared with that of the general population.

A lower participation rate means Indigenous people are under-represented in VET; a higher participation rate means Indigenous people are over-represented in VET.

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

Nationally, the VET participation rate for all Indigenous students (the number of all Indigenous students as a percentage of Indigenous people aged 15–64) was 18.5 per cent. The participation rate for all 15–64 year old students (the number of 15–64 year old students as a percentage of the 15–64 year old population) was 8.2 per cent (figure 5.9). These student participation data are not age standardised, so the younger age profile of the Indigenous population relative to all Australians is likely to affect the results.

Figure 5.9 **VET participation rate, by Indigenous status, 2006**[a, b, c, d, e, f]



[a] Data are for government recurrent funded VET students. [b] The scope of Indigenous students covers all age groups who reported being Indigenous and the scope of all students covers those aged 15–64 years. [c] The Indigenous participation rate is the number of Indigenous students a percentage of the experimental estimates of Indigenous people aged 15–64 years for 30 June 2006 (ABS 2004b; low series, tables 25–34, pp. 53–62). The all students participation rates is the number of students as a percentage of the estimated resident population aged 15–64 as at 30 June 2006. [d] Care needs to be taken in interpreting these data because the Indigenous population's age profile is younger than that of the non-Indigenous population. Participation rates for all ages are likely to differ from participation rates for working age populations. [e] NSW reported data on two additional programs for the first time in 2006. [f] SA data now include VET in schools which has been assessed by TAFE.

Source: ABS (2004b); ABS (unpublished) Australian Demographic Statistics, December Quarter 2006; NCVER National VET provider collection (unpublished); table 5A.14.

In 2006, 4.7 per cent of government funded VET students in Australia identified themselves as Indigenous, while 10.6 per cent of students did not report their Indigenous status (figure 5.10). The proportion of government funded VET students who identified themselves as Indigenous (4.7 per cent) was higher than the proportion of Indigenous people in the total population nationally (2.4 per cent) (table 5A.14).

Figure 5.10 **VET students, all ages, by Indigenous status, 2006[a, b, c]**

a Data are for government recurrent funded VET students. **b** NSW reported data on two additional programs for the first time in 2006. **c** SA data now include VET in schools which has been assessed by TAFE.

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

Effectiveness

Student participation in VET

'Student participation in VET' by target age group (people aged 15–64 years) is an indicator of the effectiveness of VET services (box 5.6).

Box 5.6 **Student participation in VET**

'Student participation in VET' is an indicator of the level of access for people aged 15–64 years to the VET system. It reflects the performance of the VET system in meeting its objective of having a highly skilled workforce.

'Student participation in VET' is defined as the number of 15–64 year olds participating in VET expressed as a proportion of the population aged 15–64 years.

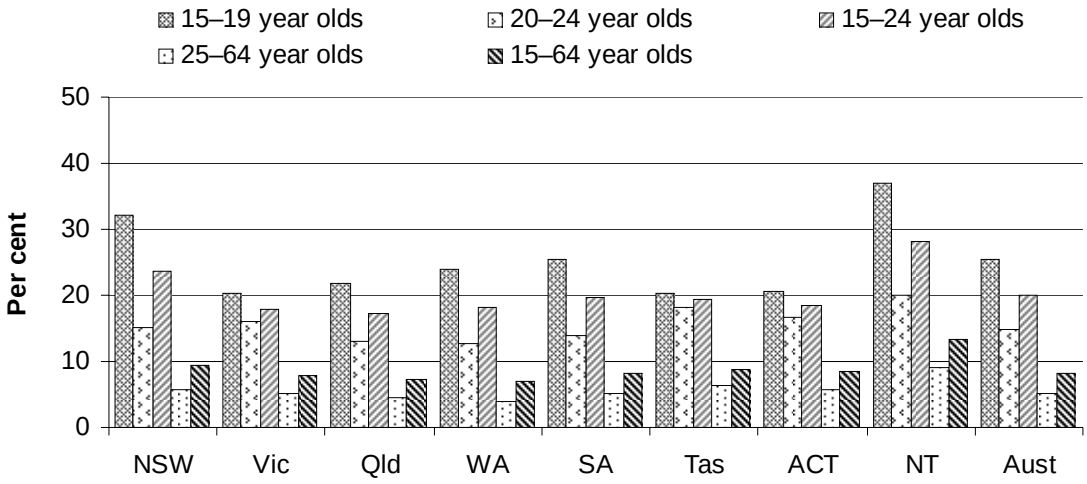
High VET participation rates indicate high levels of access to the VET system by the general population.

Data are for government funded VET students.

In 2006, 1.1 million people aged 15–64 years participated in government funded VET programs. This is equivalent to 8.2 per cent of people aged 15–64 years nationally. The proportion of people participating in VET declined in older age groups. The 1.1 million government funded VET students include:

- 359 400 or 25.4 per cent of people aged 15–19 years
- 216 400 or 14.7 per cent of people aged 20–24 years
- 573 300 or 5.2 per cent of people aged 25–64 years (figure 5.11).

Figure 5.11 **VET participation rates, by target age groups, 2006[a, b, c]**



a Data are for government recurrent funded VET students. **b** NSW reported data on two additional programs for the first time in 2006. **c** SA data now include VET in schools which has been assessed by TAFE.

Source: NCVER National VET provider collection (unpublished); ABS (unpublished) Australian Demographic Statistics, December Quarter 2006; table 5A.9.

Efficiency

A proxy indicator of efficiency is the level of government inputs per unit of output (unit cost). The indicator of unit cost reported here is 'recurrent expenditure per annual hour'. The Steering Committee has identified issues that may reduce the comparability of cost estimates across jurisdictions in VET. To promote accuracy and comparability of reported efficiency measures some adjustments are made to improve the data (box 5.7).

Box 5.7 **Comparability of cost estimates**

Government recurrent expenditure is calculated using data prepared by states and territories under the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) for VET financial data. These data are prepared annually on an accrual basis and are audited. Supplementary information is also provided by DEST. Certain line items from AVETMISS have been excluded from expenditure data, including fee-for-service revenue, ancillary trading revenue, gains on sale of property, plant and equipment, other operating revenues and revenues from specific purpose government funds.

To promote comparability of the financial data between states and territories, as well as comparability between the financial and activity data, expenditure is adjusted by course mix weights to recognise the different proportions of relatively more expensive and less expensive training programs that occur in jurisdictions. Expenditure data for 2002–2005 are adjusted to real dollars (2006 dollars) using the gross domestic product (GDP) chain price index (table 5A.72).

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.

All hours data have been revised. In 2006, all states and territories except Victoria adopted standard nominal hour values for common units of competency as the basis of calculating total annual hours of delivery. Victoria continues to report scheduled hours in 2006. To enable comparison over time, standard nominal hour values have been used to revise the time series back to 2002. In past reports, 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 data in the 2008 Report and past reports.

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). The user cost of capital is not included in estimates of recurrent expenditure, although it is reported separately as the 'cost of capital per annual hour' (box 5.10). The user cost of capital represents the opportunity cost to government of the funds tied up in VET assets. Not reporting the user cost of capital underestimates the cost to government service provision. Comparability can be improved by adding the reported user cost of capital to accrued costs if debt servicing costs and State- and Territory-based capital asset charges are deducted from accrual costs.

Source: DEST (2008); SCRCSSP (1998, 1999).

Government recurrent expenditure per annual hour

'Government recurrent expenditure per annual hour' is an indicator of the efficiency of VET services (box 5.8).

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

'Government recurrent expenditure per annual hour' is an indicator of efficiency of VET services. It is the cost to government to deliver VET services per unit of output. Recurrent cost per annual hour of training measures the average cost of producing a training output of the VET system (a unit cost).

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

Low unit costs may indicate efficient delivery of VET services.

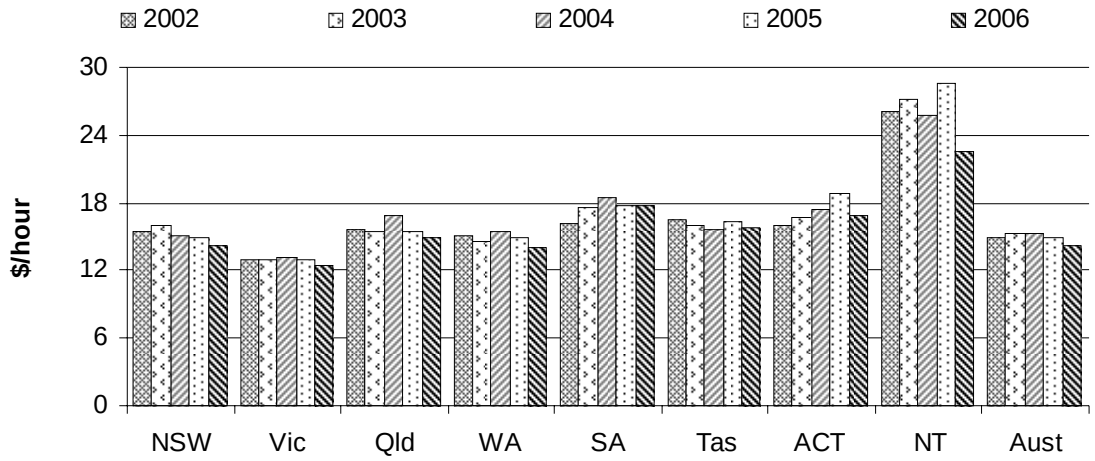
'Government recurrent expenditure per annual hour' needs to be interpreted carefully because low unit costs may not necessarily reflect a lessening of quality. The factors that have the greatest impact on efficiency include:

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

Financial and activity data from states and territories are reported here within an agreed scope to ensure unit costs accurately reflect the relative efficiency of government service provision across jurisdictions. Data used to calculate unit cost are derived from data that comply with the AVETMISS.

Government real recurrent expenditure per annual hour of government funded VET programs in 2006 was $14.24 nationally. Government real recurrent expenditure per annual hour decreased from $14.94 in 2002 (figure 5.12).

Figure 5.12 **Government real recurrent expenditure per annual hour (2006 dollars)[a, b, c]**



a The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate based on the ACT payroll tax rate has been included in the expenditure data for the ACT. **b** Data for Australia exclude the ACT payroll tax estimate. **c** Historical data have been adjusted to 2006 dollars using the GDP chain price index (table 5A.72).

Source: DEST (2008); NCVER National financial and VET provider collections (unpublished); table 5A.15.

Government recurrent expenditure per load pass

'Government recurrent expenditure per load pass' is an indicator of the efficiency of VET services (box 5.9).

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

'Government recurrent expenditure per load pass' is an indicator of the efficiency of VET services. It is the cost to government of each successfully completed VET module or unit of competency (that is, the cost per successfully achieved output).

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

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

(Continued on next page)

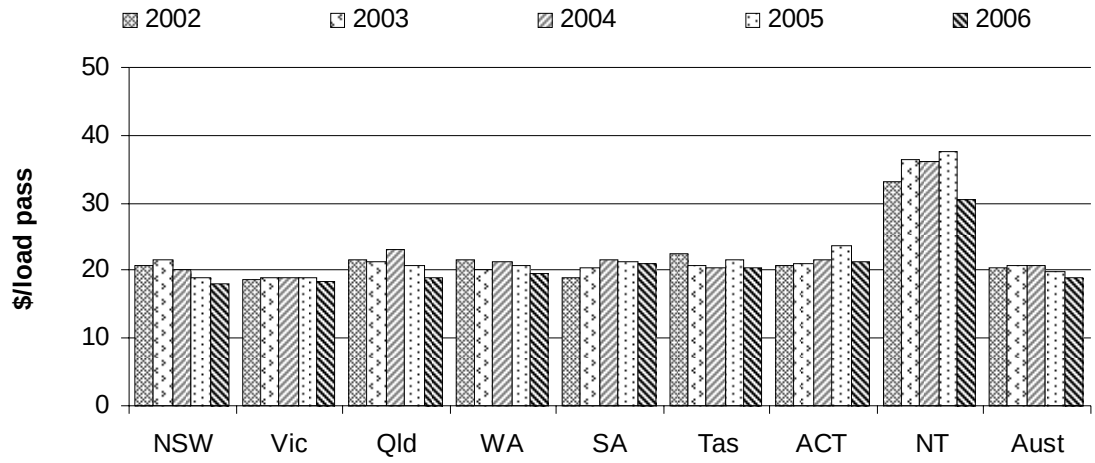
Box 5.9 **(Continued)**

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 among states and territories, 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.

Government real expenditure per load pass hour of government funded VET programs in 2006 was $18.85 nationally. Government real recurrent expenditure per load pass hour decreased from $20.47 in 2002 (figure 5.13).

Figure 5.13 **Government real recurrent expenditure per hour of publicly funded load pass (2006 dollars)[a, b, c, d]**



a The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate based on the ACT payroll tax rate has been included in the expenditure data for the ACT. **b** Data for Australia exclude the ACT payroll tax estimate. **c** Load pass is based on assessable enrolments of modules and units of competency achieved/passed and RPL and it does not include non-assessable enrolments. **d** Historical data have been adjusted to 2006 dollars using the GDP chain price index (table 5A.72).

Source: NCVER National financial and VET provider collections (unpublished); table 5A.16.

Cost of capital per annual hour

'Cost of capital per annual hour' is an indicator of efficiency of the VET system (box 5.10).

Box 5.10 **Cost of capital per annual hour**

'Cost of capital per annual hour' is an indicator of efficiency of VET services. The cost of capital is included in estimates of the cost of government services because it reflects the opportunity cost of government assets that could otherwise be used to provide other services or to retire debt. Not reporting the user cost of capital underestimates the cost to government of service provision.

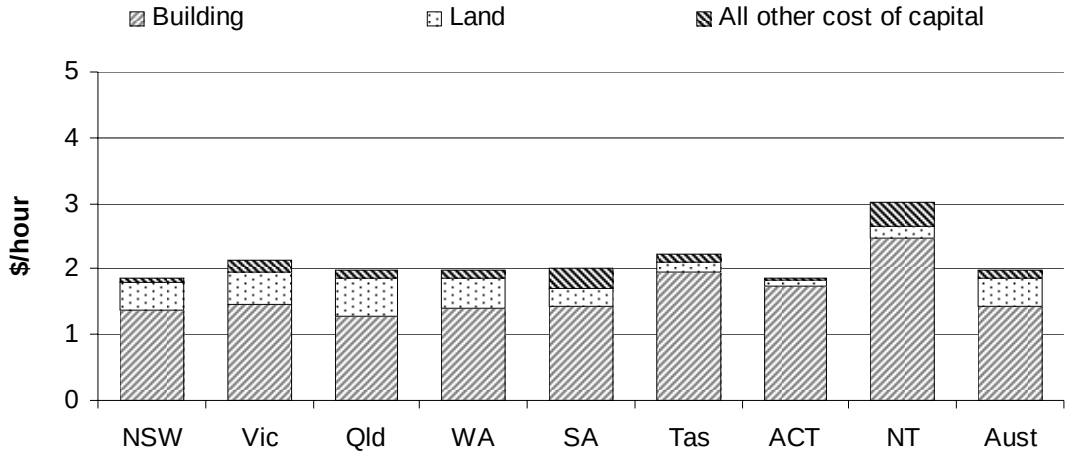
The 'cost of capital per annual hour' is defined as the cost of capital (adjusted for course mix weight) divided by annual hours. The cost of VET service delivery includes both the cost of capital and recurrent costs. Annual hours are the total hours of delivery based on the standard nominal hour value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

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

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

Nationally, the cost of capital per annual hour in 2006 was $1.99. The largest components of cost of capital per annual hour were building costs ($1.43) followed by land costs ($0.44) (figure 5.14).

Figure 5.14 **Cost of capital per annual hour, 2006[a]**

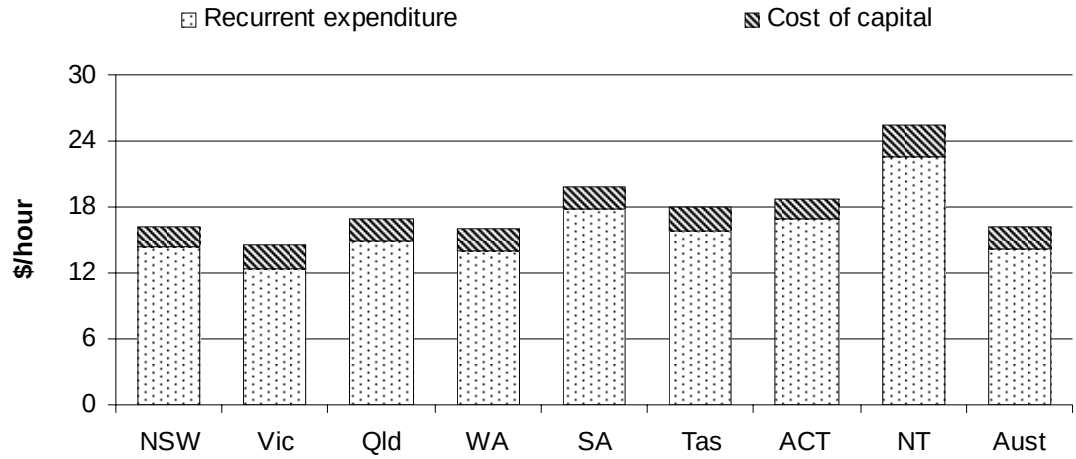


a Cost of capital includes a user cost of capital rate of 8 per cent for all jurisdictions. 'All other cost of capital' includes plant, equipment, motor vehicles and other capital.

Source: NCVER National financial and VET provider collections (unpublished); table 5A.17.

The total cost of VET service delivery includes both the cost of capital and recurrent costs. Nationally, the total cost to government of funding VET per annual hour in 2006 was $16.23, comprising $14.24 in recurrent costs and $1.99 in capital costs (figure 5.15). These results need to be interpreted carefully, because the asset data used to calculate the cost of capital are less reliable than the recurrent cost data.

Figure 5.15 **Total government VET costs per annual hour, 2006[a, b]**



a The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate based on the ACT payroll tax rate has been added to the recurrent expenditure data presented for the ACT. **b** Cost of capital includes a user cost of capital rate of 8 per cent for all jurisdictions. 'Cost of capital' includes buildings, land, plant, equipment, motor vehicles and other capital.

Source: NCVER National financial and VET provider collections (unpublished); table 5A.18.

Cost of capital per load pass

'Cost of capital per load pass' is an indicator of efficiency of the VET system (box 5.11).

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

'Cost of capital per load pass' is an indicator of the efficiency of VET services. The cost of capital is included in estimates of the cost of government services because it reflects the opportunity cost of government assets that could otherwise be used to provide other services or to retire debt. Not reporting the user cost of capital underestimates the cost to government of service provision.

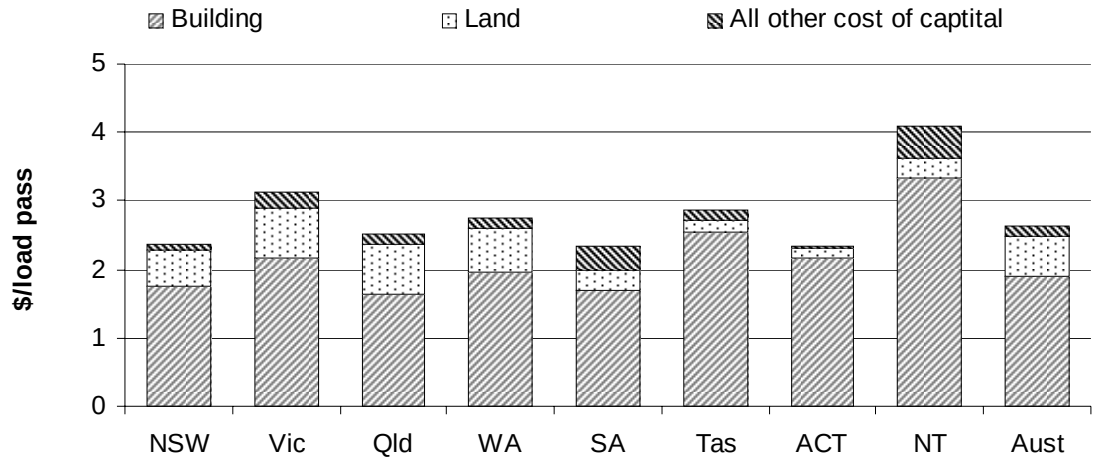
The 'cost of capital per load pass' is defined as the cost of capital divided by hours of publicly funded load pass. 'Load pass' is based on assessable enrolments of modules and units of competency achieved/passed and RPL, and does not include non-assessable enrolments.

The cost of VET service delivery includes both the cost of capital and recurrent costs. Lower total costs per load pass hour may reflect higher efficiency in the delivery of VET services.

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

In 2006, the cost of capital per load pass hour was $2.64 nationally, the largest components were building ($1.89) and land ($0.59) costs (figure 5.16).

Figure 5.16 **Cost of capital per hour of publicly funded load pass, 2006[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** Cost of capital includes a user cost of capital rate of 8 per cent for all jurisdictions. 'All other cost of capital' includes plant, equipment, motor vehicles and other capital.

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

Outcomes

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

Student outcomes

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

Box 5.12 **Student Outcomes Survey**

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

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

The precision of survey estimates depends on the sample size and the distribution of sample responses. Consequently, jurisdictional comparisons need to be made with care. To assist with making comparisons across jurisdictions, error bars representing the 95 per cent confidence intervals associated with each point estimate are presented in the survey figures. These confidence intervals can be used to test whether the estimates are statistically different across jurisdictions. When comparing the estimates, if the confidence intervals for the jurisdictions overlap, then no statistical difference is detected between the estimates (at the 95 per cent confidence level). Confidence intervals are also included in the relevant tables of the attachment.

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

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

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

Source: NCVER (2007a); DEST (2008).

Student employment and further study outcomes

'Student employment and further study outcomes' is an indicator of outcomes of VET services (box 5.13).

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

'Student employment and further study outcomes' is an indicator of the VET system's ability 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.

Three measures are reported:

- the proportion of graduates who were employed and/or continued on to further study after completing their course
- the employment rate after participating in VET for students who were unemployed before the course
- the proportion of graduates who undertook their course for employment-related reasons and who reported at least one work-related benefit from completing the course.

Holding other factors constant, high or increasing proportions indicate positive employment or further study outcomes after training and a high level of students who received at least one work-related benefit from completing the course. The proportion of students who improved their employment outcomes or were engaged in further study may overlap, since students may realise the two outcomes simultaneously.

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

Students who were employed and/or continued on to further study after completing their course

Nationally, 86.7 per cent of TAFE graduates surveyed indicated that they were either in employment and/or pursuing further study after completing a VET course in 2006 — compared with 87.8 per cent in 2005 (table 5A.20). Of all TAFE graduates in 2006, 77.4 per cent said they were in employment while 32.8 per cent continued on to further study (figure 5.17).

Figure 5.17 **Proportion of TAFE graduates in employment and/or who continued on to further study after completing a course, 2006[a, b]**

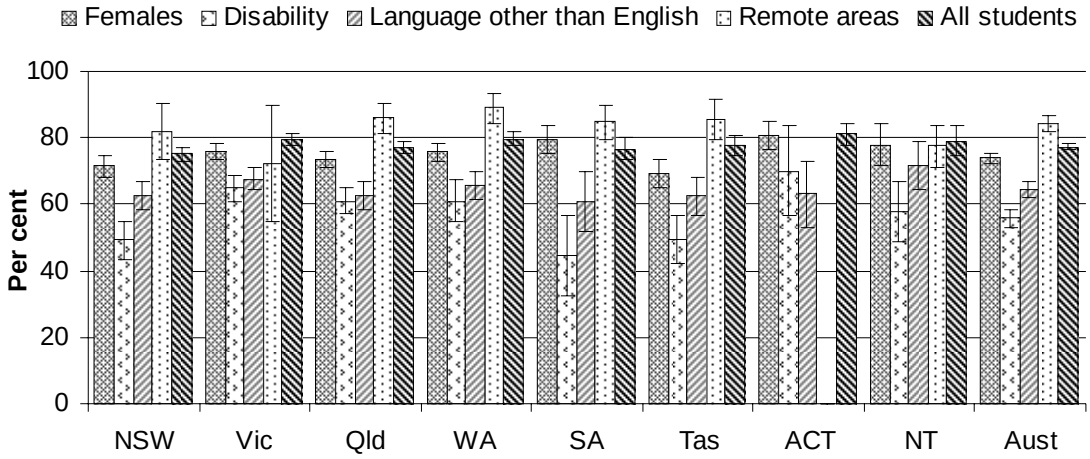
a Graduates 'employed after training' and graduates 'in further study after training' are subsets of graduates who are 'employed or in further study'. Graduates can be both employed and in further study. **b** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER Student Outcomes Survey (unpublished); table 5A.20.

The proportion of graduates by target groups who improved their employment circumstance (figure 5.18) or continued onto further study (figure 5.19) can also indicate the equity of outcomes for these groups. (Indigenous student outcomes are reported in a separate indicator.)

Nationally, 84.4 per cent of TAFE graduates from remote and very remote areas, 73.8 per cent of female graduates, 64.4 per cent of graduates who spoke a language other than English at home, and 55.8 per cent of graduates with a disability were employed after completing a course in 2006, compared with 77.4 per cent of all TAFE graduates (figure 5.18). Further information on graduates in employment and/or who continued on to further study after completing a course in 2002–2006 for target groups and geolocation disaggregations are reported in tables 5A.20–27.

Figure 5.18 **Proportion of TAFE graduates in employment after completing a course, by target groups, 2006[a, b, c, d]**

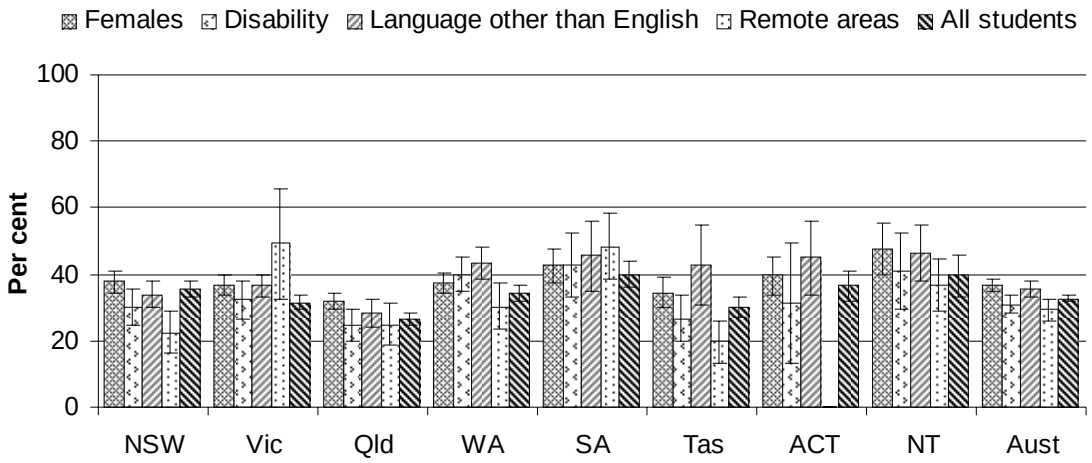


a Students reported as having a disability are defined as those who self-identify that they have a disability, impairment or long-term condition. Disabilities include hearing/deaf, physical, intellectual, learning, mental illness, acquired brain impairment, vision, medical condition and other unspecified disabilities. **b** Care needs to be taken in comparing outcomes for students reporting a disability and students speaking a language other than English at home because of the high non-identification rates for these groups. **c** There are no very remote areas in Victoria and no remote or very remote areas in the ACT. The remote data for Victoria are for students from remote areas throughout Australia studying in the jurisdiction. The remote data for the ACT was nil or rounded to zero. **d** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER Student Outcomes Survey (unpublished); tables 5A.20-21 and 5A.25–27.

Nationally, in 2006, a higher proportion of female students (36.8 per cent) and students speaking a language other than English at home (35.5 per cent) continued on to further study after completing a course, compared to all TAFE students (32.8 per cent), students with a disability (31.0 per cent) and students from remote and very remote areas (29.4 per cent) (figure 5.19).

Figure 5.19 **Proportion of TAFE graduates who continued on to further study after completing a course, by target groups, 2006[a, b, c, d]**

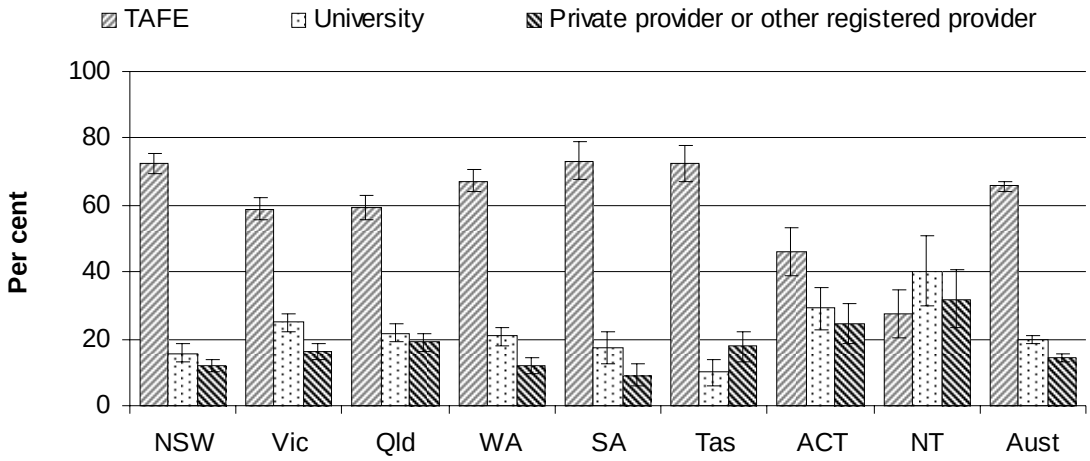


a Students reported as having a disability are defined as those who self-identify that they have a disability, impairment or long-term condition. Disabilities include hearing/deaf, physical, intellectual, learning, mental illness, acquired brain impairment, vision, medical condition and other unspecified disabilities. **b** Care needs to be taken in comparing results for students reporting a disability and students speaking a language other than English at home because of the high non-identification rates for these groups. **c** There are no very remote areas in Victoria and no remote or very remote areas in the ACT. The remote data for Victoria are for students from remote areas throughout Australia studying in the jurisdiction. The remote data for the ACT was nil or rounded to zero. **d** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate. The ACT 'Disability' estimate has a relative standard error greater than 25 per cent and needs to be used with caution.

Source: NCVER Student Outcomes Survey (unpublished); tables 5A.20-21 and 5A.25–27.

Of those TAFE graduates who continued on to further study, 65.7 per cent pursued their further study within the TAFE system, while 19.8 per cent went on to further study at universities and 14.5 per cent went on to further study at private providers or other registered providers (figure 5.20).

Figure 5.20 **TAFE graduates who continued on to further study after completing a course, by type of institution, 2006[a]**



a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER Student Outcomes Survey (unpublished); table 5A.20.

Students who were employed after completing their course

Nationally, of the TAFE graduates surveyed in 2006 who were unemployed before the course, 52.7 per cent indicated they were employed after the course, 37.6 per cent were unemployed and 9.6 per cent were not in the labour force (figure 5.21).

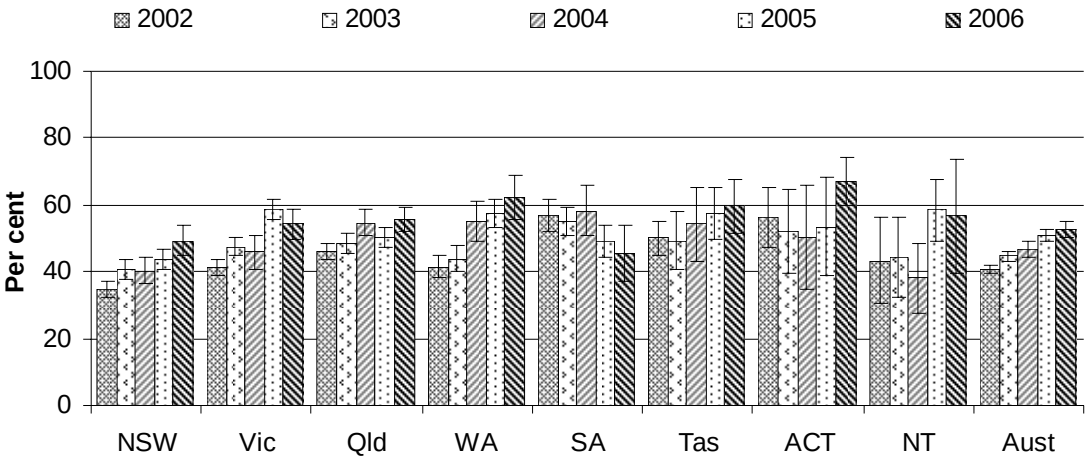
Figure 5.21 **Labour force status after the course of TAFE graduates who were unemployed before the course, 2006[a, b]**

a The NT 'Not in the labour force' estimates are not published due to 5 or fewer responses. **b** The 95 per cent confidence intervals for the percentage estimates are reported in table 5A.28. The SA and Tasmania 'Not in the labour force' estimates have relative standard errors greater than 25 per cent and need to be used with caution.

Source: NCVER Student Outcomes Survey (unpublished); table 5A.28.

Between 2002 and 2006, the proportion of TAFE graduates who were unemployed before the course and who became employed after the course increased by 11.9 percentage points (from 40.8 to 52.7 per cent) (figure 5.22).

Figure 5.22 **Proportion of TAFE graduates who were unemployed prior to commencing a course and who were employed after completing a course[a]**



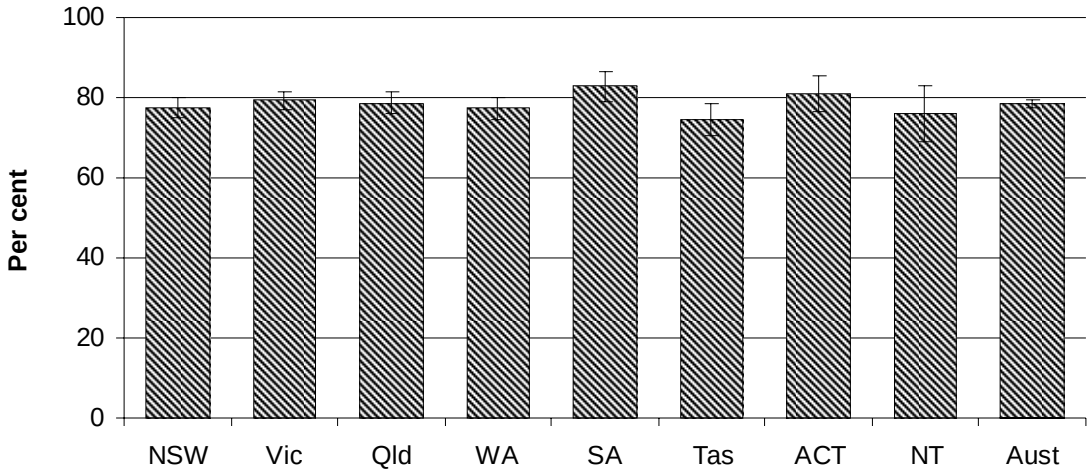
a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER Student Outcomes Survey (unpublished); table 5A.28.

Students receiving work-related benefit

Nationally, of the TAFE graduates who undertook their course for employment-related reasons in 2006, 78.5 per cent indicated they had gained at least one work-related benefit from completing the course (figure 5.23).

Figure 5.23 **TAFE graduates who undertook their course for employment-related reasons and who received at least one work-related benefit from completing the course, 2006[a]**



a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER Student Outcomes Survey (unpublished); table 5A.31.

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

- obtained a job (32.9 per cent)
- achieved an increase in earnings (26.6 per cent)
- achieved a promotion or an increased status at work (28.5 per cent)
- a change of job or new job (16.7 per cent)
- gaining the ability to start their own business (6.4 per cent) (table 5A.31).

Information on students who were employed before undertaking a course and who took the course for employment-related reasons and students rating of the relevance of their completed course to their main job (by jurisdiction and over a five year time series) is available in the attachment (tables 5A.29-30).

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 available in the 2006 Report (SCRGSP 2006, box 4.13) and *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 equitable access outcomes of VET services. It is a measure for overall student outcomes, and comparisons of target groups provides measures of equity (box 5.14).

Box 5.14 **Student achievement in VET**

'Student achievement in VET' is an indicator of students' success in VET. Achievement by VET target groups (females, residents of remote and very remote areas, people with a disability and people speaking a language other than English at home) can also indicate the equity of outcomes for these groups. (Indigenous student outcomes are reported in a separate indicator.)

Two measures are reported for all students and target groups:

- '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.

'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 target groups are as successful as other students.

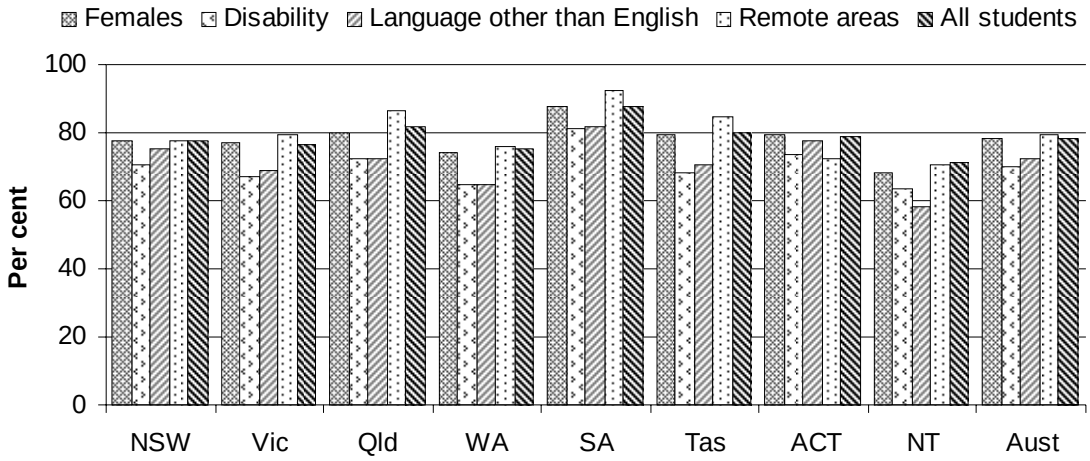
Care needs to be taken in comparing data across jurisdictions because average module durations vary across jurisdictions.

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 2008 Report.

Load pass rate

In 2006, the 'load pass rate' for all government funded students was 78.5 per cent, similar to load pass rates for female students (78.1 per cent) and students from remote and very remote areas (79.6 per cent). The load pass rates for students reporting a disability (69.9 per cent) and students speaking a language other than English at home (72.3 per cent) were lower than for all students (figure 5.24).

Figure 5.24 **Load pass rates, by target groups, 2006[a, b, c, d]**



a Data are for government recurrent funded hours. **b** Students reported as having a disability are defined as those who self-identify on enrolment forms that they have a disability, impairment or long-term condition. Disabilities include hearing/deaf, physical, intellectual, learning, mental illness, acquired brain impairment, vision, medical condition and other unspecified disabilities. **c** Care needs to be taken in comparing load pass rates for students reporting a disability and students speaking a language other English at home because the non-identification rates for these groups are high. **d** There are no very remote areas in Victoria and no remote or very remote areas in the ACT. Data for these geolocation disaggregations are for students from these areas throughout Australia studying in the jurisdiction.

Source: NCVER National VET provider collection (unpublished); tables 5A.32–35.

Nationally, between 2002 and 2006, the load pass rates increased for:

- female students by 1.1 percentage points (from 77.0 to 78.1 per cent) (table 5A.32)
- students from remote and very remote areas by 3.5 percentage points (from 76.1 to 79.6 per cent) (table 5A.33)
- students with a disability by 2.2 percentage points (from 67.7 per cent to 69.9 per cent) (table 5A.34)
- students speaking a language other than English at home by 2.5 percentage points (from 69.8 to 72.3 per cent) (table 5A.35)
- all students by 2.1 percentage points (from 76.4 to 78.5) (table 5A.32).

Number of students who commenced and completed

Data for this measure were not available for the 2008 Report.

Student satisfaction with VET

'Student satisfaction with VET' is an indicator of the equitable outcomes of VET services. It is a measure for overall student outcomes, and comparisons of target groups provides measures of equity (box 5.15).

Box 5.15 Student satisfaction with VET

'Student satisfaction with VET' is an indicator of students' satisfaction with their training program. It measures whether students achieved their main reason for doing a course and whether they were satisfied or very satisfied with the overall quality of their VET training program. Satisfaction by VET target groups (females, residents of remote and very remote areas, people with a disability and people speaking a language other than English at home) can also indicate the equity of outcomes for these groups. (Indigenous student outcomes are reported in a separate indicator.)

Two measures are reported for all students and target groups:

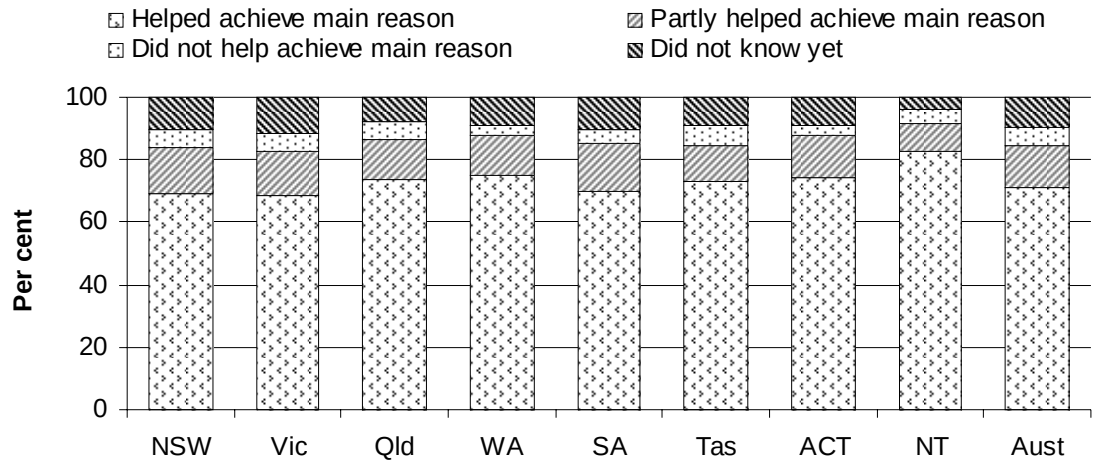
- 'proportion of students who achieve their main reason for doing a VET course' is defined as the proportion of graduates in the Student Outcomes Survey who indicate that they achieved or partly achieved their main reason for doing the course
- 'proportion of students who were satisfied with the quality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

A higher percentage indicates a higher level of satisfaction. The proportion of graduates who achieve their training objectives varies according to their objectives — employment related, further study and/or developmental — so it is useful to distinguish amongst types of student objective.

Students who achieve their main reason for doing a course

In 2006, 84.8 per cent of TAFE graduates surveyed nationally indicated that their course helped (71.0 per cent) or partly helped (13.8 per cent) them achieve their main reason for doing the course — slightly higher than the 77.2 per cent total reported in 2002. Of those graduates surveyed in 2006, 5.4 per cent indicated their course did not help them achieve the main reason they did the course, compared with 9.0 per cent in 2002 (table 5A.36, figure 5.25).

Figure 5.25 **Proportion of TAFE graduates who achieved their main reason for doing the course, 2006[a]**

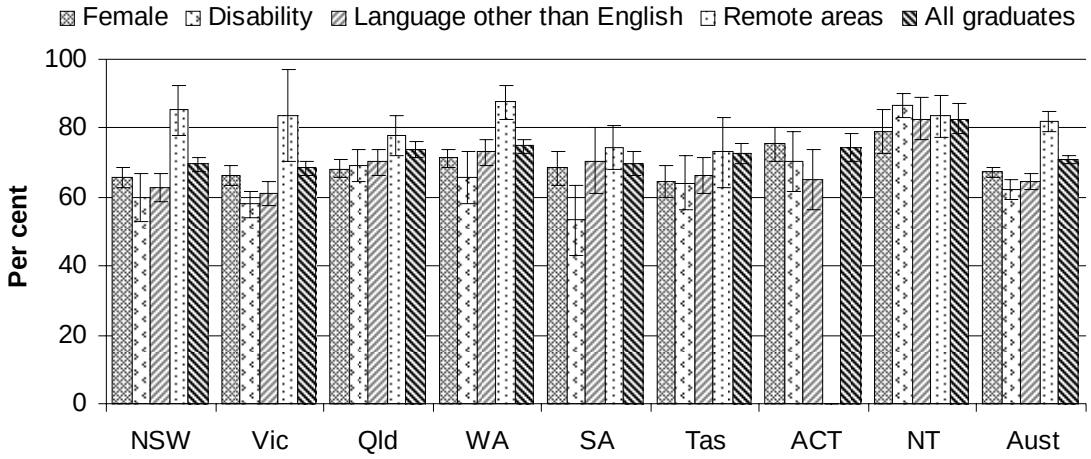


a The 95 per cent confidence intervals for the percentage estimates are reported in table 5A.36. The ACT and the NT 'Did not help achieve main reason' and the NT 'Did not know yet' estimates have relative standard errors greater than 25 per cent and need to be used with caution.

Source: NCVER Student Outcomes Survey (unpublished); table 5A.36.

Nationally, of the target groups, students from remote and very remote areas were the most likely to indicate that the course helped them achieve their main reason for doing the course (82.0 per cent), while graduates reporting a disability were the least likely to do so (62.3 per cent). Of all TAFE graduates surveyed, 71.0 per cent indicated that the course helped them achieve their main reason for doing the course (figure 5.26).

Figure 5.26 **Proportion of TAFE graduates who achieved their main reason for doing the course, by target groups, 2006[a, b, c]**



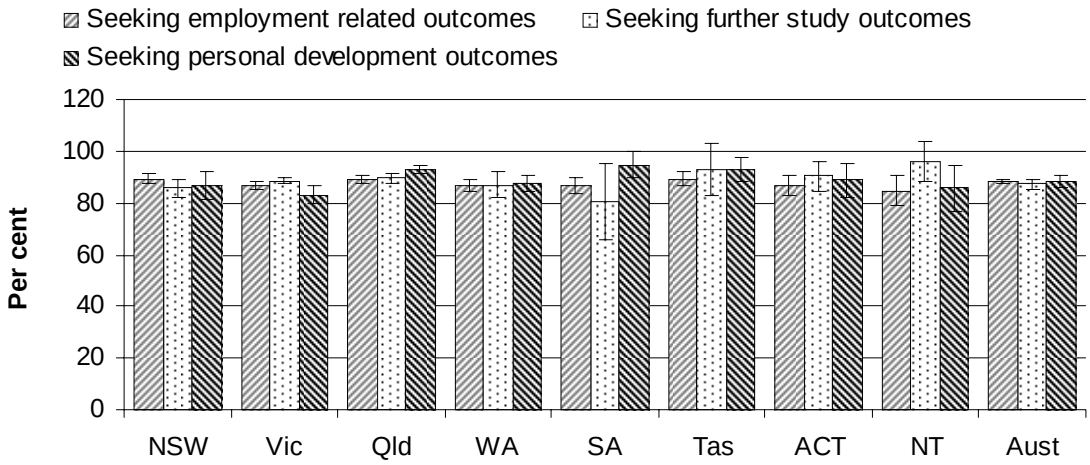
a The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate. **b** Students reported as having a disability are defined as those who self-identify that they have a disability, impairment or long-term condition. Disabilities include hearing/deaf, physical,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

Source: NCVER Student Outcomes Survey (unpublished); tables 5A.36-37 and 5A.41–43.

Students who were satisfied with the quality of their completed training

In 2006, 88.2 per cent of TAFE graduates surveyed nationally indicated that they were satisfied with the quality of their completed training (table 5A.44). The satisfaction levels across students undertaking training with different objectives were very similar — students seeking employment related outcomes (88.1 per cent), seeking further study outcomes (87.1 per cent) and seeking personal development outcomes (88.2 per cent) (figure 5.27).

Figure 5.27 **Proportion of TAFE graduates who were satisfied with the quality of their completed course, by purpose of study, 2006[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.

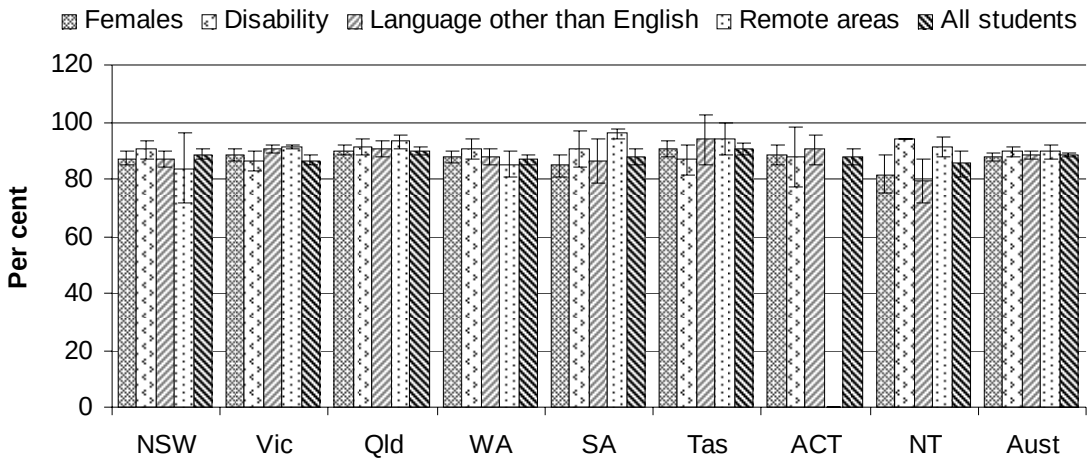
Source: NCVER Student Outcomes Survey (unpublished); table 5A.44.

The satisfaction level across target groups were also very similar:

- female graduates (87.8 per cent)
- graduates speaking a language other than English at home (88.2 per cent)
- graduates reporting a disability and graduates from remote and very remote areas (both 89.6 per cent) (figure 5.28).

A further breakdown of graduates by target groups and graduates by ARIA classifications, by the purpose of study, can be found in attachment tables 5A.45–51.

Figure 5.28 **Proportion of TAFE graduates who were satisfied with the quality of their completed course, by target groups, 2006[a, b, c, d]**



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

Source: NCVER Student Outcomes Survey (unpublished); tables 5A.44-45 and 5A.49–51.

Skill profile

'Skill profile' is an indicator of outcomes of VET services (box 5.16).

Box 5.16 **Skill profile**

'Skill profile' is an indicator of Australia's VET system's ability 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.

There are currently no indicators for 'skill profile', and in the interim 'skill outputs from VET' are reported under this indicator.

(Continued on next page)

Box 5.16 **(Continued)**

'Skill outputs from VET' measures students' skill outputs from the VET system in a given year. Four measures are reported:

- 'Qualifications completed' is defined as the number of qualifications completed each year by both government and non-government funded students in VET, where a qualification is a certification to a person on successful completion of a course in recognition of having achieved particular knowledge, skills or competencies.
- 'Units of competency' is defined as the number of units of competency achieved each year by government recurrent funded VET students, where a unit of competency is defined as a component of a competency standard and/or a statement of a key function or role in a particular job or occupation.
- 'Modules completed' is defined as the number of modules (outside training packages) achieved/passed each year by government recurrent funded VET students, where a module (also called a subject) is a unit of education or training which can be completed on its own or as part of a course. Modules may also result in the attainment of one or more units of competency.
- Annual change in qualifications completed, units of competency and modules achieved/passed is defined as the percentage change of qualifications, units of competency or modules achieved/passed from year to year.

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

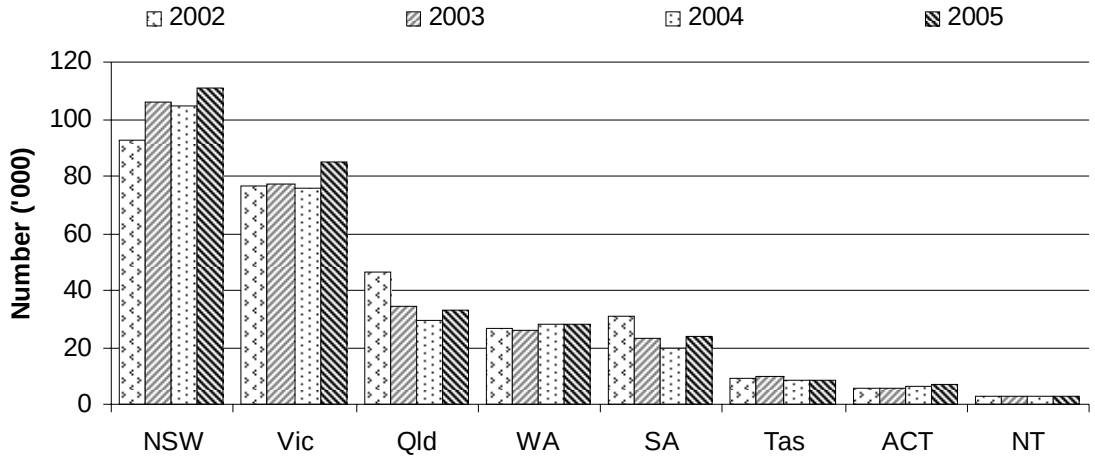
Qualifications completed in 2005 are counted in 2007 and are included in the 2008 Report.

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, 299 700 VET qualifications were completed in 2005 (table 5A.52). The number of qualifications completed includes both government and non-government funded VET students. The number of qualifications completed varied across jurisdictions (figure 5.29).

Figure 5.29 **Qualifications completed, all graduates[a, b, c, d]**

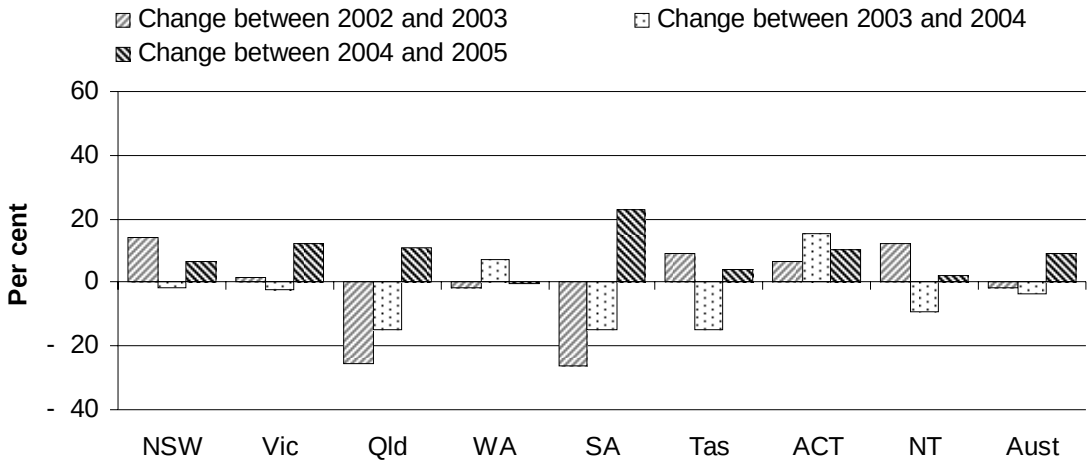


a Qualifications completed includes courses accredited or approved by a local State/Territory authority, and represents students eligible to be awarded a qualification. **b** The number of qualifications completed includes both government funded and non-government funded VET students. **c** WA reported additional awards completed in 2003. **d** SA data now include VET in schools which has been assessed by TAFE. To enable comparability of data, SA data for 2002–2004 have been adjusted to include SA VISA (VET in Schools Assessment) data. Data for 2001 are not reported due to a break in time series.

Source: NCVER National VET provider collection (unpublished); table 5A.52.

The number of qualifications completed fell between 2002 and 2003 (1.6 per cent) and 2003 and 2004 (3.6 per cent) but increased by 9.0 per cent between 2004 and 2005 (figure 5.30). Overall, VET qualifications increased by 3.4 per cent between 2002 and 2005 (table 5A.52).

Figure 5.30 **Qualifications completed, by change from previous year, all graduates[a, b, c, d, e]**



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** WA reported additional awards completed in 2003. **d** SA data now include VET in schools which has been assessed by TAFE. To enable comparability of data, SA data for 2002–2004 have been adjusted to include SA VISA (VET in Schools Assessment) data. **e** The Australia data for 2002–2004 have been revised due to changes to SA and NT reporting.

Source: NCVER National VET provider collection (unpublished); table 5A.52.

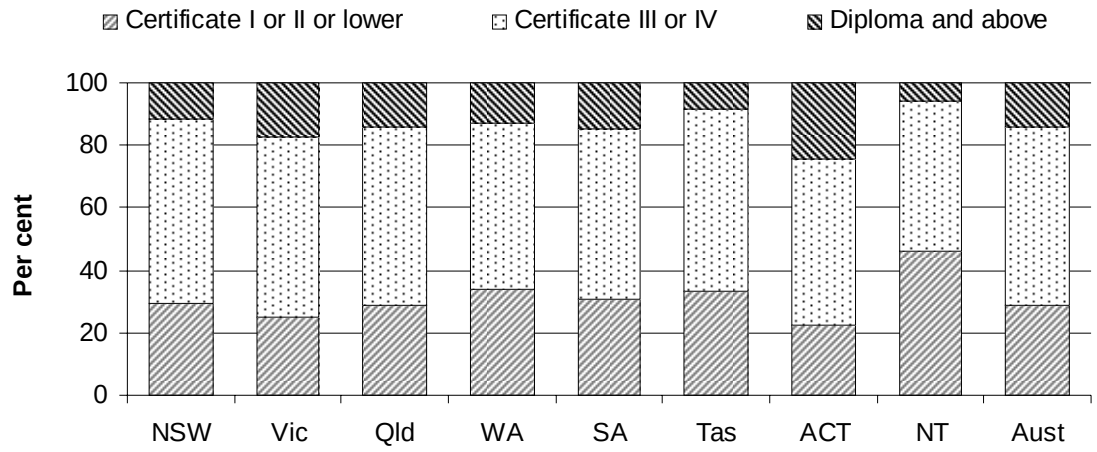
Amongst the VET target groups, between 2002 and 2005 the number of qualifications completed nationally increased by:

- 3.4 per cent for female students (table 5A.52)
- 28.1 per cent for students with a disability (table 5A.54)
- 13.1 per cent for students speaking a language other than English at home (table 5A.55). (Indigenous student outcomes are reported in a separate indicator.)

The number of qualifications completed for students from remote and very remote areas decreased by 1.2 per cent between 2002 and 2005 (table 5A.53).

In 2005, 14.1 per cent of qualifications completed were at the diploma or advanced diploma level, 57.1 per cent at certificate level III or IV and 28.8 per cent at certificate level I or II or lower (figure 5.31).

Figure 5.31 **Qualifications completed, by course level, 2005**[a, b, c]



[a] Qualifications completed include 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 now include VET in schools which has been assessed by TAFE.

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

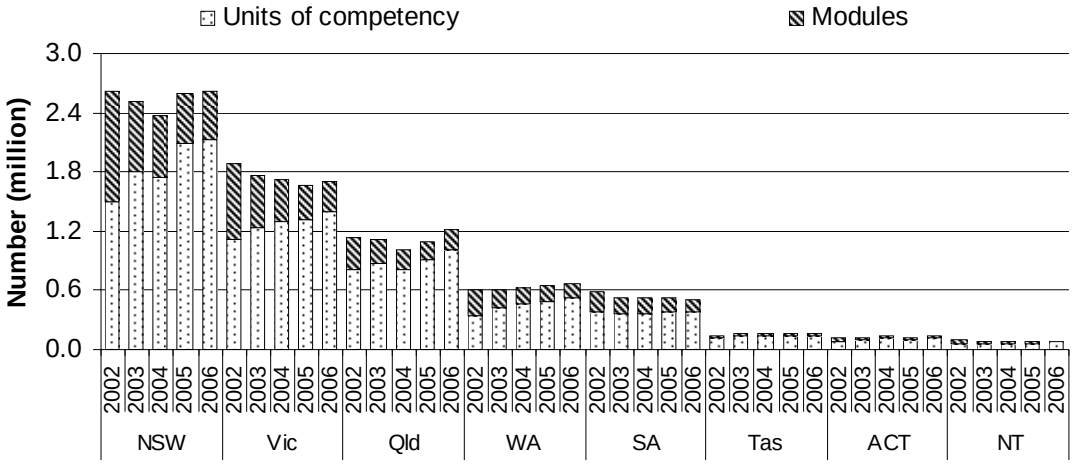
Skill outputs from VET — units of competency completed

Nationally, students achieved 5.8 million units of competency in 2006, an increase from 4.4 million in 2002. This was a 32.0 per cent increase in units of competency achieved/passed over this period (table 5A.57).

Skill outputs from VET — modules completed

Nationally, students achieved 1.3 million modules in 2006, a decrease from 2.8 million modules in 2002. This was a 53.8 per cent decrease in modules achieved/passed over this period (table 5A.61). The number of units of competency and number of modules achieved/passed varied across jurisdictions (figure 5.32).

Figure 5.32 **Units of competency and modules achieved/passed, all students[a, b, c]**

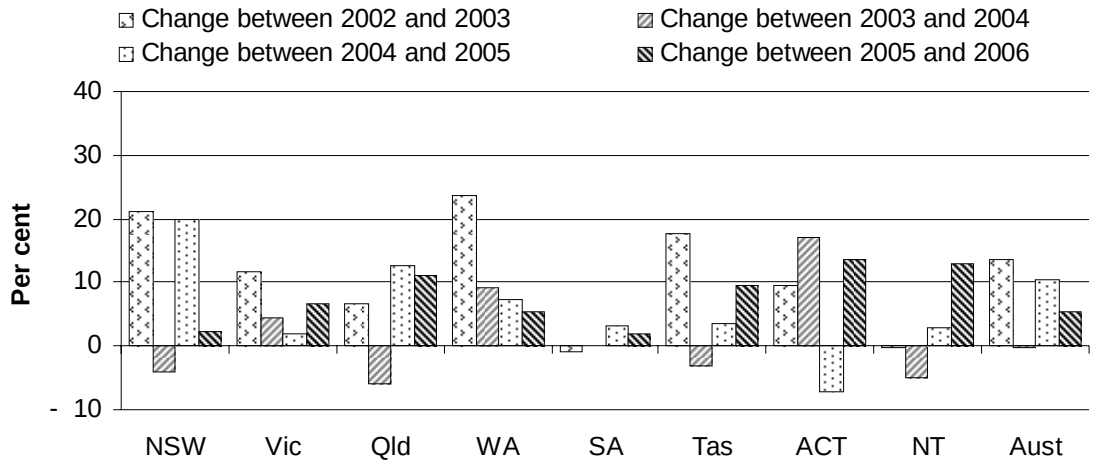


a Data are for government recurrent funded VET students. **b** NSW reported data on two additional programs for the first time in 2006. **c** SA data now include VET in schools which has been assessed by TAFE. To enable comparability of data, SA data for 2002–2004 have been adjusted to include SA VISA (VET in Schools Assessment) data.

Source: NCVER National VET provider collection (unpublished); tables 5A.57 and 5A.61.

Nationally, the number of units of competency achieved/passed has increased annually since 2002, except for a 0.4 per cent decrease between 2003 and 2004. In 2006, units of competency achieved/passed increased by 5.5 per cent from 2005 (figure 5.33).

Figure 5.33 **Units of competency achieved/passed, by change from previous year[a, b, c, d]**



a Data are for government recurrent funded VET students. **b** NSW reported data on two additional programs for the first time in 2006. **c** SA data now include VET in schools which has been assessed by TAFE. To enable comparability of data, SA data for 2002–2005 have been adjusted to include SA VISA (VET in Schools Assessment) data. **d** The Australia data for 2002–2005 have been revised due to changes to SA and NT reporting.

Source: NCVER National VET provider collection (unpublished); table 5A.57.

Amongst the VET target groups, between 2002 and 2006 the number of units of competency achieved/passed nationally increased by:

- 22.8 per cent for female students, while for males, it increased by 41.9 per cent
- 21.0 per cent for students from remote and very remote areas
- 83.8 per cent for students reporting a disability
- 38.1 per cent for students speaking a language other than English at home (tables 5A.57–5A.60).

Nationally, the number of modules achieved/passed has decreased annually since 2002. In 2006, modules achieved/passed decreased by 8.6 per cent from 2005 (figure 5.34).

Figure 5.34 **Modules achieved/passed, by change from previous year[a, b, c, d]**

a Data are for government recurrent funded VET students. **b** NSW reported data on two additional programs for the first time in 2006. **c** SA data now include VET in schools which has been assessed by TAFE. To enable comparability of data, SA data for 2002–2005 have been adjusted to include SA VISA (VET in Schools Assessment) data. **d** The Australia data for 2002–2005 have been revised due to changes to SA and NT reporting.

Source: NCVER National VET provider collection (unpublished); table 5A.61.

Amongst the VET target groups the number of modules achieved/passed nationally between 2002 and 2006 decreased by:

- 57.3 per cent for female students, while for males, it decreased by 51.1 per cent
- 30.6 per cent for students who reported a disability
- 43.5 per cent for students speaking a language other than English at home
- 47.2 per cent for students from remote and very remote areas (tables 5A.61–64).

Indigenous outcomes

'Indigenous outcomes' is an indicator of outcomes of VET services for Indigenous people (box 5.17).

Box 5.17 **Indigenous outcomes**

'Indigenous outcomes' is an indicator of the extent to which Indigenous people engage with and achieve positive outcomes from VET. Three measures are reported:

- 'Indigenous students' achievement in VET' measures Indigenous students' success in VET. It reports on load pass rates achieved by Indigenous students and the number of Indigenous students who commenced and completed expressed as a proportion of all course commencing enrolments by Indigenous students in that year.
- 'Skill outputs of Indigenous students' measures the level of skill outputs achieved in a given year by Indigenous students from the VET system. It reports on the number of qualifications completed by Indigenous students, the number of units of competency and the number of modules (outside training packages) achieved/passed by Indigenous students.
  - 'Qualifications completed by Indigenous students' is defined as the number of qualifications completed by both government and non-government funded Indigenous students each year in VET, where a qualification is a certification awarded to a person on successful completion of a course in recognition of having achieved particular knowledge, skills or competencies.
  - 'Units of competency achieved by Indigenous students' is defined as the number of units of competency achieved/passed by Indigenous government recurrent funded VET students, where a unit of competency is defined as a component of a competency standard and/or a statement of a key function or role in a particular job or occupation.
  - 'Modules completed by Indigenous students' is defined as the number of modules (outside training packages) achieved/passed each year by Indigenous government recurrent funded VET students, where a module (also called a subject) is a unit of education or training which can be completed on its own or as part of a course. Modules may also result in the attainment of one or more units of competency.
- 'VET outcomes for Indigenous students' measures the VET system's ability to meet Indigenous students' objectives. It reports on the proportion of Indigenous students who were satisfied with the quality of their completed course, and the proportion of Indigenous students who improved their employment or further study outcomes after completing a course, compared to those of the general student population.

(Continued on next page)

Box 5.17 **(Continued)**

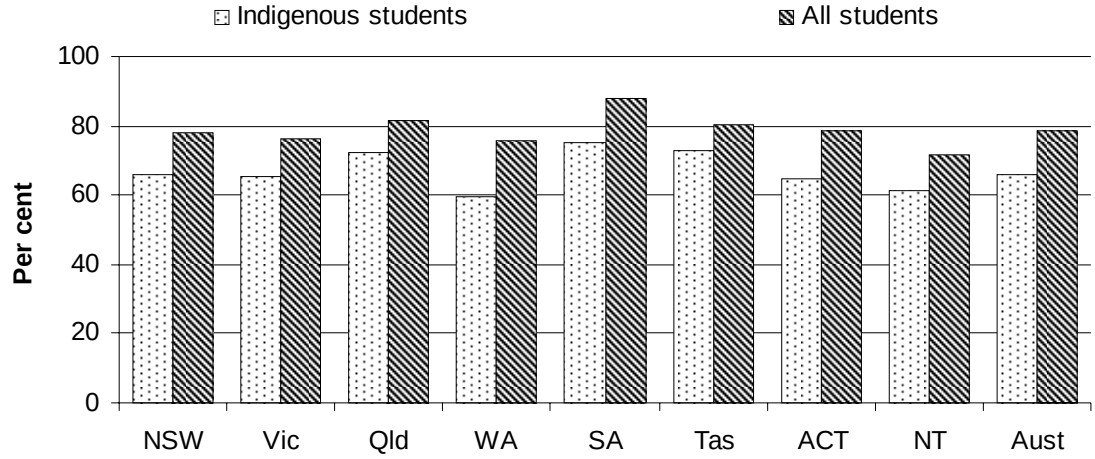
High 'load pass rates' and 'number of students who commenced and completed' indicate that student achievement is high, which is desirable. Holding other factors constant, high or increasing numbers of qualifications completed, and units of competency or modules achieved/passed results in a greater increase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

Reporting on students who commenced and completed is dependent on the capacity to track individual students over more than one calendar year and the data are not yet available. Qualifications completed in 2005 are counted in 2007 and are included in the 2008 Report.

Indigenous students' achievement in VET

In 2006, the national 'load pass rate' for Indigenous government funded students (66.2 per cent) was lower than the national load pass rate for all government funded students (78.5 per cent) (figure 5.35).

Figure 5.35 **Indigenous students' load pass rate, 2006[a]**

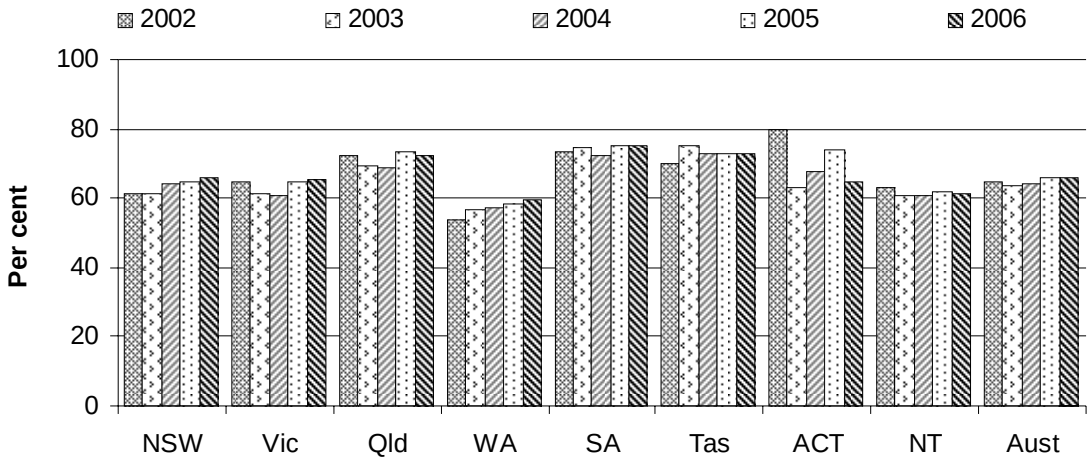


a Data are for government recurrent funded hours.

Source: NCVER National VET provider collection (unpublished); table 5A.65.

Nationally, the load pass rate for Indigenous government funded students increased from 64.5 per cent in 2002 to 66.2 per cent in 2006 (figure 5.36).

Figure 5.36 **Indigenous students' load pass rate[a, b]**



a Data are for government recurrent funded hours. **b** In 2006, all states and territories, except Victoria, adopted standard nominal hour values for common units of competency as the basis of calculating total hours of delivery. Victoria continues to report scheduled hours in 2006. To enable comparison over time, standard nominal hour values have been used to revise the time series back to 2002.

Source: NCVER National VET provider collection (unpublished); table 5A.65.

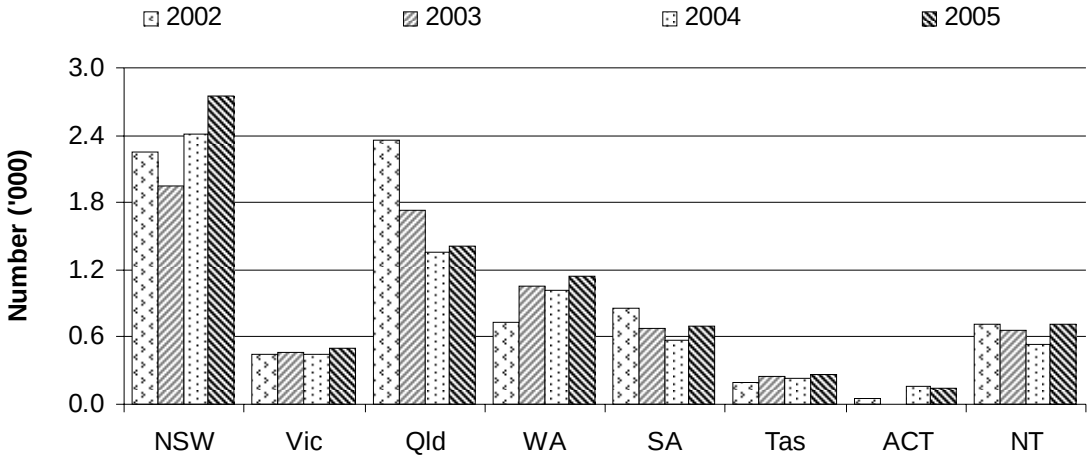
Indigenous students' skill outputs

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

Qualifications completed — Indigenous students

Nationally, Indigenous students completed 7600 VET qualifications in 2005, an increase of 13.3 per cent from 6700 in 2004. Indigenous students accounted for 2.5 per cent of all the qualifications completed in 2005 (table 5A.66). The number of qualifications completed by Indigenous students varied across jurisdictions (figure 5.37).

Figure 5.37 **Qualifications completed, by Indigenous students[a, b, c, d]**



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** WA reported additional awards completed in 2003. The 2003 ACT data were rounded to zero. **d** SA data now include VET in schools which has been assessed by TAFE. To enable comparability of data, SA data for 2002–2004 have been adjusted to include SA VISA (VET in Schools Assessment) data. Data for 2001 are not reported due to a break in time series.

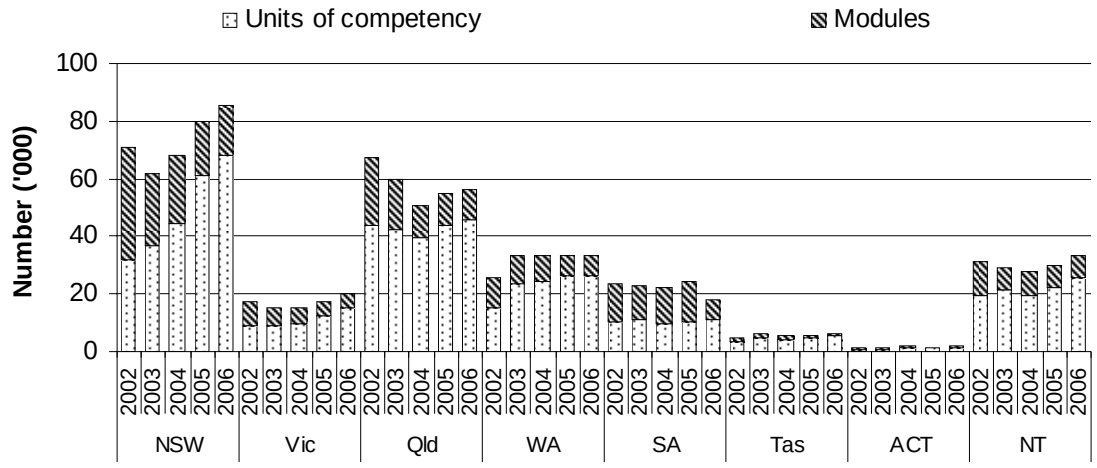
Source: NCVER National VET provider collection (unpublished); table 5A.66.

Units of competency and modules completed by Indigenous students

Nationally, Indigenous government funded students achieved/passed 198 800 units of competency in 2006, an increase of 9.1 per cent from 182 300 units in 2005. Units of competency achieved/passed increased by 48.1 per cent from 134 200 units in 2002 (table 5A.67).

The VET sector is focussed on delivering nationally approved training package qualifications and units of competency as opposed to modules. Nationally, the number of modules achieved/passed by Indigenous government funded students decreased by 12.8 per cent from 64 300 in 2005 to 56 100 in 2006. The number of modules achieved/passed has decreased by 48.2 per cent from 108 300 in 2002 (table 5A.67). The number of units of competency and number of modules achieved/passed varied across jurisdictions (figure 5.38).

Figure 5.38 **Units of competency and modules achieved/passed, by Indigenous students[a, b, c]**



a Data are for government recurrent funded VET students. **b** NSW reported data on two additional programs for the first time in 2006. **c** SA data now include VET in schools which has been assessed by TAFE. To enable comparability of data, SA data for 2002–2005 have been adjusted to include SA VISA (VET in Schools Assessment) data.

Source: NCVER National VET provider collection (unpublished); table 5A.67.

VET outcomes for Indigenous students

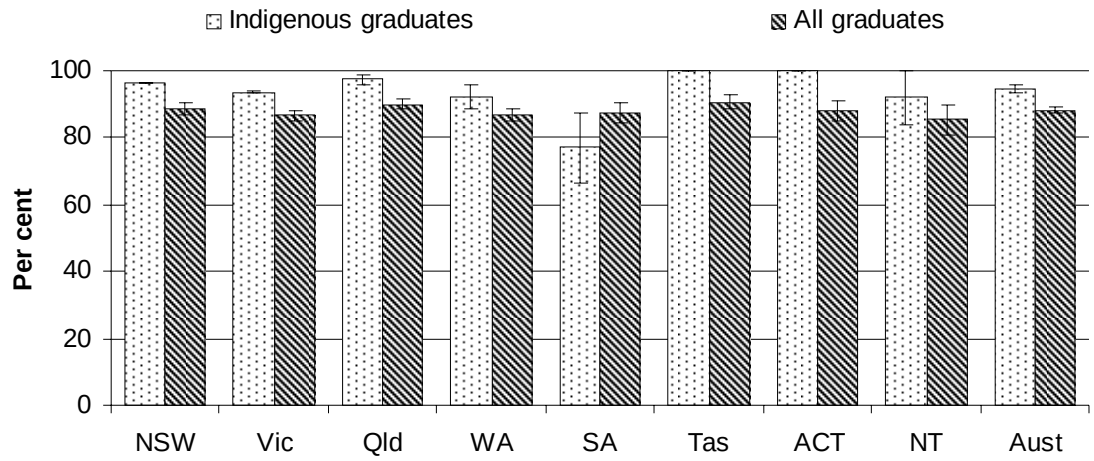
The measure 'VET outcomes of Indigenous students' reports on Indigenous students' satisfaction with VET and Indigenous employment and further study outcomes.

Indigenous students' satisfaction with VET

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

Nationally, 94.6 per cent of Indigenous TAFE graduates surveyed in 2006 indicated that they were satisfied with the quality of their completed course, compared with 88.2 per cent for all TAFE graduates (figure 5.39).

Figure 5.39 **Proportion of TAFE graduates who were satisfied with the quality of their completed course, by Indigenous status, 2006[a, b]**



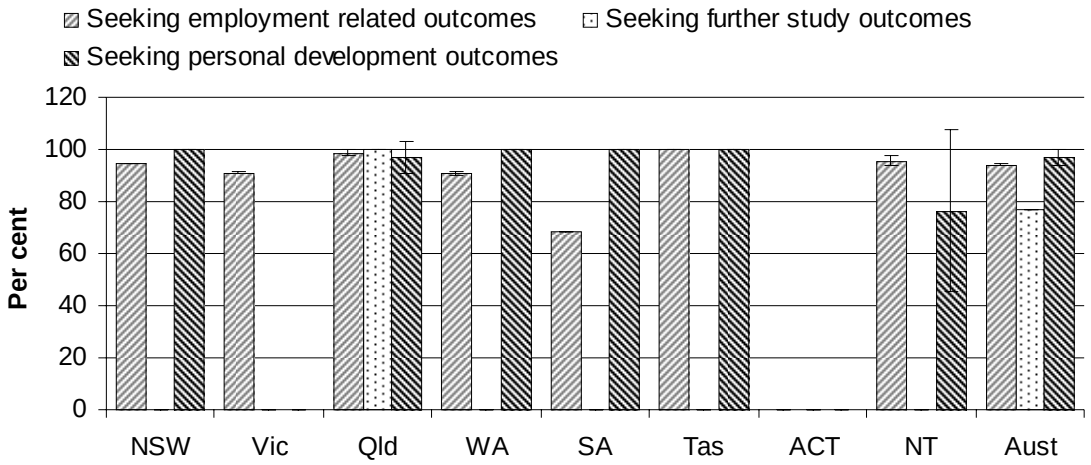
a Satisfaction with overall quality of training was rated as satisfied or very satisfied (4 or 5 on a 5 point scale). **b** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER Student Outcomes Survey (unpublished); tables 5A.44 and 5A.68.

Of those Indigenous TAFE graduates who completed courses in 2006, the proportion of those who indicated that they were satisfied with their courses was:

- 94.1 per cent of those seeking employment related outcomes
- 76.8 per cent of those seeking further study outcomes
- 96.9 per cent of those seeking personal development (figure 5.40).

Figure 5.40 **Proportion of Indigenous TAFE graduates who were satisfied with the quality of their course, by purpose of study, 2006[a, b, c, d]**



a Satisfaction with overall quality of training was rated as satisfied or very satisfied (4 or 5 on a 5 point scale). **b** The seeking further study outcomes data for NSW and ACT were nil or rounded to zero. Data for Victoria, WA, SA, Tasmania, the ACT and the NT 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. **d** Due to insufficient sample size it was not possible to calculate an estimate of the variance for some proportions.

Source: NCVER Student Outcomes Survey (unpublished); table 5A.68.

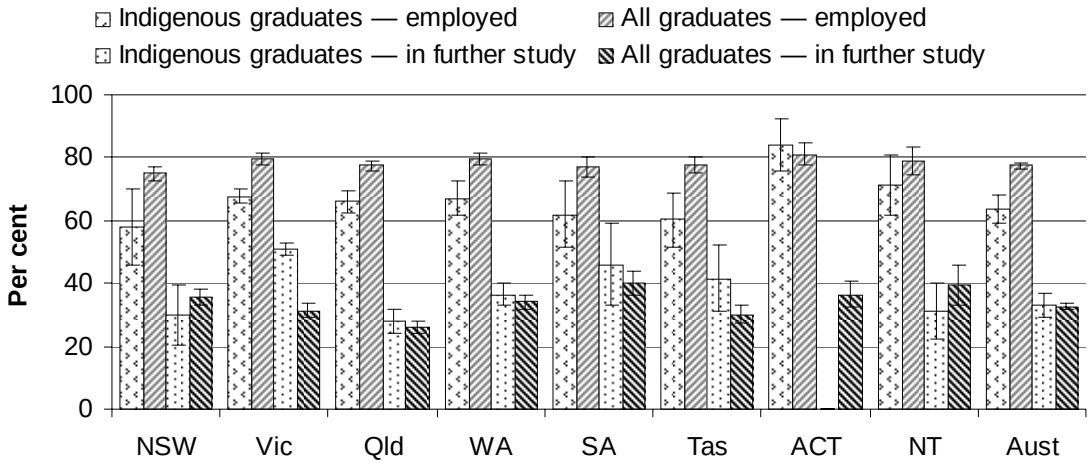
Further information on Indigenous students' views of their VET courses is available in the 2006 Report (SCRGSP (2006), box 4.18) and in the NCVER publication, *Indigenous Australians' training experiences 2004 – First findings* (NCVER 2005).

Indigenous students employment and further study outcomes

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

In 2006, 77.1 per cent of Indigenous TAFE graduates surveyed nationally indicated that they were employed and/or in further study after completing a course (table 5A.69). The proportion of students who improved their employment outcomes or were engaged in further study may overlap, since students may realise the two outcomes simultaneously. Of Indigenous TAFE graduates, 63.6 per cent indicated that they were employed after completing a course (compared with 77.4 per cent of all TAFE graduates) and 33.2 per cent continued on to further study (compared with 32.8 per cent of all TAFE graduates) (figure 5.41).

Figure 5.41 **Proportion of TAFE graduates who were in employment and/or continued on to further study after completing a course, by Indigenous status, 2006[a, b, c]**

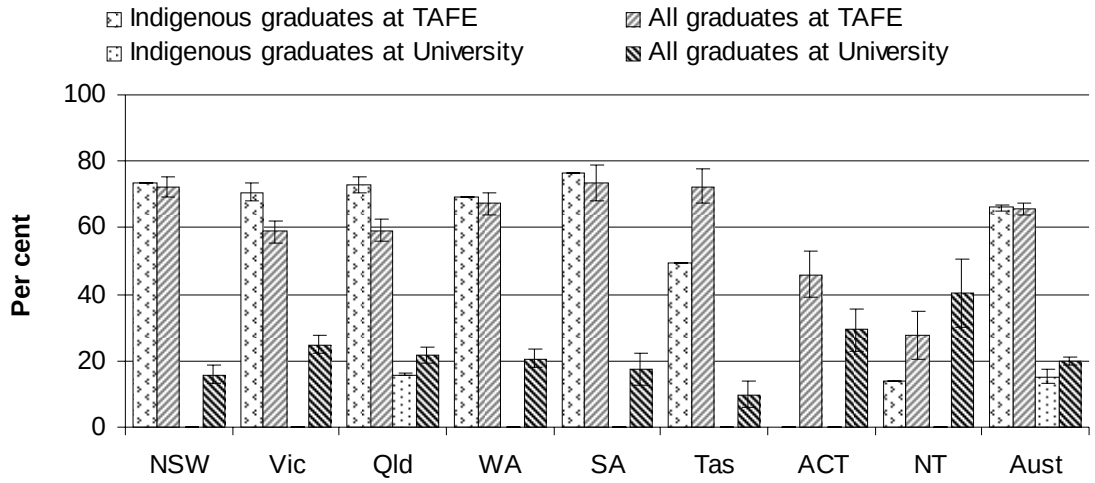


a Graduates 'employed' and graduates 'in further study' are subsets of graduates who are 'employed or in further study'. Graduates can be both employed and in further study. **b** The ACT 'Indigenous graduates — in further study' data are not published due to 5 or fewer responses. **c** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: NCVER Student Outcomes Survey (unpublished); tables 5A.20 and 5A.69.

Of those Indigenous TAFE graduates who went on to further study, 66.1 per cent continued on to further study within the TAFE system (compared with 65.7 per cent for all TAFE graduates) and 15.3 per cent went to university (compared with 19.8 per cent for all TAFE graduates) (figure 5.42).

Figure 5.42 **TAFE graduates who continued on to further study after completing a course, by Indigenous status, by type of institution, 2006[a, b]**



a The 'Indigenous graduates at TAFE' data for the ACT and the 'Indigenous graduates at University' data for NSW, Victoria, WA, SA, Tasmania and the ACT are not published due to 5 or fewer responses. The NT 'Indigenous graduates at University' estimate is not published due to a relative standard error greater than 25 per cent. **b** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate. Due to insufficient sample size it was not possible to calculate an estimate of the variance for some 'Indigenous graduates at TAFE' proportions.

Source: NCVER Student Outcomes Survey (unpublished); tables 5A.20 and 5A.69.

Employer outcomes

The biennial Survey of Employers' Use and Views of the VET System captures the extent to which employers make use of, and are satisfied with, aspects of the VET system. The latest survey was conducted in 2007, but as results were not available in time for this Report, the 2005 survey results are presented. 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.

Employer engagement with VET

'Employer engagement with VET' is an indicator of outcomes of VET services (box 5.18).

Box 5.18 **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.

The indicator is defined as the proportion of Australian employers who in the last 12 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.

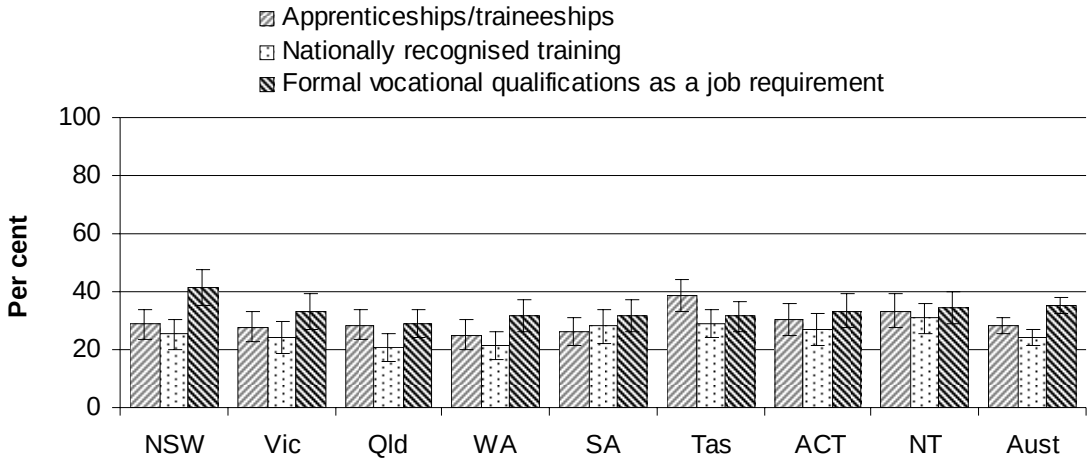
A high or increasing proportion of employers who had employees undertaking apprenticeships/traineeships, who arranged or provided nationally recognised training (other than apprenticeships/traineeships) for employees or who had employees with formal vocational qualification as a requirement of their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

The percentage of employers engaged with apprenticeships or traineeships in the past 12 months was 28.2 per cent (figure 5.43). This varied by industry, from 11.3 per cent in communication services to 77.3 per cent in electricity, gas and water supply (NCVER unpublished).

The percentage of employers engaged with nationally recognised training in the past 12 months was 24.1 per cent (figure 5.43). Engagement with nationally recognised training varied by industry from 11.8 per cent in wholesale trade to 53.7 per cent in government administration and defence (NCVER unpublished).

The percentage of employers engaged with employing people with a formal vocational qualification as a job requirement in the last 12 months was 35.0 per cent (figure 5.43). Employers with vocational qualifications as a job requirement varied from 18.3 per cent in agriculture, forestry and fishing to 67.5 per cent in electricity, gas and water supply (NCVER unpublished).

Figure 5.43 **Proportion of employers who are engaged with aspects of the VET system, 2005[a, b, c, d]**



a Engagement with apprenticeships/traineeships means had employees undertaking an apprenticeship or traineeship in the last 12 months. **b** Engagement with nationally recognised training means arranged or provided nationally recognised training to employees over the past 12 months. **c** Engagement with formal vocational qualifications means 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: DEST (2008); NCVER Survey of Employer Use and Views (unpublished); table 5A.70.

Employer satisfaction with VET

'Employer satisfaction with VET' is an indicator of outcomes of VET services (box 5.19).

Box 5.19 **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.

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

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

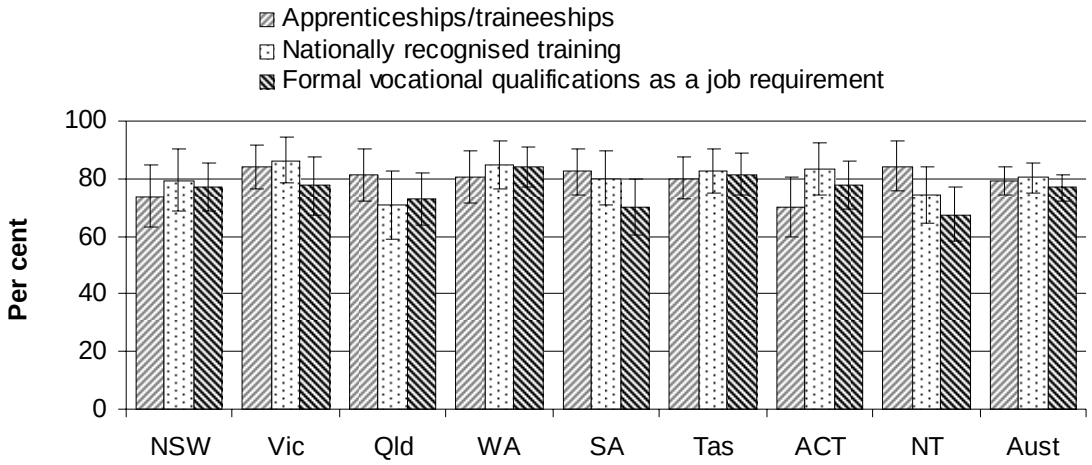
Nationally, 79.1 per cent of employers engaged with apprenticeships or traineeships were satisfied with VET as a way of providing employees with skills required for the job (figure 5.44). Employer satisfaction with using apprenticeships or

traineeships as a way of meeting skill needs varied across industry, with the lowest satisfaction levels in retail trade (69.1 per cent) and transport and storage (69.3 per cent) (NCVER unpublished).

Nationally, 80.3 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 5.44). Employer satisfaction with using nationally recognised training as a way of providing employees with skills required for the job was lowest in mining (51.3 per cent) and construction (69.0 per cent) industries (NCVER unpublished).

Nationally, 76.8 per cent of employers who had employees in the last 12 months with a formal vocational qualification that was a requirement of their job were satisfied with formal vocational requirements as a way of meeting skills (figure 5.44). Employer satisfaction with using vocational qualifications as a job requirement as a way of meeting skills needs was lowest in communication services (46.4 per cent), cultural and recreational services (65.2 per cent) and construction (65.4 per cent) (NCVER unpublished).

Figure 5.44 **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, 2005[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): had employees undertaking an apprenticeship or traineeship in the last 12 months and were satisfied with apprenticeships/traineeships as a way of providing employees with skills required for the job. **c** Satisfaction with nationally recognised training: organisation arranged or provided nationally recognised training to employees over the past 12 months and were satisfied with nationally recognised training as a way of providing employees with skills required for the job. **d** Satisfaction with formal vocational qualifications: had employees in the last 12 months with a formal vocational qualification that was a requirement of their job and were satisfied with formal vocational qualifications as a way of meeting skills. **e** The error bars in the figure represent the 95 per cent confidence interval associated with each point estimate.

Source: DEST (2008); NCVER Survey of Employer Use and Views (unpublished); table 5A.71.

5.4 Future directions in performance reporting

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

- improving the quality of Indigenous outcomes data that are published in the Report
- reporting on students who commenced and completed courses and developing related skill profile indicators.

5.5 Jurisdictions' comments

This section provides comments from each jurisdiction on the services covered in this chapter. Appendix A 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 (such as Indigenous and ethnic status).

Australian Government comments

“ 2006 was a year marked by achievements and progress in a number of areas in the national vocational education and training (VET) system. It will be remembered as a year of consolidation which saw the establishment of new governance arrangements set out in the 2005–08 Agreement. Considerable progress was also made on a range of measures aimed at addressing the persistent skills shortages impacting on Australian businesses. Agreement to develop and introduce new quality arrangements was also reached.

In 2006, the Council of Australian Governments (COAG) agreed to a national reform agenda to improve the skill levels of the Australian population. COAG skills initiatives that were progressed or implemented included:

- the development of a national Statement of Attainment to facilitate the portability and recognition of skills
- the removal of legislative, regulatory and industrial barriers to competency based training and Australian School-based Apprenticeships
- agreeing to standard wording on Recognition of Prior Learning in State and Territory contracts with training providers and assessment centres
- the funding of projects under the Regional Skills Shortages programme
- reports provided by States and Territories on their progress towards achieving genuine competition between registered training providers as specified in the *Skilling Australia's Workforce Act 2005*
- progressing work to better understand skills shortages.

In addition, during 2006:

- TVET Australia was established, a ministerial company jointly owned by the Australia, State and Territory Governments, and the National Industry Skills Committee
- the National Quality Council established a Quality Standing Committee to oversee the development of a new version of the Australian Quality Training Framework
- the Skills for the Future Campaign was announced by the Prime Minister, promoting the Australian Government's Skills for the Future initiative which included a number of programmes
- the Australian Government entered into 14 Funding Agreements for the operation of Australian Technical Colleges, bringing the total number of agreements signed to 20.

In summary, 2006 was a busy year, with the Australian Government contributing $1.172 billion under the 2005–08 Commonwealth-State Agreement for Skilling Australia's Workforce. This investment was just part of the Australian Government's overall investment in VET during 2006 of $2.7 billion. ”

New South Wales Government comments

“

NSW continues to be the largest provider of VET with 37.1 per cent of all Australian VET qualifications being completed by NSW students in 2005. In 2006, NSW delivered 125.1 million hours of VET, an increase of 2.8 per cent since 2002.

NSW places a high priority on addressing skills shortages. At a time of significant technological change and skilled labour shortages, NSW has introduced a number of initiatives to address workforce skill needs:

- an allocation of $69 million into Learn or Earn to create 12 580 new vocational education and training places
- invest $46.8 million to ensure there are enough workers trained in the right skills to continue to support our competitive and growing NSW economy
- provide assistance to 33 000 people to obtain skills training or have their existing skills recognised
- skill up around 3800 existing workers through partnerships between TAFE and businesses
- targeting skills shortages in regional and rural areas by creating an additional 4600 training places at TAFE
- establish a network of 10 NSW Skills Centres as one-stop-shops where employers, workers and students can access all the information they need about education and training opportunities.

NSW is also successfully applying strategies to increase VET participation for equity groups. The participation rate for government funded VET among Aboriginal students has increased by 36.6 per cent since 2002.

TAFE NSW is meeting the challenges identified by the Council of Australian Governments by supporting increased *productivity and workforce participation*. TAFE NSW recorded over 500 000 enrolments in 2006 and provided training opportunities for older people with nearly 30 per cent of enrolments by people over 40 years of age.

Students at TAFE NSW are achieving higher level qualifications to meet the needs of the knowledge economy with completions at Diploma level and above increasing by almost 5 per cent over the past year. TAFE NSW is focussing on skill shortages and in 2006 apprenticeship enrolments increased by 7.5 per cent compared to the previous year.

TAFE NSW achieved the highest level of employer satisfaction in Australia, with 96 per cent of employers surveyed expressing satisfaction with TAFE NSW for nationally recognised training in the non-apprenticeship and traineeship categories.

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Victorian Government comments

“ In 2006, Victorian Registered Training Organisations provided about 497 000 students with more than 116 million student contact hours of VET, an increase of 4 per cent on 2005 delivery. More than 70 per cent of this delivery was government funded.

There were an estimated 106 900 apprentices and trainees in training in Victoria at the end of 2006. Victoria contributed most significantly to apprentice and trainee completions, representing close to one third of completions nationally.

In February 2006 the Victorian Government released the *Inquiry into Vocational Education and Training* to address Victoria's skills challenges. As a result, *Maintaining the Advantage*, the Victorian Government's skills strategy was released in March 2006. The strategy provided significant additional funding to ensure that Victoria maintains its leadership position in VET by responding to the demand for higher-level qualifications and skills in an increasingly competitive and innovative global economy, and includes new investment of $241 million over four years to:

- provide a guaranteed place in TAFE for young people without year 12 or equivalent qualifications
- expand opportunities for young people through additional pre-apprenticeship programs
- fund additional places in higher-level qualifications
- fund additional places for mature-aged persons without year 12 or equivalent qualifications to access Certificate III (and above) training
- establish high-tech, modern Technical Education Centres for young people linked to TAFE institutions
- enable TAFE institutions to keep pace with new and emerging technological changes and better align teaching equipment to industry standards
- develop 13 Skills Stores to aid in the formal recognition of prior learning
- fund additional Apprenticeship Field Officers to support apprentices and trainees
- introduce Industry Skills Advisers in high-priority areas to develop better training opportunities for Victorian workers
- help Victorian businesses to build skills for the future.

To further support the development of a skilled workforce, the 2006-07 Budget provided an additional $42 million over four years to provide an incentive for apprentices and trainees to complete training and support training costs for apprentices and trainees in regional areas. $21 million was also allocated towards the modernisation of TAFE institutions. ”

Queensland Government comments

“ The Queensland economy continued to perform strongly throughout 2006. As a consequence, labour market conditions strengthened during that year. By December 2006 the Queensland workforce had expanded by nearly 100 000 workers, many of these people employed in full time jobs, and the trend unemployment rate had dropped to 4.1 per cent (by October 2007 this rate stood at 3.8 per cent).

A further impact on the labour market of strong economic performance is increased demand for skills. In the context of these and other labour market trends including an ageing workforce and growth of a global knowledge-based economy, the Queensland Government released the *Queensland Skills Plan*. This plan represents more than $1 billion of training investment over a four-year period and is one of the foremost strategies in Australia to provide the level and types of skills essential to economic growth in the 21st Century.

The *Skills Plan* is already well on the way to achieving many of its deliverables to industry, the trades and individuals. Achievements to date include the following:

- As at 31 October 2007, 9200 additional apprenticeship places had been funded and there were more than 46 000 apprentices in training.
- In addition, a number of shortened apprenticeships have been introduced without compromising qualifications.
- New industry skills formation strategies are under way in key areas such as civil construction; tourism and hospitality; film, television and digit content; agribusiness; food processing; biotechnology; information and communication technology; and local government.
- There has been considerable investment in TAFE infrastructure and there has been re-alignment of TAFE training through industry lead agency models that will further ensure an alignment between industry skills growth and regional economic development.
- The Skills First program was introduced in 2006-07, offering a customised service enabling Queenslanders to have their competencies properly evaluated to the achievement of a VET qualification.
- Improved TAFE governance models have been endorsed with the passing of the Vocational Education, Training and Employment and Other Legislation Amendment Bill 2007.
- Skills Tech Australia, the department’s dedicated trade and technician skills institute, is currently training students across a range of skill shortage areas.

Not wanting to risk complacency in light of these successes, the Queensland Government is already reviewing the *Skills Plan* to ensure the initiatives contained in it remain relevant to the changing needs of industry, communities and individuals. ”

Western Australian Government comments

“ Western Australia has continued to respond to the skilled labour demands of the State’s growing economy through a variety of initiatives to reform the apprenticeship and traineeship system.

In 2006, several regional reviews were conducted to examine existing training provision and actual training needs of selected regions currently experiencing critical skill shortages. These reviews involved a comprehensive assessment of industry, employment and training trends in consultation with regionally based community, employment and training bodies. The reviews were conducted in the Goldfields/Esperance, Kimberley and Pilbara regions.

The State continued to provide training broker services to small and medium enterprises in industries essential to the State’s economy, including: building and construction; automotive; metals; and hospitality. Training brokers identified current and emerging skill needs and facilitated training with registered training organisations, including TAFE**WA**, to ensure appropriate training solutions were provided to alleviate identified skill gaps and shortages.

The *Industrial Training Amendment Act 2006* was passed by the Western Australian Parliament. The legislation allows people to participate in an apprenticeship on a less than full-time basis and also enables school-based apprenticeships for school students wishing to commence an apprenticeship while still at school. Significant changes introduced across industry have opened up new trade areas, increased flexibility and reduced the duration of some trades.

After the original target of 30 000 apprentices and trainees in training by 2009 was achieved in July 2005, a new target of 32 700 was set for the same period. This new target has now also now been met. The Skills Recognition initiative was expanded to support 4000 skills recognition places from 2005 to 2009.

The School Apprenticeship Link addresses skills shortages in the trades by offering direct pathways from school into apprenticeships. In 2007, more than 791 students commenced the program. The program was piloted in 2005 and more than 350 students commenced the program. More than 1000 Aboriginal students commenced school-based traineeships.

The 2006 national Student Outcomes Survey showed that 88.0 per cent of TAFE**WA** graduates achieved their main reason for study compared with 77.7 per cent in 2002. Graduate satisfaction levels with training rose to 86.9 per cent in 2006. ”

South Australian Government comments

“ The South Australian government continued to work with industry, communities and individuals to increase participation and skilling of the States' workforce. The 24 skills initiatives in the *Skills for South Australia — Building on Strong Foundations* package, announced in September 2006, demonstrated the government's significant investment in supporting training and employment for the South Australian community and identified a broad range of activities which underpin this support.

The South Australian government remains committed to maintaining the quality and client responsiveness of the vocational education and training system in South Australia. In 2006, it provided a comprehensive VET professional development program, held an annual quality conference and maintained liaison with providers individually through activities such as quarterly provider forums and electronic newsletters. It supported the Industry Skill Boards to identify industry and region-specific workforce issues and to address those issues through initiatives such as the Industry Skills Boards Cluster projects. Strategies were also developed to address the specific skill requirements of industry areas expected to experience significant employment growth such as mineral resources and defence.

TAFESA delivered the majority of training in South Australia and achieved good employment outcomes and high levels of client satisfaction. It also played an integral role in supporting the training of disadvantaged groups.

South Australia's apprenticeship and traineeship system continued to record successes, particularly among female, youth and traditional trades groups. A number of initiatives encouraged the uptake of apprenticeships and traineeships such as User Choice funding provided for existing workers undertaking an apprenticeship in targeted skill shortage areas and a pre-apprenticeship program for specific trade related occupations.

The South Australia Works program has been successful in providing opportunities for individuals to participate in employment, training and skills development, particularly to those young, mature aged and Aboriginal people who are most disadvantaged. In 2006-07, over 25 000 participants were provided learning and work opportunities with over 7900 gaining employment.

The NCVER Survey of Employers' Use and View of the VET system in 2005 reported that employers in South Australia have a high level of satisfaction with the VET system in terms of apprenticeships and traineeships (82.4 per cent satisfied), nationally recognised training (80.2 per cent) and formal qualifications as a job requirement (70.1 per cent). Student satisfaction also remained high in South Australia. The 2006 NCVER Student Outcomes Survey reported that 87.3 per cent of VET graduates were satisfied with the quality of their training and 88.8 per cent of VET graduates were employed or in further study after completing their training. ”

Tasmanian Government comments

“ This report supports Tasmania’s priorities for the VET system to meet industry, community and individual need for skills development.

The report highlights what is being achieved. It shows increasing expenditure, high participation rates, very strong employer awareness of, and engagement with the apprentice and trainee system and strong employer satisfaction with VET.

Skill shortages continue to be a major focus and the demand from industry for skills is at the forefront of current initiatives. The Tasmanian Government has implemented major increases in funding to directly tackle skill shortages and build workforce capacity in the trades and in growth industries, and the competitive tendering program has been improved and expanded. Numbers in training are at record levels. Training effort is expanding the range of people with work skills.

Young people are being supported in their transition from compulsory education to further education, training and work through pathway planning and transition support in secondary schools.

The Tasmania Tomorrow initiative will restructure TAFE and senior secondary education and training resulting in much easier and more attractive pathways to VET as well as streamlined pathways to academic studies, and a greater focus on industry.

Skills Tasmania, a statutory authority, has been established with an industry based board and a strong focus on skills to support industry development.

The Skilling Tasmania policy consultation is examining how the Tasmanian Training system can better respond to industry’s requirements.

And Skills Tasmania is partnering with the state Department of Economic Development on a workforce development plan.

The Tasmanian training system is responding to industry needs, the pressures of demographic change and the urgent need for increased productivity in effective and direct ways. ”

Australian Capital Territory Government comments

“During 2006 the ACT continued to experience high levels of economic growth with record low unemployment placing the labour market under pressure. The ACT's trend labour force participation rate, at the end of the year, remained at 74.1 per cent, well above the national trend participation rate of 64.8 per cent. This intensified the ACT Government’s commitment to VET as a means of ensuring appropriately skilled and qualified citizens contribute to the economic, social and cultural well-being of the ACT.

In 2006, the total number of ACT VET students continued the upward trend of recent years increasing by 2.7 per cent since 2005, compared with the national average of 1.5 per cent. VET students enrolled in Certificate III courses rose by 12.8 per cent, more than double the national average of 5.9 per cent. The number of ACT students enrolled in Certificate IV courses from 2005 to 2006 remained steady compared to a national decline of 0.9 per cent.

In the ACT, 8.8 per cent of the working population were in government funded VET in 2006, up from 8.3 per cent in 2005 and above the national average of 8.4 per cent. The number of people with a disability undertaking VET increased by 4.8 per cent. The participation rates for Indigenous students fell by 1.1 per cent between 2005 (12.2 per cent) and 2006 (11.1 per cent). A number of Indigenous VET programs were offered exclusively in 2005 and the reduction in student numbers reflect this situation. The number of students aged 15–19 undertaking VET increased by 4.4 per cent and in the ACT, participation is higher for females (51.6 per cent) compared to that of males.

NCVER data for apprenticeships and traineeships in the ACT indicates record levels of commencements in 2006. There were approximately 60 per cent more apprentices and trainees in training than in 2002, and more than double as many as in 1995. Almost 20 per cent of apprentices and trainees were studying higher-level VET qualifications at Certificate IV or above, compared to the national average of 11.8 per cent.

Regular consultation with stakeholders ensured that the VET sector remained flexible and responsive. The Accelerated Chefs Apprenticeship initiative arose from consultations with the Canberra Institute of Technology (CIT), industry and union representatives. Under this pilot program, apprentices undertake a six-month intensive program at CIT, followed by 18 months of combined industry employment and CIT training. Assessment is industry endorsed.

Similarly, the IT Traineeships in Australian Government service arose out of consultations with the Australian Government Information Management Office. Under this pilot a Group Training Organisation will employ up to 60 trainees, with Australian Public Service Agencies acting as host employers for trainees completing Certificate IV Information Technology qualifications.

These positive outcomes for the ACT have been achieved in the context of the narrowest VET market in Australia and in an economic setting that is quite different from that of other jurisdictions.”

Northern Territory Government comments

“

- The 2006 Workforce NT publication reports strong economic growth in the NT resulting in a tight labour market and continuing skills shortages across a range of industries, notably in the trades sectors.
- VET is one of the most critical pathways to achieving the NT's fundamental and abiding commitment to improving economic and social outcomes for all Territorians, particularly Indigenous Territorians.
- The NT has the highest proportion of Indigenous people with 30 per cent of the NT population having an Indigenous background, and this is expected to grow 1.4–1.6 per cent over the next five years. Over 37 per cent of the Territory's Indigenous population lives outside the urbanised region of Darwin.
- In 2006, 20 516 people participated in VET programs in the NT of which 9947 (48 per cent) were Indigenous compared to 2005 where 20 621 people participated of which 8281 (40 per cent) were Indigenous.
- During 2006, 3200 apprentices and trainees were in training.
- In 2006, the $1.8 million allocated to Flexible Response and Community Response programs continued to fund targeted training for Indigenous Territorians. These programs provide responsive, ongoing skills training that contribute to the economic and social development of individuals and communities and regions in the NT.
- VET in Schools funding of $2.2 million allowed for an expansion of programs across the NT including regional and remote communities.
- The NT initiatives to address skills shortages included:
  - incentives for businesses' employing apprentices in skills shortages areas
  - work/wear work gear grants paid to apprentices and trainees
  - Build Skills program which provides funding to up-skill existing workers. Building and construction and hospitality being the major industry areas that received funding.
- The NT is continuing to ensure VET is targeted to meet the needs of its growing economy and leads to jobs for Territorians.
- The delivery of training in remote communities presents many challenges including accessibility, cost and the availability of appropriate infrastructure.

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5.6 Definitions of key terms and indicators

Adult and community education providers	Organisations that deliver community-based adult education and training intended principally for adults, including general, vocational, basic and community education, and recreation, leisure and personal enrichment programs.
Annual hours	The total hours of delivery based on the standard nominal hour value for each subject undertaken. These represent the hours of supervised training under a traditional delivery strategy. Annual hours are adjusted to account for invalid module enrolments.
AVETMISS	Australian Vocational Education and Training Management Information Statistical Standard. A nationally consistent standard for the collection, analysis and reporting of vocational education and training information throughout Australia. This standard was observed in the collection and preparation of data for this Report.
Completions	Fulfilment of all of the requirements of a course enrolment or module enrolment. Completion of a qualification or course is indicated by acknowledging eligibility for a qualification (whether or not the student physically received the acknowledgment).
Cost of capital per annual hour	Cost to the government of using capital (physical non-current assets) to deliver VET services divided by the annual hours and course mix weight.
Cost of capital per load pass	Total government recurrent expenditure divided by successfully completed VET modules or units of competency.
Course	A structured program of study that leads to the acquisition of identified competencies and includes assessment leading to a qualification.
Course mix weight	Expenditure is weighted to recognise the different proportions of relatively more expensive and less expensive training programs that occur in jurisdictions. The course mix weightings are based on revised planned activity hours, as reported in State/Territory annual vocational and technical education plans for 2000–2004. Actual audited activity hours data are used in the course mix weight calculations for 2006 activity. The reference value is 1.00 for Australia and a weighting greater than 1.00 indicates that the State or Territory is offering relatively more expensive programs compared to the national profile. The national cost relativities used to determine the course mix weightings for each state and territory were established by the Unit Cost Working Party in 1995.
Employer engagement with VET	The proportion of Australian employers who in the last 12 months had employees undertaking apprenticeships/traineeships (now referred to as Australian Apprenticeships), arranged or provided nationally recognised training (other than apprenticeships/traineeships) for employees, or had employees with formal vocational qualification as a requirement of their job.
Employer satisfaction with VET	The proportion of Australian employers who are satisfied with VET in meeting the skill needs of their workforce. The components of satisfaction with the VET system are satisfaction with apprentices/trainees, nationally recognised training, and formal vocational qualifications as a job requirement. Satisfaction is measured on a 5 point scale, 'satisfied' includes employers who

	were satisfied or very satisfied and 'dissatisfied' includes employers who were dissatisfied or very dissatisfied.
Enrolment	The registration of a student at a training organisation's delivery location for the purpose of undertaking a program of study. The enrolment is considered valid only if the student has undertaken enrolment procedures, met their fee obligations, and has engaged in learning activity regardless of the mode of delivery.
Fee-for-service activity	Training for which most or all of the cost is borne by the student or a person or organisation on behalf of the student.
Government funded VET students	Government recurrent funded students (which relates directly to training activity funded under the *Commonwealth–State Agreement for Skilling Australia's Workforce* unless otherwise specified) and excludes students participating in VET programs delivered in schools (where the delivery was undertaken by schools) or who undertook 'recreation, leisure or personal enrichment' education programs. Fee-for-service by private providers, delivery undertaken at overseas campuses of Australian VET institutions, and credit transfer are also excluded.
Government recurrent expenditure per annual hour	Government recurrent expenditure divided by the number of government funded annual hours (adjusted for invalid enrolment rates). Expenditure is adjusted for course mix weight.
Government recurrent expenditure per load pass	Government recurrent expenditure divided by the number of hours successfully completed from assessable enrolments of modules and units of competency achieved/passed and RPL.
Graduate	A person who has completed a VET program.
Graduates' main reason for undertaking a VET course	Either seeking an employment–related outcome (to get a job, to try for a different career, to meet job requirements, to get extra job skills), seeking a further study outcome (to get into another course) or seeking a personal development outcome (for personal interest, for other reasons).
Language spoken at home	Students speaking a language other than English at home are those who self-identify on their enrolment form that they speak a language other than English at home.
Load pass rate	The ratio of hours attributed to students who gained competencies/passed assessment in an assessable module or unit of competency to the hours of all students who were assessed and either passed, failed or withdrew. Load pass rate is calculated as the total competency achieved/passed and RPL divided by the total competency achieved/passed, RPL, competency not achieved/failed and withdrawn.
Module	A unit of training in which a student can enrol and be assessed.
Private provider	A commercial organisation that provides training to individuals and industry.
Program of study	A generic term to describe Training Package qualifications, nationally recognised accredited courses, other courses (not nationally recognised accredited courses), units of competency and modules.
Real	Actual expenditure/funding/assets adjusted for changes in prices. Adjustments are made using the GDP chain price deflator and expressed in terms of final year prices.

Recognition of prior learning (RPL)	RPL is an assessment process through which students may gain formal recognition for the skills they already have. An enrolment where the student has been assessed competent for the whole unit of competency or module by a trainer. The result of the assessment is on the basis of the student's prior skills and knowledge acquired through previous training, work or life experience.
Recurrent funding	Funding provided by the Australian, State and Territory governments to cover operating costs, salaries and rent.
Registered training organisation (RTO)	RTO's are organisations registered by a State or Territory recognition authority to deliver specified VET and/or assessment services, and issue nationally recognised qualifications in accordance with the AQTF. RTOs include TAFE colleges and institutes, adult and community education providers, private providers, community organisations, schools, higher education institutions, commercial and enterprise training providers, industry bodies and other organisations meeting the registration requirements.
TAFE	Technical and further education colleges and institutes, which are the primary providers of government funded VET.
Training packages	An integrated set of nationally endorsed standards, guidelines and qualifications for training, assessing and recognising people's skills, developed by industry to meet the training needs of an industry or group of industries. Training packages consist of core endorsed components of competency standards, assessment guidelines and qualifications, and optional non-endorsed components of support materials such as learning strategies, assessment resources and professional development materials. A Training Package is the grouping together of the training components designed to assist in achieving the competencies for a specific industry. Units of competency are packaged together which, when combined at various levels, can form qualifications (Certificate, Diploma etc.).
Unit of competency	A unit of competency is the smallest component of a VET program that can be assessed and recognised in the VET system for collection purposes.
VET participation	VET student participation data presented in this Report refer only to VET students who were funded by government recurrent expenditure and delivered by TAFE and other government providers (including multisector 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.
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	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

English	speaking a language other than English at home.
VET participation rate for people aged 15–64 years	The number of government funded participants aged 15–64 years in the VET system as a proportion of the number of people in Australia (or each jurisdiction) aged 15–64 years.
VET participation rate for people of all ages by region	The number of government funded participants of all ages in the VET system based on students' home postcodes using the Accessibility and Remoteness Index for Australia (that is, major cities; inner regional areas; outer regional areas; remote and very remote areas) as a proportion of the total population of people in those geographic areas.
VET program	A course or module offered by a training organisation in which students may enrol and gives people work-related knowledge and skills.
Whether the VET course helped graduates achieve their main reason for doing the course	Whether 'the course helped', 'the course partly helped', 'the course did not help' or the graduates 'cannot say'.

5.7 Attachment tables

Attachment tables are identified in references throughout this chapter by an 'A' suffix (for example, table 5A.4 is table 4 in the attachment). Attachment tables are provided on the CD-ROM enclosed with the Report and on the Review website (www.pc.gov.au/gsp). On the CD-ROM, the files containing the attachment tables are provided in Microsoft Excel format as \Publications\Reports\2008\Attach5A.xls and in Adobe PDF format as \Publications\Reports\2008\Attach5A.pdf. Users without access to the CD-ROM or the website can contact the Secretariat to obtain the attachment tables (see contact details on the inside front cover of the Report).

Table 5A.1 Government real recurrent expenditure, (2006 dollars) ($ million)

Table 5A.2 Government real recurrent expenditure per person aged 15–64 years, (2006 dollars) ($ per person)

Table 5A.3 VET activity, 2006

Table 5A.4 Commonwealth and State Agreement funded VET activity, 2006

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, (2006 dollars) ($ per person)

Table 5A.7 Government payments to non-TAFE providers for VET delivery, 2006

Table 5A.8 Allocation of government real funds for VET (2006 dollars)

Table 5A.9 VET participation by age group

Table 5A.10 VET participation of people aged 15–64 years, by sex

Table 5A.11 VET participation, all ages, by region

Table 5A.12 VET students, all ages, by disability status, 2006 (per cent)

Table 5A.13 VET students, all ages, by language spoken at home, 2006 (per cent)

Table 5A.14 VET participation by Indigenous status, 2006 (per cent)

Table 5A.15 Government real recurrent expenditure per annual hour (2006 dollars) ($ per hour)

Table 5A.16 Government real recurrent expenditure per hour of publicly funded load pass, (2006 dollars) ($ per hour)

Table 5A.17 Cost of capital, 2006

Table 5A.18 Total government costs per annual hour, 2006 ($ per hour)

Table 5A.19 Total government VET costs per hour of publicly funded load pass, 2006 ($ per hour)

Table 5A.20 Proportion of graduates in employment and/or continued on to further study after completing a course (per cent)

Table 5A.21 Proportion of female graduates in employment and/or continued on to further study after completing a course (per cent)

Table 5A.22 Proportion of graduates from major cities in employment and/or continued on to further study after completing a course (per cent)

Table 5A.23 Proportion of graduates from inner regional areas in employment and/or continued on to further study after completing a course (per cent)

Table 5A.24 Proportion of graduates from outer regional areas in employment and/or continued on to further study after completing a course (per cent)

Table 5A.25 Proportion of graduates from remote and very remote areas in employment and/or continued on to further study after completing a course (per cent)

Table 5A.26 Proportion of graduates reporting a disability in employment and/or continued on to further study after completing a course (per cent)

Table 5A.27 Proportion of graduates speaking a language other than English at home in employment and/or continued on to further study after completing a course (per cent)

Table 5A.28 Labour force status after the course of graduates who were unemployed prior to the course (per cent)

Table 5A.29 Labour force status after the course of graduates who were employed prior to the course (per cent)

Table 5A.30 Graduates employed after who undertook their course for employment related reasons, relevance of course to main job (per cent)

Table 5A.31 Graduates who undertook their course for employment related reasons, job related benefits (per cent)

Table 5A.32 Load pass rates by sex (per cent)

Table 5A.33 Load pass rates by region (per cent)

Table 5A.34 Load pass rates by disability status (per cent)

Table 5A.35 Load pass rates by language spoken at home (per cent)

Table 5A.36 Whether course helped graduates achieve their main reason for undertaking training, all graduates

Table 5A.37 Whether course helped graduates achieve their main reason for undertaking training, female graduates

Table 5A.38 Whether course helped graduates achieve their main reason for undertaking training, graduates from major cities

Table 5A.39 Whether course helped graduates achieve their main reason for undertaking training, graduates from inner regional areas

Table 5A.40 Whether course helped graduates achieve their main reason for undertaking training, graduates from outer regional areas

Table 5A.41 Whether course helped graduates achieve their main reason for undertaking training, graduates from remote and very remote areas

Table 5A.42 Whether course helped graduates achieve their main reason for undertaking training, graduates reporting a disability

Table 5A.43 Whether course helped graduates achieve their main reason for undertaking training, graduates speaking a language other than English at home

Table 5A.44 Proportion of all graduates who were satisfied with the quality of their completed course, by purpose of study

Table 5A.45 Proportion of female graduates who were satisfied with the quality of their completed course, by purpose of study

Table 5A.46 Proportion of graduates from major cities who were satisfied with the quality of their completed course, by purpose of study

Table 5A.47 Proportion of graduates from inner regional areas who were satisfied with the quality of their completed course, by purpose of study

Table 5A.48 Proportion of graduates from outer regional areas who were satisfied with the quality of their completed course, by purpose of study

Table 5A.49 Proportion of graduates from remote and very remote areas who were satisfied with the quality of their completed course, by purpose of study

Table 5A.50 Proportion of graduates reporting a disability who were satisfied with the quality of their completed course, by purpose of study

Table 5A.51 Proportion of graduates speaking a language other than English at home who were satisfied with the quality of their completed course, by purpose of study

Table 5A.52 Number of VET qualifications completed by students, by sex

Table 5A.53 Number of VET qualifications completed by students, by region ('000)

Table 5A.54 Number of VET qualifications completed by students, by disability status ('000)

Table 5A.55 Number of VET qualifications completed by students, by language spoken at home ('000)

Table 5A.56 VET qualifications completed by students, by course level

Table 5A.57 Number of units of competency completed, by sex

Table 5A.58 Number of units of competency completed, by regions ('000)

Table 5A.59 Number of units of competency completed, by disability status ('000)

Table 5A.60 Number of units of competency completed, by language spoken at home ('000)

Table 5A.61 Number of modules completed, by sex

Table 5A.62 Number of modules completed, by region ('000)

Table 5A.63 Number of modules completed, by disability status ('000)

Table 5A.64 Number of modules completed, by language spoken at home ('000)

Table 5A.65 Load pass rates by Indigenous status (per cent)

Table 5A.66 Number of VET qualifications completed, by Indigenous status ('000)

Table 5A.67 Number of units of competency and modules completed, by Indigenous status ('000)

Table 5A.68 Proportion of Indigenous graduates who were satisfied with the quality of their completed course, by purpose of study

Table 5A.69 Proportion of Indigenous graduates in employment and/or continued on to further study after completing a course (per cent)

Table 5A.70 Employer engagement with VET, 2005 (per cent)

Table 5A.71 Employer satisfaction with VET, 2005 (per cent)

Table 5A.72 Gross Domestic Product chain price deflator (index)

5.8 References

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